

## CODE OF CONDUCT

Danobat S. Coop. is driven by the principles of transparency, participation and efficiency and works to transmit core values to people, their environment and society.

The active engagement and involvement of our highly qualified professionals is the basis for our success. Lifelong learning is an essential aspect for our team of people, and we are constantly improving our skills and knowledge with a view to always keeping one step ahead.

### 1. AIMS

Impeccable conduct with regard to all the people with whom it works has been one of Danobat S. Coop.'s priorities ever since its early days. The principles that guide the cooperative's functioning form part of our corporate culture.

This Code of Conduct aims to summarise these principles and set them down in a written document that will serve as a guide for the day-to-day work of the cooperative and all its professionals, providing a series of basic guidelines to be followed at all times.

Cooperation, trust, respect and the confidential treatment of all the observations and communication between third parties and Danobat S. Coop. are the basis for compliance with the clauses in this code.

### 2. DANOBAT'S MISSION

Our mission is to offer the market a distinctive response that stands out from the competition, based on the highest-value solutions, combining products with state-of-the-art technology and services associated with the machining and manufacturing process throughout the product's entire life cycle.

Danobat's highly innovative management is based on two mainstays:

- Our customers, as a single source generating the necessary resources for the sustained, profitable growth of our Business, for which we will choose the strategic sectors and markets enabling us to achieve and maintain a leadership position globally, developing state-of-the-art solutions in collaboration with customers that are leaders in their sector.
- People, as a unique differentiating factor generating a sustainable competitive advantage, and in this regard we will apply the Mondragón Cooperative Management Model, as it combines Danobat's history with the aspirations of its team of people.

All this will improve business performance and the satisfaction of the people who work at Danobat, contributing to the creation of wealth and cooperative employment, always with an attitude of constant respect for the local area and the environment.

In conjunction with our mission, our day-to-day work is characterised by a series of values and conduct that can be summed up as follows:

### **3. DANOBAT'S VALUES**

Danobat S. Coop. advocates a social business project based on people: committed people with a cooperative identity, who share the goal of creating lasting, sustainable wealth and employment in their local environment and the countries we work in.

To achieve this, we have established the following values:

#### **A CUSTOMER-FOCUSED APPROACH**

- Providing a speedy, satisfactory service suited to the customers' needs.
- Providing a trustworthy, reliable response.
- Innovating and adapting, providing tailored solutions, seeing customers as a source of inspiration.
- Taking on board the project's commitments.
- Being approachable and proactive, listening and understanding.
- Learning from feedback in order to improve.
- Monitoring the sector and market trends (customers and competitors).
- Taking all the members of the chain into account in the project decision-making process.

#### **GLOBAL INNOVATION**

- Encouraging creativity, disengaging from conventional processes and proposing changes.
- Exploring and observing procedures (outside and inside the company).
- Anticipating the need for change, with a medium and long-term vision.
- Assessing and assuming risks.
- Avoiding prejudice towards proposals for change.
- Sharing and collaborating (outside and inside the company).
- Not giving up in the face of adversity.

#### **SELF-DEMAND/SELF-LEADERSHIP**

- Seeking continuous improvement, through self-criticism and learning.
- Showing initiative, leadership and drive.
- Openly dealing with any grievances, making proposals, admitting one's own involvement.
- Assuming responsibilities.

- Delegating and making decisions.
- Working rigorously and flexibly.
- Meeting commitments.
- Having desires and goals for development.

## A PEOPLE-CENTRED APPROACH

- Helping develop attitudes and aptitudes, as people and professionals.
- Acknowledging work and effort.
- Encouraging self-management, accepting errors, with the goal of personal growth.
- Explaining the relevant information on upcoming decisions and informing the people concerned, both before and after they are made.
- Spending time with each person to onboard them to the project, discovering and considering their concerns.
- Offering constructive “criticism”, geared to improving people’s performance.
- Treating all co-workers with cordiality and respect.

## TEAMWORK/COOPERATION

- Listening, participating, sharing, respecting and being sincere.
- Delegating, granting independence and responsibility for decision-making and task-performance.
- Not being afraid to ask for and offer help.
- Committing to the team’s goals and decisions.
- Making decisions, which should be consensual and with a multiple approach.
- Steering teams from a leadership position, establishing goals, responsibilities and risks.
- Appraising the work done, encouraging acknowledgement and focusing on improvement.
- Creating an environment of trust.

## TRANSFORMING SOCIETY

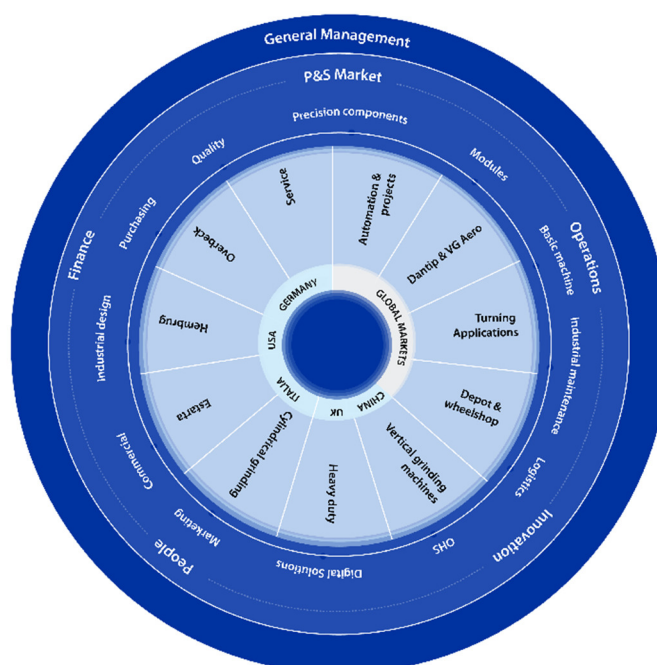
- Encouraging recruitment of people with social and work integration difficulties.
- Being proactive, seeking better integration in society.
- Supporting cooperatives in difficulties with a view to their sustainability, through restructuring and relocations.
- Encouraging voluntary work with solidarity initiatives.
- Prioritising the cooperative above the members’ personal interests, to guarantee long-term sustainability and maintain its support for society.
- Making Danobat an open, attractive company for women and men to work at, with equal opportunities.
- Encouraging cooperativism as a means of social transformation.

## 4. ORGANISATIONAL STRUCTURE

Danobat’s structure is basically built around its customers, with business units or subsidiaries responding to their needs, run by a Board of Governors appointed by the General

Management, which has been chosen by the Governing Council.

In turn, this Council is appointed by the General Meeting, which also appoints the members of the Watchdog Committee and the Appeals Committee, this latter committee supervising the other bodies’ work.



## 5. SCOPE OF APPLICATION

5.1. People the Code applies to Danobat S. Coop.’s Code of Corporate Conduct is firstly aimed at all the people who provide their services at Danobat, as administrators, managers, business associates, worker members or salaried workers, who must all conform their conduct to its standards.

The Code of Conduct also applies to all representatives, proxies, agents and mediators acting in the interests or in the name or on behalf of Danobat S. Coop.

These persons or entities must conform their conduct to the standards of the code whenever they represent or manage Danobat S. Coop.’s interests.

## 5.2. Control structure for monitoring

Monitoring compliance with the code is the responsibility of the Manager of the Human Resources Department, whose tasks are as follows:

- Ensuring that all the Danobat S. Coop. people and any others to whom it may be of interest are adequately informed of the Code.
- Reviewing the Code.
- Maintaining confidentiality.

All the Danobat S. Coop. workers will be informed of this Code of Conduct via the employee portal.

## 5.3. Employees' commitment

All members of staff must read the Code and the conduct it describes in accordance with its principles.

# 6. GENERAL STANDARDS OF CONDUCT

## 6.1. Main Principle: compliance with the current legislation

On carrying out their professional activity, Danobat S. Coop. and all persons relevant to it must know and comply with the applicable legislation.

In the event of being compelled or instigated not to comply with the law, the matter must be notified immediately to the immediate superior or the Manager of the Human Resources Department.

## 6.2. Against corruption and bribery

Danobat S. Coop. is seeking to carry out its activity ethically, with integrity, and in a responsible manner, rejecting any practices of bribery, corruption, extortion or fraud.

It is strictly prohibited for any gifts to be accepted from and/or offered to any third parties if they are of sufficient value to be interpreted as exceeding the nature of a courtesy gift and are made with the purpose of obtaining favourable treatment for any employee of the company.

Staff at Danobat S. Coop must avoid situations that could create a conflict of interest, not letting themselves be influenced by factors beyond their professional judgement that may undermine objectivity and independent decision-making.

### 6.3. Notification of inadequate conduct

Any person observing malpractice or practices not in accordance with this code of conduct may notify their superior or the Manager of the Human Resources Department.

Danobat S. Coop. guarantees that the complaints received will be treated with the utmost confidentiality.

### 6.4. Promotion of respect for dignity and human rights

Danobat S. Coop. agrees to fully respect Human Rights in all of its activities and in all the countries in which it operates. Promoting, within its sphere of influence, equality of opportunity, respect for personal dignity and the rights of every individual.

## 7. TRANSACTIONS AND GENERAL CONTROL FRAMEWORK

Any transaction made in the interests of Danobat S. Coop. must comply with the currently applicable legislation and must be auditable.

All information disclosed by Danobat S. Coop. to internal auditors and/or external agents must be updated, accurate, rigorous, drawn up by suitable staff and compliant with the applicable legislation.

## 8. STAFF

### 8.1. Onboarding to the company

Employees and third parties must be contracted by Danobat S. Coop. in accordance with the applicable legislation.

Before joining the Cooperative, aspiring members must fill in the following documents:

- The Cooperative Partnership Contract, subject to their passing the trial period and meeting the financial commitments established.
- Registering with Lagun-Aro Entidad de Previsión Social Voluntaria and/or the Social Security.
- All administrative documentation required by the Personnel Department.

### 8.2. Salary

Danobat S. Coop. must keep a record of the payment of the monthly salaries and overtime worked by its staff, including temporary staff.

### 8.3. Working hours

The Governing Council shall fix for each calendar year the number of hours to be worked in the cooperative.

The Management, following a report from the Social Council, is responsible for establishing the annual calendar and working hours for the whole year, on the basis of the criteria established by the Governing Council.

#### 8.4. Wage conditions

Danobat S. Coop. must pay its staff at least the guaranteed minimum wage, in accordance with the applicable legislation.

Wages must be paid regularly in accordance with the work carried out and the applicable legislation.

#### 8.5. Overtime Payment

The staff of Danobat S. Coop. and its third parties must be compensated for overtime as required by law and in accordance with the currently applicable internal labour regulations.

#### 8.6. Leave

The staff of Danobat S. Coop. and its third parties must be entitled to leave, in accordance with applicable legislation (sickness leave, holidays, maternity leave, bank holidays, etc.)

#### 8.7. Benefits

Danobat S. Coop. must provide its staff with the benefits to which they are entitled by law.

#### 8.8. Child labour

Danobat S. Coop. expresses its rejection of any form of child labour within its organisation and in its supply chain, in addition to having a record showing the date of birth of the entire workforce. *\*In accordance with Convention C138 (the 1973 Minimum Age Convention), a child is considered to be any person under the age of 15, except in cases where local legislation establishes a higher age or the age of compulsory schooling, in which case the legal age shall be applied.*

#### 8.9. Forced labour

Danobat S. Coop. cannot oblige its staff to carry out forced labour and it must not use force (threat of punishment, etc.).

*\*forced labour is considered to be any work carried out under threat of punishment, confiscation of belongings (identity document, passport, etc.) and for which the person in question has not volunteered.*

Danobat S. Coop. Undertakes to apply the necessary measures to guarantee compliance with the policy adopted in this regard, in order to avoid, in the exercise of its business, any type of behaviour that could possibly be classified as a form of modern slavery or human trafficking.

#### 8.10. Discrimination

Danobat S. Coop. rejects any form of harassment, discrimination, abuse or any other type of physical or psychological violence. It further acknowledges the cultural differences that exist, as well as the different standards applicable in each country, creating a working environment in which the employees are treated fairly, with respect and dignity.

The terms of employment must be in accordance with the individual profile for holding the position and never with personal characteristics or convictions. It must therefore apply no discrimination in its processes of recruitment, remuneration and benefits, promotion, discipline and termination of contracts for reasons of race, religion, gender, marital status, age, political affiliation, place of birth, sexual orientation or any other grounds prohibited by law.

Also, Danobat S. Coop. has designed and implemented a gender equality plan, thus expressly acknowledging that the equality of opportunities and treatment between women and men is a right and taking equality as the basis of corporate social responsibility.

#### 8.11. Conflict management

The cooperative acknowledges that all persons have the right to effective workplace health and safety protection, and under the consideration that all types of conflict, violence or discrimination constitute a psychosocial risk, it undertakes to prevent any conduct giving rise to interpersonal conflict, identifying such conduct in advance and suitably eliminating it, generating and encouraging a working environment free from organisational risks where respect for human dignity is considered a value in itself.

In this regard, the cooperative undertakes to provide sufficient human and material resources to address the consequences of this type of conduct, where the case may be, and to adopt all organisational, training and information measures necessary for its prevention and encourage a healthy physical and psychosocial environment at all levels of the organisation.

As a result, Danobat S. Coop. has defined a suitable procedure to resolve such situations whenever they occur.



Any worker affected by or aware of a situation of harassment and/or violence may report this situation to:

- The Cooperative Chairman
- The Cooperative Manager
- The Cooperative's Human Resources Manager
- The Company Doctor

## 8.12. Workers' rights and obligations

### **Rights**

- The right to work.
- The right to promotion and the right to access professional training.
- The right not to be discriminated as a result of the work to be carried out, either directly or indirectly.
- Another essential right is respect for the worker's privacy and preservation of their dignity.
- The right to be paid on time, whether their wage is as legally established in the collective labour agreement or as agreed on in the work contract
- The right to individually exercise their legal rights deriving from the work contract
- The right to complain about any breach of this code of ethics, without any form of retaliation and that the complaint will be treated with strict confidentiality.

### **Obligations**

- To comply with the obligations of their position, and to act in good faith with regard to the company.
- To responsibly comply with the relevant safety and hygiene measures.
- To obey the orders and instructions given to them by their superiors.
- Not to compete with the company's business, at least under the terms established by Law.
- To make all reasonable efforts to contribute to improving corporate productivity, which implies always endeavouring to act responsibly with a view to the correct functioning of the company.
- The duties deriving from their own work contract.

## 9. COMMITMENT TO THE ENVIRONMENT AND SUSTAINABLE GROWTH

Danobat S. Coop.'s mission statement has always attached importance to meeting its customers' needs with quality products and services, providing people with the highest standard of living and **always protecting our environment.**

As part of this environmental protection commitment, since 2002 Danobat has had an Environmental Management System implemented in accordance with ISO Standard 14001, and it has also had an Energy Management System implemented since 2016, certified in accordance with ISO Standard 50001.

Both systems are based on the philosophy of continuous improvement and governed by our Environmental Policy, in which we highlight the following commitments and general principles of conduct:

- To seek sustainable growth, respecting the environment in our day-to-day work with the aim of creating a more prosperous, fairer and healthier society for both the current and future generations.
- To ensure compliance with all the environmental legislation applicable to our company.
- To set goals and targets for continuous improvement in the energy and environmental fields.
- To reduce, as much as possible, and to responsibly manage any chemical substance needed for our activity.
- To reduce, as much as possible, the generation of any type of waste, always using the Reduce - Reuse - Recycle rule, while promoting the circular economy.
- To ensure air quality by reducing, as much as possible, any type of polluting or greenhouse gas (GHG) emission.
- To not discharge any type of pollutant into the soil or the water system, including the rainwater or sanitary sewage drainage network to the treatment plant.
- To reduce, as much as possible, energy consumption, always seeking maximum energy efficiency. To do this, we use the most efficient technologies, promoting the best possible use of the same.
- To reduce our carbon footprint by supporting renewable energy and introducing energy-efficiency criteria, both in the design and development of our products, and in the acquisition of new equipment, services or facilities.
- To reduce, as much as possible, the use of natural resources, carrying out an environmentally responsible supply of the materials required for our product and activity.
- To protect the environment, always acting in accordance with the principle of pollution prevention, and minimising the environmental impact of our business.
- To reduce our water footprint by using water efficiently and responsibly, avoiding any alteration to its quality.
- To guarantee the necessary training, information and communication to raise environmental awareness among our staff.
- To encourage respect for the environment, as well as compliance with environmental law throughout our entire supply chain.

These commitments are led by the Management with the involvement and collaboration of all our members and workers.

Our Environmental and Energy Management System certificates, ISO 14001 and 50001, in addition to our integrated management policy are available to any interested party on request.

## **10. WORKPLACE HEALTH AND SAFETY**

In order to guarantee the safety and wellbeing of its staff and partners, Danobat S. Coop. assumes the following commitments:

- Proactively and with the involvement of the workers, to identify and assess the hazards and risks inherent to its work so that they can be eliminated or reduced.
- To take care of the ergonomic aspects in all places of work, providing the necessary equipment, training and information.
- To supply the employees, free of charge, with the necessary personal protective equipment (PPE), requiring its use in workstations whenever there is a risk to the health or safety of workers that could not be prevented or limited sufficiently by collective technical protection measures or by labour organisation measures, methods or procedures.
- To provide equipment, machines and facilities in accordance with the current safety regulations, that will allow safe and healthy working conditions. All machines and electric working equipment must comply with the safety regulations, ensuring that they are used and maintained correctly.
- To achieve a high level of health and safety at work for all members of the organisation through risk prevention, damage limitation and health monitoring.
- To establish an incident and accident management system that includes the investigation of causes, corrective and preventive actions and indicators for the monitoring and control of the same.
- To promote healthy habits within the company, paying special attention to the psychosocial environment and the comprehensive health of the workers.
- To have an emergency plan in place to determine the means, the organisation and the responsibilities of the emergency response teams, including the possible evacuation of the facilities.
- To have fire protection systems available to all workers; detection, alarm and extinguishing, as well as training in the safe and responsible use of the same.
- To provide all workers with training in first aid, including resuscitation techniques and the use of the defibrillators available at our facilities.
- To establish a system for managing the chemical substances used that includes the prior medical certification of the product, as well as training in its handling and storage.
- To encourage consultation with the workers and their active participation in the planning, execution, evaluation and improvement of the health and safety at work management system.

## **11. CUSTOMER RELATIONS**

Danobat advocates quality commitment in its relationship with its customers, and as one of the most distinctive values is customer focus, it will establish all the necessary means to ensure that the quality policy is implemented by all the employees.

Impeccable conduct is required from all the workers with regard to the products we manufacture and the services we provide, so that solutions with the highest levels of quality and excellence can be provided while maintaining a relationship based on proximity, trust and mutual respect.

In this regard, all the customers will be treated respectfully, fairly, honestly and in accordance with Danobat's key principles and values.

The relationship with our customers must be based on efficacy, proximity and professionalism, always with particular sensitivity to listening to their needs.

## **12. SUPPLIER RELATIONS**

Danobat S. Coop. will encourage the establishment of a sound relationship with its suppliers and partner companies based on trust and on demanding the highest quality, transparency, seeking continuous improvement and mutual benefit and fostering innovation and development activities.

This relationship must be adapted to a mutual collaboration framework facilitating both parties' achievement of goals, and the treatment must therefore be on an equal footing and always within the legal framework.

Danobat S. Coop. will ensure that the companies that supply it with products and services carry out their business within the framework of business ethics.

The agreements entered into between Danobat S. Coop. and its suppliers or external collaborators will encourage conduct geared to compliance with certain ethical, social and environmental standards, commitment to respecting Human Rights, not using forced or coerced labour, eradicating child labour, protecting the environment and ending discrimination in the workplace.

## **13. SOCIAL COMMITMENT**

Danobat S. Coop. has a solid commitment to society and collaborates by supporting different initiatives for promoting and supporting the social economy within the geographical scope of its business, promoting social and cooperative education and training, supporting and encouraging socio-cultural and welfare activities, nurturing solidarity and inter-cooperation and encouraging research and development, supporting initiatives involving both the promotion of its own activities and support of projects of special interest.

Since its foundation, Danobat has particularly focused on the Basque language and culture.

It participates in various initiatives carried out in the local area and is also a promotor of these initiatives.

It is also currently running Basque language schemes to increase its use, help motivate its workers and boost their knowledge.

Support for the socioeconomic development of communities in which Danobat carries out its activities.

#### **14. CONFIDENTIALITY**

Every individual at Danobat S. Coop. are bound to proceed with the utmost confidentiality with regard to all relevant information managed as part of their work, both within and outside the company.

All Danobat S. Coop.'s offices must comply with the applicable data protection legislation by protecting all information relating to their employees or third parties.

Any relevant person from Danobat S. Coop. needing to directly or indirectly disclose any confidential information to third parties must obtain authorisation to do so from their superior.

The following documents must also be read and signed by both parties:

- Employment contract data protection.
- Confidentiality regulations and use of IT resources.
- Regulations regarding confidentiality, industrial and intellectual property, non-recurrence, responsibility and proper use of information systems.

#### **15. DISCIPLINARY REGIME**

If the relevant persons from Danobat S. Coop. should fail to comply with any of the articles in this code they will be subject to various sanctions, as set forth in the cooperative's internal regulations.

#### **16. CONTINUOUS IMPROVEMENT**

Promotion of continuous improvement, innovation and exchange of good practices with regard to ethics and conduct.

This code of ethics is subject to continuous improvement, and any individual from Danobat or other interested parties may propose improvements to it in accordance with the continuous improvement procedures set out in the organisation.

This Code is accepted in its entirety by the Board of Directors and the Governing Council of Danobat S. Coop.

Xabier Alzaga

CEO

DANOBAT S. COOP.

At Elgoibar on 9/01/2021