

Cooperative mindset

The transforming power
of collective ideas.



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LETTER FROM THE CHAIR

More cooperation, greater impact

*Collaboration as the axis to face the
challenges of the future.*



LETTER FROM THE CHAIR

Pello Rodríguez,
Chair of the General Council of
MONDRAGON

A new era

The overall picture for 2024 is clearly positive for MONDRAGON. In a demanding global environment, shaped by geopolitical uncertainty and shifts in the markets, we have shown our ability to respond with strength and cohesion. The Corporation has exceeded 11.2 billion euros in sales, has more than 70,000 employees, and has achieved record profits of 632 million euros. Our four areas, Industry, Finance, Distribution and Knowledge, have performed well, validating the effectiveness of our cooperative model.

Beyond the figures, we continue to move forward with projects that reinforce our vision for the future. Such as the Knowledge Division, which is playing an increasingly important role in our ecosystem. This project, which brings together educational centres, universities and technology centres, is a clear commitment towards preparing MONDRAGON for the challenges ahead.

And it is precisely towards that future that we now turn our attention. In 2025, we will begin a new era, in which the promotion of strategic initiatives for the creation of Future Businesses will take centre stage in key areas such as cybersecurity, digital technology and AI, social healthcare, electricity/energy networks and mobility. We know that these sectors will be decisive in the coming years and, therefore, key to the goal of generating quality employment. We want to approach them by drawing on our cooperative values and committing to innovation and social responsibility.

“We are preparing for a new cycle with confidence, knowing that we have the talent, experience and collective spirit necessary to continue building a solid, competitive and transformative project that serves the people”.



LETTER FROM THE CHAIR

Leire Mugerza,
*Chair of the Standing Committee and
 the MONDRAGON Congress*

More cooperation means greater social impact

MONDRAGON's progress during 2024 once again demonstrates that the cooperative project we share has deep roots and a vision for the future. In an increasingly changing and complex world, fraught with uncertainty, we once again confirm commitment to playing an active role in building a more just, humane and sustainable economic and social model.

Today, more than ever, we need to strengthen cooperation as a principle and as a daily practice. Because only through collaboration – between people, cooperatives, divisions and other companies – can we adapt to the challenges of the global scenario. A scenario that requires us to act with collective intelligence, strategic agility and a firm social commitment.

We have a huge responsibility: to leave a better legacy for future generations. In other words, companies with values, rooted in our territories, which, through education, innovation and hard work, continue to generate significant social impact and more equal societies. This is a major challenge for which cooperation – a distinguishing feature of MONDRAGON cooperatives – is still today an essential lever.

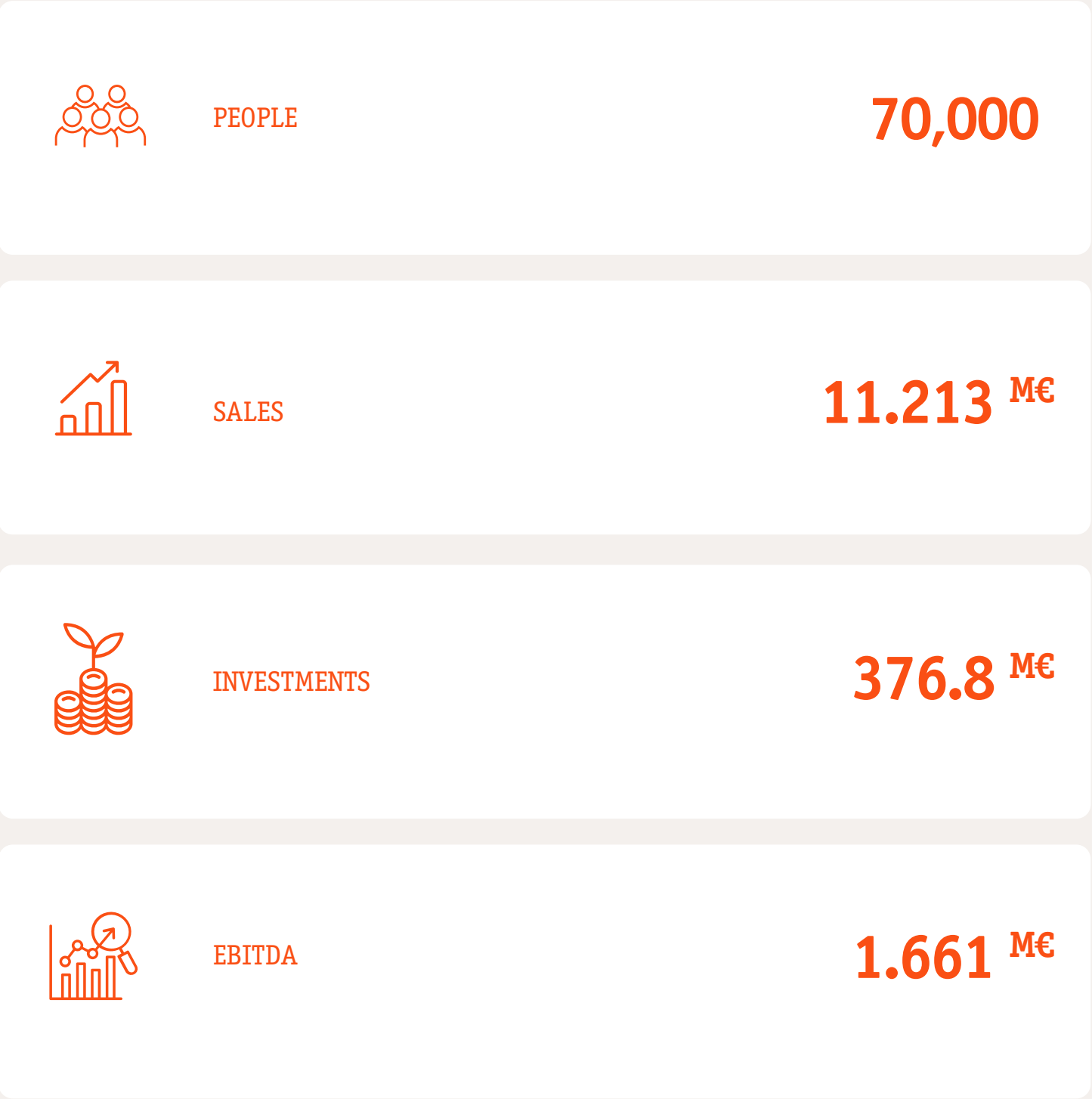
“We must reclaim the power of cooperation as a driving force for progress towards a more just society, one that reduces inequalities, truly puts people at the centre and guides economic activity towards generating greater social impact in its surroundings”.



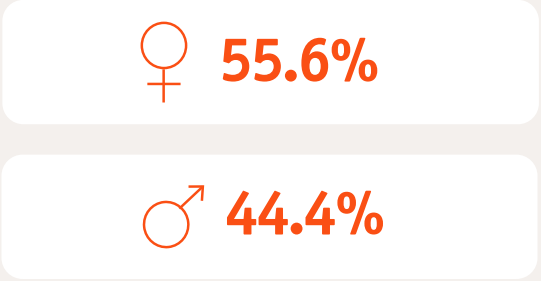
Evolution with purpose

*Adding efforts
to multiply results.*

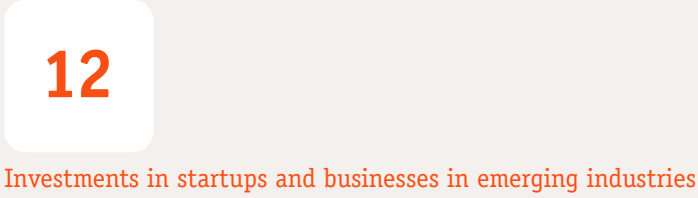




EMPLOYMENT



ENTREPRENEURSHIP



ENVIRONMENT



GENDER PLANS



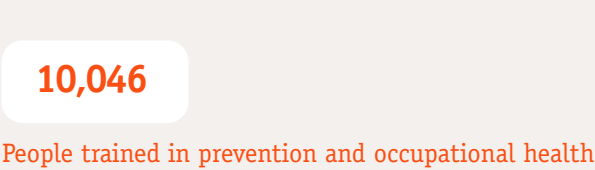
SOCIAL ACTION



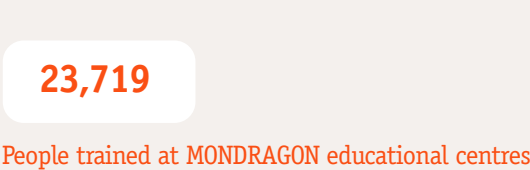
BASQUE LANGUAGE



PREVENTION



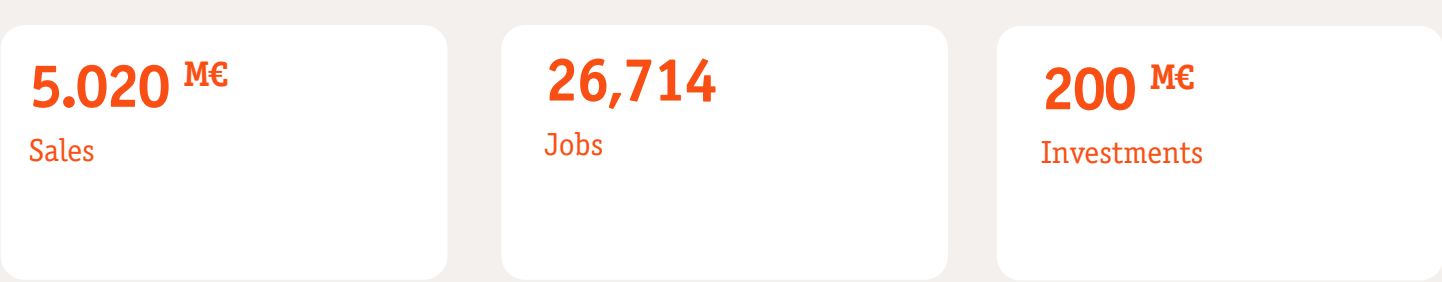
FORMACIÓN



FINANCE



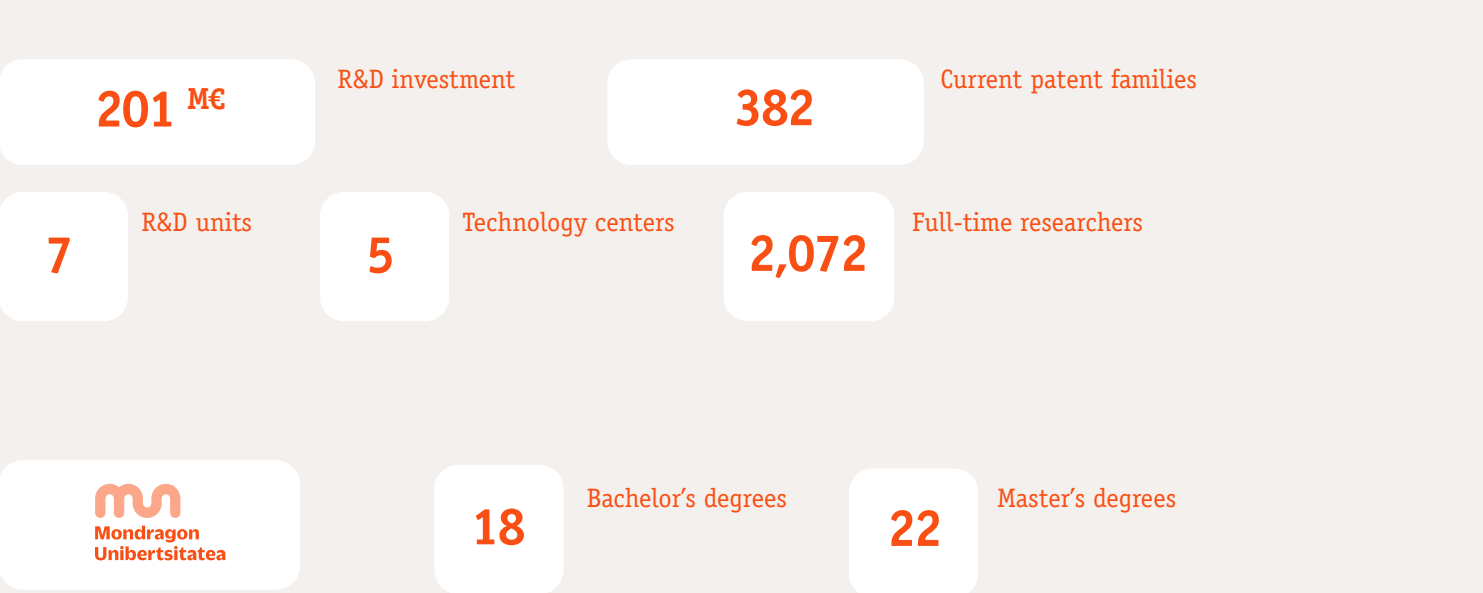
INDUSTRY



RETAIL



KNOWLEDGE



*Our ideals also
shape the outside
world*

*Acting with humanistic values to have a
positive impact on the world.*



MONDRAGON DNA

Mission

MONDRAGON is a socio-economic business reality, deeply rooted in the Basque Country, created by people for people. It is committed to a sustainable society, competitive improvement and customer satisfaction to generate wealth and transform society through business development and job creation. It is backed by solidarity commitments and uses democratic methods for its organisation and management. It encourages people's participation and integration in their companies' management, profits and ownership.

A different way of doing business

Democratic

The people decide. A one member, one vote system is used to elect the cooperatives' governing and management bodies and to adopt the company's strategic decisions.

Participative

In three key areas: management, ownership and results, generating a greater degree of commitment and identity.

Transformational

Its companies create shared value and are committed to changing society.

Inter-cooperation ecosystem

MONDRAGON's collaborative logic, with cooperatives, divisions and other entities, helps to create new opportunities and increase the resilience of the business projects. These are some of the inter-cooperation mechanisms.

Profit conversion. A solidarity mechanism whereby each cooperative earmarks a percentage of its profit (a minimum of 13%) to a divisional fund to achieve a more equitable sharing of the wealth generated or for partial offsetting of the cooperatives that have suffered losses.

Worker relocation to provide a solution within the cooperative group to maintain employment.

Financial instruments for inter-cooperatiion, which play a very important role in projects for internationalisation, innovation and consolidation and also those for financial reinforcement and support in difficult situations..

Theme-based, sector-specific, corporate, and executive forums are also held to share knowledge. Inter-cooperation is also practised through superstructure entities such as Ategi, Osarten, the Promotion Centre, Otalora, MONDRAGON Foundation and LagunAro, among others.



MONDRAGON DNA

Rooted company

Committed to developing the local environment, with the decision-making centres based in their place of origin. MONDRAGON is aware of the value of its legacy and wants to leave the future generations sounder cooperatives and a development model that is better for people and the planet.

Territorial structuring. The cooperative model is strongly anchored in the local environment, cooperatives which naturally become the backbone and benchmarks in the development of the region and are essential when it comes to designing local socio-economic revitalisation strategies.

Local decisions with a global perspective. The cooperatives compete globally and the decision-making centres are located at their parent companies, mainly based in the Basque Autonomous Community and Navarre.

Promoting the Basque language. MONDRAGON works to achieve the use and standardisation of the Basque language at its work centres.

Cultural commitment. MONDRAGON also contributes to fostering major cultural projects strategic for the country, such as the Guggenheim, the Kursaal, the Baluarte, Artium, Arantzazu, Euskadiko Orkestra, etc.



Discover all the cooperatives



ikerlan



DANOBATGROUP

FAGOR
AUTOMATION



Bexen

*Moving forward
collectively*

*Real progress is born
of shared momentum.*



Business Areas

Finance, Industry, Distribution and Knowledge are the MONDRAGON Cooperatives' areas of business. In 2024, aggregate sales totalled 11.213 billion euros, investments amounted to 376.8 million euros and EBITDA was 1.661 billion euros. The average workforce was around 70.085 people.

MONDRAGON's commitment to innovation continued to be very significant, employing 2,012 full-time R&D staff. Furthermore, the resources earmarked for R&D in 2024 totalled 201 million euros and the total number of patent families in force was 382, a truly significant figure for the Basque Country as a whole. Between technology centres (5) and R&D units (7), MONDRAGON comprises 12 organisations.



BUSINESS AREAS

FINANCE

In a year marked by the uncertainty of the world geostrategic situation, LABORAL Kutxa saw a positive end to the year with net profit of 274.6 million euros. LagunAro EPSV also closed a good year, with an overall net return of 7.94% and a solvency margin of 4.05%, exceeding the legal threshold.



BUSINESS AREAS



LABORAL KUTXA

2024 was marked by high geopolitical uncertainty, with significant impacts from the conflicts in Ukraine and the Middle East, as well as Donald Trump's victory in the U.S. elections. Europe faced industrial weakness, especially in Germany, which was affected by energy costs and competition from China. The Eurozone adopted a more restrictive fiscal policy, limiting economic stimulus. The ECB, however, began lowering interest rates, which could encourage a gradual recovery in investment and consumption. In Spain, growth was solid (3.2%), although more moderate in the Basque Country (2.1%) and Navarre (2.7%), where industry showed signs of weakness.

Against this backdrop, LABORAL Kutxa performed very well in terms of profitability, accompanied by a balanced contribution from the main business areas and adequate risk management. The entity achieved results that point to a solid upward trend, thanks to the efficiency measures implemented over recent years, despite the one-point reduction in the deposit facility rate in the second half of the year. As a result, profit after tax grew by 23.3% to 274.5 million euros.

LABORAL Kutxa has thus reaffirmed once again the attributes of its distinctive cooperative and transformative banking model, demonstrating robust financial health that will provide greater resilience and enable it to generate results in the coming years, as shown by the improvement in the main financial indicators for the banking business.

The bank's strength, measured in terms of CET1 solvency, rose to 24.85% at year-end; LTD liquidity stood at a healthy 64.16%; and business profitability increased, with ROE rising to 12.32%.

Savings, investment and lending activity at LABORAL Kutxa

LABORAL Kutxa closed the 2024 financial year with outstanding growth in intermediation resources, which reached 31.452 billion euros, an annual increase of 7.7%. On-balance-sheet savings (accounts and deposits) grew by 5%, driven by the continued success of fixed-term deposits, which increased by a remarkable 59.8% over the year.

In terms of off-balance sheet resources, managed investment funds rose by 20.2% to over 1.04 billion euros, confirming the upward trend of the last three years. Overall, off-balance sheet savings (including EPSV, pensions and life insurance savings) grew by 15.5%. In terms of lending, the total balance increased by 0.9% to 15.124 billion euros. Meanwhile, loans to households remained stable, with consumer credit rising by 1.6%. In the business sector, the bank reaffirmed its commitment to the productive fabric, with a 10.2% increase in new loan originations, especially among larger companies, which resulted in an overall 3.8% increase in commercial investment.

Insurance business

Total premiums in the non-life segment amounted to 142.9 million euros, representing year-on-year growth of 7.8%, with motor insurance reaching a volume of 75.9 million euros, up 5.5%, and the total volume of home insurance policies taken out stood at 53 million euros, 8.9% above the figure recorded last year.

By contrast, total premiums in the life segment amounted to 55.7 million euros, down 6%.

It is worth noting that ICEA ranked Seguros Lagun Aro among the top insurance companies in Spain, placing it second in customer satisfaction in the car and home insurance categories.

BUSINESS AREAS



LAGUNARO EPSV

In a global economic context of moderate growth and progressive monetary easing, LagunAro, EPSV closed 2024 with a return on its investment portfolio of 7.94%, benefiting from the strong performance of the markets, especially technology stocks in the United States and the recovery of the stock market in Europe. This performance led to a slight increase in the solvency margin, which rose from 4.03% to 4.05%, over the legal threshold (4%). In 2024, the General Assembly approved the application of the 2.8% CPI adjustment, as well as the recovery of the 4.7% pending from 2022 for employee groups in Salary Bands 2 and 3. Only the 0.2% for 2023 remained pending, which was not applied due to insufficient solvency.

The number of active members reached 30,101, with a net increase of 190 people, consolidating figures not seen for more than a decade. Meanwhile, the number of pensioners stood at 15,963, after an increase of 301 beneficiaries.

In terms of distribution benefits, healthcare recorded expenditure of 14.79 million euros, 5.77% more than in 2023. The average

monthly expenditure per beneficiary stood at 20.53 euros. In terms of temporary disability, the absenteeism rate rose to 6.99%, falling short of the target of 6.5%, due to an increase in the number of cases and their longer duration, partly as a result of healthcare waiting lists.

LagunAro consolidated a new proactive disability management model, with enhanced psychotherapy and rehabilitation programmes and greater coordination with cooperatives and their medical services.

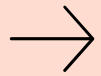
With regard to Employment Aid, expenditure fell to 15.76 million (well below the 24.63 million forecast), while revenue rose to 44.70 million, allowing the fund to increase to 157.67 million euros, compared to 128.72 million in 2023.

BUSINESS AREAS

INDUSTRY

Global economic growth stood at 3.3% in 2024, halting the global slowdown that had been occurring in previous years. This has been made possible by the containment of inflation and better-than-expected global growth dynamics in general. Even so, geopolitical risks have once again dominated the year and uncertainty has been present in the markets.

In short, it can be said that, despite the challenging environment, the Industry segment ended 2024 with a solid performance, combining growth in domestic sales, improved results, stable employment and a firm focus on innovation and international competitiveness.



BUSINESS AREAS

Sales

The MONDRAGON Industry area showed positive and resilient growth, closing the financial year with total sales of 5.02 billion euros. This volume represents a slight improvement over the previous year in comparable terms. By market, domestic sales amounted to 1.362 billion euros, with notable growth of 7.4%, while international sales stood at 3.658 billion, representing 73% of the total. This reaffirms the strong international character of the area, despite a slight year-on-year contraction of 2.4% abroad.

Profitability

Despite the uncertain environment, profitability in the industrial area improved compared to the previous year, reaching a net profit of 267 million euros. This achievement highlights the strength of industrial cooperatives and their adaptability to changing environments.

Employment

In terms of employment, the area continued to make a significant contribution, with an average of 26,714 people employed throughout the year. Of these, 9,512 worked in production plants located outside the country, reflecting the international growth of the cooperatives' production network.

Investments

Industrial investments undertaken in 2024 amounted to 200 million euros, in line with the previous year. They have mainly focused on improving the means of production, the efficiency of processes and even the upgrading of new production plants in order to improve competitiveness.

Innovation

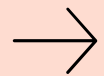
Another highlight of 2024 was the strategic commitment to innovation by MONDRAGON's industrial companies. This was confirmed by some of its key data: 2,008 people dedicated exclusively to R&D in all 12 centres specialising in various technologies, as well as Mondragon University and in the R&D units of industrial cooperatives. R&D expenditure amounted to 186 million euros, a figure that demonstrates the commitment to technological development as a lever for the future.

BUSINESS AREAS

DISTRIBUTION

This Area consists of the Eroski Group, the core business of which is retail, with the main company being Eroski, S. Coop. and with Erkop, a second degree cooperative made up of four cooperatives in the food industry, together with its investee companies.

The distribution division ended the 2024 financial year with net sales of 6.193 billion euros and an average total workforce of 39.116 employees, including cooperative members, workers and franchisees.



BUSINESS AREAS



GRUPO EROSKI

The EROSKI Group closed the 2024 financial year with solid results, consolidating a period of sustained growth. The group's gross sales reached 5.885 billion euros, an increase of 2.7% compared to 2023, with a particularly strong performance in the food sector. Pre-tax profit grew by 23% to over 127 million euros, and the net profit amounted to 81.7 million.

Despite an environment marked by rising costs, the group maintained a stable operating profit of 259 million euros and slightly improved its EBITDA, which stood at 332 million. Furthermore, EROSKI repaid 59 million euros of debt, improving its financial structure and reducing finance costs.

During 2024, the group has intensified its efforts in operational efficiency and technological transformation, allocating investments to the digitisation and automation of processes, the development of predictive algorithms and commercial customisation, with a firm commitment to artificial intelligence.

In the commercial sphere, EROSKI has renovated 36 stores and opened 60 new establishments, strengthening its leadership in local shopping. Through its "Always at a Good Price" strategy, it passed on 408 million euros in savings to the market through promotions, personalised discounts and loyalty programmes.

In addition, the group reaffirms its social commitment with a contribution of 26.4 million euros in solidarity actions.

With a network of 1,502 stores and more than 27,600 cooperative members and employees, EROSKI has consolidated its position as the leading cooperative distribution group in Spain and a benchmark in sustainability, innovation and commitment to people.



ERKOP

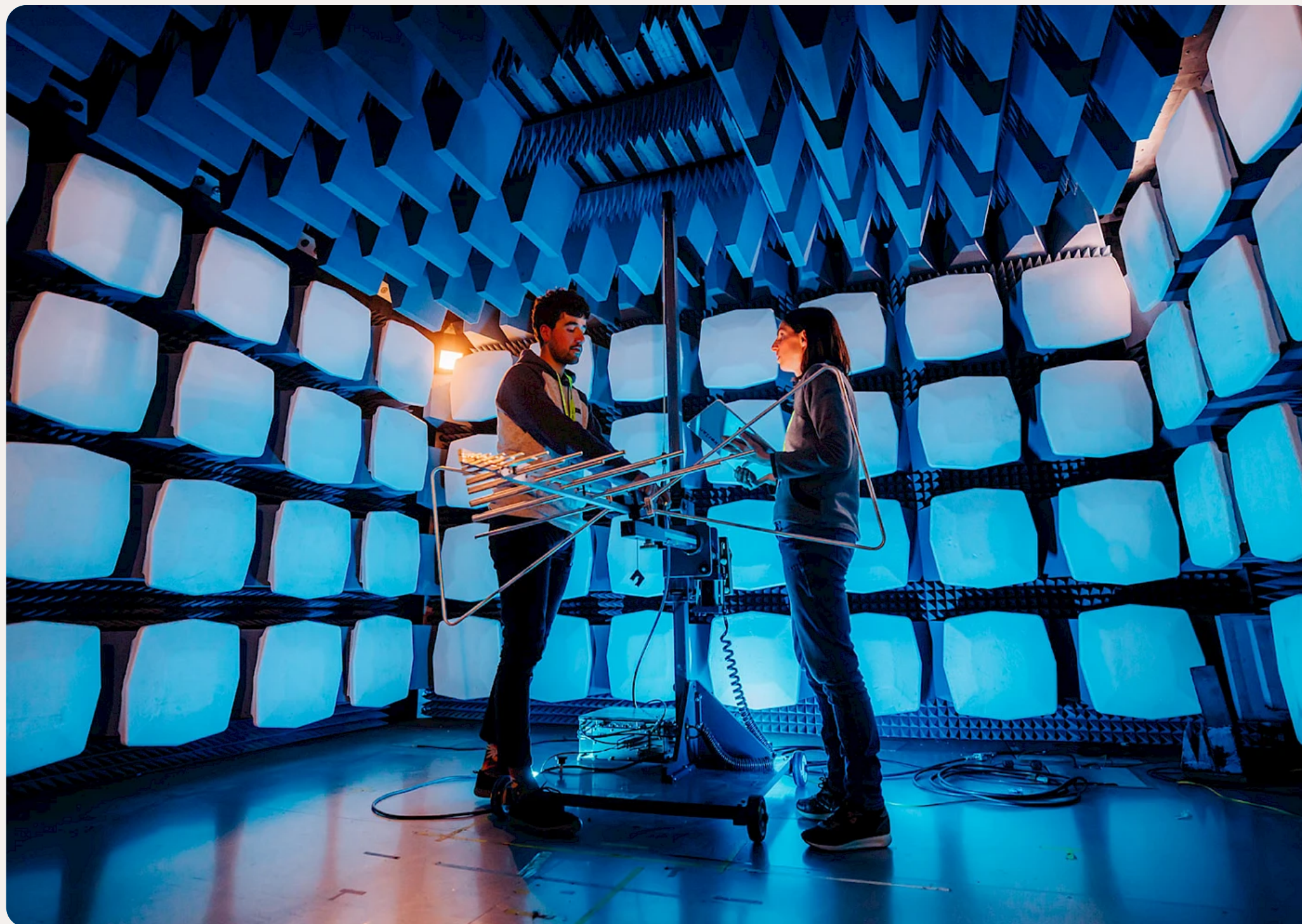
The group consists of a second-degree cooperative and four member cooperatives (Ausolan, Miba, Barrenetxe and Behi Alde). 2024 saw the completion of the first phase of the transformation aimed at achieving its strategic vision, "Erkop of the Future". This progress has been highly satisfactory, highlighting the strengthening of relationships and projects within the Distribution division, diversification and innovation projects, openness, and the strategic statements that connect it to its new Strategic Plan 2025-2028.

In 2024, its total sales reached 308 million euros, with a result of 8,9 million euros and it employed over 11,000 people.

BUSINESS AREAS

KNOWLEDGE

The knowledge area comprises the Knowledge Division (Educational Centres, the University and Technology Centres), as well as the Innovation Department at the MONDRAGON corporate centre and the Promotion Centre. Total R&D expenditure amounted to 201 million euros, representing 4.0% of total sales, employing 2,012 full-time researchers.



BUSINESS AREAS

KNOWLEDGE DIVISION

Established in 2023, the Division comprises the Educational Centres (Arizmendi, Lea Artibai, Politeknika Txorierri), Mondragon University and its three faculties (MGEP, Enpresagintza and Huhezi) and the Technology Centres (Ikerlan, Lortek and Leartiker). A project born with the aim of strengthening MONDRAGON's knowledge ecosystem, aware that the challenges of the future, of companies and of society, will inevitably pass through the filter of knowledge. The Division employs around 2,000 people, has a combined budget of 180 million euros and a total of 22 offices throughout the Basque Country, making it a very sizeable organisation.

Among the most notable milestones of 2024, it is worth highlighting, first, the launch of the Division itself, formally establishing a unique ecosystem whose purpose is to transform society by addressing the entire knowledge value chain: education, training, knowledge generation and transfer. And all this in order to provide comprehensive training for people and ensure the competitiveness of the MONDRAGON cooperatives.

It is also worth mentioning the firm commitment to being a key player in entrepreneurship and the creation of new activities. Here it is worth highlighting the official opening of Hirekin (Centre for Innovation and Entrepreneurship for Sustainable Industrial Transformation) in 2024, the strengthening of the LEINN laboratories, the launch of the IdeiEnea project, and, most significantly, Ikerlan's commitment to launching new technology-based cooperative ventures, such as Orbik.

Innovation

The corporate centre also promotes innovation and technology through a number of initiatives. These include the corporate Science and Technology Plan, which has established itself as an essential tool for fostering collaboration between the different cooperatives within the MONDRAGON Corporation. The programme funds projects with an Open Innovation approach focused on the following key areas: advanced printing, intralogistics, 5G networks, federated data spaces, artificial intelligence, robotics, cybersecurity and environmental sustainability, among others.

It is also important to note that there has been continued strong activity in the configuration and execution of projects with public funding, both national and European, as well as in the launch of private initiatives with other corporations and companies.

Both Technology Centres and Business R&D Units have specialisations aligned with corporate challenges, enabling them to develop the key technologies and innovation necessary to maintain the competitiveness of the cooperatives. The areas of work of each of these entities are as follows:

Technology centres



Technologies and processes, machining, Industry 4.0 and industrial production.



Digitalisation technologies, artificial intelligence, embedded electronic systems, cybersecurity, energy and mechatronics.



Food and material technologies, especially polymers.



Materials and processes applied to joining technologies, additive manufacturing and process digitalisation.



Innovation in business management, entrepreneurship, talent management and market development.

BUSINESS AREAS

Corporate R&D units

- CIKATEK (Cikautxo): development of new polymeric materials and products (rubbers, thermoplastics and TPEs) for sealing, anti-vibration and fluid conduction functions.
- CS CENTRO STIRLING (Components Division): design, simulation, manufacture and testing of various components and subsystems for the domestic sector and the efficient generation and use of energy in the home.
- EDERTEK (Fagor Ederlan Taldea, Ecnarro and Mapsa): technologies and processes for casting and injecting metallic materials applied to the development of components for the automotive industry.
- FAGOR AOTEK (Fagor Automation): machine tool automation and optics, mainly focused on numerical controls, regulators, motors and position-sensing systems.
- ISEA (Engineering and Business Services Division): configuration and development of new advanced business services, as well as methodologies for fostering entrepreneurship.
- KONIKER (Fagor Arrasate and Mondragon Assembly): development of machinery and new industrial production processes, mainly focused on material forming and the automated assembly of components and subassemblies.
- MTC (Maier): Expert in the development of thermoplastic parts and assemblies for the automotive industry, incorporating the aesthetic and functional aspects required in each case.

R&D&I FIGURES

Total R&D expenditure

201 M€

Total R&D expenditure as a % of total sales

4.01%

Total R&D expenditure as a % of added value

12.42%

Total families of patents in force at year-end

382

Sales in new products and services
(not existing 5 years ago)

428 M€

Full-time researchers

2,072

Technology centres

5

Corporate R&D units

7

Corporate Entrepreneurship

MONDRAGON has reinforced its commitment to corporate entrepreneurship as a strategic means of diversifying its activity, generating employment and anticipating future challenges. Under the impetus of MONDRAGON Ventures, the cooperative ecosystem has managed to mobilise dozens of cooperatives around new businesses, investments in start-ups and technological alliances. 2024 stood out for securing 12 different types of investments worth 9 million euros.

MONDRAGON bodies

STANDING COMMITTEE

Chair

Leire Mugerza

Secretary

Amets Ugalde

Members

Jose Antonio Alustiza

Iñigo Arrieta

Oskar Arroyo

Asun Bastida

Xabier Egibar

Ruben Gabilondo

Koldo Kortabitarte

Andoni Larrañaga

Mikel Larrea

Klaudia Luquita

Juan José Martínez

Andrés Mazquiaran

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Javier Amezaga

Nerea Aranguren

Zigor Ezpeleta

Edorta Herce

Olatz Imaz

Iñigo Laskurain

M^a José Pagaldai

Adolfo Plaza

