

MONDRAGON



HUMANITY AT WORK

ANNUAL REPORT 2023

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01

**LETTER FROM
THE PRESIDENT**



LETTER FROM THE PRESIDENT



Iñigo Ucín
President of MONDRAGON's General Council

AURRERA!

“Against a backdrop of worldwide business uncertainty, the MONDRAGON group of cooperatives managed to exceed its targets in 2023, demonstrating its innovation capacity and competitive strength”.

In round numbers, the Corporation achieved over €11bn in sales, with a staff of more than 70,000 people and a record profit of €593m. MONDRAGON's four areas of business (Industry, Finance, Retail and Knowledge) all performed well. and it can be concluded that overall, our cooperatives have successfully come through a difficult year, conditioned once again by geopolitics and its impact on the economic and market trends.

Apart from the quantitative progress made, another aspect of 2023 we can highlight is the official creation of the Knowledge Division, comprising education centres, a university and technology centres.

In short, 2023 is considered to have been a very good year and we are sure that the projects currently underway will yield returns in the next few years. Aurrera! (Forward!)



Leire Mugerza
Chairwoman of the Standing Committee and the MONDRAGON Congress

ELKARREKIN

“The distinctive feature of the MONDRAGON cooperatives is that they join forces to effectively build a fairer, more equal, inclusive and sustainable society”.

MONDRAGON's development in 2023 reaffirms the strength of its social and business model. An ecosystem of different cooperative-based projects able to compete on the markets and spotlight a different way of doing business – more necessary than ever in today's economy and society – based on genuinely giving people the leading role, committing to our local environment and seeking common progress.

Our roadmap contains measures for strengthening our cooperative identity, boosting business, opening up to the outside world and advancing through inter-cooperation in different areas. Because we aim to be a cooperative global benchmark, where people transform society through cooperative strength, with a human dimension, competitiveness and a social impact”.

This is the distinctive feature of the MONDRAGON cooperatives, which join forces to effectively build a fairer, more equal, inclusive and sustainable society. And all this is possible in the past, present and future because we do it together: elkarrekin.

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MONDRAGON, A DIFFERENT EXPERIENCE

Recognised for its human dimension, its social impact and its competitiveness.



COOPERATION AND COMPETITIVENESS

MONDRAGON is structured into four business areas: Finance, Industry, Retail and Knowledge. It is a genuine cooperative reality that cares for its people, competes on a global market and seeks common progress. This diverse project includes our own university (Mondragon Unibertsitatea), an employment-related mutual provident society (LagunAro), a new business promotion centre, a banking institution (Laboral Kutxa), 5 technology centres, 7 business R&D units and numerous industrial and retail enterprises.

Today it is made up of 92 autonomous, independent cooperatives, employs around 70,500 people and is acknowledged for its human dimension, social impact and competitiveness. Its many mechanisms for achieving inter-cooperation and solidarity make it more resilient and help guarantee it will successfully meet its challenges in forthcoming years.

PEOPLE

70,500

COOPERATIVES

92

TECHNOLOGY CENTRES

5

R&D UNITS

7

A UNIQUE PROJECT

MONDRAGON is a global benchmark for cooperation work with a responsible, democratic, competitive and sustainable business approach. What sets its model apart from the rest is basically its genuinely people-centred form of doing business, its level of innovation and competitive capacity, and its commitment to developing the local community and environment.

- **A different way of doing business.** Democratic: one person, one vote; participative, in management, ownership and results; and transformational: it creates shared value and is committed to changing society.
- **Sustainable quality employment,** with fair conditions, balanced wages and opportunities for ongoing training and promotion.
- **Wage equality.** With a salary range tending to even out the highest and lowest incomes and a wage scale ranging from 1-6 between the minimum and maximum salaries.
- **Inter-cooperation ecosystem.** Between cooperatives, divisions and other entities, aimed at creating new opportunities and increasing the resilience of the business projects.
- **Rooted enterprise.** Committed to developing the local environment, with the decision-making centres based in their place of origin.

LARGEST EMPLOYER IN THE BASQUE AUTONOMOUS COMMUNITY

JOB

MONDRAGON is the largest employer in the Basque Autonomous Community and one of the most important in Spain with 60,500 jobs.

INVESTMENT

€369.3m invested in 2023

TRAINING

Over 650,000 training hours in 2023

MONDRAGON 2023 IN FIGURES

COOPERATIVES

92

PEOPLE EMPLOYED

70,500

TURNOVER

11.056 M€

EBITDA

1.486 M€

INVESTMENT

369,3 M€

PEOPLE WORKING IN R&D

2,008

R&D EXPENDITURE

186 M€

OVERSEAS ESTABLISHMENTS
WORLDWIDE

104

COOPERATIVES BELONGING TO MONDRAGON

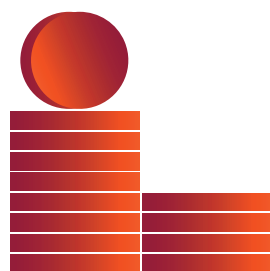


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COMPETITIVENESS AND INNOVATION AT ALL TIMES

Finance, Industry, Retail and Knowledge are the
MONDRAGON Cooperatives' areas of business.





FINANCE

In a year marked by the uncertainty of the world geostrategic situation, Laboral Kutxa saw a positive end to 2023 with net profit of €222.7m. while LagunAro EPSV obtained an overall positive net gain of 7.94%, against a backdrop of the financial markets' recovery towards the year-end of much of the loss incurred during the previous year.



INDUSTRY

Positive overall evolution of MONDRAGON's Industrial Area.

- **Sales.** €5.036bn, 3.9% more than the previous year and international sales of €3.755bn, 75% of the total sales.
- **Employment.** The average staff of the industrial divisions was 27,487, 171 more jobs than in the previous year.
- **Investment.** €202m, 2.4% higher than the previous year.
- **Profitability.** Net profit last year totalled €256m, slightly higher than the previous year's figure.



RETAIL

This Area consists of the Eroski Group, whose core activity is retail trading, and Erkop, an association of five agri-food sector cooperatives. The retail division in general ended 2023 with net sales of €6.02bn and a total average staff of 38,916 people.

- **Eroski Group.** Net income in 2023 totalled €5.186bn, with net profit of €104m. .
- **Erkop.** Erkop achieved a sales figure of €290m and €6.4m profit, and its staff totalled over 11,000 people.



KNOWLEDGE

This area consists of several education centres – Arizmendi Ikastola, Lea Artibai Ikastetxea, Politeknika Txorierra and Mondragon Unibertsitatea – and the technology centres and R&D units. They employ around 2,000 people and have an aggregate budget of €150m.

In 2022 various initiatives were launched to further MONDRAGON's scientific and technological leadership, its innovation capacities and several promotion activities and new business developments.

MONDRAGON'S KNOWLEDGE IN FIGURES

2,008

People working full-time in R&D

5

Technology centres

8,695

professionals trained at Mondragon University

7

Current patent families

387

Familias de patentes vigentes

6,712

degree students at Mondragon University

23,424

People trained at MONDRAGON educational centres in 2023

04

PEOPLE, HUMANITY AT WORK

MONDRAGON's business revolves around people in a real, democratic and efficient way, focusing on financial stability and sustainable wellbeing. Aspects such as ongoing education and training, equal opportunities, gender equality, stable and adaptive employment, worker involvement and protection and social inclusion all form part of the cooperative model.



MONDRAGON AND PEOPLE

PEOPLE AS OWNERS AND WORKERS

People who form part of a business model that protects and implements their effective, integrated share in the capital, management and profit, leading to quality employment.

PEOPLE AND EMPLOYABILITY

The cooperatives help develop talent through strategic people planning and ongoing, action-based accelerated learning processes.

PEOPLE AND HEALTH

This essential management aspect is carried out by the joint prevention service Osarten, which proactively fosters a culture of prevention and people's wellbeing.

PEOPLE AND SOCIAL WELFARE COVER

People are protected by a system created to provide social assistance and welfare to members and beneficiaries (LagunAro), including vital aspects such as retirement, widowhood and permanent disability, employment support, temporary disability, health assistance and family allowances.

PEOPLE, DIVERSITY AND INCLUSION

Diversity, inclusion and social justice are inherent values in our model. Equal opportunities, gender equality, participation, transparency and ethics generate a culture that promotes higher levels of commitment and proactiveness.

PEOPLE AND THE BASQUE LANGUAGE

MONDRAGON continues to progress with the use and standardisation of the Basque language, an aspect it has always promoted and in which the cooperatives have become a reference point.



MONDRAGON AND PEOPLE

- **Job distribution:** 43.3% Basque Autonomous Community; 43.2% Spain, 13.5% Overseas.
- **Of total posts:** 56.9% women; 43.1% men.
- **Talent:** in 2023, 6,042 people were registered for the MONDRAGON job alert system (on the website www.mondragonpeople.com), which managed 708 job offers.
- **Accidents:** in 2023, the number of accidents causing more than one day's absence from work per 1,000 workers was 28.68 for the industrial cooperatives, as compared to 63.04 in the Basque Autonomous Community as a whole.
- **Employment support:** €35.8m generated in 2023; a total accumulated fund of €128.72m to sufficiently guarantee that future employment crises can be tackled.
- 32.3% of the **members of the governing bodies are women**, and the figure is 31.1% for Boards of Directors.
- 55 cooperatives are developing **Basque language plans** and a total of 34 have obtained the BIKAIN language management quality certificate awarded by the Basque Government.

Accident rate

28.68

compared to 63.04 in
the Basque Autono-
mous Community

Employment Support
Fund

35.8 M€

generated in 2023

32.3%

Women members of
the governing bodies

55

Basque language
promotion plans

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OUR PLANET, A COLLECTIVE CHALLENGE

A critical time to successfully tackle the greatest challenge of our time: climate change. MONDRAGON aims to inspire and involve all cooperatives and other types of organisations in this process.





ENVIRONMENTAL MANAGEMENT

MONDRAGON's climate commitment involves fostering a social and cooperative model that will promote climate awareness throughout its entire value chain. As an active agent in the climate transition towards a decarbonised society, it integrates the analysis of the environmental impacts of the cooperatives' activities and collaborates with all its stakeholders to minimise the negative impacts and maximise the positive ones.



ENERGY DECARBONISATION

The cooperatives continue to evolve and innovate their production model to decarbonise the production centres, encouraging the use of energy management platforms to optimise consumption and promoting the use and local self-supply of renewable energies to speed up the energy transition in the regions where the cooperatives work.



THE CIRCULAR ECONOMY

MONDRAGON and the cooperatives are evolving towards activities that will reduce residual flows and favour a balanced use and availability of resources. Circularity and eco-innovation solutions are also implemented to optimise use of resources and landfill waste disposal in their activities.



SUSTAINABLE MOBILITY

The cooperatives optimise distribution of their products in coordination with the customers. Consequently, they implement new low-carbon forms of logistics distribution, encouraging sustainable transport solutions and minimising the possible impact on the movement of people and products.

FOR A SUSTAINABLE PLANET

- More than 75% of sales have ISO 14001 environmental management system certification. Four ISO 14006 Ecodesign certificates and ten ISO 50001 energy management certificates.
- In 2023, the Ategi central headquarters managed the purchase of 600 gigawatts for the cooperatives, 70% of which was from renewable sources.
- Eroski had over 2,300 products with the sustainability seal in 2023.
- 12 “Ekiola” cooperatives have been created as energy communities for the generation and consumption of 100% local green energy.
- Together with the cooperatives Cikautxo and Maier, the Corporation collaborates on the European project Primus for creation of added-value technology products from recycled polymers.
- Over 50 cooperatives are developing mobility plans for travelling to the work centres.

+75%

Sales with environmental management certificates

+50

Over 50 cooperatives with mobility plans

80%

Energy purchased from renewable sources

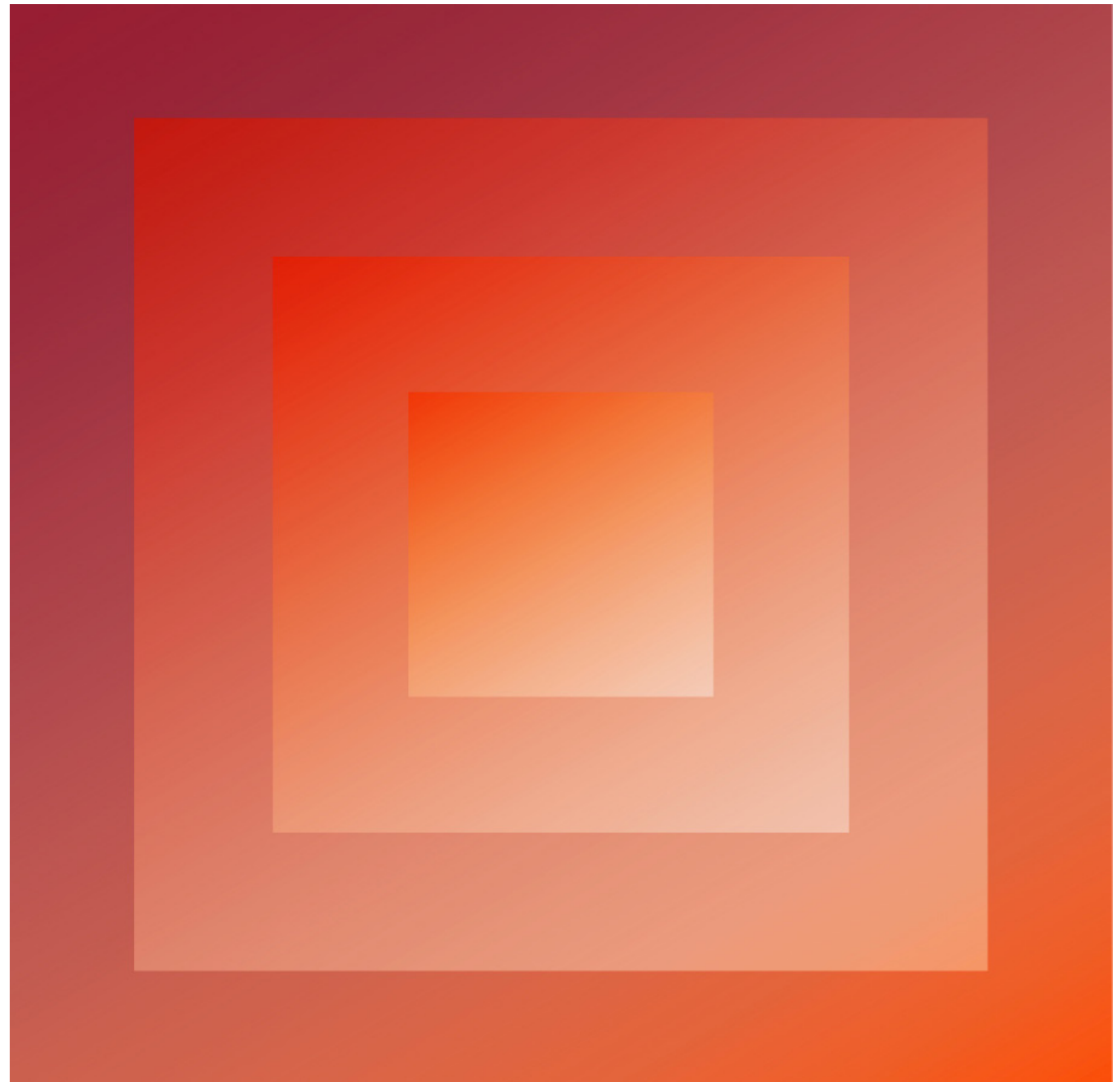
12

Cooperatives created to generate and consume 100% green energy

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GOVERNANCE, BUSINESS DEMOCRACY

MONDRAGON's governance model guarantees transparent decision-making, management and accountability to all members. It is a democratic, inclusive business approach, with owner-workers participating in the management to create competitive, sustainable projects.





DEMOCRATIC ELECTION OF GOVERNING BODIES

All the people who participate on the governing bodies and in the management of the cooperatives are elected democratically. The elections are held in accordance with a one person, one vote system, regardless of the voter's position at the company.



COOPERATIVE TRAINING

A very important aspect focused on reinforcing the model's identity-based aspects and aiming to boost the all-round development of the people forming part of the project.



ETHICS AND TRANSPARENCY

Cooperative governance is based on trust and a management ethic backed by cooperative vision and leadership, the use of internal staff promotion criteria and the approval of the management and results by all the members of each cooperative.



COMMUNICATION

The cooperatives have defined their own communication channels and supports to provide all the necessary information for their stakeholders: worker-members, supplier companies, customers and institutions. Internal communication at the cooperatives is very important.



THE MONDRAGON CONGRESS

More than 650 representatives (39% women) from all the cooperatives meet annually at the Congress, a body that decides on the general guidelines or criteria governing MONDRAGON. The concept of "self-governance", implemented through shared responsibility and the association of people within a working organisation, reflects the basic aspiration of cooperative governance.



PROJECT WITH PRINCIPLES AND VALUES

The Cooperative Experience arose from values such as cooperation, participation, shared responsibility, social responsibility, self-imposed standards of excellence and innovation. Its principles refer to aspects such as democratic organisation (one member, one vote), sovereignty of labour (a fairer distribution of profit, in accordance with the work contributed), wage solidarity (on a scale of 1 to 6) or inter-cooperation (with mechanisms for solidarity and business efficiency).

COOPERATIVE GOVERNANCE

People are democratically elected as the members of the cooperatives' governing bodies.

570

Hours of cooperative training

15,008

- 570 people are democratically elected as the members of the cooperatives' governing bodies.
- In 2023, 15,008 hours of cooperative training were given to new members and governing bodies.
- 28 cooperatives (accounting for 92% of sales) issue non-financial reports providing support by documenting all the information, action and relevant landmarks in a single channel.

LARGEST EMPLOYER IN THE BASQUE AUTONOMOUS COMMUNITY AND ONE OF THE MOST IMPORTANT IN SPAIN.

Jobs in Spain

60,500

Jobs overseas

9,854

In the Basque Autonomous Community

43.3%

In Spain

43.2%

Overseas

13.5%



07

MONDRAGON AND THE SDGS

The cooperatives encourage a responsible, democratic, sustainable business model. They aspire to leave the future generations a better development model for people and the planet.

The cooperatives work to develop technologies that are the best in the world and the best for the world: decarbonised industries, zero waste, with high value-added products and services and quality employment.

They also cooperate with social stakeholders and local authorities, promoting innovative infrastructures and social initiatives that will enable a balance to be achieved between economic growth, environmental protection and social wellbeing.



MONDRAGON'S SOCIAL ACTION

In quantitative terms, the social action carried out by MONDRAGON and its cooperatives accounted for €41.8m in 2023.

AUSOLAN FOUNDATION

This Foundation was created to ensure that vulnerable groups have access to healthy, sufficient and sustainable food, helping educate families about healthy lifestyle habits and environments, and also to foster women's technical and professional training to help them access decent employment.

[+ INFO](#)

GAZTEMPRESA FOUNDATION

A leading foundation for business creation and for fostering entrepreneurship in the Basque Country, its aim is to support initiatives and carry out work that will help create and safeguard jobs. In 2023 it created 320 companies and generated 634 jobs. A total of over 6,500 companies have been aided by this Foundation to date.

[+ INFO](#)

GIZABIDEA FOUNDATION

A not-for-profit organisation created to promote cooperative education, it supports the development of educational infrastructures in Debagoiena (Gipuzkoa) in order to provide an innovative cooperative response to society's future challenges.

[+ INFO](#)

GSR FOUNDATION

This entity's main goal is to set the standards for friendly, welcoming, respectful and innovative people management for dependent people with special needs.

[+ INFO](#)

EROSKI FOUNDATION

The Eroski Foundation carries out numerous social action initiatives, mainly connected with promoting healthy lifestyle habits, consumer education, environmental protection and solidarity.

[+ INFO](#)

LEARTIBAI FOUNDATION

Committed to economic development, this is a local development entity that aims to boost the business fabric of the Lea-Artibai area in Bizkaia province, in collaboration with public and private actors.

[+ INFO](#)

MONDRAGON FOUNDATION

Within the scope of the MONDRAGON cooperatives, it promotes the social economy, fostering social, cooperative and professional training and also research and development geared to helping the cooperatives advance in technology.

[+ INFO](#)

MUNDUKIDE FOUNDATION

A Foundation created for cooperation with the countries of the South, sharing experiences, resources and cooperative know-how to promote their self-managed comprehensive development.

[+ INFO](#)



HUMANITY AT WORK

www.mondragon-corporation.com