



TALENT AND INNOVATION, OUR ESSENCE

SUSTAINABILITY REPORT 2018
11th edition



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A LETTER FROM THE PRESIDENT AND C.E.O.

As the President of the Board of Directors of La Farga I am pleased to be presenting the company's annual accounts, together with our sustainability report.

The 2018 financial year has been one of major transformations for the company. It has been a year of business unification for all those companies that comprised the La Farga Group in Les Masies de Voltregà, all of which have now been merged to form **La Farga Yourcoppersolutions, SA**, and into which all our industrial assets have been incorporated.

IT HAS BEEN A YEAR OF BUSINESS
UNIFICATION FOR ALL THOSE
COMPANIES THAT COMPRISED
THE LA FARGA GROUP IN LES
MASIES DE VOLTREGÀ.

This significant unification has been accompanied by a new management organisation, one that strengthens cross-sector leadership roles, and the assignment of responsibilities at each organisational level. This new management strategy has come with the introduction of a forceful cultural change, through the implementation of management by projects, and with the application of processes and monitoring procedures that apply key indicators.



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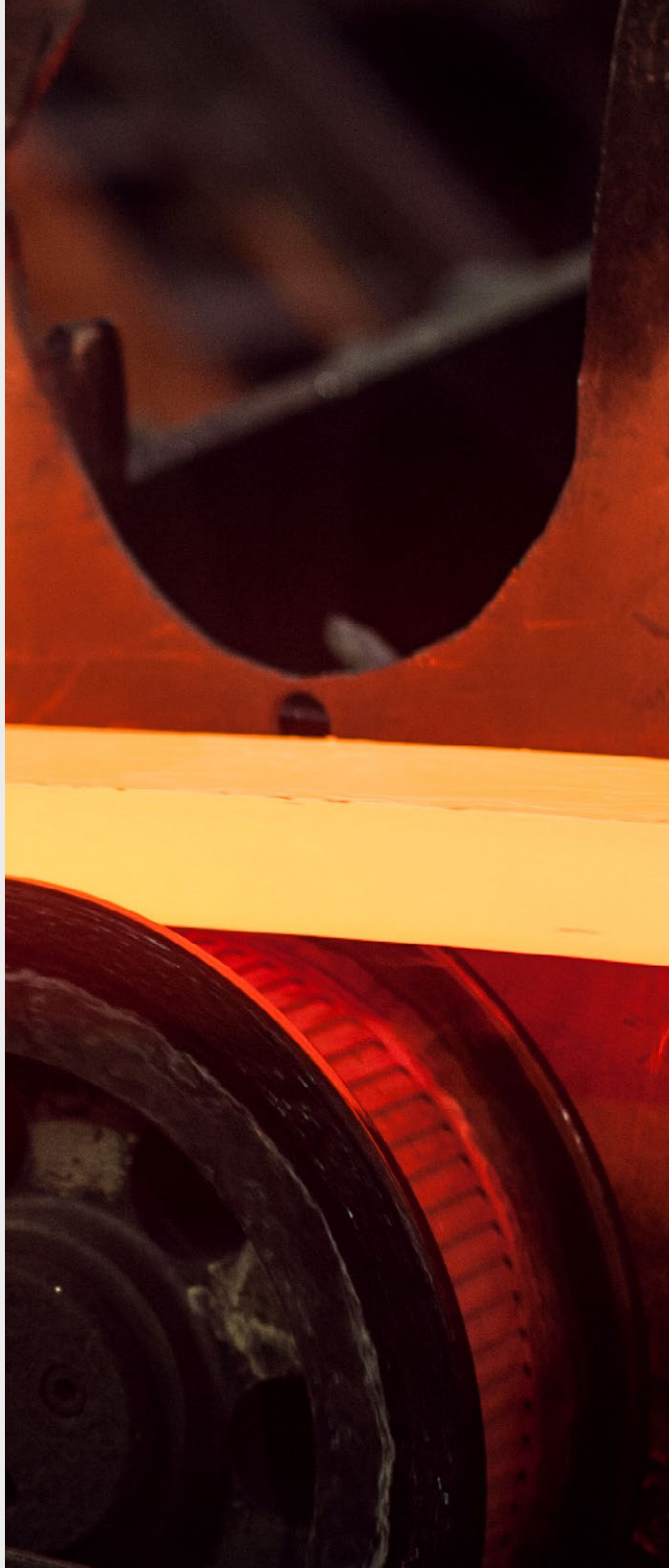
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In 1986 La Farga invented a continuous casting process to enable copper wire to be manufactured from recycled materials, this breakthrough was the first of its kind in the world.

To date, it has been this patented recycling process that has allowed us to advance, and place ourselves as sector leaders in Southern Europe. Now, 35 years later, with the application of all our acquired know-how, and using Danieli Italian engineering, we have changed our continuous copper casting process. In 2018 we developed and implemented a new continuous casting line, one that was unique, and which brought together all our design improvements with respect to productivity, quality and product characteristics. This innovation has exceeded all expectations after its initial launch.

The Board of Directors, over which I have the honor of presiding, would like to thank all our staff and all the groups of interest at La Farga for their support, their understanding, their innovative talent and their efforts, which together have allowed us to carry out these major advances. These steps forward will ensure the progress of this exciting industrial venture in a sustainable manner.

Oriol Guixà
President and C.E.O. of La Farga

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A LETTER FROM THE GENERAL MANAGER

2018 marked the 210th year of our company's history. As General Manager, I am responsible for directing this company, as well as for leading the team of experts who comprise La Farga. Thanks to the efforts of this professional group, their talent and dedication, we have managed to position the company as an active organisation in the international metal market.

The annual accounts presented here, together with the sustainability report, are a faithful reflection of what 2018 has represented for La Farga Yourcoppersolutions, SA (La Farga).

We are a family company, and are proud to be so. And as such, while upheld by our foundations of honesty and transparency, we have once again renewed our commitment to the United Nations Global Compact. This report demonstrates our wish to consolidate, develop and implement good practices, ones that are aligned with our business activities and that help us to attain sustainability at La Farga.

2018 also represented another step forward with respect to commitment to our strategic plan and our vision for La Farga 2020, that of «being a strategic supplier in terms of copper solutions for our clients, of being an exciting company in which to develop oneself, one recognised for its innovative spirit and for its leadership in copper recycling and in the development of alloys». A year of transformation with the undertaking of major, transcendent projects that further strengthen our long-term sustainability and our capacity to anticipate market demands in both the present and the future.

2018 HAS REPRESENTED
ANOTHER STEP FORWARD
IN THE FULFILMENT OF OUR
STRATEGIC PLAN AND OUR
VISION FOR LA FARGA 2020.



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The market is moving ever-more rapidly. This situation means that companies need to adapt. It is a situation that is sometimes complex for an industry that is more used to following a slower pace. Adaptation requires simple, resolute organisation, with rapid decision-making, processes that bring out talent and that are both challenging and competitive. We have taken this vision and simplified our entire organisational structure. In February, we implemented a new organisational model based on a single general management structure, with seven areas of know-how. This process ended in October, with the merger of all the companies in the group, bringing them together under a single name: La Farga Yourcopper- solutions, SA (La Farga).

WE HAVE INVESTED IN REPLACING AN ENTIRE CONTINUOUS CASTING LINE, WHILE RETAINING THE ESSENCE OF OUR PATENTED RECYCLING PROCESS.

The company is evolving at the pace of its experts, who are motivated by our projects. Their training incentivates their talent, while ensuring the safety of their work and the professional development of each individual. These are aspects that form part of our basic principles as a company. Throughout 2018 we continued to improve our policies and processes in the field of safety, and invested in infrastructures, and in the training and awareness-raising of all those

who enter our facilities, whether or not they are employed by La Farga. To this end we have been working on this area, and as such, the decision was made to renew the implementation of our «Talent Olympics ». This is programme specifically designed to identify and develop talent, and whose aim is to detect areas of individual and group improvement and to design actions that aid their progress.

Client proximity, constant innovation, and taking on technological challenges are some of the mainstays that have allowed us to continue to expand and move ahead at an international level, and eventually attain a worldwide strategic position; achievements made in the last 35 years. We will continue working to remain an active organisation in market development, with our sights on a global, sustainable, responsible and committed business model. To this end, this year we have invested in the replacement of an entire continuous casting line, while retaining the core features of our patented recycling process, and providing all our acquired knowledge in the modernisation of the line itself, with the latest in high technology. Thanks to this major investment, we now possess a unique line, one adapted to a new technological era; one that is safer, more efficient and better-aligned with the needs of our clients.

This project was a challenge for the company, in terms of investment scope, its implications, and the limited execution period, with only 35 days of stoppage time allocated for the entire project. We are proud to have attained this feat, as it is the result of the talent, dedication, optimism and the coordinated cooperation of many individuals and teams, the involvement of industrial engineering companies, financial and engineering organisations and many others.

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It is a step forward in terms of quality, the robustness of the production process, and it is aligned with our other already-implemented development projects to consolidate different administrative and industrial processes in order to offer a competitive product with the quality required.

Another aspect that we have focused on has been the improvement of our internal processes, with the understanding that efficiency is an essential value for our clients and for the market, as well as in the fulfilment of the agreements we have entered into; without this, we would not be able to consolidate our position in strategic markets. The result is that we have managed to reach figures of 206,851 tonnes of product sold.

Sales volumes in 2018, together with copper values, have allowed us to achieve a consolidated turnover of 1,049 million euros, 34% of which were exported to the European Union and 11% to non-EU community countries. This situation reaffirms our view that the market is a global one, and our willingness to be an actor; one that is as international as our products allow us to be. Our commitment to this position remains firm, and we are now looking to enter new markets through the diversification of our product portfolio, a move that has resulted from innovation that has been applied to those needs detected while working with our clients.

The price of copper, as listed on the London Metal Exchange, has varied considerably over these last twelve months. At the end of the year, copper stood at 5,208.24 €/T. The average value during 2018 was 5,522.85 €/T, which is 1.16% more than the listed price during the previous year.



As an industrial company with a long-term outlook, we've diversified in the copper market and the implications involved in working with a publicly traded metal, we developed a system to eliminate risks arising from metal price volatility many years ago. This process is based on a coverage policy. The efficacy and solidity of this system has been demonstrated for yet another year, allowing us to operate on a regular basis, without volatile metal values affecting our income statement. Consolidated net cash flow, which totaled 10.9 million euros, has not been affected by fluctuations.

As an active body in metal market development, we are constantly investing in production facilities and we apply innovations in both these structures, as well as in processes. This closing year has been very intense in both these aspects, with the new, revolutionary investment made to the continuous casting line, the evolution of the refining production process, improvements in pipe production (Evotub), and others.

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All of these activities have allowed us to improve quality levels, to develop more competitive products and to consolidate more demanding production processes that will open the way into new markets.

Putting this commitment into practice would not be possible without the effort of the entire organisation, starting with the support of our partners, the board of directors and management itself, as well as that of public organisations, such as the Centre for Industrial Technological Development – an organisation whose commitment to industrial development, as manifest in its support for projects of this type and which I would like to thank.

And I cannot end without first mentioning and thanking the cooperation of all our staff, clients and suppliers with respect to the floods that affected us last October in the wire drawing buildings. Their attitude and cooperation was essential in getting things back to normal in a short space of time. This is one example of the commitment of the staff of La Farga with respect to the evolution of the company through hard, but always safe work, of the confidence that our clients show us, year after year and the cooperation of our suppliers and institutions to continue advancing.

The challenges are constant, but we are and we seek to remain, family company, an industrial one, a company with optimism, and one in which to grow, one recognised for its innovative spirit, and which seeks to contribute, through copper, to a more sustainable world. We are facing many challenges, all of which are viable, thanks to our team and the values that shape and move La Farga.

Inka Guixà Fisas

Managing Director of La Farga

AS AN ACTIVE BODY
IN METAL MARKET
DEVELOPMENT, WE
ARE CONSTANTLY
INVESTING IN
PRODUCTION
FACILITIES AND WE
APPLY INNOVATIONS
IN BOTH THESE
STRUCTURES
AS WELL AS IN
PROCESSES.

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A LETTER FROM THE PRESIDENT OF THE FAMILY BOARD

Being the President of the Family Board has been an honour and a highly-enriching personal experience. It is an opportunity to understand in person what this family business needed and to contribute a spirit of cohesion, participation and good governance within the heart of the family itself. There is a huge difference between the initial family councils and those of today. They are neither better nor worse, they are a symbol of positive evolution and the growth of an organisation that has been able to adapt, develop and nourish itself with talent in order to both provide and establish coherence. Many years of work and dedication have filled my life and they have given me enormous satisfaction due to the successful course of the family business and that of La Farga.

While at the head of this family-managed organisation I have tried to provide leadership as well as I could. Over this time there have been moments of all kinds, with difficult decisions, but also times of enormous joy and the achievement of important objectives. I have to say that I have very much enjoyed holding this position, as it has allowed me to get to know people better, and become more familiar with company management, while searching for the balance between both of these foundations in order to reach agreements that seek shared benefits. The enormous personal enrichment I have gained lies in the experiences that I will be taking with me. I know that it has helped me to grow as a person and deepen family relations.

Changes however are healthy, and it is now time to let new generations guide the future path of this family management body. There will always be an opportunity to contribute with new ideas, new ways of working or even new initiatives within the family business.

I only ask of my successor that he or she love La Farga and the family as much as, or more than I have; and that they experience them for themselves, watching over the future course of the company and the business family. Both need to develop and work together. I hope that the company's influence extends to all family members and that we manage to be generous and coherent. And that, above all, that we maintain family unity, by always being aware of those values that have made us such a grand business family.



I WISH EVERY
SUCCESS TO THE
NEW MEMBERS OF
THE FAMILY BOARD,
WITH HOPES FOR
FUTURE UNITY AND
OPTIMISM.

Ana Fisas
*President of the
Family Board*

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WE SUPPLY STRATEGIC SOLUTIONS FOR COPPER AND ITS ALLOYS

La Farga is a corporate family with a clearly-defined business concept: «constant innovation and investment for improvement».



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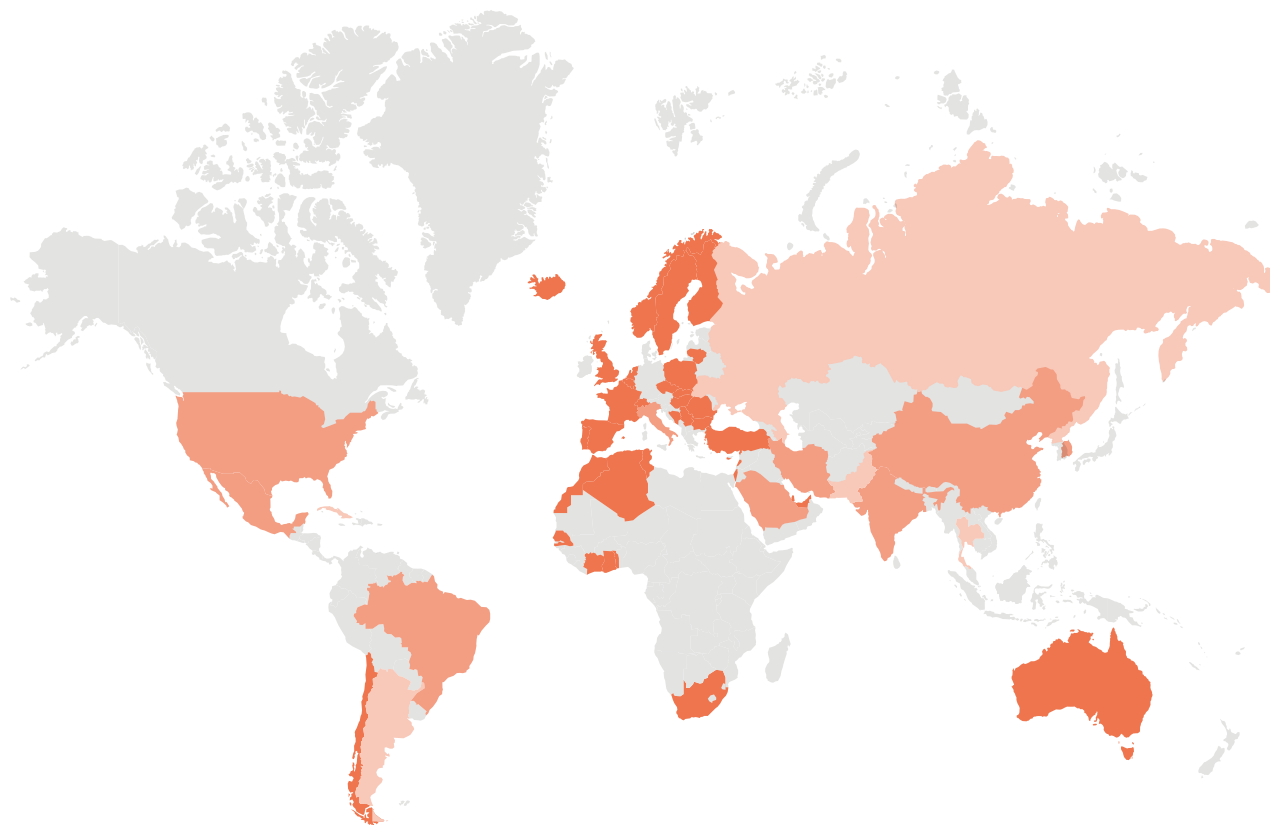
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THE INTERNATIONAL MARKET

- Markets
- Production plants where technology developed by La Farga Lacambra has been sold
- Both



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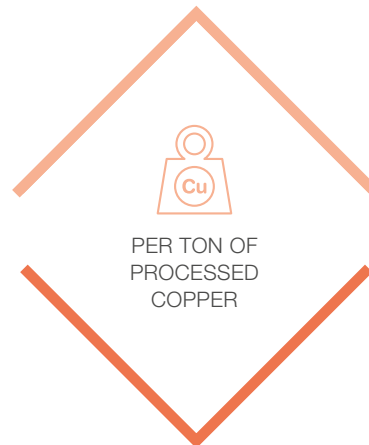
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LA FARGA



206,851
TONS OF COPPER
OF CONSOLIDATED
PRODUCTION

ENVIRONMENT



0.91 m³
of water used



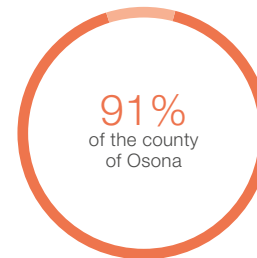
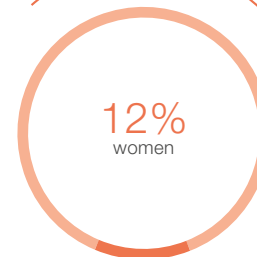
1,269 kWh
of energy consumed
(electrical and thermal)



268.64 kg
of CO₂ emissions
generated

STAFF

396
EMPLOYEES



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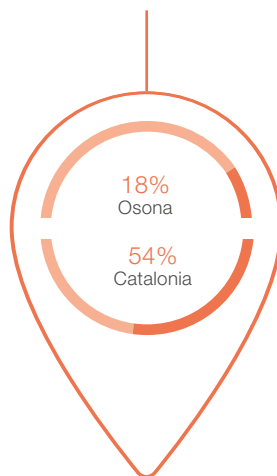
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SUPPLIERS

916
SUPPLIERS



NEIGHBOURS, PUBLIC BODIES, COMMUNITY AND THE MEDIA



€ 55,732
OF INVESTMENT IN
SCHOLARSHIPS AND
STUDY GRANTS

CLIENTS



20%
CASH FLOW
INVESTED IN R+D+I

FAMILY BUSINESS



€ 61,720,358
Own resources



€ 113,730,593
Debt



€ 9,941,200
Inversion during the year



€ 1,049,123,248
Turnover



€ 10,919,952
Net cash flow



€ 12,254,004
EBITDA

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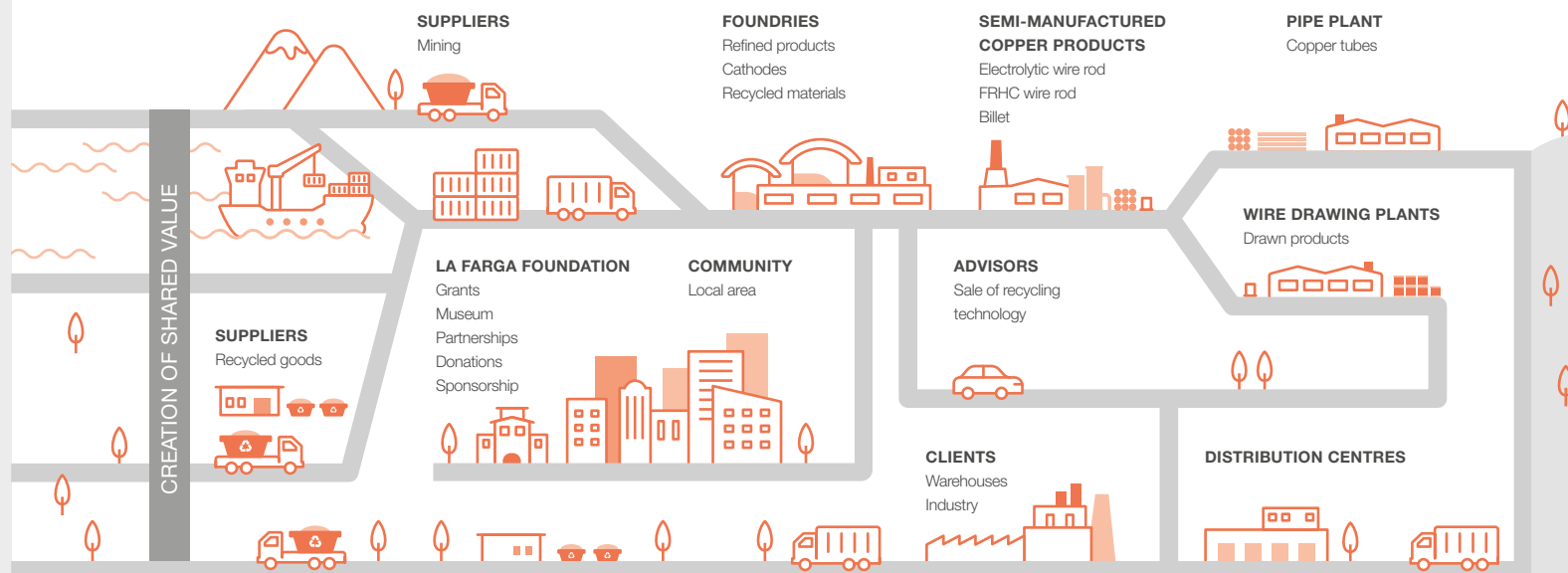
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The creation of value and our firm commitment to long-term duration are only possible with sustainable management in economic, environmental and social areas.

THE VALUE CHAIN

RESOURCES: NATURAL | HUMAN | SOCIAL | FINANCIAL | OPERATIONAL



VALUE GENERATED

FAMILY BUSINESS, Creation of value for the company and the surroundings
Professionalism in management | Pride of belonging | Long-term vocation | Entrepreneurial spirit pro-improvement | Dialogue | Transparency | Profitable growth

STAFF, Providing talent for an objective
Determined leadership and guidance | Discovering and promoting talent | Sense of direction | Commitment culture | Responsibility, participation and acknowledgement | Personal satisfaction | Honest, healthy interpersonal relations | Conciliation | Growing together

CLIENTS, Solutions and answers to major demands
Guarantee of service and product quality | Respect and honesty | Satisfaction of needs | Rigorous and transparent information | Continued product, service and process improvement | Design and development of safer and more sustainable products | Constant innovation

SUPPLIERS, Winning synergies
Respect for trade agreements and mutual respect | Guarantee of stability and safety | Long-term agreements | Integration | Joint innovation | Win-win

NEIGHBOURS, COMMUNITY, PUBLIC AUTHORITIES, THE MEDIA, Commitment to the area
Good neighbourly relations | Cooperation and cultural and social development | Regional protection | Transparency | Respect | Dialogue

ENVIRONMENT, Respect for the natural world
Restoration and re-utilisation of raw materials: copper | Optimisation of the use of natural resources and energy | Mitigation and minimization of impacts | Greening of projects and processes | Environmental protection and control of emissions

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THE CORPORATE SOCIAL RESPONSIBILITY MODEL

The foundations of our corporate responsibility model involve searching for long-term sustainability and stability in the company, ensuring that our business objectives are compatible with our social and environmental objectives and working on the creation of shared value.

The ethical and responsible management of our economic, social and environmental impacts allows us to work towards achieving a sustainable business model.

COMMITTED TO THE GLOBAL COMPACT AND THE UNITED NATIONS SUSTAINABLE DEVELOPMENT OBJECTIVES

In 2006 we added our name to the United Nations Global Compact; the largest voluntary corporate social responsibility initiative in the world. Being part of this international commitment also implies working towards the achievement of sustainable development goals.

This report details the sustainable development goals we promote with our actions.



COPPER, ESSENTIAL IN ENERGY TRANSITION

Equipment manufactured with copper wiring, which is the best conductor of electricity and heat (after precious metals), releases less energy, and thereby significantly increases energy efficiency. The European Copper Institute calculates that 65% of energy consumption from industry in the European Union is linked to motor-powered systems, and therefore, improving energy efficiency in this area would attain numerous benefits; mainly economic savings and a lower environmental impact.

Copper also reduces CO₂ emissions in engines and transformers, for example, for every kg of additional copper used to improve the efficiency of a 22 kW engine with a usage factor of 50%, 3 tons of CO₂ would be saved during its lifetime.

Copper can also act as a driving force and a key element in the energy transition. In turn, sustainability in copper use also involves the possibility of recycling the metal several times without it losing its inherent characteristics.

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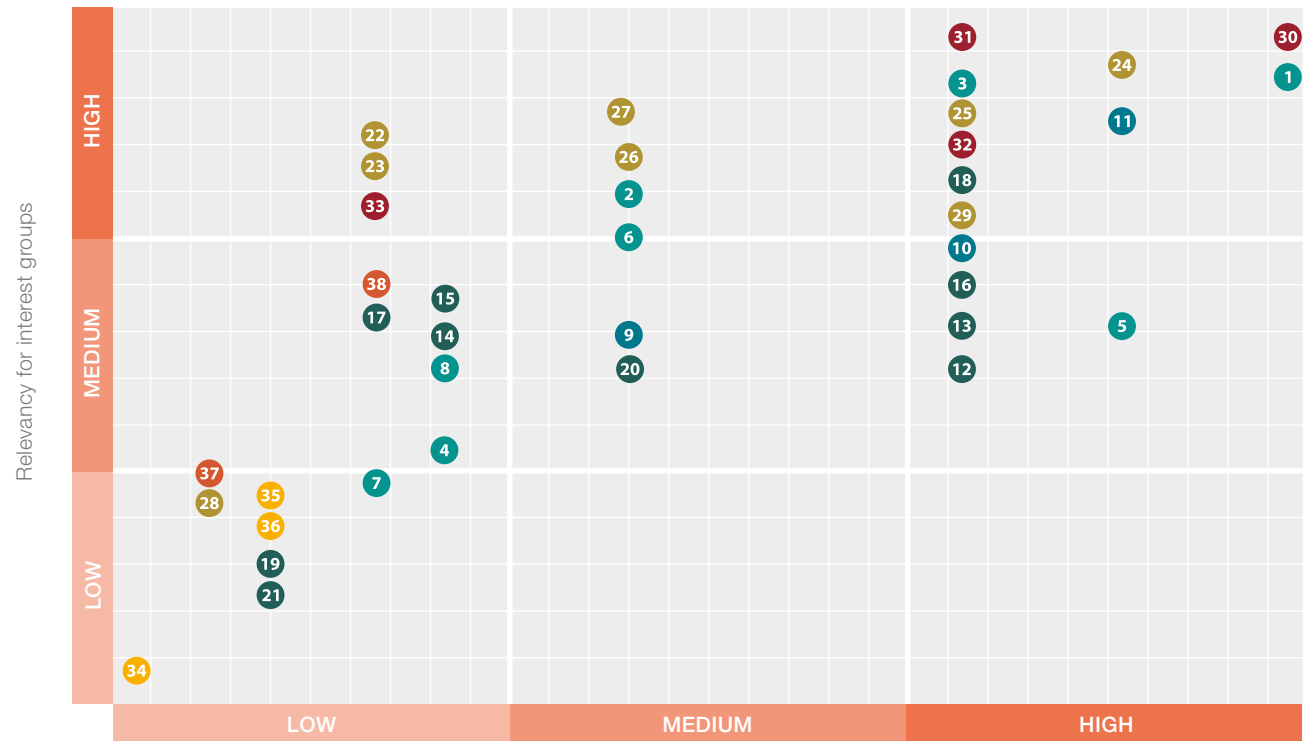
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MATERIALITY, THE KEY ISSUES OF SUSTAINABILITY

The aim of materiality comprises focusing the performance of company management on those sustainability issues that are of the highest importance for stakeholders and for business. We carried out a materiality study in the 2015 edition of this report, and given that there have been no significant changes at La Farga during 2016, 2017 and 2018, we consider that the results attained are still valid.



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1. Economic performance

2. Investment*

3. R+D+I*

4. Expansion and diversification*

5. Risk control and management*

6. Compliance*

7. Market presence

8. Evaluation

9. Good corporate governance*

10. Fight against corruption

11. Regulatory fulfilment

12. Materials

13. Energy

14. Water

15. Emissions

16. Effluents and wastes

17. Products and services

18. Regulatory fulfilment

19. Transport

20. General (investments and
environmental expenses)

21. Environmental demand
mechanisms

22. Employment

**23. Relations between employees
and management**

24. Health and safety at work

25. Training and education

26. Diversity and equal opportunities

27. Equal gender pay rates

28. Demand mechanisms regarding
labour practices

**29. Promotion of continued
improvement and sustainable
performance***

30. Client health and safety

**31. Labelling of products and
services. Service quality and
client communication***

32. Regulatory fulfilment

**33. Responsible material
management**

34. Acquirement practices

35. Responsible management
of the supply chain

36. Supplier evaluation

37. Local communities

38. Responsible relations with
the community*

(*) Non GRI topics
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GOALS FOR 2018 AND 2019

2018

Achieving a strategic positioning with our clients and becoming a benchmark partner.

Improving the processes and internal methods to give response to customers in an efficient and reliable way.

Fostering employee talent and leadership capacity.

Offering innovative solutions that meet the needs of clients around the world.

Continuing to generate activities that reflect La Farga's commitment to society through the corporate responsibility project.

Continuing to develop and improve the «0 Accidents and Beyond» programme.

Optimising the productive value chain.

2019

Consolidating the management model so as to respond to clients efficiently and reliably, while seeking operational excellence.

Maintaining and reinforcing our total commitment to safety for all those working at La Farga.

Offering innovative solutions that respond to client and market needs.

Continuing to work for long-term business sustainability.

Optimising the La Farga value chain.

Making current and future investments profitable.

Continuing the provision of corporate responsibility to all La Farga stakeholders, ensuring the generation of a positive impact.

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CREATING VALUE FOR THE COMPANY AND THE LOCAL AREA

Apart from our economic objectives, we also seek to create value for the company and its environment through the professional, responsible management of resources with a well-defined, long-term vision. We offer dialogue and clear information. We work to achieve the company's profitable growth with a spirit of entrepreneurship and improvement, one that aims to generate value in our local area in accordance with our foundational values, while ensuring that our corporate family is proud of our management.



OUR RESPONSIBILITY IS TO ENSURE THE FUTURE OF LA FARGA



AS A CORPORATE FAMILY,
WE ALWAYS LOOK TO
THE LONG-TERM, AND
WITHIN THE COMPANY-
FAMILY RELATIONSHIP,
THE PRESERVATION OF
THE COMPANY ITSELF.

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WE PROTECT THE COMPANY AND ITS VALUES

We are a company with family capital, and are subject to a protocol in which ethics, transparency and responsibility, guarantee both professional management and succession in the company. In 2018, we took new steps to improve ourselves and ensure our continuity. We are aware that the world changes in the blink of an eye and that companies need to be agile, open and adaptable. With a vision focused on the present and the future, we still refer to the past, remaining faithful to our origins and values: innovation, being an ethically responsible company, forward-thinking and with a global outlook.



LA FARGA YOURCOPPERSOLUTIONS, A SINGLE BRAND, FROM THE UNIFICATION OF THE GROUP'S COMPANIES

In October, the new business organization of La Farga came into being, unifying all of the group's mercantile companies into a single entity: La Farga Yourcoppersolutions. This new brand aims to consolidate our strategic positioning and simplify our operational structure.

The companies that have been merged are: Corporación Metalúrgica Catalana, La Farga Lacambra, La Farga Tub, La Farga Rod, La Farga Tertub AIE, Hidroelèctrica del Voltregà, La Farga Intec and Metalúrgica Catalana.

The consolidation of the group also means that we have adapted our business structure to current times, while remaining faithful to a policy of transparency, competitiveness and constant effort in the methodology we use to ensure efficiency when working with the clients and bodies we are involved with.

This corporate change does not imply any production modifications whatsoever, as our product line has positioned the company as a world leader in the copper and copper alloy sector, and all our products have been maintained.

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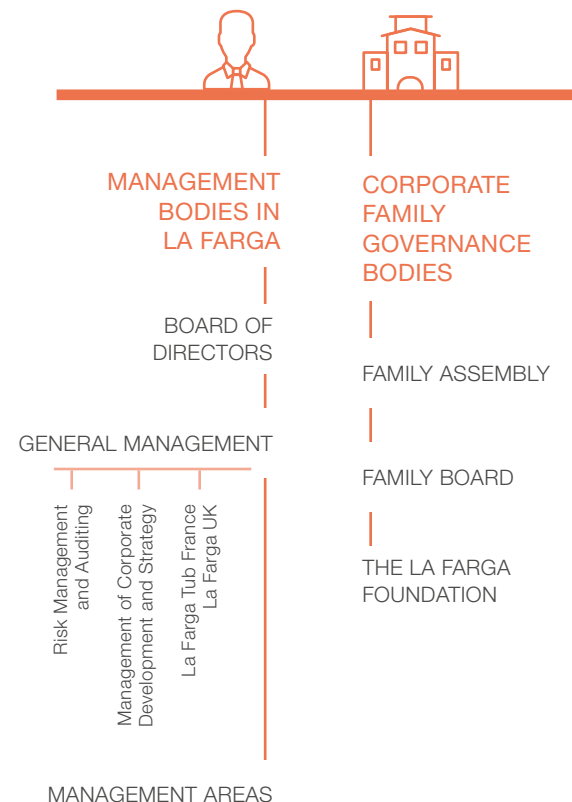
**A NEW STRUCTURE,
WITH BROAD AREAS
OF KNOWLEDGE**

Corporate unification has also led to an organizational change that has resulted in a single general management body, and the creation of broad areas of knowledge: Corporate Development and Strategy; Administration, Finance and Systems; People and Organisation; Production; Technical Area; Market, and Supply Chain.

Our goal is to have a simple organisation, one that is easy to work and manage, in which our staff can make the most of its potential.

La Farga aims to be a company that understands what is happening in its local area, and which is capable of both adapting to and integrating into its home region. For this to happen, an organisation capable of attracting talent is required, one that covers a wide range of projects, with a rapid, decision-making capacity, with people who take on responsibilities and leaders who delegate and give rein to those taking on these responsibilities - this is what we have sought with our new organization.

Among the main, newly-created areas of know-how, that of the Market stands out. For a company that works with copper – a product for which the whole value chain must be taken into account - market function includes the entire commercial and marketing area, as well as all copper and non-copper purchases. This provides us with an overall vision of the entire value chain.



**THE TRUSTEES OF THE
LA FARGA FOUNDATION**

President: Oriol Guixà
 Manager/Secretary: Javier Cabeza
 Patrons: Isa Fisas, Carmiña Pérez,
 Meri Rovira, Carme Álvarez and Joaquim Pla

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ETHICS AND INTEGRITY, THE FOUNDATIONS OF LA FARGA

Security, respect, integrity, excellence and commitment are the basic principles that guide La Farga in all the areas with which we interact. This commitment is based on the ethical principles that form part of the regulatory mechanisms that in turn influence the decisions of both the governing bodies and our employees.

The code of ethics aims to establish guidelines for behaviour and the relationship between the company and its shareholders, employees, clients, suppliers and external partners, public and private institutions and society in general. The code includes the basic principles of the relations between La Farga and its stakeholders: compliance with the law, respect, development and equality, loyalty and commitment, rigour, the care of people, cooperation, responsibility and fair relations.

THE
MECHANISMS
REGULATING
DECISION-
MAKING
PROCESSES
ARE:



FAMILY
PROTOCOL



LA FARGA
INTERNAL
REGULATIONS



CODE OF
ETHICS

PROTOCOLS FOR RISK MANAGEMENT

After the publication of the internal regulations of La Farga, we have acted through the Ethics Committee, to continue working on the risk prevention model in all corporate areas. The motivation here is to ensure the effectiveness of the rules and to demonstrate a due exercise of control based on the results of internal audits.

We are currently developing protocols to deal with risks (rules and procedures) and a disciplinary system to sanction non-compliance with those measures established in our risk-prevention model.

This model is part of a continuous process that pursues excellence in our both work and in our commitment to make contributions to long-term sustainability.

Our Compliance Committee is formed by an external advisor, three corporate area representatives (Safety, Quality and Environment, People and Organization, and Strategic Marketing) and a representative for the employees, who is responsible for all communications and the disciplinary system.

In order to guarantee the dissemination of the criminal risk prevention model, employees receive training courses that focus on the prevention of the risks identified.

La Farga is not involved in any judicial proceedings, neither sanctions nor fines related to corruption or tax fraud are currently pending.

WE ARE IN THE PROCESS OF DRAFTING PROTOCOLS FOR DEALING WITH RISKS AND A SANCTIONS SYSTEM FOR THE BREACHES OF OUR RISK PREVENTION MEASURES.

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A STRATEGIC SUPPLIER AND A FORWARD-THINKING COMPANY



MISSION

La Farga's mission is the generation of innovative solutions for copper and other metals, by creating value and meeting the expectations of clients and society, through a responsible business model that is sustainable and committed to our team.



VISION

La Farga's vision is to be a strategic supplier of copper solutions for our clients and a forward-thinking company in which to grow, one recognized for its innovative spirit and leadership in copper recycling as well as in the development of copper alloys.



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A SOLID INVESTMENT FOR A DYNAMIC MARKET

MAIN INVESTMENTS IN 2018

- **A new control system for the combustion of the entire foundry** and improvements in furnace combustion for both energy savings and to increase final product quality.
- The acquisition of various **measuring devices on the Evotub line.**
- **The expansion of the finished product warehouse for Joinfill** and improvements made to warehouses in general, so as to expand capacity and storage conditions in wire drawing.
- The acquisition of a **laser engraving system** to mark and identify the railway cables.
- The installation of a new **boring machine**, which will improve productivity on the pipe line and which involves the restructuring of material processing techniques.
- **Intelligent overhead transport for the control and automation of stored**, semi-manufactured pipes and to improve productivity, as this method allows the choice of different options to distribute the flow of intermediate material inside the factory.
- The construction of a **new space in which to carry out the maintenance and measurement of all production tools**, together with a new control system for these tools.
- The adaptation of equipment for **ergonomic improvements.**
- The acquisition of two **compressed air compressors to increase efficiency.** The initiation of projects to rationalize the distribution and consumption of compressed air and nitrogen, which will improve production efficiency and save costs.



LA FARGA MADE A HISTORIC INVESTMENT IN 2018, BY CHANGING OUR CONTINUOUS COPPER WIRE LINE IN ORDER TO PROVIDE IMPROVED CLIENT SERVICES AND ADVANCE IN TERMS OF RELIABILITY, EFFICIENCY AND SUSTAINABILITY.

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A NEW PRODUCTION LINE, AN INVESTMENT IN ECONOMY AND KNOWLEDGE

In 2018 we replaced our wire rod continuous casting line, which was first launched 35 years ago. This major transformation was made with zero impact to the market.

The new line, which is unique the world over, has been designed and manufactured specifically for the La Farga facilities. It is more efficient, safer and it represents a highly important technological step forward. It is a large-scale commitment that seeks to ensure that the company grows in capacity, reliability and innovation on a global scale.

The main advantages and benefits of the new line are:

- Increased productive capacity, from 15 tons per hour to 20 tons per hour (a highly significant figure considering that 35 years ago, when the original line was launched, productive capacity stood at 7 tons per hour, while today, the total annual production capacity of La Farga is 320,000 tons).
- Increased reliability.
- Significant advances in safety.
- The promotion of the ecological and sustainable orientation of the company.

The change was made in August, and September saw the production of the first wire rod, in October the first copper jumbos were already being sent to our clients.

La Farga, a family-based industrial company with a high level of innovation, has been developing technology over the last 35 years, and which, due to our in-depth knowledge of production processes, promotes recycling in those markets where this process is viable.

The investment made, which has cost some 15 million euros, strengthens this positioning and increases versatility at La Farga.

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**FAMILIARITY WITH THE MARKET –
AIDING PLANNING**

It is our responsibility to know
and anticipate international trends
on the copper market, as well
as adapting our activities to the
present - and future - economic
climate.

5,522.26 €/T
AVERAGE MARKET VALUE

5,967.15 €/T
29/12/2017

5,208.24 €/T
31/12/2018

MARKET VALUE OF COPPER IN 2018 (€)



THE COPPER MARKET AND FUTURE PERSPECTIVES

The deficit between world copper demand and refined copper production continues to grow: the deficit in 2018 was 50,000 tons and the forecast for 2019 is an increase to 270,000 tons.

In 2019 expected growth in demand in 2019 is 3%, due to increased rail and energy infrastructures that are to be implemented by the Chinese government and moderate growth in manufacturing activity in the United States, Europe and Japan.

On the supply side, the increase has only been 2.1%, due to a slowdown in mining production as a result of the lack of new profitable projects and changes to mining legislation.

This situation of imbalance, which has been aggravated by very low stock levels in the global stock exchange warehouses, suggests that copper prices will increase by up to \$ 6,800 per ton in 2019.

Furthermore, the fact that demand in coming years should increase due to the greater implementation of electric vehicles and the development of renewable energies should also be taken into account.

Source: Societe Generale. Global Base Metals Market Update (March 2019).

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THE ECONOMIC SLOWDOWN WILL CONTINUE IN 2019



THE ECONOMIC CONTEXT AND FUTURE PERSPECTIVES

The Spanish economy grew between four and five percentage points less in 2018 than in 2017 (+3%), and forecasts suggest that the slowdown will continue in 2019, in a context of greater uncertainties due to international turbulence and structural problems in the Spanish economy. Private consumption continues on a path of slight deceleration, the restrained demand that lasted for the duration of the crisis having now disappeared. The economic cycle in Spain is steadily normalizing, and is currently approaching a more neutral position, in which the ability of the economy to grow without generating imbalances in some areas of risk is very important. In the medium and long term, the Spanish economy continues to require reforms that guarantee greater employment and productivity, and a more equitable growth with which to encourage innovation, improve human capital and take advantage of the opportunities of the digital revolution.

The global environment has worsened in recent months, due both to poor economic data linked to the industrial sector and trade, as well as a sharp increase in financial tensions, especially in developed economies. The worsening of figures shown by the activity indicators is in part due to transitory factors and, to a certain extent, the markets could be overreacting given the numerous sources of uncertainty about the global environment. However, there have also been fundamental factors that have deteriorated the economic environment, such as certain signs of slowdown in the American and Chinese economies, especially uncertainty with respect to protectionism, and the lack of progress in the United Kingdom in dealing with a departure from the European Union. These risks are mainly of a political nature and have made the global scenario more uncertain. Taking these assumptions into account, it is logical that the global economy continues to follow an even slowdown. Predictions cite a global growth of 3.5% in 2019 and 3.4% in 2020.

Source: BBVA Research Economic Observatory, January 2019, and BBVA Research, Spanish Economy, January 2019.

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CONSTANT IMPROVEMENT IN PRODUCTION

We have increased our productivity through the application of different improvements, among which are the following:

- Improvements in the annealing furnace.
- The expansion of intermediate storage space.
- The purchase of a new compressor.
- The concentration of working schedules in order to improve machine performance and adjust the overall efficiency of equipment.
- The upgrading of the combustion system in the vertical melting furnace with new burners that have more power and better control; this increases fusion capacity and improves product quality while reducing energy costs.
- Improvements in solidification process control in the foundry, ensuring an excellent quality wire rod.

In the refining process, we have made improvements to optimize the furnace cycle.

The redesign of the recess-calculation process in pipe drawing has allowed us to obtain improvements in final product quality.

SDI LA FARGA, IMPROVEMENTS AT ALL LEVELS

The company plant in Indiana (USA), SDI La Farga, manufactures copper wire from recycled materials in order to supply the needs of cable manufacturers on the American continent.

The production process significantly improved in terms of efficiency during 2018. It should be noted that a scrap pre-segregation system has been implemented that greatly increases the efficiency of this process.

The combustion system has also been replaced by a new system that uses burners. This increases the duration of the elements – those of the refractory and the furnace - and efficiency in terms of energy consumption. This newly-installed combustion technology allows the adjustment of the energy distribution profile and the adjustment of heat release to the requirements of a determined fusion process. The unique characteristics of these new burners help SDI La Farga increase productivity and reduce the amount of fuel used.

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IMPROVEMENT IN MAINTENANCE WITH A NEW MANAGEMENT SYSTEM

La Farga is committed to improving maintenance through the unification of its entire group by establishing a single leadership body and defining a structure that differentiates managers from technicians.

Work has begun on the implementation of a maintenance management system that centralises orders, their organisation, management and delivery, assigning them to those staff responsible, while defining how work orders are notified and order procedures are finalised. This allows us to have our own maintenance indicators. Furthermore, new planning techniques for preventive maintenance have also provided significant improvements.

An Autonomous Maintenance Management Area has been created, this management model has also been implemented in order to improve work standards and procedures in this sector.

TRENDS OF GREATER SCOPE AND STRATEGIC PRIORITIES

- After years of work entering, internationalising and diversifying markets, we are now committed to the consolidation of both current product families and markets.
- With respect to the railway market, many projects have been reactivated and there are positive forecasts for 2019. It should be noted that this market is unpredictable, as it is linked to investment in infrastructures and to railway projects that are approved by administrative bodies.
- In wire rod production we work in alloys (copper-tin, copper-silver and copper-magnesium) and search for products with more added value in the sector and we differentiate ourselves from the competition.
- In tube production, we remain leaders in the Spanish market and continue our commitment to strategic markets, which is the basis of our growth and where we can be more competitive. Sales of cooling pipes continue to grow, the latter being an alternative sanitary tube product, and we are looking to enter the industrial pipe market.

WE ARE WORKING ON ENTERING SECTORS SUCH AS THE VEHICLE INDUSTRY USING ALLOYS. THE DEMAND FOR THESE ALLOYS IS INCREASING, AS THEY PERFORM BETTER THAN PURE COPPER.

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STRENGTHENING OUR INTERNATIONAL POSITION

- At La Farga we are opening up new global markets: we have finished our project in India, which began in 2017, and we are active in Asia, Korea and South America.
- We are developing business and technical advisory projects in companies in the copper sector in the international arena.
- In 2018 sales have increased in those markets where we have company subsidiary offices.

WE ARE CONTINUING TO
IMPROVE OUR DIVISIONS IN
FRANCE AND THE UNITED
KINGDOM, WITH IMPROVEMENTS
IN SERVICES, CHANGES TO
LOCATIONS AND TEAM SUPPORT.



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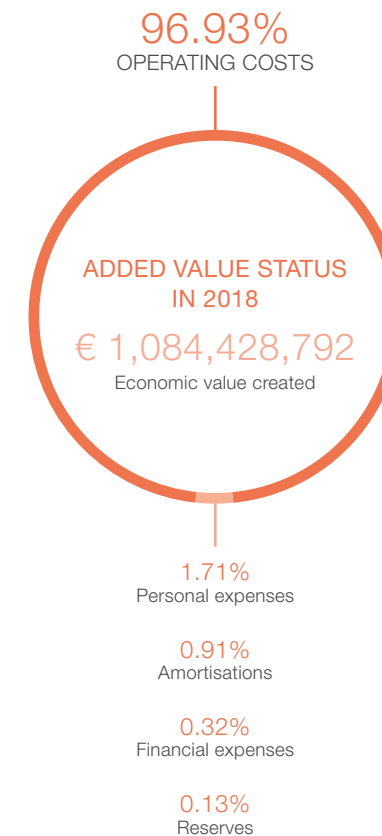
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ROBUSTNESS IN ECONOMIC DEVELOPMENT

	2017	2018
Income (€)	1,020,491,249	1,067,654,504
Operating costs (€)	986,522,449	1,038,007,642
Salaries and social benefits (€)	18,737,722	18,590,954
Payments to providers of funds (€)	4,195,057	3,470,485
Direct payments to public administrations (€)	11,299,618	13,924,359
Significant financial assistance received from public administrations (€)	36,304	138,955
Turnover (€)	1,019,485,957	1,049,123,248
Net cash flow (€)	12,872,474	10,919,952
Direct export (€)	45.42	45
Expenses (€)	1,016,800,154	1,050,514,008
Total investment (€)	9,053,442	12,201,939
Corporation Tax (€)	-484,900	356,576
Total assets (€)	227,074,424	224,288,520
Own resources (€)	61,087,078	61,745,712
Reserves (€)	24,442,428	33,157,514
ROE (%)	5%	2%



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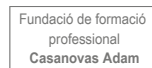
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COMPANY ASSOCIATED WITH



MEMBER OF THE BOARD OF TRUSTEES



ACTIVE MEMBER OF



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ORIO GUIXÀ, PRESIDENT OF THE EUROPEAN COPPER INSTITUTE

The President and CEO of La Farga Yourcoopersolutions, Mr. Oriol Guixà, has been named as President of the European Copper Institute for a two-year term of office. The European Copper Institute is based in Brussels (Belgium), and is responsible for coordinating the copper industry sector on issues related to the regulation of standards and market development programmes. It is a benchmark institution in the world of copper with an annual budget of 10 million euros.

Oriol Guixà considers this appointment as an opportunity to contribute his knowledge to the sector, develop new programmes that help to value and improve the positioning of copper in applications that are still underdeveloped and work to improve aspects of regulation.

The European Copper Institute was created in 1996 and its mission is to develop markets where copper is used and defend the added values that this metal contributes to the sustainable development of society.

In 2018, we hosted a joint meeting of the Congress of the International Wrought Copper Council of Seville, an event where the sector's leading companies open up their facilities to visitors from the sector.

At La Farga we organized a day with the main actors of the copper sector, where we held a company presentation and tour. This event helps us to position ourselves as important figures in the entire chain.

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PROVIDING TALENT TO A SHARED GOAL

In La Farga we work so that each employee is able to discover their talent and improve on it.

A responsible attitude, participation and recognition all help to create healthy and honest interpersonal relationships that lead to greater personal satisfaction.

Commitments to equal opportunities and non-discrimination based on gender are part of our day-to-day life. Our staff feel accompanied in their growth, by establishing a shared objective and leadership that promotes a culture of commitment. This company philosophy is applied alongside those conciliation policies that are available.



PROMOTING PERSONAL AUTONOMY

In 2018, the People and Organization Area dedicated its efforts to designing and implementing the new company structure, which was launched in February. It has also initiated different efficiency procedures that involve the redefinition of the first level of the structure and its respective teams.

- A **job map** was created that has led to the re-dimensioning of resources. At La Farga we have strived to perfect our organizational efficiency, and this strategy has led to a reduction in structure. The job map classifies all existing jobs in an orderly manner, and according to criteria. This classification is used to adapt all company policies: remuneration, training, etc.

ALL WORK POSITIONS IN THE COMPANY
HAVE BEEN GROUPED UNDER AREAS,
SUCH AS MARKET, TECHNOLOGY
OR ADMINISTRATION

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- We have **scaled work shifts** according to machine saturation and productive capacity, and we have reduced the hours of work necessary while maintaining production, a factor that allows us to gain in terms of competitiveness.
- We have adapted jobs as part of the **overall process of organisational adaptation**. We recruit, select and train people according to their position. We have made investments in order to adapt our structure using the job map.
- It is worth mentioning that we have reached several **agreements with our employees**, with respect to the company merger, the modification of holidays and the movement of people between foundries for summer staff reinforcement purposes, as well as in the elimination of the fourth shift in wire drawing and salary adjustment agreements between those working in different foundries.

In order to improve and rationalise our **internal communication** scheme, we have made a current diagnosis of communication and created two central themes; clarity and commitment, each of which has two strategies.

In order to progress in the area of clarity, an alignment with the company's business objectives is required. This will provide clarity of focus and concentrated work. The main strategic projects will have their own lines of communication. However, we are also seeking to create a climate of openness and transparency through continuous dialogue.

The strategies to develop the theme of commitment are to provide optimism, a challenging environment and cohesion.

THE AREA OF COMMUNICATION
HAS BEEN WORKING ON DEFINING
AND IMPLEMENTING A CULTURE
BASED ON DELEGATING DECISION-
MAKING AND PROMOTING THE
INDEPENDENCE OF ALL OUR
EMPLOYEES.

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AREAS OF INDEPENDENT MANAGEMENT, AN ESSENTIAL PART OF OUR CONTINUED IMPROVEMENT SYSTEM

Work and development on the operational excellence system continues, the La Farga Continuous Improvement System (LFCIS) is based on the following aspects: increasing personal independence, the delegation of tasks, advisory leadership, guidance and the support of activities, and finally, the use of continuous improvement techniques. This model provides an efficient communications chain, and facilitates the faster incorporation of new employees, while decision-making has been speeded up and working methods have been standardised under the concept of organisational efficiency.

This concept of continuous improvement involves a working methodology that seeks to improve both personal independence and management itself. **Areas of independent management** have been created in the production area, and these will later be transferred to the entire organisation.

This is a management system that helps people to work, and one in which those involved establish a series of goals for themselves. These objectives are worked on, and a 'bottom up' chain of communication is established if a solution cannot be found.

This system was launched two years ago, and in 2018 it has been developed further with the creation of the Area of Autonomous Maintenance Management and the Supply Chain Area.

Continuous improvement is perceived as a culture that spans all areas of the company, not only those of production. We are moving towards an organisational structure that is one hundred percent reliable, effective and efficient, with decentralised decision-making, one in which action plans and homogenised leadership play an important role.



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WE CREATE POSITIONS AND FACILITATE EMPLOYMENT

The new organisational structure has involved the rescaling of our workforce.



100%
STAFF COVERED BY OUR
COLLECTIVE AGREEMENT



91%
EMPLOYEES FROM THE
COUNTY OF OSONA



30
NEW CONTRACTS
90%
From the County of Osona
83%
Men



13
NEW WORK POSITIONS
CREATED



69%
MANAGERIAL POSTS FROM
THE COUNTY OF OSONA

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The company remains attractive and there is an evident interest with respect to employment at La Farga. The main reasons for this interest involve salaries work tasks and positive references from within the company itself.

TWO OUT OF EVERY THREE PEOPLE
WE CALL ARE INTERESTED IN
WORKING WITH US.

We need to be able to recruit, not only those interested, but also those with the profiles we need. However new staff still need to be trained before they can join the company.

In 2018 we implemented the second year of the **Occupation Plan for the Unemployed**, which takes on 18 people in a 150-hour training course entitled «Operations and Basic Processes in the Metal Industry».

The training programme includes occupational risks, skills, industrial technique, machinery and transport handling, and continuous improvement, the La Farga process and a visit to the Copper Museum. Courses of this facilitate the incorporation of people with low levels of training into La Farga, as well as those who are often in situations of long-term unemployment.



DEFINING TASKS

At La Farga, work positions are being defined in terms of those jobs that are occupied by operators and technicians, and we are working to ensure that these tasks are recognized, both internally and externally. To this end, we have entered into a working relationship with *Creacció*, an agency specialising in entrepreneurship, innovation and know-how. This organisations focuses on aiding socioeconomic development in the County of Osona. As a result of this strategy, reference cards have been prepared that provide information on each task, with a description of the skills involved, the positions available, and proper external training required.

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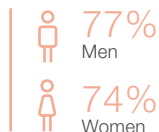
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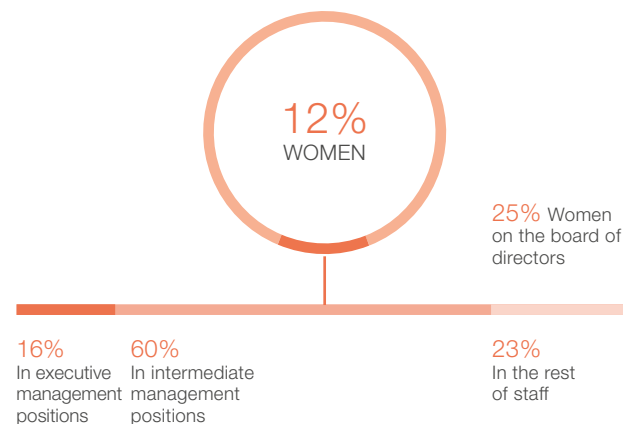
QUALITY EMPLOYMENT

At La Farga we work for quality employment that promotes continuity at the company and a sense of belonging.



MORE WOMEN IN INTERMEDIATE MANAGEMENT POSITIONS

As part of our policy of equal gender opportunities and conditions, we now aim to update our Gender Equality Plan.



Our salary policy determines the equality of remunerations between genders. Non-discrimination between men and women in terms of wages is guaranteed by the tables of the collective agreement and with the pay grades and performance evaluations defined by the company.

58% STAFF AGED 26-45

4 PERSONS WITH FUNCTIONAL DIVERSITY ON THE STAFF

100% WORK REINCORPORATION RATE

€ 5,500 difference between the minimum wage of La Farga (above agreement levels) and the local minimum wage (per annum)

82% job retention (100 % for men) after paternity or maternity leave



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QUICK WINS FOR A BETTER WORKPLACE

With the aim of helping those who work at La Farga feel more comfortable inside and outside their workplace, a set of simple and effective improvements called “quick wins” are applied. The elements that the different groups most value in the workforce and that have a positive impact on the work environment are analysed in order to determine these improvements.

The quick wins applied in 2018 were:

- Wellness middays: yoga.
- Training: operator coordinator, English, Ofimatics and electronic tools.
- New distribution of offices.
- The installation of a vending machine that provides healthy products.
- An intensive work schedule before public holidays to aid work-life balance.
- Cooperation in leisure activities in order to improve the working atmosphere and personal well-being.

IMPROVEMENTS AND ADVANTAGES FOR EMPLOYEES

At La Farga we adopt various measures in order to improve our employees’ quality of work, as well as conciliation and loyalty, and to offer advantages to workers, apart from payment. The most noteworthy actions are:

- The modification of the teleworking policy.
- The creation of the distance policy, to facilitate travel to and from work for employees or job candidates who live more than 60 km away from La Farga. This measure aims to provide possibilities to attract and retain talent.
- The creation and implementation of a recognition policy, in which those responsible have access to a fund used to recognize effort and the achievement of objectives. The use of this fund implies the fulfilment of some kind of activity.
- School subsidies for children and transport.
- The promotion of volunteering programmes. On International Volunteer Day (5 December), a creativity workshop was organised with members of the Association for the Physically Handicapped of Osona (ADFO) and volunteers from La Farga.



273
GRANTS
AWARDED
€ 31,808
Total amount
of grants



40%
A STAFF
THAT ENJOYS
FLEXIBILITY WITH
RESPECT TO
WORKING HOURS
– (FLEXITIME) AND
AN INTENSIVE
SCHEDULE
ON FRIDAYS
THROUGHOUT
THE YEAR

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ACCORDING TO THE RESULTS OF THE SURVEY, THE AREAS IN WHICH LA FARGA HAS THE MOST IMPACT, ACCORDING TO ITS EMPLOYEES, ARE CLIENTS, SUPPLIERS AND ECONOMIC ASPECTS.

SURVEY ON CORPORATE RESPONSIBILITY

In 2018, an internal survey on corporate responsibility produced the following results:

The main concepts associated with corporate responsibility were environmental commitment and recycling, dialogue and relations with stakeholders and people.

Relevant stakeholders, from greater to lesser importance: clients, staff, the environment, shareholders, community and suppliers.

Themes that La Farga is considered to prioritise:

- **Economic aspect:** solid and profitable growth, innovation, expansion and diversification.
- **Ethical aspect:** compliance with legislation, guaranteeing non-corruption and the ethical behaviour of the governing bodies.
- **Environmental aspect:** efficiency in the management of raw materials and the consumption of materials in the production process, and efficient waste management.
- **Social aspect:** involvement with the local community through the La Farga Foundation.
- **With respect to client:** quality and product safety and reliability.
- **With respect to staff:** safety in training and prevention, involvement in continuous improvement and training in promoting talent and leadership.
- **With respect to suppliers:** the selection of local suppliers.

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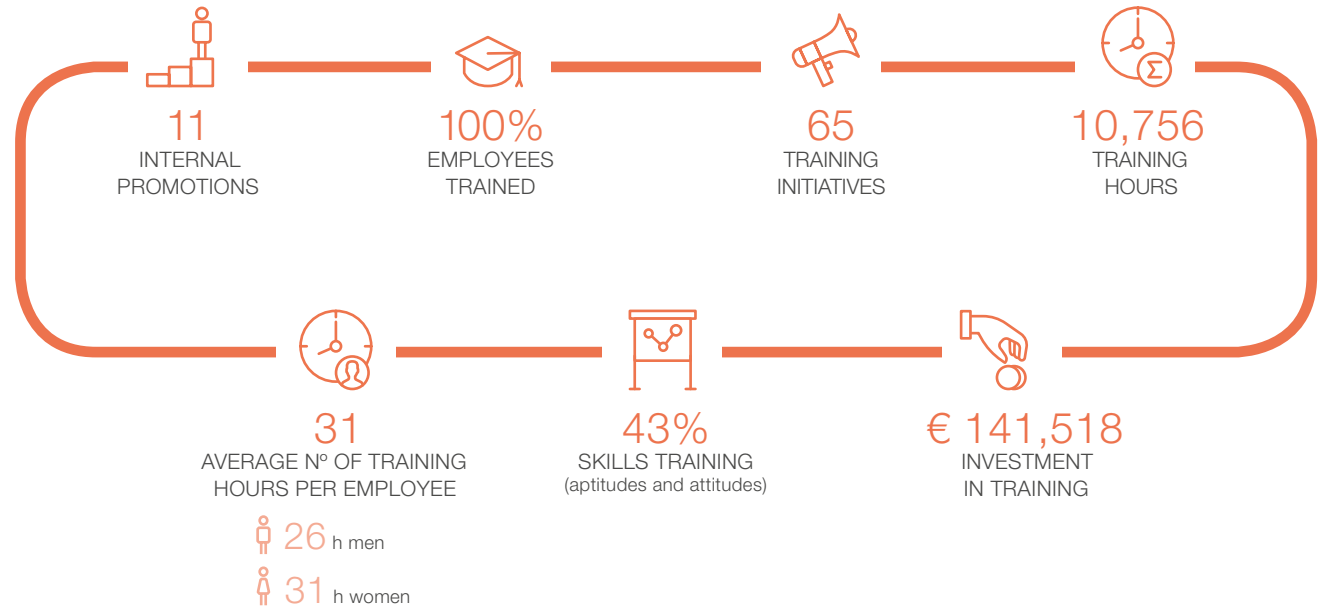
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TRAINING IS THE FUTURE



The La Farga training program is aimed at developing the skills and abilities of employees so that they are able to perform their tasks more efficiently, and in accordance with company and talent development objectives.

Since 2016 we have had a joint training committee that comprises members of the company management team and the legal representatives of the employees. This commission has been formed to ensure the effectiveness of our training programmes, while also working to improve staff qualifications, taking into account all those groups within the company.

Students can enrol and participate in the educational programme offered by La Farga during the summer months. In 2018 the course comprised 12 people. These initiatives familiarise participants with the company and how it operates.

The job map and policies focusing on personal enablement have made it possible to detect an increase in the number of internal promotions in those jobs immediately below those of management positions.

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THE SECOND YEAR OF THE TALENT OLYMPICS

La Farga has been organizing the Talent Olympics programme since 2017. This unique initiative seeks to identify and develop talent in company staff. It consists of the implementation of talent-training initiatives that promote growth in the workplace and personal preparation for other opportunities within the company.

All groups and areas within La Farga have their own associated development programme.

As integration and skills are improved, the programme extends its scope.

Course programming is focused on covering staff needs:

- **High potential:** organization, planning and management of incidents and empathic communication for leaders
- **Core group:** organization and planning, management and orientation of change, organization, planning and incident management, leadership model
- **New employees:** empathic communication

64
TRAINING INITIATIVES
385
PARTICIPANTS



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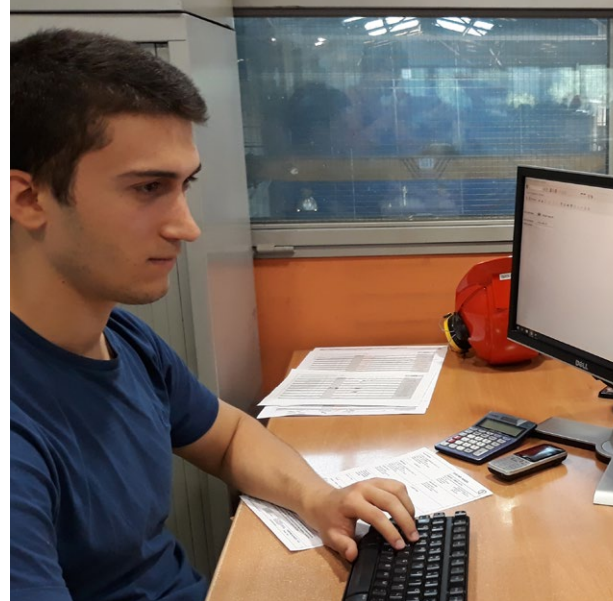
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DUAL VOCATIONAL TRAINING, AN OPPORTUNITY FOR LEARNING

The aim of dual vocational training is to improve the training of students and increase their employability, while providing qualified potential employees for companies. In 2018 a student following this type of training was employed in the Supply Chain Area. During this training period, the La Farga and the student's college worked closely together. In the first phase of this programme students combine training at their college with half a day's work at the company. Later, work in the company is extended to full time employment and students no longer have to attend class.



THE 10TH YEAR OF THE JULI GARCÉS AWARDS

The suggestions of our employees with respect to promoting efficiency at work are recognised in the Juli Garcés Awards. This initiative values the simplicity of those solutions proposed, the efficiency of the results and the investment costs required. In 2018 there were 335 suggestions made.

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IN ORDER TO IMPROVE
INDUSTRIAL AND
TECHNOLOGICAL
VOCATIONAL
OPPORTUNITIES, WE
HAVE MADE A VIDEO WITH
THE ADOLESCENTS.CAT.
WEB PAGE. IN THE VIDEO
ONE OF THE PRESENTERS
BECOMES AN INDUSTRIAL
MECHANIC FOR A DAY
AND DESCRIBES THE
DETAILS OF THE JOB.

The company's Drills and Emergency Situations Week was held in June. This is an annual event that consists of activities in which emergency procedures are enacted and put into practice. In 2018 25 hours of training and simulations were programmed in which 240 workers took part. Also in June, 20 newly-recruited employees participated in an empathic communication course.

Joint training activities were carried out in all the plants throughout the year in order to help employees obtain the crane bridge operator's certificate; a course comprising both a theoretical and a practical section.



PARTICIPATION IN THE ANNUAL MEETING OF THE IMPULSA FOUNDATION

The Impulsa Foundation is an initiative created by and for young entrepreneurs that aims to provide quality technical training for students who do not have those resources necessary to invest in their education. Impulsa has a network of 80 mentors who selflessly help the scholarship students.

The annual meeting of the foundation, which was held in September, focused on the challenges and motivations of new professionals, and was joined by several management figures, among them, Inka Guixà, the General Manager of La Farga. The participating companies agreed that personal development policies must be prioritised in order to capacitate young people in today's economy.

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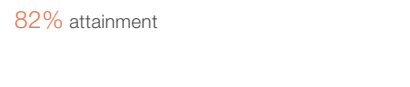
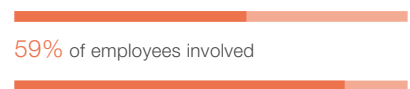
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At La Farga we have tools to evaluate individual performance that allow us to calculate efficiency levels and so detect and acknowledge each employee's effort and involvement.

For the workers' group
**THE PERSONAL IMPROVEMENT AND
EVALUATION SYSTEM (MAP)**



For the management group
**THE PERFORMANCE EVALUATION
SYSTEM (SER)**



**PARTICIPATION IN THE
«EMPLOYMENT FOR LOCAL
INDUSTRY» PROGRAMME**

The «Employment for Local Industry» programme in the County of Osona, which is promoted by Osona's Economic Development Agency, *Creacció*, aims to help companies find appropriate professional profiles and aids local people to improve their skills in order to achieve the professional profile required.

In 2018 La Farga once again took part in the programme, with the specific training course "Operations and Basic Processes of the Metallurgical Industry", which was aimed at unemployed people aged between 20 and 55.

The training course included the development of personal and cross-sector skills, technical and industrial training, machinery and transport handling, risks at work, continued improvement and a visit to the Copper Museum.

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PROMOTING THE FIGURE OF THE COORDINATING WORKER

At La Farga, and in accordance with the system of operational excellence, we foster a system in which employees on the ground are authorised to take decisions, and as such hierarchical levels can be put aside when staff employ self-management techniques.

As such, the role of the manager in shifts and large section production has been eliminated and the figure of coordinating workers has been created. In this role they are responsible for resolving incidents at certain levels and making decisions regarding planning resources, people and materials in their area.

The creation of this type of figure raises qualification levels. Currently, each independent management area and each shift already have a coordinating worker, who has received specific training from the Paco Puerto Foundation, and who receive a higher salary. In the future, all workers will take on this coordination responsibility.



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THE CULTURE OF SAFETY

We promote the culture of safety and we work to ensure that our staff are committed to these practices. The supervisors and the Department of People and Organization, and Safety, Quality and the Environment identify actions to improve the prevention of occupational risks and health on a periodic basis. This initiative forms part of the company's continued improvement programme «0 Accidents and Beyond», a programme that comprises a set of objectives that are classified according to the following topics:

- Policies
- Planning
- Training
- Bonus-Malus
- Awareness
- Others



WE ARE WORKING TO CARRY OUT A BEHAVIOUR-BASED CULTURAL TRANSFORMATION, SO THAT OUR EMPLOYEES ARE AWARE OF THE RISKS INVOLVED, AND ACT ACCORDINGLY.

This year, 22 courses on the prevention of risks at work were also held and the Drills and Emergency Situations Week was once again held. This week of activities consists of a training programme to practice implementing those procedures necessary in the event of an emergency. In total, 240 people took part in some of the following training exercises:

- **ADR.** Focused on safety in the transport chain and aimed at staff who can intervene in the loading and unloading of dangerous materials.
- **Life lines.** Aimed at employees who work with safety harnesses.
- **Work permits.** Necessary when working with elevators, when working at height, with fire, etc.
- **Fire hydrant drills.** Aimed at emergency staff so that they know how to operate these hydrants.
- **Fire extinguisher drills.** Information on how to proceed in the event of a fire and how to use fire extinguishers.

At La Farga we are certified with the OHSAS 18001 standard for occupational health and safety management.

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€ 58,650
INVESTMENT IN THE
PREVENTION OF RISKS
AT WORK



€ 34,362
PAYMENTS MADE TO SOCIAL
SECURITY DUE TO GOOD
RATIOS

18
ACCIDENTS AT WORK
18 men

33.5
FREQUENCY RATE

0.84
LEVEL OF SERIOUSNESS

536,571
HOURS WORKED

5.98%
ABSENTEE RATES

The increase in frequency rates corresponds to a general increase detected in the entire industrial sector, a fact confirmed by health insurance agencies.

In 2018 the following actions were undertaken as part of our continuous improvement of safety in the workplace:

- The installation of new, safer and easier-to-use accesses to parts of wire-drawing machines, improving safety and production speed.
- Modifications to machinery in order to improve ergonomics: tools have been acquired to reduce the number of repetitive movements required in certain tasks, which improves working conditions.

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We are improving our client services

Understanding the market in order
to meet its needs

Quality, the basis of trust

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SOLUTIONS AND RESPONSES TO THE GREATEST DEMANDS

La Farga guarantees the highest quality and the application of continuous improvement techniques in all its products, services and processes. The company maintains a relationship of respect and honesty with our clients, while following a policy of continued, rigorous and transparent communication at all times. We are committed to constant innovation in order to satisfy new demands, this also allows us to develop more sustainable products with greater added value for clients.



WE HAVE IMPROVED OUR CUSTOMER SERVICE STANDARDS

We have created the Planning and Service Area within our Supply Chain Department, and the planning operation has been structured to the mid-term, which provides us with a more advanced management capacity over time, while reducing inefficiency and improving service provision. In order to calculate the results attained from this action, we have improved our **service index**, which calculates the difference between a product's requested delivery date and the actual delivery date. When deviations are detected, the monitoring of this index allows the analysis of causes and the implementation of actions aimed at improvement. The Planning and Service Area has been reorganized in order to improve both its proactivity and the service index. All areas of operations already possess independent management areas.

FINANCIAL HELP RECEIVED FROM THE CENTRE FOR INDUSTRIAL-TECHNOLOGICAL DEVELOPMENT

- Project IDI-20180637 - research and development for the **new continuous refining process** to obtain copper wire from low copper content recyclable materials.
- Project EXP-00098476 - to **improve control of the eccentricity and quality of the tubes** coming from the high extrusion ratio press and up-cast press at La Farga Tub.
- Project EXP IND18-1-14 - promoted by the General Directorate of Industry of the Catalan Government for the development of the **automatic drawing process** on the new continuous casting line.

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**OXOLUTIA – INNOVATING
WITH TECHNOLOGY FOR
AEROGENERATION**

Oxolutia is a technology-based company founded in 2010 that seeks to commercialise processes and materials developed in the field of applied superconductivity and which focuses on nanotechnology.

Aerogeneration is one of the application areas with the greatest potential for growth in terms of Oxolutia's technology. To this end, this La Farga-owned company is undertaking technological development that addresses the expansion of high-temperature superconducting materials, which may revolutionise the generation, use and transport of energy.

In practical terms this will lead to new, more efficient devices, which will be both lighter and smaller. In this regard Oxolutia has developed a process that is not used by any other manufacturing company in the high-tech sector (HTS), which is something that provides an important competitive technical advantage and opens up commercial opportunities for digital manufacture in a large scale of HTS bands. The idea behind this venture is to ensure that the company will be able to position itself as a leader in the global market of rotary HTS machines.

INVEST IN ORDER TO IMPROVE

Every year we assign a significant financial provision in order to adapt La Farga products to both the new demands of our clients and those of market trends. We also invest in increasing the efficiency of our production processes as part of our continuous improvement process.

€ 12,201,939
TOTAL INVESTMENT

€ 2,182,435
INVESTMENT IN R+D+I

€ 74,238

Non-recoverable subsidies received for the development of R+D+I programmes



20%
CASH FLOW
INVESTED IN R+D+I

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UNDERSTANDING THE MARKET IN ORDER TO MEET ITS NEEDS

The importance that La Farga places on our clients has been the reason for the creation of our Market Management Area, which covers the commercial aspects of our business activities.

We are seeking to ensure optimum coordination in copper purchases and sales, as these two markets are closely-aligned, either with respect to the supply chain itself, or with other aspects.

La Farga, is aiming to make marketing the driving force of the company, in the sense of discovering in which direction the market is heading and, therefore, where the company has to go.



WE HAVE REORGANISED
OUR COMMERCIAL
STRUCTURE IN ORDER
TO IMPROVE OUR
UNDERSTANDING OF BOTH
CLIENTS AND THE MARKET,
MEET THEIR NEEDS AND
PERIODICALLY EVALUATE
OUR ACHIEVEMENTS.



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In 2018, La Farga continued its international trajectory by participating in:

- **The Mostra Convegno Expocomfort (Milan, Italy).** We presented our catalogue of copper pipes.
- **Wire (Düsseldorf, Germany).** We presented our entire range of copper products, highlighting our wide variety of products in wire and rod.
- **The World Metro & Light Rail Congress & Expo (Bilbao, Spain).** We presented ourselves as a benchmark company in wiring and cables for railway projects around the world.
- **InnoTrans (Berlin, Germany).** We positioned ourselves as a key player in the leading rail transport technology trade fair.

OUR PARTICIPATION AT WIRE SHOWED A FIRM COMMITMENT THE PRESENTATION OF SEMI-MANUFACTURED PRODUCTS AND HAS IMPROVED OUR POSITIONING AND PRESTIGE ON THE ROAD TO INTERNATIONALISATION.

FROM CLIENT-FOCUSED VALUE TO RELIABILITY

The «Value for the Client » project has been introduced into the Reliability Project, which is headed by our Supply Chain Area. The concept hinges on the concept of fulfilling what has been agreed on with our clients. The strategy seeks continued contact with each client; this is a strategy that differentiates La Farga from its competitors.

The structure of different client approach roles has also been consolidated, with Front Office, which takes care of sales agreements and budget fulfilment, with Client Services, which monitors client satisfaction, and with the Quality Manager, who takes care of quality and technical applications. This outlook has provided more specialisation for our clients, while an excellent quality of interlocution has been achieved.

La Farga is now a more dependable strategic supplier, one that is closely-linked to client orientations and visions. Given the wide great diversity of both geographical and product markets, as a supplier, we need to be totally reliable and anticipate our clients' needs.

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QUALITY, THE BASIS OF TRUST

La Farga holds ISO 9001 certification. The quality of our processes and products is achieved through continuous work and on focusing production processes in accordance with highest standards of quality and efficiency. Among those actions promoted in 2018 were the following:

- The improvement of the standardisation and control of all Evtub processes related to Foundry 1, as well as continuous casting processes for wire rod production. The Process Engineering Area documented information and transferred it to Production by means of standards and training courses for employees, while monitoring to ensure that those processes established are maintained.
- The start of a project to optimise operations for the Head of Foundry 1, this initiative will be implemented in 2019.
- Thanks to the new production line, we now manufacture better quality wire rod.

WE HAVE MAINTAINED
THE QUALITY BRANDS
OF OUR PRODUCTS IN
ALL SECTORS.



IN 2018 WE MADE AGREEMENTS WITH
SIEMENS AND ALSTOM, AS A RESULT OF
THE CONFIDENCE THESE COMPANIES HAVE
IN THE QUALITY OF OUR PRODUCTS FOR
THE RAIL SECTOR.



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WINNING SYNERGIES

Commercial agreements that involve mutual respect, applying win-win policies while allowing the development of joint innovations and maintaining long-term agreements that guarantee security and stability in production and supply.

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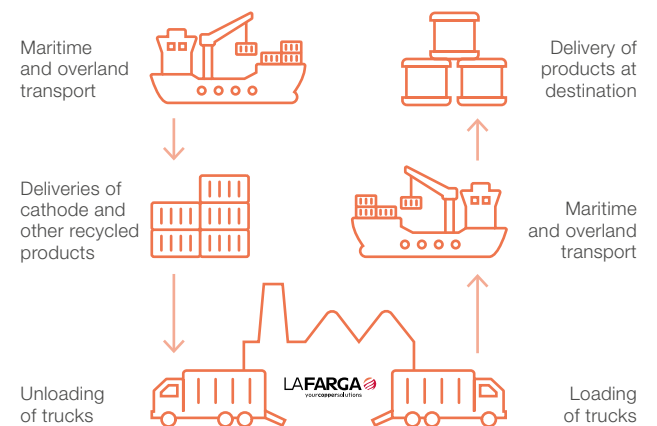


SEEKING SUSTAINABLE RELATIONS

As part of our raw material purchasing policy, La Farga seeks competitiveness, quality and range of products, in addition to flexibility and reliability in supply procedures, with sustainable relationships with suppliers by promoting long-term relationships. In 2018 we worked on the design of a supplier evaluation system based on these parameters, and we plan to implement it in 2019.

We also created a non-copper purchasing management plan that uses product group categories. We have assigned a Category Manager to each product group, and we have applied the methodology of fixed-length miniprojects (sprints) in order to achieve the specific objectives of the product range. Maximum efficiency is sought using each product group.

THE SUPPLY CHAIN



OUR SUPPLIERS

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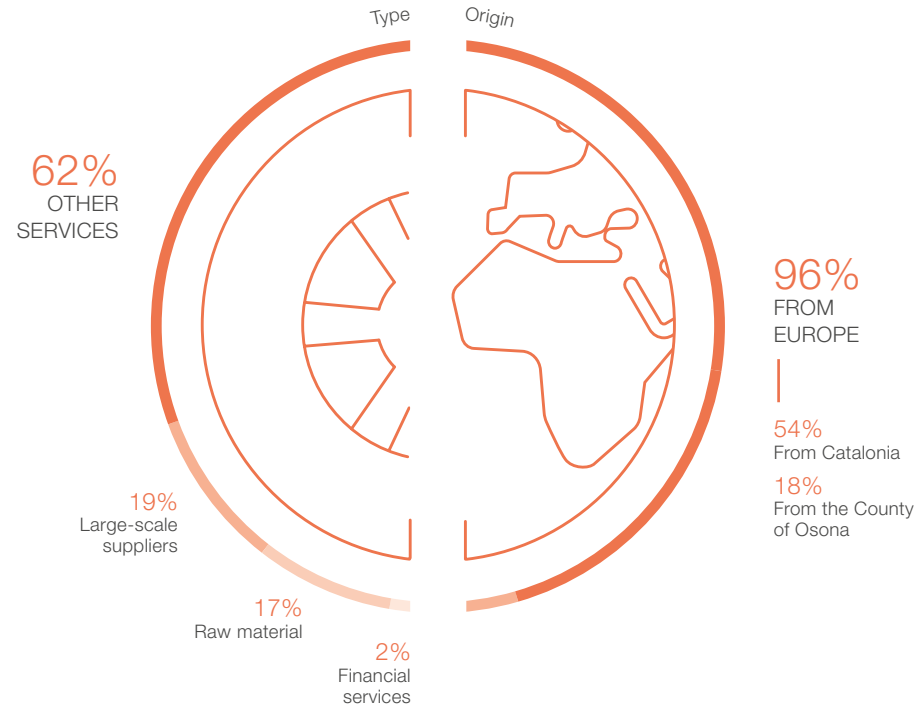
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916
SUPPLIER OF
LA FARGA



74%
WITH INVOICES
BELOW € 100,000
78% local suppliers

WITH RESPECT TO SUPPLIERS, WE ARE SEEKING THE SAME RELATIONSHIPS AS WE HAVE WITH OUR CLIENTS; ESTABLISHING GOOD RELATIONS AND FOCUSING ON SATISFACTION. WE HAVE EXPANDED COMMERCIAL MANAGEMENT IN COPPER PURCHASING.

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THE TRACEABILITY OF RAW MATERIALS

La Farga applies a Conflict Minerals Policy that, among other commitments, includes «adopting those measures necessary to guarantee that the metals used in our industrial processes do not come from zones of conflict zones».

The fulfilment of this policy forms part of our commitment to corporate responsibility and to creating value in our supply chain.

We pursue a purchasing policy that establishes guidelines for action that ensure that our relationships with our suppliers are undertaken in accordance with the values of La Farga, as well as with our corporate responsibility policy and the Suppliers' Code of Ethics. The purchasing policy document reflects the commitment of suppliers to respect and act according to international sustainability standards, among others, the principles of the Global Compact and the Conflict Minerals initiative.



WE GUARANTEE THE
TRACEABILITY OF OUR
RAW MATERIALS BY
ACQUIRING ONLY THOSE
THAT HAVE A CERTIFICATE
OF ORIGIN.



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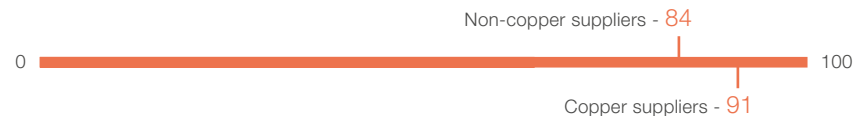
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SUPPLIER EVALUATION

Those suppliers who work in our facilities are evaluated in accordance with different criteria, and these include matters of corporate responsibility. This evaluation process helps detect areas that require improvement.

RESULTS OF TECHNICAL EVALUATION

Score out of 100 points



THE EVALUATION OF TRANSPORT SUPPLIERS

Up until now, these suppliers were not evaluated. In 2018 transport supplier evaluation began, as suppliers are an important factor in non-copper purchases. The evaluation is based on the following criteria:

- Reliability
- Quality
- Service
- Communication

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OUR INVOLVEMENT IN THE LOCAL AREA

La Farga continues to maintain a policy of fostering good local relationships, by cooperating and undertaking social, cultural and training initiatives. The company also seeks to take care of the environment and retain a relationship of respect, dialogue and transparency with respect to the information provided to all those organisations we are involved with.



THE LA FARGA FOUNDATION, A MAINSTAY SUPPORTING LOCAL TALENT

The La Farga Foundation was created in 2004 with the aim of creating value and wealth in the company's local surroundings.

In 2017 the foundation took on the responsibilities of the Josep Moncusí Foundation, which expanded the regional scope of its actions. Today, its sphere of influence includes the counties of Osona, El Ripollès and El Moianès, as well as the municipality of Les Masies de Voltregà and Sant Joan de les Abadesses in a more specific manner.

The La Farga Foundation carries out its initiatives in three areas:

- **In the social sector**, it makes donations, sponsorships and cooperates in the activities of Les Masies de Voltregà and the Osona region.
- **In terms of culture**, it manages the Copper Museum, which in 2018 celebrated its tenth anniversary. The museum, the only one of its kind in Europe, provides information on the properties and applications of copper throughout history in a technical, educational and experiential way.
- **With respect to training**, it allocates a part of its funds to scholarships for the training of the corporate, as well as employees, their children and inhabitants of Les Masies de Voltregà and Sant Joan de les Abadesses.

For more detailed information, see the 2018 Report on the Activities of the La Farga Foundation, which is available on our website.

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MORE RESOURCES FOR THE SCHOLARSHIPS PROGRAMME

The geographical scope of the scholarship programme was expanded in 2017 as a result of the integration of the Josep Moncusí Foundation into the La Farga Foundation, and its area of action now includes Sant Joan de les Abadesses. A new scholarships awards model was introduced, which was based on a single application procedure, to which more resources are now allocated. This change makes it possible to speed up and provide balance in the awarding of scholarships, while allowing more people to benefit from them.

The scholarships awarded are based on:

- Scholarships for degrees, masters, postgraduate university or doctoral thesis courses, cycles of higher degree and adaptation courses for graduates who wish to pursue official university studies.
- Language scholarships.

In 2018 an extraordinary application procedure was facilitated for the inhabitants of Les Masies de Voltregà as due to the new, single application procedure changes, they were left without a scholarship option for the 2017/2018 academic year.



In 2018

28
SCHOLARSHIPS AWARDED

€ 55,732
TOTAL AMOUNT

Since 2006

717
SCHOLARSHIPS AWARDED

€ 1,001,438
TOTAL AMOUNT

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WE ARE COMMITTED TO INDUSTRIAL TRAINING AND REGIONAL SUPPORT

We work with several projects that are linked to training and we provide support to numerous organisations in the region.

LA FARGA IS PART OF THE «OPEN FACTORY» PROJECT

The "Open Factory" project is an initiative of the Department of Education, the Department of Enterprise and Knowledge of the Catalan Government and the Council of Chambers of Catalonia. The project seeks to become a resource for these institutes in order to promote industrial vocations and the promotion of industrial work environments in the transition from education to the labour market.

The pilot test of this project was launched during the 2017/2018 school year, with La Farga as one of the participating companies. Each company was assigned a group of students from a single educational centre. La Farga catered to 3rd year secondary school students from the Institut Voltreganès.

The project is undertaken in four phases:

- The presentation of the company in the school or college
- A visit made by the students to the company (the Copper Museum and the production plant)
- Work in groups that focuses on the industry and La Farga
- A final day at the company and an award ceremony for the best work presented.



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THE FOURTH YEAR OF THE VICENTE FISAS COMELLA AWARD

The Vicente Fisas Comella Awards are held each year, and arise from the partnership of the La Farga Foundation and the University of Vic-Central University of Catalonia. Prior to 2018 the prize totalled € 1,000, however it was increased last year to € 2,000.

The aim of the award is to foster enthusiasm for research among the students. All those students from the University of Vic who obtained a 'cum laude' in their final degree course project work may participate.

The award-winning study must address one of the values promoted by the foundation: knowledge applied to local development, creativity as a basis for innovation and progress, and awareness with respect to environmental care and sustainability.

Ariadna Castañeda, a Biotechnology student at the University of Vic-Central University of Catalonia in the Faculty of Science and Technology, was this year's winner. Her award-winning work was entitled 'Genomic Edition in Neural Precursors for the Generation of Cellular Models of Rett Syndrome.

IN 2018 THE LA FARGA FOUNDATION MADE A DONATION OF € 2,000 TO THE COMPTES LACAMBRA SCHOOL IN LES MASIES DE VOLTREGÀ FOR TEACHING RESOURCES, SUCH AS TABLETS AND MATERIALS FOR THE COMPUTER STUDIES ROOM.

In 2018, La Farga, Manlleu City Council and other companies in the region promoted a new edition of the **Innovacat** Awards, which aims to stimulate the business sector in the region in the face of the challenges of a globalised world; one that is filled with opportunities for our local economy.



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THE SIXTH YEAR OF THE LA FORJA DE L'ARAM AWARD

The Vic School of Art and Superior of Design was the venue for the biennial Forge of l'Aram awards ceremony. The La Farga Foundation presents these awards in its aim to promote training among students of Sculpture, Ceramics, Ephemeral Architecture and Artistic Forgery and Casting at the school, while enhancing their knowledge and bring copper into society. In 2018, the amount of the prizes awarded increased: € 1,200 for the winning piece and € 600 for the second prize.

The winner of the first prize in 2018 was Ester González, with the sculpture *Kingsugi*. The second prize

was awarded to Ye Lei for his work *Harmony*. Railroad catenaries as a connecting element served as an inspiration for both artists.

The La Forja de l'Aram awards arise from a cooperation agreement signed 10 years ago between the La Farga Foundation and the Vic School of Art.

In 2018 the Copper Museum hosted the itinerant exhibition «The Common Thread», a show that includes the winning pieces from the last five years of the La Forja de l'Aram awards.

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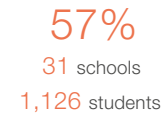
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10 YEARS OF THE COPPER MUSEUM

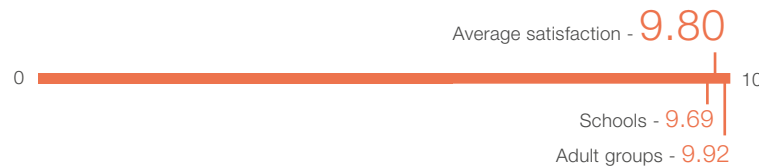
The 10th anniversary of the Copper Museum was celebrated in 2018, and given the priority we assign to training and our commitment to talent, the money that had previously been allocated for the celebrations was instead designated for training and talent management activities.

The Copper Museum opened in 2008 and today it is a space for the providing information on the use and applications that La Farga has made of copper throughout history in industrial, economic and environmental fields. The museum has educational programmes that combine a guided tour with additional activities that are designed to aid learning in an enjoyable way.



VISITOR SATISFACTION LEVELS

Score out of 10 points (2018)



* In 2018, the Copper Museum was closed for two months during the summer, which explains the drop in terms of visitor numbers.



ON THE TENTH ANNIVERSARY OF THE MUSEUM, COINCIDING WITH INTERNATIONAL MUSEUM DAY, THE COPPER MUSEUM OFFERED FREE, GUIDED VISITS TO ALMOST 40 PEOPLE ON 19 MAY

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WE SHARE OUR KNOWLEDGE

La Farga's knowledge is transferred to different groups by means of participation in training, scientific or informative projects, which are also shared with other organizations.



17

PRESENTATIONS BY OUR
EMPLOYEES (MANAGEMENT
POSITIONS AND OTHERS)

In business schools, universities,
economic development agencies and
companies, on topics such as talent
management, industrial enterprise and
sustainability.

THE COMMUNICATION OF CHANGE

We have notified our shareholders of the major changes made at La Farga in 2018: the merger of all our companies into a single brand and the organisational change that has taken place as a result. We encourage dialogue with stakeholders through initiatives in both communication and transparency.



91.6%
ATTAINMENT
LEVEL OF
THE PLAN

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Environmental sustainability, the foundations
of our strategy

Stability in the consumption of resources

The reduction of our carbon footprint

Improvements in waste management,
wastewater and acoustic conditions

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RESPECT FOR OUR ENVIRONMENT

The manufacturing process of La Farga places special importance on recycling, which allows us to evaluate high percentages of secondary copper, so optimising natural resources and minimising the impacts caused in manufacturing.

Environmental improvement is encouraged through the innovation of processes and the use of the best-available technologies in the control and management of emissions and waste.



ENVIRONMENTAL SUSTAINABILITY, THE FOUNDATION OF OUR STRATEGY

At La Farga we have a consolidated environmental management system that is focused on excellence, and based on the ISO 14001 regulation.



€ 134,808
ENVIRONMENTAL EXPENSES



241,442 T
PROCESSED COPPER

ONE OF THE DEVELOPMENTAL FOUNDATIONS OF THE COMPANY CONTINUES TO BE THE ENVIRONMENTAL FOCUS ON SUSTAINABILITY AND THE PROTECTION OF THE ENVIRONMENT.



ISO 14001 CERTIFICATIONS

- Since 2001
LA FARGA LACAMBRA, SAU
- Since 2007
LA FARGA TUB, SLU
- Since 2009
LA FARGA ROD, SLU
- Since 2011
LA FARGA (THE GROUP)

A LETTER FROM THE PRESIDENT
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AN OVERVIEW OF LA FARGA

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Environmental sustainability, the foundations of our strategy

Stability in the consumption of resources

The reduction of our carbon footprint

Improvements in waste management,
wastewater and acoustic conditions

ECONOMIC INFORMATION

SIGNIFICANT ENVIRONMENTAL IMPACTS



AREAS OF IMPROVEMENT

Optimisation in the use of natural resources and processes.

Integral waste and wastewater management.

The prevention and control of atmospheric emissions.

The reduction and minimization of environmental impacts.

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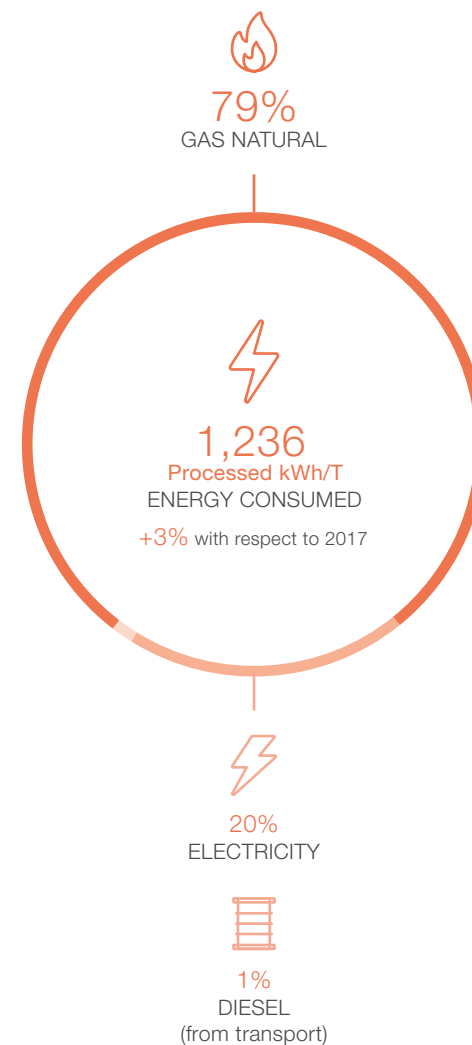
ECONOMIC INFORMATION

STABILITY IN THE CONSUMPTION OF RESOURCES

CONTROL OF ENERGY CONSUMPTION

In 2018 there was an increase in energy consumption from the former La Farga Lacambra plant, where more energy was consumed and less production took place. This is due to the fact that productivity was affected during the line change: casting with a vertical furnace and using the Cosmelt line to produce slag pots.

We are working on changing the entire combustion system of the refining furnace. This is an investment planned for 2019 that will allow us to reduce energy consumption.



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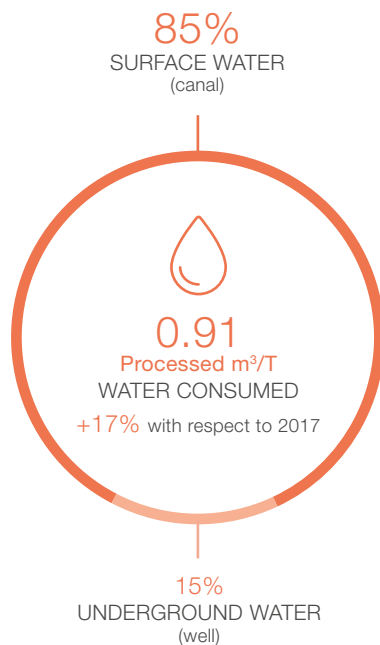
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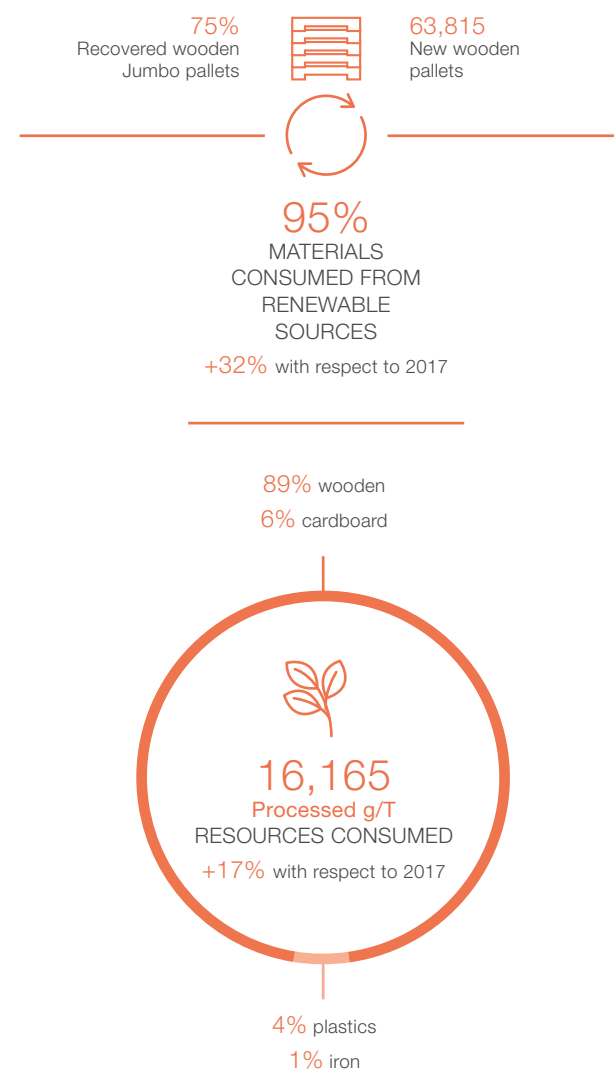
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**WE ARE WORKING TO REDUCE
WATER CONSUMPTION**

At La Farga we are taking numerous measures to reduce water consumption, such as establishing controls to avoid leaks. However, the cooling requirements of the plant increase every year. In 2017, a new cooling tower was installed, which meant that the amount of water consumed increased proportionally during 2018.



**USE OF RECOVERED AND
RE-UTILISED MATERIALS**



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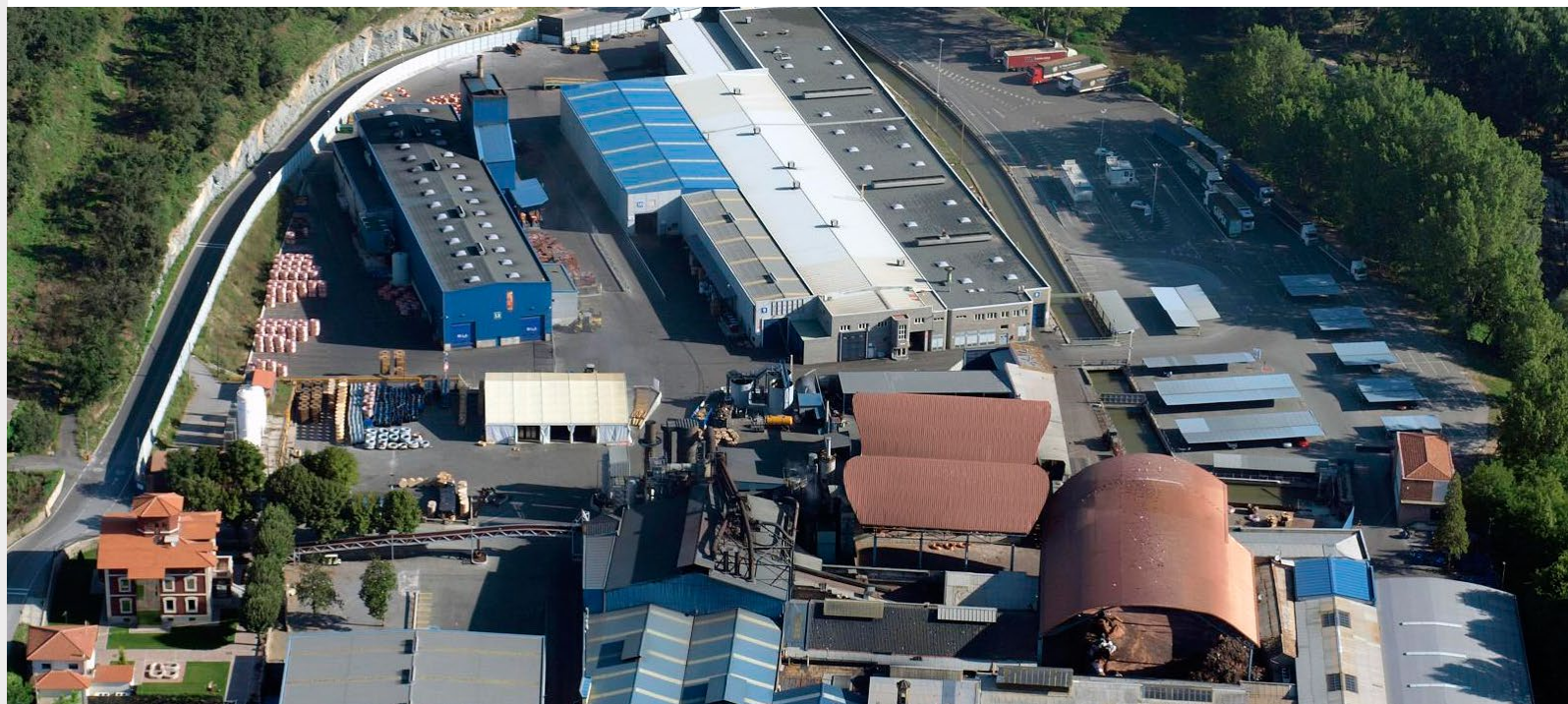
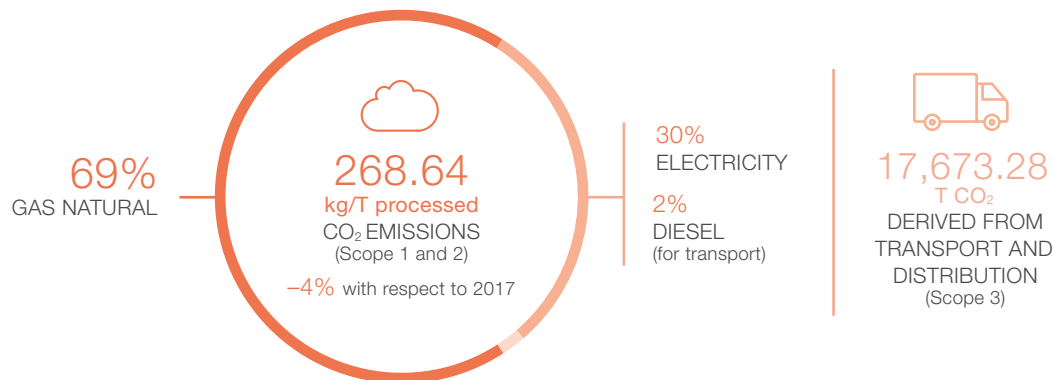
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THE REDUCTION OF OUR CARBON FOOTPRINT

La Farga partici-
pates in the trading of
CO₂ emissions, this
activity obliges us to
both communicate
and verify these
emissions.

In 2018, we verified
33,500 metric tons
of CO₂ from the
consumption of
natural gas in the
factory's facilities.



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IMPROVEMENTS IN WASTE MANAGEMENT, WASTEWATER AND ACOUSTIC CONDITIONS

WASTE MANAGEMENT

The exceptional construction projects, the result of the line change made in 2018, have resulted in an increase of generated waste.



9.49
kg/T processed
WASTES GENERATED
+25% with respect to 2017

78%
NON-HAZARDOUS

22%
HAZARDOUS

THE CONTROL OF WASTE WATER AND INDOOR AIR QUALITY

In 2018 a significant reduction was made to the average amount of criteria pollutants, and no non-conformities were detected.

THE REDUCTION OF NOISE POLLUTION

We have made improvements in order to reduce noise pollution on the new line.

dBA GENERAL 24 H



+4%
VARIATION BETWEEN
2017 AND 2018

*Data from long-term duration studies.

**Data obtained using scheduled measurement processes.

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BALANCE SHEET (LA FARGA CONSOLIDATED)

ASSETS

	2017	2018
NON-CURRENT ASSETS	38,911,016	82,723,391
Intangible assets	6,420,973	9,247,977
Tangible assets	30,513,094	71,570,473
Long-term investments in group companies and associates	1,287,452	0
Long-term financial investments	28,944	60,522
Deferred tax assets	660,553	1,844,419
CURRENT ASSETS	102,821,085	140,717,972
Non-current assets held for sale	3,876,251	1,995,450
Stock	61,643,039	104,674,931
Trade debtors and other accounts receivable	35,875,323	28,138,018
Short-term investments in group companies and associates	431,071	0
Short-term financial investments	234,115	5,480,692
Short-term accruals	371,858	375,835
Cash and other equivalent liquid assets	389,428	53,046
TOTAL ASSETS	141,732,101	223,441,383

NET ASSETS AND LIABILITIES

	2017	2018
EQUITY AND LIABILITIES	43,228,653	63,126,361
Capital	27,562,500	27,562,500
Reserves	15,188,919	33,827,508
Result of the financial year	2,262,229	1,357,434
Dividend on account	(2,002,250)	0
Grants, donations and legacies received	217,255	378,919
NON-CURRENT LIABILITIES	9,129,109	20,415,589
Long term debts	9,071,366	20,020,448
Deferred tax liabilities	57,743	395,141
CURRENT LIABILITIES	89,374,339	139,899,413
Short term debts	59,100,979	108,399,859
Debts with group companies and short-term associates	2,289,765	1,167,628
Trade creditors and other accounts payable	27,983,595	30,331,926
TOTAL NET ASSETS AND LIABILITIES	141,732,101	223,441,383

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PROFIT AND LOSS ACCOUNT

(LA FARGA CONSOLIDATED)

CONTINUING OPERATIONS

	2017	2018
Net amount of turnover	442,702,653	1,049,123,248
Variation in stocks of finished products and in the process of manufacturing	(2,492,026)	26,438,584
Tasks performed by the group for assets	1,168,842	2,754,618
Supplies	(401,517,871)	(1,023,101,059)
Other operating income	112,304	228,955
Personal expenses	(11,093,697)	(18,590,954)
Other operating expenses	(19,316,536)	(27,984,604)
Amortization of the fixed assets	(6,325,811)	(9,913,858)
Allocation of subsidies for non-financial assets and others	72,173	74,238
Impairment and profits/losses from disposals of property, plant and equipment	2,817	667,345
Other results	41,545	1,197,693
OPERATING PROFIT	3,354,393	2,204,075
Financial income	973,636	2,017,666
Financial expenses	(1,501,171)	(3,455,706)
Exchange rate differences	4,582	(25,177)
Impairment and profits/losses from disposals of financial instruments	0	260,000
FINANCIAL RESULTS	(522,953)	(1,203,217)
RESULTS BEFORE TAXES	2,831,440	1,000,858
Income tax	(569,211)	356,576
RESULT OF THE FINANCIAL YEAR FROM CONTINUED OPERATIONS	2,262,229	1,357,434
RESULT OF THE FINANCIAL YEAR	2,262,229	1,357,434



€ 10,919,952
NET CASH FLOW



€ 12,254,004
EBITDA

For more information on the content of the report, go to yourcoppersolutions@lafarga.es.

For more information about La Farga and copper, follow us on the social networks:

 yourcoppersolutions.wordpress.com

 [@FargaInfo](https://twitter.com/FargaInfo)

This report has been prepared according to the guidelines of the Global Reporting Initiative (GRI) Standards, in accordance with its most demanding level: «Application - Exhaustive».

Committed to:



LA FARGA 
your **coppersolutions**

Produced by: laVOIA