

# Sustainable growth

In advanced manufacturing

2023

Sustainability  
report



 **DANOBATGROUP**



We are a benchmark in the manufacture of machine tools and are working towards being a benchmark in **sustainability**, by caring for the **planet, society** and **people**.

We have it clear, our individual and singular approach has worked out, and now, we wish to share it with you. **Read this report to find out more about what Danobatgroup does for sustainability.**



# Sustainable growth In advanced manufacturing 2023

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# Letter from the President and CEO

To move towards more sustainability as the leading company in advanced manufacturing. This was the ambitious challenge we set ourselves in 2021 in the current Strategic Plan of the group. Three years later, we can proudly state that sustainability is now an integral and essential element in Danobatgroup's activity.

However, we shouldn't rest on our laurels, because this is a long-distance race and we still have a lot of ground to cover. Nevertheless, we can confidently affirm that we have met the established targets and made great progress towards sustainable growth guided by ESG (Environmental, Social and Governance) criteria.

In the environmental realm, the progress made in 2023 to reduce the consumption of non-renewable sources and to transition towards one-third of our energy consumption being self-generated through renewable sources is noteworthy. Among other measures, we have continued to install solar panels on more roofs of our plants, now reaching a total of 4,160 solar panels which yield 20% of our energy consumption. Also, more than €1 million has been invested in an external solar farm scheduled for commissioning in 2025.

We are also making significant progress towards creating a decarbonisation plan for the future, supported by the measurement of the three scopes of the carbon footprint in 2023 by most of the cooperative companies of our group. This analysis is essential to ensure the effectiveness and accuracy of our long-term action plan.

With regard to the environmental impact of our products, it should be noted that in 2023, 4 new models of Soraluce machines were awarded the Ecodesign certification.

In addition, in 2023, the first measure of the Danobatgroup Mobility Plan came into fruition: the creation of an application to promote and increase the use of car sharing among employees with the aim of reducing the environmental impact.

On a social level, the objectives of generating quality employment established in the last strategic plan have been met and Danobatgroup continues to add high-skilled professional profiles year after year, with a workforce that now totals 1,462 people worldwide.

We also continue to work under our cooperative management model, an ethical, supportive and participatory model within the framework of the Mondragon Corporation. In this area in 2023 we incorporated new measures in the Legal Compliance Procedure and three new ESG policies were created and approved: sustainability policy, social action policy and diversity and equality policy.

We also continued to promote inter-cooperation projects, the hallmark of Mondragon's cooperatives with other companies and groups, more specifically with Fagor Arrasate in the Laser Blanking technology, and with Ategi in the investments in the solar farm, to mention but a few.

Danobatgroup's commitment to sustainability goes beyond its organisation and extends to society as a whole. In three years, more than 200 organisations have been beneficiaries of an amount in excess of € 1.5 million for social initiatives. At the same time, the group continues to run the participatory programme Elkarrekin Eragin, whereby our employees suggest and choose cooperation projects with a positive impact on the local community. In 2023, the second edition of this programme was completed, allocating €523,000 to three organisations,

and the selection process for funding new projects for the next 2024-2026 cycle is currently underway.

In addition, the group is committed to using local suppliers, with 80% of its suppliers currently from Spain and 70% from the Basque Autonomous Community and Navarra.

Likewise, with a special focus on encouraging scientific-technological vocations among the new generations, mainly among women, in 2023 the group supported the Mondragon City Challenge, ZTIM Hub, Zientzia Azoka, Bizilabe, Gladys Sariaik, Ada Byron Awards, IMH sariaik or the Mondragon TFG/TFM awards, and steps are being taken to participate with the First Lego League in 2024.

This commitment to people, the environment and society implemented through the ESG areas has become a fundamental part of the DNA of all the cooperatives and has resulted in a record year for Danobatgroup in economic terms, with a turnover of € 337 million, a new all-time record.

This growth has also been the result of a constant commitment to innovation, with an investment in R&D in excess of € 28 million in 2023, international expansion, with the opening of a new centre of excellence in Shanghai, modernisation of facilities, with the inauguration of the new Soraluce assembly plant, which was granted the LEED (Leadership in Energy and Environmental Design) certification, and technological diversification.

Looking ahead to the next strategic plan, this balance between economic growth, environmental protection and social welfare, together with the commitment and engagement of everybody in Danobatgroup, will continue to be key to consolidating the group as a benchmark in sustainability. This steadfast adherence to our values will always be the base for the future.

Andres Mazkieran  
Chairman of Danobatgroup



Pello Rodriguez  
Managing Director of Danobatgroup





# Danobatgroup's approach to sustainability management (economic, social and environmental)

## 01. Strategy

The integration of sustainability into Danobatgroup's corporate social strategies is one of the eight strategic lines set out in the group's Strategic Plan drawn up in 2021.

## 02. Materiality

Danobatgroup understands sustainability to mean the development and management of the thirteen material issues listed in its materiality matrix. *\*See section 09, Process for Identifying Material Issues in this report.*

## 03. Plan

In order to comply with the sustainability strategy, the Sustainability Plan was launched for the first time in 2022, which includes the objectives, action and related indicators for its implementation.

## 04. Sustainability Committee

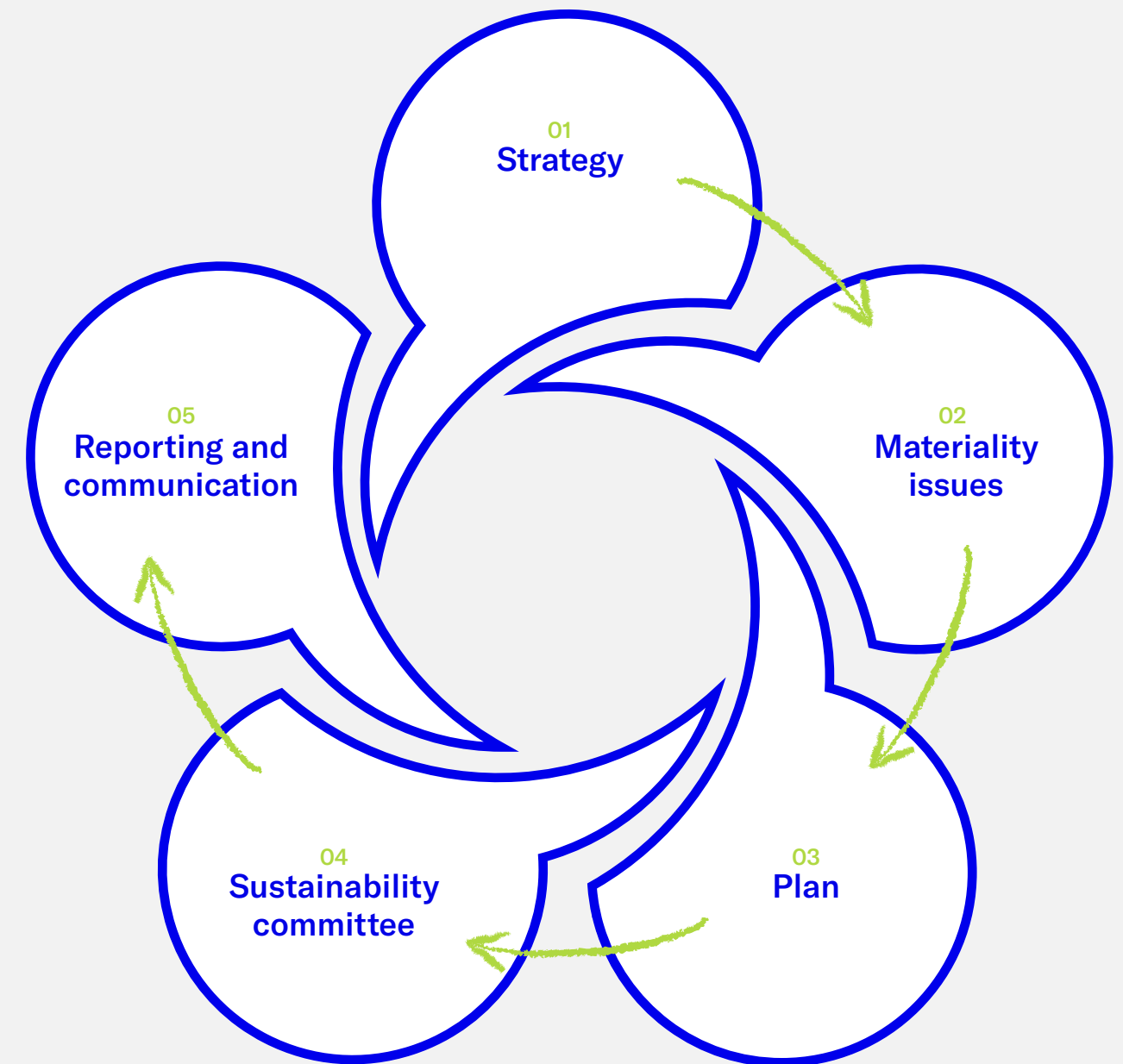
To drive sustainability management, the Sustainability Committee was created in 2021, made up of management, board members and experts from the different companies of the group.

This committee coordinates and monitors activities related to the selected material issues.

## 05. Reporting and communication

The annual sustainability report reflects Danobatgroup's management and developments in relation to the material issues. This report is published on the website of the group and disseminated both internally and externally.

Likewise, the companies Danobat and Soraluze publish their Non-Financial Information Statement on an annual basis.





# Commitments and key actions 2023

## Governance

- To adhere to an ethical and responsible business behaviour.
- To achieve the highest standards of co-operative governance and economic performance.
- To be publicly recognised as a company of integrity, transparency and accountability.
- To increase partnerships, strategic collaborations and intercooperation.

New measures have been incorporated into the **Legal Compliance Procedure** (Compliance). Among other aspects, the existing complaints channel has been improved and the Conflict and Harassment Protocol has been adapted based on the latest legislative changes.

Three new policies linked to ESG areas have been created and approved: **Sustainability Policy, Social Action Policy and Diversity and Equality Policy.**

## Environment and climate

- To reduce the environmental impact generated by the consumption of raw materials.
- To improve energy efficiency and reduce consumption from non-renewable sources.
- To minimise the environmental impact of products throughout their life cycle.
- To reduce waste generation and move towards a circular economy through recycling.
- To continue the transition to a zero-carbon future.
- To adapt management systems in the environmental field to customer requirements.

More **solar panels** were installed on the roofs of several buildings, and investments were made in a solar plant for future energy supply.

The calculation of scope 1, 2 and 3 of the **Organizational Carbon Footprint** of the majority of the group's companies has been carried out.

After the launch of the **Mobility Plan**, the first measure was implemented: an APP to promote and increase the use of car sharing.

4 new machine models have been certified in **Ecodesign**.



## People

- To be a benchmark in safety and welfare of workers.
- To be pioneers in the machine tool sector in the implementation of measures to promote equality, inclusion, diversity and non-discrimination.
- To be a driving force for the development of talent in the STEM field, both for our people and for society.
- To generate an optimal environment for the personal and professional development of our people.

Extension of the **Equality plans** to all companies of the group.

Reduction of the **incidence rate** from 15.18 to 13.45.

Support for the following **initiatives**: Mondragón City Challenge, ZTIM HUB, Zientzia Azoka, Bizilabe, Gladys awards, Ada Byron awards, Mondragon TFG/TFM awards and IMH awards.

## Sustainable development of the society

- To improve living conditions and promote sustainable development in the communities in which we operate.

Share of **state-wide industrial supplier of 80%**.

**€565,313** earmarked for actions associated with social development.

## Quality, excellence and innovation

- To offer high-quality products that build customer loyalty.
- To ensure the security and privacy of the customer.
- To innovate to achieve efficiency and improve customer satisfaction.

More than **€28 million** spent on **R&D&I actions**.

Improvements have been made on a tool aimed at streamlined and effective monitoring of the different **communication channels with customers**.



# About Danobatgroup

- ➊ Introduction
- ➋ Danobatgroup in figures
- ➌ Cooperatives and brands
- ➍ A Global group
- ➎ Mission, vision and values
- ➏ New businesses and intercooperation
- ➐ Alliances



# Introduction

Danobatgroup is an industrial cooperative group specialising in the manufacture of machine tools, solutions for the production of high-added value components, turnkey production systems, and technologically advanced services, catering to sectors with high demand, such as automotive, aeronautics, railways, and energy.

The group, a part of the Mondragon Corporation, boasts a history of over 70 years in developing high-precision systems and researching and applying manufacturing technologies. As the largest domestic manufacturer and one of the main European producers of machine tools, Danobatgroup employs over 1,400 people and records an annual turnover of more than 300 million euros, with more than 90% coming from international markets.

The group's core companies are Danobat, one of the leading manufacturers of grinding machines, high precision lathes and precision machining lines in Europe, along with its subsidiaries Hembrug and Overbeck. Then Soraluce, a world-leading manufacturer of milling, boring and multifunction technology, and Goimek, a company specialising in precision machining and large size and highly complex parts machining. To anticipate future challenges, diversify its value proposition, and explore new opportunities, Danobatgroup actively pursues alliances by acquiring new companies, participating in the social capital of startups, and promoting strategic partnerships with ancillary service providers as it has done with the companies such as Savvy, Endity and Novak among others.

Danobatgroup's international orientation and engagement with global markets have always been its hallmarks. While most manufacturing plants are located in the Basque Country, the group also has production plants in countries like Germany, the Netherlands, Romania, and the United States. Centres of Excellence strategically located in Germany, Italy, the Netherlands, the United States, and China further enhance its global presence.

## Commitment to innovation

Danobatgroup stands out for its firm commitment to innovation and development of pioneering technologies, a feature that sets us apart from other companies. Investing more than 9% of its income in innovation, the group boasts 44 families of its patents in operation. The Ideko research centre plays a crucial role as its technological partner, propelling innovation forward.

## A cooperative, sustainable group, committed to people and the environment

In addition to its technological prowess, Danobatgroup stands out for its strong commitment to sustainability, people, and the environment. Incorporating rigorous environmental, social, and good governance (ESG) criteria into the strategy, our roadmap aligns daily management with the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda. This commitment underscores Danobatgroup's ongoing dedication to creating value, something it has been doing since its inception.





# Cooperatives and brands



With a track record of more than 60 years hinged on innovation, Soraluce drives the machine tool sector thanks to its continuous innovative contributions in the field of engineering making it a benchmark in the sector.

With more than 3,000 machines installed on the market, Soraluce offers a wide range of milling machines, boring machines and vertical lathes, multifunction solutions and automated lines and systems. The company provides professional consultancy services in machining engineering by assessing its customers' production and machining processes and proposing solutions for optimisation in line with the quality, efficiency and cost parameters required by the investor.

Soraluce's success is based on first-class quality, top class service, cutting-edge in-house technology, a great capacity for customisation and its clear international focus.



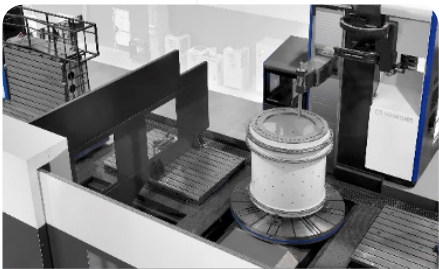
Danobat has been providing its customers with technologically advanced and fully customised manufacturing solutions and services for 70 years. As a result, the company has established itself as a leading provider of advanced manufacturing solutions.

The company has three renowned brands:

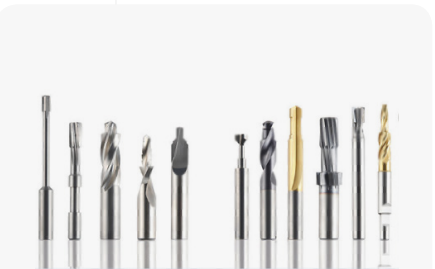
Danobat specialises in the development of innovative equipment, such as grinding machines, lathes and robotic systems for machining, and offers high-value services in the field of manufacturing.

Overbeck, with more than 90 years of experience, is a prestigious German developer and manufacturer of high-precision internal, external, and radius grinding machines.

Hembrug designs, builds and sells ultra-precise, fully hydrostatic hard turning machines as well as hybrid machines with turning and grinding capabilities.



Goimek is a specialist in precision and large machining services for strategic parts in highly demanding industries such as aerospace, wind power and capital goods. It has the most advanced production means and state-of-the-art testing instruments.



For more than 40 years, Latz has been designing and manufacturing cutting tools in high speed steel and hard metal for sectors such as the automotive, aeronautics and capital goods industries, meeting the most demanding production challenges and offering customised solutions for any customer need.



The technological centre Ideko is specialised in advanced manufacturing technologies and aims to generate, capture, and develop new technology capable of adequately meeting current and future challenges of industry.

Specialising in manufacturing technologies has enabled it to develop advanced solutions to improve the production capacity and competitiveness of its customers across strategic sectors.



# Danobatgroup in numbers



## 1,462

Professionals



## >90%

Export



## M€ 337

Turnover



## >9%

Investment in R&D&I



### Main countries:

- CHINA
- GERMANY
- ITALY
- SPAIN
- USA
- MEXICO



### Main Sectors:

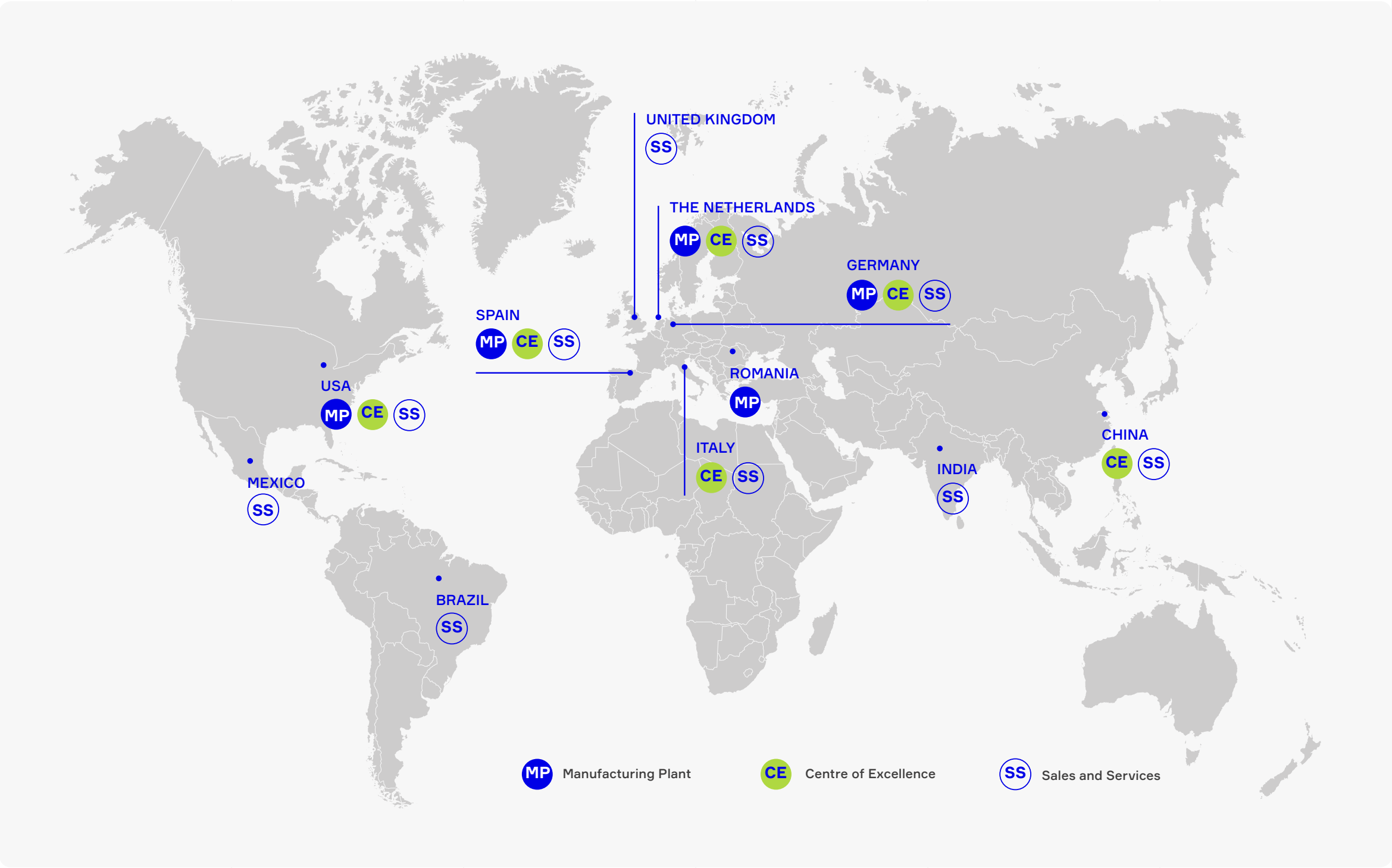
- AERONAUTICS AND AEROSPACE
- AUTOMOTIVE AND ELECTRIC MOBILITY
- CAPITAL GOODS
- ENERGY
- RAILWAYS



# A Global group

To secure efficient and smooth customer operations, Danobatgroup is always close by:

- ✦ Manufacturing plants in Spain, Germany, the Netherlands, Romania and United States.
- ✦ Centres of Excellence in Spain, Germany, Italy, the Netherlands, USA and China.
- ✦ Sales and service offices in many other countries.





# Vision and values

## A unique way of doing things.

Danobatgroup is a group of companies with values that revolve around people and cooperation. The talent, dedication and commitment of each individual are its foundations and cooperation is the key to achieving its results.

A group that advances in business to create wealth and quality employment in our community, through a solid and shared management model with a sense of legacy.

It is guided by values that unite them and drive them to make a difference.



### Commitment

Because we are involved as workers and partners of the company



### Customer focus

Because by knowing their needs and working collaboratively we can offer them the best solutions and grow together



### Innovation

Because in a constantly changing world we are ready and open to change



### Co-operation

Because working together for a common and shared project is the basis for the sustainability of our business project



### Trust

Because we are dependable and consistent with the decisions we take



## New businesses and intercooperation

As part of its strategy of sustainable growth and its mission to generate quality employment, Danobatgroup supports the growth of its companies, while encouraging the development of shared activities among them.

Also, the group drives inter-cooperation with other companies within the Mondragon Corporation, and collaborates with other companies and groups, such as MIA —Mondragon's Industrial Automation division—, to achieve higher goals and provide a higher added value proposition.

In addition, with the aim of diversifying the value proposition and exploring new business opportunities, Danobatgroup pursues a strategy of alliances that materialises in the acquisition of new companies, in the participation in the capital of benchmark start-ups, and in the establishment of strategic collaboration agreements with companies whose operation is complementary or fits in well with the activity of the companies of the group.

As a result of this alliance strategy, in 2015 the company acquired a majority stake in Savvy Data Systems, a company specialising in digitisation and data management processes. With this operation, Danobatgroup reaffirmed its commitment to industrial digitisation and Industry 4.0.



In 2020, the group created the company Endity Solutions to secure a position on the market for non-destructive inspection.



In 2022, Danobatgroup took a majority stake in NOVAK. This has helped the group to extend its capabilities in the field of grinding and revolution mahining, as well as to improve the quality of core parts of Danobat and Soralue machines.



In order to learn more about the world of semiconductor metrology through wavefront phase images, in 2023 the group enters together with Fagor Automation and Mondragon in the capital of WOOPTIX.





# Alliances

In order to be able to develop the technologies needed by the industry, Danobatgroup constantly and proactively seeks strategic alliances and collaborations with other relevant players.

Highlight, due to its special relevance, the Capital Goods project to drive the industrial resources within the Industrial Automation division at Mondragon (MIA), in which Danobatgroup is participating together with the co-operatives Fagor Arrasate, Fagor Automation and Mondragon Assembly in the search for synergies in the field of machine tools.

Furthermore, the industrial group actively participates in clusters and local entities such as Debegesa, Hegan or Bind 4.0, among others. It also does so in public entities such as Innobasque, the Basque Council for Science and Technology or the Basque Government, as well as in other entities operating in the field of regional and local governments. Danobatgroup also joins several initiatives in the sector, both on a local and international level. An example of this is AFM, VDW, AMT, UCIMU, etc.

Also, the academic collaboration of the research centre Ideko with prestigious institutions such as the University of Bremen, the University of Waterloo and the University of Budapest, Danobatgroup and its businesses have raised their level of scientific and technological excellence. These collaborations have also stretched to ETH-Zurich or SCC-Austria.

Danobatgroup also participates in forums and platforms that are benchmarks in the field of manufacturing. The international academy of industrial production CIRP, Euspen, Mondragon Forums, the Society for the Advancement of Material and Process Engineering or SAMPE, among others, are worth mentioning.


**Danobatgroup is constantly and proactively seeking strategic alliances and partnerships.**










# Alliances

Just to name but a few, in which Danobat-group is particularly active and in which we participate in the decision-making bodies:

	The Capital Goods Tractor Project, within Mondragon's Industrial Automation division (MIA), seeks to generate synergies in the field of machine tools, promoting joint projects between Fagor Arrasate, Fagor Automation, Mondragon Assembly and Danobatgroup.	
	The Basque Research and Technology Alliance (BRTA), a collaboration agreement between the Basque Government, the SPRI group (The Basque Business Development Agency), the Provincial Councils of Alava, Bizkaia and Gipuzkoa and 16 scientific and technological agents belonging to the Basque Science and Technology and Innovation Network.	
	The aim of the Basque Artificial Intelligence Centre is to lead and promote the development of Artificial Intelligence in the Basque Country in order to improve business competitiveness and the welfare of Basque society.	
	The Centre for Advanced Aeronautical Manufacturing (CFAA in Spanish) aims to develop advanced manufacturing technologies at levels of development that are rapidly transferable to the industrial fabric and oriented to this key sector of the economy.	

	The Spanish Association of Manufacturers of Machine Tools, Accessories, Components and Tools.	
	BPTD is part of a strategy that seeks the collaboration and alignment of all those who make up the industrial ecosystem of the Lower Deba region and surrounding areas: companies and organisations and institutions of the district, for the setting up of a "New, innovative and sustainable framework at the service of the growth of the industrial economy".	
	The International Academy for Production Engineering (CIRP), the world's leading production engineering research organisation, is at the forefront of the design, optimisation, control and management of processes, machines and systems.	
	The Advanced Manufacturing Research Centre (AMRC) at the University of Sheffield is a world-class centre conducting world-leading research into advanced machining, manufacturing and materials for aerospace and other high-value manufacturing sectors.	
	Foundation that inspires and generates technological progress in the industrial sector of Gipuzkoa through interaction, collaboration and shared knowledge.	



The actions of the sections 01, 02 and 03 are aligned with the sustainable development goals of the United Nations.



GRI-2 — [22] [28]



# Ethical, solidary and participatory management model

- Governance structure
- Inter-cooperative solidarity mechanisms
- Compliance and ESG policies
- Communication and transparency



Danobatgroup is made up of a group of Cooperative Companies that operate in accordance with an inclusive-participative business model. A humanistic management model that seeks to improve the competitiveness of the company and to bring the development of the workers to a higher level. This encourages participation of all members in the socio-economic project, involvement in its implementation and operation, and to share the responsibility for the results.

To achieve this, cooperative training, aimed at different professional profiles and with specific formats, is an essential ingredient to provide people with the necessary knowledge to enable them to take responsibility and participate actively in business management. Solidarity, as a lever for social transformation, is another tool embedded in Danobatgroup's management.

In short, a solid, shared management model with a sense of legacy, which promotes the involvement of people through multiple mechanisms and hinges on the Statutes of each cooperative, the internal regulation rules and a set of corporate rules, procedures and policies that lay down the principles and guidelines that govern the group's performance within the framework of Mondragón's co-operative management model.

# Danobatgroup moves forward in...



The incorporation of new measures in the Compliance programme.



The implementation of new policies related to sustainability.

Following the transposition of the Whistleblowing Directive in Spain, the existing **whistleblowing channel** has been improved, turning it into an anonymous, open, public and accessible communication channel.



### Conflict and harassment protocol:

It has been adapted based on the latest legislative changes and substantial improvements have been included regarding the appointment of the people in charge.



The following ESG policies were created and approved in 2023:

- **Sustainability policy**
- **Social action policy**
- **Diversity and equality policy**



# Governance structure and participation

Danobatgroup's organisational model is based on two pillars: the governing bodies of each partner company and the group's inter-cooperative bodies.

This allows for inter-cooperative management of Danobatgroup's operations, where each partner company retains its autonomy and independence, while at the same time it transfers some functions to the group's corporate bodies, where inter-cooperation and the participation of people from different companies in the governing bodies is promoted in order to achieve more efficient and effective management.

## Danobatgroup's intercooperative governing bodies

Body	Main functions and features
General Assembly	The General Assembly is the supreme body representing the group's Co-operatives and their decisions on matters affecting the Co-operatives and their members, within the framework of the powers established in the Articles of Association.
Governing Board	The Governing Board is the body that represents, governs and manages Danobatgroup, and is vested with all powers in this respect, except those expressly reserved by law or the Articles of Association to other corporate bodies. The Governing Board acts within the general policies defined by Mondragon.
General Management	The General Manager, acting on behalf of the Governing Board, is the highest governing executive of the Danobatgroup and of the co-operative-members in all matters relating to business functions, acting under the direction of the President of the General Board of Mondragon.





## Governance of each cooperative company of the Danobatgroup

In addition to the group's governance structure, each co-operative has its own governing bodies. The General Assembly with the participation of all members, the Governing Board, the Social Council, the Supervisory Committee and the Board of Directors.

### Specific committees

In addition, committees have been set up to coordinate and respond to strategic planning. The number of committees varies according to the needs of the moment and are created at the request of Danobatgroup's General Management.

- Financial Committee
  - Social Management committee
  - Sustainability Committee
  - Procurement Committee
  - Innovation Committee
- Quality and Industrial Design Committee
  - Marketing and Communication Committee
  - Safety and Health Committee
  - Basque Language Committee
  - Equality Committee

### Bodies of Mondragon

Also, Danobatgroup participates in the governing bodies of the Mondragon Corporation. These bodies include the General Board, the Industrial Board, the Permanent Committee and the Mondragon Congress.

## Participation of people and social dialogue

The participation of people and social dialogue is a constant in the day-to-day running of the organisation, which is reflected both in the Articles of Association and in the work dynamics and established communication channels. This organisational model is a true reflection of the open and horizontal leadership style promoted in Danobatgroup companies.

Through continuous interaction between the Governing Council, the Social Council and the Board of Directors, and the establishment of other channels of participation (open meetings, talks, etc.), it is guaranteed that all workers have the opportunity to make proposals and that their voice is taken into account in relation to social and organisational issues that transcend specific departments.

In this respect, the Articles of Association, the Internal Regulations and the Labour Standards that all the group companies have as a general reference framework for social relations should be highlighted.



# Inter-cooperative solidarity schemes

Solidarity, as a lever for social transformation, is another tool embedded in Danobatgroup’s management.

After the results of each cooperative are approved, a solidarity system is deployed which allocates funds as follows:



8% +  
an additional 5%

to compensate the losses of those cooperatives that have obtained negative results.



10%

to financial funds of the Division.



7%

to Mondragon Corporation funds.

After the redeployment, and subtracting corporate tax, the surplus is distributed as decided by the General Assembly, in accordance with the following rules:



At least the legally required amount is allocated to the Contribution for Cooperative Education and Promotion and Other Purposes of Public Interest (COFIP) and to the Mandatory Reserve Fund.



The remainder of the Net Surplus is used for Cooperative Dividends and the Voluntary Reserve Fund.



Danobatgroup's main economic and financial indicators	2021	2022	2023
Sales	€ 199,517,000	€ 223,994,000	€ 274.152 .000
Consolidated sales (aggregate subsidiaries)	€ 250,266,000	€ 277,000,000	€ 336.982.000
Benefits: before interest, redeployment and COFIP allocation funds	€ 16,073,000	€ 18,139,000	€ 28.130.000
Net Financial Debt / EBITDA Ratio	-3.47	-3.29	-0,72
Independence Ratio	1.5	1.59	1,53

# Compliance and ESG policies

The cooperative model of the group's businesses is based on a personal and collective commitment to do things better and differently. The aim is to promote a corporate social project that is inclusive, supportive, sustainable and transformative, following the principles of the United Nations Universal Declaration of Human Rights of 1948.

Hence, the group is committed to people and the environment, and pursues a culture of responsibility and respect for human rights. Furthermore, the group's companies operate in accordance with the provisions defined by the fundamental conventions of the International Labour Organisation (ILO), related to respect for freedom of association and the right to collective bargaining, non-discrimination in employment, the elimination of forced or compulsory labour and the abolition of child labour.

In 2023, the existing Whistleblower Channel was improved, turning it into an anonymous, open, public and accessible communication channel

## Compliance program

Within this general framework of action, and with the aim of fighting corruption and bribery, among others, the main companies of the group have a Compliance Programme that includes the Code of Ethics, supported by policies on anti-corruption, conflict of interest prevention, privacy and confidentiality, conflict and harassment, and also a Criminal Risk Prevention Manual.

Both the Code of Ethics and the associated policies and the Manual have been made available to all employees through the intranet of each business and the usual communication channels, in addition to having included all related information in the Welcome Plan for new employees.

This Regulatory Compliance programme was written up after taking the necessary steps required for the effectiveness of the Compliance Programme, namely:

- Criminal Risk Assessment
- Criminal Risk Prevention Plan

It should be noted that in 2023 the policy for action against conflict and harassment was updated, adapting it to the latest legislative changes, and including improvements regarding the appointment of people in charge and the procedure.

The companies of the group also have a system for monitoring the functioning of the Criminal Risk Prevention System, a Whistleblower Channel and a Compliance Committee.

Among other functions, this Committee manages and promotes the dissemination and knowledge of the Code of Ethics, responds to any doubts regarding the interpretation of the regulations and clarifies possible situations of conflict, with a view to preventing such situations. Furthermore the committee investigates complaints and possible breaches, in which case appropriate measures are taken. Annually, information is collected on the degree of compliance, and the Code of Ethics is reviewed, of which all staff is informed together with any actions for improvement, if any.

Following the transposition of the Whistleblowing Directive in Spain, which came into force on 13 March 2023, through the so-called Law for the protection of whistleblowers (Law 2/2023, of 20 February 2023, regulating the protection of persons who report regulatory infringements and the fight against corruption), In 2023, the existing Whistleblower Channel was improved, turning it into an anonymous, open, public and accessible communication channel, to facilitate the confidential and agile reporting of irregularities or breaches of the code of ethics.



## ESG policies and other elements to be taken into consideration

The companies of the group have various policies in the environmental, social and economic and governance fields, such as Danobat's integrated management policy for occupational health and safety, quality, environment and energy, and the Integrated policy for safety, quality, environment and eco-design of Soraluece.

In addition, all the organisations have the following:

### Code of conduct for suppliers

In the area of subcontracting and supplier management, there is a specific Code of Conduct, whereby the supplier entity declares that its operations are carried out in accordance with the core values of respect for human rights at work, the environment and anti-corruption practices.

### Information security standards

Information Security standards have been implemented, for which Danobatgroup has drawn up different protocols and standards. Hence, it is possible to involve everyone in guaranteeing the confidentiality of information and the proper use of computer equipment (Confidentiality Rules, Industrial and Intellectual Property, non-competition, responsibility and proper use of Information Systems).

In 2023, three new fundamental policies were created and approved at group level with future implementation in the companies in order to continue progressing in the field of sustainability:

### Sustainability Policy

This policy is the reference framework for the effective integration of environmental, social and governance (ESG) issues in Danobatgroup's decision-making process, in the development of its activity, and in the relationship with the group's main stakeholders.

### Social Action Policy

This policy is the reference framework for the effective integration of the objectives relating to the Social Commitment area of Danobatgroup's Sustainability Strategy.

### Diversity and Equality Policy

It is the framework to advance in promoting inclusive spaces and cultures that boost gender equality particularly, as well as respect and integration of the diversity of people in its broadest sense.

This culture of ethics and transparency makes it possible to reach the goal of zero corruption, which all Danobatgroup companies achieved in 2023.

In 2023, there were no complaints regarding human rights violations or complaints about breaches of other ethical principles. No legal actions related to unfair competition, monopolistic and anti-competitive practices, or non-compliance with laws and regulations in the social and economic spheres were reported.

Cases of corruption

0

Human Rights Violations

0



## Communication, transparency and cooperative training

Danobatgroup is characterised by a culture of transparency and fluid internal communication through the different governing bodies, presentations and talks, and internal tools such as the employee portal and the e-mail communication channel, among others, to inform employees about relevant issues.

In addition, external communication channels such as the corporate website, social networks and newsletters have been set up to establish a fluid dialogue with stakeholders.

Fully aware of the importance of a business culture that is consistent with the values and needs of the people in the organisation, an organisational culture survey is conducted every 2 or 3 years since 2010.

Likewise, Danobatgroup is aware of the importance of developing people in the organisation, so that they take responsibility and actively participate in business management. To achieve this, cooperative training is an essential component of the cooperative management model.

For this reason there are co-operative training programmes with specific formats aimed at different professionals, such as training for people joining the governing bodies of companies, training for managers, or training for new members.

**75 people have completed the specific training aimed at newly joined cooperative members in 2023.**





# The actions of this section are aligned with the United Nations Sustainable Development Goals.



GRI 205 — [205-3]

GRI 2 — [2-29] [2-10]





→ 05

# Committed to people

- People of Danobatgroup
- Solidarity wage
- Health and safety at work
- Talent attraction and management
- Training and professional development
- Diversity, equality and non-discrimination



Danobatgroup is committed to a corporate social project that places people at the centre, people committed to the business project, who together shoulder the objective of generating lasting and sustainable wealth and employment wherever the group and its companies are present.

For that reason Danobatgroup is firmly committed to the personal and professional development of all people of the organisation, maximising their well-being and employability, so that they give the best of themselves.

This commitment extends to the field of talent attraction, with the aim of responding to the challenges of today's advanced manufacturing sector and anticipating future needs.

In addition, Danobatgroup makes every effort to provide an environment that safeguards health and safety of people, and pursues a policy of wage solidarity throughout the organisation, where diversity, non-discrimination and equal opportunities between people prevail.

# Danobatgroup moves forward in...



The promotion of STEM vocations and the increased presence of women in this field.



Adoption of measures to promote equal treatment and opportunities for women and men.

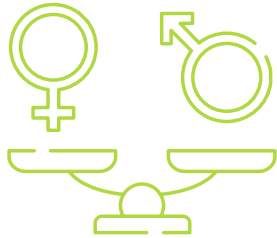


Commitment to the continuous training of its people.



Promoting a safe working environment.

Support for the following initiatives:



**Equality Plans** in all companies of the group.



In 2023, **online training** through on-demand training platforms, and personalised training plans was made available.



Danobatgroup's **average incidence rate** is 13.45, well below the average for industrial companies in the Basque Autonomous Community, which stands at 63.04.

**13.45**

# Danobatgroup people

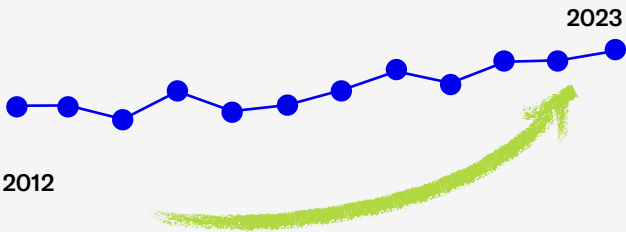
1462  
Working people

 **1049**  
In the Basque Country

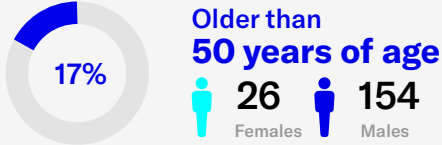
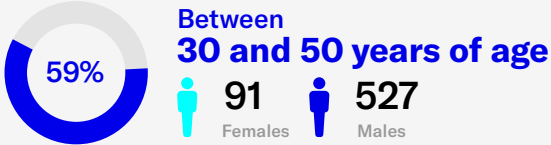
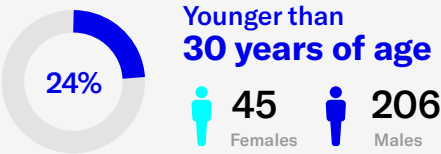
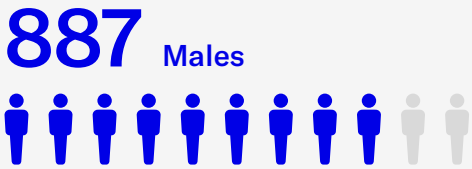
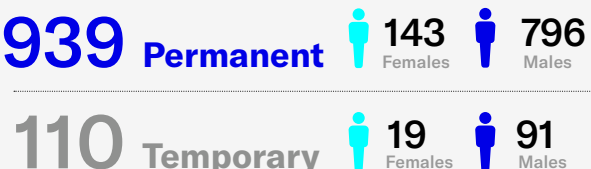
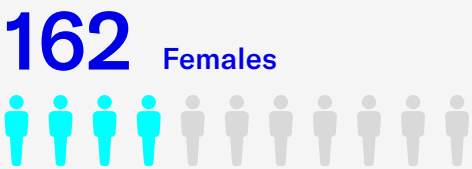
**878**  
Cooperative members



Employment rate:



The number of employees has grown steadily in recent years, reflecting Danobatgroup's efforts to create jobs and, in particular, to promote cooperative employment.



For more information see: Annex 1, GRI 2-7 Employees



# Solidarity wage

In line with its corporate values, Danobatgroup applies the principle of solidarity wage throughout the organisation, which translates into a narrow salary range between positions with less responsibility and those of senior management.

Thus, this principle ensures sufficient and solidarity-based remuneration for work. This wage model, based on the efficiency and performance of the worker in the job, is built on an objective system that takes into account the knowledge and experience required, the responsibility and effort of each job.

This remuneration policy applies equally to everyone in the organisation. The Human Resources Committee, together with the Governing Board, approves and makes decisions regarding the remuneration of individuals. The remuneration scale is continuously reviewed, and every year, adjustments and improvements are made as deemed necessary in the light of organisational changes or substantial changes in the responsibilities assigned to individuals.

On a regular basis, benchmarking of remuneration with other organisations is carried out to ensure the remuneration follows trends elsewhere.



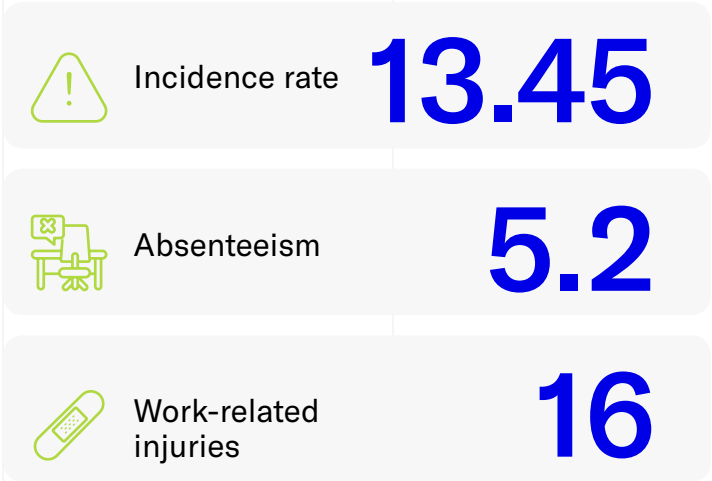
x 4.5

Maximum pay gap between Danobatgroup working people

# Health and safety at work

Danobatgroup is committed not only to safety, but also to creating healthy work environments. Beyond physical safety, the cooperative group is deeply involved in managing mental health in the work environment.

All group companies have implemented their respective Occupational Risk Prevention Management Systems, in compliance with the Occupational Risk Prevention Act, its implementing regulation in line with the criteria of the ISO45001 standard, as well as the Health Surveillance Plan.



For more information see: Annex 2, GRI 403-9 Work-related injuries and GRI 403-10 Occupational diseases and illnesses

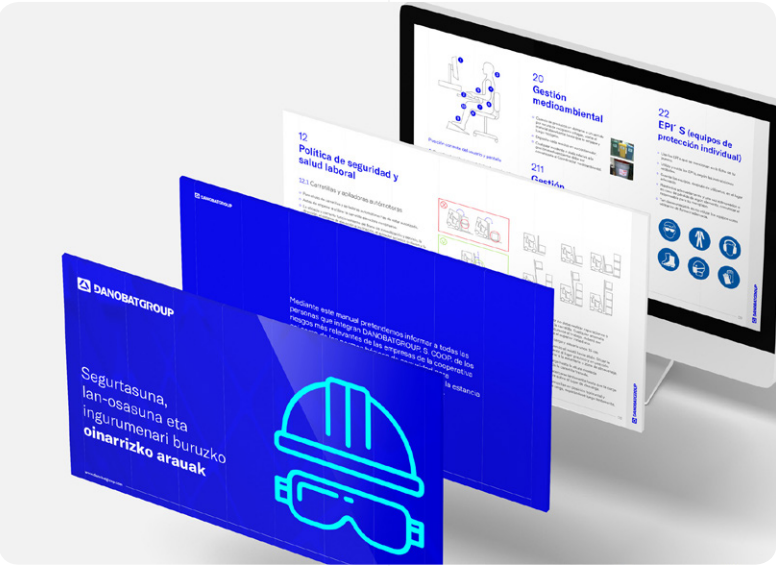
## Occupational risk prevention plan

Danobat, Soraluze and Goimek hold the AENOR-certificate for occupational safety and risk prevention.

The basic objectives in the area of OHS are set out in the 2021-2024 Strategic Plans of the companies of the group. In each one, there is a Risk Prevention Committee, made up of people with different functions in the organisation (management, delegates, prevention technicians and medical service). This committee is the body that ensures compliance with the commitments established in the plans. Through this committee, the prevention delegates monitor the management plan, and participate in the management of health and safety issues. The risk prevention committee informs people about the management it carries out through the risk assessment inherent to each job. It also reports on the outcome of the investigation of accidents and incidents at work and corrective actions taken to improve the system.

By means of the corresponding established protocols and mechanisms, compliance with safety regulations by external people who interact with our companies is ensured in all group facilities.

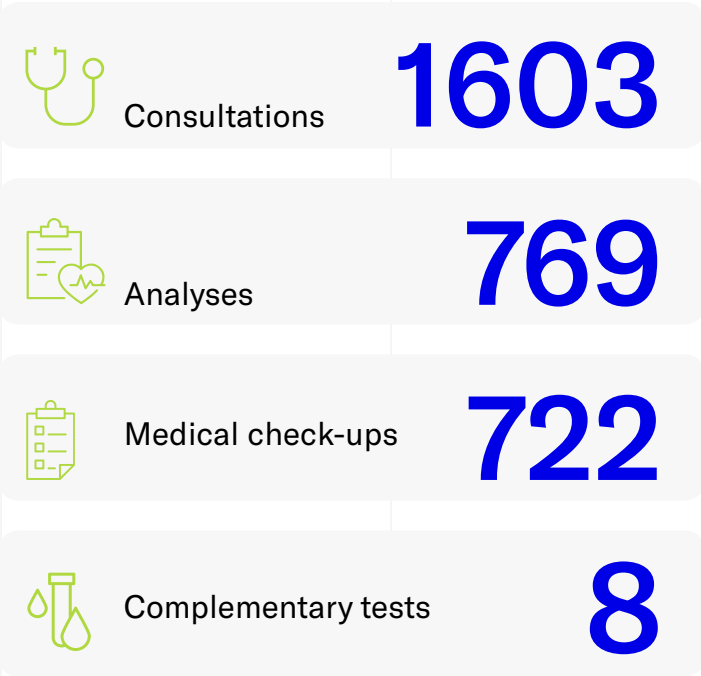
In the context of this plan in 2023, psychosocial risk assessment surveys were launched in all the group's cooperatives to identify and measure psychosocial risk factors in order to detect risk, identify the people exposed, and assess the risk by establishing priority levels. Following the survey, the results and the consequent action plan for improvement are expected to be available in 2024.





Own occupational health service.

Danobatgroup has its own health service with a company doctor and a company nurse on staff. Among other tasks, the Danobatgroup health service is responsible for carrying out Health Surveillance (HS) of the employees. As part of this surveillance, in 2023 the following was carried out:



Lagun Aro, social protection system for members.

Lagun Aro is the voluntary social welfare institution of which the companies of the group are members, and whose mission is to provide social protection services to its members.

Lagun Aro provides a mixed coverage system that includes direct benefits and benefits from the Public Social Security System, through the Special Scheme for Self-Employed Workers, in which Danobatgroup members pay contributions.

Lagun Aro offers the following benefits to group employees:

- Benefits schemes. These include retirement, disability and widow's and widower's benefits. In these cases, Lagun Aro's services complement the services provided by the public system. Hence, beneficiaries receive benefits from both systems.
- Support provisions. These cover unemployment benefits, temporary sick leave and health care. The first two replace the provisions of the public system, and the third provides private health insurance for all members.



“Healthy Company” project.

Danobatgroup has been involved in the "Healthy Company" project for several years. This project focuses on improving people's health, with specific action, combined with awareness-raising campaigns. Some of the action taken is the following:



Promotion of a healthy diet: Through providing information and proposals to the head chef for healthier menus for the canteens set up in the company. Also, the vending machines are stocked with healthy products.



Own canteen service in Elgoibar and Bergara: The fact that an in-house canteen is available at the premises reduces meal times and avoids having to travel away for meals.



Encouragement of exercise and sustainable mobility by promoting active mobility measures.

Support service for people travelling abroad.

As an international group, Danobatgroup staff frequently travel abroad for business purposes. To this purpose, the group has all the necessary mechanisms in place to cover any extraordinary situation that may arise abroad, as established in the Duty of Care regulations. Specifically, all members of the group are provided with travel health insurance through IMA Ibérica and the services of International SOS (a leading company in medical assistance, international health care and travel security services).

Health and safety training and communication

Training and communication in the field of health and safety is key for Danobatgroup. Training is provided annually to employees on health and safety risks and good working practices in each of their areas. Fire-fighting and first aid courses are given, as well as talks or courses related to well-being and a healthy company, such as smoking cessation courses, mindfulness training, pre-retirement training for people over 59 years of age, or courses on road safety, among others. This is complemented by awareness-raising campaigns, via internal communication and internal meetings.

Contribution to the Akribea Project

In 2021 Danobatgroup joined the Akribea project, an initiative led by the Centre for Cooperative Research in Biosciences (CIC bioGUNE) in collaboration with OSARTEN, Mondragon Unibertsitatea and the Basque BIOBANK. The Akribea project is based on personalised or precision medicine, and aims to generate a database to support diagnosis based on the analysis of the active population of the Basque Country. This study over a period of five years, has the voluntary and anonymous collaboration of Danobatgroup workers, as well as other Mondragon cooperatives.





# Talent attraction and management

Danobatgroup is strongly committed to the personal and professional development of all members of its organisation. A commitment to, one the one hand, look after people and on the other hand keep their employability at the highest possible level.

For this reason, we are committed to strategic management of talent, so that our human capital can develop their full potential, satisfy their aspirations and meet their goals while helping the cooperative to meet its challenges.

Within the framework of strategic talent management, Danobatgroup works pro-actively to attract talent in order to meet both current and future needs in the field of advanced manufacturing. To this end, the group participates in initiatives that boost STEM studies among young people, promotes agreements and strategic collaborations with universities and educational centres, and advertises as an employer brand, among other actions.

## Talent attraction

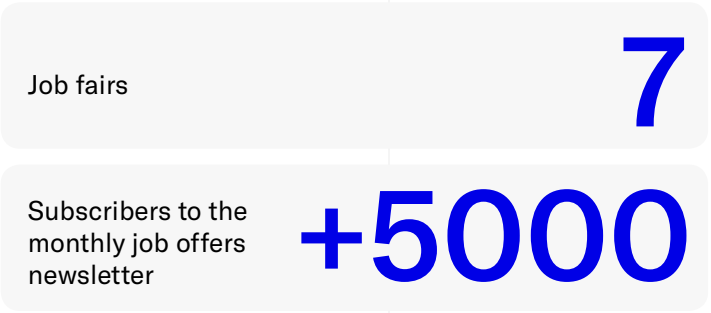
With the emergence of new technologies, the industrial manufacturing sector is undergoing a process of profound and continuous changes. In this context, Danobatgroup needs new professionals who are able to meet these constant challenges.

Constant interaction with young people throughout their training process is a hallmark of Danobatgroup. Thanks to this, all endeavours of the group to ensure that young people positively value their integration into Danobatgroup at the end of their studies are highly successful.

### Direct actions to attract talent

Danobatgroup promotes itself as an employer brand by going to job fairs, organising visits for centres, schools and universities, through continuous placing job offers on the corporate website, social media and employment platforms such as Infoempleo, LinkedIn or Mondragon People, and through monthly newsletters sent to the subscribers and people who have expressed interest in working at Danobatgroup. But above all, the brand is promoted through the ambassadorial work of the people themselves, telling their environment what they do and what it is like to work at Danobatgroup.

Some data relating to 2023:



## Strategic agreements and collaborations

In order to anticipate the needs of the manufacturing industry, Danobatgroup builds strong relationships with the educational community, with the aim of achieving specialisation and professionalisation of talent.

Danobatgroup maintains collaboration agreements and alliances with the main academic institutions in the Basque Country in the field of engineering.

In this way, the group also plays an educational and informative role in line with its social commitment.

The aim of these alliances is to get closer to the academic community, to promote the involvement of the business fabric in education, and to ensure that new graduates perceive the pursuit of their professional career in the industrial sector as a preferred option, a sector where highly specialised personnel is required with many attractions that are not always obvious to the new graduates.

This university-business collaboration strategy has materialised into several agreements with different academic institutions, such as the University of the Basque Country UPV/EHU, the Engineering College of the University of Navarra (Tecnun), the Mondragon University, the University of Deusto and the Machine Tool Institute. These agreements lead to different support schemes and relationships which ultimately facilitate bringing talent closer to the machine tool sector.

## Contribution to training through dual training, placements, final projects/master's degrees and work-linked training schemes

Danobatgroup pursues bring students closer to the industrial world by offering several training options, such as: work placements, dual training, writing a thesis or master's degree projects in the different companies of the group. In 2023, more than 50 people were trained at Danobatgroup through the various existing formulas.

Boosting interest in STEM studies

The process of digitisation of production environments and the challenges of smart factories demand new professional profiles that combine multidisciplinary scientific and technological knowledge within the STEM (Science, Technology, Engineering and Mathematics) field.

Danobatgroup is committed to anticipating the needs of the manufacturing industry through fostering scientific and technological vocations among young people, specifically geared to women. Danobatgroup knows that encouraging women to pursue scientific, technological and research careers is key to the sustainability of the industrial sector, to the competitiveness of the productive fabric and to innovation.

With this in mind, the group is involved in various projects aimed at boosting the creation of vocations and STEM references, to make visible the contribution of women in the scientific and technological fields and to create references that can serve as an inspiration.

Among others, the group participates in the following programmes:

Elgoibarko Zientzia Azoka

This event is organised by the Elgoibar Town Council, educational centres, companies and different local agents, to promote science, technology and innovation, and to increase scientific culture among the children and young people of Elgoibar.



Bizilabe

This initiative is promoted by the Elhuyar Foundation, aimed at young people between the ages of 10 and 19, which encourages them to develop theories and experiments without the rigidity of the school curriculum. By encouraging autonomy, creativity and independence, enthusiasm for science and technology is awakened at an early age.



ZTIM HUB

This project is led by Mondragon Goi Eskola Politeknikoa and Huhezi to promote STEM vocations through cooperation between the business fabric and the education sector with the aim of creating spaces for science, engineering, technology and mathematics.





### Mondragon TFG/TFM Awards

Promoted by the Mondragon Corporation, these awards seek to recognise work that makes an innovative and sustainable contribution to meeting the challenges of the 21st century by students from any university who have completed their final degree or master's project. Specifically, Danobatgroup has sponsored the "Digital Transformation Award", aimed at the two best proposals to accelerate digital transformation and promote the competitiveness of industry.



### Mondragon City Challenge

International championship aimed at promoting the culture of entrepreneurship and cooperative values among young people. The initiative is organised by El Diario Vasco, Arrasate Town Council, the Basque Government, the Higher Council of Cooperatives of the Basque Country, the Confederation of Cooperatives of the Basque Country, the Mondragon Corporation, the Provincial Council of Gipuzkoa and Mondragon Unibertsitatea.



### FIRST® LEGO® League (FLL)

In 2023, Danobatgroup made efforts to establish a partnership for 2024 with this international educational programme that promotes scientific-technological vocations among young people aged 4 to 16. This programme, which already inspires more than 250,000 young people in 90 countries, is based on fun, hands-on experiences to solve real-world problems and contribute to building a better future.



### Sponsorship of the Ada Byron Awards for women in technology

The University of Deusto award is given annually to women technologists to highlight their excellency achieved during their careers.



### Sponsorship of the Gladys Awards

This award recognises the work of professional women in the digital environment and gives visibility to their work, while at the same time an example is set for young people in the field of IT. This is an initiative of the PuntuEUS Foundation and the Faculty of Computer Science of the University of the Basque Country, and is sponsored by the Equality Body of the Provincial Government of Gipuzkoa and Emakunde.



### IMH Awards

Award granted by the Integrated Vocational Training Center of IMH Campus with the aim of honoring the value of Vocational Training and its contribution to our society.



Talent  
management

Danobatgroup can avail of the advantages and opportunities of a large business group (business solidity, internal mobility, career plans, etc.), but also of the advantages of a medium-sized company, such as treatment, close attention to each person, participation, etc.

In this regard, the group believes that before turning to the market, it must develop and leverage the talent already existing in the organisation. The potential of our teams is very high, and a system must be structured to fully avail of this, on the one hand, to promote the professional development of people, and on the other hand, to face the organisational challenges, as far as possible, with the people who are part of the organisation.

In line with the above, Danobatgroup has a policy of internal promotion. In other words, before bringing in people from outside, the opportunity is opened up to those already on the staff. All working people are also actively asked about their career aspirations, in order to try to steer them as far as possible whenever opportunities arise within the organisation. At a time of talent shortage such as now, policies and systems to promote the development of existing skills are a clear competitive advantage.

In addition to pursuing internal promotion, the following actions are being carried out by the group for effective talent management:

- Since 2017, we work with a program for Talent Management, which includes: conversations for development, performance and potential assessments, Bottom Up assessments, Talent Reviews, and aspiration management.
- The experience of employees at all levels is managed: communication, professional development, systems for participation in management and responsibility for the organisation's results.
- There is an optimised onboarding process (first 90 days): welcome plan, elaboration of the training plan according to professional profiles, regular follow-ups, etc.
- A culture is pursued in which each person is responsible for their own development and where managers take on the role of developing their teams.
- Individualised career plans are drawn up based on people's concerns/expectations.
- The group works together with international organisations to facilitate the exchange of people and stays abroad, with the aim of transferring trained people to establishments abroad.



In 2023, the following  
vacancies were  
published internally

30  
vacancies



# Training and professional development

Danobatgroup has a clear commitment to the professional development of the people in the organisation, based on the premise that each person is the owner and protagonist of their own employability, and that each person takes on the leading role of their preparation. For that reason, Danobatgroup is committed to continuous training of its professionals throughout their careers.

In the coming years, global trends such as digitisation and decarbonisation will require the transformation of many existing jobs. In this context, identifying retraining schemes of the people concerned and structuring the way in which these processes are boosted will become one of the main priorities.

Likewise, in order to respond to the high degree of international character of business, Danobatgroup promotes continuous learning of foreign languages, and makes face-to-face and online language courses available to its people.

Average hours of training per year per person

31.82

Danobatgroup is currently carrying out the following actions in the field of training.

- 3 Annual Training Plan and/or Individual Development Plans. Both programmes focus on technical skills as well as soft skills relative to attitudinal competences.
- 3 Made available to all those who are interested in learning through platforms such as LinkedIn Learning. In this way, each person can be trained in any area of interest, even irrespective of the position they hold, with no other limitation than their own interest.
- 3 Transversal training development, both at departmental and organisation-wide level (digital skills, cybersecurity, languages, people management, occupational risk prevention, etc.).
- 3 Self-management of all necessary and reasonable training for the development of each person.



For more information see: Annex 3, GRI 404-1 Average number of training hours per year per employee

Standardisation  
of the Basque language

Since the early days of Danobatgroup, the Basque language and culture has been a priority, and much work has been done to enable people to work in their mother tongue if they wished to do so.

Since Danobatgroup implemented the first Basque language plan in one of its companies more than 20 years ago, the group has continued to take steps to intensify its use, and motivated people to increase their knowledge of the Basque language.


Likewise, Danobatgroup participates in various initiatives on a local level to promote the Basque language, as mentioned in section 7 on social commitment in this report. In addition, it sponsors many of these social initiatives.

100%

Of the Danobatgroup companies have Basque language plans.

€211,299


investment in Basque language plans in 2023.



All Danobatgroup companies are accredited with the BIKAIN quality certificate in language management, awarded by the Basque Government.

EUS

Active participation in the following organisations: **Mondragon Basque Committee, Euskaragileak and INDEUS.**



With the aim of enriching and promoting the Basque language within the framework of the Sustainable Development Goals (SDGs) and raising public awareness of the importance of sustainability, Danobatgroup published the Plurilingual Dictionary (Basque, Spanish and English) of the 2030 Agenda together with Elhuyar and the Basque Government in 2023.

DANOBATGROUP

01 02 03 04 05 06 07 08 09 10 39



# Diversity, equality and non-discrimination

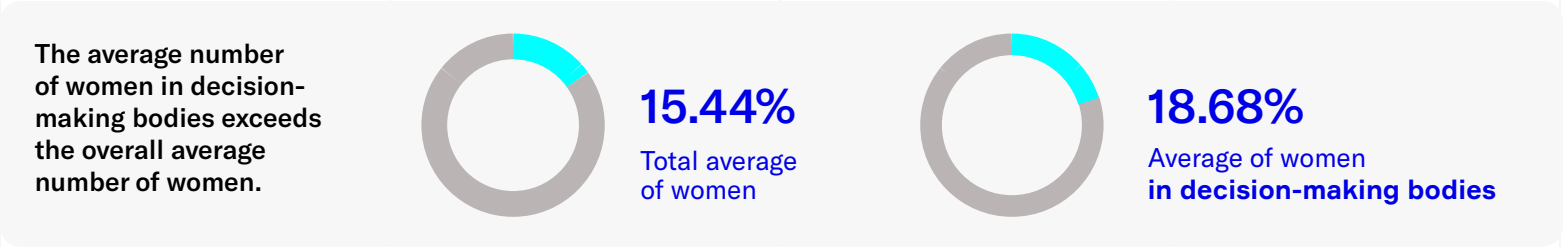
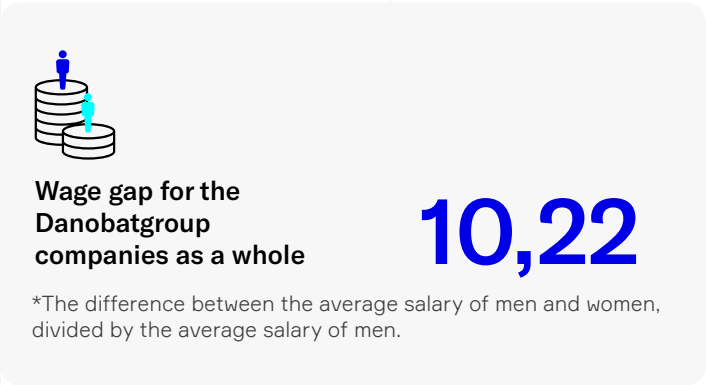
The machine tool sector and, in general, those sectors in which Danobatgroup's customers operate, have traditionally been male-dominated. Danobatgroup, however, strongly believes in the need to foster inclusive spaces and cultures that promote gender equality in particular, as well as respect and integration of people's diversity in its broadest sense.

This commitment is propagated both internally in the organisation and manifested to the society.

Danobatgroup believes in equal opportunities for all people, and that different ages, genders, races, etc. substantially enrich the operations carried out by the companies of the group, and therefore the positive impact of it cannot and should not be forsaken. In this respect, the group is working on steps to reduce the gender pay gap.

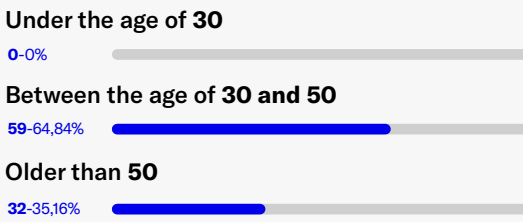
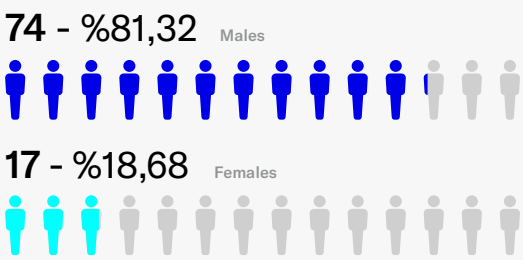
For this reason, since 2020, equality plans, be it for legal reasons or on a voluntary basis, have been put in place in all companies of the group. In addition, specific committees have been set up to implement the objectives set out in the plans.

Danobatgroup also promotes equality, diversity and an egalitarian culture in its catchment area. In this regard, the group cooperates with initiatives that promote equality between men and women, especially in the STEM field, such as the sponsorship of the Ada Byron and Gladys awards.

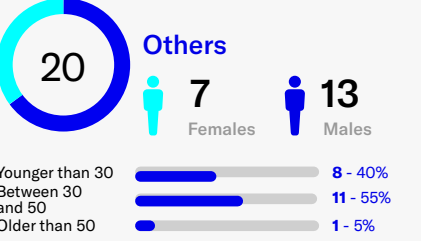
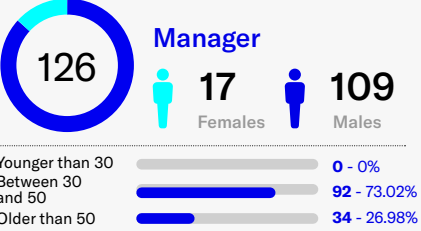
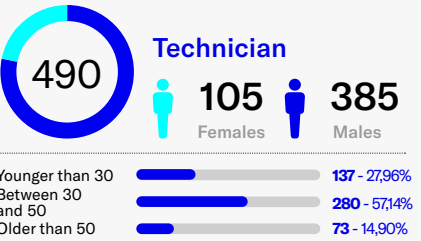
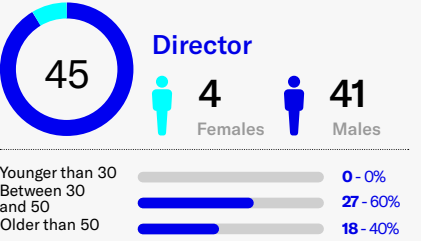
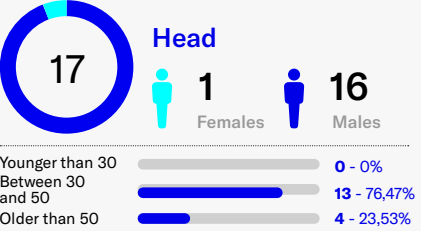
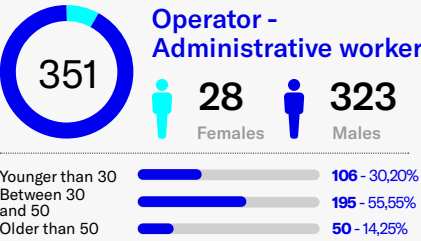
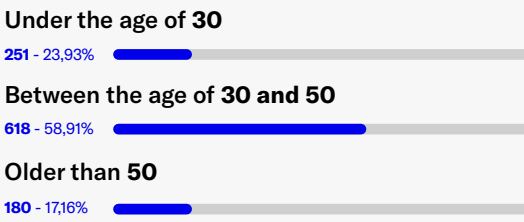
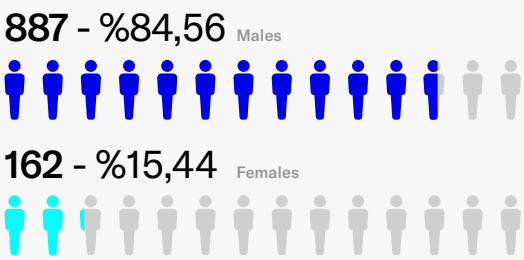


Governing bodies

91  
People in governing bodies



People by employment category



For more information see: Annex 4, GRI 405-1 Diversity in governing bodies and employees



Equality and Diversity Plan

All Danobatgroup companies have an equality plan, an equality committee in each company, and a joint committee at group level for the definition of general policies, as well as for the implementation of policies and initiatives to materialise real equality in Danobatgroup. Likewise, with the aim of sharing knowledge and experiences, the group participates in the Mondragon corporation forum for gender equality.

Through these plans, Danobatgroup and its companies are making headway in integrating equality and diversity in all operations and areas, improving the management of people in a gender-sensitive manner, promoting non-sexist communication and raising awareness of equality in order to provide people with a more diverse and inclusive outlook.

- The actions that are addressed through these plans are many and very ambitious. In 2023, progress has been made in the following:
- Approval and dissemination of the common policy for the whole Danobatgroup on equality and diversity.
  - Raising awareness and training in equality.
  - Organise visits to other cooperatives to share experiences and knowledge of equality practices.
  - Integration of the gender perspective at different levels of management.
  - The revision and updating of the protocol of action in the face of conflict and harassment, already mentioned in section 04 of this report, including substantial improvements in terms of the appointment of the people responsible and in order to adapt to the latest legislative changes.
  - Systematisation of data for the annual analysis of the pay gap and establishing corrective measures in this regard.
  - Maximising work-life balance measures and providing relative information.
  - Ensuring equal access to positions of responsibility.
  - Promoting STEAM vocations among young women.
  - Promoting equality in external relations.



## Work–life balance

Danobatgroup continues to move forward and to set itself new challenges. The group recognises that an egalitarian organisation is difficult to achieve unless an appropriate work-life balance scheme is put in place. The formulation and implementation of a policy and concrete action aimed at promoting work-life balance is an obligation and a priority for Danobatgroup.

The global wellbeing of the people who work at Danobatgroup, and also that of their families, is a key factor for the organisation.

Although the group has always been at the forefront in the implementation of flexibility and work-life balance schemes, in recent years, it has stepped up its efforts, and strictly complies with legal requirements. Specifically the group has:

- Maximised the flexibility of reduced working hours and the granting of special voluntary working hours.
- Added the possibility of making Friday afternoons available as holidays in most of the group's cooperatives.
- Incorporated teleworking options.

In short, with these and other measures, Danobatgroup aims to raise the value proposition of the people in its organisation, also improving the work-life balance possibilities and, along with that, equality in the organisation.

### People who have benefited from work-life balance measures during the year 2023:

Total number of employees entitled to childbirth and childcare leave:



Total number of employees who have taken childbirth and childcare leave:



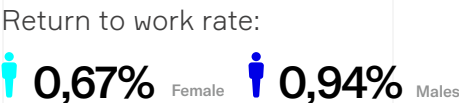
Total number of employees who have returned to work in the period to which this report applies after the end of childbirth and childcare leave:



Total number of employees who have returned to work after the end of childbirth and childcare leave and who were still employed 12 months after returning to work:



Rates of employees returning to work and of employee retention on childbirth and childcare leave during the year 2023:



Retention rate:



## Non-discrimination and diversity management

Danobatgroup has upheld the basic premise of non-discrimination in all its processes, through equal pay policies for all employees or the recruitment of people of different nationalities, without exclusion based on age, race, gender, sexual orientation or religion.

These procedures have materialised in concrete action, such as for example, removing of any data from CVs of job applicants that could be used in a discriminatory manner.



It is also worth mentioning that the group's facilities are considered adequate and adapted to people with disabilities, thus complying with the universal accessibility criteria.

For more information see: Annex 5, GRI 401-3  
Childbirth and childcare leave



# The actions of this section are aligned with the United Nations Sustainable Development Goals.



GRI 2 — [2-7]

GRI-401 — [401-3]

GRI-403 — [403-1] [403-2] [403-3] [403-4] [403-5] [403-6] [403-9] [403-10]

GRI-404 — [404-1] [404-3]

GRI-405 — [405-1]

GRI-406



# Commitment to the climate and environment

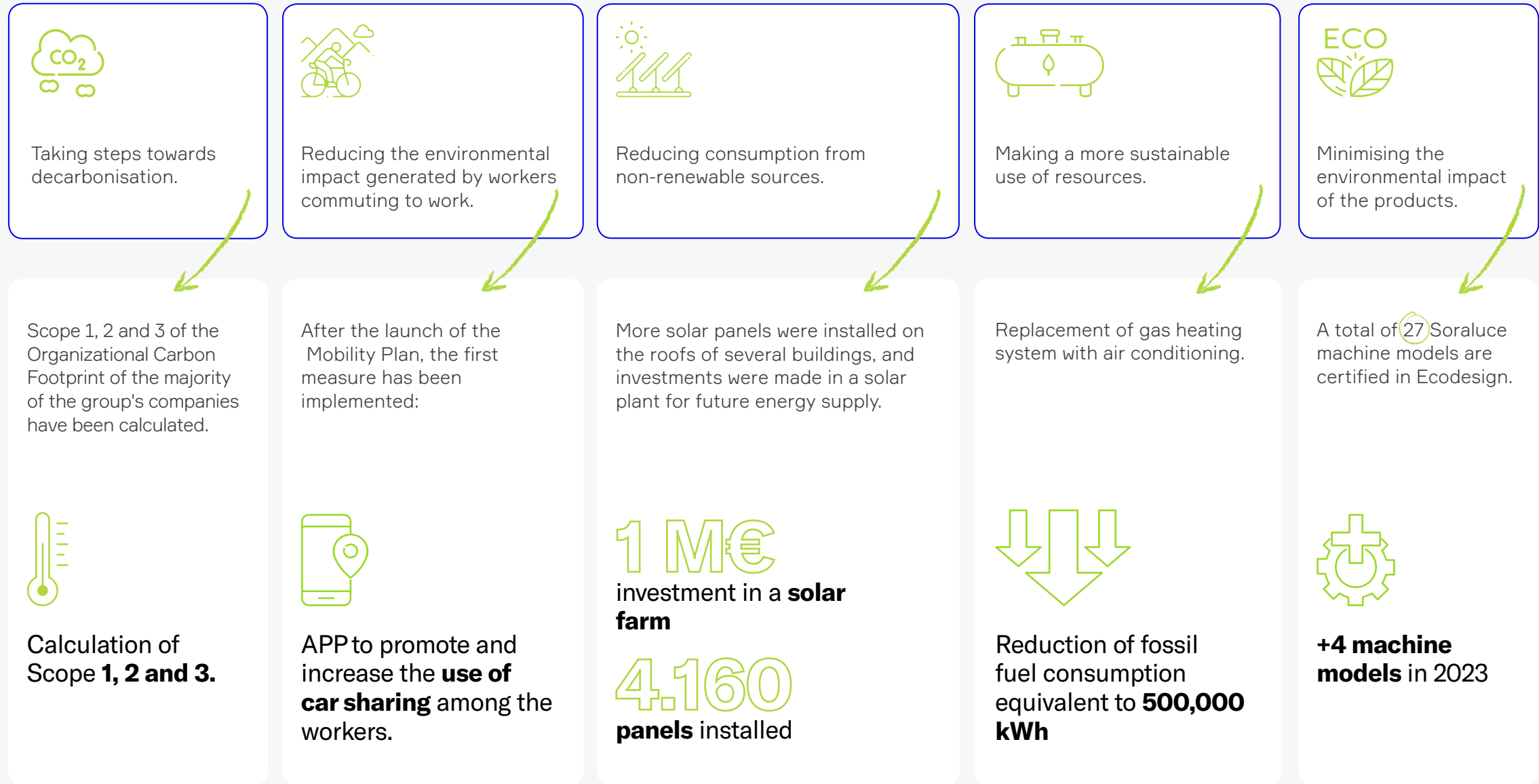
- 🌱 Environmental management system
- 🌱 Circular economy and waste prevention and management
- 🌱 Sustainable use of resources
- 🌱 Climate change and measures to prevent and reduce pollution
- 🌱 Biodiversity protection
- 🌱 Environmental impact of products



Danobatgroup wishes to disassociate its economic growth from its carbon footprint. This is an ambitious goal that can only be achieved in the long term. The group is aware that in order to achieve this, work with a view to the short term must also be done alone and as a whole, so that, step by step, progress is made towards the goal.

Thus, the group is committed to the use of energy from renewable sources, to the self-generation of energy from renewable sources and to improving energy efficiency. Likewise, and among other action, the design and development of products is done according to energy and environmentally friendly criteria, thus reducing their environmental impact throughout their life cycle.

# Danobatgroup moves forward in...



# Environmental management system

Since 2002, the main companies of the group have had an Environmental Management System (EMS) drawn up and certified in accordance with the ISO 14001 Standard, the scope of which covers all the activities carried out at the Elgoibar, Itziar, Mallabia and Bergara facilities. Although they do not hold any certification, the rest of the group's companies apply the environmental management system of the already certified companies. The general criteria for action is based on the precautionary principle, through a preventive approach.

At Danobat, the Environmental Management System, ISO 14001, is complemented by the Energy Management System, certified according to ISO 50001, and includes the verification of the calculation of its Organizational Carbon Footprint in accordance with ISO 14064 and GHG Protocol standards.

At Soraluce, the Product Design and Development Process Management System (Ecodesign) is certified in accordance with the ISO 14006 standard.

All these systems, together with the Quality Management System (certified under ISO 9001) and the Occupational Health and Safety Management System (certified under ISO 45001) form the Integrated Management System. The operational management of these management systems is carried out by the management systems department, under the supervision of people appointed by management.

The Integrated Management Policy of the group, published on the relevant websites, shows the commitment to the environment, to minimise the environmental and energy impact of products and activities, and to act permanently under the principle of pollution prevention, all framed in a package of continuous improvement. This Policy incorporates clear references to GHG emissions, carbon footprint and sustainable sourcing.

The Environmental Management Systems and also the Energy Management System at Danobat and the Ecodesign System at Soraluce are audited annually by AENOR. It is worth mentioning that no non-conformities have been detected in the last 5 years.

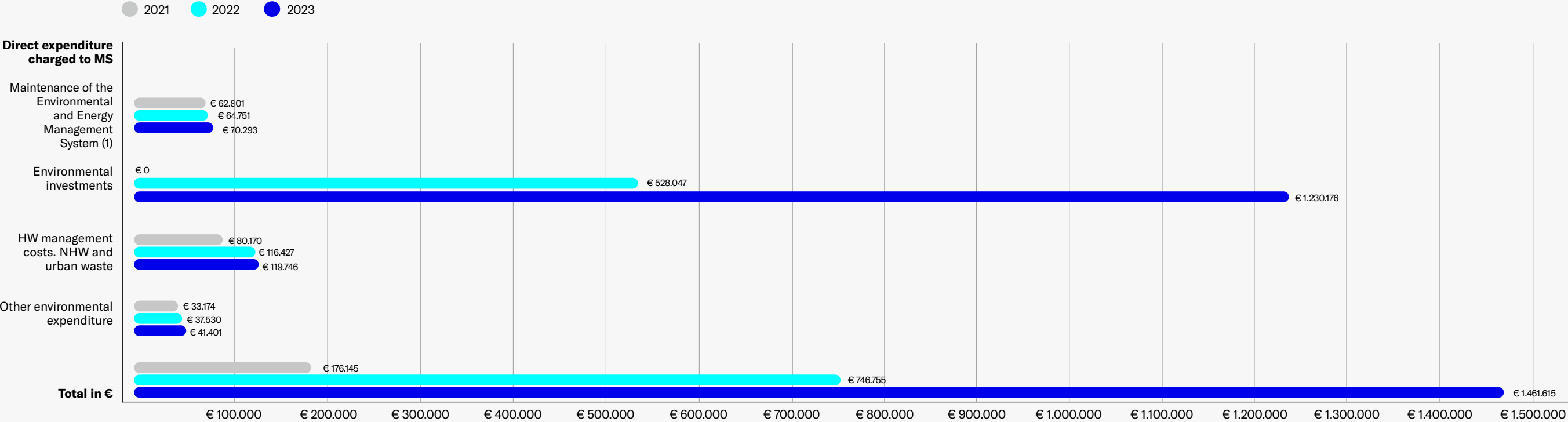
The group companies have a register of relevant environmental aspects such as "waste", " atmospheric emissions", "water", "noise", "hazardous substances", "consumption of natural resources" and "soil contamination". These aspects are evaluated annually. Based on the assessment of relevant environmental aspects, the environmental programme to be implemented is defined. It should be noted that the records of relevant environmental aspects mostly reflect better indicators.

Due to the nature of the activities of the group, the actual environmental impact is contained. However, Danobatgroup does not let-up in the continuous improvement of all the indicators of the elicited environmental aspects.

UNE-ISO 14001	Environmental Management System.
UNE-ISO 14006	Product Design and Development Process Management System.
UNE-ISO 50001	Energy Management System.
UNE-ISO 14064 GHG Protocol	Verified Carbon Footprint



Below are some relevant data related to the environmental management system and the resources dedicated to environmental risk prevention:



For more information see: Annex 6, Direct expenditure charged to MS

# Waste management and circular economy

Efficient waste management is a priority for all group companies. Within the framework of the environmental management system and in compliance with current legislation, the group companies whose main activity is the manufacture of machinery have implemented a waste management system that regulates the three types of waste: hazardous, non-hazardous and urban waste.

Technical instructions are available for the correct separation of each type of waste, especially hazardous waste, which has a specific collection system, performed by trained and experienced personnel, and subsequently managed by duly authorised waste managers.

For both non-hazardous waste and urban waste, differentiated collection systems with appropriate containers, paper and cardboard compaction systems are provided. Authorised waste managers are in charge of recycling or recovery of this waste.

The group gradually increases waste recycling each year, not only of industrial waste, which was recycled in the past as well, but also of urban waste. This is a further step in improving separation and subsequent recycling, with the aim of minimising waste that could end up in landfill.

Furthermore, in 2023, the group also worked with the Biziberritu initiative in the field of circular economy. This network includes educators, municipalities, and companies, focusing on giving surplus materials from businesses a second life to enhance school education through experimentation and play.

For more information see: [Annex 7, GRI 306-3 Waste generated](#), [306-4 Waste not destined for disposal](#), [306-5 Waste destined for disposal](#)

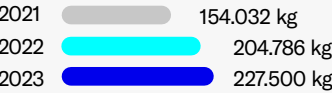
Below, the volume of the most significant waste generated by the activity in the Danobatgroup plants in the Basque Autonomous Community is indicated.

## Waste

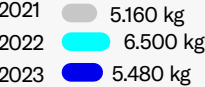
### Hazardous waste



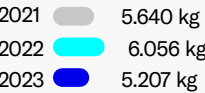
#### Emulsified oily waters



#### Contaminated chemical packaging



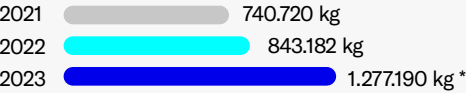
#### Polishing sludge



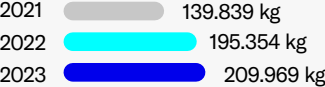
### Non-hazardous waste



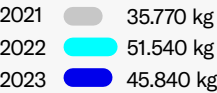
#### Scrap



#### Packaging waste: Cardboard, plastic and wood



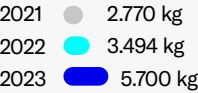
#### Unsorted non-hazardous waste



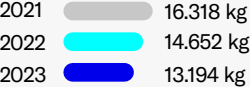
### Refuse classified as urban waste



#### Packaging waste



#### Organic waste



\*Increase due to renovations in industrial warehouses



# Sustainable use of resources

The environmental policy clearly prioritises sustainable use of resources, with special emphasis on reducing the use of raw materials and other materials throughout the entire life cycle of the products and, in addition, on reducing energy consumption by implementing measures for greater energy efficiency.

The resources used by the group are divided up into energy (Gas and Electricity), water and raw materials required for production purposes.

Most of the raw materials acquired are incorporated into the manufactured products manufactured by the companies of the group and consequently their consumption is directly dependent on the design, manufacture and after-sales service of the projects.

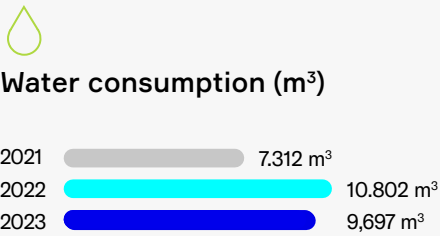
In addition, a series of environmental aspects are identified, recorded and evaluated annually in order to determine possible impacts and to establish their significance level from a life cycle perspective. For each of them, the magnitude and severity are determined, and their level of significance is obtained and appropriate action is adopted.



## Water consumption

Water consumption is not considered to be relevant for the operations of the group. Water is used in toilets, in the canteen, for industrial floor sweepers and for the generation of cutting coolants. Consumption is continuously monitored and there are warning alarms in the event of exceeding volumes or consumption outside the scheduled hours.

In 2021 there was no kitchen and canteen service (Covid) and the data is therefore not comparable.



For more information see: Annex 8, GRI 303-5 Water consumption.

## Gas and electricity consumption and energy efficiency

With regard to gas and electricity consumption, exhaustive checks are carried out on the use of energy. The entire heating system, as well as the lighting systems and the energy consumption for the different types of use are monitored continuously in most of the group companies. With the data that are obtained, action for improvement is taken.

Over the last few years, Danobatgroup has carried out numerous reforms of its facilities, which have led to significant improvements in both people's well-being and energy efficiency.

Over the years, various reforms have been carried out that have had a significant impact on the environmental impact, mainly in terms of gas and electricity consumption (system for detecting and eliminating compressed air leaks, LED lighting with light regulation, monitoring and control of the heating and lighting system, enabling efficient management and reducing consumption).

In 2023, these improvements were continued with actions such as replacing the gas heating system with a more efficient air conditioning system, resulting in a savings of over 500,000 kWh of gas consumption.

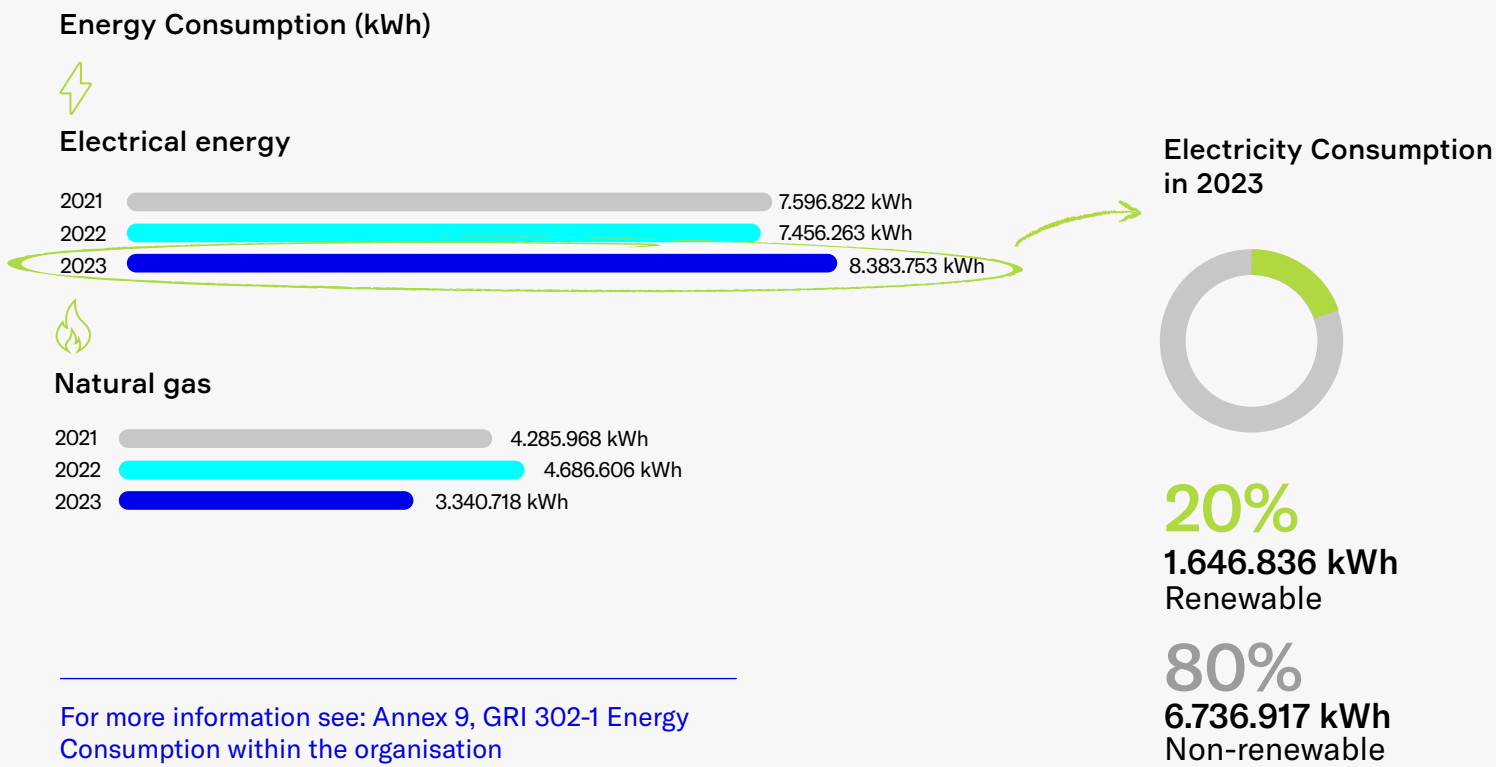
In addition, Soraluze has inaugurated in 2023 a new assembly plant designed from a sustainable point of view and which has the LEED "Leadership in Energy & Environmental Design" gold certification.

Likewise, it is worth noting that for several years, Danobatgroup companies have installed photovoltaic panels in most of its buildings, in 2023, more panels were installed in more plants, and it is planned to continue this initiative with new installations in the coming years.

Furthermore, in 2023, an investment of more than €1 million was made in a solar plant outside its facilities, with the aim of tapping into this renewable energy source from its start-up scheduled for 2025.

By combining these initiatives, the aim is to ensure that one third of the renewable energy consumed by the group is self-generated, thus marking a continuous commitment to sustainability and reducing the carbon footprint.

Significant energy consumption data for Danobatgroup plants in the Basque Country are shown below.





## Consumption of raw materials

Regarding the consumption of raw materials, it should be noted that the group takes measures to reduce both the use of renewable and non-renewable materials, with the aim of optimising our overall consumption.

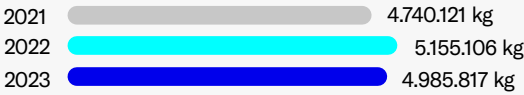
In order to reduce the amount of paper and toner used in the day-to-day operation, a network of modern multifunctional devices and printers has been available for a number of years which, in addition to default settings for black-and-white and double-sided printing, also print with delay, allowing unwanted jobs to be cancelled. These measures have led to reductions in paper consumption of around 30%.

Additionally, the group has implemented various initiatives to reduce cutting fluid consumption. The Organization, Order, and Cleanliness Improvement (OOLI) group has been established for assembly plants to ensure efficient use of coolants, and in Goimek a plan for cutting fluid reduction has been implemented through the Minimal Quantity Lubrication (MQL) system."

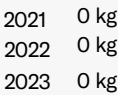
Other significant consumption indicators are presented below.

### Renewable

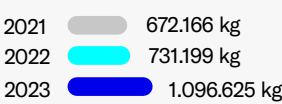
#### Raw materials (metals)



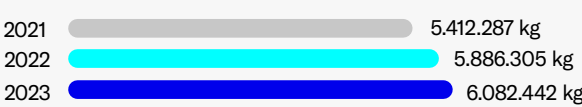
#### Process materials (lubricant, refrigerants, coolants,...)



#### Packaging materials

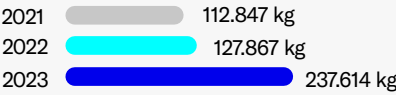


#### Total renewables

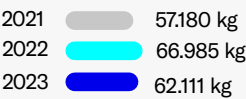


### Non-renewable

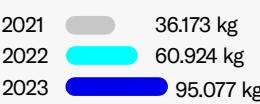
#### Raw materials (metals)



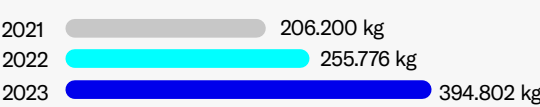
#### Process materials (lubricant, refrigerants, coolants,...)



#### Packaging materials

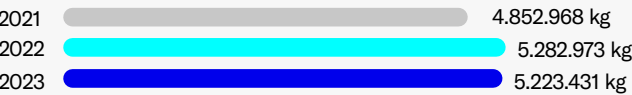


#### Total non-renewables

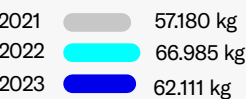


### Total

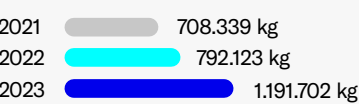
#### Raw materials (metals)



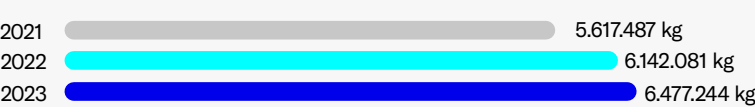
#### Process materials (lubricant, refrigerants, coolants,...)



#### Packaging materials



#### Total



For more information see: Annex 10, GRI 301-1 Material and raw material consumption

# Climate change and measures to prevent and reduce pollution

Danobatgroup continues its ongoing efforts to reduce the environmental impact of its operations, and to combat and adapt to the consequences of climate change.

Because of the type of its activity, Danobatgroup is classified as a potential polluter of soil, water or atmosphere. Despite that, a study in 2009 by SEGYPAL shows that the possible impact is negligible for the companies of the Mondragón Corporation, ratified in 2020 by the update of the report on the soil condition, drawn up by Ondoan.

Regardless of this, the companies of the group have an emergency plan in place, which itemises the most significant risks in terms of possible contamination of the environment and lists the measures for prevention and action in the event of accidents or environmental incidents. Amongst others, this plan includes all measures in the event of a fire or spillage.

In this regard, the installations are provided with warning and alarm communication systems and extinguishing means as stipulated in the applicable regulations.

A separate and differentiated network for rainwater and sanitary water is installed, the latter connected to the waste-water treatment plants at each location. The Danobatgroup companies do not discharge any pollutants into rivers or natural systems.

In relation to the risk of contamination by chemical products, the group has warehouses built, maintained and inspected in accordance with APQ regulations (storage of chemical products), for products with a certain risk of inflammation, such as paints or solvents, and for those with a risk of contamination by oils or emulsions.





## Organisational Carbon Footprint measurement

The main indicator of activity related to climate change is the organizational carbon footprint. In 2022, a tool for this measurement was defined, in order to evaluate and quantify greenhouse gas emissions (Scope 1, 2 and 3), and thus be able to move towards the creation of a comprehensive decarbonization plan for the future. In 2023, Danobat, Soraluze and Ideko have measured the 3 scopes of their footprint and the rest of the group's companies will do so from 2024.

It should be noted that Danobat's measurement has been certified by AENOR in accordance with ISO 14064 regulations and the GHG Protocol guidelines, thus validating its commitment to recognized international standards in the measurement and management of greenhouse gas emissions.

### Scope 1 Direct GHG emissions in Tons CO2



### Scope 2 Indirect energy-related GHG emissions in Tons CO2



### Scope 3 Other indirect GHG emissions in Tons CO2



### Emissions kg CO2eq./m€ turnover



For more information see: Annex 11, GRI 305-1 Direct GHG emissions (scope 1), 305-2 Indirect energy-related GHG emissions (scope 2) and 305-3 Other indirect GHG emissions (scope 3)

## Mobility Plan

With the aim of reducing the environmental impact of employees' commuting to the workplace, in 2022, the group conducted a study with the help of a specialised mobility consulting firm, in which over 70% of employees participated. Following this, in 2023, a Mobility Plan was approved, tailored to each plant location of the group.

One of the plan's significant actions is the implementation of a mobile application (APP) to facilitate carpooling among employees at each location. This initiative represents a concrete and practical step toward promoting more efficient and environmentally friendly mobility practices, in line with the organisation's sustainability objectives.



## Analysis of financial risks derived from climate change

Recognizing the growing importance of evaluating and managing the economic implications of this global phenomenon, it is worth noting that in 2023 the main companies of the group, Danobat and Soraluce, participated in workshops to analyze the financial risks resulting from climate change according to the framework of - Task Force on Climate-related Financial Disclosures (TCFD) - . After these workshops, it is expected to have a complete analysis in 2024 aiming to establish a comprehensive framework for risk management and to capitalise on financial opportunities related to climate change.



# Biodiversity protection

The industrial activity of the group in the areas where they are located is limited to the land occupation of their production plants.

The main plants are not located near specially protected environments or protected areas, so no special preservation measures are foreseen, except for the study of potentially contaminated soil and consequent restoring of the original soil conditions on closure of the plant.

To this end, in 2007, a soil quality study was carried out, which was updated by a new report drawn up by the environmental consultancy ONDOAN in 2020, in accordance with decree 209/2019 of 26 December, which implements Law 4/2015 of 25 June for the prevention and correction of soil pollution. According to this report, the probability of affecting the soil stands at Level IV (no intervention required) and the environmental sensitivity is very low. The conclusions drawn are that at the sites with the corrective or preventive measures and the defence measures or control and monitoring measures in place, the impact on both the environment (soil and groundwater) and human health is minimum or non-existent.

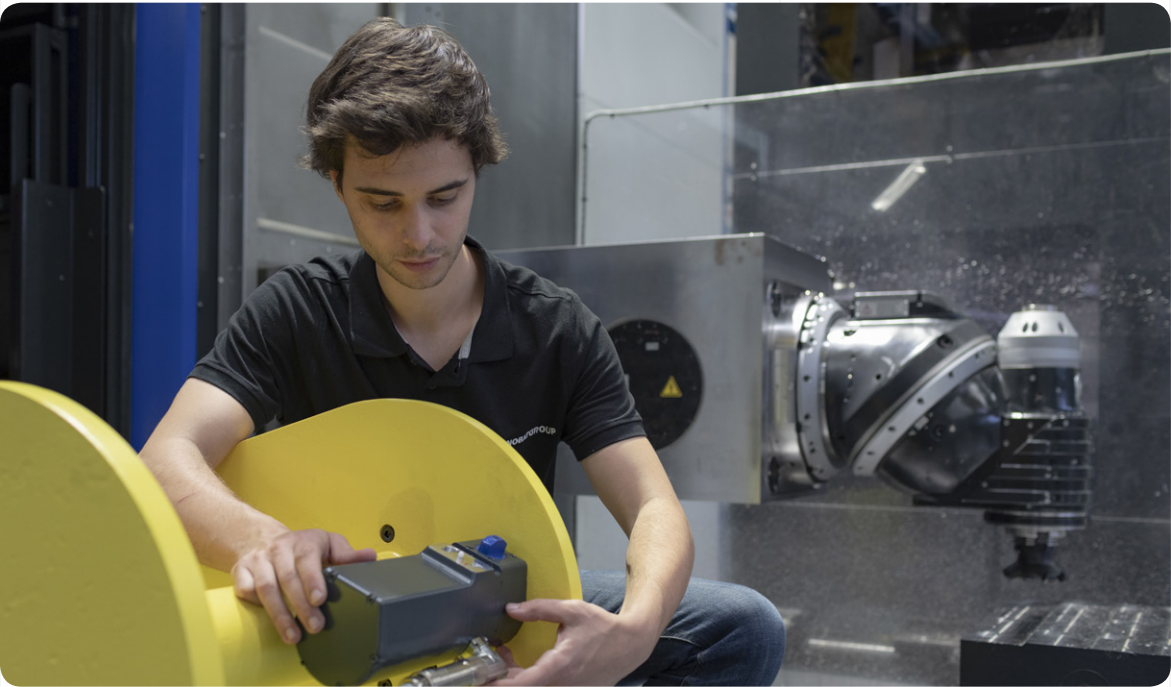
# Environmental impact of products

Minimising the environmental impact of products throughout their life cycle is a key factor in Danobatgroup's sustainability strategy. The development of more environmentally and climate-friendly manufacturing solutions is key to ensuring the sustainability of the industry and therefore the development of higher quality, more productive, efficient and sustainable products is a key objective of the group's companies.

## ISO 14006 in ECODESIGN

The environmental impact that a product generates throughout its life is proportional to the decisions taken during design. For this reason, the design of highly efficient products is a fundamental factor of the company's commitment to respect and care for the environment.

Clear proof of this commitment is the certification of an environmentally friendly design model. This is the case of Soralupe, a company within the group, which holds a certificate issued by AENOR for over ten years certifying that the design of its machines is carried out within the framework of an Ecodesign Management System in accordance with the ISO 14006 standard. Soralupe is the first company in the machine tool sector to have been awarded this certification. To date, a total of 27 machine models are ecodesign certified, 4 models in 2023.



A total of 27 Soralupe machine models are certified in Ecodesign.

## Innovation for more efficient and sustainable manufacturing

Danobatgroup carries out intensive research and development to improve the products and services it offers to its customers. The vast majority of the developed research projects are eventually incorporated into the products and services offered by the group, making them technologically more advanced and minimising their environmental impact.

The research projects have an impact on different technical aspects, but this Report focusses in on those that make the equipment and manufacturing

systems developed by the group more efficient and sustainable. The most relevant projects in this respect are listed below, grouped according to research topic.

**CHATTER**, a phenomenon that occurs in manufacturing processes is at the origin of many rejects of finished parts, and results in higher energy and raw material consumption, as well as causing premature wear of tools and the equipment itself.

In order to avoid chatter, Danobatgroup has carried out several projects, highlighting the so-called **MAPE**, a portable system for chatter control, specially adapted for the machining of slender parts.

**QUALITY** is an essential aspect in production. Producing quality parts avoids the re-manufacturing of non-compliant parts, reducing raw material and energy consumption. In order to improve quality, various projects were completed, of which we highlight three:

- 3 **ARTE2:** Digital twin technology, which meets new, more demanding surface requirements of critical parts in the grinding process.
- 3 **KAIA:** Quality control digital platform for zero-defect manufacture by means of artificial intelligence.
- 3 **ANDREA:** It aims to transition from current resource-intensive approaches to efficient and sustainable defect-free manufacturing based on new digital NDT techniques.
- 3 **SUSTWIND:** Development of new intelligent systems for the sustainable manufacturing of the next generation of offshore wind turbines.
- 3 **RECOAT:** Design and implementation of grinding technologies to drive the adoption of advanced and sustainable coatings.

**PRECISION** of a machine determines the quality of the manufactured parts. Maintaining this precision over time allows us to continue to manufacture quality parts, extend the life of the machine and reduce the consumption of raw material. With this objective in mind, several projects have been carried out, the most important of which is **CORTEX**, for the search for maximum precision in critical Ultra Near Net Shape components.

The incorporation of **DIGITAL TECHNOLOGIES** allows virtual simulation and optimisation of machines and processes through the incorporation of digital twins. Also, by incorporating data analytics and artificial intelligence techniques, manufacturing and maintenance processes are more efficient, resulting in optimal consumption of materials and energy. Among the different projects carried out for incorporating digital technologies, the following should be highlighted:

- 3 **SUSTWINABLE:** Development and implementation of technical solutions that improve the performance and sustainability of machine tools for the production of large parts, taking full advantage of digital twin technology.
- 3 **LEVEL-UP:** Protocols and strategies for extending the life span of large capital investments and large industrial equipment.



# The actions of this section are aligned with the United Nations Sustainable Development Goals.



GRI 301 — [301-1]

GRI 302 — [302-1]

GRI 303 — [303-5]

GRI 305 — [305-1] [305-2] [305-3]

GRI 306 — [306-3]

GRI 307 — [307-1]





→ 07

# Commitment to the sustainable development of society

- 📍 Social commitment
- 📍 Local supply chain



One of the most notable cooperative features of Danobatgroup is its longstanding commitment to making a positive impact on society, as well as on the community and environments within which it operates, extending beyond its primary business activities. Danobatgroup actively engages with the communities it serves, creating value and fostering economic and social progress.

Thus, it promotes initiatives in areas such as well-being and health, development cooperation, social inclusion, training, environment, sport, Basque and culture; participates in organizations, institutions and forums whose purpose is to promote socio-economic development, innovation or the dissemination of knowledge; and drives purchases from nearby companies, in line with its environmental commitment and its involvement with the economic development of its region.

In order to strengthen its commitment to social responsibility and sustainable development, as mentioned in section 4 of this report, a Social Action Policy was drafted in 2023 as a reference framework for the effective integration of the objectives related to the scope of Danobatgroup's Sustainability Strategy commitment to society within the organisation.

# Danobatgroup moves forward in...



Undertaking action for social development.



Taking initiatives for social transformation with the participation of the people of Danobatgroup through the Elkarrekin Eragin programme.



Its commitment to a local supply chain.

More than €1,500,000 from COFIP funds in the last 3 years, granted to more than 200 entities, for actions linked to social development.



**1.5M€**

of COFIP funds earmarked for social development

€523.000 allocated to 3 entities chosen by Danobatgroup's people for the period 2021 - 2023.



**€523.000**

earmarked through the elkarrekin Eragin programme

+70% of the industrial suppliers are located in the Basque Country and Navarra and more than 80% in Spain.



**+70%**

of industrial suppliers are from the Basque Country and Navarra

# Social commitment

## Cooperative Promotion Funds and other Public Interest Purposes (COFIP)

To generate a positive impact on society, the group supports and finances social transformation initiatives through established mechanisms and criteria.

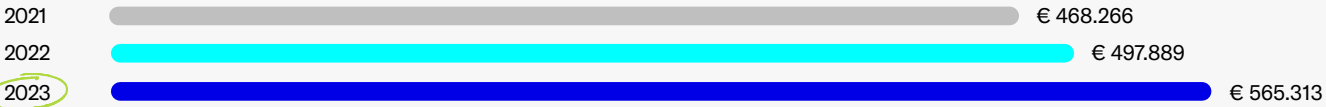
The cooperatives that make up Danobatgroup allocate 10% of their net profits to the Funds for Cooperative Promotion and Other Public Interest (COFIP).

Allocation of these funds is done in accordance with pre-established criteria that consider, among other aspects, the geographical target area, the fields of action, the impact of the projects both for society and for the target organisation, and the support of the project by the employees.

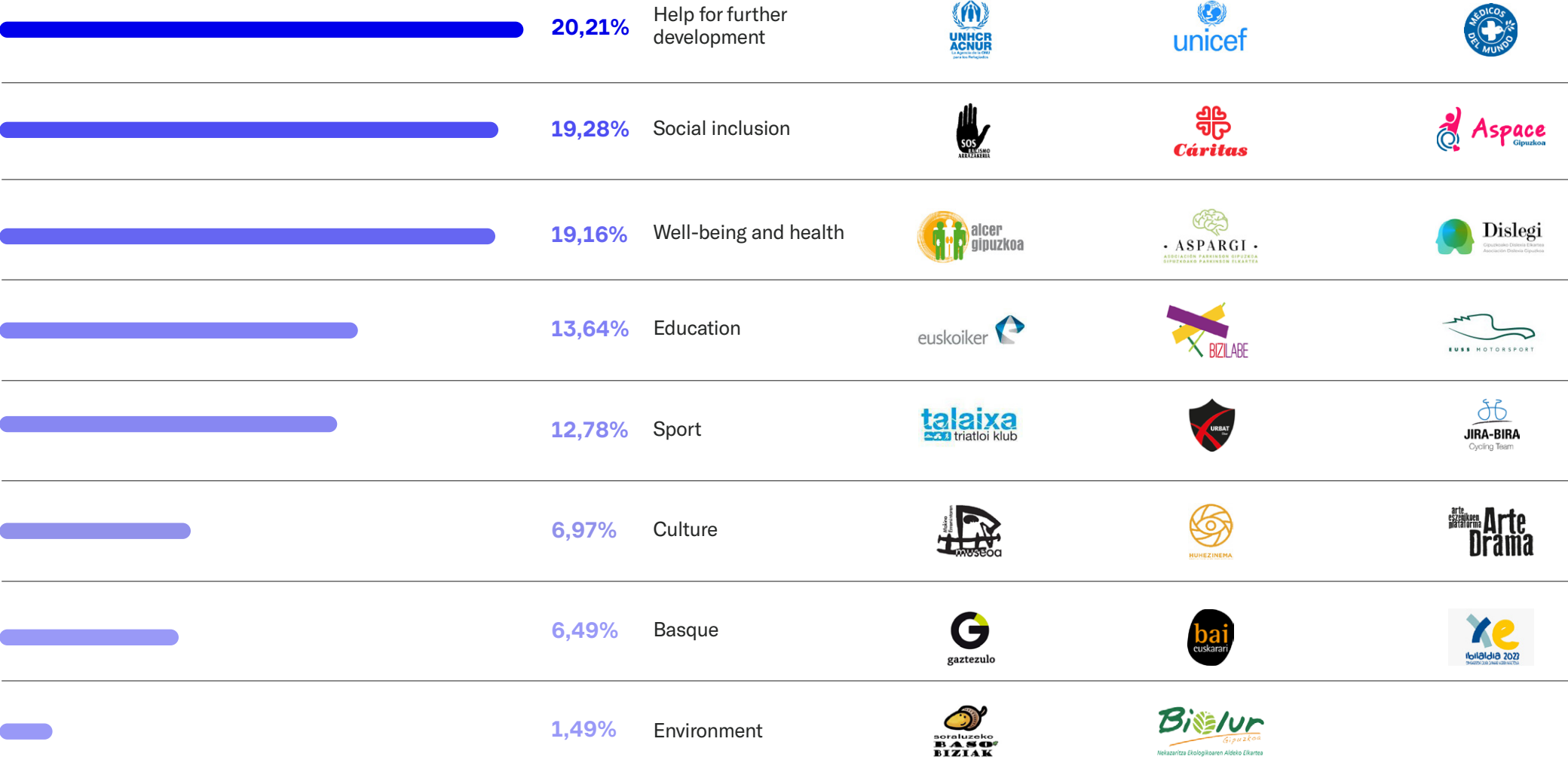
Within this framework is, for example, the Osintxu Biziberritu project, promoted by one of the group's companies with the aim of supporting the regeneration of the Osintxu neighbourhood in Bergara, where the company is located. It was declared a degraded area in 2019 by the Basque Government.

Likewise, Danobatgroup makes its facilities available for activities with a social nature. For example, the Elgoibar facilities have been used for blood donation.

Total contribution per year for initiatives for local development:



The chart below shows some of the initiatives in which Danobatgroup has been involved:





These actions are in addition to those of the Elkarrekin Eragin programme, an initiative that started in 2018 to support social transformation through the active involvement of the people of the group. Unlike the rest of the grants, the Elkarrekin Eragin programme includes proposals chosen by the people of the group. As a three-year programme, it provides beneficiary organisations with long-term commitment and support.

Following the success of the first edition in 2018-19-20, in 2021 the group launched the second edition (years 2021-22-23) allocating €523,000 to the following three organisations:

€ 523,000



In 2023 this program was continued, and all staff were invited to submit their proposals for the 2024-2026 period.



## Participation in the governing bodies of various organisations

Due to its strong roots in the territory and the community of which the group is a part, Danobatgroup has played an important historical role in its socio-economic transformation.

In this respect, the group actively participates in the governing bodies of some of the organisations whose initiatives it supports. Such is the case of the Machine Tool Museum and Mundukide.



## Leave of absence for development co-operation

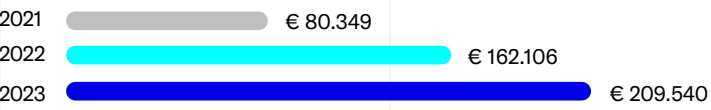
Since 2022, Danobatgroup has a special leave of absence policy to encourage and facilitate leave of absence for development co-operation through Mundukide.

## Intercooperative Education and Promotion Fund

The Danobatgroup companies donate 20% of their COFIP (Cooperative Promotion and Other Public Interest) to Mondragon's FEPI (Intercooperative Education and Promotion Fund), which supports activities in the field of education and innovation.

Of all these initiatives, some of the following stand out: the Basque language standardisation programmes, the initiative to create jobs for young people (Gaztenpresa), the Corporate Science and Technology Plan as an instrument for promoting the Innovation strategy within Mondragon's social corporate business Policy and the promotion of educational centres, such as As a Fabrik at Mondragon Unibertsitatea.

Contributions made by Danobatgroup to Mondragon's FEPI (Intercooperative Education and Promotion Fund) the last 3 years:





# Fostering an engaged and local supply chain

Danobatgroup promotes among its suppliers the adoption of its core values of respect for human rights, respect for the environment and anti-corruption practices. Danobatgroup companies are determined to ensure that these values are respected in all their operations.

For this purpose, the group has a Code of Conduct for suppliers which defines basic requirements to be met by suppliers.

Likewise, Danobatgroup promotes local purchasing, adhering to its environmental commitment and its interest in regional economic development. Because the companies of the group are located in an industrialised area, there is an extensive network of specialised machine tool suppliers. In 2023, more than 70% of the group's industrial suppliers are located nearby (Basque Country and Navarra), and more than 80% are located in Spain.

Also, Danobatgroup is dedicated to the development of its suppliers, promoting management improvement projects and initiatives related to innovation and the adoption of new technologies. In this sense, it is worth highlighting the Darwin project, for the digitalization of purchases, and the Ai! Ene project, promoted by Soralue and Danobat to provide support and accompaniment in improving the administrative and production processes of their suppliers.

Likewise, in 2023, an analysis and diagnosis was conducted in the field of sustainability in the supply chain, in order to begin to outline a plan in this area for 2024.





# The actions of this section are aligned with the United Nations Sustainable Development Goals.

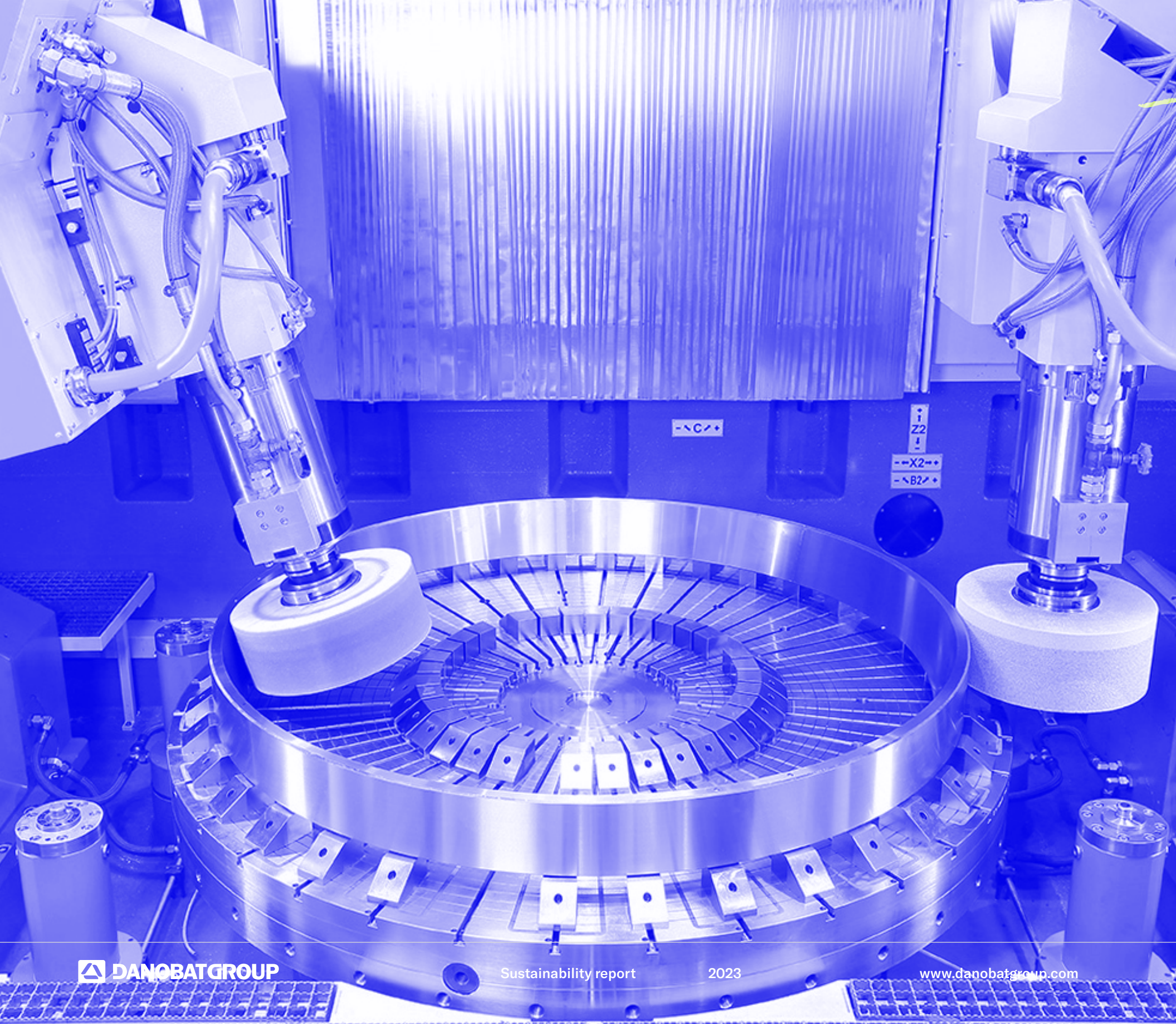


GRI 203 — [2]

GRI 413 — [1]







08

# Quality, excellence and innovation

- 🌱 Innovation
- 🌱 Committed to the client

Danobatgroup understands boosting innovation essential to develop new technologies, products, services, solutions and processes that facilitate the achievement of global objectives of Agenda 2030. Innovation is visible and tangible, and is transformed into real benefits for each customer, such as increased productivity, safety, efficiency and quality of the end product, while reducing energy consumption and raw material use.

Thanks to innovation, the companies of the group are more resilient and new business opportunities are opening up, facilitating growth and the creation of quality jobs.

# Danobatgroup moves forward in...



Its commitment to customers.



Technological innovation as a key differentiator.



Guaranteeing the quality and safety of its products.

Improvements to the tool implemented in 2021 aimed at agile and effective monitoring of the different communication channels with customers.



Improvements in the tool aimed at monitoring the different **communication channels with customers.**

In 2023, R&D expenditure amounted to more than 28 M€



**+28M€**  
of **R&D** expenditure

In 2023, no non-compliance has been identified with respect to the regulations associated with product safety.



**0 cases**  
of **non-compliance.**



# Innovation

Innovation is a key factor in Danobatgroup's sustained growth over the past decades, to the point where it has become its hallmark. Innovation is part of its DNA, and has defined its character. It has turned the need to always be at the forefront of technology, to be ahead of future challenges, into a vocation. Innovation focused on achieving maximum efficiency and always improving customer satisfaction.

This approach has allowed Danobatgroup companies to differentiate themselves in the competitive scenario of advanced manufacturing, offering the most advanced technological solutions and developments to strategic sectors demanding high value-added technology.

Key figures for  
Innovation in 2023



R+D+i  
investment:

9%

of turnover



Active  
patents:

44

patent  
families



People  
involved in R+D+i:

15%

of Danobatgroup's total  
workforce



Running  
R+D+i projects:

50

projects for all Group  
companies

# Technology that brings the factory of the future closer

To move towards the self-sufficient, smart and sustainable factory of the future, Danobatgroup is axed around the following five:

## Green manufacturing

The group strive for maximum energy efficiency and drive innovation with a commitment to zero defects. Its focus is on avoiding errors and providing technological solutions that ensure flawless part manufacturing from the very first attempt.

At its core, Danobatgroup prioritise energy efficiency, incorporating sustainable design principles. Its commitment extends to minimizing coolant and resource consumption, fostering recyclability, and promoting the reuse of components at the end of their life cycle.

## Precision engineering

In its pursuit of excellence, Danobatgroup’s highly specialised companies develop machines, systems, and processes following stringent precision manufacturing processes to the strict quality standards of its customers.

Its experts delve into thermal variations, calibration, volumetrics, and hydrostatic and hydrodynamic lubrication, static, dynamic, thermal and multi-physical calculations, approaching the complete design cycle from the perspective of precision.

Danobatgroup leverage cutting-edge artificial intelligence techniques for predictive maintenance, optimizing processes, and proactively addressing potential issues to ensure precision and reliability, avoiding errors and breakdowns.





Digitisation and AI

The digital era has ushered in increased automation of industrial solutions, posing new challenges for machine tool manufacturers.

Over recent years, the group has undergone a significant digital transformation, resulting in a broad range of digital solutions—both hardware and software. These solutions harness the valuable operational data of its equipment, combining the latest AI techniques to meet evolving market needs.

Machining processes

Danobatgroup seek to introduce machining alternatives that provide a differentiating factor and a competitive advantage in production to end users through the use of new cooling technologies or through implementing new tools and manufacturing cycles.

Its use of cutting-edge management and organisational tools, such as simulations of production processes, enhances efficiency, reduces manufacturing costs, improves quality, and ensures safety.

Dynamics and control

The group commitment to innovation extends to improving the dynamic behaviour of machines and manufacturing processes. Danobatgroup address vibration issues through dynamic machine and drive design, coupled with specific development solutions to eliminate noise and chatter in a variety of machining processes.



## From R&D laboratory to motor of innovation: IDEKO

The commitment to innovation of Danobatgroup is materialised through IDEKO, a fundamental instrument for promoting the design and development of cutting-edge technologies in advanced manufacturing.

IDEKO was set up in 1986 to provide an answer to the technological challenges of the then machine tool division of the Mondragon Corporation. Since then, it has been leading innovation in the machine tool and advanced manufacturing sector, transforming technological research into real solutions for the challenges posed by its customers.

Through the technology centre, and through its collaboration with other leading companies and organisations, Danobatgroup has created a unique research and development ecosystem for its companies.

## Open innovation

All Danobatgroup companies have adopted open innovation and systematically develop it. By considering agents outside the organisation itself, open innovation allows the companies of the group to have access to a higher level of knowledge and other technologies. This process is materialised through partnerships with both national and international entities and organisations.

For more than 30 years, Danobatgroup has been actively participating in international consortia within the different European R&D funding programmes. This experience has enabled the group to build up a wide network of contacts in its fields of expertise.

The high degree of specialisation and technological sophistication of the solutions developed by the companies of the group has made it necessary to establish a wide network of partners to complement the skills Danobatgroup has internally. In this sense, of particular note is the boost given to collaboration with Startups which, specialising in different areas, accelerate the integration of new technologies and knowledge into the portfolio of technological resources which are applied to the products of the group's companies.

Likewise, through Ideko, Danobatgroup permanently works together with leading organisations in different fields. Collaborations include among others comparing specialisation plans, writing up doctoral theses, hiring for specific projects or temporarily exchanging researchers.

The most relevant partnerships are specified in the chapter on alliances and partnerships. Here the innovation partnerships established with universities and research centres are listed.



University of Waterloo,  
in Machine Dynamics.



Budapest University,  
in Trajectory Control.



ETH – Zurich,  
in Precision Engineering.



University of the Basque Country  
UPV – EHU, in Machining Processes.



Basque Center of Applied Mathematics,  
in Artificial Intelligence.



University of Bremen,  
in Grinding.



Software Competence Center  
Hagenberg (SCCH) – Austria,  
in Intelligent Software.



BRTA,  
Basque Research Technology Alliance.



# Committed to the client

## Customer satisfaction

Danobatgroup companies are clearly customer-oriented, bringing together expertise from all areas of the company to deliver the best. Customer orientation lies at the base of the most innovative solutions, as well as a clear commitment to their technological progress, endeavouring to meet their most demanding challenges. The companies of the Group develop the best products and services tailored to the needs of their customers. The approach and direct relationship with customers translates into their loyalty and trust, supported by the customisation and flexibility to meet their demands, all together forming the key differentiator of Danobatgroup.

To optimise customer service, the Group's companies keep close contact with a constant back-and-forth dialogue through different channels to precisely gauge the customer's expectations, receive their queries and complaints, and offer a streamlined,

personalised and quality response. For this purpose, a variety of channels have been set up, depending on their purpose. These include the online forms on the various websites of the Group's companies, specific mailboxes for communication with customers, platforms for recording machine incidents 24h/365 days, a platform for real-time monitoring of machine status, etc. The continuous monitoring of these channels is subsequently carried out with the recently implemented and constantly improved Microsoft dynamics system, which allows for agile and efficient management.

The group companies also conduct customer satisfaction surveys at different times. Thanks to these surveys, the companies collect the customer's experience with the product, for subsequent evaluation in a framework of continuous improvement.

## Product quality and safety

In such a demanding environment as the machine tool and advanced manufacturing sector, with ever-increasing levels of stringency, quality assurance is a key factor for success.

In this sense, all Danobatgroup's advanced machinery manufacturing companies are ISO 9001 certified, and Ideko is UNE 166000 certified.

Moreover, Danobatgroup ensures the safety of the people who use the machines sold worldwide by the companies of the Group. Danobatgroup companies design and build their machines implementing the most advanced technologies in terms of safety, complying with the Machinery Directive 2006/42/CE for the CE marking, as well as other applicable Directives (Electromagnetic Compatibility, Low Voltage, etc.) and also, with all the applicable harmonised standards. It should be noted that, in 2023, no non-compliance with these regulations was reported.

Danobatgroup has signed a collaboration agreement with AFM, the Spanish Association of Manufacturers of machine tools, accessories and components. Within the framework of this agreement, AFM's safety department acts proactively to ensure that the Group is up to date, both in terms of the regulations that apply to the design of the machines and in terms of the availability of a continuously updated technical dossier.

This collaboration includes work meetings between the staff of the industry association and the technicians of the companies of the Group responsible for the design and construction of the machines, during which an exhaustive control of compliance with frequently changing legislation is carried out.

Hence, Danobatgroup is guaranteed to be continuously informed of any relevant regulations, from the very moment they are issued. Thus, the structured partnership with AFM enables the companies of the Group to anticipate the implementation of more stringent security measures than those currently in force.

Danobatgroup makes every effort to be at the forefront of machine safety at all times. To this end, the Group participates in various forums and working groups in the AFM environment, which focus on a wide range of safety-related topics and, above all, where the most critical aspects of safety in machine design are discussed.



The actions of this section  
are aligned with the United  
Nations Sustainable  
Development Goals.



GRI 416 — [416-2]



# Process of identifying material issues

- ➊ Preliminary considerations
- ➋ Contribution to the SDGs
- ➌ Analysis and definition of material issues
- ➍ Most relevant issues for Danobatgroup
- ➎ Communication with stakeholders

# Preliminary considerations

## Integration

Danobatgroup's strategic plan deals with a series of environmental, social and governance (ESG) issues. As a result, these ESG factors are also incorporated into the different processes of the company and channelled effectively through those directly responsible for these processes.

## Collaboration

To support the people responsible for incorporating ESG factors into Danobatgroup's processes, multidisciplinary and at the same time ESG-specific working groups have been set up. These teams have researched and analysed issues, concerns about the performance area of the group, and potential risks that could affect the operations of Danobatgroup.

In addition, the work teams have had external support, both from specialised companies and experts from the Mondragon Corporation. Working closely with the work team, they guided them throughout the process, with their knowledge and experience being particularly crucial in delving into situations where ESG issues are particularly significant.

## Materiality

The work focused on the ESG factors that Danobatgroup and its stakeholders considered most likely to have a material impact on their operations. After establishing all stakeholders involved in Danobatgroup, direct contact was sought with them.

By pooling all individual opinions on each of the multiple ESG issues raised in a weighted manner, a materiality matrix was created to identify and prioritise the most relevant issues, which were then incorporated into the strategic plan of the group.





# Contribution to the SDGs

Danobatgroup performs its operations in a responsible manner, and, at all times, takes into consideration the impact that this activity has on society, the environment and the people in the organisation itself. For proper management and continuous improvement of the environmental, social and governance actions, they form an integral part of the strategic plan.

In this sense, Danobatgroup does not just accept that the operations it carries out do not cause negative impacts on its stakeholders and society as a whole. The group wished to drive development, generating a positive impact that changes the way business is done and improves the well-being of society.

Danobatgroup is committed to the 17 United Nations Sustainable Development Goals (SDGs), and analyses its operations in terms of their contribution to the achievement of the SDGs.

The content of this report focuses on the Sustainable Development Goals that are most closely aligned with the actions set out in Danobatgroup's 2021-2024 Strategic Plan. This report explains how the group's operations contribute both to meeting the goals set out in the strategic plan and to achieving a sustainable future for all.

From this perspective, this sustainability report explains the activity carried out by Danobatgroup and its cooperative companies and focuses on initiatives aimed at responsible production, innovation applied to both the organisation and products, energy efficiency within the organisation and its products, reduction of greenhouse gases, and environmental management (waste, use of resources...). Furthermore, from the outset, the group has paid special attention to strengthening corporate governance and building a working environment that improves people's quality of life. It endeavours to develop people in a comprehensive manner, encouraging entrepreneurship, participation in management and accountability for the results obtained. Diversity, gender equality and non-discrimination are also seen as factors that enrich the organisation. Finally, Danobatgroup values and actively stimulates inter-cooperation, collaborating with companies, institutions and social actors, promoting alliances that add value to society.

# OBJETIVOS DE DESARROLLO SOSTENIBLE

# Analysis and definition of material issues

During the 2nd half of 2020, Danobatgroup launched a materiality study with the objective of defining the issues relevant to the group's sustainability, considering the priorities of our stakeholders and the way in which Danobatgroup manages these priorities.

In parallel, the Danobatgroup companies embarked on a process of strategic reflection leading to a new strategic plan for the period 2021-2024. Thus, the new Strategic Plan 2021-2024 introduces sustainability among its 8 priority strategic lines of action.

The materiality analysis spanned a four-step process, which has allowed us to prioritise the areas of our performance.

The Strategic Plan 2021-2024 introduces sustainability among its 8 priority strategic lines of action.

Stage 1

Definition of relevant issues

Relevant issues were established through an analysis of external sources, including trends, sector benchmarking and applicable regulations, on the one hand, and internal sources, on the other hand. This list of issues was eventually validated resulting in a list of material issues on which to act was drawn up.

Stage 2

Contrast and internal validation of relevant issues

Danobatgroup assessed the relevance of each issue, considering factors such as: the business impact of the issues, the risks involved, the impact on brand and corporate reputation. As a result of this process, a final list of material topics for further study was drawn up.

Stage 3

Consultation with external and internal stakeholders

At the end of 2020, 312 internal and external stakeholders were consulted by holding meetings and online surveys.

Stage 4

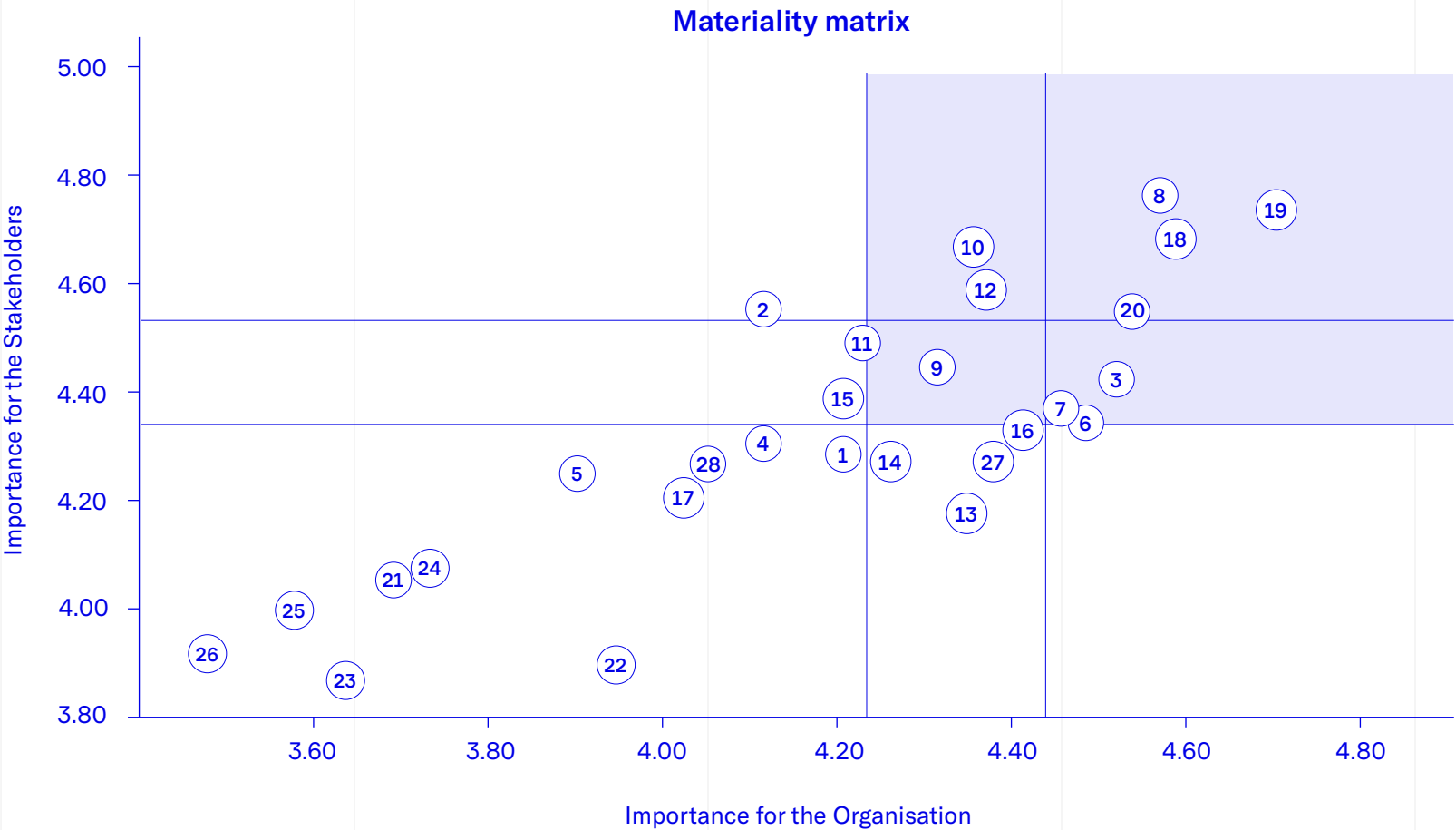
Materiality matrix

As a result of the stakeholder consultations, a matrix of priority material issues was drawn up which ran along two axes: relevance of the issue for both internal and external stakeholders.

The matrix takes into account the weighting given to each stakeholder group. For internal stakeholders, a weighting is applied according to their economic, environmental and social influence on the company. For external stakeholders, based on the extent to which they are affected by the company's economic, environmental and social performance.



The total number of cases assessed was 28, grouped into 6 categories: (1) environment, (2) labour practices, (3) ethics and corporate governance, (4) products and services, (5) society, and (6) economics. Using the materiality matrix, the 28 topics were ranked from most to least relevant. The 11 high relevant issues were then transferred to Danobatgroup's Sustainability Plan, and included in a cross-cutting manner in the Strategic Plan 2021-2024.



No. Material issues

- 1
- Energy
- 2
- Emissions and climate change
- 3
- Waste management
- 4
- Life cycle and resource management
- 5
- Circular economy
- 6
- Training and professional development.
- 7
- Talent management
- 8
- Health and safety at work
- 9
- Diversity and equality
- 10
- Non-discrimination
- 11
- Respect for human rights
- 12
- Business ethics and integrity
- 13
- Learning culture
- 14
- Democratic organisation
- 15
- Transparency and information management

- 16
- Advanced business culture
- 17
- Implementation of best practices in corporate governance
- 18
- Product quality and safety
- 19
- Customer satisfaction
- 20
- Innovation applied to the development of new products
- 21
- Involvement in local communities. Social transformation
- 22
- Solidarity mechanisms.
- 23
- Relationship and engagement with stakeholders
- 24
- Local suppliers
- 25
- Environmental assessment of suppliers
- 26
- Social assessment of suppliers
- 27
- Profitability and performance
- 28
- Alliances / Strategic Partnerships / Intercooperation

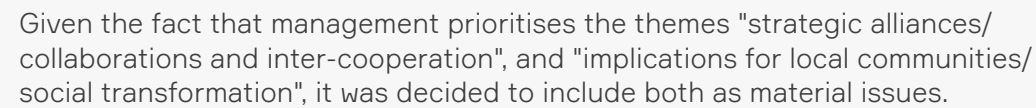
To determine the relevance of issues, both internal and external perspectives are considered.

Also, in order to broaden the scope and to be in line with market trends, "energy" was included in the material topic "emissions and climate change".

On the other hand, given the fact that management prioritises the themes "strategic alliances/collaborations and inter-cooperation", and "implications for local communities/social transformation", it was decided to include both as material themes.

The priority issues for Danobatgroup are the sum of the two relevance issues:

Material issues	Description
Emissions and climate change.	Reduce atmospheric emissions and combat climate change.
Waste management.	Reduce waste generation by promoting reuse, recycling, etc. and reduce the impacts of wastewater generation.
Training and professional development.	Create spaces and a culture that tackles both professional and personal development comprehensively through internal training and capacity building.
Talent management.	Promote recruitment, development and retention of talent. Conduct strategic planning to anticipate what professional profiles are needed and where the skills of our current groups should evolve. Work on the employer brand and implement strategies to attract the required professional profiles. Establish a culture of lifelong learning at all levels so that people have the capacity to learn and adapt to change.
Health and safety at work.	Foster a healthy and safe environment through the prevention of occupational risks and the promotion of the health and safety of workers.



Material issues	Description
Diversity and equality.	Promote an inclusive work environment based on diversity, equal opportunities between men and women and between different cultures.
Non-discrimination.	Ensure non-discrimination through measures to prevent differential treatment of any person (workers, customers, users, etc.) on the basis of race, sex, etc.
Business ethics and integrity.	Ensure ethical and responsible behaviour of the company's governing and management bodies and establish mechanisms to prevent practices such as corruption, bribery, fraud or unfair competition.
Product quality and safety.	Achieve high levels of competitiveness by developing high quality and very safe products and services that are useful and beneficial.
Customer satisfaction.	Customer satisfaction.
Innovation applied to the development of new products.	Promote continuous innovation and adaptation of products and services that respond to changing customer, market and societal needs, including climate change (eco-sustainable products and services).



# Communication with stakeholders



## Internal stakeholders

Board of Directors

Governing Board/Social Council



## External stakeholders

Clients

Suppliers

Public administration

Regional Public Administration  
Local Public Administration  
National Public Administration

Collaborators

External delegations  
Sectoral associations  
Technology centres  
Universities

Mondragon Corporation

Mondragon  
MIA  
Laboral Kutxa  
Lagun Aro

Social partners

Press and Social Networks  
TV and Radio Stations  
NGOs  
Cultural Associations

The relationship and dialogue with Danobatgroup's stakeholders is essential to learn of everybody’s concerns and take them into account in the development of the group's activities.

Communication with stakeholders provides Danobatgroup with certain advantages and is a fundamental factor in the definition of the strategy and in the corporate culture:

- It improves risk management by including stakeholder input in the selection of issues relevant to the company.
- It raises awareness of the social, economic and environmental context, both present and future, which enables the identification of opportunities.
- It improves corporate reputation and stakeholder confidence in Danobatgroup.

More information on Danobatgroup's communication channels can be found in the section [Governance - Communication and transparency](#) of this report.



# Annexes



# Annexes

## Annex 1: GRI 2-7 Employees

2023	Danobat			Soraluce			Goimek			Ideko			Latz			Central Services		
	Male	Female	TOTAL staff	Male	Female	TOTAL staff	Male	Female	TOTAL staff	Male	Female	TOTAL staff	Male	Female	TOTAL staff	Male	Female	TOTAL staff
Total staff by gender and origin																		
Spain	404	54	458	252	40	292	92	4	96	85	36	121	20	4	24	27	16	43
TOTAL	404	54	458	252	40	292	92	4	96	85	36	121	20	4	24	27	16	43
Total staff by gender and age																		
Younger than 30	102	16	118	62	6	68	11	0	11	23	14	37	0	0	0	7	4	11
Between 30 and 50	238	29	267	144	26	170	70	3	73	53	19	72	5	2	7	11	9	20
Older than 50	64	9	73	46	8	54	11	1	12	9	3	12	15	2	17	9	3	12
TOTAL	404	54	458	252	40	292	92	4	96	85	36	121	20	4	24	27	16	43
Permanent and temporary contracts by gender																		
Permanent	367	37	404	232	20	252	80	12	92	76	9	85	20	4	24	22	5	27
Temporary	47	7	54	37	3	40	4	0	4	34	2	36	0	0	0	16	0	16
TOTAL	414	44	458	269	23	292	84	12	96	110	11	121	20	4	24	38	5	43
Full and part-time by gender																		
Full-time	397	7	404	244	8	252	89	3	92	81	4	85	20	2	22	26	1	27
Part-time	50	4	54	34	6	40	4	0	4	35	1	36	0	2	2	13	3	16
TOTAL	447	11	458	278	14	292	93	3	96	116	5	121	20	4	25	39	4	43

Annex 2: GRI 403-9 Work-related injuries  
and GRI 403-10 Occupational affections and illnesses

	Danobat			Soraluce			Goimek			Ideko			Latz		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Injuries															
Work-related injuries	1	5	7	10	4	7	2	4	2	0	1	0	1	0	0
Occupational affections and illnesses															
Total work hours	601.096	635.466	662394	394.670	441.669	471.117	133.935	134.008	125252.52	177.813	187.577	195.555	31.814	39.066	33485
% overtime	3	3	4	5,3	5	4,3	2,3	2	2.2	0	0	0	0	0	0
Absenteeism	4,18	4,51	5.7	6,4	4,49	6,08	4,2	5,11	6.6	3,3	2,2	0,8	9,6	2,8	5.7
(Absenteeism hours per hours worked)															
Incidence rate	2,54	12,32	17.24	39,84	14,76	24,05	23,8	46,51	25.97	0	8,47	0	41,7	0	0
(Number of accidents with sick leave per 1,000 workers)															
Frequency rate	1,66	7,87	11.02	25,09	9,06	14,8	15,27	29,26	15.6	0	5,39	0	31,7	0	0
(Number of occupational accidents per million hours worked)															
Severity rate	0,06	0,22	0.77	0,21	0,27	0,63	0,068	0,174	0.07	0	0,03	0	1,1	0	0
(Number of days lost per 1,000 hours worked)															
Number of occupational illness	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



Annex 3: GRI 404-1 Average number of training hours per year per employee

2023	Danobat		Soraluce		Goimek		Ideko		Central Services	
Average hours of training per year per gender	Total number of training hours	Average	Total number of training hours	Average	Total number of training hours	Average	Total number of training hours	Average	Total number of training hours	Average
Male	16078,2	39,8	6356,8	25,23	1346,3	14,63	2748,6	32,34	742,5	27,5
Female	2612	48,37	514,7	12,87	46	11,5	1855,2	51,53	661	41,31
TOTAL	18690,2	40,81	6871,5	23,53	1392,3	14,5	4603,8	38,05	1403,5	32,64
Average hours of training per year by job category										
Operator - Administrative worker	3474,3	22,71	2781,3	24,83	1067,1	16,42	168,5	168,5	40	20
Technician	13855,2	61,58	3490,5	29,83	275,7	13,13	3605,2	43,44	1150	46
Head			250,5	17,89	12	6	-	-	-	-
Manager	1069,6	17,83	308	9,33	-	-	544,8	27,24	197,5	17,95
Director	287,1	15,11	41,2	4,12	37,5	16,88	285,3	47,55	16	5,33
Managing director	4	-	-	-	-	-	-	-	-	-
Others	18690,2	40,81	6871,5	23,53	1392,3	14,5	4603,8	38,05	1403,5	32,64
TOTAL	9164,6	22,74	5147,1	18,92	1365,6	15,17	2946,3	25,4	638,4	15,57

Annex 4: GRI 405-1 Diversity in governing bodies and employees

2023	Danobat		Soraluce		Goimek		Ideko		Latz		Central Services	
Percentage of people within the organisation's governing bodies by gender	No. of people in governing bodies	Percentage of people in governing bodies	No. of people in governing bodies	Percentage of people in governing bodies	No. of people in governing bodies	Percentage of people in governing bodies	No. of people in governing bodies	Percentage of people in governing bodies	No. of people in governing bodies	Percentage of people in governing bodies	No. of people in governing bodies	Percentage of people in governing bodies
Male	11	78,57	16	80	13	92,86	11	73,33	9	81,82	14	82,35
Female	3	21,43	4	20	1	7,14	4	26,67	2	18,18	3	17,65
TOTAL	14	100	20	100	14	100	15	100	11	100	17	100
Percentage of people within the organisation's governing bodies by age categories												
Younger than 30	0	0	0	0	0	0	0	0	0	0	0	0
Between 30 and 50	11	78,57	12	60	10	71,43	11	73,33	5	45,45	10	58,82
Older than 50	3	21,43	8	40	4	28,57	4	26,67	6	54,55	7	41,18
TOTAL	14	100	20	100	14	100	15	100	11	100	17	100



	Danobat											
Percentage of employees by job category and gender	No. of employees	Percentage of employees	Operator - Administrative worker	Percentage of Operators - Administrative workers	Technician	Percentage of Technicians	Manager	Percentage of Managers	Director	Percentage of Directors	Others	Percentage of Others
Male	404	88,21	141	92,16	191	84,89	54	90	17	89,47	1	100
Female	54	11,79	12	7,84	34	15,11	6	10	2	10,53	0	0
TOTAL	458	100	153	100	225	100	60	100	19	100	1	100
Percentage of employees by job and age category												
Younger than 30	118	25,76	65	42,48	53	23,56	0	0	0	0	0	0
Between 30 and 50	267	58,3	71	46,41	134	59,56	48	80	13	68,42	1	66,67
Older than 50	73	15,94	17	11,11	38	16,89	12	20	6	31,58	0	33,33
TOTAL	458	100	153	100	225	100	60	100	19	100	1	100

	Soraluce													
Percentage of employees by job category and gender	No. of employees	Percentage of employees	Operator - Administrative worker	Percentage of Operators - Administrative workers	Technician	Percentage of Technicians	Head	Percentage of Heads	Manager	Percentage of Managers	Director	Percentage of Directors	Others	Percentage of Others
Male	252	86,3	104	92,86	91	77,78	13	92,86	29	87,88	10	90,9	5	100
Female	40	13,7	8	7,14	26	22,22	1	7,14	4	12,12	1	9,1	0	0
TOTAL	292	100	112	100	117	100	14	100	33	100	11	100	5	100
Percentage of employees by job and age category														
Younger than 30	68	23,29	32	28,57	34	29,06	0	0	0	0	0	0	2	40
Between 30 and 50	170	58,22	67	59,82	61	52,14	11	78,57	24	72,73	4	36,36	3	60
Older than 50	54	18,49	13	11,61	22	18,8	3	21,43	9	27,27	7	63,63	0	0
TOTAL	292	100	112	100	117	100	14	100	33	100	11	100	5	100

	Goimek													
Percentage of employees by job category and gender	No. of employees	Percentage of employees	Operator - Administrative worker	Percentage of Operators - Administrative workers	Technician	Percentage of Technicians	Head	Percentage of Heads	Manager	Percentage of Managers	Director	Percentage of Directors	Others	Percentage of Others
Male	92	95,83	65	100	17	80,95	2	100	1	100	5	100	2	100
Female	4	4,17	0	0	4	19,05	0	0	0	0	0	0	0	0
TOTAL	96	100	65	100	21	100	1	100	1	100	5	100	2	100
Percentage of employees by job and age category														
Younger than 30	11	11,46	9	13,85	1	4,76	0	0	0	0	0	0	1	50
Between 30 and 50	73	76,04	49	75,38	16	76,19	2	100	1	100	4	75	1	50
Older than 50	12	12,5	7	10,77	4	19,05	0	0	0	0	1	25	0	0
TOTAL	96	100	65	100	21	100	1	100	1	100	4	100	2	100

	Ideko											
Percentage of employees by job category and gender	No. of employees	Percentage of employees	Operator - Administrative worker	Percentage of Operators - Administrative workers	Technician	Percentage of Technicians	Manager	Percentage of Managers	Director	Percentage of Directors	Others	Percentage of Others
Male	85	70,25	0	0	57	68,67	18	90	5	83,33	5	45,45
Female	36	29,75	1	100	26	31,33	2	10	1	16,67	6	54,55
TOTAL	121	100	1	100	83	100	20	100	6	100	11	100
Percentage of employees by job and age category												
Younger than 30	37	30,58	0	0	33	39,76	0	0	0	0	4	36,36
Between 30 and 50	72	59,5	0	0	47	56,63	13	65	5	83,33	7	63,64
Older than 50	12	9,92	1	100	3	3,61	7	35	1	16,67	0	0
TOTAL	121	100	1	100	83	100	20	100	6	100	11	100



	Latz													
Percentage of employees by job category and gender	No. of employees	Percentage of employees	Operator - Administrative worker	Percentage of Operators - Administrative workers	Technician	Percentage of Technicians	Head	Percentage of Heads	Manager	Percentage of Managers	Director	Percentage of Directors	Others	Percentage of Others
Male	20	83,33	14	93,33	3	60	1	100	0	0	1	0	1	100
Female	4	16,67	1	6,67	2	40	0	0	1	100	0	0	0	0
TOTAL	24	100	15	100	5	100	1	100	1	100	1	100	1	100
Percentage of employees by job and age category														
Younger than 30	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Between 30 and 50	7	29,17	4	26,67	3	60	0	0	0	0	0	0	0	0
Older than 50	17	70,83	11	73,33	2	40	1	100	1	100	1	100	1	100
TOTAL	24	100	15	100	5	100	1	100	1	100	1	100	1	100

	Central Services									
Percentage of employees by job category and gender	No. of employees	Percentage of employees	Operator - Administrative worker	Percentage of Operators - Administrative workers	Technician	Percentage of Technicians	Manager	Percentage of Managers	Director	Percentage of Directors
Male	27	62,79	1	50	15	60	7	63,64	7	100
Female	16	37,21	1	50	10	40	4	36,36	4	0
TOTAL	43	100	2	100	25	100	11	100	11	100
Percentage of employees by job and age category										
Younger than 30	11	25,58	1	0	10	40	0	0	0	0
Between 30 and 50	20	46,51	1	50	11	44	6	54,55	6	25
Older than 50	12	27,91	0	50	4	16	5	45,45	5	75
TOTAL	43	100	2	100	25	100	11	100	11	100

Annex 5: GRI 401-3 Chilbirth and childcare leave

	Danobat			Soraluce			Goimek			Ideko			Latz			Central Services		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total number of employees entitled to childbirth and childcare leave, by gender	15	1	16	8	1	9	1	0	1	2	0	2	0	0	0	3	0	3
Total number of employees who have taken childbirth and childcare leave, by gender	15	1	16	8	1	9	1	0	1	2	0	2	0	0	0	3	0	3
Total number of employees who have returned to work in the period to which this report applies after the end of childbirth and childcare leave, by gender	18	0	18	7	0	7	3	0	3	3	1	4	0	0	0	1	1	2
Total number of employees who have returned to work after the end of childbirth and childcare leave and who were still employed 12 months after returning to work, by gender	10	0	10	13	2	15	1	1	2	4	1	5	0	0	0	1	0	1
Rates of employees returning to work and of employee retention on childbirth and childcare leave, by gender																		
Rate of employees returning to work	0,9	0	0,86	1	0	1	1	1	1	1	1	1	0	0	0	1	1	1
Retention rate	0,83	0	0,83	0,81	1	0,83	1	0	1	0,67	1	0,71	0	0	0	1	0	1

Annex 6: Direct expenditure charged to MS

	Danobat			Soraluce			Goimek		
Direct expenditure charged to MS	2021	2022	2023	2021	2022	2023	2021	2022	2023
Maintenance of the Environmental and Energy Management System (1)	33.301	35.185	37.620	17.000	20.000	23.173	12.500	9.566	9.500
Environmental investments	0	419.143	420.761	0	108.904	492.853	0	0	316.561,5
HW management costs. NHW and urban waste	50.095	72191	70.787	15.700	33.000	36.073	14.375	11236	12.885,51
Other environmental expenditure	23.174	29.030	32.401	7.000	6.000	6.000	3.000	2.500	3.000
TOTAL IN €	106.570	555.549	561.569	39.700	167.904	558.009	29.875	23.302	341.947

(1) Dedication of staff, AENOR and Legoan audits.



Annex 7: 306-3 Wastes by type and disposal method

Danobat				
Hazardous waste	Unit	2021	2022	2023
Emulsified oily waters	Kg.	144.560	176.960	212.360
Contaminated chemical packaging	Kg.	720	1.040	1.260
Polishing sludge	Kg.	4.840	5.600	4.702
Non-hazardous waste	Unit	2021	2022	2023
Scrap	Kg.	43.620	61.440	551.640
Packaging waste: Cardboard, plastic and wood	Kg.	98.100	143.036	149.960
Unsorted non-hazardous waste	Kg.	18.580	24.320	20.340
Refuse classified as urban waste	Unit	2021	2022	2023
Packaging waste	Kg.	2.080	2.520	4.700
Organic waste	Kg.	16.318	14.652	13.194
Goimek				
Hazardous waste	Unit	2021	2022	2023
Emulsified oily waters	Kg.	712	4.885	300
Contaminated chemical packaging	Kg.	3.740	3.985	3.520
Polishing sludge	Kg.	620	116	395
Coolant	Kg.	20.980	15.580	4.625
Coolant sludge	Kg.	5.005	5.356	5.865
Non-hazardous waste	Unit	2021	2022	2023
Scrap	Kg.	672.500	712.650	659.460
Packaging waste: Cardboard, plastic and wood	Kg.	12.150	9.399	8.511
Unsorted non-hazardous waste	Kg.	np	np	np
Refuse classified as urban waste	Unit	2021	2022	2023
Packaging waste*	Kg.	nd	nd	nd
Organic waste*	Kg.	nd	nd	nd

\* Data not available. Packaging and organic waste are managed by a regional service.

Soraluce				
Hazardous waste	Unit	2021	2022	2023
Emulsified oily waters	Kg.	7.720	20.901	11.500
Contaminated chemical packaging	Kg.	700	1.475	700
Polishing sludge	Kg.	180	340	110
Non-hazardous waste	Unit	2021	2022	2023
Scrap	Kg.	24.600	69.092	66.090
Packaging waste: Cardboard, plastic and wood	Kg.	28.170	41.760	49.820
Unsorted non-hazardous waste	Kg.	17.190	27.220	25.500
Refuse classified as urban waste	Unit	2021	2022	2023
Packaging waste*	Kg.	nd	nd	nd
Organic waste*	Kg.	nd	nd	nd

\* Data not available. Packaging and organic waste are managed by a regional service.

Ideko				
Hazardous waste	Unit	2021	2022	2023
Oily emulsion	kg	1.040	2.040	3.340
Laboratory reagents	kg	1.440	847	1.688
Contaminated plastic packaging	kg	60	40	180
Contaminated material	kg	480	221	102
Non-hazardous waste	Unit	2021	2022	2023
Packaging waste: Cardboard, plastic and wood	kg	1.419	1.159	1.678
Refuse classified as urban waste	Unit	2021	2022	2023
Packaging waste	Kg.	690	974	1.000

\* Data not available. Packaging and organic waste are managed by a regional service.

Annex 8: GRI 303-5 Water consumption

	Danobat			Soraluce			Goimek			Ideko		
Water consumption (m3)	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Water consumption	1.871	3.943	4.871	3241	3.503	2.165	995	999	1.231	1.205	2.357	1.430

Annex 9: GRI 302-1 Energy consumption within the organisation

	Danobat		Soraluce		Goimek		Ideko	
Energy Consumption (kWh) - 2020 and 2021	2021		2021		2021		2021	
Electrical energy (1)	2.328.238		1.960.000		748.465		2.560.119	
Natural gas (1)	1.732.952		2.238.000		279.183		35.833	

	Danobat			Soraluce		Goimek		Ideko	
Energy Consumption 2023	Unit	2022	2023	2022	2023	2022	2023	2022	2023
Renewable						0	0		
Grid Electricity with GoO	kWh	1.285.424	0	0	0	0	0	795.093	706.908
Electricity from own renewable energy installations	kWh	13.161	401.242	5.883	415.086	0	0	6.193	123.600
		1.298.585	401.242	5.883	415.086	0	0	801.286	830.508
Non-renewable									
Grid Electricity without GoO	kWh	1.141.029	2.596.347	1.866.000	1.518.000	2.343.480	2.622.570	0	0
Natural gas	kWh	1.974.661	875.951	1.863.000	1.635.000	426.766	426.498	422.179	403.269



Annex 10: GRI 301-1 Material and raw material consumption

Danobat									
Raw materials consumption (kg)	2021			2022			2023		
	Non-renewable materials	Renewable materials	Total	Non-renewable materials	Renewable materials	Total	Non-renewable materials	Renewable materials	Total
Raw materials (metals)	111.169	2.111.649	2.222.818	125.437	1.919.355	2.044.792	226.676	2.098.476	2.325.152
Process materials (lubricant, refrigerants, coolants,...)	18.175		18.175	25.983		25.983	21.316		21.316
Packaging materials	35.119	488.567	523.686	38.468	507.919	546.387	50.365	647.708	698.073
TOTAL	164.463	2.600.216	2.764.679	189.888	2.427.274	2.617.162	298.357	2.746.184	3.044.541

Soraluce									
Raw materials consumption (kg)	2021			2022			2023		
	Non-renewable materials	Renewable materials	Total	Non-renewable materials	Renewable materials	Total	Non-renewable materials	Renewable materials	Total
Raw materials (metals)	1.678	2.628.472	2.630.150	0	3.235.751	3.235.751	0	2.887.341	2.887.341
Process materials (lubricant, refrigerants, coolants,...)	16765	0	16.765	19785	0	19.785	20879	0	20.879
Packaging materials	57	182257	182.314	21852	220.563	242.415	43817	441959	485.776
TOTAL	18.500	2.810.729	2.829.229	41.637	3.456.314	3.497.951	64.696	3.329.300	3.393.996

Goimek									
Raw materials consumption (kg)	2021			2022			2023		
	Non-renewable materials	Renewable materials	Total	Non-renewable materials	Renewable materials	Total	Non-renewable materials	Renewable materials	Total
Raw materials (metals)	0	0	0	2.430	0	2.430	10.938	0	10.938
Process materials (lubricant, refrigerants, coolants,...)	22.240	0	22.240	21217	0	21.217	19916	0	19.916
Packaging materials	997	1342	2.339	604	2717	3.321	895	6958	7.853
TOTAL	23.237	1.342	24.579	24.251	2.717	26.968	31.749	6.958	38.707

Annex 11: GRI 305-1 Direct GHG emissions (scope 1) and 305-2 Indirect energy-related GHG emissions (scope 2) and 305-3 Other indirect GHG emissions (scope 3)

	Danobat			Soraluce			Ideko		
Breakdown of emissions by source. Carbon Footprint	2021	2022	2023	2021	2022	2023	2021	2022	2023
Scope 1: Direct GHG emissions	437	407,9	183,4	412	897	1.236	-	126,89	86,27
Scope 2: Indirect energy-related GHG emissions	11	258,2	687,8	495	496	485	-	0,20	0,36
Scope 3: Other indirect GHG emissions	na	264.922,0	236.349,0	na	114.709	120.353	-	1074,96	1.051,68
Total CO2 emissions in tons	448	265.588	237.220	907	116.102	122.074	-	1.202	1.138

\* From 2022: calculation of carbon footprint according to ISO140064 and GHG Protocol



