

ANNUAL REPORT 2020

MONDRAGON, world leader
in cooperative working.

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INTRODUCTION

WE ARE COOPERATION

People who come together to make a brighter, different, inclusive, responsible, equitable and supportive future. **SUSTAINABLE**. Socially, economically and environmentally.

MONDRAGON is centred around four business areas: **finance, industry, distribution and knowledge**. It is a reality of cooperative identity that is about taking care of its people, competing in the global market and seeking progress together.



HUMANITY AT WORK

BASIC FIGURES

BUSINESS DEVELOPMENT

	2019	2020	Variation (%)
Total Income	12,229	11,482	-6.1
Total sales (Industry+Distribution)	11,608	10,865	-6.4
Investments	507	335	-33.9
EBITDA	1,253	1,324	5.7
LABORAL Kutxa Intermediate Resources	23,590	26,146	10.8
LagunAro equity fund	6,752	6,864	1.7

EMPLOYMENT

	2019	2020	Variation (%)
Average No. of jobs	81,507	79,931	-1.9
% of shareholders in Industrial Area cooperative workforce	73.9	75.9	2.7
% of female shareholders in cooperative workforce	42.4	42.5	0.2
Rate of Industrial Area inci- dents or accidents	39.7	32.1	-19.2

PARTICIPATION

	2019	2020	Variation (%)
Working shareholders, share capital	1,825	1,823	-0.1
Number of workers in gover- ning bodies	835	835	0.0

BASIC FIGURES

SOLIDARITY

	2019	2020	Variation (%)
Resources for social contact activities	26.9	25.3	-5.9
No. students in educational centres	11,820	11,245	4.9

ENVIRONMENTAL MANAGEMENT

	2019	2020	Variation (%)
No. of ISO 14000 certifications in force	75	75	0.0
No. of ecodesign certifications	4	4	0.0

INVESTMENT IN THE FUTURE

	2019	2020	Variation (%)
% funds allocated to R&D from the added value of the Industrial Area	9.1	9.2	1.1
No. of Technology Centres and R&D Units	14	14	-6.7
Total No. of researchers	2,189	2,384	8.9

CURRENT CERTIFICATIONS

QUALITY

Over 90% of MONDRAGON sales with a certified quality management system.

INDUSTRIAL AREA

137 certifications ISO 9001

35 certifications IATF (automotive industry)

ENVIRONMENT

75% sales with an environmental management system.

INDUSTRIAL AREA

75 ISO 14001 certifications

4 ISO 14006 certifications

3 ISO 50001 certifications

HEALTH AND SAFETY

55% of workers with a certified occupational health and safety management system.

INDUSTRIAL AREA

45 ISO 45001 certifications

2 Healthy Company certifications

BASQUE LANGUAGE

53 Bikain Basque certifications

MESSAGE FROM THE PRESIDENT

COMPETITIVENESS AND COOPERATION

"Cooperation makes us stronger and will enable us to deal with the complex and changing future that lies ahead, with the spirit, strength and resources necessary to respond to the demanding challenges we are going to face."



In this unusual year of 2020, conditioned entirely by Covid-19, our cooperatives gave a really sensational, two-fold response: on the one hand, they provided a useful solution to society, helping to overcome the challenges of the pandemic, either through the manufacture of protective measures, close collaboration with non-profit organisations, the purchase and supply of PPE or the logistical effort involved in basic supplies and the adoption of safety measures to keep the work centres operational.

On the other hand, in the economic sphere, they adopted measures to restrain spending and safeguard the treasury that have ultimately made it possible to complete an outstanding financial year, taking into account the difficulty of the situation that had to be negotiated.

And all of this thanks to the responsible conduct of our people, who understood the

difficulty of the situation, adopting an attitude and resultant behaviour based on cooperative values and principles.

We therefore express our gratitude for all the hard work undertaken collectively, in solidarity and with commitment, to overcome such a complicated economic year. Once again, we have shown that cooperation makes us stronger and enables us to deal with the complex, changing future that lies ahead, with all the talent, strength and resources required to respond to the demanding challenges we will be facing.

BODIES

PERMANENT COMMISSION

PRESIDENT

Javier Goienetxea. *Distribution*

VICE-PRESIDENT

Jone Urzelai. *Construction*

SECRETARY

Ametz Ugalde. *Corporate Centre*

MEMBERS

Alustiza, José Antonio (Financial)
Amezaga, Javier (Distribution)
Arriola, Cesar (Machine Tool-Danobat Group)
Aspe, Aitor (Automotive CHP)
Bilbao, Ander (Tools and Systems)
Calvo, Ibon (Ulma Group)
Carabel, Rosa (Distribution)
Diaz de Gereñu, Lander (Ulma Group)
Egibar, Xabier (Financial)
Etxegoien, Cristina (Components)
Gabilondo, Ruben (Equipment)
Irure, Aitor (Industrial Automation)
Kortabitarte, Koldo (Automotive CM)
Lejarzegi, Aitor (Engineering and Services)
Lekuona, Axier (Components)
Lizarazu, Oier (Elevation)
Martinez, Juan José (Automotive-CHP)
Mugerza, Leire (Distribution)
Sarrionandia, M^o Asun (Knowledge)

BODIES

GENERAL COUNCIL

PRESIDENT

Iñigo Ucin

VICE-PRESIDENTS

Txomin García. *Financial*

Agustín Markaide. *Distribution*

Iñaki Gabilondo. *Ulma Group*

Xabier Mutuberria. *Elevation*

Javier Oleaga. *Components*

Juan Mari Palencia. *Automotive CHP*

Pello Rodríguez. *Machine Tools Division*

Belén Kortabarria. *Director of Financial Management*

Zigor Ezpeleta. *Director of Social Management*

Ametz Ugalde. *Secretary*



LABORAL KUTXA closed the 2020 financial year with a consolidated net profit of 87.4 million euros, after having made an extraordinary provision for Covid-19 of 65.7 million.

LABORAL KUTXA IS THE MOST SOLVENT FINANCIAL ENTITY IN ITS RESPECTIVE REFERENCE MARKET.

The results of the insurance business have amounted to 46.2 million euros in the year 2020.

LABORAL KUTXA AND SUSTAINABILITY: all the electrical energy consumed by the entity now comes from renewable resources.

Lagunaro's group of active contributors amounts to 28.595; 14,917 people receive a monthly pension from Lagunaro. Its patrimonial fund assigned the financing of pensions ends with an amount of 6.864 million.

FINANCE



FINANCE

The beginning of the 2020 economic situation was marked by uncertainties associated with the trade war between the US and China, as well as Brexit. In our geographic area of reference –BAC (Basque Country Autonomous Community, Autonomous Community of Navarre and the whole of the State–, leading to a foreseeable slowdown in the GDP growth rate to around 2%.

WITH REGARD TO BANKING ACTIVITY, HIGHLY INFLUENCED IN RECENT YEARS BY A MEAGRE INTEREST RATE CURVE AND SIGNIFICANT CHALLENGES FOR POTENTIAL BUSINESSES, LAST MARCH THE DEADLY PANDEMIC OCCURRED THAT HAS RADICALLY DETERMINED PERFORMANCE FOR THE REMAINDER OF THE FISCAL YEAR, AS WELL AS ANY FORESEEABLE PROGRESS OVER THE COMING YEARS.

FINANCE



LABORAL KUTXA



Despite the severity of the environment, LABORAL Kutxa has managed to close the 2020 financial year with notable positive elements in business terms, where growth in business loans, increases in mortgage formalisations and contributions from the insurance business can all be highlighted. All this has meant a generation

of resources that has enabled an extraordinary Covid-19 provision of 65.7 million euros, aimed at anticipating the foreseeable negative effects of the pandemic, and thus close the 2020 financial year with a consolidated net profit of 87.4 million euros. And as for the chapter on profitability, a great challenge

for the banking sector, the entity has achieved a profitability level in terms of ROE of 4.83%, which positions the credit union in the leading group in this area.

MANAGED RESOURCES

The total resources brokered by LABORAL Kutxa at the close of 2020 amounted to 26.146 million euros, an increase of 10.8% compared to 2019.

As a direct consequence of the pandemic and the subsequent restrictions on mobility, there has been a reduction in spending and a consequent increase in savings. Deposits have grown by 13.4%, marked by an increase in demand account balances, which have increased by 21.2% in their year-on-year comparison.

Regarding the set of off-balance sheet figures, total balances have increased by 1.4%. Investment fund balances show growth of 0.9% and provident and pension plan balances have increased by 3.2%.

CREDIT INVESTMENT

The financial year 2020 has been a turning point with regard to credit investment patterns. As a whole, the outstanding credit balance shows an increase of 4% and stands at 14.382 million euros.

At the household level, for the first time in a decade, mortgage loan balances have increased, up by 1.2%, with a year-on-year increase of 16.8% in the volume of mortgage formalisations. And as for consumer loans, the performance has been better than the sector average, which has fallen 16.1% in its accumulated formalisations, since LABORAL Kutxa has closed the year with a 9.7% reduction in its formalisations and a slight decrease of 1% in total balances.

In the companies section, increased investment has been largely favoured by the good response of LABORAL Kutxa to the credit demand. Thus, the cumulative volume due to the new commercial formalisations has increased by 80% in its year-on-year comparison, and the outstanding balance of total loans to companies increased by 15% in the year. In this area, the instruments enabled by the institutions to alleviate the liquidity problems caused by the pandemic (ICO, ELKARGI, SONAGAR and EIF) have played a leading role in the interaction of the commercial network, which illustrates LABORAL Kutxa's commitment to providing support to its business clients when they need it most.

THE INSURANCE BUSINESS

The efforts of the insurance sector have been focussed on maintaining all the benefits with absolute guarantees, even in the months of total lockdown and, in parallel, the necessary actions have been taken to alleviate the difficulties facing customers and suppliers.

Regarding the commercial activity of the year, it is worth highlighting the positive growth in home premiums, which grew 3.5%, and life risk premiums, which increased 5.5%.

In conclusion, the insurance business as a whole has contributed results of 46.2 million euros in 2020, which represents an increase of 17.1% compared to 2019.

FINANCE



NPLS DOWN

Despite the serious crisis situation, the quality of the bank's loan portfolio has allowed the NPL ratio to show no signs of deterioration at the year-end, even dropping 42 basic points over the course of the 12 months, until it was contained at 3.31%, well below the average delinquency rate for the banking sector as a whole (4.44%).

LEADERSHIP IN SOLVENCY AND COMFORTABLE LIQUIDITY

LABORAL Kutxa is the most solvent financial institution within its reference market and, year after year, it continues to increase its capital levels organically. Thus, at the end of 2020, the CET1 capital ratio was at 21.26%, matching the Total Solvency level and representing an increase of 109 basis points during the year. The solvency of the entity is well above the requirements set by the supervisor and a considerable distance from its main competence.

Regarding liquidity levels, the LTD (Loans to Deposits) ratio that measures the ratio between loans and deposits stands at a more than comfortable 64.36%, and the short-term liquidity ratio LCR (Liquidity Coverage Ratio) It reflects a percentage of 460.80% with respect to the regulatory requirement established at 100%.

DIGITISATION

In the field of digitisation, online users have increased by 12.4%. In addition, more and more clients have used the online banking service to contact or meet remotely with their branch manager, which has meant a five-fold increase in activity on this channel.

It is also worth noting that 57% of the so-called DISPON (instant pre-granted loans) were contracted on a mobile device, representing 47% of the total amounts contracted. The DISPON modality accounts for 63% of the loan amounts with the personal guarantee formalised by LABORAL Kutxa during the year.

Other notable digital milestones included the incorporation of the Business Banking service into the new online banking platform, on which individual customers were already operating, allowing them to access new functions in addition to the open banking environment. In this area of open banking, the account aggregator service of other entities has been launched, both for private clients and for companies, who can now view all of their accounts through online banking, including the accounts contracted in outside entities.

COMMITMENT TO SUSTAINABILITY

Among other outstanding achievements in the area of sustainability, it is important to highlight that Gaztenpresa, the LABORAL Kutxa employment foundation, supported the creation of 256 micro-enterprises, leading to more than 500 jobs in the year 2020, and, if possible, wherever the need is greatest.

Similarly, in environmental matters, LABORAL Kutxa took a significant leap forward in its contribution to the Paris Agreements on the reduction of greenhouse gas emissions. All the electrical energy consumed by the entity now comes from renewable sources, resulting in a 83% decrease in the carbon footprint, the main cause of global warming, in 2020.

FINANCE



“LABORAL Kutxa managed to close the 2020 financial year with notable positive elements in terms of business, where the growth in business loans, increases in mortgage formalisations and the contribution of the insurance business stand out”.

“In the field of digitisation, online users increased by 12.4%. In addition, more and more customers are using the online banking service to contact or meet remotely with their branch manager, which has meant a five-fold increase in activity on this channel”.

“In terms of sustainability, all the electrical energy that the entity consumes now comes from renewable sources”.

FINANCE



LAGUNARO, EPSV



Undoubtedly, 2020 will remain in our memory for a long time as the year in which a pandemic, caused by Covid-19, spread throughout the planet, with substantial health, social, personal and economic effects.

The social care system afforded by LagunAro and Voluntary Mutual Benefit Organisations (EPSV) for Employment have not been spared this extraordinary situation and have also been greatly affected, largely due to their areas of activity.

In any case, a system like the one belonging to LagunAro, EPSV, which provides full social protection coverage to its members and individual beneficiaries, should analyse and interpret while taking into account its performance in a multi-year time frame, in line with the commitments made.

In this regard, we must not lose sight of the two-pronged approach adopted by LagunAro, which it cannot ever be separated from. On the one hand, the role it plays as a unifying and protective element with respect to the social provisioning needs of the cooperative members (illness, unemployment, retirement...) is essential. On the other hand, responsible, efficient and professional economic and financial management of the available resources is crucial at all times, with the ability to continue offering, in the appropriate conditions, social coverage to its collective group.

At the end of the financial year, the group of **active contributors** of LagunAro amounted to 28,595, of which 28,022 correspond to the active members of the 123 shareholders belonging to the Entity. In 2020 the group of active contributors decreased to 204 persons due to the fact that incorporation of new members did not compensate for the derecognitions during the year. In this sense, it should be noted that the outbreak of the pandemic in 2020 caused, among other things, the postponement or slow down of the incorporation of new members into certain cooperatives.

The group of **Pensioners and Beneficiaries** experienced a net increase in 2020 of 373 persons, bring the total to 14,917 persons who draw a LagunAro pension.

As far as the management of investments is concerned, 2020 was a year influenced by Covid-19. This fact has led to high volatility in the financial markets, with historic falls, due to its depth and response time, in all the world's stock markets, as well as in other risky assets. Fortunately, the rapid and synchronised action of the authorities, both in the fiscal area (social expenditure and protection) as well as monetary (expansionary policies by all the Central Banks), along with the subsequent news about the efficiency of various vaccines that were being developed, has made recovery of the markets possible, ahead of the next economic revival.

In this context, profits have been generated in nearly all main sections of LagunAro's investment portfolio. Variations in market value of the assets has ascended to 49.27 million euros, which, added to the 171.45 million euros of net profits computed in the Profit and Loss Account, results in a **total of some income from the investment management of 220.72 million euros and profitability of +3.29%**.

The negative rates of inflation at the end of the 2020 financial year (-0.5%) and the developments experienced by the group has led to a reduced need for contributions to Technical Provisions, therefore this opportunity has been taken to allow a proportion of the proceeds obtained (27.83 million) to complete the process of adaptation of the Mortality Tables used. More specifically, new PER2020 Tables, approved at the end of the 2020 financial year, have begun to be applied and are generating hope for better lives compared with those managed until now.

FINANCE



However, the **Safety or Solvency Margin** has gone from 14.3% in 2019 to 15.2% at the end of 2020, clearly above the obligatory legal minimum (4.0%).

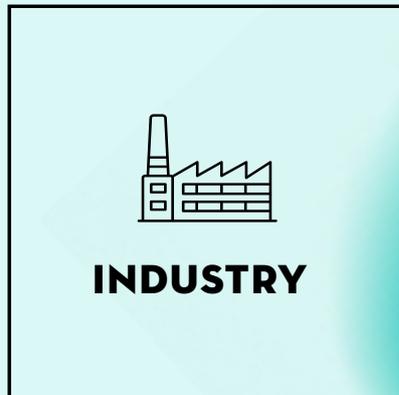
In the case of the main **distribution** or short-term benefits, the pandemic has had a considerable effect in some of the cases.

So, in the case of **Health Care**, the lockdown of the population during part of the year led to very reduced activity during those months, which meant that expenditure per beneficiary and month was clearly at lower levels than expected. And although there was recovery in the final part of the year, the year as a whole clearly ended below the level expected, as in the reporting year 2019.

Regarding the **Employment Support** benefit, the expenditure, in its different forms, saw an increase in 2020 of 75.32% compared to 2019. Regarding this increase, it should be noted that the outbreak of the Covid-19 pandemic and the crisis triggered by it, forced the Governing Council to activate an extraordinary access route to the "mobile testing schedule" benefit, to which 62 shareholders subscribed, affecting more than 9,000 members.

Another big impact recorded in the **Temporary Disability** benefit led to an absenteeism rate at the peak historically of 6.70%, clearly above the references used, which caused a considerable increase in expenditure; until the end of the financial year with a negative balance of more than 2.3 million euros.

"The emergence of the Covid-19 pandemic and the crisis generated by it, forced the Governing Council of LagunAro to activate an extraordinary means of access to the provision of" mobile testing schedule", to which 62 cooperatives subscribed, and affected more than 9,000 members".



THE MONDRAGON INDUSTRIAL AREA ACHIEVED SALES OF 5.271 MILLION EUROS.

International sales increased to 3.678 million euros, practically 70% of total sales.

The average staff of the industrial divisions is estimated at 37,809, of which 14,144 are in production facilities of cooperatives abroad.

Industrial investments made in 2020 ascended to 193 million euros.

INDUSTRY



The unexpected outbreak in 2020 of the Covid-19 pandemic has influenced all aspects of life. The world economy contracted by -3.3% in 2020, a contraction that could have been greater had it not been for the extraordinary support policies deployed and a higher-than-expected level of growth during the second half of the year (thanks to lockdown easing, the adaptation of economies to new ways of working and news of the efficacy of the various vaccines being developed).

MONDRAGON's Industrial Area, as expected, has also been greatly affected by the pandemic. But it is worth noting the speed with which the cooperatives have adjusted and adapted their businesses to the new reality.

SALES

In this global context, MONDRAGON's Industrial Area achieved total sales of 5,271 million euros, 13.1% less than the previous year.

National sales have risen to 1,593 million euros, 13.4% below those obtained in 2019.

Regarding international sales, the figure was 3,678 million euros, representing a fall of 12.9% with respect to those carried out the previous year.

PROFITABILITY

The net result for the past year was 227 million euros, 49 million euros below the results obtained for the previous year, and at the same level as those achieved in 2018.

EMPLOYMENT

When it comes to employment, the pandemic has had a considerable impact. The average staff of the industrial divisions was 37,809, a decrease of 1,322 jobs compared to the previous year due to alignment with the production level. Of the total employment, 14,144 positions are in production facilities of cooperatives abroad.

INVESTMENTS

Industrial investments made in 2020 were estimated at 193 million euros, 188 million euros less than those made the previous year.

INNOVATION

Another notable aspect is the one related to the innovation commitment of MONDRAGON's industrial companies. This is confirmed by some of its most relevant data: 2,384 people dedicated exclusively to R&D in the group of 14 centres specialised in various technologies, as well as Mondragon Unibertsitatea and industrial cooperatives. R&D expenditure amounted to 164 million euros, with new product sales representing 12% of Industrial Area sales.

TRAINING

In the chapter on training, 5.2 million euros have been earmarked for this purpose over the past year, distributed into various programmes of a technical and social-business nature. As noteworthy aspects, it is worth highlighting the Cooperative Training received by 572 people, Leadership and Teamwork Training, and other types of specific programmes received by 464 executives.

OCCUPATIONAL HEALTH AND SAFETY

In this area, reducing the accident rate continues to be a primary objective, with the indicator for the number of accidents per 1,000 workers standing at 26.61, a significant decrease compared to the previous year. In companies in the industrial sector, the incidence rate has also maintained the same downward trend and stands at 32.08 in 2020, significantly lower than 55.64, which is

the equivalent figure for industrial companies in the BAC that has also decreased this year. In this area, it should also be noted that in 2020 a total of 45 companies were certified in ISO 45.001. Likewise, it should be noted that two cooperatives are certified as a Healthy Business.

Finally, with regard to the Social Responsibility of the cooperatives and the concern for the correct conservation of the environment, the cooperatives have 75 ISO14001 environmental management certifications, which amounts to more than 75% of the total sales of the industrial cooperatives. Furthermore, the standards relating to social responsibility, such as SR10, now have some certifications in the cooperatives.

Likewise, the 20 largest cooperatives have produced the "Non-Financial Status Report" for the third time, and another 16 cooperatives with more than 250 workers will come together next year to produce this report. There is no doubt that the coming years will continue progressing with a better response to the Sustainable Development Goals (SDGs).



DISTRIBUTION

THE DISTRIBUTION DIVISION ENDED THE YEAR 2019 WITH SALES OF 5.594 MILLION EUROS AND A TOTAL WORKFORCE OF 38,523.

TheEROSKIGroup and theEROSKIFoundation have reinforced their solidarity initiatives so that the people who need it most have their basic nutritional and hygiene needs covered.

ERKOP: Its sales amounted to 217 million. Good behaviour of the agro-livestock cooperatives, while the growth of Ausolan was highly conditioned by theCOVID.

DISTRIBUTION



DISTRIBUTION

This Area is made up of the Eroski Group, whose main activity is retail trade, the main company being Eroski, S. Coop., And Erkop, a second-degree cooperative made up of five cooperatives in the agro-food sector, together with their investee companies.

OVERALL, THE DISTRIBUTION DIVISION ENDED 2020 WITH SALES OF 5.594 MILLION EUROS AND A TOTAL WORKFORCE OF 38,523 SHAREHOLDERS AND WORKERS.



EROSKI GROUP



The pandemic due to Covid-19 and the special mobility restriction measures established have meant considerable changes in the development parameters of the food distribution business, Eroski Group's main activity. Changes in consumer habits, increases in online sales, the need to accommodate store capacity, or the implementation of protection, safety and hygiene measures have required special adaptation efforts in all the processes of the business, in order to provide a service according to market demand. The result of such adjustments has been highly regarded by its clients and, consequently, had a significant increase in net ordinary income, reaching the figure of 5,377 million euros, an increase of 2.1% compared to the previous year.

"Ordinary activity yields a current operating profit of 252.4 million euros, growing significantly over the previous year by 30.2%, thanks to the implementation of improvements in the efficiency of the Group's value chain and logistics processes."

On the other hand, those same adaptations have certain related costs, and as a consequence, have obtained an operating profit of 116.8 million euros.

The company recorded deterioration due to shares in certain companies because of valuation adjustments derived from consideration of its performance, the weighting of risks and the rating obtained in the sale of shares process, which has focussed on subsequent sales agreement of 50% of shares in the company Supratuc2020, S.L.U.

The consolidated net result of the Group shows some losses of 77 million euros, rising to 442.2 million euros in the case of the cooperative.

The group has continued progressing in the construction of a more diverse range as a key positioning element and has made a significant concentration of product range, introducing more selection to its shelves, enabling it to generate net incremental sales. With regard to "Fresh Products", the launch of a new neighbourhood pilot

format in an urban, city centre shop in Bilbao deserves special mention. This new model of shop is a significant step forward in the commercial attractiveness of nearby shops. The results, in terms of increased sales and improvements in profitability are very significant and are consolidated month after month. This commercial success acquires special significance due to the fact that the convenience stores make up a high number of very important shops in the current group network.

In 2020, and in spite of the health crisis, Eroski continued with the renovation of the network with the extension of supermarket models tried and tested in recent years. The new model was transformed into the new 27-shops model in the Northern and Balears supermarkets, with another 17 conversions in Caprabo. The results continue to be very good, with special mention of the conversion to the Balears perimeter. Additionally, the 8 shops from the Simply purchase transaction were incorporated into the network, with some very satisfactory results.

Throughout the 2020 year, the social and healthcare crisis unleashed by Covid-19 has aggravated the needs of the most vulnerable, and the hunger queues have increased in towns and cities. In this context, Eroski Group and the Eroski Foundation have strengthened solidarity initiatives so that the most vulnerable people will have their basic nutrition and hygiene needs covered. In March, Eroski launched a campaign in support of the "Red Cross RESPONDS Plan" to Covid-19, thanks to which more than 120,000 euros were donated to help aid in the feeding of children and families at risk of social exclusion. Eroski matched the amount donated by its customers to reach the total figure.

DISTRIBUTION



The **“One million meals” campaign was also launched in support of FESBAL**, thanks to which more than 1.4 million meals were donated to the Food Banks. In addition, in November, as every year, the Great Food Collection was organised in support of FESBAL, although this time without any physical collection in most shops due to Covid-19 restrictions. Even so, Eroski’s customers did their utmost with the initiative, managing to donate, along with Eroski, almost 2 million euros for the purchase of staple foods.

Masks were converted into a commodity of prime necessity. Do to this, in April **a first donation of 100,000 masks was made to elderly home in the Basque Country** through the Provincial Councils. At that time there was a scarcity that put the health of this very vulnerable group at risk of contracting Covid-19. In addition, **since November work was carried out for the donation of 1 million masks to people at risk of social exclusion**. The donation was made at the end of the financial year thanks to the help of more than 70 local and social organisations with whom Eroski usually collaborates with the purchasing card for social purposes or the “zero waste” programme”.

In 2020 a **partnership was formed in support of UNICEF, Médecins Sans Frontières and UNHCR** through which Eroski has supported child vaccination operations in developing countries. This campaign, in force in January, has helped vaccinate more than 100,000 children against diseases such as measles, polio or cholera in several developing countries such as the Democratic Republic of Congo and the camps of Eastern Chad.

DISTRIBUTION



ERKOP GROUP



2020 has once again been a good year for Erkop's agribusiness cooperatives, all of them having achieved positive results, with good levels of cash flow. On the contrary, Ausolan has been significantly affected by Covid-19, both in its commercial activity and in the results recorded. All in all, the 2020 sales of the agro-food group amount to 217 million euros and the number of workers stands at 8,623.

SALES

€217 M

JOB

8,623

NET RESULT

-€0.4 M

AUSOLAN

Despite all the difficulties caused by the pandemic, the operating result has been positive, having balanced the decline in activity with a cut in expenses in the same environment, with a delicate and extraordinary management of the media. The final result has been negative, due to early retirements and severance payments made during the year, which will alleviate the accounts for subsequent years. In addition to asset valuation depreciations for investments in investee companies.

In this atypical year, several pending competitions were suspended, which makes 2021 an intense and critical year in terms of loyalty and customer acquisition. During its course, competitions for important school canteens in the Basque Country, Navarre and Madrid, among others, must be resolved. With added threats such as the continued closure of company canteens and the introduction of continuous working hours in schools in various Autonomous Communities.

BARRENETXE

Collaboration with Eroski has continued to develop at a good pace throughout the year. Becoming your leading supplier in relation to local ranges of vegetables. The year has seen sales figures and results that are difficult to repeat, and rarely recorded. An exercise to remember, also helped by the sale of a forest plantation. It has been

a hard year for Artandi, a company owned by Cooperativa Garaia for the production of fresh-cut salads for Vega Mayor (Florette), due to the sharp decline in the Horeca sector, although it was resolved without negative results. On the negative side, it should be noted that there has been no progress in the investment projects in Jakion Berria and Cultivos Araba, halted for various reasons, some of them administrative in nature.

BEHI ALDE

A complicated year for the cooperative, with an increase in the purchase price of animal feeds, with adverse weather conditions at transcendent moments, with a poor corn harvest, the need to vaccinate the herd due to an infection, a drop in production at the end of the year with no known cause ... Despite all this, the exercise did not end with a negative result, but a slight, minimally positive one. A great generational change is taking place, with the introduction of new young working partners to replace people coming up for retirement.

MIBA

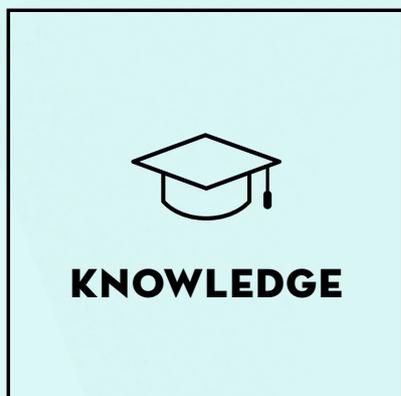
2020 has been another extraordinary year for Miba. In own activity, with a record of tons produced and accompanied by an increase in the sale price, due to price hikes in raw materials, with significantly higher results than anticipated and those of the previous year.

DISTRIBUTION



Doubts of the previous year with regard to investing in new machinery or acquiring a factory, have led to the selection of the second option. Towards the end of the year, Goimar was purchased; a competitor that will also allow Miba to take its first steps in organic production.

"In this atypical year, several pending tenders have been suspended, which makes 2021 an intense and critical year in terms of loyalty and customer acquisition."



ONE MORE YEAR HAS SEEN SEVERAL INITIATIVES CARRIED OUT, WITH SUPPORT INSTRUMENTS CREATED IN ORDER TO BOOST MONDRAGON'S SCIENTIFIC AND TECHNOLOGICAL LEADERSHIP, AS WELL AS ITS INNOVATION CAPABILITIES.

The Cooperatives integrated into the Corporation have 545 patent families in force and last year they invoiced 607 million in new products and services.

The MONDRAGON Corporation has a stable portfolio of more than 50 projects financed by the European Commission and in execution.

The educational centres of MONDRAGON host more than 11,000 students.

INNOVATION, PROMOTION AND KNOWLEDGE

Once again this year, various initiatives and support instruments have been launched in order to promote MONDRAGON's scientific and technological leadership, as well as its capacities in innovation, as essential elements for improving competitiveness and transforming the business fabric.

SCIENCE AND TECHNOLOGY PLAN 2020-2023

In 2020, a new 4-year cycle was begun, in which a set of support instruments were made available to corporate entities in order to solve their technological challenges in the medium and long term, as well as for the development of new products and services. During this first year, 11 collaborative technological development projects were supported. Likewise, work has continued on 2 knowledge generation and transfer projects started in 2019, in the areas of cybersecurity and energy storage and management.

NEW "IN-COMPANY" INSTRUMENT

Within the framework of PCyT 2020, a new instrument has been launched to support cooperatives during the design and internal deployment of their innovation management model. The programme has been characterised by moving specialised personnel (LKS Next, MGEP and MIK) to the cooperatives themselves to accompany and advise them throughout the process. Despite the difficulties, face-to-face activity in companies has been maintained as a differentiating element of this instrument. The results obtained and the impact generated in the cooperatives guarantee the suitability of this initiative as a model of support for those organisations that want to structure their innovation activities.

DIGITALISATION AND ARTIFICIAL INTELLIGENCE

At the end of 2020 and in line with the strategic push for digitisation as one of the priorities of the Socio-business Policy, the MONDRAGON Community on Artificial Intelligence (AI) was launched. The generation and transfer of knowledge, of multisectoral application, in the key technical areas associated with Artificial Intelligence, will be accompanied by the resolution of real challenges for cooperatives in this area. In parallel, it has continued to participate in the IEC SyC Smart Manufacturing International Standardisation Systems Committee as well as in the Spanish Standardisation 4.0 Working Group. And various dissemination actions have been carried out with cooperatives regarding interoperability standards, reference architectures and data models.

ENVIRONMENT AND CIRCULAR ECONOMY

The Corporation, with the collaboration of Ondoan, has developed the MONDRAGON Environmental Diagnosis throughout 2020, aligned with the new Socio-business Policy 2021-24. This diagnosis collects information on the environmental performance of cooperatives, helping to identify the main technological challenges in the environmental field of our organisations, with the ultimate aim of implementing collaborative support instruments in those strategic areas of common interest.

KNOWLEDGE

INTERNATIONALISATION OF R&D&I

MONDRAGON has continued to promote the internationalisation of R&D&I through the Corporate Office in Brussels and its participation in strategic international forums.

Likewise, it has promoted the participation of cooperatives in European collaborative projects, having submitted more than 180 proposals to the various European programs (H2020, ECSEL, Clean Sky, Shift2Rail, Interreg, Eureka, EIT Manufacturing, EIT Food, ERA-Nets), with a success rate of more than 30%. At the moment, the Corporation has a stable portfolio of more than 50 projects underway, financed by the European Commission.

In addition, MONDRAGON has held the presidency of the Eureka SMART Advanced Manufacturing cluster and has proactively participated in various EIT Knowledge and Innovation Communities (Manufacturing, Food, Raw Materials and Climate), which has allowed it to continue developing international collaboration networks with reference agents in industrial fields.

“The Corporation, in collaboration with Ondoan, has developed the MONDRAGON Environmental Diagnosis throughout 2020, aligned with the new Socio-business Policy 2021-24”.

“At the end of 2020 and in line with the strategic push for digitisation, the MONDRAGON Community on Artificial Intelligence (AI) was launched.”

KNOWLEDGE FIGURES

TOTAL EXPENSES IN R&D	€180 M
TOTAL EXPENSES IN R&D ON SALES	3.43%
TOTAL R&D EXPENSES OVER ADDED VALUE	9.23%
CURRENT PATENT FAMILIES	545
NEW PRODUCTS AND SERVICES	€607M
TECHNOLOGY CENTRES	5
R&D UNITS	9
RESEARCHERS	2,384
HIGHER EDUCATION	
POWERS	4
DEGREES	16
MASTER'S DEGREES	15
STUDENTS ENROLLED	5,455
RESEARCH PROJECTS AND TRANSFER ACTIVITIES	591

KNOWLEDGE 

TECHNOLOGY CENTRES AND R&D UNITS

14

 I&D CENTRES

"The corporate R&D offer, which mainly consists of its 14 technology centers and R&D units, with a budget in excess of 72 million, employing around 1,000 professionals".

CIKATEK is a business R&D unit specialised in the research, development and innovation of materials, technologies and polymeric products (rubbers, thermoplastics and TPEs) for the functions of anti-vibration, sealing and fluid conduction.

CS CENTRO STIRLING is the R&D&I unit of the Components Division specialised in the design, simulation, manufacture and testing of various components and systems for the efficient generation and use of energy in the home environment.

EDERTEK, Fagor Ederlan's business R&D unit, whose objective is to share resources and solutions with its end customers for products, processes and materials in the automotive sector, seeking to continuously improve its products.

FAGOR AOTEK, dedicated to Automation and Optics, aims to achieve a level of excellence in the technologies integrated into the products developed and manufactured by Fagor Automation: numerical controls, regulators, motors, and position display and sensing systems.

IDEKO is a technology centre specialised in manufacturing technologies and industrial production.

LORTEK is a technology centre specialised in materials and processes applied to joining technologies, additive manufacturing and Industry 4.0.

IKERLAN technology centre, specialised in electronics, information and communication technologies; energy and power electronics and advanced manufacturing.

ISEA is a centre for technological development, innovation and entrepreneurship specialised in the business services sector promoted by the Engineering and Business Services Division of the MONDRAGON Corporation.

KONIKER is a business R&D unit dedicated to the research and development of new technologies related to machinery and industrial manufacturing processes.

LEARTIKER is a technology centre specialised in polymer and food technologies, respectively.

MTC is a centre specialised in the research and development of thermoplastic parts and assemblies, as well as development and new products associated with the functions they perform, for the automotive sector.

MIK (Mondragon Innovation & Knowledge) is a research centre in advanced management and entrepreneurship. Its objective is to generate knowledge applied to the field of innovation in management, emphasising its commitment to transferring knowledge in such issues as talent management, entrepreneurship or market development.

ORONA EIC (Elevation Innovation Centre). It proposes advanced solutions for the lifting sector, and its main objective is the research and development of smart and safe transport systems that are more energy and socially efficient, and better integrated into buildings.

UPTC is a centre specialised in technology research and development projects for the packaging sector.

KNOWLEDGE

MONDRAGON PROMOTION CENTRE

It is a private corporate platform whose mission is to promote and stimulate an open and inter-cooperative entrepreneurial ecosystem, to renew and update existing businesses, as well as to promote new business activities, amid a strategy of growth and achievement with greater added value.

"Its preferred vision is channelled towards environments of industrial interest and towards areas of strategic interest, highlighting advanced manufacturing, energy, logistics and mobility, circular economy, health and well-being".

It is made up of a team of promoters who are pushing for the launch promotes the start-up of new business projects from intra-entrepreneurship initiatives, in addition to promoting alliances with market agents and promoting shareholder participation in technology startups that add value to the different cooperatives.

This work of impulse entails a closeness to the strategic plans of the different businesses, as well as a continuous interaction with the business development departments of the cooperatives and with the divisional platforms to lead areas of cross-cutting interest.

Its preferred vision is channelled towards environments of industrial interest and towards areas of strategic interest, highlighting advanced manufacturing, energy, logistics and mobility, circular economy, health and well-being.

KNOWLEDGE

MONDRAGON PROMOTION CENTRE

DEPLOY A SERVICE OFFER IN DIFFERENT PHASES OF THE PROCESS:

- **Support to cooperatives in diversification and open innovation strategies**, as well as in structuring their areas of strategic interest to enable them to coordinate the growth, renewal and transformation of their businesses in the long term.
- **Support during the incubation process of new businesses** in the contrast of technologies and the market, the definition of the minimum viable product, the value proposition, the business model and the financing to build the viability plan.
- **Presentation of business opportunities** identified from the Corporate Antenna, which enable alliances and lasting relationships to be generated, preferably with shareholder participation.
- **Corporate and Inter Divisional Node** to channel incoming business projects.
- **Promotion of awareness-raising dynamics** and/or workshops to identify challenges and problems that require acceleration in their resolution.
- **Structuring of financial, legal and corporate support** to constitute the new activity in the implementation phase of the opportunity.

DURING 2020 VARIOUS ACTIONS WERE CARRIED OUT:

- Shareholding in 6 external business projects (HWS, CHAINGO, NARU, OROI, BCN3D, JEFF).
- Ongoing negotiation from the Corporate Venture Capital Fund (Mondragon Promotion Fund) for investment in 2 additional startups.
- Launch of 10 intra-entrepreneurship projects promoted by cooperatives and industrial divisions in different areas of interest such as mobility, energy, health, industrial processes, new materials, logistics, industrial components, training, etc.
- Follow-up of 19 previously approved feasibility analysis projects to promote them to the market.
- In the 2017-2020 triennium, 14 new businesses were launched to the market, 10 of them forming a new legal entity.
- Launch of 5 Corporate Promotion Committees made up of 9 industrial divisions for the evaluation and promotion of 15 projects for the analysis of viability and/or investment in companies. - Monitoring of 30 collaboration agreements with ecosystems at the state and European level (Bind 4.0, Impulso Emprendedor, Cita Emprande, B Venture, Crecer +, Keirechu, South Summit, Startup Olé, EIT Digital, EIT Manufacturing ...), for the identification and potential investment in business projects in incipient phases (Startups)
- Launch of the Monthly Business Promotion Bulletin.

KNOWLEDGE **GARAIA TECHNOLOGY PARK**

"In 2020 GARAIA housed 54 companies with an aggregate turnover of 166 million euros and 2,504 people, of which 776 (31%) are dedicated to R&D".

GARAIA Technology Park is a reference community for entrepreneurship and innovation. An optimal setting for meeting and interaction between companies, technology centres, universities and other agents, interconnecting people within a network for Debagoiena in order to generate opportunities, new products and/or businesses, with the ultimate goal of providing wealth and qualified employment in the region.

It works systematically, focussing on areas of knowledge that now dominate in its environment (mechatronics, power electronics, processes, manufacturing and embedded systems) evolving towards new applications (energy efficiency, electrical storage, health, environment, mobility, etc.).

Parque Tecnológico Garaia acts as a connector and dynamizer in the design, identification and development of projects, in the search for collaborators and allies, manages infrastructures, offers a meeting point and stage for the dissemination of knowledge, innovation support services and channels projects of entrepreneurship to potential companies interested in locating in Debagoiena.

During 2020, Parque Tecnológico Garaia has maintained and consolidated projects and collaborations with different agents in the environment such as City Councils, the Mancomunidad, Saiolan, the Provincial Council of Gipuzkoa, the Basque Government Park Network and tractor companies in the region.

New projects have always been started focused on entrepreneurship, innovation, science and technology, with an eye on the development of knowledge and the existing productive base, the economic and social sustainability of the region and a constant adaptation to the new reality.

As for the conferences and events that have taken place in the main building, they allow a significant influx of people and companies from different points of Arrasate, Debagoiena or from outside the region, providing greater visibility of our projects and an opening to generate a enriching space, dynamic and fully connected to all the trends that are occurring in the more or less close environment and thus continue to favour the connection between companies, technologies and target markets.

During 2020, 239 events were held between face-to-face, telematic and hybrid, of different types (Garaia Enpresa Digitala, Training Pills, Business Meetings, Open Doors Day, Assemblies, Round Tables, etc.), around which they have gathered almost 8,000 people, in person and online, making use of the different spaces and infrastructures that GARAIA offers and that in this complex year have had to adapt to new needs with technological solutions.

KNOWLEDGE

SAIOLAN



This is a centre specialised in the "promotion and development of business activities", a member of the Basque Science, Technology and Innovation Network (RVCTI), whose headquarters are in Arrasate - Mondragón, in GARAIA Parke Teknologikoa.

Furthermore, SAIOLAN is one of the BIC GIPUZKOA headquarters that acts as a facilitator in the process of creating new innovative companies, as well as an active agent in the process of supporting and encouraging the entrepreneurial culture in Gipuzkoa. Since its foundation in 1985, to date, Saiolan has set itself the challenge of contributing to the development of new business activities, profitable and sustainable over time, in order to generate employment with high added value.

In relation to the outstanding aspects of its management in 2020, it is worth highlighting the actions aimed at raising awareness and training entrepreneurs (9 courses were given to 285 participants). During 2020, a total of 76 projects of individual entrepreneurs and intrapreneurship have been attended. On the other hand, 4 technological development projects and 36 feasibility studies were carried out, (of which 20 were new projects financed by aid from the Ekintzaile-Txekintek Programme).

REGARDING NEW ACTIVITIES, 4 NEW COMPANIES WERE FORMED AND 9 DIVERSIFICATION PROJECTS WERE LAUNCHED.

Likewise, in 2020 Saiolan remains the industrial arm of the Debagoiena Development Agency, promoting the creation of collaboration spaces between industrial companies, favouring their diversification with the dual objective of working towards the transformation of the region and of improving your competitive positioning. Since 2018, the Debagoiena SINKRO business community has been energized, made up of 27 industrial companies.

As a member of the RVCTI, its activities include a series of actions as Intermediate Agent of Innovation, aimed at promoting entrepreneurship in Universities (Mondragon Unibertsitatea) and CCTT (IK4Ikerlan) in addition to developing Guide Projects for searching for

business opportunities in Clean Technologies, Advanced Manufacturing and Active Ageing.

DEBAGOIENA 2030

It is an open innovation platform composed of different Debagoiena agents (Public Administrations, University, Companies, Social Agents and Citizens in general) that has been created with the aim of responding, cooperatively, to the different community challenges facing the Debagoiena region.

Saiolan participates in this collaborative project as members of the governing body and the technical direction. The Debagoiena 2030 initiative is an open innovation ecosystem, using processes and methodologies that come from social innovation to build a catalog of diverse and interconnected prototypes in the following areas: Future of work, Energy, Circular economy, Inclusion, Education, Food and Mobility. During 2020 Saiolan has accompanied 14 projects in their development that have been activated in the aforementioned areas.

Likewise, within the scope of the programme **"Entrepreneurship in Social Economy: PPlanned Territorial Promotion of Social Economy Companies"** of the Directorate of Social Economy of the Basque Government, it has contributed to the creation of 2 new cooperatives, supported by the start-up of new activities in 14 existing cooperatives and in the management of aid to 4 cooperatives affected by the Covid-19 pandemic.

As a member of the RVCTI, its activities include a series of actions as an **Intermediate Agent of Innovation**, aimed at promoting entrepreneurship in Universities (Mondragon Unibertsitatea) and technology centers (Ikerlan) in addition to developing guide projects for the search for business opportunities in Clean Technologies, Advanced Manufacturing and Active Ageing.

Within the framework of the second call for grants from the aid program to support R&D&I activities with potential impact within the context of healthy ageing, the excellence of the social and health system and the

KNOWLEDGE **SAIOLAN**

competitiveness of the industry in this field, Foundation ADINBERRI has approved the project presented by Saiolan in collaboration with Bizipoz, a cooperative that promotes the empowerment of the elderly, called **“Innovative Initiatives in Active and Healthy Ageing in the Company”**, developed during 2020.

"Saiolan remains the industrial arm of the Debagoiena Development Agency, promoting the creation of spaces for collaboration between industrial companies".

CIRCULAR ECONOMY

Within the framework of the Circular Economy programme "Programmes to promote competitive strengthening, sustainability and collaboration of the business fabric of Gipuzkoa", the Regional Government of Gipuzkoa has developed the project **“ARTILE Lana Latxa en Gipuzkoa”**. The developed project is aimed at implementing Circular Economy solutions in companies of the sheep production sector in Gipuzkoa.

During 2020, development of the **European ORHI project continued**, approved by the Interreg POCTEFA and promoted by a consortium of organisations in the cross-border region of France and Spain. Saiolan is the leader of the project and has been in existence for 3 years. The aim of the project was to contribute to the progression of the agro-food sector towards a Circular Economy, promoting synergies between companies, identifying innovative solutions encouraging their introduction into the project's territory. Since 2020, Saiolan has worked on 2 projects:

- “Improvements to the preservation conditions of fresh foods”.
- “Incorporation of Innovative Oxygen Nanobubble Technology in order to contribute to the Circular Economy in agricultural crops and fish farms”.

Another noteworthy element in its determined commitment to the promotion of new businesses is the use of its **“international antenna”** tool, which seeks to transfer already established businesses from faraway countries to our own business environment.

Finally, it should be pointed out that Saiolan's incubator welcomed 9 companies and 27 entrepreneurs.

KNOWLEDGE

POLITEKNIKA IKASTEGIA TXORIERRI



2019-2020 was a year that will be remembered for many years to come. The Covid-19 pandemic has led to a rethinking many of the tasks and processes that were already consolidated. Politeknika Ikastegia Txorierri S. Coop. has responded to the training needs of 427 formal training students (Baccalaureate and Vocational Training) and 313 people in Employment Training activities, both active and unemployed. Taking into account that the second semester of the year was spent mostly under lockdown. Maintaining activity at these figures, even remotely, has been achieved thanks to the work of all the people who make up the Cooperative.

At the **academic level**, the implementation of the ETHAZI methodology has continued in all training cycles. The development of several projects in the field of Service-Learning (Zerbikas) deserves special mention. Likewise, progress has been made by the hand of Ikastolen Elkartea in the development of the competence model as a Baccalaureate option and four classroom projects were launched in the first year of Baccalaureate. Likewise, although telematically, the Regional Vocational Guidance Project "Know to Choose" has continued with the collaboration of EGAZ del Txorierri, aimed at ensuring that families in the valley with children in 3rd or 4th year of ESO know about their options in the scientific-technical field.

In conjunction with the Hetel Association, two specialisation programmes have been taught on "Design and Manufacture of Dies to obtain sheet metal parts" and "Highly automated manufacturing processes", both under a dual training sandwich course with the collaboration of different companies.

In the area of **Training in the Work Centres**, 75 agreements have been signed with companies, allowing 104 students to undertake their internships. Likewise, 32 students have participated in the Sandwich Course programmes in 23 companies. This issue has been especially relevant due to the period in which they took place and which coincided with the beginning of the pandemic.

In the area of **Employment Training**, with the collaboration of the Basque Employment Service (Lanbide), a teaching programme covering 16 courses was covered, achieving a total of 1,609 training hours with different courses (CAD- CAM, Precision Mechanized Robotics Automation, ...) for various companies.

"Politeknika Ikastegia Txorierri has responded to the training needs of 427 formal training students (Baccalaureate and Vocational Training) and 313 people in Training for Employment activities".

KNOWLEDGE

POLITEKNIKA IKASTEGIA TXORIERRI



Innovation and Technological Development has been performed in collaboration with the Basque Institute for Vocational Training (Tknika). This collaboration has enabled two teachers, one from the Department of Industrial Mechanics and the other from Electronics and Communications, to participate in various projects (3D Printing, Metrology and Subtractive Technologies).

Within the framework of the Basque Government's "RIS3 Strategic Environments" strategy, Politeknika Ikastegia Txorierri continues with its Business Services (Tkgune) activity in manufacturing field, in its specialist areas in mechanical manufacturing and stamping / die making. Under the coordination of the Basque Institute for Vocational Training (Tknika), various consulting projects have been developed for companies.

In the **international area**, the pandemic has meant reduced mobility during the year. In any case, some of the trips within the framework of the Erasmus + (Mobility) community programme continued. Likewise, the Global Training Programme of scholarships sponsored by the Department of Economic Development and Infrastructures of the Basque Government remains suspended until next year. It is also worth pointing out the participation of the centre's teaching staff in twelve international transfer projects, along with teaching staff from other countries, working on various topics both in technology and in the development of transversal skills.

In the **field of entrepreneurship**, and as promoter partners, Politeknika Txorierri continued to collaborate with the Work-Lan Bizkaia Association, whose corporate purpose is based on the promotion of social economy companies. In addition, in order to promote the promotion of Entrepreneurial Culture, Politeknika Txorierri participated in the network of Urrats-bat centers and in the Ikasenpresa Project (Basque Government).

Finally, in the **management field**, it is necessary to underline the obtaining of the ISO 9001 Quality certification. Likewise, the complete renewal by AENOR of the ISO 9001 and ISO 14001: 2015 certifications has been successfully passed once again.

KNOWLEDGE

ARIZMENDI IKASTOLA



A complicated school year. That's the 2019-2020 headline. It began with an audacious management plan, focussed on pedagogical transformation based on two major milestones: the production of the BATU didactic materials –corresponding to the 5th Primary and 1st Compulsory Secondary courses–, and the development of the supporting architecture in the Almen, Arimazubi and Gazteluondo buildings. However, the unforeseen pandemic forced the management plan to be adjusted.

Telematic service for students and families, the consequent professional teaching and general service activity in digital media and applications, and prudence in economic/financial decisions were the priorities.

Above all, personal and professional communication had to be guaranteed, breaking or - at least - alleviating the isolation generated by confinement from March to June, while managing the continuity of the teaching and learning process, and - to the extent if possible– the assurance of the R&D&I programme that for BATU (10-14 years) was underway.

The success of the adjustment has been evident in the teaching and learning process, while the manufacture of all the planned materials has been achieved. The same cannot be said for the planned works, postponed until next summer.

"Telematic services for students and families, the consequent professional teaching activity and general services in digital applications and media, as well as prudence in economic/financial decisions, were the priorities".

At another level, the planned actions were carried out in a different way: instead of the classic format of the summer camps, the 20Leku programme was launched, allowing families with the greatest reconciliation needs to cope with the consequences of the pandemic; the model of pedagogical works was replaced by that of infrastructures; It was learned from what the pandemic has forced to change and the aspects that it has identified as Arizmendi's strength were reinforced.

The data from the polls, surveys and work seminars carried out in the months of June and July facilitated the planning of the 2020-2021 academic year in even more transformative terms and with more confidence in the path that Arizmendi 2020 marked as a roadmap, through at the same time that they have helped to strengthen the R&D&I programme in its economic-financial dimension.

KNOWLEDGE

READ ARTIBAI IKASTETXEA



During the 2019-20 academic year, Lea Artibai Ikastetxea has had 21 groups in baccalaureate degrees and in training cycles of both Middle and Higher level. Of the Vocational Training students, due to the health situation, only 3 opted for the sandwich course, and the qualitative labour insertion rate was 80%. In the training area, the main challenge continues to be that of training teachers in collaborative methodologies and the application of challenge-based learning in various training cycles.

In the context of the collaboration with the vice-ministry of FP, Lea Artibai Ikastetxea has participated in three educational innovation projects, "Development and manufacture of composite material of child size basket to practice tip basket aimed at school sports", "3D printing of tools in Industry 4.0 "related to advanced manufacturing, and the collaborative project" Functional foods for preventive and personalised medicine ". Likewise, in collaboration with Tknika, it has participated in lines of action, in projects on advanced manufacturing and sustainable agro-food, among others.

"Lea Artibai Ikastetxea managed this 101 internship course, collaborated on the labour insertion of 80 people and has offered guidance to 219 people".

In the area of Training for Employment, 12,079 hours were taught, subsidised by Lanbide. There has been a significant drop in the on-demand courses since March due to the pandemic situation, in spite of which, 1,607 hours were taught, highlighting the area of Lean and personal skills, as well as the prevention of occupational hazards. In training for the unemployed, more than 40 courses of various specialties were taught (8,804 hours), and 1,668 hours in training for active workers, which has also decreased due to the health situation. All this adds up to 12,079 hours in which more than 1,500 people participated. All of the above is aligned with the challenge of job placement. Lea Artibai Ikastetxea has managed 101 company internships this year, and collaborated in the labour insertion of 80 people, providing guidance to 219 people, taking into account that the placement and guidance centre was closed from mid-March to September.

Likewise, within the framework of the collaboration with Tknika, Lea Artibai Ikastetxea has participated in the "Technicians for Chile" programme along with the Chilean government, 13 students have been trained in the field of nutrition, in the training of "Science and Biotechnology of food ". Furthermore, it continues with the TEP (Technology Entrepreneurship Programme) project, co-financed by the European Social Fund, that aims to train engineers in polymer technology and entrepreneurship alongside Leartiker S. Coop.

KNOWLEDGE

MONDRAGON UNIBERTSITATEA



2019-2020 is the last year of the strategic period 2017-2020, during which the university worked, among other things, on the development of solutions to the challenges of educational innovation, on the opening of new domestic and international markets and on the maximisation of the impact of its research on companies and on society in general. Similarly, it has addressed the preparation of the strategic plan for the 2021-2024 cycle, in which one of the main challenges consists of strengthening the customised learning experience of its students. In this regard, new designs of the Mendeberry 2025 teaching approach have been launched on different levels.

In the official teaching field, Mondragon Unibertsitatea has offered 16 degrees, one of which is new -Degree in Business Data Analytics, offered in Bilbao Berrikuntza Gunea- having also designed the Degree in Global Digital Humanities for implementation in the 2020-2021 academic year at Bilbao AS Fabrik.

In postgraduate degrees, 15 master's degrees have been offered, 3 of them new -Data Analysis, Cybersecurity and Cloud Computing, Robotics and Control Systems and Facilitating Learning-. On the other hand, the University also has 4 doctorate programmes, one of them new -PhD in Gastronomic Sciences- and pioneering in the field of gastronomy at world level.

IN TOTAL, IN THE OFFICIAL STUDIES MENTIONED, 5,455 STUDENTS HAVE REGISTERED, 6.4% MORE THAN THE PREVIOUS ACADEMIC YEAR, A FIGURE THAT STANDS AT AROUND 6,000 WHEN ADDED TO THE STUDENTS TAKING OWN DEGREES.

There are 1,134 people who have undertaken end-of-degree projects and 2,519 who have undertaken internships in companies and centres.

At the international level, in spite of the pandemic caused by Covid-19 that affected the second semester of the academic year, we have managed to maintain the numbers of students participating in a work placement abroad: 1,156. On the other hand, we received 485 foreign students other universities. In this section, we must highlight the "excellent" qualification obtained

by Mondragon Unibertsitatea in the latest edition of "U-Multirank" university ranking, in the dimension relating to student mobility.

Also at international level, we have continued working and consolidating the Mondragon Mexico university project that MEI-Mondragon International Education has in Querétaro.

Mondragon Unibertsitatea also trained more than 7,031 professionals with its post-graduate degree offer, own degrees and further education courses, maintaining this figure at the same levels as the previous academic year.

RESEARCH

Efforts made in the research field and transference continues to bear fruit. This is evident in the results obtained both for the U-Multirank international ranking that placed Mondragon Unibertsitatea among the top 5 universities in the state, achieving third place in the "knowledge transfer" field".

There were 591 research projects and transfer activities carried out during the 2019-20 academic year. In addition, 133 articles were edited in specialised publications both of the State and at international level and 153 presentations were given, having experienced an increase in all these variables with respect to the previous academic year.

HIGHER POLYTECHNIC SCHOOL

At the Higher Polytechnic School, the total income from R&T activity remained the same despite the impact of Covid-19, which corroborates the success of establishing long-term collaborative research programmes with companies.

Among the competitive projects, it is worth mentioning, especially the Elkartek, H2O2O calls and those of the Provincial Council of Gipuzkoa, in which the results have been remarkable. They are, for the most part, projects in areas like Transport, Advanced Manufacturing and Industry 4.0, key areas in the Basque Country's Smart Specialisation Strategy, RIS3.

In the context of the Ikerbasque calls for postdoctoral

KNOWLEDGE **MONDRAGON UNIBERTSITATEA**

research, Goi Eskola Politeknikoa has incorporated three Research Fellows and a senior researcher with extensive experience in the application of fluid mechanics in engineering and aerospace science.

In the Faculty of **Humanities and Education Sciences**, a deep commitment has been made to collaborative research projects and interdisciplinary transfer. On the one hand, several projects have been launched to promote the transformation of learning and teaching processes in the field of educational innovation. Likewise, this year, a significant contribution has also been made to the digitisation of education, with numerous projects undertaken for the development of online and hybrid models.

In the **Business School**, in the area of the Bilbao AS Fabrik strategic project, opportunities have been identified in the field of advanced services aimed at industrial digitisation. Likewise, a new line of circular economy projects has been launched and work has been done on the transition from traditional industrial business models to circular business models. Projects have also been undertaken, aimed at the development of new businesses in the field of sustainable mobility, as well as projects to support companies on the strategic use of data analysis and strategic planning of talent. The research lines of **BCC Innovation** focus on food and sustainability. Likewise, the sensory area, which makes it possible to explore which attributes of food are the most liked by the consumer or even which emotions they arouse, is a key area for BCC Innovation. Projects such as Gatrovalocal are at the fore, focussed on the revaluation of traditional Basque varieties that have fallen into disuse; Neurasopera, whose aim is to study the correlation between the cerebral and emotional responses to sweet stimuli; and the Inarsalud project, aimed at the reformulation of processed foods towards healthy foods.

"The university has worked to address the challenges of educational innovation, to open new national and international markets and to maximise the impact of its research on companies and society in general."

KNOWLEDGE

MONDRAGON UNIBERTSITATEA



ENTREPRENEURSHIP

With the aim of continuing to promote entrepreneurship and interdisciplinarity, the second edition of the Changemaker Lab programme has been held, in which students from different faculties and degrees have participated, undertaking projects that respond to real problems. Likewise, and specifically in the context of the LEINN undergraduate degree, in 2019-2020, in addition to the companies created by the students, another 8 startups were created. So far, 37 new companies have been created, with more than 120 people.

In addition, the fourth edition of the “Enpresa sortu” contest was held in conjunction with the Saiolan Business and Innovation Centre and MONDRAGON. Likewise, it has participated in numerous entrepreneurship programmes and projects such as RELYCHAIN, TRANSFERINN, NETcircular +, 4th edition of the Kooperatiba Fabrika programme, 7th edition of the Culinary Action accelerator, and much more.

DIGITISATION

Digitisation continues to be one of the university's strategic –and cross-cutting– challenges. Among the activities carried out, it is worth highlighting the development of online training and hybrid models, the digitisation of academic services aimed at students, the launch of Kolaborategia or the expansion of the KoNET App for mobiles, with a total of 17 services and a growing number of users.

Finally, regarding projects to be highlighted in the field of university social responsibility, it is worth mentioning the European project PLOTINA, aimed at promoting equality in education, research and innovation in higher education. Likewise, the University has developed numerous actions for promoting the use of Basque, both among students and the workforce. With the aim of continuing to influence the normalisation of Basque in the workplace, it has organised, together with MONDRAGON, the ninth edition of the “Ikasketa amaierako proiektuak euskaraz” award.

KNOWLEDGE



OTALORA

The activity of the Centre for Executive and Cooperative Development has been strongly affected by the pandemic. The need to reduce contacts to a minimum has led to radical changes in the dynamics of each of the areas, both in terms of reorientating the activities and in the increased use of the virtual classroom. The training carried out at the Otalora facilities has been organised into small groups, which has made it possible to guarantee compliance with the safety measures.

LEARNING MANAGEMENT

14 groups took part in programmes related to interpersonal skills and leadership development, with a broad interest in the field of change management and leadership. The demand for self-care and emotional management techniques has also been evident in programmes in which 126 people participated. Personalised support continues in the PDIs (Individual Development Plans) using the 70-20-10 methodology, in which 20 people have participated. With a more advisory approach, 5 cooperatives are undertaking projects for learning development and the Guide 70-20-10 for skills development of 3 cooperatives have now been designed.

COOPERATIVE EDUCATION

A total of 24 programs were given to members of Governing and Social Councils, as well as welcome plans for new members. The participation in financial training programs for members of the Social Bodies is very evident. A total of 408 people have taken part in all the plans, and online training has been combined with face-to-face training.

"The training carried out at the Otalora facilities has been organised in small groups, which has made it possible to guarantee compliance with the safety measures."

DISSEMINATION OF THE MONDRAGON

Cooperative Experience. It has been the area most affected by mobility restrictions. The activity has been carried out practically entirely in a "videoconference" format and with demand from entities in different countries. At the same time, the design of "Ezagutu MONDRAGON" has begun, consisting of a combination of videos and a virtual classroom that will expose the characteristics of the MONDRAGON model through presentations by the person in charge of the area and interviews with representatives of different cooperatives. Intercooperation, one of the cross-cutting elements of Otalora's activity, and which has usually been developed through communities of practice in which concerns, knowledge and experiences are shared, has adopted the webinar format that year. Topics such as "Telework" have been addressed, with 4 sessions in which 85 people participated, and "Digital Transformation", with 6 sessions and 110 participants.



HUMANITY AT WORK

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