ONNERA GROUP

SUSTAINABILITY REPORT

NON-FINANCIAL INFORMATION STATEMENT **2020**

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01

Letter from the Chairwoman

102-14

As is the case for the whole of society, for ONNERA Group 2020 was a year shaped by the **COVID-19** pandemic and by all the uncertainty that this generated. And our particular sector was affected more than most. As such, our **greatest challenge** throughout the year was to **protect the safety of our employees and their families,** and to put in place a range of **measures to alleviate the effects on our turnover.** And we achieved this in the only way we know how, with commitment and hard work, establishing a competitive future for ourselves in the market that will help to create wealth and employment in our environment.

Our main course of action was to **be available to our customers and provide them with support and a good service,** to alleviate the effect of the pandemic on their business as well, adapting our commercial strategy in response to the travel restrictions and remaining by their side.

In response to the pandemic in 2020, at ONNERA Group we made a great effort to diversify our business by adopting a number of different initiatives, such as launching production lines for **surgical and FFP2 masks,** participating in the manufacture of **ventilators,** supplying **ultra-cold freezers** for vaccines and launching new hygienic protective screens for laundry services.

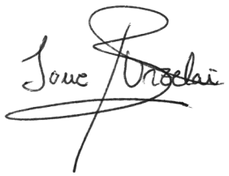
We also worked constantly and very actively with our **suppliers** to guarantee that **our supply chain continued to operate properly.**

Furthermore, the pandemic emphasised more than ever the importance of **sustainability** for ONNERA Group and its environment, leading us to incorporate it as one of our primary focuses in the **strategic plan that we have developed for 2021-2024.**

One of the first results of this new focus was the production of our first **Sustainability Report,** which incorporates all the information required by the **Spanish Law 11/2018** of 28 December 2018 on non-financial and diversity information.

Being a socially and environmentally responsible business group, we have measured our **Carbon Footprint** so we can be aware of the impact of our activities in relation to Climate Change, and adopt the necessary measures to guide our strategy towards reducing our CO_2 emissions.

Once the pandemic has been overcome, ONNERA Group is fully committed to continue working towards sustainable growth in order to guarantee a future with a commitment to people, society and the planet.



Jone Urzelai Bengoetxea
Chairwoman of the Governing Board at ONNERA Group

2020 AT A GLANCE

102-7, 102-10

€ 221.011.000
IN SALES (33,25% in Europe)

49.763
ORDERS

+ € 215 million
IN ASSETS

We sold our products across
5 Continents

7 production plants
in Spain, France, Poland and Mexico

1.787
EMPLOYEES (62% in Spain)

We are members of the Fagor Group and the MONDRAGON Group

We are making strides in **sustainability.** We updated our **materiality analysis** and identified the key actions to take towards sustainability.

We are clearly committed towards **innovation** of our products, processes and services.

In 2020 we took the first step to **calculate our carbon footprint** in all 3 of its scopes.

91,38% of our employees have a **permanent contract.**

We reduced our wage gap, going from 0.88 in 2019 to 0.81 in 2020.

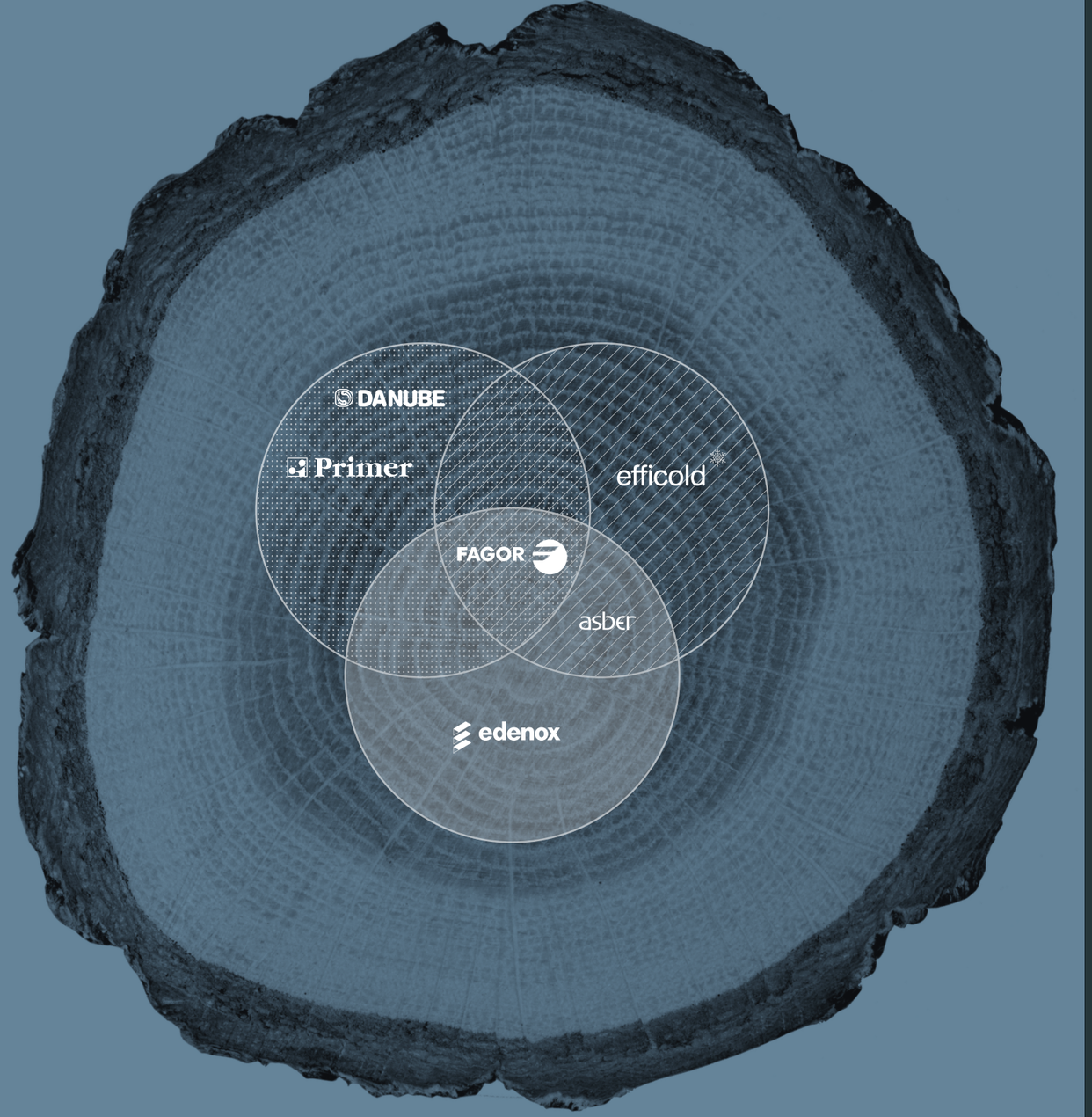
66,5% of our purchases were placed with **local suppliers.**

320 suppliers evaluated for quality and service.

We consolidated our **Digital Customer project** to improve the service we offer to our customers.

+ 3.300 tonnes of **renewable raw materials,** almost 20%.

+ 600.000 euros provided to the **COFIP fund** from the Fagor Group.



Who are we?

102-14

ONNERA Group is an international business group dedicated to providing equipment solutions for the restaurant & catering, laundry and refrigeration applications industries.

ONNERA Group, a global group:

- Sells its products across **five continents**
- Has **seven production plants** strategically distributed throughout the world (Spain, France, Poland and Mexico)
- **Employs more than 1,700 professionals** who are able to offer a wide range of solutions adapted to each market.

2.1
MISSION, VISION AND VALUES

102-16

2.1.1 Mission

Integrated into the MONDRAGON cooperative experience, we want to be recognised as a company that:

— **Grows alongside our customers,** working with them to achieve the most efficient solutions wherever they are needed;

— Acts as a **team of responsible people,** all involved in one common project;

— **Is committed to society and its future**, developing products that are energy-efficient and sustainable.

2.1.2 Values

The values of ONNERA Group as follows:

Integrity

«The security of being certain»; at ONNERA Group we act with integrity and aim to build long-lasting relationships based on openness and transparency that are mutually beneficial to the people who make up the group, as well as our customers and partners.

Commitment

«We are as good as our word»; our commitment at ONNERA Group is to strive to achieve results, to complete the job properly and to keep to our word, while ensuring everyone else involved does the same.

Global team

«Together we achieve more»; at ONNERA Group we are a global team, we listen to and take on board everyone's contributions, we share the same vision for the Group and we adopt decisions as our own if they prioritise the common good over individual interests.

Initiative

«The strength of taking the first step»; at ONNERA Group we act with initiative and a proactive attitude, providing solutions to the customer in an agile way, constantly looking for ways to improve our methods to make our company stronger and stronger.

2.1.3 Main financial figures

ECONOMIC VALUES

Main values (€)	2019	2020
Balance sheet		
Non-current assets	77.352	82.268
Current assets	132.805	133.029
Net equity	61.421	60.757
Current and non-current liabilities	148.736	154.540
Profit and loss account		
Equivalent turnover	281.891	223.478

2.2
WHAT SETS US APART

A solution for every need.

We offer products that meet the needs of professionals who are as demanding, committed and innovative as us, with the same high quality standards.

We are the leading manufacturer of equipment for the hotel, catering and laundry industries. And this is after more than 60 years of experience in **offering a comprehensive range of products under a single brand.**

We are a member of the **Fagor Group,** an industrial cooperative group made up of 8 cooperatives, with an annual turnover of over €1,000M and more than 10,000 employees throughout the world.

At the Fagor Group we are currently reviewing the Fagor 2030 sustainability strategy, a strategy that aims to drive the transformation of the cooperatives to make them more profitable in a new competitive environment that is becoming more and more influenced by digitalisation and sustainability. In addition to driving the transformation of our cooperatives, as founding members of the Debagoiena 2030 sustainable development network, we are firmly committed to sustainability in the areas where we carry out the majority of our industrial activities. We work with local administrations, the university and other interested parties to develop and finance various projects that aim to turn Debagoiena into an intelligent, inclusive and climate-neutral region by 2050. Fagor 2030 also involves the Fagor cooperatives taking on explicit commitments to Sustainable Development Objectives, with our contribution being focused on objectives 1, 4, 5, 8, 9, 11, 13 and 16.

We are also a member of the **MONDRAGON Group**, the largest cooperative corporation in the world. It is made up of 90 cooperatives, with more than 140 subsidiaries that are active across 5 continents, organised into four business areas: Finance, Industry, Distribution and Knowledge. The Mondragon Group has its own university and 15 R&D centres, which supply talent to the cooperatives and support their innovation strategies. The Group is internationally recognised as a benchmark in inclusive competition.

As a whole, the Mondragon cooperatives turn over more than €11,000M and employ more than 80,000 people throughout the world, 45% of whom work in the industrial sector. At the Mondragon Group we have various different inter-cooperation and solidarity procedures that make us more resilient, and they will be essential in enabling us to successfully implement the transformations that we will be undergoing over the coming years.

We are a competitive and innovative company

Innovation will be key to adapting to a new era that will be defined by sustainability and digitalisation of the economy. **We believe in an open model of innovation and we work with various local institutions to build an open innovative eco-system** that works to accelerate the transformation of our cooperative.

3.1
OUR BUSINESS MODEL

Integrated into the MONDRAGON cooperative experience, ONNERA Group is committed to a better future. A future where the brands that make up the group are synonymous with integrity, commitment, initiative and teamwork, so we can work towards a new era together. A proactive attitude to constantly search for better, more efficient and sustainable methods, making ONNERA Group a leading international group.

3.1.1 Organisation and structure

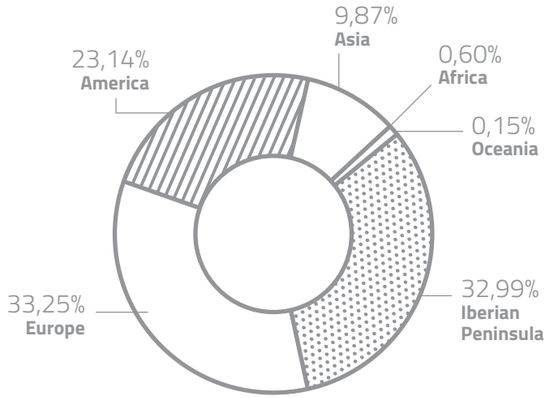
The ONNERA Group structure as of 31/12/2020 is organised according to geographic areas and the different businesses in the group, as well as the corporate departments that support the businesses.

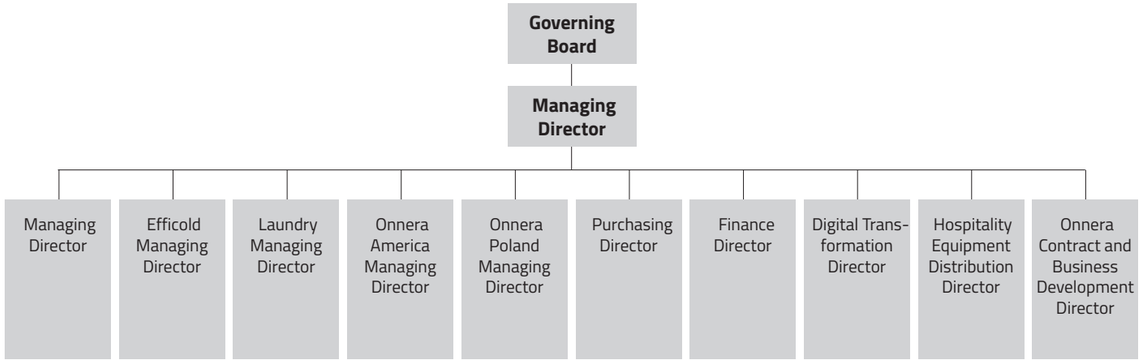
3.1.2 Markets that we operate in

102-6

As of the end of 2020, ONNERA Group was operating across five continents, with sales broken down as follows:

CONSOLIDATED SALES BY CONTINENT.





3.1.1 Company objectives and strategies

ONNERA Group produces a **Strategic Plan every four years,** which establishes the strategic guidelines for the next four years. The strategic objectives established for the 2017-2020 Strategic Plan were to **make the company more profitable and improve the quality of its products and service.**

The company is therefore immersed in the 2017-2020 strategic cycle, where we set ourselves the goal of growing by 35.8%, from €212.6M at the end of 2016 to €288.7M in 2020. We would have reached this goal if it had not been for the effects of the COVID-19 pandemic in 2020.

We ended 2019 with a turnover of €276.8M and our figures at the beginning of 2020 were record-breaking for that period, but the effects of the pandemic meant that we finished the year with a turnover of €221M.

As part of our strategy, we have made a clear commitment to continually improve the services that we offer our customers, which we see as vital to achieve the objectives that we've set ourselves for the next strategic cycle.

Furthermore, throughout 2020 ONNERA Group participated in the process promoted by the MONDRAGON Group to define the **sustainability strategies for the cooperatives.** This involved a materiality analysis that enables us to identify the most relevant issues for the groups in question, and also to initially determine the key actions to take for the purposes of achieving a balance between financial growth, environmental protection and social wellbeing.

We see product innovation as the primary driving force behind company growth, **which is why our objective is to reengineer our products to make sure all the products and product ranges we sell in every one of our businesses are the best they can possibly be.**

3.2
INTEGRATED SYSTEM MANAGEMENT

The strategic deliberation process follows an annual cycle, where every year we take the established strategic objectives and produce a Management Plan for the following year. The deliberation process takes place at an overall group level and also at an individual level for each subsidiary in the group. It is overseen by each company's monthly management controls, to monitor all the main management parameters.

3.3
OUR INNOVATION STRATEGY

102-12, 103-1, 103-2, 103-3

ONNERA Group is fully committed to innovation, which is reflected by the fact that 2.5% of its turnover is allocated for RDI.
Our innovation work involves different areas:

— **Products:** we identify opportunities from various different sources, including customers, technology centres and education centres. They are then evaluated by the Product Market Committee for each business unit. All approved opportunities go through the New Product Launch Process to eventually be launched onto the market.

— **Services:** service digitalisation and machine connectivity projects are the main focus of our efforts in our Digital Transformation, Electronics and Product departments.

— **Processes:** innovation in terms of processes is geared towards improving productivity and the quality of our products by purchasing cutting-edge technology and digitalising our production plants.

As we mentioned previously, we work with various technology and education centres to come up with new developments and also to attract new talent that we can incorporate into our organisation.

We completed several joint projects in 2020, including:

CS Centro Stirling, S.Coop.: an R&D unit from a group of leading companies in the home subsystem and component sector, with a focus on quality products, contributing towards energy efficiency and introducing renewable energy into the domestic environment. In 2020 we have been working on the **HEAT & COOK** project to develop efficient solutions for heating systems.

Basque Culinary Center, to establish laboratory tests and a number of standards that will enable us to carry out various culinary tests and objectively analyse the results.

Ikerlan, for various R&D projects.

At a process and service level, our innovation needs usually go hand in hand with the need to achieve better quality products, and also the need to improve efficiency in our production processes. **ONNERA Group has relationships with various leading suppliers in the sectors of machine tools, sheet metal transformation and welding technologies.** We have worked with a number of different suppliers on special developments for ONNERA Group, for the purposes of improving the quality and efficiency of our production processes and our products.

3.4
OUR PRODUCTS

102-2, 416-1

ONNERA Group offers the following brands, products and services:

— **Foodservice**
We offer one of the biggest ranges on the market for refrigeration equipment designed to chill, store and display food and drink products. A wide variety of solutions that are fully customisable in terms of size, application, features and finishes, all produced in our manufacturing plants. Within this business area ONNERA Group offers the following brands: Fagor, Asber and Edenox.

— **Laundry**
Washing machines, dryers and industrial ironers available in the latest models and designed for small businesses and larger establishments, such as hotels, hospitals, etc. Within this business area ONNERA Group offers the following brands: Fagor, Domus, Primer and Danube.

— **COMMERCIAL REFRIGERATION**
We offer one of the biggest ranges on the market for refrigeration equipment designed to chill, store and display food and drink products. A wide variety of solutions that are fully customisable in terms of size, application, features and finishes, all produced in our manufacturing plants. Within this business area ONNERA Group offers the following brands: Fagor, Efficold and Asber.

The safety of products manufactured by ONNERA Group is guaranteed by the certifications required for their sale in each destination country.

The ONNERA Group laboratories are accredited to produce certifications in accordance with the standards that regulate products according to their intended markets. In order to respond to the growing certification demands from various different countries, we also work with a number of external laboratories.

ONNERA Group complies with all requirements in terms of the labelling and documentation required by each certification, and there is no current conformity to which it does not comply.

3.5
GLOBAL PRESENCE

102-4

ONNERA Group sells its products and services throughout the world.
The following map shows the various locations around the world where the group has production plants and sales branches.

3.6
INTER-COOPERATION MAKES US MORE COMPETITIVE

In both the Fagor and Mondragon groups we have various inter-cooperation and solidarity procedures that make us more resilient and competitive. These procedures are designed to support the cooperatives in three **key aspects:**

— **Compensation for losses**
through a procedure called "results reengineering", the cooperatives that have made a profit partially compensate the losses for any cooperatives that have finished the financial year with a negative result. This procedure exists within both the Fagor and Mondragon groups and is essential for minimising negative results and avoiding deterioration of equity.

— **Support for business development**
all the cooperatives in the Mondragon group make a financial investment every year to an entity called "Mondragon Investments" for the equivalent of 2.5% of their profits. These funds are used to support any cooperatives that need help with international expansion processes or to strengthen the balance sheet, among other things.

— **Employment support**
the Mondragon cooperatives are members of an organisation called Lagun Aro, which provides us with various benefits on a mutual basis. These benefits are financed by funds provided by monthly contributions made by all the members, based on our employment index. One of the benefits provided is employment support, which we use to finance slow periods (reduced working days due to lack of work) and redundancy, essential procedures that enable us to adapt to market fluctuations. Before resorting to redundancy, whenever possible the surplus members from a particular cooperative may relocate to other cooperatives who have the capacity to take on those surplus members at that time.

These three inter-cooperation and solidarity procedures are an essential part of how we've successfully handled the crisis caused by COVID-19, serving as clear evidence that these procedures make us more resilient and competitive.

3.7
OUR CUSTOMERS

ONNERA Group supplies its products and services to two types of customers:

DISTRIBUTION SALES

Distributor customers that have their own sales and service networks to sell our products and offer comprehensive after-sales support to end users.

DIRECT SALES

Onnera Contract is a leader in professional kitchen and laundry solutions for the hospitality industry and other groups. We are able to take care of every stage of the project, from the design to the engineering, logistics, installation, start-up and maintenance. We supply the following sectors through direct sales: hotels, catering, social and healthcare services (hospitals, residential homes, clinics), hospitality, restaurants and supermarkets. We may supply these users directly or through various other channels, such as building companies, investment funds, specifiers, etc.

The relationship with our customers is key to our business, so that is why our commercial network maintains a close relationship with them: visiting them regularly, providing training (sales and technical, for using, maintaining and repairing the equipment) and attending industry fairs in various countries.

The travel restrictions and cancellations of fairs and events have forced our sales and marketing departments to reinvent themselves to find new alternatives in order to remain in direct contact with our customers and provide them with all the support they need during this challenging time for our industry.

We manage customer satisfaction largely through two avenues:

— **Sales and technical network;** they are in constant contact with our customers and obtain feedback from them regarding our products and services. Both our sales team and our technicians can report complaints and concerns from customers to the organisation through our complaints management system, or they can also communicate needs for new products and services to the Product Market Committee, which is responsible for coordinating all product launches.

— **Biannual customer satisfaction survey;** we ask a wide range of our customers questions about 20 different factors, which may relate to the reliability of our products, our sales service or our presales and aftersales services. A report is then produced to draw conclusions from all the answers, followed by an action plan.

Along these lines, a Customer Satisfaction Survey was carried out in 2019, which we sent to 276 different customers. 53% of the customers responded and with their ratings and contributions we were able to produce

the Customer Satisfaction Survey Report. Our general rating was 8% better than the rating achieved by our competition. This survey is carried out on a regular basis, twice a year.

All product, service and documentation complaints are managed internally through the complaint management system on the ONNERA Group intranet. We collect and classify all the complaints along with their reports and all other necessary documentation. All complaints are assessed and followed up in the monthly complaint meetings held by each business unit. In these meetings preventive actions are proposed for each complaint and once complaints are closed, information related to the actions carried out is sent to the person who reported the complaint, so they can communicate the solution to the customer.

Complaint data on sales over the past two years are as follows:

2019	2020
0,37%	0,27%

As part of our digital transformation strategy, in 2020 we worked on the Digital Customer project to offer a comprehensive quality service to our customers, enabling them to:

— Connect to our machines
— Create and record enquiries in our system
— Convert these enquiries into solid orders
— Place orders for spare parts
— Access technical assistance remotely through cutting-edge digital tools

3.8
SUPPLIERS

102-9, 204-1, 408-1, 414-1, 414-2

The supply chain at ONNERA Group is made up of the following elements:

1 **Supply of raw materials and components:** we plan the purchase of components and raw materials based on demand.

2 **Transport of raw materials and components to our warehouses:** materials are usually transported as collect on delivery and are generally managed by our stock departments.

3 **Manufacture of sheet:** the sheet metal components for our machines are manufactured in each plant, using the raw materials we've purchased.

4 **Storage of components and sheet metal:** all components that have been purchased or manufactured internally are stored in the central warehouse, which supplies the assembly lines based on a manufacturing programme.

5 **Manufacture of appliances:** this is the entire process of machining and assembling the various appliances that we assemble in our plant (cookers, ovens, washing machines, dishwashers, commercial chillers, etc.).

6 Storage of finished product: all the appliances we've manufactured are sent to the finished product warehouse, where they are stored until the orders are sent to our customers.

7 Transporting the finished product to customers: the way this transport is handled will depend on the type of customer and the destination country.

We work with three types of providers in our organisation:

— **Suppliers of raw materials and components:** they supply our plants with the materials they need to manufacture our products.

— **Transport and service providers:** transport companies that bring us the materials we need for manufacture and also deliver the finished products to our customers.

— **Suppliers of finished products:** a small proportion of the products we sell in our catalogues are purchased from other manufacturers.

The purchasing and stock departments normally deal with our suppliers electronically, but also through visits in person and by attending fairs. In 2020, due to the health crisis caused by COVID-19 and the travel limitations this entailed, we maintained a very active relationship with our providers in order to guarantee that our supply chain continued to work effectively.

Within ONNERA Group, the company with the highest safety risk is Fagor Industrial, as they subcontract providers and sell products directly to end users, so they need to carry out work and install hospitality equipment, making it necessary to coordinate activities. Other risks at a subcontracting level arise from the work carried out in the various different plants.

It is worth mentioning that Fagor Industrial has an OHSAS 45001 certification (Occupational Health and Safety Assessment Series) and has established a control procedure for contractors that determines the correct procedure for coordinating and managing activities between Fagor Industrial and third parties, in order to protect the health and safety of both Fagor Industrial employees and third parties who provide work and/or services to our organisation. There is a system in place in order to manage the following aspects:

— Approval of contractors, from an SST perspective.
— Environmental effects generated by contractors as a result of their work at Fagor Industrial facilities.
— Ensuring that contractors are legally authorised to carry out their work
— Procedures for visits, drivers, etc.

Last year we completed **320 supplier evaluations** and 93.4% of them ended with a positive result. The remaining 6.6% were sent a supplier evaluation report so they could inform us of any corrective actions they had taken.

In terms of component purchases, the materials that we buy in the largest volumes are the following:

Materials	% of total purchases
Various families (plastic parts, refrigeration units, sundries, adhesives, etc.)	30,7%
Electrical or electronic components	26,7%
Sheet metal raw materials	24,9%
Metal parts/units	17,7%

In 2020, **the percentage of the budget spent on purchases from local suppliers was 66.5%.** We define a local purchase as when a manufacturing plant purchases components from suppliers in its own country. "Local" is considered to be anything belonging to the country where each plant is based.

Each manufacturing plant has its own way of managing supplier evaluation and the approval of parts and suppliers as part of their quality management system.

New suppliers are approved through an initial interview and a visit to their facilities, but then all the parts need to be approved one by one, as do any modifications that may be made over time. Parts are approved through samples that we ask to be sent to our plants, where we can verify them in accordance to the established specifications and perform any necessary functional testing.

We carry out supplier evaluations on a monthly and annual basis. We get into contact with suppliers on a yearly basis if they have a rating below 97% and if we do not work with them directly. The criteria that we take into account when evaluating suppliers is as follows:

— Result of the initial evaluation carried out
— Quality
— Service

Considering the nature of our business, we don't consider it necessary to carry out supplier audits unless some significant incident occurs with one of them.

In terms of the measures adopted by the organisation to contribute towards the abolishment of child labour, it is the purchasing department that normally visits new suppliers and investigates this issue. If there is any sign that the supplier engages with child labour, they will be automatically excluded from our supplier roster.

We are a democratic company rooted in the area

We have extended the notion of democracy throughout our organisation, acting according to the principle of one partner, one vote.
Our employee partners are involved in aspects of ownership, profit sharing and management.
We are developing a cooperative governance model committed to the Objectives of Sustainable Development and our highest body is the Shareholders' Meeting, where we make all the important decisions that determine our future.

4.1
COOPERATIVE MODEL

102-18, 102-19, 102-22, 102-23, 102-24, 102-26, 102-33

The cooperative model, from the definition and manifestation of the basic principles that inspire our work community, **aims to satisfy the human and professional aspirations of our members by building a profitable and solid business structure,** and to ensure that the cooperation serves the people, in solidarity with the world and the environment that we are a part of.

— **We see work as a resource for the progressive satisfaction of human aspirations** and for achieving human progress, from a demanding and responsible sense of solidarity that fosters individual and collective commitment to everyone's own personal professional circumstances.

— **The means of production are owned by the employee partners** and social rights are linked to the work of people, not to the possession of capital.

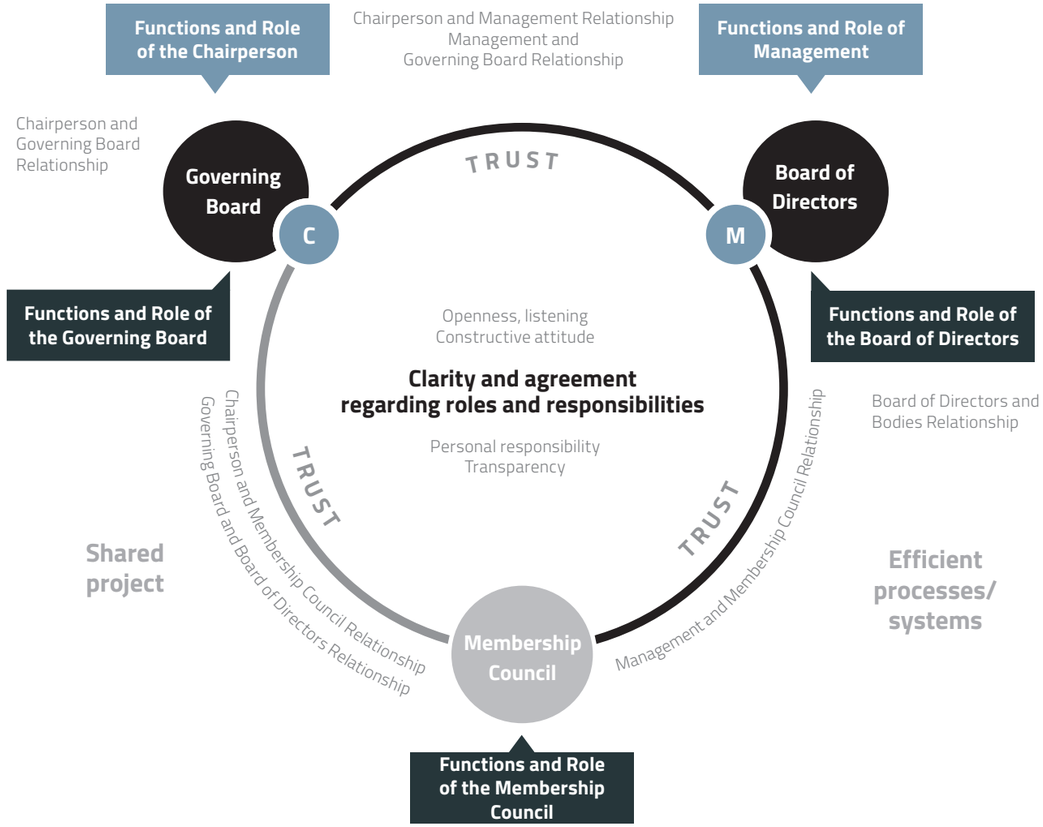
— All members of the Cooperative are involved in **choosing their representative and governing bodies and in determining their future as members,** advocating a democratic model that permits and encourages joint responsibility as a community, both in terms of corporate structure and business management.

Along with education and cooperative development, these cooperative principles serve as behavioural guidelines for the people in our organisation, so they can put the Cooperative's values into practice. People building a shared project together.

In order to ensure that the Cooperative's governing bodies and the way they perform their functions are truly democratic, we encourage members to participate in selecting them, to join them and to actively participate in the network of communications and decision-making of a system that is based on participation and work autonomy.

Fagor Industrial, the parent company of ONNERA Group, is a cooperative company that belongs to MONDRAGON Group, whose main governance body is the Governing Board, which generally follows and approves the directives established by the Group's Board of Directors.

Systemic vision of Cooperative Governance
Based on the dynamic of roles and relationships



GENERAL MEETING

The highest body of the cooperative is the General Meeting, where all members can participate and express their opinions. The General Meeting is a corporate body made up of members, who discuss and make decisions related to their areas of expertise. Any member chosen by the General Meeting may become a member of the Governing Board.

GOVERNING BOARD

The General Meeting chooses the Governing Board, the cooperative's representative and governing body. The Governing Board has its own Chairperson, who is also chosen by the General Meeting, and the members of the Board are replaced every 4 years at the General Meeting.
The Governing Board is a collegiate body that is exclusively responsible for the **management and representation of the Cooperative**, in addition to exercising all the powers that are not expressly reserved by law, other statutes or other corporate bodies. When voting to select the members of the Governing Board, members take into account their expertise, background and experience.
The Governing Board is made up of a Chairperson, a Vice-Chairperson (who will take on the duties of the Chairperson in their absence), a secretary and five board members. Each of their votes carries the same weight, except in the case of a tied vote, when the Chairperson's vote will be counted as double. In 2020 the Governing Board was made up of 5 men and 3 women (one of which was the Chairwoman).
The Governing Board is working on a project to redesign our governance model, for which they have received a number of training sessions from the Corporate Management department at the Mondragon Corporation. Through this model that is currently being worked on, we are reviewing and redefining the functions and relationships between the various bodies in the cooperative (Governing Board, Board of Directors and Membership Council). The objective is to develop relationships of trust and joint responsibility between the different bodies.

BOARD OF DIRECTORS

The Board of Directors **coordinates the activities of upper management and advises the Governing Board.** The Board of Directors has a managing director and several member directors. The managing director is chosen by the Governing Board and, alongside the Chairperson, they lead the cooperative project on the basis of company excellence and the Cooperative Principles.
The performance of the Governing Board and the Board of Directors is evaluated every year at the General Meeting. During said meeting, a vote is taken on whether or not to approve the management of the previous year and also whether or not to approve the Management Plan presented for the current year.

MEMBERSHIP COUNCIL

The Membership Council **represents all of the members in regard to internal procedures at the cooperative.** It is a body that informs and involves participation from all the members.
The number of people in the council is based on the number of members in the cooperative. The Membership Council is a body that enables the working community to contribute towards the administration of the Cooperative on a continual basis. Its purpose is to represent the employee members, acting as a spokesperson for their interests.
Its basic functions include providing information, advice and consultation, and it also provides negotiation and membership oversight.
The normal avenue for communicating critical concerns to the Governing Board of the Board of Directors is via monthly meetings that each representative from the Membership Board holds with the people they represent, and then the corresponding representative will report the concerns to the Membership Council. But in exceptional cases, the members of the Governing Board and the Chairperson themselves are available to respond to any members directly.
The Plenary Session of the Membership Council has 16 members, with each representing a particular group of both members and employees. They receive requests, suggestions and concerns from the group of people they represent and meet once a month to handle these queries. They also meet with all the people they represent once a month to communicate all responses, agreements and commitments made during the Plenary Session of the Membership Council.
In the Membership Council there is also a permanent commission made up of 5 members, whose job is to coordinate the work of the Membership Council by proposing, collecting and communicating issues and information.
This is how dialogue with the membership is maintained within the Cooperative located at the Oñati head office, so the employee members from the province of Gipuzkoa are exempt from the Metal Agreement that applies to contracted workers. Furthermore, taking into account the provinces in Spain where ONNERA Group is active, whether it be through the presence of a plant or a sales branch, the collective agreements that apply to our sector, aside from the one from Gipuzkoa, are: Madrid, Seville, Valencia, Tenerife, Las Palmas, Huesca, Barcelona and Córdoba.

OTHER COMMITTEES

The **Vigilance Committee** monitors the compliance of accounting aspects and any other that fall within their purview. Their main objective is to review the annual accounts and produce a mandatory report about said accounts and about the proposed distribution of surpluses or allocation of losses.
The committees responsible for making decisions regarding economic, environmental

and social issues are the Governing Board and the Board of Directors. The Governing Board delegates authority for economic issues to financial management and environmental issues to industrial management. When it comes to social issues, the Governing Board handles them itself with the support of the HR department and advice from the Board of Directors for issues that are particularly relevant or of significant concern.
The top executives and the Governing Board develop, approve and monitor the organisation's objectives. It is also they who announce the organisation's mission and values, as well as the strategies, policies and objectives related to economic, social and environmental issues. For this, all members of the Governing Board receive specific training in economic and social issues when they join the board.

4.2 CODE OF CONDUCT FOR THE COOPERATIVE

102-17, 205-1

In 2020, ONNERA Group worked on the development and implementation of a Compliance management system, which included:

— The Code of Conduct
— The Ethics Channel
— The Compliance Committee

Efficold currently has an anti-corruption and bribery policy, and Efficold, Onnera Mexico and Onnera Laundry Barcelona also have their own codes of conduct that were developed by each company individually. All of the employees at these plants are fully informed about these policies.

Furthermore, any employee of the Group can report ethical concerns to their membership representative, so that, if necessary, they can communicate them to the Membership Council, the Governing Board or even the Chairperson themselves.

When it comes to the percentage and number of employees informed about the organisation's anti-corruption policies and procedures in 2020, Onnera Mexico has a particularly impressive record, having informed 100% of their employees. Efficold also informed all of their employees (37% of all the ONNERA Group employees in Spain).

4.3 HUMAN RIGHTS

411-1, 412-1, 406-1, 409-1

The cooperative legal structure, like that of Fagor Industrial, is an ambitious development of the principles of the ***Universal Declaration of Human Rights,*** specifically that all humans are born free and equal in dignity and rights.

On principle, ONNERA Group rejects enforced labour, child labour and any form of discrimination. The people who work for our company are members with the same rights and obligations, regardless of their expertise or position in the hierarchy. They all have a stake in the risks and benefits of the company's activities.

Within our scope of activity we have not detected any relevant risks related to the violation of Human Rights. Due to not having detected any risks in this regard, we have not deemed it necessary to implement any due diligence processes in relation to Human Rights. As in 2019, in 2020 we did not receive any complaints regarding the violation of Human Rights at ONNERA Group.

One risk that is perhaps more significant is that of harassment in the workplace. While there have been no incidents in our case, it does of course have a significant effect on people who have suffered it. At Fagor Industrial we have developed the "PRO53 Internal Conflict Resolution" procedure, which aims to establish the necessary actions to take in response to complaints about harassment in the workplace.

Onnera Mexico includes a specific section in its code of conduct regarding sexual or any other kind of harassment in the workplace.

As part of the implementation of our compliance system, in 2021 we will be developing a code of conduct for the entire ONNERA Group, which will contain a specific section on Human Rights.

4.4 MANAGEMENT OF NON-FINANCIAL RISKS

102-15, 102-29, 102-30, 102-31

During the strategic review process carried out in 2020, we initially kept in place the same risks and opportunities that had been identified in 2019, but due to the pandemic and its effects on our business, throughout the year we had to implement more initiatives than those mentioned below, which will be described throughout this report.

Risks identified in the Context Analysis:

— The gradual introduction of **online sales** of goods in the HORECA sector, which could drastically change the traditional distribution channel.

— Actions taken as a result of the worldwide "trade war", which could lead to tariff barriers between various countries.

— Risks caused by Brexit. On one hand, there is a significant risk caused by a reduction of British tourism in Spain, which could slow down planned investments. On the other hand, there is also the risk of potential barriers for exporting to the UK, which could be an obstacle to our activities in the country.

Opportunities identified in the Context Analysis:

— **Improve customer service.** We believe that support from new technologies gives us various opportunities to improve the service we offer our customers, both in terms of presales and aftersales services, which would significantly boost our growth.

— **Work with the specification channel.** We have never worked with the specification sector before, and it is an important channel at both a hospitality and institutional level throughout the world.

— **Make agreements with hospitality schools,** both within Spain and at an international level, which would enable us to promote ONNERA Group equipment to future chefs.

With a view to managing these risks and opportunities, we launched the following initiatives.

— We launched the "Digital Customer" project, through which we will propose various different alternatives and models for ONNERA Group.

— The recent tariff imposed by the USA on commercial refrigeration equipment imported from China is encouraging an increase in demand of products manufactured in Mexico.

— We have yet to see a fall in demand, but we are already focusing our sales activities on the "Direct Sales" channel to the Caribbean, as a potential means to accelerate sales in preparation for an eventual drop in hospitality sales in Spain.

— We believe that the local manufacture of HORECA products is not sufficient to supply the entire UK market, so, aside from certain operational issues in the initial months, we believe that the demand and our sales in the country will likely stabilise while continuing to grow, supported by the development of new products and the improved services provided by our distributors.

— We have registered with the most prestigious global association of specifiers, in order to develop a closer relationship with them, understand their needs and provide solutions in response to said needs.

— In 2019, ONNERA Group signed an agreement with the Basque Culinary Center, making us a trustee of the institution, and we have maintained our agreements with both the Artxanda hospitality school and the Basque Know-How Foundation, to support these institutions and increase the presence of our equipment in training centres.

We are a company that looks after its people

At ONNERA GROUP, people are at the core of everything. We are the people who are building a future together, jointly responsible towards a shared project and fully committed to leaving later generations with a cooperative that was better than when we found it. To enable people to give their very best, **we are working towards building an advanced corporate culture** that encourages teamwork, that knows how to manage diversity, that protects people's health and that allows for a healthy work-life balance.

5.1
SOLIDARITY AS A FUNDAMENTAL PRINCIPLE

In a situation marked by the COVID-19 crisis, articulated and duly agreed internal and inter-cooperative procedures enable us to manage our people through a cooperative management model with signs of identity that generate a sense of belonging, promote inter-cooperation and contribute towards optimising synergies.

The cooperative model that **ONNERA Group follows is one that prioritises the wellbeing of its people and satisfies their needs over the long term.** Employee members are equal owners of the entire organisation and we are all active participants in its management.

We believe in equality and solidarity between people and institutions, which is why the retribution scale in our cooperatives is limited to 1-6 and we all help each other to advance together at the same time.

5.1.1 Employment

102-8

As of 31 December 2020, ONNERA Group had a workforce of 1,787 people, with 411 women and 1,376 men.

The gender distribution of our workforce experienced a slight increase in the number of male employees in 2020. While 75.37% of the workforce was made up of men in 2019, this increased to 77% in 2020. Likewise, the proportion of women in the workforce decreased from 24.63% in 2019 to 23% in 2020.

5.1.2 Hiring processes

In 2020, **91.38% of the workforce at ONNERA Group was employed with a permanent contract,** while 8.62% were temporary employees.

In 2019, 76.86% had a permanent contract, 21.01% had a temporary contract and the remaining 2.13% had a part-time contract. This indicates that there has been a considerable increase in the number of permanent contracts over the past year.

CONTRACT TYPES

Contract type	2020	2019	2018
Permanent contract	1.633	1.551	1.440
Temporary contract	154	424	322
Part-time contract	44*	43	40

*In 2020 part-time contracts were incorporated into the permanent and temporary contracts.

EVOLUTION OF CONTRACT TYPE BY GENDER:

	Permanent contract		Temporary contract		Part-time	
	Men	Women	Men	Women	Men	Women
2020*	1284,79	355	162,29	42,33	12,45	27,65
2019**	1.189	366	318	102	16	27
2018**	1.126	314	234	88	12	28

* Average total number ** Data as of 31 December

In 2020, 97.54% of employees worked full time, while the remaining 2.46% worked part time. The following table outlines the contract types for both full-time and part-time employees:

CONTRACT TYPES FOR BOTH FULL-TIME AND PART-TIME EMPLOYEES

Contract type	Full time	Part time
Permanent	1.595	38
Temporary	148	6
Total	**1.743**	**44**

Due to the pandemic caused by COVID-19, the legal entities that used a temporary redundancy plan or something similar in ONNERA Group are those located in Europe: Spain, France, Italy and Poland. These countries have implemented measures to enable companies to manage their employees within the context of the pandemic, with a direct impact on the companies' business. 165 people were made redundant in 2020, 95 more than the year before.

EFFECTS OF COVID-19

	Number of redundancies related to COVID-19	Number of work days lost due to temporary redundancy	Number of people made temporarily redundant
Men	207	12.520,53	409
Women	55	3.446,65	108
Total	**262**	**15.967,18**	**517**

It was generally between the months of March and June when the temporary redundancy plans were implemented, enabling us to adjust market demand to production and employment needs.

In terms of redundancy payments, these are made according to the corresponding legislation in each country.

5.2
WAGE SOLIDARITY

102-35, 102-36, 405-2

THE WAGE RATIO BETWEEN MEN AND WOMEN BY PROFESSIONAL CATEGORY IN 2020 AT ONNERA GROUP WAS AS FOLLOWS

Categories	Men	Women
Upper management	65.345	40.628
Middle management	29.653	19.472
Technicians	27.827	25.480
Operators	19.145	13.696

THE EVOLUTION OF THE AVERAGE REMUNERATION FROM 2019 TO 2020 BY PROFESSIONAL CATEGORY

Categories	2020 average remuneration** by professional category
Upper management	61.896 €
Middle management	26.399 €
Technicians	27.103 €
Operators	18.172 €

BELOW YOU CAN SEE HOW THE AVERAGE REMUNERATION BY AGE GROUP HAS EVOLVED FROM 2019 TO 2020

Age groups	2020 average remuneration* by age
From 20 to 35	14.613 €
From 36 to 45	24.216 €
From 46 to 55	28.148 €
Over 55	29.929 €

2019 AVERAGE REMUNERATION* BY AGE

Categories	Spain	Poland	Mexico	France	Usa	Others**	Total (Group)
From 20 to 35	23.411,53 €	18.364,75 €	10.172,05 €	21.894,49 €	35.012,42 €	15.989,52 €	**17.324,39 €**
From 36 to 45	28.428,57 €	20.715,90 €	12.135,21 €	42.616,81 €	36.631,48 €	18.473,84 €	**25.748,33 €**
From 46 to 55	28.142,34 €	17.541,68 €	23.072,34 €	35.398,95 €	55.115,93 €	19.159,97 €	**27.738,50 €**
Over 55	32.025,34 €	9.310,20 €	6.187,42 €	56.746,95 €	44.083,86 €	-	**30.544,53 €**

* The average remuneration data for 2019 and 2020 are not comparable as the calculation method was changed this year.
** (Turkey, China, Czech Rep., Portugal and Dominican Rep.)

2019 AVERAGE REMUNERATION* BY PROFESSIONAL CATEGORY

Categories	Spain	Poland	Mexico	France	Usa	Others**	Total (Group)
Operators	23.050 €	14.569 €	2.630 €	23.314 €	28.128 €	-	17.552,28€
Technicians	31.158 €	16.676 €	10.733 €	37.876 €	32.587 €	26.217 €	28.097,53 €
Middle management	39.032 €	23.593 €	15.734 €	38.092 €	53.228 €	26.671 €	27.284,43 €
Upper management	61.957 €	36.818 €	83.864 €	(***)	(***)	51.579 €	65.468,79 €

- Data not included due to confidentiality (1 person)
* The average remuneration data for 2019 and 2020 are not comparable as the calculation method was changed this year.
** (Turkey, China, Czech Rep., Portugal, Colombia and Dominican Rep.)

BELOW YOU CAN ALSO SEE THE WAGE GAP BY COUNTRIES FOR 2020

Wage gap by countries 2020	Spain	Poland	Mexico	France	Usa	Others*
Average remuneration for women (a)	26.446 €	10.584 €	5.784 €	37.083 €	32.477 €	14.523 €
Average remuneration for men (b)	29.075 €	13.546 €	6.655 €	44.406 €	51.612 €	18.588 €
Calculation: a/b	0,91%	0,78%	0,87%	0,84%	0,63%	0,78%

* (Turkey, China, Czech Rep., Portugal, Colombia and Dominican Rep.)

THE BASE SALARIES AND REMUNERATION FOR MEN AND WOMEN IN EACH PROFESSIONAL CATEGORY

Countries	Categories	Men (€)	Women (€)
Spain	Upper management	71.800	55.282
	Middle management	40.343	36.023
	Technicians	34.087	27.172
	Operators	24.832	23.122
France	Upper management	134.185	
	Middle management	60.241	54.601
	Technicians	42.880	28.559
	Operators	25.034	26.203
Italy	Upper management	70.000	
	Middle management	53.000	
	Technicians	38.000	25.000
	Operators		
Mexico	Upper management	53.627	12.153
	Middle management	11.258	9.532
	Technicians	6.768	
	Operators	3.863	3.588
Poland	Upper management	38.134	32.955
	Middle management	22.369	17.740
	Technicians	15.423	12.387
	Operators	11.308	8.886
USA	Upper management	108.650	
	Middle management	53.303	40.339
	Technicians	43.636	35.377
	Operators		10.113
Others (Czech Rep., China, Colombia, Dominican Rep., Portugal, Turkey)	Upper management	35.696	32.814
	Middle management	25.260	17.451
	Technicians	12.422	8.210
	Operators		

GOVERNING BOARD

It should be mentioned that none of the members of the cooperative's Governing Board receive payment for their governing role, in fact it is only the chairperson who gives up their work position, while all the other members of the Governing Board balance their governing responsibilities with their work responsibilities. As such, **there is no connection between these people's salary and the administrative work they do for the cooperative.**

There are 9 board members in total, and each one represents a different area of the organisation and has a different level of responsibility. All of them are members of the cooperative and live in Euskadi.

Board members' education and training:

— Degree in Economics
— Degree in Humanities and Business
— Technical Engineering Degree in Industrial Design
— Second Degree Vocational Training in Industry
— Technical Engineering Degree in Electronics
— Second Degree Vocational Training in the Automotive Industry
— First Degree Vocational Training in Industry
— Second Degree Vocational Training in Industry
— Diploma in Business

MANAGEMENT COMMITTEE

The average salary of the Management Committee in 2020 was 89,585 euros, while it was 88,620 in 2019. We have not broken it down by gender as we want to maintain confidentiality, since there is only one woman in the Management Committee.

There are no specific benefits for the governing body or the senior executives for the role they perform. They receive retribution determined by an index, which reflects their responsibilities within the cooperative, but in every other sense they have the same rights and duties as all other members and employees of the cooperative, with no form of additional privileges. As such, all the positions in the cooperative have a specific index that determines their salary, including the senior executives.

The variable compensation system enables cooperative employees to earn up to 7% of their gross annual salary in compensation, and for ONNERA Group directors this percentage is double.

BOARD OF DIRECTORS

The average salary of the Board of Directors in 2020 was 35,524 euros.

AVERAGE SALARY OF THE BOARD OF DIRECTORS BY GENDER:

Gender	Average salary (euros)
Men	35.337 €
Women	36.086 €

The highest governing body of the cooperative does not receive any remuneration directly for the work they do, as individuals they receive retribution corresponding to the role they perform.

5.3 WORK ORGANISATION

In terms of work organisation, management at ONNERA Group is decentralised, with each country and each plant working according to their own cultural differences, deep-rooted customs and the needs and capabilities of the production plants, functioning autonomously.

However, ONNERA Group does have general criteria that is based on trust and the commitment of its employees.

At the cooperative we have general guidelines set by our internal regulations on this matter, and we also have internal operational standards regarding work time that are based on the following criteria:

A Clear and fair criteria: the same response to the same situations.

B Encouraging a culture of productivity, rather than an on-site culture, minimising the need for overtime.

C Avoiding and minimising bureaucracy: authorisations, requests, monitoring, etc.

D Responding to the needs that ensure **flexibility in the company.**

E Promoting **trust in the management of work time.**

5.4 MEMBERSHIP RELATIONS

102-41, 407-1

Collective bargaining agreements or similar regulations applicable in the countries where the group operates include aspects related to work health and safety. Below is data reflecting the number of employees covered by a collective bargaining agreement:

PERCENTAGE OF EMPLOYEES COVERED BY A COLLECTIVE BARGAINING AGREEMENT IN SPAIN

	2019	2020
Total no. of Employees Covered by a Collective Bargaining Agreement (A)	864	1.031
Total no. of Employees (B)	1.282	1.787
Calculation: A/B	67,39%	57,69%

5.5 PROMOTING EQUALITY BETWEEN MEN AND WOMEN

405-1

The cooperative's bylaws clearly establish that no discrimination shall be accepted within the Cooperative, for any reason:

> *«None of the following shall be grounds for refusing admission to an applicant, unless they are incompatible with the cooperative's purpose: race, language, sex, civil status or beliefs regarding politics, trade unions or religion.»*

And **we ensure equality between male and female employee members**, enshrined by the following two principles:

— **Open membership**
The cooperative experience shall be open to any men or women who accept the basic principles and prove to be professionally suitable for the positions that may exist.

— **Democratic organisation**
The cooperative experience ensures basic equality for male and female employee members in terms of respecting their rights to be, own and be informed, which involves accepting the democratic organisation of the company.

To do this, we intend to implement policies and action plans at a cooperative level and throughout ONNERA Group to ensure equal opportunities and prevent any form of discrimination. We have already established an equality plan at Fagor Industrial and at Efficold, and we will continue working on it to make it as effective as possible. Resulting from this assessment, in 2021 we will be implementing an ambitious equality plan with brand new guidelines. We will also have action protocols to follow in response to workplace harassment.

We aim to continue working towards equality and to establish the necessary conditions to guarantee it at all levels of the organisation.

In 2020 there were no reports of, nor have there been, any cases of discrimination.

BELOW YOU CAN SEE THE PERCENTAGE OF PEOPLE IN THE GOVERNING BODIES BY GENDER:

Governing bodies	Men (%)	Women (%)
Rest of the workforce	11,11%	0,00%
Middle management	55,56%	33,33%

5.5.1 Diversity management

At ONNERA Group we are fully committed to improving accessibility. We make significant effort to ensure that the works carried out in our plants enable and improve accessibility to our buildings and facilities.

We are currently preparing to fit out a new production plant at the ONNERA Group head office that will be used to produce washing machines. This modern and innovative plant

will be opened towards the end of 2022 and will be a benchmark for the group in terms of digitalisation, innovation and accessibility.

We are also a socially-conscious organisation, ensuring that disabled people are fully integrated into every one of the group's companies.

EMPLOYEES WITH A DISABILITY (THROUGHOUT THE GROUP)

	2019	2020
Total no. of employees with a disability (a)	22	25
Total no. of employees (b)	2.018	1.787
Calculation: a/b	1,1%	1,4%

5.3 JOINT RESPONSIBILITY IN WORK-LIFE BALANCE

The working conditions at ONNERA Group, along with the flexible working hours, enable a healthy work-life balance.

For example, the catering service at the head office plant and the transport organised to the Onnera Mexico factory are just two of the ways our organisation improves working standards for its employees.

The cooperative's internal regulations include measures designed to enable a healthy work-life balance, measures that are outlined in detail in the internal regulations and procedures related to leave, reduced working days and special working hours, so our employees can meet the needs of their home lives. Employees who work at the Oñati plant will be covered by the regulations included in the Gipuzkoa iron and steel agreement, and the rest of the country will be covered by the other corresponding agreement.

5.7 WE ENCOURAGE THE DEVELOPMENT OF PEOPLE

403-5, 404-1, 404-2

The most important training needs revolve around workplace health and safety, as this is a fundamental area that is intended to look out for and protect our employees. For example, in response to the training requirements regarding prevention detailed in the collective agreement for the sector, at our Oñati plant we are implementing a training plan that will finish in 2021 (it was due to finish in 2020, but the pandemic caused us to extend it by another year). This plan offers general and specific training for all the professions that have been identified within our organisation and is designed for everyone, both contract workers and members of the cooperative.

At ONNERA Group we make great **efforts to train and develop our employees.** We develop and establish training plans on a yearly basis in order to help people grow, and to ensure that this growth in turn leads to business growth.

We have also organised training at a social level with the aim of promoting confidence, commitment and involvement from our employees with our project.

Another key priority is development training, which is designed for our management team, who are the leaders responsible for managing, motivating and inspiring the people in the organisation. We also provide training courses designed for both employees and managers, such as the "development conversations" project. This objective of this project is to bring managers closer to their teams, so they can jointly discuss their concerns, strengths, areas of improvement, motivations and expectations, to develop a closer relationship between managers and their co-workers, create a space for sharing and encourage the development of both.

The investment in training at Onnera Group has suffered a setback due to the effects of the pandemic on our organisations. 2020 saw a reduction of around 5,000 hours of training successfully completed.

NUMBER OF HOURS OF TRAINING

Categories	2018	2019	2020
Operators	4.297	6.385	4.194,5
Technicians	3.591	4.239	3.279
Middle management	2.326	3.913	2.283
Upper management	600	533	359

5.8 WE TAKE CARE OF PEOPLE

103-1, 103-2, 103-3, 403-2, 403-3, 403-10

Fagor Industrial S. Coop holds the ISO 45001 workplace health and safety certification, which is audited on an annual basis by AENOR. The other manufacturing plants have either their own or a sub-contracted workplace risk protection service.

The PRL regulatory audit was also carried out in May 2017, in accordance with the terms of the Spanish RD 39/1997 Prevention Services Regulation of 17 January.

The maintenance of these certifications is a demonstration of **the cooperative's commitment to achieving the highest standards regarding risk protection and the wellbeing of its workforce.**

Following the GARATUZ model from Osarten for the Development of Health, Safety and Wellbeing in the Workplace, Fagor Industrial S. Coop remains committed to organising activities that promote the health of people. However, due to the arrival of the pandemic in 2020, it was forced to cease organising the initiatives that were under way. **All the efforts of the people who work in the healthcare field at the cooperative have been put**

towards creating a safe work environment for our employees, as we continually establish different preventive measures to protect them from COVID-19.

Workplace health and safety was of crucial importance in 2020 due to the pandemic. Every plant had to develop their own COVID-19 protocol to protect employees from the virus as effectively as possible and to do everything they could to prevent contagions within the organisation.

In 2020, there were 222 injuries caused by workplace accidents. The types of injuries caused by workplace accidents include contusions, superficial wounds and back pain.

Workplace hazards that present a risk of injury are determined through an analysis of workstations carried out by a doctor and nurse from the company and the workplace risk prevention service They also carry out inspections.

Employees also have the opportunity to report any hazards they identify to their immediate superior or through their prevention representative. The prevention service keeps a record of all accidents and incidents.

The workplace risk prevention service monitors the safety actions that arise from workstation analyses, employee suggestions and inspections.

The rate of injuries due to workplace accidents has been calculated for every 1,000,000 hours worked.

In 2020, there was only 1 recorded workplace illness/ailment, which was due to improper posture and handling of loads. In response, we implemented the appropriate measures and changed the layout.

There are 11 workers at Onnera Mexico exposed to each of the hazards identified who are not employees, but whose work or workplace is managed by the organisation.

NUMBER OF OCCUPATIONAL DISEASES

	2020*
Women	0
Men	2
Total	**2**

* We don't have any data from 2019 as our mutual insurance company only began recognising occupational diseases in 2020, while beforehand they were considered as common diseases.

NUMBER OF ACCIDENTS WITH SICK LEAVE

	2018	2019	2020
Women	25	15	12
Men	117	81	60
Total	**142**	**96**	**72**

ACCIDENT SEVERITY INDEX

	Grupo	Poland	France	Mexico	Spain
Women	1,58	0	0,25	4,00	0,19
Men	0,72	0,18	1,73	1,34	0,55
Total	**0,92**	**0,18**	**1,34**	**2,14**	**0,48**

ACCIDENT FREQUENCY INDEX

	Grupo	Poland	France	Mexico	Spain
Women	15,84	0	103,71	10,64	20,65
Men	24,16	9,17	18,86	6,09	39,40
Total	**22,21**	**9,17**	**41,49**	**7,46**	**35,73**

We are a company that is committed to the planet

The climate crisis is forcing us to reinvent our relationship with the environment. **We must abandon the linear economy model based on fossil fuels and move towards a circular economy model based on renewable energy.** We recognise that we are part of the problem, but we also want to be part of the solution. To do this, we are working to reduce our carbon footprint and be more efficient in how we use materials in our production processes.

6.1
ENVIRONMENTAL MANAGEMENT

102-11

At ONNERA Group we have been aware of the importance of environmental management for many years now. It is for that reason that the organisation started working towards suitable environmental management of its production plants and in 2006 we obtained the ISO 14001 certification for the Fagor Industrial production plant in Oñati. The Efficold plant then became certified in 2013, followed by Onnera Laundry Barcelona in 2020.

Fagor Industrial has an integrated management system policy that was approved by senior management. It includes environmental, quality and workplace health and safety policies.

Efficold and Onnera Laundry Barcelona also have a joint policy for quality and environmental systems.

The **objectives** relating to the environment outlined in the policy are as follows:

— Protect the environment and prevent pollution in order to minimise any harmful environmental impacts that may be generated by our activities. Introduce environmental criteria in the design of our products and promote the use of processes and materials that don't cause pollution.

— Maintain an up-to-date integrated management system that includes quality, environmental and workplace health and safety systems, and target efforts to constantly improve said system.

— Create a work environment that promotes participation, training and awareness in people throughout the organisation to help them achieve objectives and also to be aware of their obligations in terms of quality, the environment and workplace health and safety.

The Integrated System Programme is established on an annual basis, outlining all the objectives in terms of how we respond to the most important environmental factors. These objectives are monitored by the environmental committees. After analysing these important factors, we did not identify any product or technology being implemented that we believe could pose a risk to public health or the environment.

The important factors that Factor Industrial was working with in 2020 were **the consumption of natural gas, electrical energy and water, in addition to the production of iron and galvanised scrap metal.**

In 2020 we made a number of significant expenditures and investments to improve our environmental performance, such as:

— **Switching to LED lighting** throughout the logistics warehouse at Onnera Laundry Barcelona.

— **Installing charging points for electric vehicles** at Onnera Laundry Barcelona.

— **Implementing an energy management system** to monitor energy usage at Fagor Industrial.

Although light pollution is not an environmental factor that is regulated by the ONNERA Group production plants for its impact, we do promote the installation and efficient usage of lighting systems, opting to install energy-efficient lighting, like LED lights.

The Environmental Management System is audited on an annual basis by AENOR at the Fagor Industrial plant and at Onnera Laundry Barcelona, and by Bureau Veritas at Efficold.

The resources dedicated to the prevention of environmental risks increased in 2020, particularly related to expenditure on environmental consultation.

THE RESOURCES DEDICATED BY ONNERA GROUP TO THE PREVENTION OF ENVIRONMENTAL RISKS:

Direct Expenditures Assigned to the EMS	2018 (Amount in €)	2019 (Amount in €)	2020 (Amount in €)
ISO 14001 Certification	1.872	8.749	9509
Safety advisor	850	1.810	13.545
Consultation on environmental requirements	1.480	7.319	18.399
Rat extermination, disinfection and decontamination	1.450	3.760	39.151*
Management of inert waste (paper/cardboard, wood, plastic, rubbish)	31.150	77.840	88.933
Management of hazardous waste	5.290	11.596	12.373
Water analysis (spillage control)	585	6.704	4.534
TOTAL	**42.677**	**117.782**	**186.445**

* The increased amount for rat extermination is due to the fact that in previous years the pest controls carried out were not taken into account..

6.2
OBJECTIVE: CARBON-FREE INDUSTRY

103-1, 103-2, 103-3, 201-2

In regard to greenhouse gas emissions and awareness of the impact of our activities on climate change, **in 2020 we made the first step to calculate ONNERA Group's carbon footprint for 2019**. Thanks to this calculation, we now know which of our categories generate the greatest impact. As a result, our objective at ONNERA Group is to now make this annual calculation systematic, so we can continue taking different actions to help us reduce our emissions as much as possible. This initiative will also enable us to work on establishing targets for reducing emissions.

6.2.1 Carbon footprint

305-1, 305-2, 305-3

The greenhouse gases emitted by ONNERA Group are outlined in the following tables.

DIRECT GREENHOUSE GAS EMISSIONS SCOPE 1

	2019 (tCO_2eq)	2019 (tCO_2eq)
Spain	912,4	596,28
France	113,99	91,06
Poland	1.053,57	228,83
Mexico	117,56	20,95
Total	**2.197,53**	**937,13**

Sources of scope emission factors used for the calculation::
- Carbon Footprint Registry June 2020. Version 15.
- Global Warming Potentials indicated in the Fourth IPCC Assessment Report (Regulation 517/2014).

The adjustments to production and the travel restrictions, as a result of the pandemic, have had a clear impact on the reduction of scope 1 greenhouse gas emissions.

INDIRECT GREENHOUSE GAS EMISSIONS SCOPE 2

	2019 (tCO_2eq)	2019 (tCO_2eq)
Spain	1.745,25	1.563,81
France	7,45	7,43
Poland	2327,57	848,09
Mexico	891,49	705,58
Total	**4.971,77**	**3.124,93**

Sources of scope 2 emission factors used for the calculation:
- Carbon Footprint Registry June 2020. Version 15 CNMC Report.
- IEA International Energy Agency Report 2020.

The adjustments to production as a result of the pandemic were also reflected in the reduction of electricity consumption and, consequently, in the reduction of scope 2 greenhouse gas emissions.

INDIRECT GREENHOUSE GAS EMISSIONS SCOPE 3

	2019 (tCO_2eq)	2019 (tCO_2eq)
Spain	8.009.281,30	-
France	850.891,83	-
Poland	1.846.462,05	-
Mexico	2.945.142,19	-
Total	**13.651.777,38**	**-**

ONNERA Group is in the process of calculating its scope 3 carbon footprint for 2020, which will be published next year.
Sources of scope 3 emission factors used for the calculation:
- DEFRA 2019. Version 1.2.
- IEA Internatioal Energy Agency Report 2020
- Ecoinvent 3.6. Database
- IO DEFRA 2019 Database
- Global Warming Potentials indicated in the Fourth IPCC Assessment Report (Regulation 517/2014)

2019 was the first year where we calculated scope 3 emissions for the entire organisation.

The base year for calculating greenhouse gas emissions was 2019. Greenhouse gas emissions were calculated for the first time in 2019 for the 2018 Non-Financial Information Report, but the methodology used at that time was not very precise. However, in 2020 we calculated the 2019 carbon footprint for the entire organisation using the ISO 14064-1-2019 methodology.

BELOW IS THE TOTAL COMPANY CARBON FOOTPRINT FOR 2019-2020

	2019 (tCO_2eq)	2019 (tCO_2eq) Scopes 1 and 2
Spain	8.011.939,0	2.160,1
France	851.013,3	98,5
Poland	1.849.843,19	1.076,9
Mexico	2.946.151,25	726,5
Total	**13.658.946,68**	**4.062,06**

When it comes to emitting pollutants into the atmosphere, within ONNERA Group, Fagor Industrial is the only plant with sources of emissions into the atmosphere, two specifically:

1. Spray booth propane burner → pollutants measured: CO, NOx, SO_2 and Opacity.
2. MIG welding robot vacuum → cpollutants measured: particles.

These two sources were recorded in April 2017 and the corresponding measurements and controls were carried out by an authorised control body, obtaining a satisfactory result within the established limits:

CO → Average value: **68 ppm**
(Threshold value: 500ppm)

NOX → Average value: **23,5 ppm**
(Threshold value: 300ppm)

SO_2 → Average value: **28 gr/Nm³**
(Threshold value: 850 gr/Nm³)

Opacidad → Average value: **<1E. Bacharach**
(Threshold value: 2 E.Bacharach)

The next revision is planned for 2022.

As for noise emissions, the noise levels produced by our facilities do not exceed the established legal limits.

6.2.2 Energy

302-1, 302-3, 302-4, 302-5

15.861.839 kW h
The total energy consumption within the organisation

THE ENERGY CONSUMPTION WITHIN THE ORGANISATION IS

Fuel types	Fuel consumption (kWh)
Propane	628.777 (18,1%)
Natural gas	2.846.689 (81,9%)
Total	**3.475.466**

We calculated the energy consumption data using conversion factors, only for the propane:

1 Kg of propane = 13,385 kWh
1 litre of propane = 0,51 kg

TOTAL CONSUMPTION OF FUELS

Fuel type	Fuel consumption (kWh)
Renewable	0
Non-renewable	628.777 (100,0%)
Total	**628.777**

IN TERMS OF ENERGY CONSUMPTION, THE PRIMARY CONSUMPTION DATA FOR ONNERA GROUP IS AS FOLLOWS:

	2018	2019	2020
Electricity (Kwh)	11.702730	13.309.933	12.386.373
Natural gas (Kwh)	3.449.835	3.703.539	2.846.689
Propane (litre)	**119.492**	**127.199**	**92.115**

79,132 kWh of the total was generated through the photovoltaic panels at Onnera Laundry Barcelona.

3,734,110 kWh from Efficold comes from renewable energy sources.

The energy consumption in general has decreased in all the production plants due to the reduction in activity, which was as a result of the decrease in production caused by COVID-19.

As regards the measures taken to improve energy efficiency, it is worth mentioning that at both Efficold and Onnera Mexico we are studying the viability of installing photovoltaic panels to reduce energy consumption.

In 2020, the Group's energy intensity ratio was 0.06 Kwh. It was calculated by dividing the energy consumption by the number of sales, including fuel and electricity.

6.3 CIRCULAR ECONOMY: SUSTAINABLE MANAGEMENT OF RAW MATERIALS AND WASTE

6.3.1 Water

303-1, 303-3, 303-5

ONNERA Group is working to optimise its resources, including water. The Oñati plant consumes a significant amount of water due to the quality controls carried out on each dishwasher and washing machine they manufacture.

Total water consumed in production (m³)	11.909	**59% recirculación**
Total mains water used in production (m³)	4.792	

59% of the water used in the assembly lines is recirculated water:

In 2019 the percentage of recirculated water used was 72%, with the total water consumption for production being 30,991 m3 and the total mains water used in production being 8,711 m3. This reduced proportion of recirculated water was due to a fault in the system that meant the recirculation pumps were out of order for approximately a month and a half.As with energy consumption, the water consumption in 2020 was reduced by 8% in comparison to the year before, due to the reduced levels of production throughout the year.

To reduce water consumption, Fagor Industrial uses a recirculated water system that collects rainwater and also recirculates the water used during the machine testing.

WATER CONSUMPTION (M³)

	2018	2019	2020
Fagor Industrial	25.013	25.181	23.145
ONNERA Group	40.388	49.235	45.959

6.3.2 Life cycle of products: raw materials and other materials

301-1, 301-2

The main raw material that is used throughout the group is sheet metal of various different qualities, which we use to form the structure of the appliances. We do use other raw materials, such as oils, plastic, etc., but they are less significant at a production level. Each plant carries out quality procedures aimed at reducing the number of parts scrapped, thus reducing the consumption of the corresponding raw materials.

In terms of measures to reduce the consumption of materials, meetings are held every month related to a particular unit of sheet metal in order to assess the quality issues that assembly lines may have encountered and also to analyse scrap data. This is done for the purposes of proposing and carrying out improvement measures to reduce the level of scrap produced.

THE GROUP'S TOTAL CONSUMPTION IN TONNES

Materials	2018	2019	2020
Stainless steel	7.570	7.773	7.655,5
Galvanised steel	2.736	4.743	6.240,2
Iron	1.158	297	371,4
Wood	923	3.077	2.855
Cardboard	591	477	476

THE TOTAL WEIGHT OF RAW MATERIALS USED IN 2020

Raw materials	Weight (Kg)
Iron	373.700
Wood	2.854.600
Cardboard	476.200
Stainless steel	7.948.700
Galvanised steel	6.337.300
Total	**17.990.500**

THE WEIGHT OF NON-RENEWABLE RAW MATERIALS

Raw materials	Weight (Kg)
Iron	383.700
Stainless steel	7.948.700
Galvanised steel	6.337.300
Total	**14.669.700**

PESO DE LAS MATERIAS PRIMAS RENOVABLES

Raw materials	Weight (Kg)
Wood	2.854.600
Cardboard	476.200
Total	**3.330.800**

6.3.3 Waste management

103-1, 103-2, 103-3, 306-1, 306-2, 306-3

As part of their environmental management system, Fagor Industrial, Efficold and Onnera Laundry Barcelona have established a waste management procedure. Currently **the waste at all our production plants is collected and transported by authorised waste management and transport companies, to ensure that the waste is handled properly.**

The waste is classified as either hazardous or inert and is managed differently according to its classification.

The effects of COVID-19 also led to a reduction in the level of waste generated, both in terms of hazardous and non-hazardous waste.

The reduction of contaminated plastic packaging in 2019 that was achieved due to the changes in waste management at Efficold has been further consolidated in 2020.

In terms of environmental safety, Fagor Industrial, Efficold and Onnera Laundry Barcelona have established emergency plans that identify potential emergency situations and provide a response procedure to handle said emergency situations and real incidents that may occur, in order to prevent or mitigate any adverse consequences for the environment and for the health and safety of employees.

INERT/NON-HAZARDOUS/URBAN WASTE

Material	2018	2019	2020
Sheet metal: iron+ galv. steel (tn)	2.619	2.706	2.795
Sheet metal: stainless steel (tn)	1.610	2.110	1.393
Wood (tn)	547	647	602
Urban waste (tn)	406	88	453
Cardboard/paper (tn)	273	328	311
Plastic (tn)	49	37	27
Total inert waste	**5.504**	**5.916**	**5.581**

HAZARDOUS WASTE

Material	2018	2019	2020
Contaminated material (Kg)	13.860	8.485	5.373
Contaminated plastic packaging (Kg)	11.101	4.685	4.798
Non-halogenated org. SOLVENT (Kg)	2.953	2.990	2.443
Metal dust (Kg)	2.778	5.452	4.588
Contaminated metal packaging (Kg)	1.386	2.804	2.518
Aerosols (Kg)	1.131	1.562	1.259
Total hazardous waste	**33.209**	**25.978**	**20.979**

07

We are a company that promotes community development

103-1, 103-2, 103-3, 203-1, 203-2, 413-1, 413-2

We were formed 60 years ago to respond to the needs of society, which is why our organisation is rooted in the community.
Our own goals are shared with those of society and we work alongside other cooperatives, public administrations and other interested parties to find solutions to older and newer challenges that we face in the 21st century.

As established by the Euskadi law on cooperatives, Fagor has a **COFIP fund** (Fund for Cooperative Promotion and Education) that is supplied with 10% of the annual profits from all the cooperatives in the Group. As part of its commitment to inter-cooperate with the environment to respond to the real needs of society, in 2020 Fagor Industrial provided a total of €600,640 to the fund (€1,835,702 were given to the COFIP fund in 2019).

65% of this fund is used within the Fagor Group to drive forward strategic projects in three different areas: promotion of education, social and educational development and community distribution.

35% of the fund may be directed towards various projects of each cooperative. In 2020, within the context of COVID-19, and in response to article 13 of the Spanish Royal Decree-Law 15/2020 of 21 April, for additional urgent measures to support the economy and employment, Fagor Industrial directed the entire fund towards covering the costs incurred by the pandemic. Regarding the participation of interest groups in the distribution of this fund, we may receive sponsorship requests from various associations, and our own employees also have the right to bring requests to the Governing Board, who will then evaluate them all. Since there is a fixed amount for the entire year, a proportion of it is set aside for each type of project or request: 40% for educational projects/activities; 30% for social support projects; 15% for sports activities; 10% for cultural projects or activities; 5% for local festivals.

We will now outline the strategic projects that Fagor runs with this fund.

The following table shows how the total COFIP fund for Fagor Industrial was distributed.

THE FOLLOWING TABLE SHOWS HOW THE TOTAL COFIP FUND FOR FAGOR INDUSTRIAL WAS DISTRIBUTED:

	TOTAL COFIP Fund	Promotion of education	Social and cooperative development				Community distribution	
		Cooperative education (10%)	Social innovation platform (25%)	Normalisation of the Basque language (20%)	Mundukide (5%)	Inter-cooperation and cooperative development	Social transformation projects at the cooperatives (2%)	Projects managed by each cooperative (35%)
Fagor Industrial	600.640 €	60.064 €	150.160 €	120.128 €	30.032 €	18.019 €	12.013 €	210.224 €

7.1 COMMUNITY DEVELOPMENT: DEBAGOIENA 2030

Debagoiena 2030 is a network for promoting sustainable development in the region where the majority of our production plants are based, including those of ONNERA Group. Fagor was one of the main drivers of this initiative, for which it works alongside local public institutions (town councils), regional public bodies (Regional Government of Gipuzkoa), Mondragon University and various other socio-economic actors and interested parties in society.
The 2050 vision for Debagoiena 2030 is to become an intelligent, inclusive and climate-neutral region, achieving this by strengthening community development in the area.
Fagor Group directed €813,531 from its COFIP fund (Fund for Cooperative Promotion and Education) towards strengthening the network and €500,000 towards financing the initial portfolio, as an example of its commitment to SDG 11: Sustainable Cities and Communities.

7.2 COMMITMENT TO EDUCATION: GIZABIDEA

Through the Gizabidea Foundation, Fagor has been working with local cooperative educational organisations for the past 40 years to fund new infrastructure in the region to offer quality education to children and teenagers. This work has involved cooperation with Arizmendi Ikastola and Mondragon University. The market value of the buildings, which are owned by the Gizabidea Foundation, is over €50M.
In 2020 Fagor directed €325,412 from its COFIP fund to the Gizabidea Foundation, as a demonstration of their commitment to SDG 4: Quality Education.

7.3 NORMALISATION OF THE BASQUE LANGUAGE

As part of its commitment towards social transformation, Fagor has also had the opportunity to play an important role in the normalisation of the Basque language; the cooperatives have been working on Basque language projects for over 20 years. As a result of this, they set themselves the following targets over the years:

— Determining the language profiles of each work position: for the professional world to be Basque-speaking, employees also need to be able to speak Basque.

— Language policies: defining the necessary criteria to achieve the objective of consolidating spaces so they can function entirely in Basque.

2020 has been a year of reflection. The pandemic has also had an effect on the Basque normalisation project at Fagor. The reflections made by the Basque Commission on the path towards normalisation have been interesting and essential to establish the new mission, vision and strategic directions that will be defined in 2021.

One of our main priorities at Fagor Industrial has been to work with Euskaraldia to determine their own objectives to promote the use of the Basque language throughout their departments in 2020. We have taken advantage of the departmental work to address the idea of Arigunes (spaces for speaking Basque) and have promoted individual enrolment among everyone in Oñati. Although there have not been too many hires and consolidations, throughout 2020 we carried out an exhaustive review process of the linguistic profile regulation approved in November 2019 at Fagor Group. The review process for the language policy and the reflection within Fagor Group on the strategic process for the new period had to be delayed until 2021 as a result of the pandemic.

7.4 COOPERATION FOR THE MUNDUKIDE DEVELOPMENT

To respond to the universal principle of cooperativism and to help developing countries, Fagor, along with various other MONDRAGON cooperatives and a number of local ONGS, founded the Mundukide Foundation over 10 years ago. Fagor gives members the opportunity to contribute as aid workers in the projects that Mundukide carries out.

In 2020 Fagor directed €152,706 from its COFIP fund to the Mundukide Foundation, as a demonstration of their commitment to **SDG 1: Ending Poverty.**

7.5 FAGOR COMMUNITY

In 2020 we launched the **social transformation** commission, whose purpose is to promote different dynamics and projects that involve members in the various Sustainable Development Objectives and encourage a sense of belonging to the Fagor community. The most notable activities carried out in the initial year of this journey are as follows:

— Fagormugi: Fagormugi is an initiative for promoting sustainable transport when commuting from home to work.

— 8 March: within the context of International Women's Day, we organised various different activities to promote the contributions of women and to raise awareness about the need to improve gender equality in our organisations.

— 5 June: within the context of World Environment Day, we organised a number of different activities to raise awareness about the impact of our industrial activities on the environment.

— 3 December: within the context of International Basque Language Day, Fagor and its cooperatives participated with the Euskaraldia project.

In total, we have directed €23,000 of the COFIP funds towards financing these activities.

7.6 TAX INFORMATION

201-4, 207-1

ONNERA Group's commitment to the areas where it operates is also demonstrated through responsible management. Among other things, this responsible management includes complying with all applicable financial and tax obligations.

THE TAX INFORMATION FOR THE COUNTRIES WHERE WE HAVE PRODUCTION PLANTS

	Profits added to the consolidated balance sheet (thousands €)*			Taxes on profits (thousands €)			Public subsidies received (thousands €)		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Spain	10.861	11.047	1655	508	963,2	382	277	607,3	459
France	90	-266	115	15	197,5	96	2	3,6	-
Mexico	-443	18	-284	223	326,1	257	-	0,4	-
Poland	829	565	332	207	234,1	185	-	0,2	-
Other countries	-1922	954	-530	205	33,9	39	-	-	-

*Results before reconversion

THE CONSOLIDATED DATA TAKING INTO ACCOUNT SALES BRANCHES AND PRODUCTION PLANTS ARE AS FOLLOWS:

	Profits added to the consolidated balance sheet (thousands €)*			Taxes on profits (thousands €)			Public subsidies received (thousands €)		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Total consolidated	**9.415**	**12.318**	**1.288**	**1.158**	**1.755**	**959**	**279**	**611**	**459**

08

Procedure for producing the report

102-32, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54

This Report presents the Non-Financial Information Statement for Fagor Industrial S. Coop and the subsidiary companies (hereinafter, ONNERA Group), in accordance with the requirements of the Spanish Law 11/2018 of 28 December, which modifies the Commercial Code, the consolidated text of the Capital Companies Act that was approved by the Royal Legislative Decree 1/2010, of 2 July, and the Law 22/2015, of 20 July, on Financial Auditing, relating to non-financial information and diversity. It is also classed as the Group's first Sustainability Report (produced annually).

The Non-Financial Information Statement is presented in a separate document, even though the content of the Non-Financial Information Statement is also contained in the Consolidated Management Report.

The Report contains all the necessary information to understand the evolution, results and current situation of ONNERA Group and the impact of its activities in terms of environmental, social and economic issues from 1 January 2020 to 31 December 2020. It was produced in accordance with the GRI Standards methodology, following the Core option, and is a reflection of the importance that ONNERA Group accords its groups of interest and its commitment to sustainability, in order to guarantee that its economic activities align with the basic principles that enable sustainable social and environmental development over time, thus contributing to the United Nations' Sustainable Development Goals.

The production of this Report is not only a clear example of transparency and accountability, but it also contributes towards improving the Group's own management processes and strategy, by identifying new opportunities for improvement that may develop in the short and medium term.

The process for producing the Report involved direct participation from Management and the people responsible for the main departments at ONNERA Group, in addition to the chairwoman of the Group's Governing Board, as a representative of the members. All the information contained within refers to the parent company and all the subsidiaries that make up the Group, which are included in the Consolidated Accounts (see details in Annex 2).

8.1 PROCESS FOR DEFINING RELEVANT ISSUES

8.1.1 Our interest groups

102-40, 102-42

The interest groups identified at ONNERA Group are:

— Employees.
— Customers.
— Suppliers.
— Administration.
— Contractors.
— Fagor Group / MONDRAGON Corporation.
— Joint prevention service.
— Education centres.
— Technology centres.
— Local environment (residents and town council).

The method for identifying and selecting participating interest groups involves a participatory meeting of the Board of Directors, along with the Chairperson.

Of all the interest groups identified, those that in our opinion have the greatest impact on the organisation were selected to be taken into account in the materiality analysis:

— Employees.
— Distribution customers.
— Direct customers.
— Suppliers.
— Social institutions (here we have combined education and technology centres).
— Public administration.

The approach for organising interest groups:

— Participation of employees in the company management: continuous participation; the members chosen at the General Meeting play an active role in the Governing Board and the Membership Council. The members of the Governing Board, along with the chairwoman, have been members of the organisation's executive branch for four years. The members of the Membership Council give a monthly summary to their representatives regarding the relevant issues they've discussed and the employees can make contributions. Furthermore, every four years an Organisational Culture Study is carried out to obtain feedback from employees on how they feel about different areas of the organisation and their management.

— Customers: we maintain a constant close relationship with our customers via our sales network, and we attend various industry fairs to consolidate relationships with our customers and develop new business opportunities. We also carry out a customer satisfaction survey every two years in order to objectively assess their satisfaction level regarding our organisation and our products and services. The last survey was carried out in 2019.

— Suppliers and subcontractors: we maintain a constant relationship via our purchasing

and stock department. They participate in our materiality analysis via surveys that we send to our key suppliers.

— Education and technology centres: we participate in specific projects when it is beneficial for both parties. They have also participated in the materiality analysis through surveys.

— Fagor Group and the MONDRAGON Corporation: a continuous relationship is maintained between the two through various committees that hold regular meetings.

— Administration: when there is a particular need from either of the two parties.

The organisation mainly receives concerns or complaints from two interest groups: employees and customers:

— We try to manage employee complaints through the Membership Council, providing a response at the next meeting to any queries or complaints that were received at the previous meeting. Members of the Board of Directors may attend the meeting, if necessary, depending on the issue being discussed.

— When it comes to customers, aside from the customer satisfaction survey that can give us a sense of their satisfaction level at that time, we also have a complaint system on our intranet where our technicians can record product, documentation or service complaints. These complaints go through a validation procedure, to see if we have enough information or if we need to ask for more details. Once validated, they are transferred to the corresponding solutions team. Each business unit monitors all the complaints and the corresponding actions on a monthly basis. Once the actions have been completed, the complaints are closed and a response is sent to the person who made the complaint, with all the information regarding the actions taken.

— Complaints from employees are mostly related to membership issues, whereas complaints from customers are generally regarding product issues (occasional product faults or service issues).

8.1.2 Material issues at ONNERA Group

102-21, 102-31, 102-43, 102-44, 102-47

As part of the process to update the materiality at ONNERA Group in 2020, we performed a review of the exercise carried out in mid-2020 and assessed the various **sustainability trends for 2021**, issues that have become more relevant as a result of the changes that have occurred in the environment throughout the world over the past year.

The ONNERA Group materiality analysis was updated and adjusted in 2020 in accordance with the methodology developed by the Global Reporting Initiative (GRI).

The identification of trends and the update of material aspects are proposed through the following three phases:

Phase 1

Identification. We consider the impacts of ONNERA Group's actions or activities on its interest groups..

Internal sources:

— MONDRAGON Corporation guidelines on sustainability
— Fagor Group strategic sustainability plan
— Results from surveys sent to customers, employees, etc.
— Results from previous materiality analyses

External sources:

— GRI Standards list of issues
— International and industry sustainability standards
— Global Compact
— United Nations Sustainable Development Goals
— European Non-Financial Reporting Directive / Law 11/2018 on non-financial information and diversity

During this phase we established a level of importance for each of the interest groups, and we also performed a trend analysis.

Phase 2

The material issues identified are prioritised according to their relevance and the likelihood that they will have an impact on ONNERA Group, and is also related to our ability to manage the expectations of the interest groups and to create value. We prioritise the issues from two different perspectives, both internally and externally, by consulting with interest groups through surveys.

Phase 3

Validation. A reasonable and balanced representation of the organisation's performance in terms of sustainability, with both negative and positive impacts.

MATERIAL ISSUES

ECONOMIC SPHERE
1 Financial soundness
2 Sustainable management of the supply chain

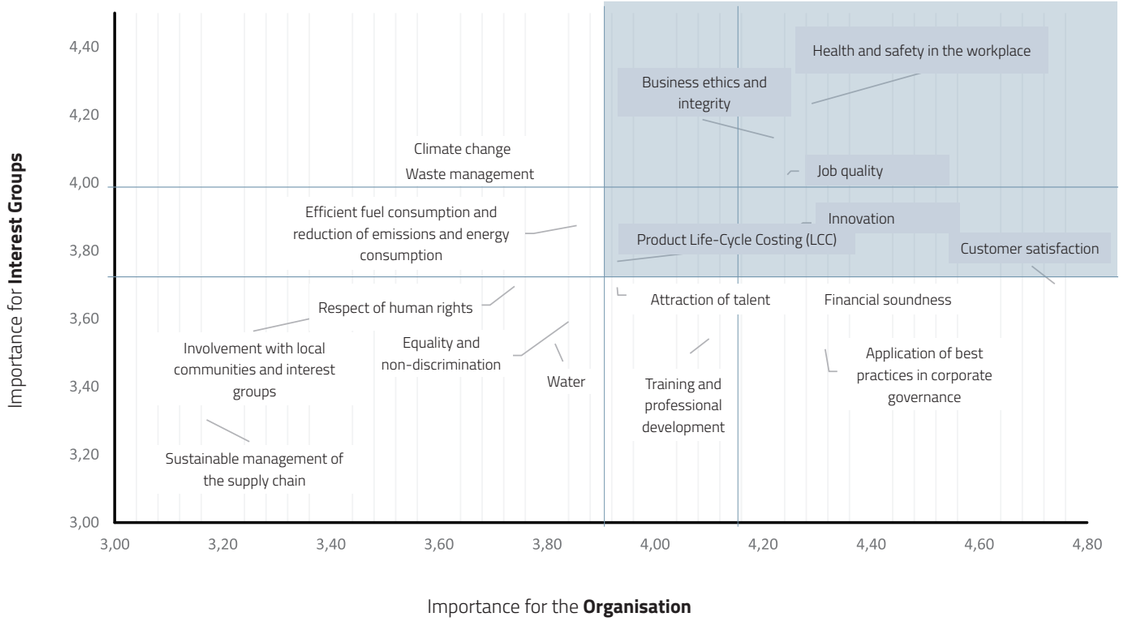
PRODUCTS AND SERVICES
3 Customer satisfaction
4 Innovation

ETHICS AND CORPORATE GOVERNANCE
5 Application of best practices in corporate governance
6 Work practices

PRÁCTICAS LABORALES
7 Training and professional development
8 Job quality
9 Health and safety in the workplace
10 Equality and non-discrimination
11 Respect of human rights
12 Attraction of talent

SOCIETY
13 Involvement with local communities and interest groups

ENVIRONMENT
14 Efficient fuel consumption and reduction of emissions and energy consumption
15 Water
16 Waste management
17 Product Life-Cycle Costing (LCC)
18 Climate change



Financial - Governance	Environmental	Social
		Work practices
Financial soundness GRI 201	**Waste management** GRI 306	**Job quality** GRI 401
Application of best practices in corporate governance NO GRI	**Product life cycle** NO GRI	**Health and safety in the workplace** GRI 403
Business ethics and integrity GRI 205/206	**Climate change** GRI 201/305	**Involvement with local communities and interest groups** GRI 413
Products and services		
Customer satisfaction GRI 416		
Innovation NO GRI		

8.2
TRACEABILITY WITH THE SDGS

Fagor was formed 60 years ago to respond to the various needs of the environment. Our own goals are shared with those of society, which is why we work alongside other cooperatives, public administrations and other interested parties to respond to the challenges we face in the 21st century.

Since the Social Responsibility strategy is one of the core pillars of our cooperative, one of our priorities is to have a positive influence on the communities where our business is operates, both through the participation of our employees and our participation as an organisation.

We have made the current global needs our own by participating in the project to adopt the Sustainable Development Goals (SDG) within the cooperatives. We are analysing how MONDRAGON Group contributes to the SDGs, comparing the SDGs with the group's values. By doing this, we are working on our commitment to bring global challenges to a local level, as is shown in the following image:

8.3
GRI TABLE OF CONTENTS

102-55

GRI Standards Indicator	Section in the report/Direct response
GRI 101 FUNDAMENTALS 2016	
GRI 200 FINANCIAL ISSUES	
Profile of the organisation	
102-1 Name of the organisation	Annex 1 Contact details
102-2 Activities, brands, products and services	3.4 Our products
102-3 Location of the head office	Annex 1 Contact details
102-4 Location of operations	3.5 Global presence
102-5 Ownership and legal form	Annex 1 Contact details
102-6 Markets served	3.1.2 Markets that we operate in
102-7 Scale of the organisation	2.2 At a glance
102-8 Information about employees and other workers	5.1.1 Employment
102-9 Supply chain	3.8 Supplier companies
102-10 Significant changes to the organisation and its supply chain	2.2 At a glance.
102-11 Precautionary principle or approach	6.1 Environmental management
102-12 External initiatives	3.3 Our innovation strategy
Strategy	
102-14 Declaration from the highest governing body	1 Letter from the chairwoman
Ethics and integrity	
102-15 Impacts, risks and key opportunities	4.4 Management of non-financial risks
102-16 Values, principles, standards and behavioural standards	2.1 Mission, vision and values
102-17 Assessment procedures and ethical concerns	4.2 Code of conduct for the cooperative

GRI Standards Indicator	Section in the report/Direct response
GRI 200 FINANCIAL ISSUES	
GRI 102 General basic conditions 2016	
103-1 Explanation of the material issue and its coverage	3.1.3 Company objectives and strategies
103-2 Management approach and components	3.1.3 Company objectives and strategies
103-3 Evaluation of management approach	3.1.3 Company objectives and strategies
201-4 Financial assistance received from the government	7.6 Tax information
GRI 205/206 Business ethics and integrity (2016)	
103-1 Explanation of the material issue and its coverage	4 We are a democratic company rooted in the area
103-2 Management approach and components	4 We are a democratic company rooted in the area
103-3 Evaluation of management approach	4 We are a democratic company rooted in the area
102-17 Assessment procedures and ethical concerns	4.2 Code of conduct for the cooperative
205-1 Operations evaluated for risks related to corruption	4.2 Code of conduct for the cooperative
NO GRI Application of best practices in corporate governance	
103-1 Explanation of the material issue and its coverage	4 We are a democratic company rooted in the area
103-2 Management approach and components	4 We are a democratic company rooted in the area
103-3 Evaluation of management approach	4 We are a democratic company rooted in the area 4.1 Cooperative model
102-18 Governance structure	4.1 Cooperative model
102-19 Delegation of authority	4.1 Cooperative model
102-22 Composition of the highest governing body and its committees	4.1 Cooperative model
GRI 416 Customer satisfaction (2016)	
103-1 Explanation of the material issue and its coverage	3.3 Our innovation strategy
103-2 Management approach and components	3.3 Our innovation strategy
103-3 Evaluation of management approach	3.3 Our innovation strategy
416-1 Evaluation of the impacts on health and safety from our different categories of products and services	3.4 Our products

GRI Standards Indicator	Section in the report/Direct response
NO GRI Innovation	
103-1 Explanation of the material issue and its coverage	3.3 Our innovation strategy
103-2 Management approach and components	3.3 Our innovation strategy
103-3 Evaluation of management approach	3.3 Our innovation strategy
NO GRI % of turnover directed to RDI	3.3 Our innovation strategy
GRI 300 ENVIRONMENTAL ISSUES	
GRI 306 Waste management (2016)	
103-1 Explanation of the material issue and its coverage	6.3.3 Waste management
103-2 Management approach and components	6.3.3 Waste management
103-3 Evaluation of management approach	6.3.3 Waste management
306-2 Waste by type and elimination method	6.3.3 Waste management
NO GRI Life cycle of products	
103-1 Explanation of the material issue and its coverage	6.3.2 Life cycle of products: raw materials and other materials
103-2 Management approach and components	6.3.2 Life cycle of products: raw materials and other materials
103-3 Evaluation of management approach	6.3.2 Life cycle of products: raw materials and other materials
301-1 Materials used by weight or volume	6.3.2 Life cycle of products: raw materials and other materials
301-2 Recycled supplies	6.3.2 Life cycle of products: raw materials and other materials
GRI 201/305 Climate change (2018)	
103-1 Explanation of the material issue and its coverage	6.2 Objective: Carbon-free industry
103-2 Management approach and components	6.2 Objective: Carbon-free industry
103-3 Evaluation of management approach	6.2 Objective: Carbon-free industry
305-1 Direct greenhouse gas emissions (Scope 1)	6.2.1 Carbon footprint
305-2 Indirect greenhouse gas emissions (Scope 2)	6.2.1 Carbon footprint
305-3 Other indirect greenhouse gas emissions (Scope 3)	6.2.1 Carbon footprint

GRI Standards Indicator	Section in the report/Direct response
GRI 400 MEMBERSHIP ISSUES	
GRI 401 Job quality (2016)	
103-1 Explanation of the material issue and its coverage	5 We are a company that looks after its people
103-2 Management approach and components	5.1 Solidarity as a fundamental principle
103-3 Evaluation of management approach	5.1 Solidarity as a fundamental principle
102-8 Information about employees and other workers	5.1.1 Employment
401-1 New hires and staff rotation	Traceability table for the law 11/2018
GRI 403 Health and safety in the workplace (2018)	
103-1 Explanation of the material issue and its coverage	5.8 We take care of people
103-2 Management approach and components	5.8 We take care of people
103-3 Evaluation of management approach	5.8 We take care of people
403-2 Identification of hazards, risk assessment and investigation of incidents	5.8 We take care of people
403-3 Healthcare services in the workplace	5.8 We take care of people
GRI 413 Involvement with local communities and interest groups (2016)	
103-1 Explanation of the material issue and its coverage	7 We are a company that promotes community development
103-2 Management approach and components	7 We are a company that promotes community development
103-3 Evaluation of management approach	7 We are a company that promotes community development
413-1 Operations with participation from the local community, impact evaluations and development programmes	7 We are a company that promotes community development
413-2 Operations with significant negative impacts (real or potential) on local communities	7 We are a company that promotes community development

8.4
TRACEABILITY OF THE LAW 11/2018

102-55

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
BUSINESS MODEL			
Description of the group business model	Brief description of the group's business model, including its corporate environment, organisation and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its evolution in the future	GRI 102-1 Name of the organisation	Annex 1 Contact details
		GRI 102-2 Activities, brands, products and services	3.4 Our products
		GRI 102-3 Location of the head office	Annex 1 Contact details
		GRI 102-4 Location of activities	3.5 Global presence
		GRI 102-5 Ownership and legal form	Annex 1 Contact details
		GRI 102-6 Markets served	3.1.2 Markets that we operate in
		GRI 102-7 Scale of the organisation	2.2 At a glance
INFORMATION ABOUT ENVIRONMENTAL ISSUES			
Policies	Policies that the group implements, including due diligence procedures applied to the identification, assessment, prevention and mitigation of risks and significant impacts, and verification and monitoring, in addition to the measures that have been adopted	GRI 103-2 The management approach and its components	4.4 Management of non-financial risks
		GRI 103-3 Evaluation of the management approach	4.4 Management of non-financial risks
		GRI 102-15 Impacts, risks and key opportunities	4.4 Management of non-financial risks
		GRI 102-30 Effectiveness of risk management processes	4.4 Management of non-financial risks
		GRI 201-2 Financial implications and other risks and opportunities resulting from climate change	6.2 Objective: carbon-free industry

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
Managing Director	Actual and foreseeable effects of the company's activities on the environment and, where applicable, on health and safety	GRI 102-15 Main impacts, risks and opportunities	4.4 Management of non-financial risks
		GRI 102-29 Identification and management of economic, environmental and social impacts	4.4 Management of non-financial risks
		GRI 307-1 Non-compliance with environmental legislation and regulations	As in 2019, ONNERA Group did not identify any non-compliance with environmental legislation or regulations in 2020
		GRI 102-31 Review of economic, environmental and social issues	8.1.2 Material issues at ONNERA Group
	Environmental evaluation or certification procedures	No GRI	6.1 Environmental management
	Resources dedicated to the prevention of environmental risks	No GRI	6.1 Environmental management
	Application of the principle of precaution	GRI 102-11 Precautionary principle or approach	6.1 Environmental management
	Provisions and guarantees for environmental risks	GRI 307-1 Non-compliance with environmental legislation and regulations	As in 2019, ONNERA Group did not identify any non-compliance with environmental legislation or regulations in 2020
Pollution	Measures to prevent, reduce or remedy carbon emissions that have a serious impact on the environment, taking into account all forms of atmospheric pollution specific to an activity, including noise and light pollution	GRI 103-2 Management Approach (guided by GRIs 302 and 305)	6.2 Objective: carbon-free industry
		GRI 302-4 Reduction of energy consumption	6.2.2 Energy
		GRI 302-5 Reducing the energy requirements of products and services	6.2.2 Energy
		GRI 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other emissions that affect the air	6.2.1 Carbon footprint
		NO GRI: Measures to prevent, reduce or remedy sound pollution	6.2.1 Carbon footprint
		NO GRI: Measures to prevent, reduce or remedy light pollution	6.1 Environmental management

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
Circular economy and prevention and management of waste	Measures for the prevention, recycling and reuse of waste, and other forms of recovery and disposal of waste. Actions to combat food wastage	GRI 103-2 Management Approach	6.3 Circular economy: sustainable management of raw materials and waste
		GRI 306-1 Generation of waste and related significant impacts	6.3.3 Waste management
		GRI 306-2 (2020) Management of significant impacts related to waste	6.3.3 Waste management
		GRI 306-3 Waste generated	6.3.3 Waste management
		GRI 306-2 (2016)	6.3.3 Waste management
		NO GRI Actions to combat food wastage	Given the activities we carry out, we have no need to take any action to combat food wastage.
Sustainable usage of resources	The consumption and supply of water in accordance with local constraints	GRI 303-2 Management of impacts related to water discharge	6.1 Environmental management
		GRI 303-3 Water extraction	6.3.1 Water
		GRI 303-5 Water consumption	6.3.1 Water
	Consumption of raw materials and measures adopted to use them more efficiently	GRI 103-2 Management Approach (guided by GRI 305-5 Reduction of greenhouse gas emissions)	6.3.2 Life cycle of products: raw materials and other materials
		GRI 301-1 Materials used by weight or volume	6.3.2 Life cycle of products: raw materials and other materials
	Energy: Consumption (direct and indirect); measures taken to improve energy efficiency; use of renewable energies.	GRI 103-2 Management Approach (guided by GRI 305-5 Reduction of greenhouse gas emissions)	6.1 Environmental management
		GRI 302-1 Energy consumption within the organisation	6.2.2 Energy
		GRI 302-4 Reduction of energy consumption	6.1 Environmental management

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
Climate change	Greenhouse Gas Emissions	GRI 305-1 Direct greenhouse gas emissions (scope 1)	6.2.1 Carbon footprint
		GRI 305-2 Indirect greenhouse gas emissions from generating energy (scope 2)	6.2.1 Carbon footprint
	Measures adopted to adapt to the consequences of Climate Change	GRI 103-2 Management Approach (guided by GRI 305-5 Reduction of greenhouse gas emissions)	6.2 Objective: carbon-free industry
	Medium and long-term reduction goals voluntarily established to reduce greenhouse gas emissions and measures implemented for said purpose	GRI 103-2 Management Approach (guided by GRI 305-5 Reduction of greenhouse gas emissions)	6.2 Objective: carbon-free industry
Protection of biodiversity	Measures taken to protect or restore biodiversity Impacts caused by activities or operations in protected areas	GRI 103-2 Management Approach (guided by GRI 304 Biodiversity)	ONNERA Group's activities does not have any impact on biodiversity or on protected areas
		GRI 304-3 Protected and restored habitats	
INFORMATION ABOUT MEMBERSHIP ISSUES RELATED TO EMPLOYEES			
Policies	Policies that the group implements, including due diligence procedures applied to the identification, assessment, prevention and mitigation of risks and significant impacts, and verification and monitoring, in addition to the measures that have been adopted.	GRI 103-2 The management approach and its components	5 We are a company that looks after its people

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
Main risks	Main risks associated to issues related to the group's activities, including, when relevant and appropriate, any of its commercial relationships, products or services that may have a negative impact on those areas, and how the group manages said risks, explaining the procedures used to detect and assess them in accordance with Spanish, European or international reference frameworks for each matter. Information should be included regarding the impacts that have been detected, in addition to a summary of said impacts, with a particular focus on the main short, medium and long-term risks.	GRI 102-15 Impacts, risks and key opportunities	4.4 Management of non-financial risks

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
Employment	The total number and distribution of employees by sex, age, country and professional classification	GRI 102-7 Scale of the organisation	2.2 At a glance
		GRI 102-8 Information about 3.1 Employees and other workers	5 We are a company that looks after its people
		GRI 405-1b The percentage of 3.1 Employees per each work category for both of the following diversity categories: sex and age group (indicating the total number as well as the percentage)	8.5 Additional information, tables related to employment issues
	Total number and distribution of employment contract types	GRI 102-8 Information about employees and other workers	8.5 Additional information, tables related to employment issues
	Annual average of permanent, temporary and part-time contracts by sex, age and professional classification	NO GRI: the total number of 3.1 Employees by contract (permanent/temporary and full/part time) by sex and region is considered, but not the average by age or professional classification (recalculation of 102-8).	8.5 Additional information, tables related to employment issues
	Number of layoffs by sex, age, country and professional classification	GRI 401-1.b New hires and staff rotation	8.5 Additional information, tables related to employment issues
		NO GRI: Number of layoffs by professional classification	We are working on designing tools to collect this information for next year.
	Average salaries and their development, separated by sex, age and professional classification, or a similar value	GRI 102-35 Remuneration policies	5.2 Wage solidarity
		GRI 102-36 Process for determining remunerations	5.2 Wage solidarity
		GRI 201-3 Obligations of the established benefit plan and other pension plans	All employee members make contributions to Aro Gestión. Aro Gestión is a non-profit Voluntary Social Welfare Institution (EPSV) with defined contributions, and LagunAro EPSV serves as its promoter and guardian. The aim is to provide cooperatives with the tools they need to improve the retirement coverage for their members.

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
Employment	Wage Gap	GRI 405-2 Ratio of basic salary and remuneration of women to men	8.5 Additional information, tables related to employment issues
	Equal remuneration for job titles or the society average	GRI 202-1 Direct economic value generated and distributed	5.2.- Wage solidarity
	The average remuneration for board members and upper management, including variable revenue, allowances, compensation, payments to long-term savings pension programmes and any other aspect, separated by sex.	GRI 201-3 Obligations of the established benefit plan and other pension plans	All employee members make contributions to Aro Gestión. Aro Gestión is a non-profit Voluntary Social Welfare Institution (EPSV) with defined contributions, and LagunAro EPSV serves as its promoter and guardian. The aim is to provide cooperatives with the tools they need to improve the retirement coverage for their members.
		Quantitative	8.5 Additional information, tables related to employment issues
	Implementation of measures for disconnection from work	NO GRI: Disconnection from work policies	We do not have any specific disconnection policies.
	Disabled employees	GRI 405-1 b) Percentage of 3.1 Employees per professional category for each of the following diversity categories (iii. Vulnerable groups)	8.5 Additional information, tables related to employment issues
	Organisation of work time	GRI 102-8 The total number of 3.1 Employees per employment contract type (full or part time) and per sex	8.5 Información complementaria tablas relativas a cuestiones de personal
	Number of hours of absenteeism	403-2 a) Types of accidents and ratios of work accidents, occupational illnesses, days lost and absenteeism, and the number of related deaths	8.5 Additional information, tables related to employment issues
	Measures designed to enable a healthy work-life balance and encourage joint responsibility by both parents.	GRI 401-3 Parental leave	We are working on designing tools to collect this information for next year
		GRI 103-2 Management Approach (guided by GRI 403 Health and Safety)	5.5 Promoting equality between men and women

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
Health and Safety	Health and safety conditions in the workplace	GRI 403-1 Representation of employees in joint health and safety committees	6. 1 Environmental management
		GRI 403-2 Identification of hazards, risk assessment and investigation of incidents	5.8 We take care of people
		GRI 403-3 Healthcare services in the workplace	5.8 We take care of people
		GRI 403-5 Training for employees on health and safety in the workplace	5.7 We encourage the development of people
	Work accidents (frequency and severity) separated by sex	GRI 403-9 Lesiones por accidente laboral	8.5 Additional information, tables related to employment issues
	Occupational illness (frequency and severity) separated by sex	GRI 403-10 Dolencias y enfermedades laborales	5.8 We take care of people
Membership Relations	Organisation of dialogue with members, including the procedures for communicating, consulting and negotiating with employees	GRI 102-43 Approach for the participation of interest groups	8.1.2 Material issues at ONNERA Group
		GRI 402-1 Minimum warning periods regarding operational changes	We comply with the legal periods established by the agreements of each of the countries where we have production plants or sales offices
		GRI 403-1 Representation of employees in joint health and safety committees	Each plant has its own health and safety committee, where various employees participate as board members or representatives for all the other employees. The Fagor Industrial plant follows the guidelines established by the ISO 45001 system and all the other plants follow occupational risk prevention regulations
	Percentage of employees covered by a collective bargaining agreement, by country	GRI 102-41 Collective bargaining agreements (NO GRI: separated by country)	8.5 Additional information, tables related to employment issues

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
Membership Relations	Summary of the collective bargaining agreements, particularly related to health and safety in the workplace	GRI 403-4 Occupational health and safety issues covered by formal agreements with legal representation for employees	Occupational Health and Safety Committees meet every quarter to monitor accident and incident indicators and the actions taken in response to the accidents, operational controls and inspections. These committees involve the participation of prevention representatives chosen by all the employees, the medical service, the workplace risk prevention technicians and the Industrial Management.
Training	Policies implemented related to training	GRI 103-2 Management approach and its components	5.7 We encourage the development of people
		GRI 404-2 Programmes for improving employee skills and programmes to aid job transition	5.7 We encourage the development of people
	Total number of training hours by professional category	GRI 404-1 Number of training hours per employee NO GRI: Total hours of training	5.7 We encourage the development of people
Accessibility	Universal accessibility for disabled people	GRI 103-2 Management approach and its components	5.5.1 Waste management
Equality	Measures adopted to promote equality in terms of the treatment of men and women and the opportunities available to them	GRI 103-2 Management approach (guided by GRI 405 Diversity and Equality of Opportunities and GRI 406 Non-Discrimination)	5.5 Promoting equality between men and women
	Equality plans	GRI 103-2 Management approach (guided by GRI 405 Diversity and Equality of Opportunities and GRI 406 Non-Discrimination)	5.5 Promoting equality between men and women
	Measures adopted to promote employment	GRI 103-2 Management approach (guided by GRI 405 Diversity and Equality of Opportunities and GRI 406 Non-Discrimination)	5.5 Promoting equality between men and women
	Protocols to combat sexual or gender-based harassment	GRI 103-2 Management approach (guided by GRI 405 Diversity and Equality of Opportunities and GRI 406 Non-Discrimination)	4.3 Human rights
	Integration and universal accessibility for disabled people	GRI 103-2 Management approach (guided by GRI 405 Diversity and Equality of Opportunities and GRI 406 Non-Discrimination)	5.5.1 Waste management

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
Equality	Policy against all kinds of discrimination and, where applicable, for managing diversity	GRI 103-2 Management approach (guided by GRI 405 Diversity and Equality of Opportunities and GRI 406 Non-Discrimination)	5.5 Promoting equality between men and women
		GRI 406-1 Cases of discrimination and corrective actions taken	5.5 Promoting equality between men and women
INFORMATION REGARDING THE RESPECT OF HUMAN RIGHTS			
Policies	Policies that the group implements, including due diligence procedures applied to the identification, assessment, prevention and mitigation of risks and significant impacts, and verification and monitoring, in addition to the measures that have been adopted.	GRI 103-2 Management Approach (guided by GRI 412 Evaluation of Human Rights)	4.3 Human rights
		GRI 103-3 Management Approach (guided by GRI 412 Evaluation of Human Rights)	4.3 Human rights
		GRI 412-2 Training for employees on human rights policies and procedures	We are considering carrying out training next year related to the development of a new code of conduct for the entire ONNERA Group.
Main risks	Main risks associated to issues related to the group's activities, including, when relevant and appropriate, any of its commercial relationships, products or services that may have a negative impact on those areas, and how the group manages said risks, explaining the procedures used to detect and assess them in accordance with Spanish, European or international reference frameworks for each matter. Information should be included regarding the impacts that have been detected, in addition to a summary of said impacts, with a particular focus on the main short, medium and long-term risks.	GRI 102-30 Effectiveness of risk management processes	4.4 Management of non-financial risks

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
Human Rights	Application of due diligence procedures on human rights	GRI 103-2 Management Approach (guided by GRI 412 Evaluation of Human Rights)	4.3 Human rights
	Prevention of risks for the infringement of human rights and, where applicable, measures to mitigate, manage and remedy any potential breaches committed	GRI 412-1 Operations that have undergone reviews or impact evaluations regarding human rights	4.3 Human rights
		GRI 410- 1 Safety personnel trained in human rights policies and procedures	As no relevant Human Rights risks have been detected internally, it has not been deemed necessary to offer internal training in this area. It could be a possible area for improvement with our supplier interest groups
	Reports of breaches of human rights	GRI 102-17 Assessment procedures and ethical concerns	4.3 Human rights
		GRI 406-1 Cases of discrimination and corrective actions taken	4.3 Human rights
	Promotion of and compliance with the terms of the ILO fundamental conventions related to respecting the freedom of association and the right to collective bargaining, the elimination of occupational and employment discrimination, the elimination of forced or compulsory labour, and the effective abolition of child labour.	GRI 103-2 Management Approach (guided by GRI 412 Evaluation of Human Rights)	4.3 Human rights

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
INFORMATION RELATED TO COMBATING CORRUPTION			
Policies	Policies that the group implements, including due diligence procedures applied to the identification, assessment, prevention and mitigation of risks and significant impacts, and verification and monitoring, in addition to the measures that have been adopted	GRI 103-2 Management Approach (guided by GRI 205 Anti-corruption)	4.2 Code of conduct for the cooperative
		GRI 103-3 Evaluation of the management approach	4.2 Code of conduct for the cooperative
		GRI 205-2 Communication and training about anti-corruption policies and procedures	4.2 Code of conduct for the cooperative
Main Risks	Main risks associated to issues related to the group's activities, including, when relevant and appropriate, any of its commercial relationships, products or services that may have a negative impact on those areas, and how the group manages said risks, explaining the procedures used to detect and assess them in accordance with Spanish, European or international reference frameworks for each matter. Information should be included regarding the impacts that have been detected, in addition to a summary of said impacts, with a particular focus on the main short, medium and long-term risks	GRI 102-15 Impacts, risks and key opportunities	4.4 Management of non-financial risks
		GRI 102-30 Effectiveness of risk management processes	4.4 Management of non-financial risks
		GRI 205-1 Operations evaluated for risks related to corruption	4. Code of conduct for the cooperative

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
Main Risks	Main risks associated to issues related to the group's activities, including, when relevant and appropriate, any of its commercial relationships, products or services that may have a negative impact on those areas, and how the group manages said risks, explaining the procedures used to detect and assess them in accordance with Spanish, European or international reference frameworks for each matter. Information should be included regarding the impacts that have been detected, in addition to a summary of said impacts, with a particular focus on the main short, medium and long-term risks	GRI 102-15 Impacts, risks and key opportunities	4.4 Management of non-financial risks
		GRI 102-30 Effectiveness of risk management processes	4.4 Management of non-financial risks
The company's commitments to sustainable development	Impact of the company's activities on employment and local development	GRI 203-1 Investments in infrastructure and supported services	7 We are a company that promotes community development
		GRI 203-2 Significant indirect economic impacts	7 We are a company that promotes community development
		GRI 204-1 Proportion of expenditure on local suppliers	3.8 Supplier companies
		GRI 413-1 Operations with participation from the local community, impact assessments and development programmes	7 We are a company that promotes community development
		GRI 413-2 Operations with significant negative impacts (real and potential) on local communities	7 We are a company that promotes community development

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
The company's commitments to sustainable development	Impact of the company's activities on local communities and the area	GRI 203-1 Investments in infrastructure and supported services	7 We are a company that promotes community development
		GRI 203-2 Significant direct economic impacts	7 We are a company that promotes community development
		GRI 201-1 Direct economic value generated and distributed	7 We are a company that promotes community development
		GRI 413-1 Operations with participation from the local community, impact assessments and development programmes	7 We are a company that promotes community development
		GRI 413-2 Operations with significant negative impacts (real and potential) on local communities	7 We are a company that promotes community development
	Relationships maintained with key figures from the local communities and the types of dialogue with them	GRI 102-43 Approach for the participation of interest groups (related to the community)	8.1.2.- Material issues at ONNERA Group
		GRI 413-1 Operations with participation from the local community, impact assessments and development programmes	7 We are a company that promotes community development
	Association or sponsorship activities	GRI 102-13 Affiliation with associations	ONNERA Group is not a member of any association
Subcontractors and suppliers	Inclusion in the purchasing policy of social, gender equality and environmental issues	GRI 103-2 significant direct economic impacts	3.8 Supplier companies
	Consideration of the social and environmental responsibility of suppliers and subcontractors we work with	GRI 102-9 Supply chain	3.8 Supplier companies
		GRI 102-9 Supply chain	3.8 Supplier companies
		GRI 103-2 Management Approach (guided by GRI 416 Health and Safety of Customers)	3.8 Supplier companies
		GRI 308-1 New suppliers that have passed the evaluation and selection process in relation to environmental criteria	3.8 Supplier companies
		GRI 308-2 Negative environmental impacts on the supply chain and measures taken	3.8 Supplier companies
		GRI 407-1 Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	5.4 Membership relations

Contents of the Law 11/2018 on non-financial information and diversity		Standard	Section of the report/direct response
Subcontractors and suppliers	Consideration of the social and environmental responsibility of suppliers and subcontractors we work with	GRI 409-1 Operations and suppliers with a significant risk of forced or compulsory labour	4.3 Human rights
		GRI 414-1 New suppliers that have passed the selection process in relation to social criteria	3.8 Supplier companies
		GRI 414-2 Negative social impacts on the supply chain and measures taken	3.8 Supplier companies
	Supervision and auditing systems and their results	GRI 308-1 New suppliers that have passed the evaluation and selection process in relation to environmental criteria	3.8 Supplier companies
		GRI 414-2 Negative social impacts on the supply chain and measures taken	3.8 Supplier companies
Consumers	Measures for the health and safety of consumers	GRI 103-2 Management Approach (guided by GRI 416 Health and Safety of Customers)	3.7 Our customers
	Systems for receiving and resolving complaints and claims	GRI 103-2 Management Approach	3.7 Our customers
		GRI 102-17 Assessment procedures and ethical concerns	4.2 Code of conduct for the cooperative
		GRI 418-1 Complaints based on violations of customer privacy and the loss of customer data	ONNERA Group has not received any complaint of this type.
Tax information	Profits made by country	GRI 201-1 Direct economic value generated and distributed	7.6 Tax information
	Taxes on profits paid	GRI 207-1 Taxes paid by country a) and b)	7.6 Tax information
	Public subsidies received	GRI 201-4 Financial assistance received from the government	7.6 Tax information

8.5
ADDITIONAL INFORMATION, TABLES RELATED TO EMPLOYMENT ISSUES

Employment

EMPLOYEES BY SEX

	2020	2019	2018
Men	1376	1521	1372
Women	411	497	430
Total	**1.787**	**2.018**	**1.802**

EMPLOYEES BY COUNTRY

Regions	Men	Women	Total
Spain	875	226	1.101
France	45	15	60
Italy	6	2	8
Mexico	240	103	343
Poland	165	41	206
USA	13	7	20
Others (Czech Rep., China, Colombia, Dominican Rep., Portugal, Turkey)	32	17	49
Total	**1.376**	**411**	**1.787**

EMPLOYEES BY AGE

Age range	2020	2019	2018
From 20 to 35	590	735	661
From 36 to 45	642	707	619
From 46 to 55	463	489	426
Over 55	92	87	96

EMPLOYEES BY PROFESSIONAL CLASSIFICATION

Categories	Men		Women		Total	
	2020	2019	2020	2019	2020	2019
Upper management	33	34	5	5	38	39
Middle management	155	161	69	73	224	234
Technicians	294	270	144	148	438	418
Operators	894	1.054	193	273	1.087	1.327
Total	1.376	1.519	411	499	1.787	2.018

EMPLOYEES BY PROFESSIONAL CLASSIFICATION AND REGION

Regions	Operators	Technicians	Middle management	Upper management	Total
Spain	715	283	80	23	1.101
France	16	26	17	1	60
Italy		7	1		8
Mexico	213	38	87	5	343
Poland	142	46	14	4	206
USA	1	13	5	1	20
Others (Czech Rep., China, Colombia, Dominican Rep., Portugal, Turkey)		25	20	4	49
Total	**1.087**	**438**	**224**	**38**	**1.787**

TOTAL NUMBER AND DISTRIBUTION OF EMPLOYMENT CONTRACT TYPES

Type of employment contract	From 20 to 35	From 36 to 45	From 46 to 55	Over 55
Full time	611,47	673,53	461,27	98,14
Part time	9,41	23,51	6,93	0,25
Total	**620,88**	**697,04**	**468,2**	**98,39**

Type of employment contract	Upper management	Middle management	Technicians	Operators
Full time	40,75	232,83	417,88	1.152,95
Part time	0	0,93	14,7	24,47
Total	**40,75**	**233,76**	**432,58**	**1.177,42**

EMPLOYEES BY CONTRACT TYPE

	Permanent contract				Temporary contract				Part-time			
	Age range of 20 to 35	Age range of 36 to 45	Age range of 46 to 55	Age range of over 55	Age range of 20 to 35	Age range of 36 to 45	Age range of 46 to 55	Age range of over 55	Age range of 20 to 35	Age range of 36 to 45	Age range of 46 to 55	Age range of over 55
2020	520,16	608,2	418,24	95,19	91,31	65,33	43,03	2,95	9,41	23,51	6,93	0,25
2019	546	545	394	75	187	129	90	9	5	30	5	3
2018	516	496	343	85	141	95	79	7	4	28	4	4

	Permanent contract				Temporary contract				Part-time			
	operators	technicians	middle management	upper management	operators	technicians	middle management	upper management	operators	technicians	middle management	upper management
2020	1.003,12	369,69	228,22	38,75	149,83	48,19	4,61	2	24,47	14,7	0,93	0
2019	971	294	250	37	317	88	17	2	33	8	1	0
2018	895	311	190	44	240	54	28	0	27	11	2	0

NUMBER OF LAYOFFS BY SEX, AGE, COUNTRY AND PROFESSIONAL CLASSIFICATION

	Men	Women	Age range of 20 to 35	Age range of 36 to 45	Age range of 46 to 55	Age range of over 55	Operators	Technicians	Middle management	Upper management
2020	107	58	93	49	19	4	108	20	34	3
2019	49	21	33	30	7	0	37	15	18	0
2018	38	7	19	21	3	2	24	11	7	3

GRI 401-1.b New hires and staff rotation

Wage Gap

GRI 405-2 BASE SALARY AND REMUNERATION RATIO FOR MEN AND WOMEN

Age range	2020	2019*	2018
Average remuneration for women (a)	19.088 €	20.122 €	25.579,42 €
Average remuneration for men (b)	23.432 €	24.419 €	29.226,93 €
Calculation: a/b	0,81%	0,82%	0,88%

(*) The calculation on remuneration by gender done in 2019 was more comprehensive, so the data is not totally comparable to that obtained in 2018.

The average remuneration for board members and upper management, including variable revenue, allowances, compensation, payments to long-term savings pension programmes and any other aspect, separated by sex.

BOARD MEMBERS CLASSIFICATION BY AGE

Ranges	Nº	Proportion
Age range of 20 to 35	0	0%
Age range of 36 to 45	9	100%
Age range of 46 to 55	0	0%
Age range of over 55	0	0%
Average age	41	

AVERAGE REMUNERATION OF BOARD MEMBERS

Year	Men	Women
2020	35.337 €	36.086 €
2019	36.990 €	35.309 €
2018	33.156 €	33.316 €

CLASSIFICATION BY SEX

Men	Women
6	3

Disabled employees

	Men	Women	Total
Upper management	0	0	0
Middle management	0	0	0
Technicians	2 (8,11%)	2 (8,11%)	4 (16,21%)
Operators	15,67 (63,52%)	5 (20,27%)	20,67 (83,79%)
Total	**17,67 (71,63%)**	**7 (28,37%)**	**24,67 (100%)**

GRI 405-1 b) Percentage of 3.1 Employees per professional category for each of the following diversity categories (iii. Vulnerable groups).

Organisation of work time

GRI 102-8 THE TOTAL NUMBER OF 3.1 EMPLOYEES PER EMPLOYMENT CONTRACT TYPE (FULL OR PART TIME) AND PER SEX

Contract types	Men	Women	Total
Full time	1.447,08 (76,79%)	397,33 (21,08%)	1.844,41 (97,87%)
Part-time	12,45 (0,66%)	27,65 (1,47%)	40,1 (2,13%)
Total	**1.459,53 (77,45%)**	**424,98 (22,55%)**	**1.884,51 (100%)**

Number of hours of absenteeism

HOURS OF ABSENCE DUE TO ACCIDENTS OR ILLNESS

	2018	2019	2020
Women	27.044	30.824	39.098,8
Men	93.595	98.538	129.717,4
Total	**120.639**	**129.362**	**168.816,2**

403-2 a) Types of accidents and ratios of work accidents, occupational illnesses, days lost and absenteeism, and the number of related deaths.

Health and Safety

WORK ACCIDENTS (FREQUENCY AND SEVERITY) SEPARATED BY SEX

INJURIES DUE TO WORK ACCIDENTS 2020 DATA*

	Accident frequency index: No. of accidents x 1,000,000 / total no. of hours worked			Accident severity index: No. of days lost x 1,000 / total no. of hours worked		
	Total	Women	Men	Total	Women	Men
Fagor Industrial	0,48	0,19	0,55	35,75	20,65	39,4
Onnera Mexico	2,14	4	1,34	7,46	10,64	6,09
Onnera Laundry	1,34	0,26	1,73	41,49	103,71	18,86
Danube	0,14	0	0,18	0	0	0
Onnera Contract	0,92	1,58	0,72	22,21	15,84	24,16
Efficold	0,48	0,19	0,55	35,75	20,65	39,4

INJURIES DUE TO WORK ACCIDENTS 2019 DATA*

	Accident frequency index: No. of accidents x 1,000,000 / total no. of hours worked			Accident severity index: No. of days lost x 1,000 / total no. of hours worked		
	Total	Women	Men	Total	Women	Men
Fagor Industrial	41,90	11,64	30,26	1,36	0,30	1,06
Onnera México	15,19	5,84	9,35	4,51	0,48	0,36
Onnera Laundry	71,91		71,91	1,31		1,31
Danube	67,84		67,84	1,76		1,76
Onnera Contract	106,53		106,53	2,23		2,23
Efficold	14,66		14,66	0,33		0,33

* The data for 2020 and 2019 are not comparable as the calculation criteria were changed this year.

MEMBERSHIP RELATIONS

Percentage of employees covered by a collective bargaining agreement, by country.

GRI 102-41 Collective bargaining agreements (NO GRI: separated by country)

PERCENTAGE OF EMPLOYEES COVERED BY A COLLECTIVE BARGAINING AGREEMENT OR ANOTHER SIMILAR REGULATION IN 2020

	Spain	Poland	Mexico	Italy	France	USA	Others*
Total no. of Employees Covered by a Collective Bargaining Agreement (a)	708	0	214	8	60	20	21
Total no. of Employees (b)	1.101	206	343	8	60	20	49
Calculation: a/b	64,31%	0%	62,39%	100%	100%	100%	42,86%

PERCENTAGE OF EMPLOYEES COVERED BY A COLLECTIVE BARGAINING AGREEMENT OR ANOTHER SIMILAR REGULATION IN 2019

	Spain	Poland	Mexico	Italy	France	USA	Others*
Total no. of employees covered by a collective bargaining agreement (a)	864	0	327	56	21	19	21
Total no. of employees (b)	1.282	0	475	56	21	29	49
Calculation: a/b	67%	0%	69%	100%	100%	66%	42,86%

* Turkey, China, Czech Rep., Portugal, Colombia and Dominican Rep.)

8.6
EXTERNAL VERIFICATION

102-56

This non-financial information statement has been submitted to an independent external review process. The independent assurance report is attached as an annex, containing all the objectives and the scope of the process, in addition to the review procedures used and their conclusions.

ANNEX 1
CONTACT DETAILS

102-1, 102-3, 102-5, 102-53

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ANNEX 2
COMPANIES IN THE GROUP

102-45

There are 15 entities that make up the consolidated financial totality of the ONNERA Group. Some of them are just sales branches while others are also production plants.

Production plants in Spain:
- Fagor Industrial S.Coop: parent plant, located in Oñati, Gipuzkoa.
- Efficold: located in Lucena, Córdoba.
- Onnera Laundry Barcelona: located in Sant Julià de Vilatorta.
- Onnera Contract: located in Almudevar (Huesca).

Production plant in France:
- Danube International: located in Lamotte-Beuvron.

Production plant in Poland:
- Onnera Poland: located in Palmiry, close to Varsovia.

Production plant in Mexico:
- Onnera Mexico: located in San Luis de Potosí.

Sales branches in the rest of the world:
- Fagor Collectivites, in France.
- Onnera USA, in Miami.
- Fagor Profesional Mexico.
- Fagor Gastro Cz, in the Czech Republic.
- Fagor Catering Kunshan, in China.
- Dominican Republic.
- Fagor Endüstriyel, in Turkey.
- Onnera Colombia.

ONNERA GROUP