

Growing sustainably

2022

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** and **the 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.**

Growing sustainably 2022

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Sustainability report



Letter from the President and CEO

Because of its cooperative spirit, the search for a balance between economic growth, environmental protection and social welfare has always been key at Danobatgroup. In recent years, with the aim of bequeathing a brighter future to the next generations, this goal of balance has been actively pursued. Committed to the Sustainable Development Goals (SDGs) as set out by the UN, sustainability has been included across the business and governance model of the Group. An important decision that lays the foundation for the Group's future beyond 2024. With technological innovation as its flagship, Danobatgroup is committed to achieving sustainable growth and extending it to society as a whole.

In economic terms, 2022 was the year of recovery, achieving a turnover of 277 million euros. A record figure made possible thanks to the effort, commitment and resilience of each and every one working in the companies of the Group after two particularly challenging years marked by the pandemic.

In 2022, Danobatgroup made the largest investment in its history. More than 35 million euros to extend and modernise the facilities of Danobat, Soralue and Goimek, built with sustainability criteria, in order to meet the new demands of the machine tool and advanced manufacturing sector.

Thanks to this investment effort, the Group reinforces its value proposition, enhances its competitiveness and centralises the activity, keeping its main hub of activity in Guipúzcoa.

With a view to Danobatgroup's environmental commitment, the Group invested 1 million euros in the installation of more than 2,500 solar panels at its production plants.



In order to enhance its value proposition and competitive position, Danobatgroup acquired a majority stake in Novak, a company specialising in precision machining.

In 2022, Danobatgroup adopted the new Legal Compliance Procedure approved in 2021 into its governance model, which has required the introduction of a new code of ethics and several related policies.

With a view to Danobatgroup's environmental commitment, the Group invested 1 million euros in the installation of more than 2,500 solar panels at the Danobat, Soralue and Ideko plants. This will also be done in the near future at the Goimek plant.

Currently in the final approval process, to its subsequent execution during 2023-2024, in 2022 Danobatgroup has carried out a mobility diagnosis and has specified different proposals for improvement. Its main

objective is to reduce the environmental impact of commuting to the workplace by providing possibilities for a more efficient use of means of transport, taking measures to minimise work trips and, especially, putting an end to the inefficient use of private vehicles, both by employees and by suppliers, visitors and customers.

With a workforce of 1,423 people, we meet the objectives of generating quality employment set out in Danobatgroup's strategic plan for 2021-2024. Also in 2022, various initiatives were undertaken, such as further expanding the equality plans in five of the Group's companies, and intensifying continuing training of all personnel through new systems such as on-demand training platforms.

Danobatgroup's commitment to society materializes in a three-year contribution of more than 1 million four hundred thousand euros to social initiatives. It should be noted that the Group continues to develop the Elkarrekin Eragin initiative, a participative project in which the people of the Group companies propose and choose three 3-year cooperation programmes. 525.000€ has been allocated for the entire programme.

Aware of the long road ahead, Danobatgroup strongly believes that by liaising with our stakeholders and driven by the commitment and involvement of the people in the organisation, steady progress will be made, because not only do we strive to be a benchmark in advanced manufacturing, but we also wish to be a benchmark in sustainability.

Andres Mazkarian
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.

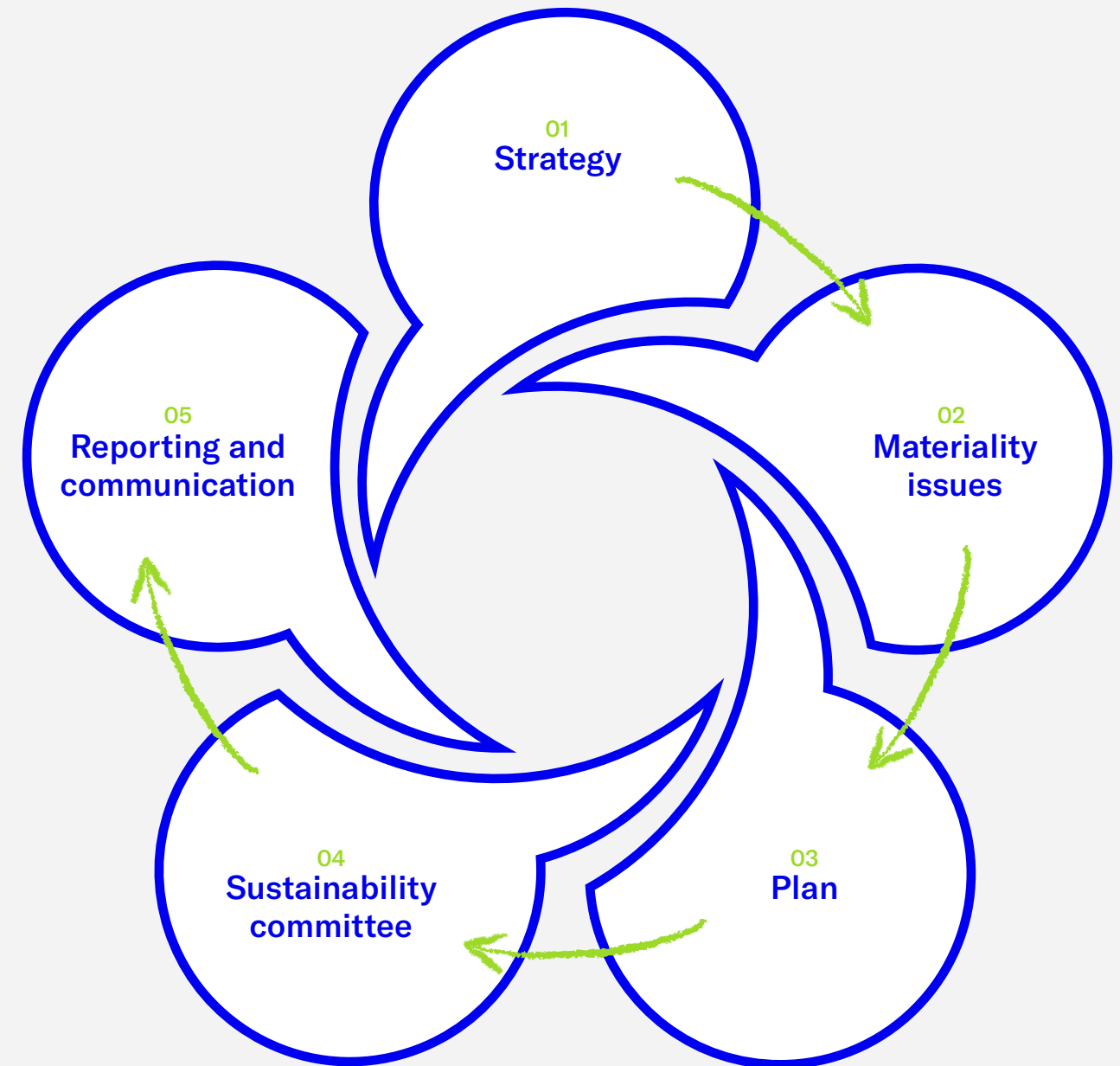
04. Sustainability Committee

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.



Commitments 2022



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.

2022

Implementation of a new **Legal Compliance procedure** which has required the drafting of a new Code of Ethics and several related policies.

Conducting the **Corporate Culture survey** in all companies, a fundamental instrument for active listening.

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.

2022

Installation of more than **2,500 solar panels for self-consumption** at the manufacturing plants of the Group.

Establishing a tool for measuring the **Organisational Carbon Footprint**.

Implementation of the **mobility plan** to come into force in 2023-2024.

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.

2022

To extend the **Equality Plans** to 5 companies of the Group.

Reduction of the incidence rate to 15.18.

Support for the ZTIM HUB, STEM Sare, Zientzia Azoka, Bizilabe, Gladys award and Ada Byron awards.

Sustainable development of the society

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

2022

Share of **state-wide supplier of 70%.**

€497,889.77 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.

2022

Boosting open innovation with the launch of a call for the search for **collaborations with startups in the field of AI.**

Implementation of a new **system that improves and systematises communication with customers.**



→ 03

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 group specialized in the development of advanced manufacturing solutions, digital, sustainable and committed to the people and the environment.

The group, part of the MONDRAGON Corporation, has over 65 years' experience in the development of high-precision systems and in the application of manufacturing-oriented technologies, especially in the fields of grinding, turning, milling, boring and multifunction machines for strategic and highly demanding sectors, such as aeronautics, the automotive industry, power generation, capital goods and the railways.

Danobatgroup has a long-standing and firm commitment to innovation and developing pioneering technology, which hinges on its ability to anticipate the challenges of the future and develop solutions that become mainstream on the market.

Danobat and its subsidiaries Overbeck and Hembrug, Soraluze, Goimek and Latz, the Ideko research centre and the central services of the Danobatgroup form the largest local manufacturer in Spain and one of Europe's leading producers of machine tools. The companies of the industrial Group have production plants in Spain, Germany, the Netherlands and Romania, Centres of Excellence in Spain, Germany, Italy, the USA and China, and sales and service offices in other countries.

Danobatgroup is also a group that is highly committed to the community in which it operates. The group combines its international vocation with strong local roots. A commitment stemming from its co-operative DNA, which, since the early days, has permeated its day-to-day activities, extending to the social, environmental, economic and governance spheres.

People are one of the fundamental pillars of the Group. The people who make up the organisation participate actively at all levels of management and are responsible for the company's results. Danobatgroup operates in accordance with MONDRAGON's co-operative management model. Within the framework of this model, particular attention is paid to governance, which places people at the centre and applies responsible and self-demanding practices, to achieve sustainable growth.



Cooperatives and brands



SORALUCE

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

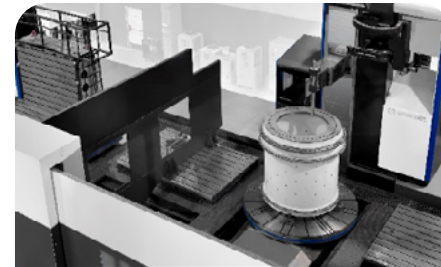
Danobat has been providing its customers with technologically advanced and fully customised manufacturing solutions and services for 69 years. As a result, the company has established itself as a leading provider of advanced manufacturing solutions.

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

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.



LATZ

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.



IDEKO MEMBER OF BASQUE RESEARCH & TECHNOLOGY ALLIANCE

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



1,423

Professionals



>90%

Export



277 M€

Turnover



>9%

Investment in R&D&I



Main countries:

- CHINA
- ITALY
- USA
- GERMANY
- SPAIN



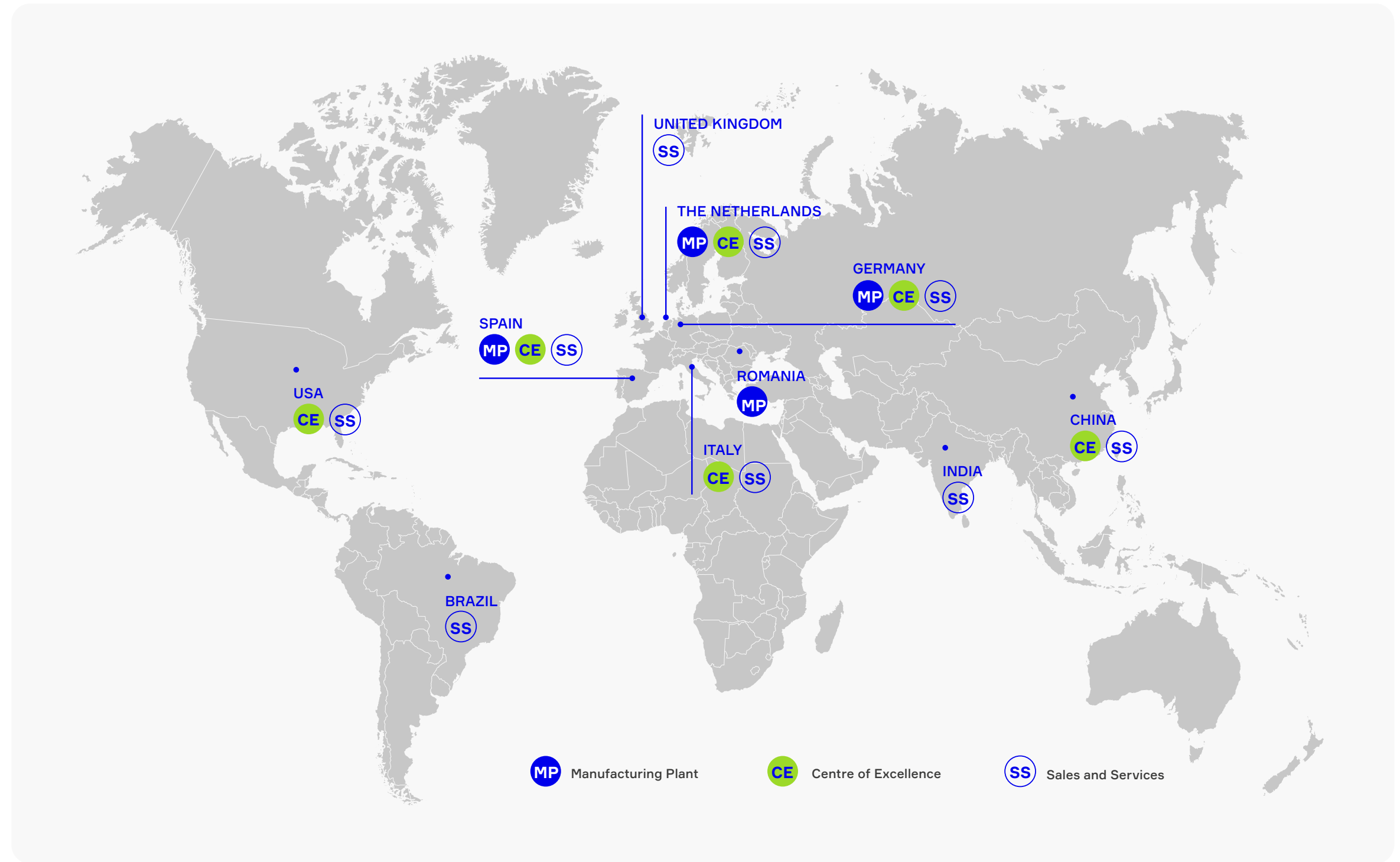
Main Sectors:

- AEROSPACE
- CAPITAL GOODS
- RAILWAYS
- AUTOMOTIVE
- GREEN ENERGY

A Global Group

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

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



Vision and values

The people of the Danobatgroup share a common vision of driving the scientific and technological transformation of industrial manufacturing.

To this end, the group relies on a corporate social project that places people at the centre. People with a cooperative identity, committed and who share the objective of generating wealth and employment in a sustainable way in the countries where Danobatgroup is present.



Commitment

Because we are involved as workers and partners of the company



Customer focus

Because only when we are aware of the needs of the client we can give the best solutions



Innovation

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



Co-operation

Because sharing knowledge and wealth is the basis for sustainability



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 machining, as well as to improve the quality of core parts of Danobat and Soraluze machines.



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 Danobatgroup 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.

17 PARTNERSHIPS FOR THE GOALS



GRI 102 — [102-1] [102-2] [102-3] [102-4] [102-6] [102-14] [102-16]

GRI-2 — [22]



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 with 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...



Danobatgroup adopted a new Legal Compliance Procedure approved in 2021 into its governance model, which has required the introduction of a new code of ethics and several connected policies.

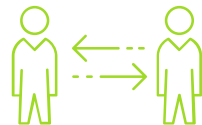


Setting of objectives aligned with the achievement of the goals of 2030 Agenda for Sustainable Development.



Conducting the Corporate Culture survey.

Policy for Conflict of Interest.



Policy for Conflict and Harassment.



Inclusion of 13 ESG objectives among the priority strategic lines of action within the 2021-2024 Strategic Plan.



13
ESG objectives

With a 66.5% participation rate, the Corporate Culture survey conducted in 2022 turned out to be a valuable tool for active listening.



66.5%
participation

Policy for Anti-Corruption, which incorporates the Policy for Sponsorship and the Regulation for Gifts and Hospitality.



Policy for Privacy and Confidentiality.



Governance structure

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
- Human Resources 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.

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	2020	2021	2022
Sales	€ 173,755,000	€ 199,517,000	€ 223,994,000
Consolidated sales (aggregate subsidiaries)	€ 226,000,000	€ 250,266,000	€ 277,000,000
Benefits: before interest, redeployment and COFIP allocation funds	€ 9,160,000	€ 16,073,000	€ 18,139,000
Net Financial Debt / EBITDA Ratio	-4.2	-3.47	-3.29
Independence Ratio	1.5	1.5	1.59

Compliance

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.

Danobatgroup is committed to the highest standards of business conduct and ethics, principles that are set out in the Codes of Ethics of each Danobatgroup company. This document also includes various policies and annexed documents relative to these Codes.

The Code of Ethics governs our conduct as individuals and as a company. Its content is embodied in a series of commitments and guarantees.

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.

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

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**
- **Criminal Risk Prevention Manual**



Also, a Monitoring System of the functioning of the Criminal Risk Prevention System was put into operation, as well as a Whistle-Blowing Channel and a Supervisory Committee, and staff was duly informed of everything relative to the Regulatory Compliance.

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.

On the other hand, the Danobatgroup companies have created Ethical Channels, such as the internal (confidential) channel that allows employees to raise doubts about the interpretation of the Code, or to communicate the existence of doubtful situations, or to report possible breaches of ethical principles.

Related to the above, the companies of the Group have also put in place 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.

Finally, Information Security standards have been implemented, for which Danobatgroup has developed 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).

This culture of ethics and transparency makes it possible to reach the goal of zero corruption, which all Danobatgroup companies achieved in 2022.

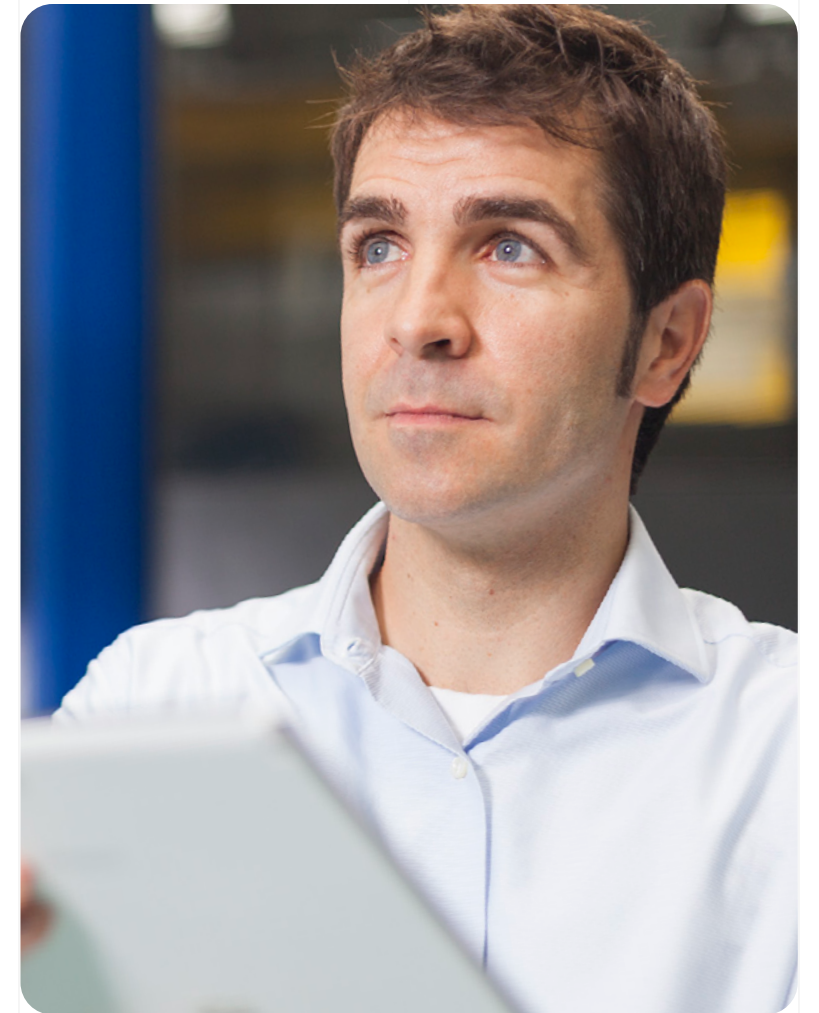
In 2022, there were no complaints regarding human rights violations or complaints about breaches of other ethical principles. No legal actions related to unfair competition, monopolistic and anti-competitive practices, or non-compliance with laws and regulations in the social and economic spheres were 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 various bodies, such as the board of directors, the governing board, committees and employee meetings.

The Group has also established 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. Specifically, in 2022, the culture survey was conducted among all employees of the various companies of the Group, with an average participation rate of 66.5%.

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.



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



GRI 205 — [205-2] [205-3]

GRI 2 — [2-9] [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 moves forward in...

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 employability 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.



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 5 companies of the Group.



In 2022, **online training** was boosted by making on-demand training platforms available to all the people.



Danobatgroup's **average incidence rate** is 15.18, well below the average for industrial companies in the Basque Autonomous Community, which stands at 62.03.



15.18

Danobatgroup people

1423

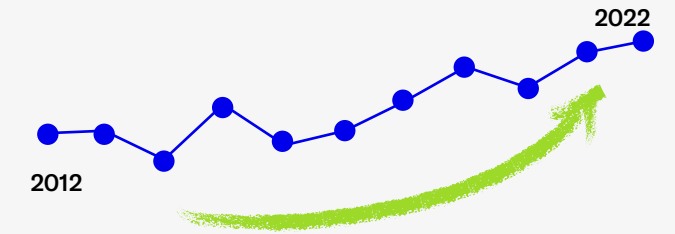
Working people

947
In the Basque Country

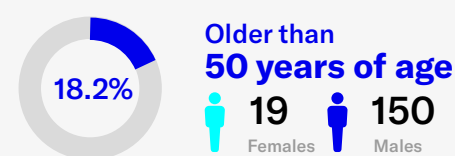
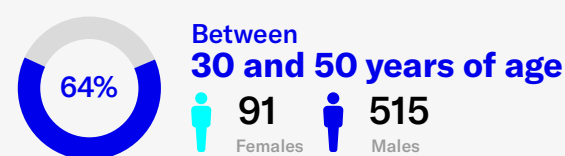
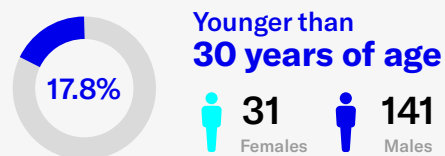
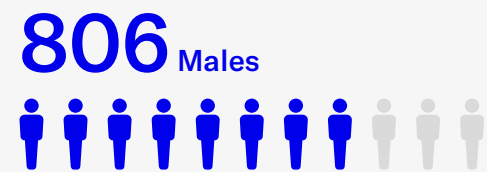
867
Cooperative members



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

Health and safety is a strategic objective for Danobatgroup. This objective is transferred to all levels of the company, with each manager at all levels being responsible for compliance with the health and safety plans.

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.



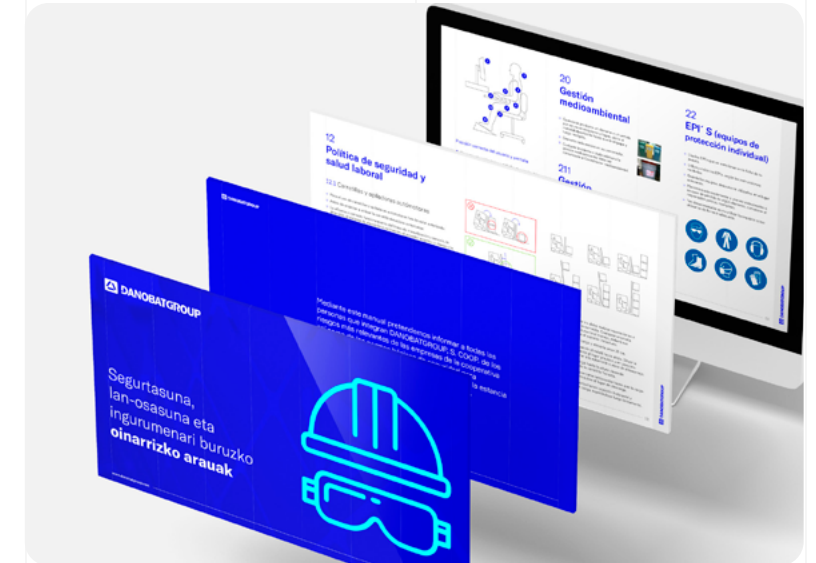
For more information see: Annex 2, GRI 403-9 Work-related injuries and GRI 403-10 Occupational diseases and illnesses

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, all persons can report any danger situation detected. 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.

Through the corresponding protocols and mechanisms established Danobatgroup ensure that all Group facilities comply with safety regulations for any external workers who are somehow active on our premises.



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, last year the following was carried out:



Consultations

878



Analyses

975



Medical check-ups

302



Complementary tests

11

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.
- Private health care that complements the public health care system.



“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.

The canteen service in Elgoibar and Bergara, which is partly financed by the company, has its own kitchen, thus reducing the work timetable and avoiding the risk and stress of travel.



Encouraging exercise: Through awareness-raising actions in all companies of the Group.

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, the services of International SOS, a leader 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 or 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, on 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.

Within the framework of strategic talent management, Danobatgroup works pro-actively to attract talent in order to meet both current and future employment 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 new challenges.

Interaction with young people throughout their training process is a hallmark of Danobatgroup's culture, which is embodied in its commitment to people and to the local community. Aimed at young people who are about to start their working life, the Group promotes the innovative environment as well as its business model.

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.

Some data relating to 2022:

Job fairs

6

Subscribers to the monthly job offers newsletter

+5000

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. Following this strategy, in 2022 Danobatgroup set up the Machine Tool Precision Classroom at the Gipuzkoa School of Engineering of the University of the Basque Country for students studying the degree courses Industrial Electronics and Automation Engineering, Mechanical Engineering and in Mechanical Engineering + Industrial Electronics and Automation Engineering.

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 2022, more than 50 people were trained at Danobatgroup through the various existing formulas.

Danobatgroup has 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.

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.

**STEAM Sare**

A network of schools, companies and scientific-technological agents that promote education in the STEM field in the Basque Country, promoted by the Department of Education of the Basque Government with the collaboration of Innobasque.

**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.

**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.



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 new role of developing their teams.
- Individualised career plans are drawn up based on people's concerns/expectations.
- We work together with international organisations to facilitate the exchange of people and stays abroad, with the aim of transferring trained people to establishments abroad.

In 2022, the following vacancies were published internally

31
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 external training per year per person

20.38

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

- Annual Training Plan and/or Individual Development Plans. Both programmes focus on technical skills as well as soft skills relative to attitudinal competences.
- 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.
- Needs for training in cross-cutting skills, both at departmental and organisation-wide level (digital skills, cybersecurity, languages, people management, occupational risk prevention, etc.).
- 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..



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: **Mon-dragon Basque Committee, Euskaragileak and INDEUS.**

€ 200.470

investment in Basque language plans in 2022.



Diversity, equality and non-discrimination

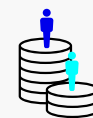
The machine tool sector and, in general, those sectors in which Danobatgroup's customers operate, have traditionally been male-dominated. Danobatgroup, however, strongly believes in the need to foster inclusive spaces and cultures that promote gender equality in particular, as well as respect and integration 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. The Group applies equal pay criteria in the remuneration of its people, ensuring that all the employees are paid the same regardless of their gender.

For this reason, since 2021, 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.

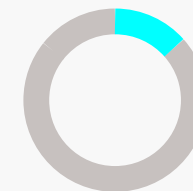


Wage gap for the Danobatgroup companies as a whole

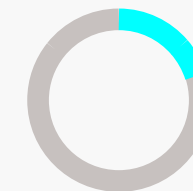
14,4

The underlying cause of the existing wage gap in certain age groups is the lower presence of women in the workforce, a reality that is made notable by the shortage of women specialized in STEM careers.

The average number of women in decision-making bodies exceeds the overall average number of women.



14.89%
Total average of women

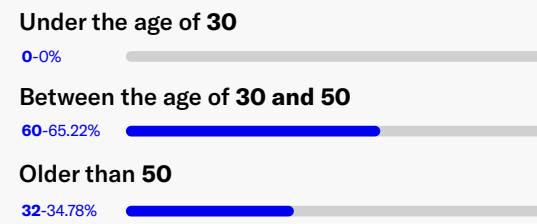
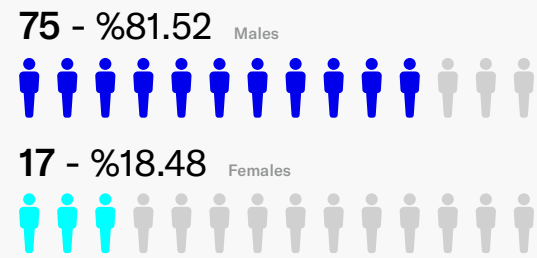


18.48%
Average of women in decision-making bodies

Governing bodies

92

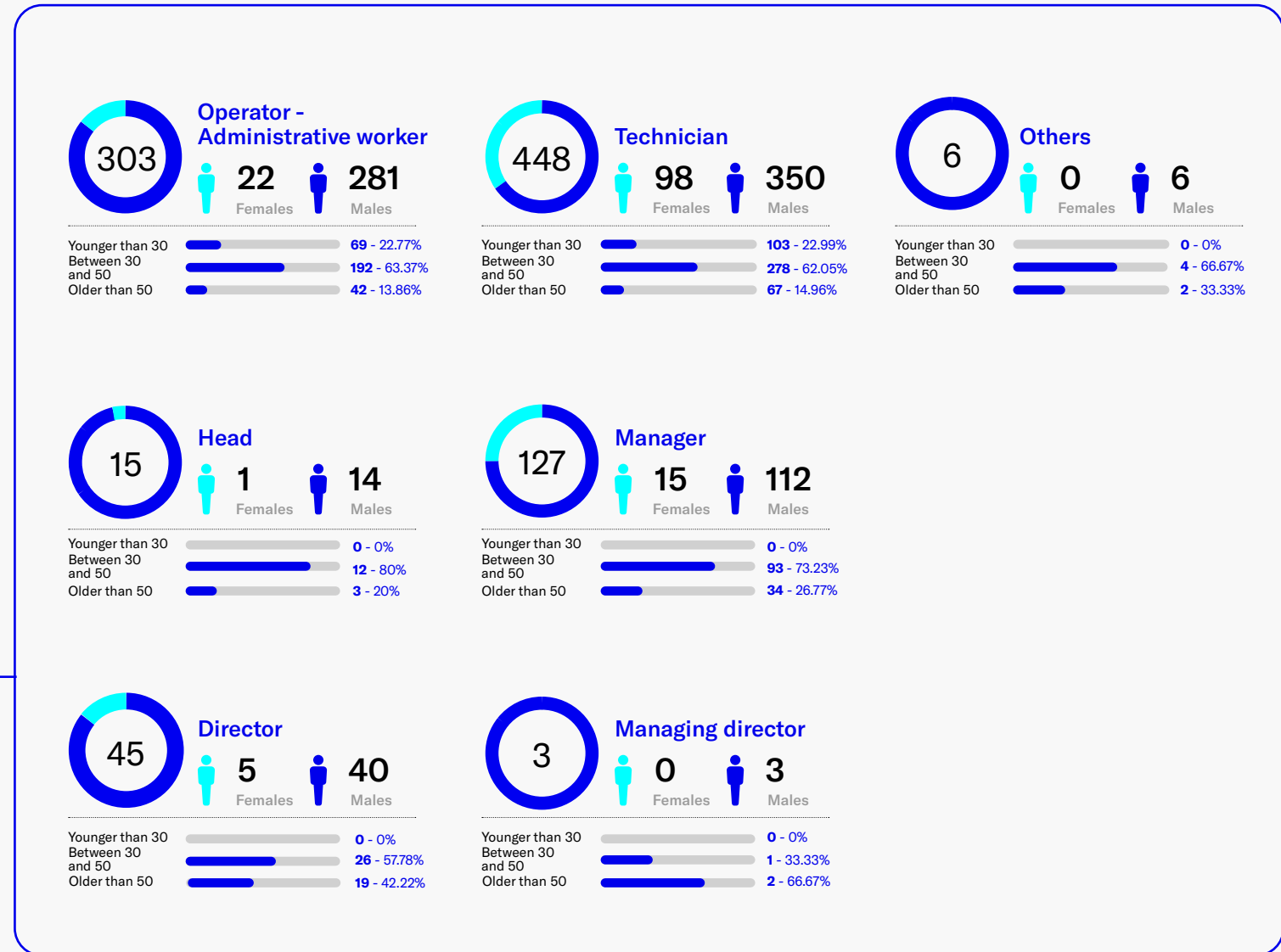
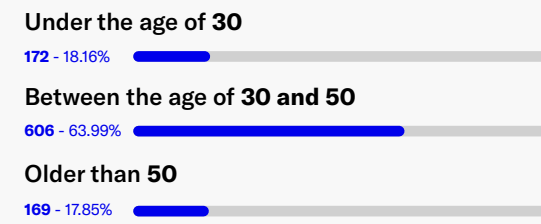
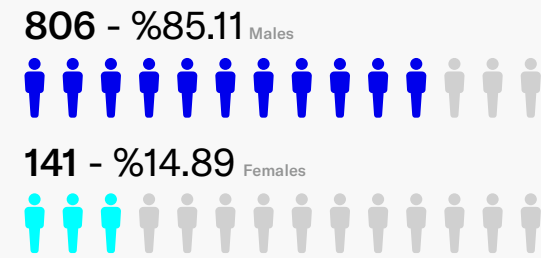
People in governing bodies



People by employment category



People



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

Equality and Diversity Plan

Currently, 5 of the 6 Danobatgroup companies (comprising 95% of the workforce) 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 to be addressed through these plans are many and very ambitious. By way of example, some of these initiatives are outlined below:

- Definition of a common Danobatgroup-wide policy on equality and diversity.
- Raising awareness and training in equality.
- Gender mainstreaming at different levels of management.
- Preventing sexual and gender-based harassment and establishing mechanisms to deal with it if it occurs.
- Taking action to reduce the pay gap.
- 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 emotional stability of the people who work at Danobatgroup, and also that of their families, is a key factor affecting motivation and performance of the entire 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 in this sense:

- Maximising flexible working hours and establishing special voluntary working hours.
- Friday afternoons are available as holidays in some of the cooperative companies of the Group.
- 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 2022:

Total number of employees entitled to parental leave:



Total number of employees who have taken parental leave.



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



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



Rates of employees returning to work and of employee retention on parental leave during the year 2022:



Non-discrimination and diversity management

For years, 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 Parental 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 moves forward in...

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. Digital technologies and artificial intelligence are also incorporated to improve the efficiency of manufacturing systems.



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 is complemented by the Energy Management System, certified according to ISO-50001.

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

Both 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 Soraluze 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.

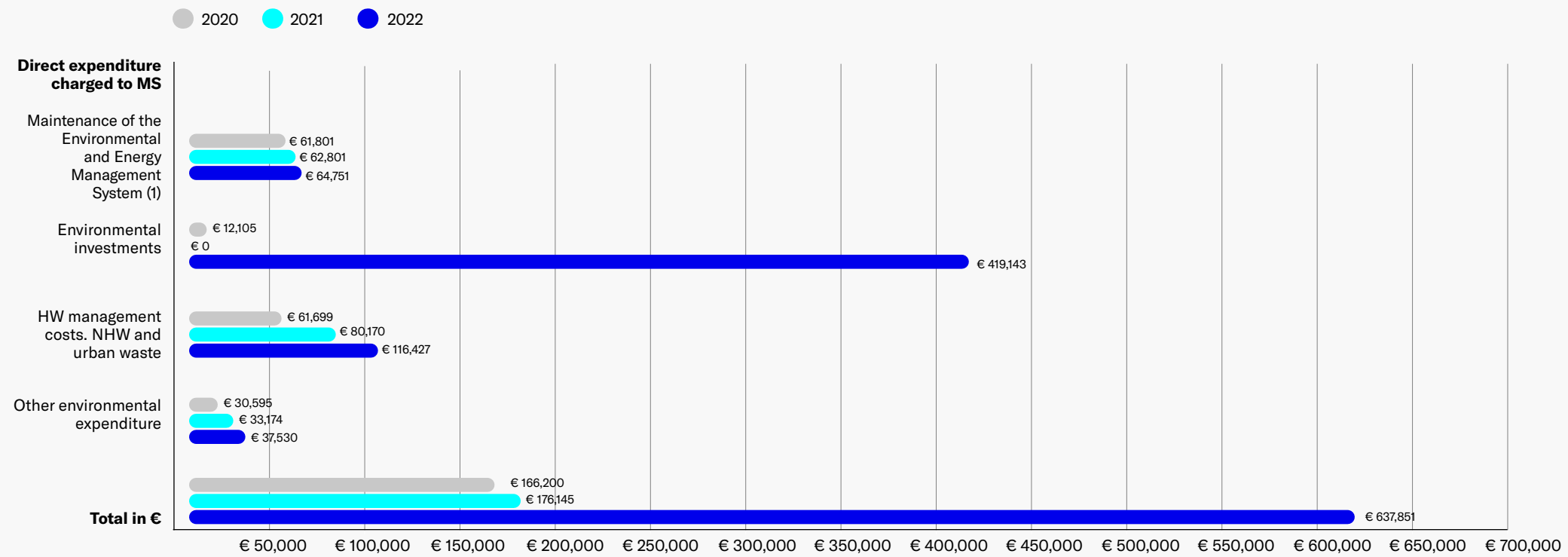
**UNE-ISO
14006**

Product Design and Development Process Management System.

**UNE-ISO
50001**

Energy Management System.

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

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.

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.

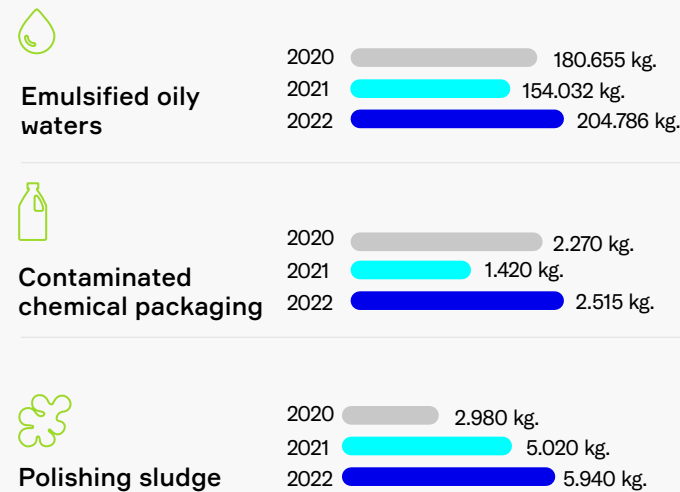
For both non-hazardous waste and urban waste, differentiated collection systems with appropriate containers, paper and cardboard compaction systems are provided. Authorised waste managers are in charge of recycling or recovery of this waste.

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.

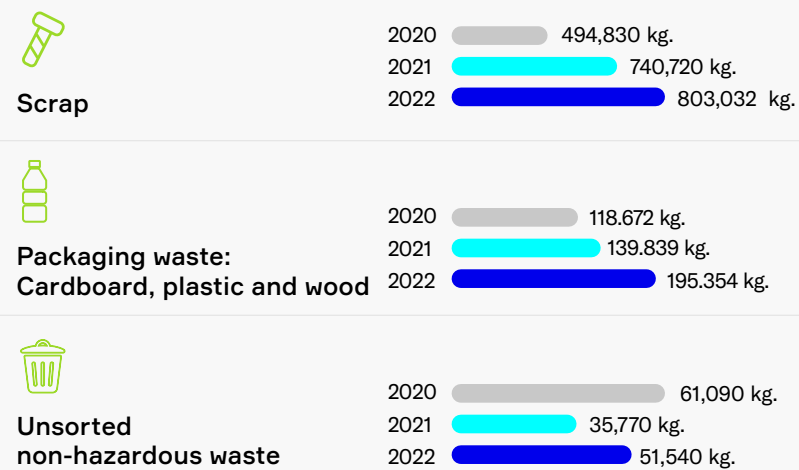
The volume of the most substantial waste generated at the Danobatgroup plants in the Basque Autonomous Community is shown below. It should be mentioned that the volume of waste generated in 2022 increased due to greater production.

Waste

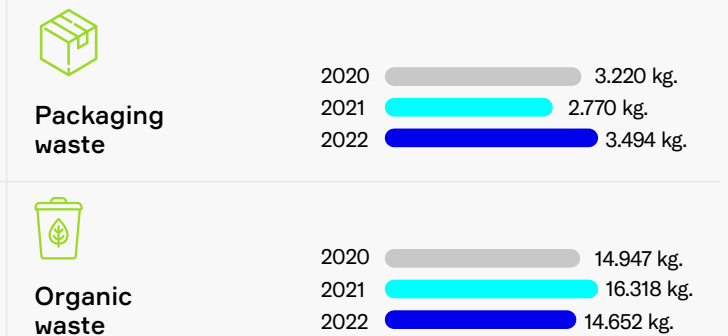
Hazardous waste



Non-hazardous waste



Refuse classified as urban waste



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

Sustainable Use of Resources

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.

For more information see: Annex 8, GRI 303-5 Water consumption. Annex 9, GRI 302-1 Energy Consumption within the organisation

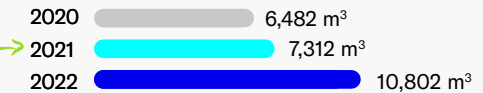
Water consumption

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.



Water consumption (m³) per source at the plants of the Group

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



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 2022, a photovoltaic generation project was implemented, whereby the Group will self-con-

sume around 1 million kWh/year, generating green energy to cover approximately 15-18% of the electricity consumption. Power generation started at the end of the year, so that results will be taken into account from 2023 onwards.

Significant energy consumption data for the Group's main plants are shown below.

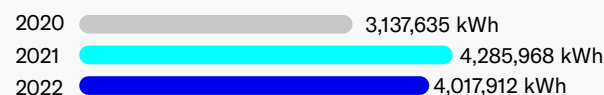
Energy Consumption (kWh)



Electrical energy



Natural gas



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.

Electricity Consumption in 2022

28%
2,048,494 kWh
Renewable

72%
5,308,903 kWh
Non-renewable

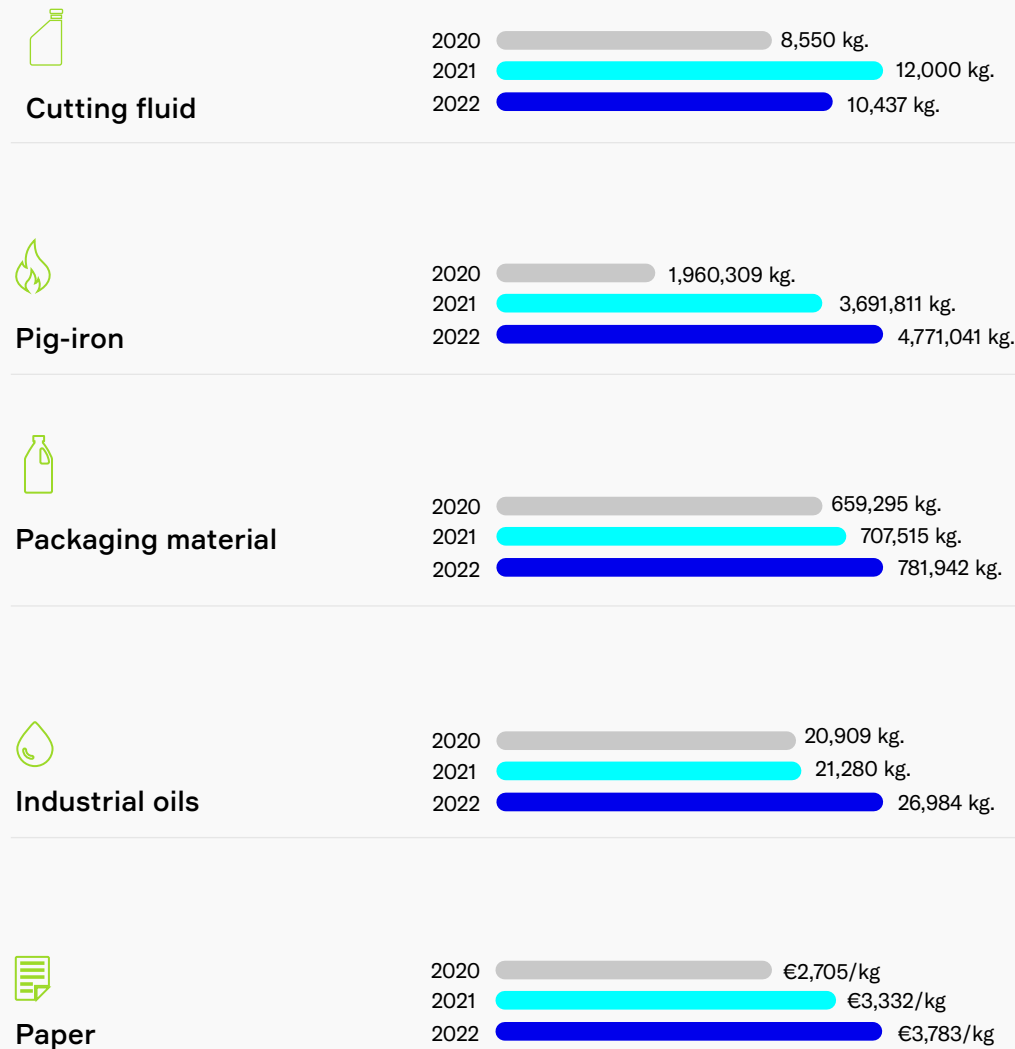
Consumption of raw materials

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%.

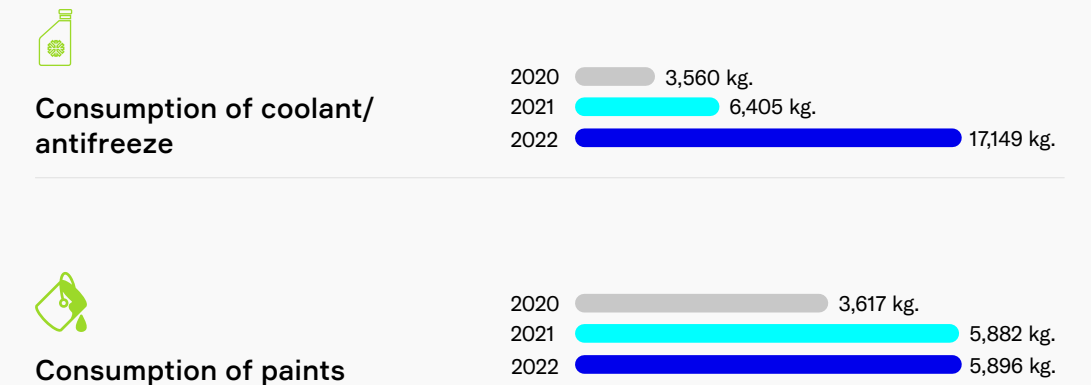
Finally, the Group has implemented a number of actions to reduce the consumption of coolant. A Improvement Committee for organisation, order and cleanliness of assembly plants were set up for the efficient use of coolants. Furthermore, the machining unit of the Group, Goimek, developed a scheme to reduce the use of coolants gradually being replaced for MQL (minimum quantity lubrication) on machines and in processes, thus reducing electrical power consumption by 20% and coolant consumption by 15%.

Other significant consumption indicators are presented below.

Renewable



Non-renewable



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, such as major investments to modernise infrastructures and facilities, design and development of more efficient products, actions to control and improve energy efficiency, etc.

In the coming years, the Group will continue the ongoing process of continuous improvement. This will be supported by constant monitoring of energy aspects and studies on environmental issues.

Within the framework of this improvement process, it should be noted the role that the new Mobility Plan will play. Currently in the process of elaboration and with the objective of its implementation in 2023-2024, the main objective of this plan is to reduce the environmental impact of commuting to the workplace by providing possibilities for a more efficient use of means of transport, taking measures to minimise work trips and, especially, putting an end to the inefficient use of private vehicles, both by employees and by suppliers, visitors and customers.

During the year 2022, the following actions have been initiated as part of the process:

- **Communication campaign** to inform and raise awareness among the workforce, encouraging their involvement and providing information for the development of the plan.
- **Data collection on the workplace and its surroundings**, by conducting a survey of company managers and a search for public information to get a clear picture about the existing travel options to come to the workplace.
- **Digital employee commuter survey**, to collect information about commuting in the company, including questions about employees' willingness to use alternative transport means.
- **Proposal of an action plan**, objectives and monitoring indicators to be implemented based on the needs and opportunities identified in the analysis of travel options.

Approval and implementation of the mobility plan will take place in 2023-2024, when Danobatgroup will quantify its effective impact.

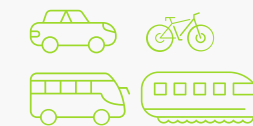
Because of the type of its activity, Danobatgroup is classified as a potential polluter of soil, water or atmosphere. Despite that, a study in 2009 by SEGYCAL shows that the possible impact is negligible for the companies of the Mondragón Corporation, ratified in 2020 by the update of the report on the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



Mobility plan

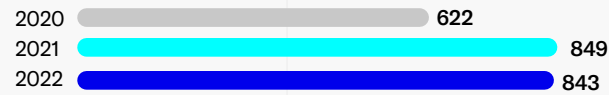
The impact of operations in terms of acoustics and lighting is not considered significant, so no additional measures have been established in addition to those already included in the usual monitoring systems required by regulations, such as external and internal noise control, in the field of health and safety.

With regards to noise pollution, we would like to point out that, among the measurements carried out for the annual evaluation of environmental aspects, the noise emitted to the outside has not been a significant aspect, although the necessary measurements are taken annually to ensure compliance with the limits established by the applicable regulations.

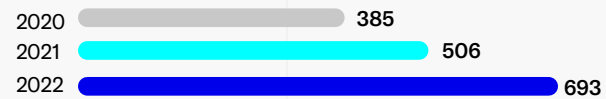
As for light pollution, despite there not being any significant effects because of the location of the companies of the Group, systems have been implemented to regulate lights and switch them off depending on the time of day to minimise the effect of light on the environment.

The main indicator of the operations relative to climate change is the carbon footprint, mainly from energy consumption. In 2022, an Organisational Carbon Footprint measurement tool was defined to assess and quantify greenhouse gas emissions (Scope 1, 2 and 3) in most of the companies of the Group from 2023 onwards.

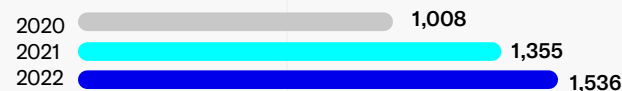
Scope 1
Direct emissions in Tons CO2



Scope 2
Indirect emissions

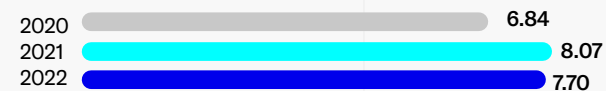


Total emissions
Tons CO2



Note: From 2022, calculation of carbon footprint according to ISO140064 and GHG Protocol

Emissions
kg CO2eq./m€ turnover



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

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 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.

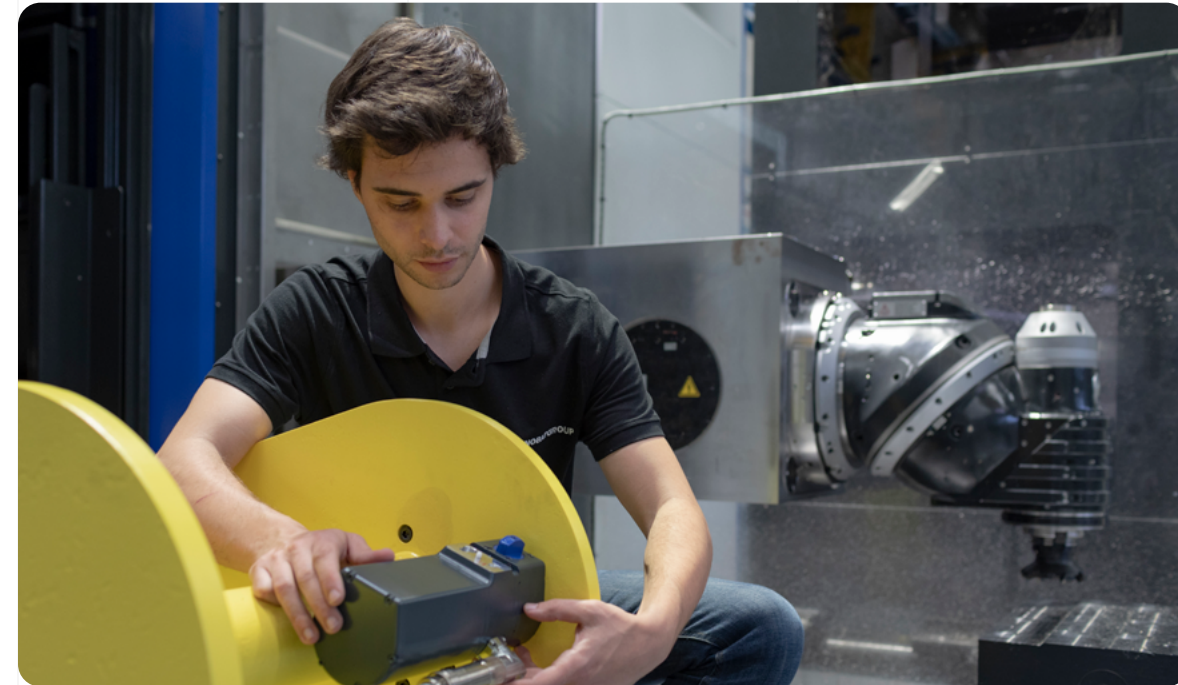
Environmental impact of products

Minimising the environmental impact of products throughout their life cycle is a key factor in Danobat-group'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 Soraluce, 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. Soraluce is the first company in the machine tool sector to have been awarded this certification. To date, a total of 23 machine models are ecodesign certified, 3 models in 2022.



A total of 23 Soraluce 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. Developed in 2021, and validated and transferred to companies of the Group in 2022.

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:

- **ARTE2:** Digital twin technology, which meets new, more demanding surface requirements of critical parts in the grinding process.
- **KAIA:** Quality control digital platform for zero-defect manufacture by means of artificial intelligence.
- **ANDREA:** It aims to transition from current resource-intensive approaches to efficient and sustainable defect-free manufacturing based on new digital NDT techniques.

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 **PRECISION 4.1**. This consists of smart solutions for continuous precision control on a high-performance milling machine. Developed in 2021, and validated and transferred to companies of the Group in 2022.

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:

- **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.
- **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]

GRI 306 — [306-3]

GRI 307 — [307-1]



→ 07

Commitment to the sustainable development of society

- Social commitment
- Local supply chain

Danobatgroup plays an active role in the communities it serves and collaborates with. The Group generates value in the local area, allocating part of its profits to activities that promote the economic and social progress of its region.

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 as indicated in section 2 of this Report; and drives purchases from nearby companies, in line with its environmental commitment and its involvement with the economic development of its region.

Danobatgroup moves forward in...



Undertaking action for social development.

More than €1,400,000 from COFIP funds in the last 3 years, granted to more than 200 entities, for actions linked to social development.



1.4M€

of COFIP funds earmarked for social development



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

€525.000 allocated to 3 entities chosen by Danobatgroup's people for the period 2021 - 2023.



€525.000

earmarked through the elkarrekin Eragin programme



Its commitment to a local supply chain.

50% of the suppliers are located in the Basque Country and Navarra and more than 70% in Spain.



50%

of 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.

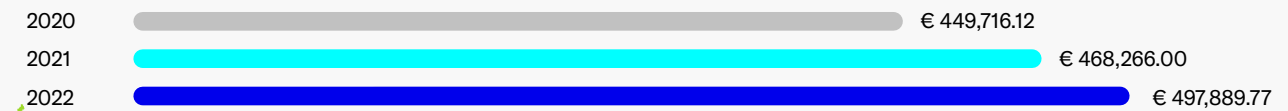
The cooperatives that make up Danobatgroup allocate 10% of their net profits to the Funds for Cooperative Promotion and Other Public Interest (COFIP).

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.

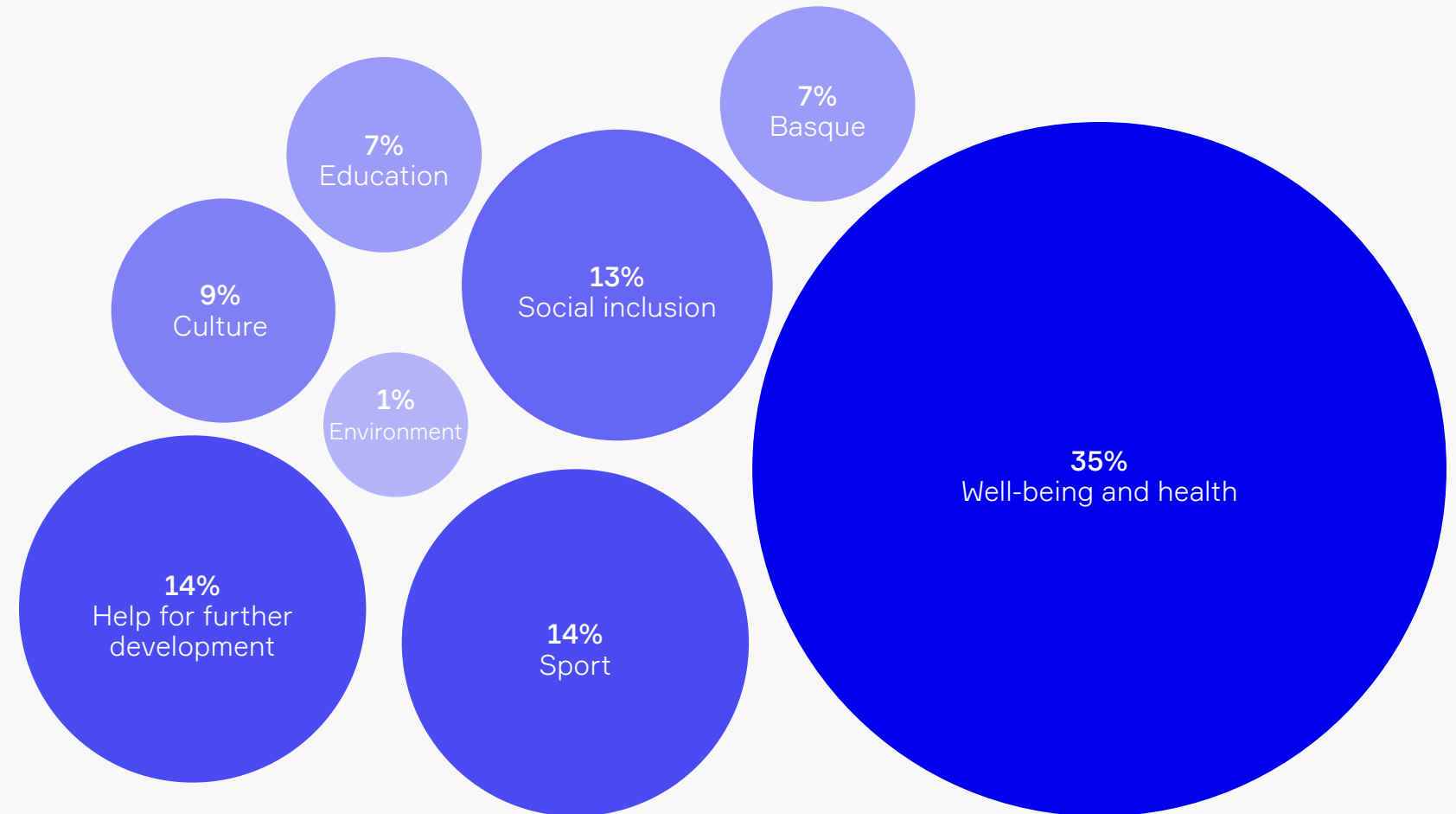
Within this framework is, for example, the Osintxu Biziberitu project, promoted by one of the Group's companies with the aim of supporting the regeneration of the Osintxu neighbourhood in Bergara, where the company is located. It was declared a degraded area in 2019 by the Basque Government.

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:



Performance areas 2022:

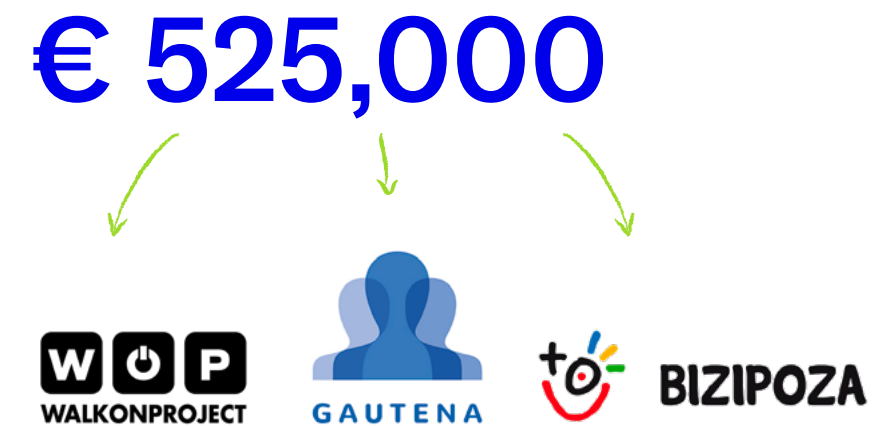


The chart below shows some of the initiatives in which Danobatgroup has been involved in 2022.



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 €525,000 to the following three organisations:



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

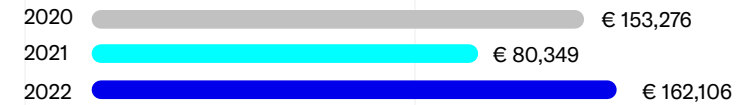
In 2022, Danobatgroup approved a special leave of absence policy to encourage and facilitate leave of absence for development co-operation through Mundukide.

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 2022, more than half of the Group's suppliers are located nearby (Basque Country and Navarra), and more than 70% are located in Spain.

+70% of suppliers 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 digitalisation of purchases, or the Ai!Ene project, promoted by Soraluze, initially aimed at five of its local suppliers, and which in 2022 was extended to four more suppliers. The objective of this project is to provide support and accompaniment in the improvement of the suppliers' production processes.

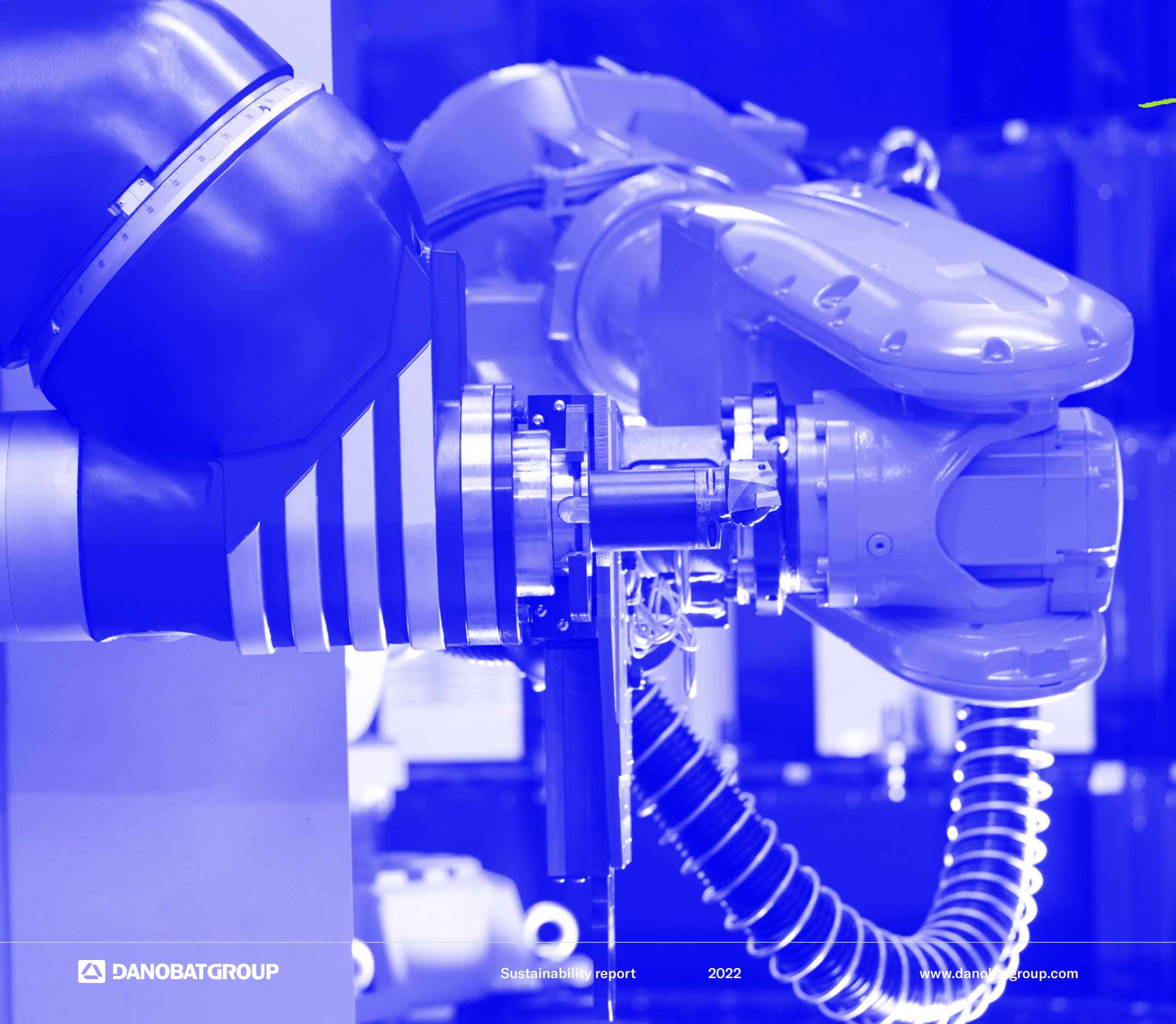


The actions of this section are aligned with the United Nations Sustainable Development Goals.



GRI 203 — [2]

GRI 413 — [1]



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...



Commitment to the client.



Technological innovation as a key differentiator.



Open innovation.

The companies of the Group have implemented streamlined and efficient channels of communication with customers.



Improved communication channels with customers.

In 2022, R&D expenditure amounted to 25 M€

25 M€
of R&D expenditure

Launch of a call for collaborative startups in the field of AI.



Collaboration for AI

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 2022



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 three technological lines: precision, zero-defect manufacturing and automation, digitalisation and artificial intelligence applied to industrial processes.

Precision

The high level of specialisation of the Danobatgroup companies and the demanding quality standards of its customers drive the development of rigorous, high-precision machines, systems and manufacturing processes. To achieve this, it is necessary to study the behaviour of equipment under the prism of thermal variations and geometric errors.

In this area, compensation models for volumetric calibration are adjusted, hydrostatic and hydrodynamic lubrication is optimised, addressing the complete design cycle: the specification definition phase, conceptualisation and architecture of the mechanism, and design and simulation of behaviour through static, dynamic, thermal and multi-physics calculations.

Zero-defect manufacturing

The dual objective of Zero Defects is to improve the quality standards of the manufactured products and, at the same time, optimise the efficiency of the equipment by avoiding repeating certain operations. To this end, error compensation is tackled, with solutions for calibration and compensation for thermal and geometric errors in machine tools.

Measurement systems are also integrated in this area to improve accuracy and reliability through techniques such as photogrammetry, laser measurement, optics or contact sensors, and measurement solutions based on vision techniques developed with in-house technology. This provides a comprehensive perspective of the areas of measurement, calibration and correction of errors.

Automation / Digitalisation / Artificial Intelligence

Digital transformation has brought with it an increase in the level of automation of industrial solutions. Digitalisation and robotics go hand in hand and pose a new challenge for machine tool manufacturers. In recent years, Danobatgroup has embarked on a major process of digital transformation of both its own organisations and its companies' products, and now offers a wide range of digital solutions (hardware and software) that proves to be an increasingly valuable asset: the operating data of the equipment. By combining the latest AI techniques (or working internally and in collaboration with leading organisations in the development of new algorithms) with the knowledge and expertise of the R&D teams, a powerful digital offer is being developed to meet the market needs.

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.

In this regard, in February 2022, Danobatgroup launched an "Open Call for Startups" to identify potential solutions for artificial intelligence applied to manufacturing. The initiative is part of the entrepreneurship programme Make In launched by Debegesa, in collaboration with ieTeam and EIT Manufacturing. 29 AI startups from more than 7 countries submitted their applications for co-operation.



Likewise, through Ideko, Danobatgroup permanently works together with leading international 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.



Universidad del País Vasco
Euskal Herriko Unibertsitatea

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



BCAM, 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.



MGEP,
Mondragon Goieskola Polytechnic.

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 2022, 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

- Preliminary considerations
- Contribution to the SDGs
- Analysis and definition of material issues
- Most relevant issues for Danobatgroup
- 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 Danobatgroup's activities and focuses on initiatives aimed at responsible production and consumption, innovation applied to industry and products, with an emphasis on energy efficiency (reduction of GHG emissions, use of renewable energy sources, etc.) and environmental management (waste, use of resources, etc.). 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 new 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 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 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 4 Materiality matrix

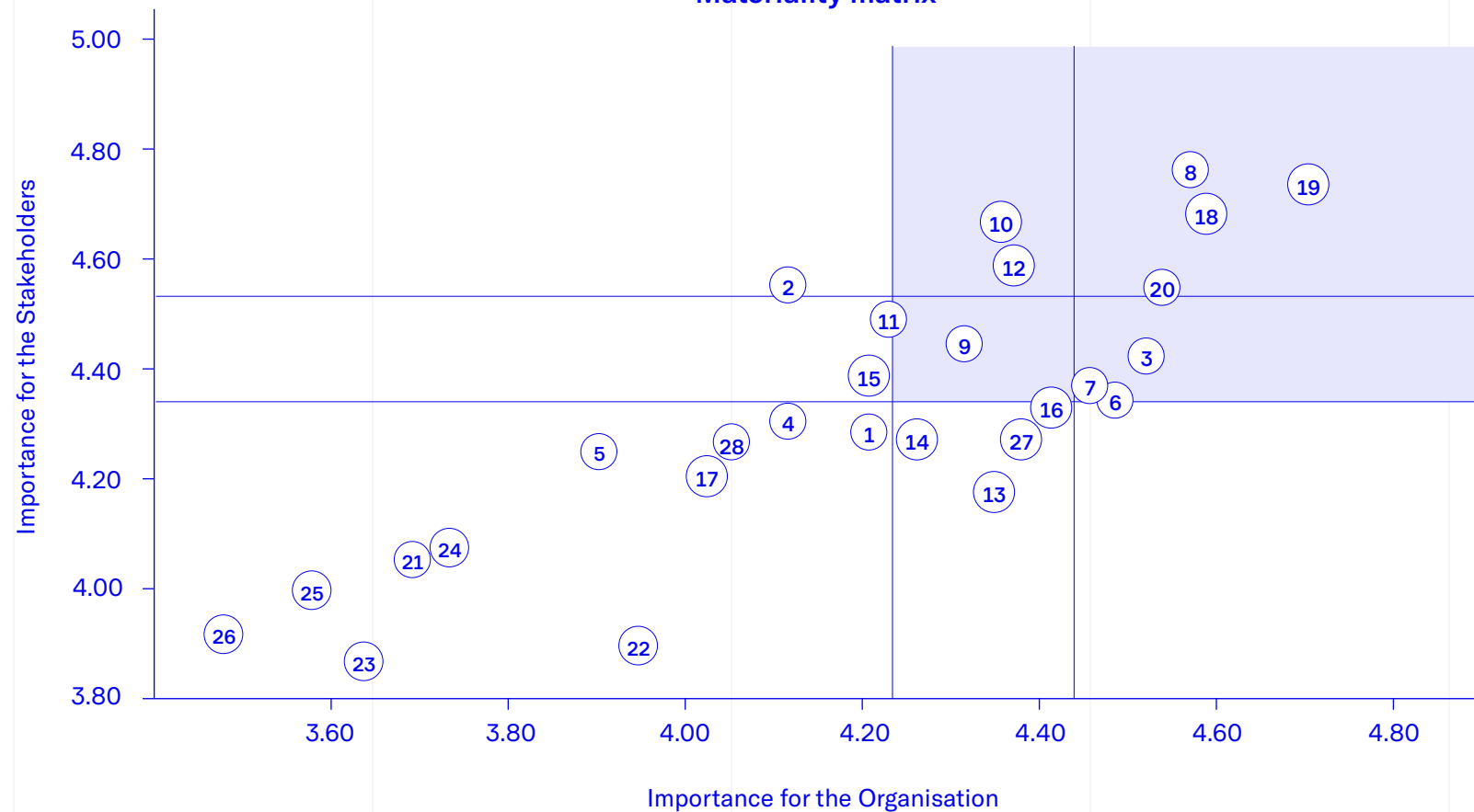
As a result of the stakeholder consultations, a matrix of priority material issues was drawn up which ran along two axes: relevance of the issue for both internal and external stakeholders.

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.

Process of identifying material issues

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.

Materiality matrix



No. Material issues

1	Energy	16	Advanced business culture
2	Emissions and climate change	17	Implementation of best practices in corporate governance
3	Waste management	18	Product quality and safety
4	Life cycle and resource management	19	Customer satisfaction
5	Circular economy	20	Innovation applied to the development of new products
6	Training and professional development.	21	Involvement in local communities. Social transformation
7	Talent management	22	Solidarity mechanisms.
8	Health and safety at work	23	Relationship and engagement with stakeholders
9	Diversity and equality	24	Local suppliers
10	Non-discrimination	25	Environmental assessment of suppliers
11	Respect for human rights	26	Social assessment of suppliers
12	Business ethics and integrity	27	Profitability and performance
13	Learning culture	28	Alliances / Strategic Partnerships / Intercooperation
14	Democratic organisation		
15	Transparency and information management		

Most relevant issues for Danobatgroup

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

In the process of validating the issues with management, it was decided to merge "diversity and equality" with "non-discrimination", and "training and career development" with "talent management".

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.



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 issues.

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.

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Annexes

Annexes

Annex 1: GRI 2-7 Employees

2022	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	360	43	403	235	37	272	86	4	90	82	34	116	21	4	25	20	19	41
TOTAL	360	43	403	235	37	272	86	4	90	82	34	116	21	4	25	20	19	41
Total staff by gender and age																		
Younger than 30	60	7	67	45	5	50	13	0	13	21	14	35	0	0	0	1	5	7
Between 30 and 50	235	31	266	148	28	176	64	3	67	53	18	71	5	2	7	10	9	19
Older than 50	65	5	70	42	4	46	9	1	10	8	2	10	16	2	18	9	5	15
TOTAL	360	43	403	235	37	272	86	4	90	82	34	116	21	4	25	20	19	41
Permanent and temporary contracts by gender																		
Permanent	343	17	360	216	19	235	85	1	86	65	17	82	21	0	21	22	0	22
Temporary	41	2	43	35	2	37	4	0	4	23	11	34	4	0	4	15	4	19
TOTAL	384	19	403	251	21	272	89	1	90	88	28	116	25	0	25	37	4	41
Full and part-time by gender																		
Full-time	349	11	360	224	11	235	84	2	86	79	3	82	21	0	21	21	1	22
Part-time	37	6	43	28	9	37	4	0	4	33	1	34	2	2	4	16	3	19
TOTAL	386	17	403	252	20	272	88	2	90	112	4	116	23	2	25	37	4	41

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

	Danobat		Soraluce		Goimek		Ideko		Latz	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Injuries										
Work-related injuries	1	5	10	4	2	4	0	1	1	0
Occupational affections and illnesses										
Total work hours	601,096	635,466	394,670	441,669	133,935	134,008	177,813	187,577	31,814	39,066
% overtime	3	3	5.3	5	2.3	2	0	0	0	0
Absenteeism	4.18	4.51	6.4	4.49	4.2	5.11	3.3	2.2	9.6	2.8
(Absenteeism hours per hours worked)										
Incidence rate	2.54	12.32	39.84	14.76	23.8	46.51	0	8.47	41.7	0
(Number of accidents with sick leave per 1,000 workers)										
Frequency rate	1.66	7.87	25.09	9.06	15.27	29.26	0	5.39	31.7	0
(Number of occupational accidents per million hours worked)										
Severity rate	0.06	0.22	0.21	0.27	0.068	0.174	0	0.03	1.1	0
(Number of days lost per 1,000 hours worked)										
Number of occupational illness	0	0	0	0	0	0	0	0	0	0

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

2022	Danobat		Soraluce		Goimek		Ideko		Latz		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	Total number of training hours	Average
Male	7879.9	21.89	4553	19.37	1250	14.88	1687.2	20.58	32	1.52	295.3	14.77
Female	1284.7	29.88	594.1	16.06	75.6	18.9	1259.1	37.03	8	2	318.1	16.74
TOTAL	9164.6	22.74	5147.1	18.92	1365.6	15.17	2946.3	25.4	40	1.6	638.4	15.57
Average hours of training per year by job category												
Operator - Administrative worker	1983.8	16.96	2111.1	20.11	599.2	10.51	51.3	17.1	32	2	129.8	25.96
Technician	5961.9	29.37	2431.5	22.51	678.4	26.09	2293.9	27.31	8	1.6	279.6	12.71
Head	-	-	163	12.54	13	13	-	-	-	-	-	-
Manager	853.9	14.72	396	11.31	46	46	242.1	11	-	-	180	18
Director	322.5	16.97	44	4.4	29	7.25	359	51.29	-	-	49	12.25
Managing director	-	-	1.5	1.5	-	-	-	-	-	-	-	-
Others	42.5	7.08	-	-	-	-	-	-	-	-	-	-
TOTAL	9164.6	22.74	5147.1	18.92	1365.6	15.17	2946.3	25.4	40	1.6	638.4	15.57

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

2022	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	12	75	9	81.82	14	82.35
Female	3	21.43	4	20	1	7.14	4	25	2	18.18	3	17.65
TOTAL	14	100	20	100	14	100	16	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	12	75	5	45.45	10	58.82
Older than 50	3	21.43	8	40	4	28.57	4	25	6	54.55	7	41.18
TOTAL	14	100	20	100	14	100	16	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	360	89.33	108	92.31	177	87.19	52	89.66	17	89.47	6	100
Female	43	10.67	9	7.69	26	12.81	6	10.34	2	10.53	0	0
TOTAL	403	100	117	100	203	100	58	100	19	100	6	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	Managing director	Percentage of Managing Directors
Male	235	86.4	98	93.33	83	76.85	12	92.31	32	91.43	9	90	1	100
Female	37	13.6	7	6.67	25	23.15	1	7.69	3	8.57	1	10	0	0
TOTAL	272	100	105	100	108	100	13	100	35	100	10	100	1	100
Percentage of employees by job and age category														
Younger than 30	50	18.38	25	23.81	25	23.15	0	0	0	0	0	0	0	0
Between 30 and 50	64.71	64.71	71	67.62	65	60.19	11	84.62	25	71.43	4	40	0	0
Older than 50	46	16.91	9	8.57	18	16.67	2	15.38	10	28.57	6	60	1	100
TOTAL	272	100	105	100	108	100	13	100	35	100	10	100	1	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	Managing director	Percentage of Managing Directors
Male	86	95.56	57	100	22	84.62	1	100	1	100	4	100	1	100
Female	4	4.44	0	0	4	15.38	0	0	0	0	0	0	0	0
TOTAL	90	100	57	100	26	100	1	100	1	100	4	100	1	100
Percentage of employees by job and age category														
Younger than 30	13	14.44	12	21.05	1	3.85	0	0	0	0	0	0	0	0
Between 30 and 50	67	74.44	39	68.42	22	84.62	1	100	1	100	3	75	1	100
Older than 50	10	11.11	6	10.53	3	11.54	0	0	0	0	1	25	0	0
TOTAL	90	100	57	100	26	100	1	100	1	100	4	100	1	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
Male	82	70.69	2	66.67	55	65.48	20	90.91	5	71.43
Female	34	29.31	1	33.33	29	34.52	2	9.09	2	28.57
TOTAL	116	100	3	100	84	100	22	100	7	100
Percentage of employees by job and age category										
Younger than 30	35	30.17	2	66.67	33	39.29	0	0	0	0
Between 30 and 50	61.21	61.21	0	0	49	58.33	16	72.73	6	85.71
Older than 50	10	8.62	1	33.33	2	2.38	6	27.27	1	14.29
TOTAL	116	100	3	100	84	100	22	100	7	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	Managing director	Percentage of Managing Directors
Male	21	84	15	93.75	3	60	1	100	0	0	1	100	1	100
Female	4	16	1	6.25	2	40	0	0	1	100	0	0	0	0
TOTAL	25	100	16	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	28	28	4	25	3	60	0	0	0	0	0	0	0	0
Older than 50	18	72	12	75	2	40	1	100	1	100	1	100	1	100
TOTAL	25	100	16	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	22	53.66	1	20	10	45.45	7	70	4	100
Female	19	46.34	4	80	12	54.55	3	30	0	0
TOTAL	41	100	5	100	22	100	10	100	4	100
Percentage of employees by job and age category										
Younger than 30	7	17.07	1	20	6	27.27	0	0	0	0
Between 30 and 50	19	46.34	2	40	11	50	5	50	1	25
Older than 50	15	36.59	2	40	5	22.73	5	50	3	75
TOTAL	41	100	5	100	22	100	10	100	4	100

Annex 5: GRI 401-3 Parental 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 people entitled to parental leave, by gender	26	1	27	7	0	7	4	0	4	4	1	5	0	0	0	1	1	1
Total number of people who have taken parental leave, by gender	26	1	27	7	0	7	4	0	4	4	1	5	0	0	0	1	1	1
Total number of people who have returned to work in the period to which this report applies after the end of parental leave, by gender	11	0	11	13	2	15	1	1	2	5	1	6	0	0	0	1	0	1
Total number of people who have returned to work after the end of parental leave and who were still employed 12 months after returning to work, by gender	1	0	1	0	1	1	4	0	4	1	0	1	0	0	0	0	0	0
Rates of employees returning to work and of employee retention on parental leave, by gender																		
Rate of employees returning to work	0.92	0	0.92	0.81	1	0.83	1	1	1	0.83	1	0.86	0	0	0	1	0	1
Retention rate	1	0	1	0	1	0.5	1	0	1	1	0	1	0	0	0	0	0	0

Annex 6: Direct expenditure charged to MS

	Danobat			Soraluce			Goimek		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Direct expenditure charged to MS									
Maintenance of the Environmental and Energy Management System (1)	33,301	33,301	35,185	15,000	17,000	20,000	13,500	12,500	9,566
Environmental investments	12,105	0	419,143	0	0	0	0	0	0
HW management costs. NHW and urban waste	39,812	50,095	72,191	11,300	15,700	33,000	10,587	14,375	11,236
Other environmental expenditure	22,595	23,174	29,030	6,000	7,000	6,000	2,000	3,000	2,500
TOTAL IN €	107,813	106,570	555,549	32,300	39,700	59,000	26,087	29,875	23,302

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

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

Danobat				
Hazardous waste	Unit	2020	2021	2022
Emulsified oily waters	Kg.	173,580	144,560	176,960
Contaminated chemical packaging	Kg.	650	720	1,040
Polishing sludge	Kg.	2,740	4,840	5,600
Non-hazardous waste	Unit	2020	2021	2022
Scrap	Kg.	30,620	43,620	61,440
Packaging waste: Cardboard, plastic and wood	Kg.	69,508	98,100	143,036
Unsorted non-hazardous waste	Kg.	45,090	18,580	24,320
Refuse classified as urban waste	Unit	2020	2021	2022
Packaging waste	Kg.	2,520	2,080	2,520
Organic waste	Kg.	14,947	16,318	14,652

Goimek				
Hazardous waste	Unit	2020	2021	2022
Emulsified oily waters	Kg.	1,055	712	4,885
Fluorescent bulbs	Kg.	280	380	260
Coolant	Kg.	3,020	20,980	15,580
Coolant sludge	Kg.	820	5,005	5,356
Non-hazardous waste	Unit	2020	2021	2022
Scrap	Kg.	430,540	672,500	712,650
Packaging waste: Cardboard, plastic and wood	Kg.	11,167	12,150	9,399
Unsorted non-hazardous waste	Kg.	NH	NH	NH
Refuse classified as urban waste	Unit	2020	2021	2022
Packaging waste*	Kg.	na	na	na
Organic waste*	Kg.	na	na	na

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

Soraluce				
Hazardous waste	Unit	2020	2021	2022
Emulsified oily waters	Kg.	2,120	7,720	20,901
Contaminated chemical packaging	Kg.	1620	700	1,475
Polishing sludge	Kg.	240	180	340
Non-hazardous waste	Unit	2020	2021	2022
Scrap	Kg.	33,670	24,600	69,092
Packaging waste: Cardboard, plastic and wood	Kg.	36,700	28,170	41,760
Unsorted non-hazardous waste	Kg.	16,000	17,190	27,220
Refuse classified as urban waste	Unit	2020	2021	2022
Packaging waste*	Kg.	na	na	na
Organic waste*	Kg.	na	na	na

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

Ideko				
Hazardous waste	Unit	2020	2021	2022
Oily emulsion	kg	3,900	1,040	2,040
Laboratory reagents	kg	400	1440	847
Contaminated plastic packaging	kg	22	60	40
Contaminated material	kg	400	480	221
Non-hazardous waste	Unit	2020	2021	2022
Packaging waste: Cardboard, plastic and wood	kg	1,297	1,419	1,159
Refuse classified as urban waste	Unit	2020	2021	2022
Packaging waste	Kg.	700	690	974

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

Annex 8: GRI 303-5 Water consumption

	Danobat			Soraluce			Goimek			Ideko		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Water consumption (m ³)												
Water consumption	2519	1,871	3,943	2027	3241	3,503	858	995	999	1,078	1,205	2,357

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

	Danobat		Soraluce		Goimek		Ideko	
	2020	2021	2020	2021	2020	2021	2020	2021
Energy Consumption (kWh) - 2020 and 2021								
Electrical energy (1)	2,303,644	2,328,238	1,749,000	1,960,000	658,102	748,465	2,383,604	2,560,119
Natural gas (1)	1,252,625	1,732,952	1,648,000	2,238,000	210,521	279,183	26,489	35,833

		Danobat	Soraluce	Goimek	Ideko
Energy Consumption 2022	Unit	2022	2022	2022	2022
Renewable					
Grid Electricity with GoO	kWh	1,234,398			795,093
Electricity from own renewable energy installations	kWh	12,810			6,193
Non-renewable					
Grid Electricity without GoO	kWh	1,099,423	1,866,000	2,343,480	
Natural gas	M ³	160,863	154,614	27,512	422

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

Consumption raw materials	Unit	Danobat			Soraluce		
		2020	2021	2022	2020	2021	2022
Renewable							
Consumption of cast iron	Kg	739,309	1,084,811	1,535,290	1,221,000	2,607,000	3,235,751
Consumption of packaging materials	Kg	554,954	523,686	536,366	101,580	181,490	242,255
Consumption of industrial oils	Kg	15,364	12,516	18,257	5,545	8,764	8,727
Consumption of paper	Kg	1,441	1,872	2,698	1,023	1,260	720
Non-renewable							
Consumption of coolant/antifreeze	Kg	2,760	3,705	6,040	800	2,700	11,109

Consumption raw materials	Unit	Goimek		
		2020	2021	2022
Renewable				
Consumption of cutting fluid	Kg	8,550	12,000	10,437
Consumption of packaging materials	Kg	2,761	2,339	3,321
Consumption of paper	Kg	241	200	365
Non-renewable				
Consumption of paints	Kg	3,617	5,882	5,896

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

	Danobat			Soraluce		
	2020	2021	2022	2020	2021	2022
Breakdown of emissions by source. Carbon Footprint						
Scope 1: Direct emissions in Tons CO2	316	437	408	306	412	435
Scope 2: Indirect emissions	0	11	261	385	495	432
Total emissions Tons CO2	316	448	669	692	907	867

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

	2020	2021	2022
Turnover Danobat HQ	90.294	87.667	97.226
FTurnover Soraluce HQ	57.036	80.088	102.190
Total turnover	147.330	167.755	199.416
ETotal emissions KG CO2	1.008.000	1.355.000	1.536.000
kg CO2eq./m€ turnover	6,84178375	8,07725552	7,70249127



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