

LAFARGA 
yourcoppersolutions

THE SUSTAIBABILITY
REPORT
2022
THOUSAND
LIVES OF
COPPER



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EDITORIAL

ABOUT THIS REPORT

At La Farga we believe in our business and in the value that we bring to society. We are proud to present our 15th Sustainability Report, which reflects the company's honest and determined willingness to be, day by day, better for the planet and its inhabitants. This report is integrated with the Non-Financial Information Statement (known by its initials in Spanish as EINF) corresponding to fiscal year 2022 and covers 100% of the turnover that encompasses LA FARGA YOURCOPPER SOLUTIONS SA's activities in Les Masies de Voltregà.

The key non-financial results have been prepared in accordance with contents gathered in current commercial regulations, as well as following the Global Reporting Initiative (GRI) standards for sustainability reports, the international reporting framework that is covered in the 49.6.e article of the Commercial Code introduced by Law 11/2018.

The information included in the non-financial statements, which is part of the management report, and which will complement the consolidated annual accounts for 2022, is verified by Century Auditores, independent verification services provider, in accordance with the new article 49 in Law 11/2018 of the Commercial Code.

Likewise, the rest of the non-financial information contained in this report for year ended on December 31st, 2022, has been prepared, in all significant aspects, in accordance with the GRI standards, as detailed in the "GRI Content Index" section of this report. La Farga's annual Sustainability Reports since 2007 and their independent review reports are available on the website.





Letter from the President of the Board of Directors

Let me begin the 2022 Sustainability Report presentation by recalling a phrase that I shared during an interview 14 years ago: ‘Our heart beats around the recycling of copper’. Today, that statement is more alive than ever and perfectly defines La Farga’s DNA. Hence our purpose, which is to maximize the use of recycled copper and the technologies that make it possible, with a firm commitment to building a better and more sustainable society.

With this report we want to reflect our commitment to generating shared value, contributing to sustainable development. We also want to demonstrate our performance in achieving our goals. We close 2022 satisfied with the company’s achievements. We have a committed and excited team, and one of our highest priorities is to ensure its health and safety. We promote equality, diversity, and inclusion, and we are committed to constant training and talent development, as well as internal promotion. We have taken important steps to minimize our environmental impact and promote efficiency in our processes, from reducing carbon emissions and optimizing energy consumption, to promoting circular economy and natural resources responsible management. We have consolidated our sustainable products and processes, offering to the market almost 90% CO2 emissions reduction across our supply chain.

2022 has been a year full of challenges and opportunities, in which La Farga has continued to demonstrate its ability to adapt and thrive in an ever-changing environment. As an industrial company and from our responsibility, we have great challenges to face, such as the transition towards a low-emission economy aligned with the Paris Agreement. Spain has approved the Climate Change and Energy Transition Law, encouraging the industry to continue advancing in the reduction of greenhouse gas emissions, the promotion of renewable energies and of energy efficiency. Therefore, to achieve the Paris Agreement’s objectives, support of the administration is essential.

Digital transformation, considered the Fourth Industrial Revolution, is a relevant challenge in our sector. We are witnessing how new digitization technologies break out at great speed to help us be more competitive, efficient, and effective, changing the way we operate and manage companies. That is why we must know how to adopt these new technological possibilities to improve our processes, our products, and ultimately our business model, allowing us to be more agile to respond quickly to the current needs.

I am not saying anything new when I say that the availability of natural resources, such as water or minerals,

is increasingly limited. For this reason, it is of key importance to promote the circular economy, seeking to reduce natural resources consumption, extending product's lifespan, and promoting recycling.

Since prehistoric times, Copper plays a key role. Recycled copper will be essential in facing the current and future challenges for humanity's sustainable development. At La Farga we know copper and its potential like few others, since we have been dedicated to recycling it for more than 214 years, being leaders and referents in copper recycling technology and innovation. We are certain that challenges are opportunities, and this is reflected in our strategic plan. We strengthen our innovation practices by putting it at the service of sustainability. We continue to watch over and act based on our social and environmental awareness and commitment, and we actively collaborate with other organizations, administrations, and stakeholders to promote our society's sustainable development.

To carry out our purpose and commitment, a solid governance structure is needed. One of the main challenges of family businesses is the generational turnover, and in our case, we have very robust protocols that govern the participation of the family in the company's management. In 2022 we have consolidated the generational turnover, a process that began a few years ago, following the family protocol, one of our company's governance pillars, which puts the interests of the company before the

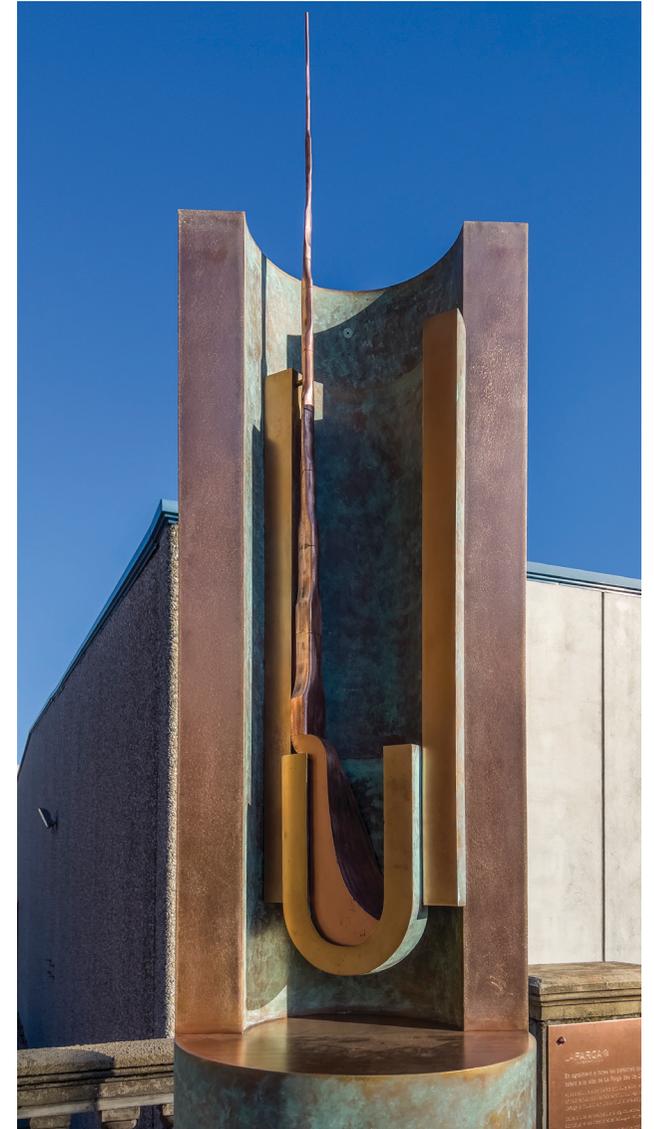
interests of the shareholders. Since January 1, 2023, my daughter Inka Guixà has assumed the executive functions as CEO, and I will continue to serve as Chairman of the Board of Directors of La Farga Yourcoppersolutions. We are proud to see how, with her leadership, strategic vision, and commitment, we guarantee the continuity of our legacy and the generation of shared value with the company and the world.

There are two elements that move La Farga; one is the human group, and the other is the technological project based on circularity, sustainability, and innovation. This combination, positions the company as a future-oriented enterprise with great potential.

Let me take the opportunity to thank all employees, collaborators, and partners of La Farga for their dedication and support on this journey towards a more sustainable world.

ORIOL GUIXÀ

President of the
Board of Directors



Letter from the CEO

2022 was meant to be the year of recovery and return to normality after the years of pandemic we have experienced. Nevertheless, the Ukrainian war and its geo-political consequences; the energy crisis derived from the price rise that had already started in 2021; the inflation that has been generated by this price rise, which has also affected raw materials; the consequences of climate change, which are already evident, with episodes of extreme temperatures and weather events or the drought that concerns us with empty reservoirs; all of them have been, among others, great challenges that have tested our business model.

Despite this, 2022 has also given us opportunities, such as the possibility to transcend and create shared value, being agents of change to achieve sustainable development for our world. In other words, to ensure progress, by meeting present and future needs through responsible use of natural resources and attaining a state of balance between economy, society, and the environment.

We consider ourselves an agent of change and it is through this Report that we present our approach and our work, which is only possible thanks to people at La Farga, who actively participate in it. For



this reason, people's health and safety is the basis of everything we do.

Collaboration and teamwork have been key to be able to face the opportunities and challenges. It is worth noting two differential factors of our organization: our team and our management system. These give us the necessary agility and robustness to be able to react and adapt to circumstances, always bearing in mind our values and our main objective: generating shared value with a positive impact for our company.

As I have previously mentioned, we are going through years of profound social changes, and we have ahead of us challenges that we must face as a society and that are shaping the agendas of companies. For this reason, our responsibility is to take advantage of the opportunities and face the challenges from our strategic approach and from what we know and know how to do, which is copper processing, guaranteeing alignment with market needs, as well as the needs of the different stakeholders.

Looking back, I can say that our corporate culture and strategic approach confirm and strengthen our sincere commitment to innovation and sustainable development.

We are a company with a purpose, which is to “maximize the use of recycled copper and the technologies that make it possible”, and it is our commitment and responsibility towards this purpose, which reaffirms our loyalty to the principles of the United Nations Global Compact and the Sustainable Development Goals (SDGs). To have a better future, helping our society to be more prosperous, protecting the planet and being an exemplary company. Because for La Farga what we do and how we do it is just as important.

We have been betting on putting innovation at the service of sustainability for many decades. Our determination and perseverance allow us to offer today cutting-edge technologies that give copper a new life when it reaches the end of its lifespan, promoting circular economy and safeguarding natural resources. These technologies also allow to reduce the carbon footprint of the entire value chain by nearly 90%, as well as to minimize water consumption. Our innovative character and our technological developments promote circularity and have positioned us as world leaders and referents in copper recycling. We have been pioneers, offering a 100% recycled product with an Environmental Product Declaration (EPD), thus giving the market tools to promote responsible consumption.

All this is only possible thanks to our team reason why our commitment to talent and professional development is based on promoting equality, diversity, and inclusion. We encourage teamwork from a multidisciplinary perspective, training, and internal promotion, always ensuring a safe work environment that protects our workers’ health and safety.

Furthermore, we have not travelled this path alone. All this has been made possible through collaboration and cooperation with our clients, suppliers and all the stakeholders that are part of La Farga’s ecosystem. It is from this collaboration and cooperation that we are working to develop future technology that will help us face the challenges that lie ahead, including decarbonization and the industry’s digital transformation.

Our time horizon is the long-term, with the goal of maximizing our profit to maximize our impact, ensuring the company’s viability. To this end, solid governance structures that prioritize the interests of La Farga are necessary. Proof of this is that in 2022 we have executed the renewal process of our Board of Directors and we have consolidated the process of generational turnover, by which I have assumed in 2023 the executive responsibilities as new CEO of La Farga Yourcoppersolutions. I want to personally thank our President for his trust and support in this new phase.

I take over the management of the company, and I do it with the passion, commitment, enthusiasm, and values that characterize us.

We are always focused on the future, which will surely bring us new and great opportunities, and we are prepared to play a leading role. We are convinced of what we are, what we do and how we do it.

we are COPPER
we are INNOVATION
we are SUSTAINABILITY

INKA GUIXÀ FISAS
CEO

Letter from the President of the Family Council

On the first place, I would like to express my gratitude to everyone for the continuous support and commitment to our values and our guiding principles, which are the basis of our corporate culture, and which regulate our actions and behavior as an organization.

La Farga has always stood out for its dedication to innovation and social responsibility and for its commitment to sustainable development, which is at the center of all our business activities and decisions.

Through this Report, we highlight our achievements, challenges, and goals in terms of sustainability, and we expose how we have deployed our work initiatives to create value with a positive impact for our community.

Placing sustainability as the backbone of our corporate strategy, we work from all areas to respond to the needs of all our stakeholders. We focus on the protection of the environment, the promotion of circular economy, the responsible management of resources and the promotion of solid and fair relationships with our human team, our clients, suppliers, and the rest of the collaborating companies. We believe that it is necessary for our future and that of the next generations to be a company committed to sustainable development, a belief that we have been putting into practice and promoting since La Farga was founded.

From the family business that I represent, we promote collaboration and constant dialogue between all stakeholders. Only through the union of efforts and common goals, we will be able to deal with the challenges that we have as a society, building a better and prosperous future for all.

As a family-owned business we are an important agent of the economy, generating jobs, developing innovative solutions, and improving the quality of life of society. And we have a great challenge, which is to ensure the sustainability of the company in order to continue contributing to human development. That is why we dedicate part of our efforts to have solid governance structures that look after the interests of the company and, therefore, continue to be a driver for development.

I would like to take the opportunity to thank all those who make it possible for La Farga to be a referent company for their commitment and responsibility.



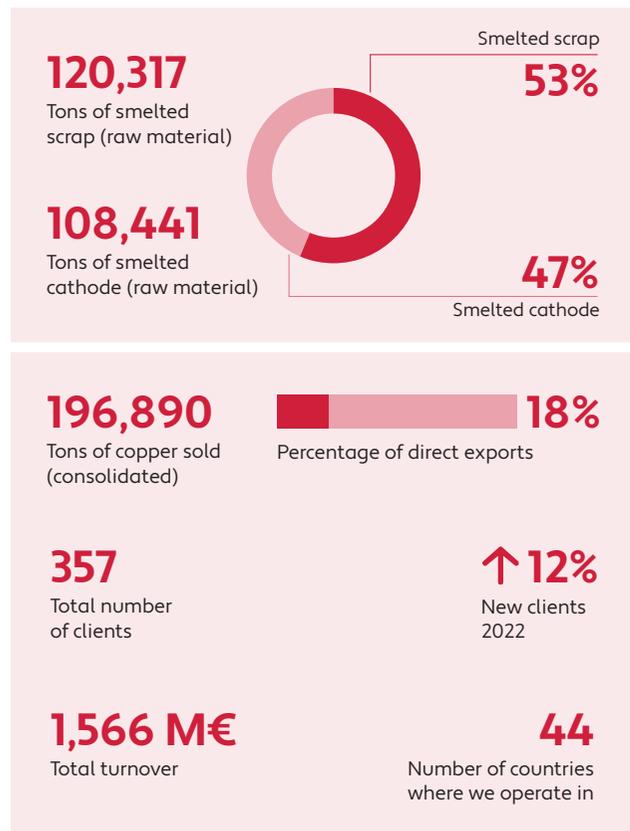
CRISTINA FISAS

President of the
Family Council

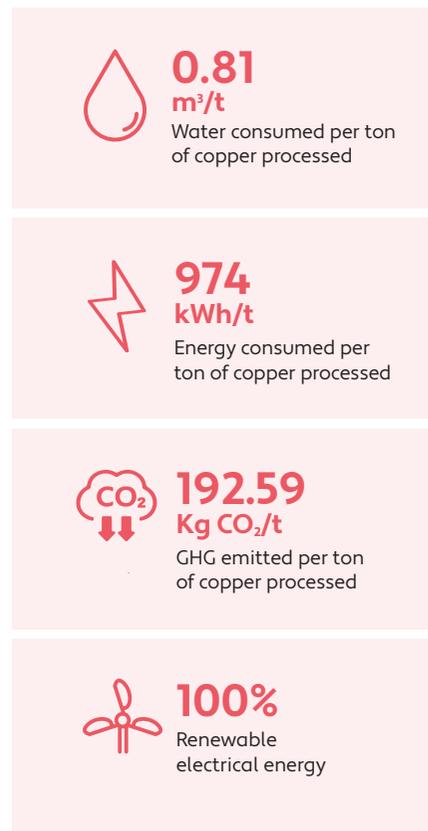
ABOUT LA FARGA

FY22 PERFORMANCE SUMMARY

Axis 1. We are recycled copper



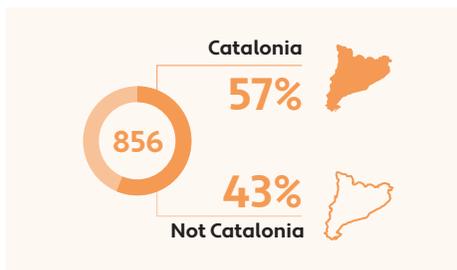
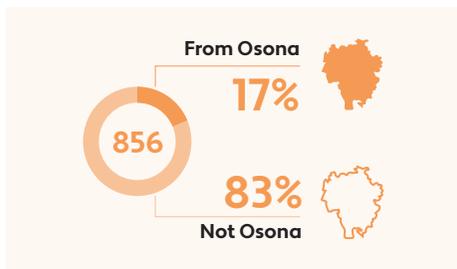
Axis 2. We are efficient sustainability



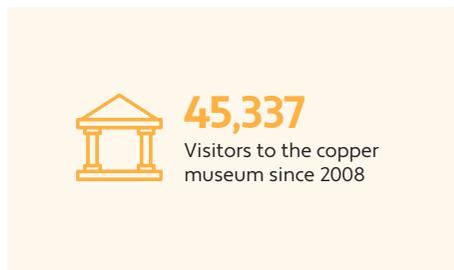
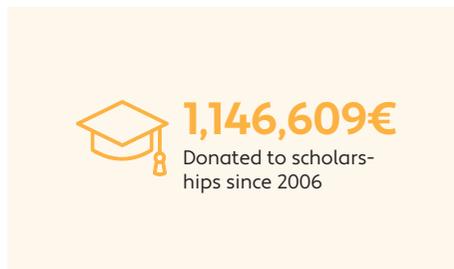
Axis 3. We are talent



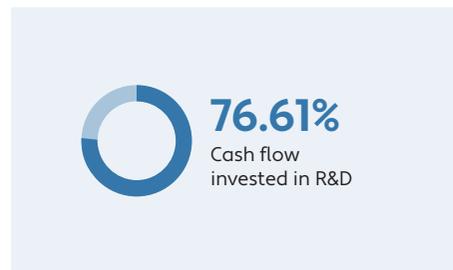
Axis 4. We are traceability



Axis 5. We are community



Axis 6. We are industrial knowledge



Axis 7. We are commitment



LA FARGA, A COMPANY WITH BICENTENNIAL PURPOSE

La Farga is a **family business with 215 years of history**, located on the banks of the Ter River, in Les Masies de Voltregà, within the Osona region. The company manufactures and markets semi-finished and finished copper products and its alloys for different applications and markets worldwide, such as electrical cables, metal packaging, railway cables and construction, among others.

Since its creation in 1808, in Barceloneta neighborhood, La Farga has worked with an essential material for the development of humanity: copper.

Copper is the first metal used by humans and it can be infinitely recycled, without losing its natural attributes. This property is the very essence of La Farga, which has become a world referent in metal recycling. **Maximizing the use of recycled copper has been and is La Farga's *raison d'être*.**

During its long history, the company has been pioneer in recycling this metal: creating the necessary technologies, making processes more efficient, optimizing the



use of resources, and improving the quality of the final product. Today, La Farga is capable of **manufacturing copper products with one of the lowest environmental impacts across the market**, thanks to the use of copper scrap as raw material and thanks to its firm commitment to developing the necessary technology to process it. All this has only been possible thanks to the fact that La Farga has a human team that is highly committed to the company, its legacy, and its future.

Aware of the critical situation in which the planet and its inhabitants are facing, we take **responsibility as a company and reaffirm our commitment to be centered in the pillars of sustainability and innovation**, with the aim of leaving future generations a more prosperous and equitable world.

Family business

La Farga was founded in 1808 as a family business by Francisco Lacambra (1760 - 1824). Over a long period, the company's management was handed down from generation to generation, each with new challenges to face. In 1980, after a convulsive economic moment, the company La Farga Lacambra, S.A. was created. In 1985, the Lacambra family ceased to own the company and in 2001, it was acquired by the Fisas and Guixà family units, restoring the character of a family business that it traditionally had.

Today the company is in hands of these two families and is subject to a family protocol that guarantees ethical, transparent, and efficient management, as well as an orderly succession.

La Farga has implemented solid corporate and family governance structures, which guarantee the balance of powers, the division of responsibilities, and the preservation of the business-family partnership and the long-term growth of the company.



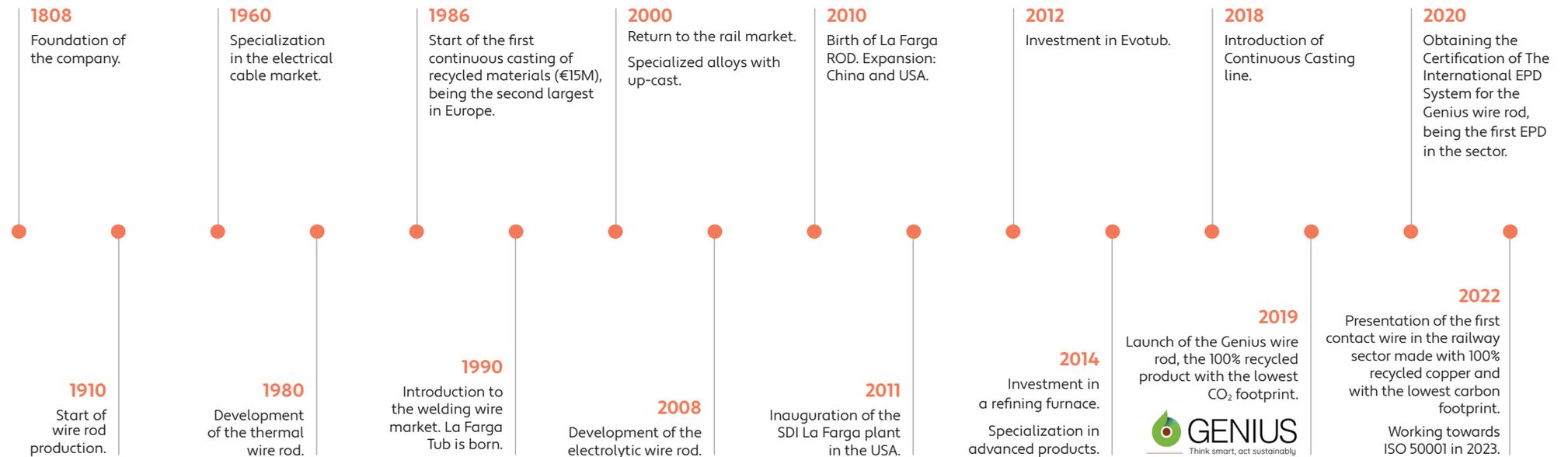
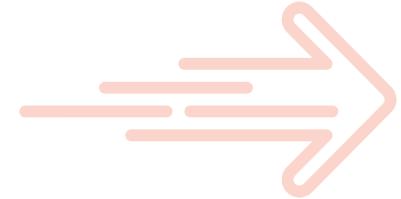
This year the generational turnover that began in 2017, when Inka Guixà assumed the General Director position, has been consolidated: from January 1, 2023, **Inka Guixà assumes the duties of CEO**. This handover has been carried out step by step and in a studied manner, to ensure the continuity of La Farga's business model and the perpetuity of the legacy, corroborating the proper functioning of the established family protocols.



△ Ownership structure of La Farga

We permanently work on innovation and continuous improvement.

We invest to continue growing, expanding our worldwide presence, and improving production efficiency. We are always creating value to the market and promoting sustainability.

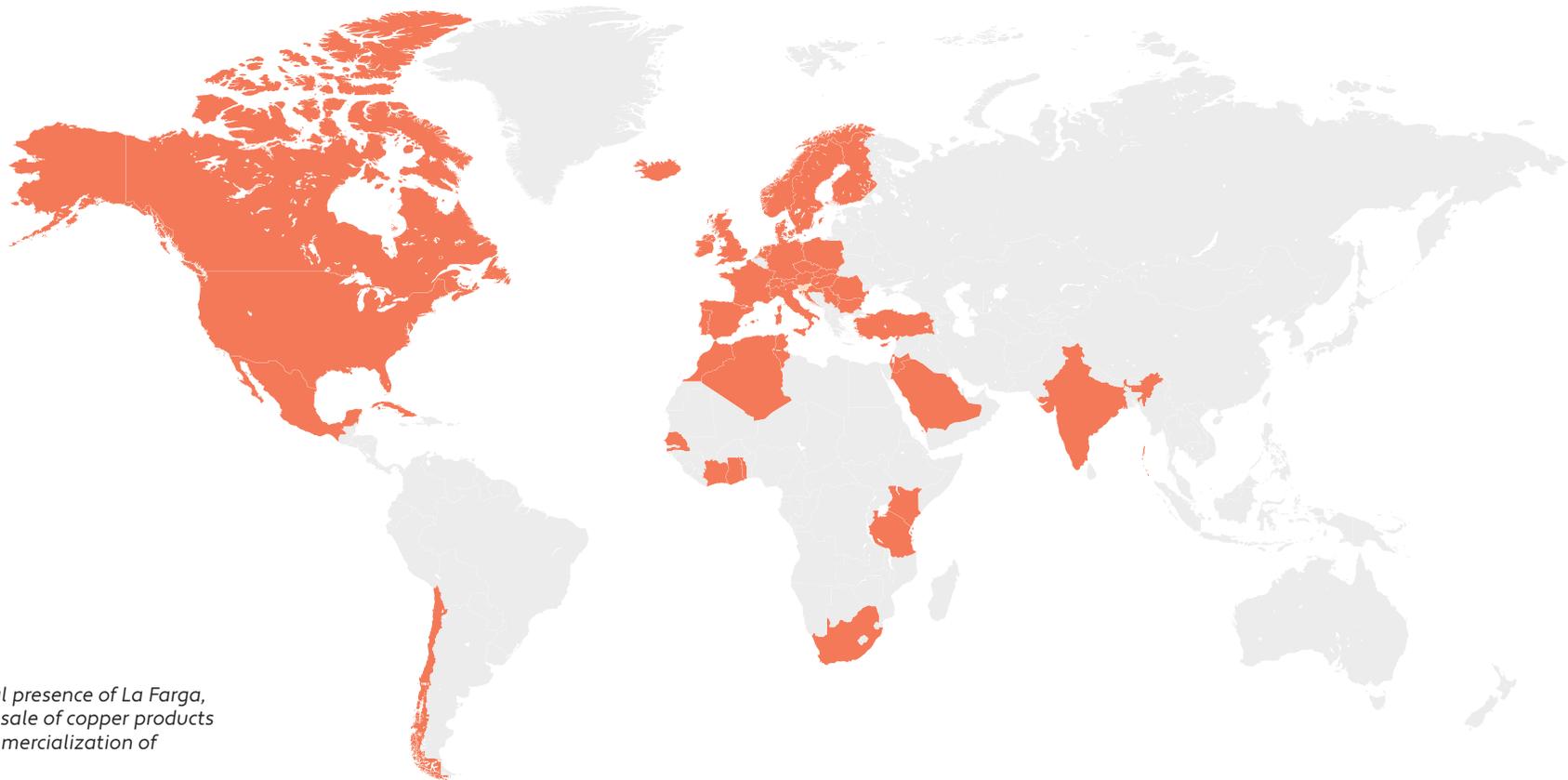


△ Main milestones throughout La Farga's history.

Where we are in the world

All these years of work, dedication, and perseverance, together with the number of resources invested in research and development, have made it possible for La Farga to **be present on almost every continent**, either through the direct sale of its copper products (wire rod, wire drawing, electrical ground ropes, welding wire, railway and special cables, among others) or by exporting their own technology.

In 2021 La Farga set up its technology sales catalogue. This is complemented by education and training programs at the facilities of clients.



▷ *International presence of La Farga, through the sale of copper products and the commercialization of technology.*

CORPORATE STRATEGY WITH SUSTAINABILITY AT ITS CORE

CORPORATE DNA

Our commitment to the planet and society is what pushes us to work to reduce the environmental impact of our products and processes, as well as care for and improve the social conditions of our operations, **to generate a positive impact that allows sustainable development of our society.**

We apply a strategic planning model, with specific and measurable objectives, and prioritizing resource allocation. In our **2021-2023 Strategic Plan**, we have made a very clear commitment to our will to move further, reaffirming and consolidating our previously defined mission, vision, and values.

In our search to continue exercising the role that we want and that we believe we should have, this year **we have carried out a process of deep reflection**, going back a few steps to review our essence and identity, to put into words and structure what we are, what we do and how we do it.

The tangible result of this reflection process is reflected in our **corporate narrative** or manifesto and in **our purpose**, intrinsically related to the mission and vision that we had already defined.

These identity elements are the basis of our corporate strategy and, as such, are the guide for all our actions and decisions, since they define what we do, why we do it and how we do it.

Sustainability and innovation are the pillars of La Farga's Corporate Strategy. We work with a long-term vision, to ensure the viability and sustainability of the company.



Purpose

Maximize the use of recycled copper and the development of the technology that makes it possible.

LA FARGA'S MANIFESTO

Everything passes, everything remains. Everything changes, copper remains.

The oldest known copper object is an earring made in 8700 BC. In 4000 B.C. the technique for its casting had already been developed. The ancient Egyptians symbolized it with an Ankh, which in turn represents the symbol of eternal life. Copper was the first metal used by humans and has the particularity of being eternally purified, always returning to its original purity. Today it continues to be fundamental thanks to its excellent properties as a thermal and electrical conductor. La Farga has always worked with copper and always recycling it. We can say that the essence of copper is the essence of La Farga.

In order to be addressed, the challenges facing the world today will continue to require copper. But there is one that crosses them all and it has to do with the scarcity of resources, with social inequality and with climate change. We have hit a limit that we can no longer ignore because the future of humanity is at stake. Development will be unfeasible unless we find ways to reduce emissions, reuse resources, and narrow the gap between the haves and the have-nots. The future will be sustainable, or it simply will not be.

Since our birth more than two hundred years ago, at La Farga we have dedicated ourselves to recycling copper. And throughout all this time we have developed technologies that have achieved what seemed impossible: the highest quality standards with the least environmental impact. We are a transformational company in the most literal sense. We receive something that has already finished its useful life and we return it ready to be reused. For a long time, scrap was thought

of as waste. Today we have understood that resources are limited and that reuse habits represent the future. Copper has the characteristic of allowing itself to be recycled forever, keeping its properties intact. Far from being thought of as waste, recovery copper today has a definitive value in the regeneration of a system whose days are numbered if it fails to update the ways of producing wealth. At La Farga we have been preparing for this moment for more than two hundred years.

The reuse of resources to minimize the impact on the environment; the conviction that technology must be at the service of life; constant research for the permanent improvement of our day-to-day work; the future of the next generations as motivation and as a guide. Many companies have an innovation department. At La Farga we are innovation. We exist to develop the most efficient technologies for the recovery of copper and put them at the service of the people. Copper has accompanied human development since its inception and will continue to do so in the coming decades. La Farga exists to make this development possible, making it compatible with caring for people and the planet.

The thousand lives of copper.



Mission

We are pioneers in offering sustainable copper solutions to society.



Vision

Transform the market through leadership in copper recycling, providing innovative solutions, to contribute to the development of a positive-impact economy.

VALUES



COMMITMENT

Emotional and intellectual involvement for the creation of value in a sustainable way, both with the environment and over time, based on ethical and responsible behavior, always considering the economic, social, and environmental impact of our decisions.



INNOVATION

Transform new products, applications, processes and/or services into value, based on the adequate and effective link between the company and the market, and promoting collaborative development.



OPEN MENTALITY

Act and promote an open, receptive, integrating, and collaborative work ecosystem, to achieve the maximum human potential and opportunities, as a tool for collaborative growth.



PASSION

Enthusiasm to work efficiently and making an effort to achieve an individual or team goal.

GUIDING PRINCIPLES

REGENERATIVE SPIRIT

We advocate circularity and the reuse of copper to minimize the impact the industry has on people and the planet.

INNOVATION AS A GUIDE

We are motivated to provide the world with efficient technologies that did not exist before and that result in the generation of a better quality of life.

PEOPLE IN THE CENTRE

Our ultimate goal is people's well-being: those who work with us and those who are part of our environment, with special attention in future generations.

PERMANENT CHALLENGE

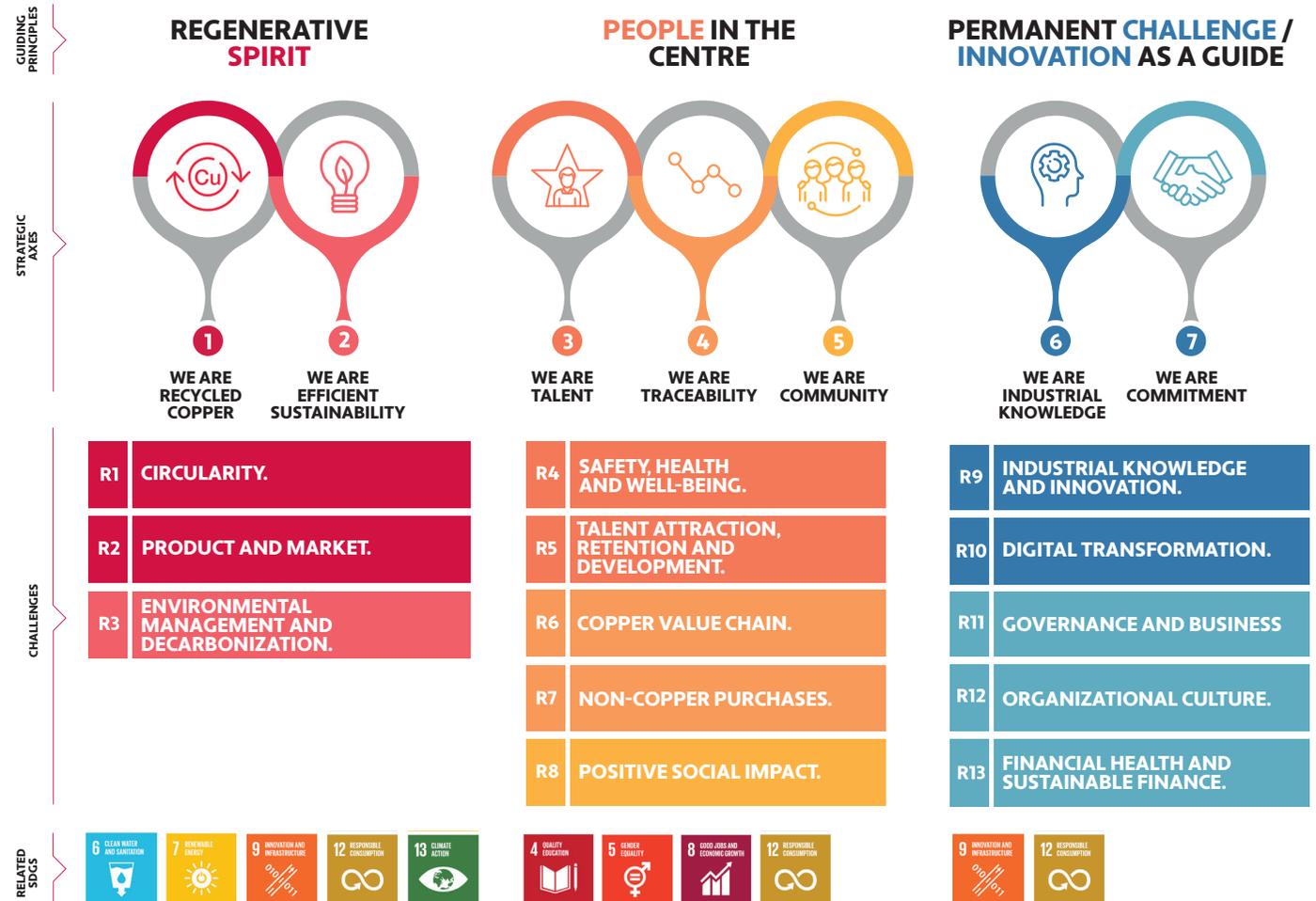
We are constantly developing new knowledge that enables the efficient reuse of copper, while we support people's training in the field of innovation.

OUR CORPORATE STRATEGY

Once all the identity elements, which are the foundations of our action, were defined, during 2022 we set out to reorganize our strategy, with the aim of reflecting the defined purpose as coherently as possible, incorporating sustainability in a transversal way, **thus making our economic, social, environmental and governance objectives indivisible.**

We are proud to present La Farga's Corporate Strategy, which is structured according to our four guiding principles, and correlated with the seven strategic axes defined.

Each of **the axes is related to the Sustainable Development Goals (SDG)** that we internally prioritized, thus aligning our strategy with the United Nations Global Compact, to which we are adhered since 2007.



WE CREATE SHARED VALUE

La Farga seeks **to create shared value for all interest groups and for society**. That is why, when prioritizing the actions and initiatives that emerge from the strategic plan, we consider our stakeholders' expectations: suppliers, clients, employees, financial institutions, community, neighbors, and civil society organizations, among others.

In 2022 we have carried out a **new materiality analysis**, with the aim of updating the most relevant issues for stakeholders and prioritizing them correctly, to take these priorities into account in our strategic reflection process.

We want our corporate strategy to be aligned with stakeholders' expectations, to offer them a differential value proposition.

MATERIALITY ANALYSIS

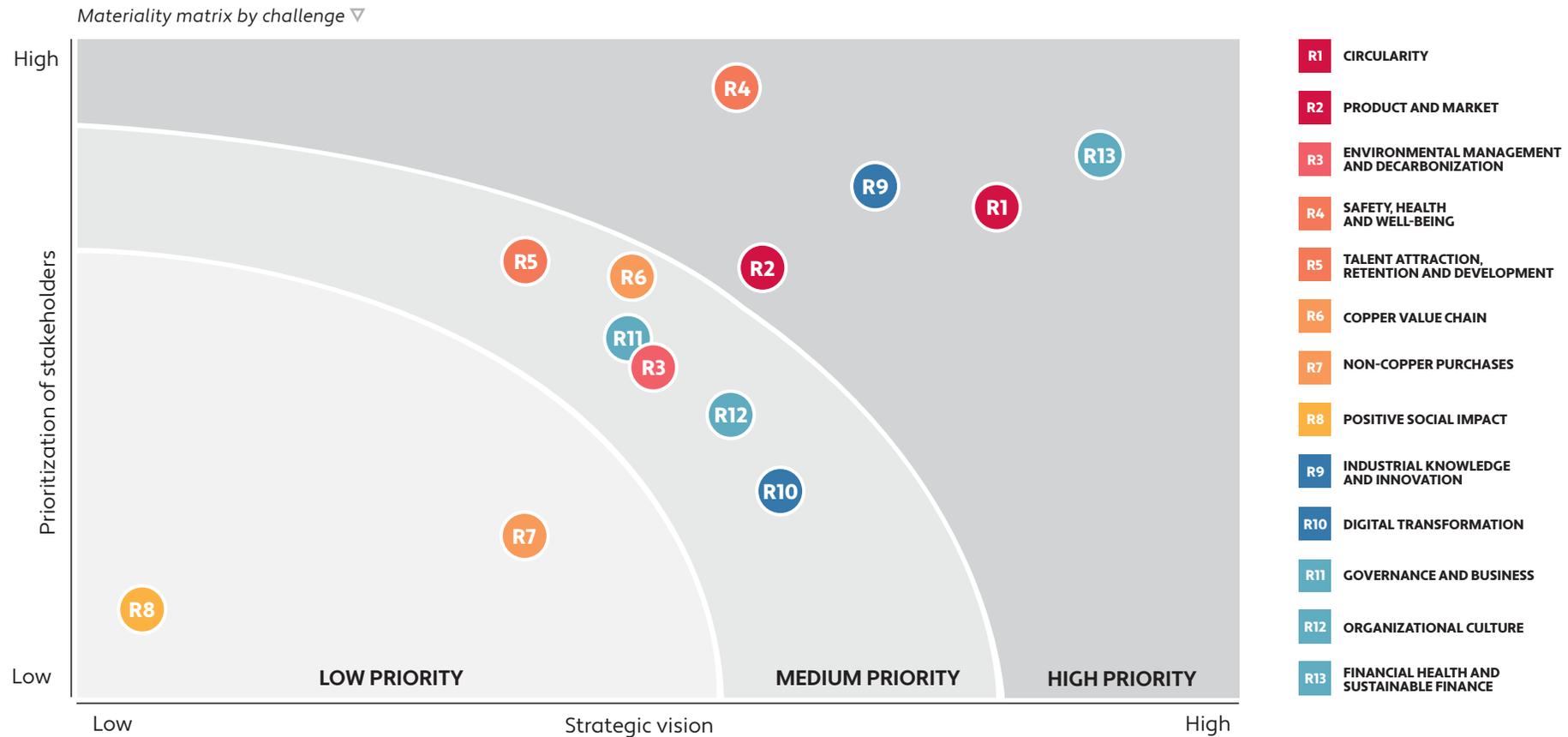
According to the Global Reporting Initiative (GRI) standards, a materiality analysis is a process to identify, evaluate and prioritize potential material issues with an economic, social, or environmental impact that could affect the business of La Farga and/or its stakeholders. This exercise serves on the one hand, for the preparation of non-financial reports, and on the other, for the definition of strategic priorities.



By means of the materiality analysis, **41 material topics were identified**, based on general and sectorial standards, as well as on market analysis. These have been grouped into the defined challenges, to obtain a more strategic assessment.

Based on the answers obtained, the analysis has been carried out, obtaining the prioritization of the material issues. The **matrix is presented by challenges**, and it exposes those that have the highest priority, both from the strategic perspective and from the stakeholders' expectations.

The 41 material topics have been grouped into the different challenges to obtain a more strategic assessment.



1

WE ARE
RECYCLED
COPPER



WE ARE RECYCLED COPPER

We can offer the best product in terms of quality, with one of the lowest environmental impacts on the market. This is possible thanks to the fact that we incorporate circular economy as a strategic element.

Circularity is the central element of La Farga's first strategic axis: we seek to apply circular economy to the maximum in our operations, and our greatest contribution is found in the value chain. Using copper scrap, we give new life to products that have reached the end of their lifespan. This implies reducing the use of natural resources, in addition to reducing the environmental impact of the overall process.



1.1

PRODUCE IN A CIRCULAR WAY

We can use copper scrap as a raw material, incorporating circularity in our processes and initiatives, through the application of our own technology, which makes our manufacturing process unique.

1.2

OFFER SUSTAINABLE AND HIGH-QUALITY PRODUCTS

Our entire portfolio of products can be manufactured with recycled copper, thus offering our customers more responsible options with lower associated emissions, always complying with the highest standards of quality and service.



1.1 PRODUCE IN A CIRCULAR WAY

We strive daily so that our processes, practices, and initiatives are consistent with our will to promote a more circular economy. Our production model has incorporated circularity from its origin and conception, but we are aware that the road ahead is long, reason why we need to be creative and find new solutions and areas where this model can be successfully applied. Currently, circularity is well established in our value chain.

53% of raw material we use is recycled copper.

Value chain and associated impacts

The copper value chain, of which La Farga is a part, is a very global one. In other words, companies and actors from various countries are involved. It is a process with many stages, and intensive in consumption of energy and natural resources. As manufacturers of semi-finished copper products, we are in an intermediate position in the value chain. In general, we supply our products to other companies that transform them for the final application, although we also manufacture some ready-to-use end products, such as railway cables, welding wires and copper tubes. This position in the chain is privileged in terms of sustainability since we can generate great value and impact.

CIRCULAR ECONOMY

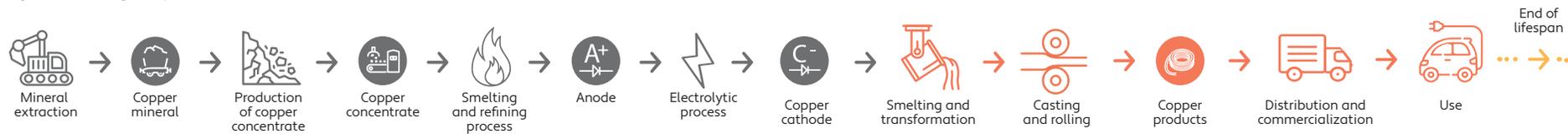
According to **Ellen MacArthur Foundation**, founded to accelerate the transition to circular economy, the current economic model based on “extracting, producing, and disposing” is pushing the planet to the limits of its physical capacity. Circular economy is proposed as an alternative that seeks to dissociate economic activity from the consumption of finite resources and eliminate waste from the system from design.

Circularity begins with the design of a product and the production processes, which must be focused on **minimizing the use of virgin materials and maximizing the reuse of others that have reached the end of their useful life**. In addition, it is necessary to consider what the process of distribution, commercialization and use of the product will be, the way these will be collected and how they can be reused and recycled to be reintroduced at the beginning of the process.

Value chain

Cathode from mine:

Pyrometallurgical process direct from mine



Environmental impact of mine cathode process

Environmental impact of direct scrap process



Copper scrap:

La Farga's process to give new life to copper waste in an efficient way

▲ Value chain and associated impacts.

Legend: Process ○ Resulting product ●



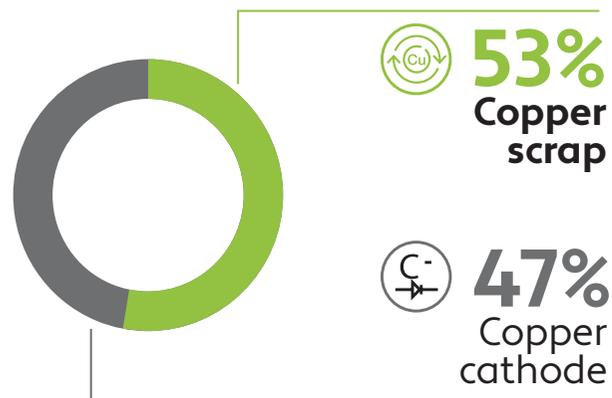
La Farga's value chain can be divided into three stages:



STAGE 1. Obtaining raw material

This stage includes all the processes and agents involved in the extraction, collection, processing, and transportation of the raw material from its place of origin until it reaches La Farga.

We work with two types of raw material:



CATHODE

It is generally made from mined copper, although it can also be made from recycled one. Copper is found in nature in the form of an ore, with low concentrations of copper mineral - only between 0.3% and 10%. To become a cathode, it goes through the following stages:

Extraction of the mineral through mining activities, either in open pit or underground mines. This activity is very intensive in energy resources and has a great impact on the biosphere, as well as on the communities in the area. Chile, Peru, and China are the main copper producing countries.

Due to its low concentration of copper, this mineral cannot be used directly, so the next step is the **application of different metallurgical processes** to increase the concentration and purity of copper and thus obtain what is known as **copper concentrate**. One of the most common processes for obtaining it is the application of physical processes, such as grinding and flotation.

Subsequently, the copper concentrate undergoes a **smelting and refining** process, which is also very intensive in energy consumption. **Copper anodes** are obtained from this, yet still do not reach the required purity levels.

Finally, by applying an **electrolytic process**, **copper cathodes** are obtained from the anodes, thus reaching a purity of 99.99%.

SCRAP

It comes from copper products or by-products that have reached the end of their lifespan or useful life, such as electrical appliance wiring, pipes and cables from a building being demolished, and power lines or waste from the production process itself.

Using copper scrap as raw material allows us to avoid the most resource and energy-intensive stages of the value chain (mining and electrolytic processes), as well as the need to transport copper over long distances, also reducing emissions associated with transportation.

The only prior process that scrap requires before entering our furnaces is the **removal of plastics and impurities and cleaning**, so that it arrives in the best possible condition and the best quality is obtained.





STAGE 2. Manufacturing

It is carried out entirely at La Farga. It consists of a **process of smelting and refining**, either the copper cathode or scrap, followed by a **transformation process** of this high-quality liquid copper into different semi-finished products ready for sale.

Avoiding all the stages associated with the use of cathode as raw material, and working the scrap with our patented process, means a drastic reduction in energy consumption (10 times lower) and consequently in CO₂ emissions.

For each ton of recycled copper processed, the direct emission of 3.9 tons of CO₂ is saved. This is equivalent to the emissions of two internal combustion cars per year or to what 130 trees can absorb in a year.

STAGE 3. Distribution and commercialization

This stage consists of the **transportation and sale** of semi-finished copper products, to make them reach customers in a timely manner, either to be transformed into final products such as electrical cables or copper tubes, or to their direct use in the packaging of canned food. Once products sold reach the end of their useful life, they become scrap copper and re-enter our value chain as recycled copper.

ENVIRONMENTAL IMPACT

Through a Life Cycle Analysis (LCA), La Farga has compared the differences between the environmental impacts of two identical copper rods: one entirely manufactured from cathode, and another entirely manufactured from scrap (specifically to Genius wire rod produced by La Farga, which will be presented later).

The analysis was updated this year to incorporate the efficiency improvements implemented. The results confirm that the differences between the environmental impacts of these two products are enormous.

This affirms that the use of copper scrap represents a drastic reduction of negative impact.

Although the use of scrap requires a slightly more energy-intensive manufacturing process (Scopes 1 and 2 due to fossil fuel usage), it leads to a considerable reduction in the product's overall environmental impact, since the processes for obtaining raw material and transportation (Scope 3) for the cathode are much more harmful to the planet than those of scrap.

The main results are presented below:

↓ 86%

Consumption of abiotic resources (AD-FF)

↓ 96%

Eutrophication potential (EP)

↓ 96%

Acidification potential (AP)

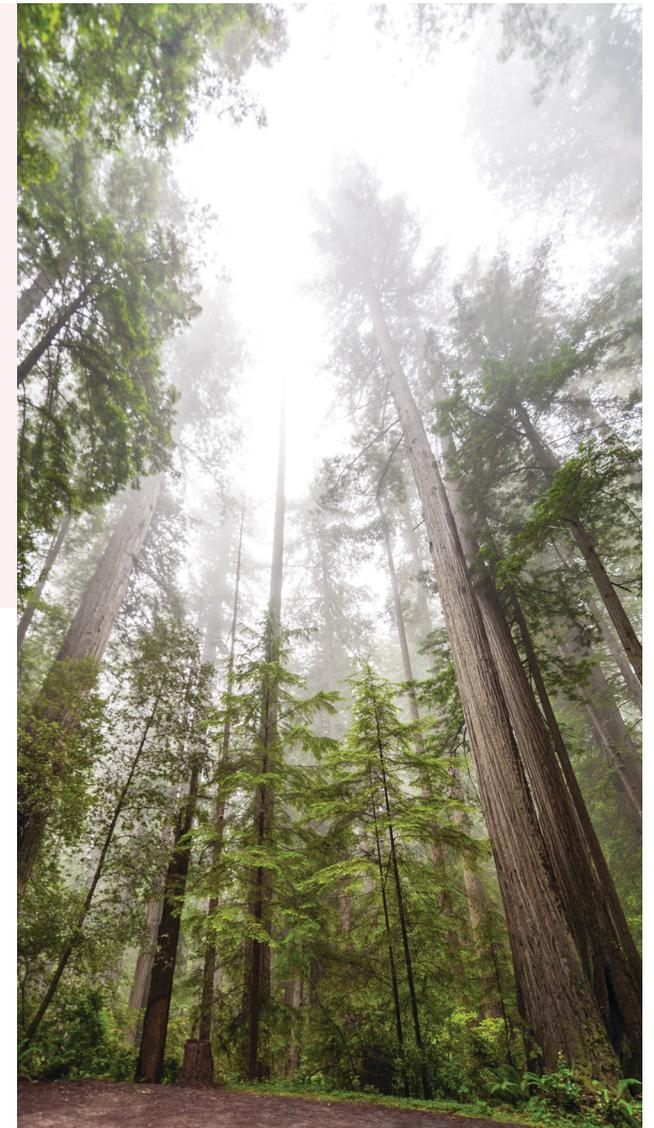
↓ 89%

Global warming potential (GWP)



↓ 98%

Tropospheric ozone formation potential (POCP)

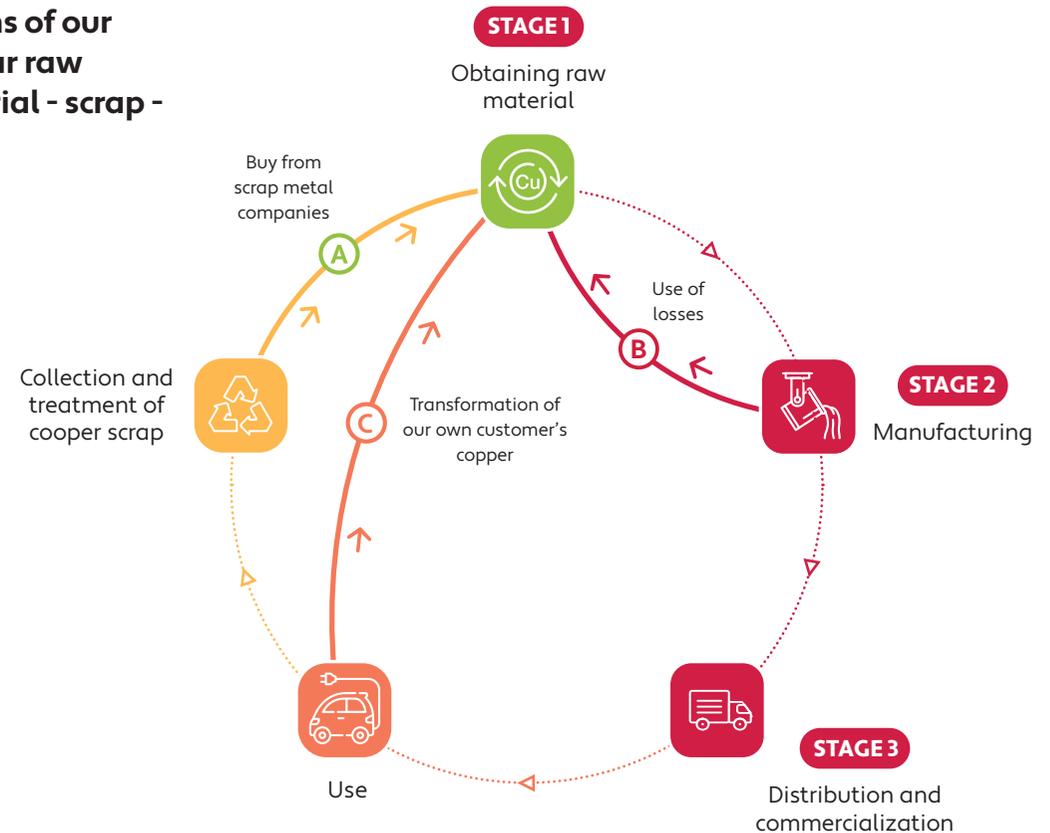


Recycled raw material

We have three furnaces where we melt copper, which is the first step in our production process. Having three of them gives us versatility and allows us to use all types of copper as raw material: cathode or scrap. This year, we have increased the use of recycled copper, melting 120,317 tons, which represents 53% of the total copper used. Our knowledge and technology make it possible to use recycled copper of different qualities and origins, which gives us robustness against market fluctuations. There are mainly three ways in which we obtain copper scrap:

- A** **Buy from scrap metal companies**, which recover it from electrical appliances, wiring and pipes from demolished buildings, industrial buildings, and electric motors, among others.
- B** **Use of losses generated during our production process**, of which we manage to make use of up to 98% to re-incorporate them into the chain. The rest is sold to the market as by-products.
- C** **Transformation of our own customers' copper**, who return their copper products to us once they reach the end of their useful life or losses generated in its operations. This is the case of joinfil, which is used to weld containers in the food sector.

Origins of our circular raw material - scrap -



Raw material use

120,317
Tons of scrap melted

108,441
Tons of cathode melted

Packaging reuse

At La Farga, we also **minimize the impact that our packaging has on the environment**. In 2020 we began to work more closely with our customers to recover the packaging of our products, such as wooden pallets or metal coils. Since this initiative was launched, the relationship of kg. of new packaging placed on the market per ton of copper produced **has decreased by 31%, from 11.8 kg/ton in 2019 to 8.05 kg/ton in 2022.**

In total, in 2022 we recovered 23% of the 74,300 used wooden pallets.

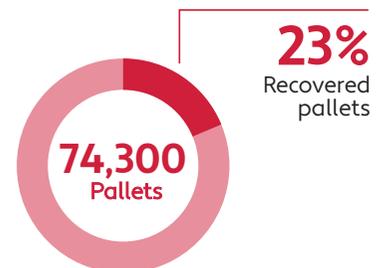
Reduction of packaging

Packaging weight per ton of copper (Kg/t)

↓ 31%

Weight of packaging per ton of copper from 2019.

Pallet recuperation



Incidence in the sector

We want other industries to get involved in the development of circular economy for the decarbonization of the activity and in the reduction of its environmental impact. For this reason, as market leaders, **we participate in different spaces and sectoral and product organizations.** We want to be up to date with the news and contribute to discussions on market trends, demand expectations and the importance of copper as a key element for sustainable development.

In this involvement, we continuously reaffirm our commitment to environmental sustainability and circularity. We are pioneers and leaders in copper recycling and remain a world reference in technology that enables metal recycling.

Among the spaces in which we participate, the following stand out:

International Wrought Copper Council (IWCC), which brings together companies in the sector, both competitors and suppliers, and ensures the protection of copper and its proper positioning. It also serves as a source of information on new trends.

Asociación de la Industria Ferroviaria Española (MAFEX), where we promote the Spanish railway industry and our recycled copper railway cables.

Railsponsible, which seeks to incorporate circularity attributes into the legislative requirements for the construction of railway lines.

London Metal Exchange (LME), which is the global epicenter of industrial metals trading. We participate in annual meetings to discuss demand trends and expectations.

Asociación Española de Normalización and other standardization committees, from where we defend and promote the valuation of products that contain recycled copper.

We want to strengthen our presence in spaces and forums exclusively focused on sustainability and circularity, which can help us to broaden our knowledge about trends and good practices, as well as position ourselves as the pioneer company that we are.



▲ Logos of some of the organizations in which La Farga actively participates.



PARTICIPATION IN TRADE FAIRS AND CONGRESSES

We participate in the most important international fairs of the sector and have developed an events plan for 2022-2024, which includes participation in different international events.

Highlight events in which we participated in 2022:

Innotrans Trade Fair (Berlin): reference event for the railway sector, in which we presented our 100% recycled copper railway contact wire. We also had the pleasure of receiving the Minister of Transport, Mobility and Urban Agenda, Ms. Raquel Sánchez, together with the President of ADIF, Ms. Maria Luisa Dominguez and the President of RENFE, Mr. Raúl Blanco.

Wire Trade Fair (Düsseldorf): World's leading trade fair for the wire and cable industry, in which the entire industry value chain participates. Here, we have positioned our Genius wire rod, our copper product with the lowest environmental impact on the market.

With the event plan we have also redesigned our stand, giving it a new image, which is more in line with our purpose and our values, and seeking to show the public the benefits of using scrap metal for the environment.



1.2 OFFER SUSTAINABLE AND HIGH-QUALITY PRODUCTS

La Farga has a broad portfolio of semi-finished copper products and its alloys and is present in key sectors for the development of our society.

Our objective is to supply sustainable copper to all these sectors, to contribute to the reduction of their environmental impacts. The sectors in which we are present are:



Electric

Supply of cabling and high voltage lines.



E-mobility

Supply of wiring for electronics, vehicle engines and charging stations.



Railway

Supply of cables for the electrification of the railway sector.



Construction and facilities

Supply of cables and pipes for domestic or industrial installations.



Packaging

Supply of metal for packaging sector.

After a very uncertain 2022, characterized by a difficult economic situation that has pushed the prices of energy and raw materials to very high levels, we have made a great effort to adapt, maintaining our activity and working closely with our suppliers and clients. We are especially grateful for the understanding and collaboration of all of them. Just like us, they have suffered the impacts of the current economic and social context, and even so, we have managed to get ahead, keeping our strategic industrial sector alive.

Trust and closeness are the key pillars of the relationship with our clients, which is why we always seek to build long-term business relationships.

44 New clients
2022

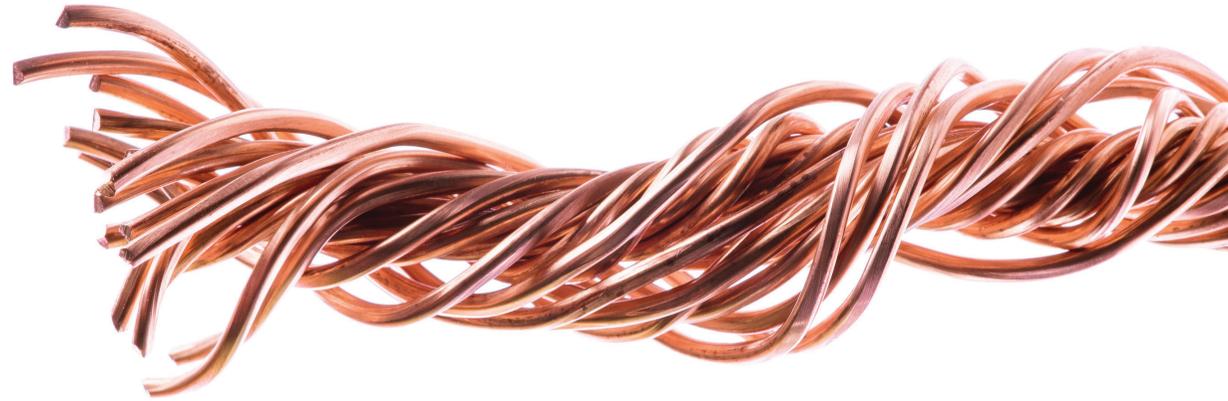
357 Clients

44 Countries where
La Farga is present

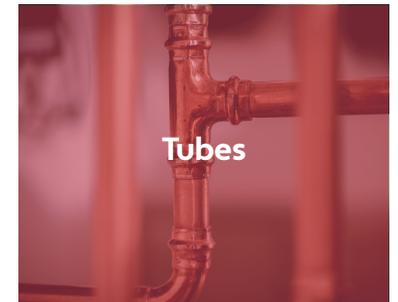
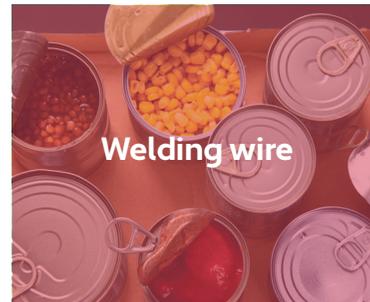
La Farga's products and markets

For each of our business units, we have a wide portfolio of products that respond to our customers' needs and technical specifications. We want to transform the sector, reason why **we are working to enhance, consolidate and introduce our sustainable products in the market. These incorporate recycled copper and circularity and have a lower carbon footprint**, always meeting our customers' needs.

Thanks to our commitment to innovation and continuous improvement, **we are the best partner for the development of sustainable and efficient copper solutions**. We keep working on continuous improvement to continue evolving our maximum efficiency solutions, meeting all quality standards, and minimizing environmental impact.



Our main business units are:



Wire rods

Copper wire rod is our main product in terms of production volume. We produce two ranges of wire rods: the Essential one, which offers exceptional electrical properties, and the Genius range, which is made from 100% recycled copper and as indicated by its EPD, has the lowest environmental impact on the market.



Wire drawing

Wire drawing is a semi-finished copper that is used in the industrial process of the manufacturers of electrical cables. We produce according to the technical specifications requested by our customers. Our wire drawing meets the requirements for the manufacture of class 1, class 2, class 5, and class 6 electrical cables.



186,729
tons sold

Main markets:
Spain, Italy, Portugal, Morocco.



23,203
tons sold

Main markets:
Spain, France, Italy, Finland.

Welding wire



We produce polymicroalloyed copper wire for welding metal containers for canned food, cosmetics, and others. This product has better mechanical properties and resistance to temperature than conventional copper wire, which gives it better dimensional stability during the welding process.



Railway cables



La Farga supplies cables for the electrification of the railway sector, for conventional lines, metro, tram, and high speed. In its will to be one step ahead, La Farga Advanced Materials was created. With the collaboration of universities and technology centers, we constantly research the design of new high-performance materials for the electrification of railway lines. Thanks to investments in research and development, we can present sustainable contact wire made from 100% recycled copper.



Tubes



La Farga offers a wide range of copper tubes for all types of applications, such as conducting sanitary water, gas, heating, and cooling systems and for industrial uses. Our tubes offer the highest quality and safety to installation companies. Copper tube is the quintessential material most used in European countries for drinking water systems, heating, air conditioning, solar thermal energy and for sanitary applications, thanks to its antimicrobial properties.



13,249
tons sold

Main markets:
Spain, France, Italy, Portugal.



5,770
tons sold

Main markets:
Italy, India, France;
Turkey, Canada.



14,408
tons sold

Main markets:
Spain, United Kingdom,
France, Poland.



Genius rod is made from 100% recycled copper and has the lowest associated emissions.



↓ 89%

Greenhouse Gas Emissions



↓ 66%

Water consumption



↓ 86%

Fossil fuels consumption

△ Data from 2019.

Building on our innovative technology, we have developed Genius, our Fire Refining High Conductivity copper rod, produced using the registered process Cosmelt Process®.

Our Genius has been the first copper wire rod to obtain the International EPD System certification, which endorses and verifies it as a product with a much lower environmental impact than electrolytic copper.



The certification also complies with the international ISO 14025 standard and is being updated to consider improvements made to our facilities and processes that further reduce our environmental impact.



First Railway Cable from Copper **100% Recycled**

We offer an innovative product with a lower environmental impact and with the highest quality and efficiency standards

Our railway cable made from recycled copper achieves a higher performance and wear resistance than conventional railway cable.

The use of recycled copper materials in the manufacture of railway lines is not yet contemplated in the legislation of many countries. In La Farga we do not give up and **we work from all areas to promote regulations and specifications that drive the use of recycled copper.** For example, we are part of the Railsponsible Alliance of Manufacturers, to ensure that circularity is included in the technical requirements of new railway lines.



We offer the best quality

Product quality is essential for our organization. Thanks to our facilities and knowledge, we cannot only deliver a product with exceptional physicochemical properties and that meets the technical requirements and specifications (conductivity, elongation, composition, etc.), but we also have the capacity to officially certify copper product properties for third parties.

To consolidate La Farga's continuous improvement model, we have ISO 9001 certification, focused on achieving quality in an organization through the implementation of a method or Quality Management System (QMS).

This certification has allowed us to improve the ratio of tons per number of nonconformities by 34% and reduce the number of claims accepted by 30.55%, as well as passing 34 customer Factory Acceptance Tests (FAT's), among others.

We also certify the quality of our products by homologating our railway cables in different countries.



The **ISO 9001** International standard is focused on attaining quality in an organization through the implementation of a Quality Management System (QMS) or method. The benefits of implementing this standard are:

- Ability to regularly provide products and services that meet customer requirements and applicable laws and regulations.
- Facilitate opportunities to increase customer satisfaction.
- Address risks and opportunities associated with their context and objectives.
- Ability to demonstrate conformity to specified quality management system requirements.

We provide a close service

We have a team that is close to customers, that has earned their trust, by means of anticipating their needs and providing answers and solutions when required. Each company we work with has its respective **Account Manager**, who works in coordination with the Customer Service and Quality teams to provide detailed responses on time to problems, complaints and concerns that may arise. We also provide product quality certificates according to UNE-EN 10204.

To improve daily, we have a **Claims Policy and Procedure**. These are received, recorded, and analyzed between the Quality area and the affected one. Thanks to demand traceability of the demands and the good conditions of the plant, we can offer a response within a maximum of 48 hours. The Claims Management System, THE LIST OF complaints received, and their resolution are included in the **ISO 9001 standard**.

Finally, we measure the **service index** on a weekly basis, which calculates the difference between the delivery date of a product (on the order acceptance confirmation) and the actual delivery date. When deviations are detected, the causes are analyzed, and improvement actions are implemented. **In 2022 this rate was 88%, maintaining the same level as 2021.**



Meri Rovira

Market Partnership Manager

INTERVIEW 

“The demand for sustainable products is increasing. Therefore, products made from recycled materials and the associated impact value that they involve are increasingly valued.”

What do you think are the main issues and challenges that exist when marketing a product with recycled copper content?

One of the main challenges is for the market to understand the positive impact using recycled copper has throughout the value chain. Thanks to La Farga’s technology and all the work carried out over the years, our Genius wire rod, made entirely from recycled copper, has CO₂ emissions and water consumption which are nearly 90% lower than those of products manufactured using mined copper. In addition, we comply with the market’s technical and quality requirements. **We have**

the responsibility to promote using recycled copper, champion circular economy, minimize the use of natural resources, and encourage decarbonization.

In turn, we are challenged to ensure a reliable supply chain. The demand for recycled copper will increase in the coming years and we must therefore contribute to develop the necessary technologies to be able to recover the maximum amount of copper that has reached the end of its useful life and transform it to extend its lifecycle.

Meri Rovira

Responsable de Market Partnership

INTERVIEW 

How do you think clients (direct and indirect) perceive recycled copper products? Is this a valued attribute?

The demand for sustainable products is increasing. Therefore, products made from recycled material and the associated impact value that they involve are increasingly valued.

The need to generate shared value and the growing awareness of consumers understanding that natural resources are finite, encourages the introduction of recycled copper products in final usage applications. There is still a long way to go, and at La Farga, we must continue disseminating the properties of recycled copper and the advantages in terms of sustainability that it entails for all markets in which copper is present.

What sectors are more predisposed to use copper of recycled origin?

There is a different degree of maturity between markets and companies. Awareness exists and is becoming more widespread, but work must continue in direction of promoting the use of recycled copper. Some sectors are more mature than others, just as there are different degrees of maturity between companies. But apart from conti-

nuing to promote the benefits of using recycled copper, we also have a tremendous challenge and responsibility: to promote a regulatory change in the different sectors. Currently, many product specifications are not updated with sustainability criteria, slowing down the introduction of this type of product in purchasing criteria.

How do you think the copper market will evolve in the coming years and what role do you think La Farga can play?

Estimations indicate that the demand for copper will double by 2050. The energy transition and responsible consumption require copper for its connectivity, efficiency, and infinite recyclability properties.

Electrification and the use of renewable energies, such as solar and wind energy, involve a greater use of cables and electrical components that contain copper, together with the growth of electric-based transport, which also requires more copper. It is in this context where copper and La Farga become active agents of change, with a fundamental and strategic role in achieving sustainable development goals.

What would you highlight about La Farga's production process?

That it is the most efficient process that exists in the copper market to reduce CO2 emissions, as well as many other environmental impacts. **We have developed unique and innovative technology which positions us as leaders and referents in the world and allows us to directly transform scrap and manufacture high-quality semi-finished products with a high positive impact.**

Innovation and continuous improvement are in our DNA, which we put at the service of sustainability, valuing copper as a key material to achieve sustainable development goals.

Our process allows us to push sector advance, responding to the needs of the market and society, always based on innovation and collaboration.



2

WE ARE
EFFICIENT
SUSTAINABILITY

WE ARE EFFICIENT SUSTAINABILITY

We are aware of the environmental impact of our activity, and we well know that our industry uses energy and natural resources intensely. But we also know that our activity is essential for human development and for the ecological transition, since a significant part of it consists of electrification and development of renewable energies, for which copper is a key material.

Our contribution to decarbonization can then be appreciated in two ways. On the one hand, we contribute to the decarbonization of the economy indirectly with our products that are needed for the energy transition. On the other hand, we contribute directly to the decarbonization of our value chain by improving our processes and using more recycled copper.

Sustainability of our products and the efficiency and environmental management of La Farga's production processes are the focus of the second strategic axis.



2.1

CONTRIBUTE TO DECARBONIZATION OF THE ECONOMY

We contribute to decarbonization indirectly, because with our products we are helping develop the necessary technologies for ecological transition.

2.2

REDUCE OUR ENVIRONMENTAL IMPACT

We seek to reduce the direct impact of the value chain through our environmental management system, which helps us measure, monitor and set goals for energy and water consumption, emissions, waste, and noise generation, within others.



2.1 CONTRIBUTE TO DECARBONIZATION OF THE ECONOMY

The current economic model is based on fossil fuels, which release carbon dioxide when consumed, as well as other greenhouse gases (GHG). Since the Industrial Revolution, the concentration of GHG in the atmosphere has considerably increased, causing global warming that already exceeds the 1°C difference compared to the pre-industrial era. Climate change is probably one the greatest challenges that humanity has ever faced, and we firmly believe that willingness and collaboration of all economic sectors and governments is required to face it effectively and equitably.

In addition to the various policies and social changes needed globally, the current energy and transportation model must evolve. **The main challenge in achieving decarbonization of the economy is to abandon fossil fuels as a source of energy for producing electricity, transportation, food, internet, and others.** To stop relying on fossil fuels, activities that contribute to this purpose must be expanded at an accelerated rate. Such activities include, for example, renewable energies, electrification of transport means and construction of new low-emission public transport lines.

Current trends indicate that in recent years the production of the following elements will multiply:



Electric grids



Batteries



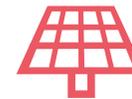
Railway lines



E-mobility



Wind farms



Solar panels

△ Key elements for the ecological transition..



ESTIMATION OF COPPER DEMAND NEEDED FOR THE ENERGY TRANSITION

The International Energy Agency (IEA) has carried out a study on the demand for minerals required for the energy transition, from the current model based on fossil fuels towards an energy model free of direct emissions. For this, two possible scenarios have been proposed, depending on how governments and companies act. For each scenario, the demand for copper in 2040 compared to 2020 has been estimated. The results are:

Conservative Scenario

It describes a slower and more gradual transition, without a forceful political initiative, and not necessarily in compliance with the climate objectives defined by governments within the Paris Agreement.

↑ 70% Copper demand in a scenario of insufficient climate action.

Optimistic Scenario

It describes an evolution of the most forceful ecological transition, in which **Paris Agreement objectives are met** (limit global warming under 2°C and certainly to strive so that global warming does not exceed 1.5 degrees) and that seventh Sustainable Development Goal is met, which seeks to guarantee universal access to affordable and clean energy.

↑ 170% Copper demand in a scenario of ambitious climate action.

OTHER DATA ON THE ECOLOGICAL TRANSITION AND THE DEMAND FOR COPPER

According to Wood Mackenzie, the demand for copper derived from solar power generation will increase from 0.4 million tons in 2020 to 0.7 million tons per year in 2040.

In 2040 the **demand for electricity will grow by 63%, and 40% of it will come from renewable sources**. In Spain, investments in new electrical infrastructure and improvements to the distribution network will be made. Underground projects for low, medium, and high voltage lines are also planned.



Regarding **electric vehicles, a demand of 250,000 tons of copper per year is expected in 2030**. In 2029, electromobility energy storage will involve an increase of 2.3 million tons of copper.



The Spanish Government's Recovery, Transformation and Resilience Plan considers an **investment of four billion euros by 2023 to promote connectivity**, 5G and cybersecurity. Copper continues to play an essential role in transmitting electrical signals.

The global regulatory environment entails policies that promote electrification.



2.2 REDUCE OUR ENVIRONMENTAL IMPACT

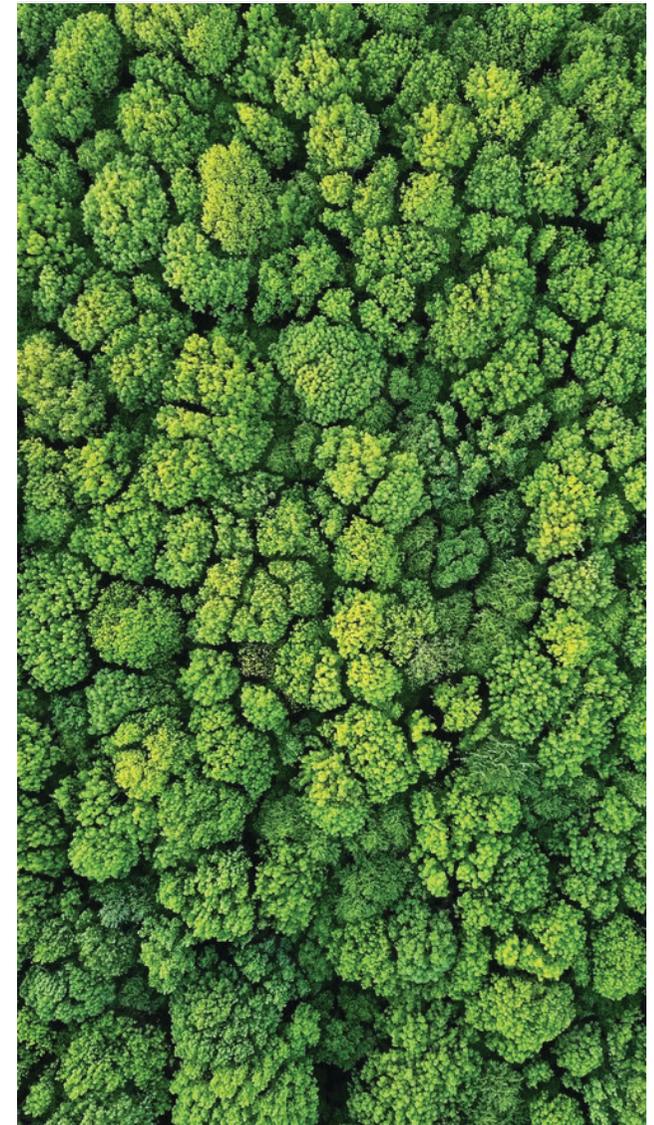
Given this situation, it is La Farga's responsibility to work and invest resources to supply as much copper as possible with the least environmental impact. For this reason, years ago we implemented the ISO 14001 Environmental Management System (EMS). This tool allows us to assume environmental and economic responsibility, improve our environmental behavior, establish annual improvement objectives, and communicate our results to society and stakeholders in general.

It also helps us to improve the efficiency of using resources and reduce risks. Furthermore, costs of implementing the system are more than offset by the savings we achieve.



The **ISO 14001** international standard offers the possibility of systematizing the environmental aspects that are generated from each activity carried out in the organization. It is based on the principle of continuous improvement and its main objectives are:

- Protection of the environment and improvement of environmental performance.
- Mitigation of potentially adverse effects of environmental conditions in the organization.
- Support organizations in complying with legal requirements.
- Control over an organizations' processes and consumption.
- Achievement of financial and operational benefits resulting from implementing respectful environmental alternatives that strengthen the organizations' market position.
- Communication of environmental and energy information to relevant stakeholders.





Energy and emissions

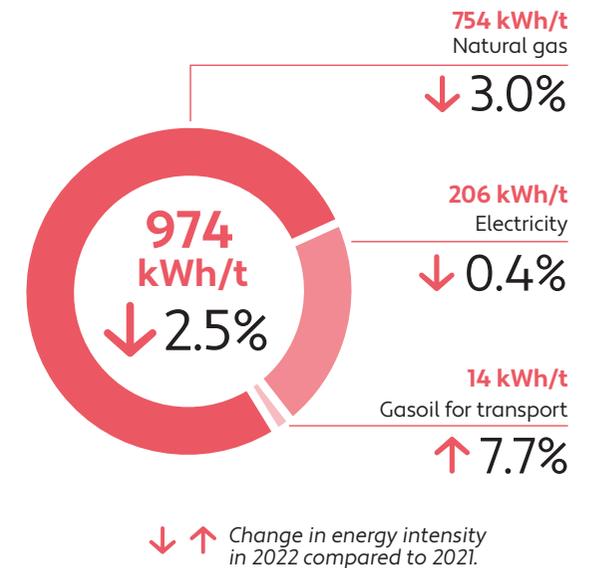
We are an energy intensive company, due to the high temperatures required to melt copper. Aware of this, we work every day to reduce the amount of energy we need to process copper and to abandon fossil fuels in the medium-long term. This year, we obtained the **ISO 50001 energy management certification**, which will help us establish systematic reductions in our energy consumption.



The **ISO 50001** international standard aims to make it easier for organizations to establish the necessary systems and processes to systematically improve their energy performance, including energy efficiency and energy use and consumption. The implementation of this standard is intended to reduce greenhouse gas emissions and other related environmental impacts, as well as energy costs, through systematic management of its use and consumption. Its successful implementation depends on the commitment of all levels and functions of the organization, especially senior management.

Today, our main energy consumption is in the form of natural gas, followed by electricity and finally diesel (scopes 1 and 2). All this fossil energy consumption implies that La Farga's GHG emissions (scopes 1 and 2) are relatively high compared to other sectors, but lower than those of competing companies that exclusively use cathode (considering scopes 1, 2 and 3).

Energy intensity 2022

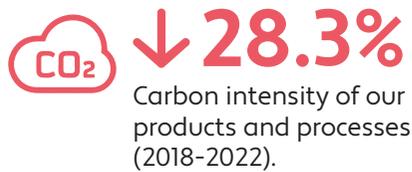
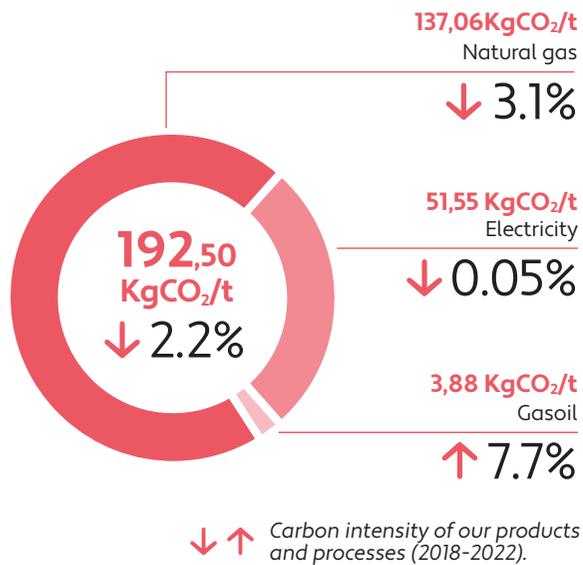


At La Farga, we only exhaustively measure emissions corresponding to scopes 1 and 2, but we consider scope 3 emissions important as well. These are purchased products and services (value chain), business trips, waste disposal and use of products, among others. We only currently measure those that come from the acquisition of water and waste generated. We know that we have room for improvement in this, since it is also scope 3 emissions that allow us to affirm that we produce the copper that contributes the least to global warming.

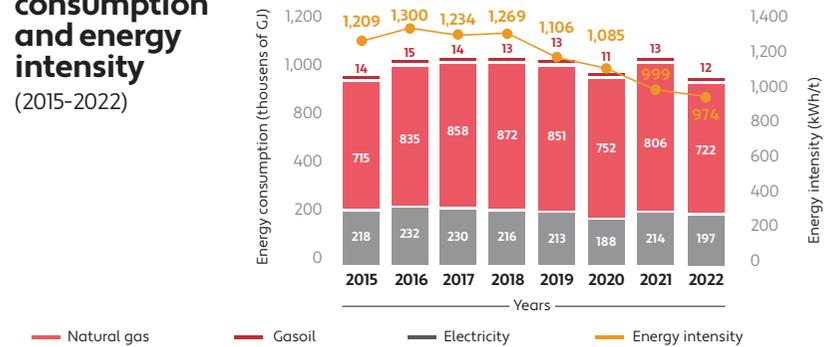
Driven by our desire for improvement, we have spent many years working and investing resources to **improve our energy efficiency and carbon intensity**. This has made it possible for us to limit the increase in our energy consumption and our total emissions to a much lower proportion than copper production at La Farga. To improve further, we continue with the implementation of the **Decarbonization Plan** that will make it possible to advance in the fight against climate change.

Upgrades in energy efficiency and carbon intensity

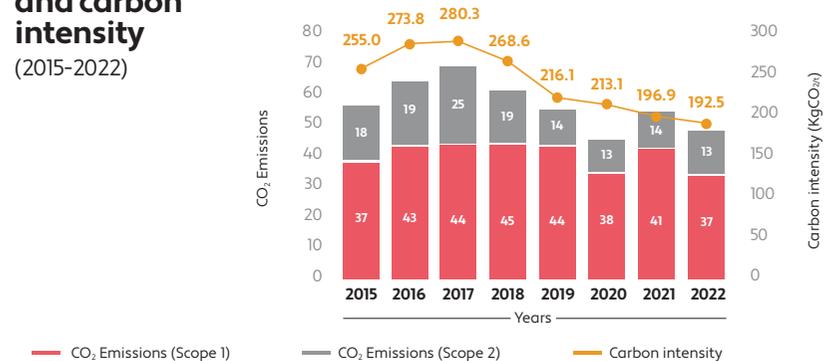
Carbon intensity



Energy consumption and energy intensity (2015-2022)



CO2 Emissions and carbon intensity (2015-2022)





DECARBONIZATION PLAN

The main objective of La Farga's Decarbonization Plan is the **reduction of GHG emissions into the atmosphere by 55% by 2030 (compared to 2017)**.

As secondary objectives, we have proposed that **at least 32% of the energy consumed at La Farga is of renewable origin and that the energy intensity in our processes be reduced by 32.5% compared to 2017**.

Goals 2030

55% reduction in GHG emissions (compared to 2017).

32% renewable energy.

32.5% reduction in energy intensity (compared to 2017).

The main axes of the plan are:



Efficiency improvement:

Some of the actions considered are the reduction of the amount of energy needed per processed ton, obtaining ISO 50001 and the recovery of residual heat and smoke.



Use of alternative fuels:

This consists of replacing natural gas with alternative fuels of renewable origin. We are analyzing and studying different alternatives to this end.



Electrification and renewable energies:

This consist of electrifying processes and machinery, as well as promoting electricity use from renewable sources. The installation of solar panels and the improvement of the small hydroelectric plant are considered in the plan.





NEWS AND ENERGY EFFICIENCY IMPROVEMENTS

- All **electricity** contracted this year is of **renewable origin**.
- **We have obtained ISO 50001**, which certifies the energy management system and will help us to continue reducing our energy consumption as well as the related costs.
- We have installed **charging points for electric vehicles** in the facilities' parking lot.
- We have installed **meters in the machines** and in some parts of the production process to monitor energy consumption in real time.
- We have swapped out conventional lights for more efficient options like **LED technology**.
- Existing **auxiliary facilities have been automated** and simplified to reduce energy consumption.
- We have monitored weekly **energy ratios per plant** to monitor efficiency.
- We created an **Energy Committee** at each plant, including the areas of Production, Maintenance, Engineering, and Process Engineering.
- We have optimized the **working powers of the elements of foundry 1** facilities.
- We have **adjusted the annealing power in the drawing benches** of the tube plant.
- We have integrated the energy vector in the planning meetings.

Water

La Farga’s history is closely linked to that of the **Ter River**, which initially not only provided water as a coolant, but also powered machinery through a mill.

This relationship is maintained today, since most water we use is obtained from this river, and we always try to minimize consumption per ton processed.

One of our improvement points is to establish a systematic and sustained reduction in water consumption and water intensity which, as can be seen in Graph 3, has been irregular and does not denote a clear downward trend. **The reduction of our water footprint must be a priority** given the current drought context.

To guarantee a proper return of the water to the environment, biological studies are carried out, both upstream and downstream, always with satisfactory results. The presence of metals in the water is also analyzed, obtaining values that, year by year, are below the established limits.

This consumption is measured directly with meters located at the supply points. In 2022 this was 216,191 m³.

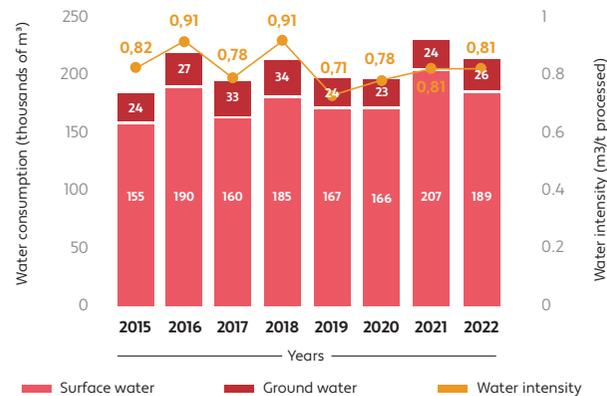
Water consumption reduction



↓ 6.7%

Annual water consumption compared to 2021 (m³)

Water consumption according to its source and water intensity
(2015-2022)

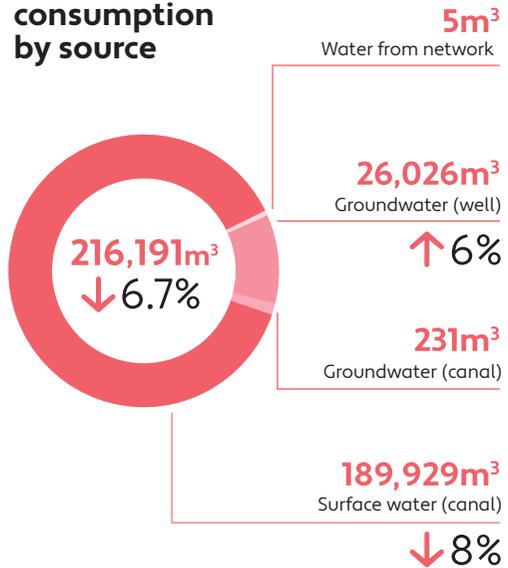


NEWS AND IMPROVEMENTS IN WATER CONSUMPTION

Given the drought episodes and the low rainfall this year, we must continue working hard to minimize water consumption. In our case, 90% of water consumption is used for cooling the facilities, so different actions have been carried out to control and reduce its consumption:

- Creation of a working group between the Environment and Maintenance areas, that meets monthly to control the state of the facilities.
- Installation of a control system for the cooling circuits with automatic purge systems.
- Implementation of a Water Consumption Reduction Plan for the drought period, starting in October 2022.

Water consumption by source



↓ ↑ Variation in water consumption compared to 2021.

Water consumption per ton processed by source



↓ ↑ Variation in water consumption per ton processed compared to 2021.



Waste

We established measures to **reduce the volume of waste generated** from our activity, both at plant and in offices, and we are working to give new life to waste that is inevitably produced.

As can be seen in the graph, non-hazardous waste generation has almost doubled this year, which is due to the generation of debris in a specific work project carried out at our facilities. If this waste is not considered, non-hazardous waste has been reduced by 176,251Kg.

Hazardous waste has also been reduced. This metric has now reached the minimum level of the last three years, thanks to the implementation of new measures and better monitoring.

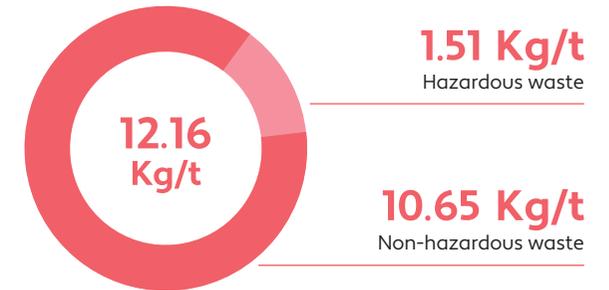
Today, we manage to revalue more than 90% of waste generated, selling it to other companies that give different uses to it, such as manufacturing asphalt floors.

Waste generation reduction



Non-hazardous waste generation compared to 2021 (excluding debris).

Waste generation per ton processed



Waste generation per ton processed

(2015 - 2022)



NEWS AND IMPROVEMENTS IN WASTE MANAGEMENT

- Segregation of organic matter in canteens and vending machines.
- Elimination of plastic bottles and cups in water fountains and beverage machines.
- Control and monitoring of waste segregation and the needs of each section. For example, adapting waste containers for the wire drawing section.

Acoustic impact

The well-being of our community, workers and biodiversity of the area are a priority for La Farga, which is why we take noise control very seriously. For this reason and with the goal of **minimizing potential inconvenience**, the following additional measures have been adopted:

- Official and long-term controls on nearby estates.
- Predictive model update.
- Updating of the control plan and improvement of acoustic impact.
- Investment in new machines, considering the noise vector. For example: air motors have been purchased for the shaft oven with frequency inverters, and noise has been eliminated due to the aspiration of steam from the laminate.
- Verification of correct operation of equipment such as frequency inverters for cooling tower pumps or operating parameters such as cooling circuit fans.



51.7dB

Acoustic impact
generated by La Farga

This data is measured every two years, and this corresponds to 2021.

Biodiversity

We care about the **quality of the Ter River ecosystem**. Therefore, in collaboration with the *Agencia Catalana del Agua (ACA)*, the river's biological quality is measured. To date, the sampling results indicate that the quality level is good according to the BMWP (Biological Monitoring Working Party) index and very good according to the BMWPC index (adapted to Catalan rivers), both upstream and downstream. Therefore, we can affirm that La Farga's activity does not have a direct negative impact on the river's biodiversity.





Agustí Arnau

Process and Energy Engineering Manager

INTERVIEW 

“Copper’s role is key in climate change mitigation. It is the best electrical conductor and the most essential element for the electrification of the economy, as well as essential for the generation and distribution of renewable energy.”

How do you think the metal industry can move towards decarbonization?

In the short term, I believe that the fastest way to start decarbonizing is by improving energy efficiency and reducing the direct consumption of its processes. We come from some decades in which the industry prioritized productive efficiency over the energy performance of its facilities, but this vision has changed in recent years.

In the medium term, the challenge is to replace fossil fuels with renewable energy. Currently there are many open fronts, but all alternatives use immature technology.

Lastly, La Farga has been working in the promotion of the circular economy in the metallurgical industry since its origin. Since recycling and reuse of materials makes it possible to reduce the demand for natural resources as well as to minimize waste generated, the carbon footprint of products is reduced, and sustainable development is promoted.

What would you highlight about La Farga’s role in the fight against climate change?

The role of La Farga’s fight against climate change is clear: sustainability is integrated into its DNA.

Agustí Arnau

Process and Energy Engineering Manager

INTERVIEW 

First, La Farga has spent many years promoting the circular economy through copper recycling, and it has been able to develop knowhow that makes it possible to manufacture high-quality products with much lower environmental impact than other products on the market. Furthermore, **the role of copper in mitigating climate change is key, since it is an essential element for the electrification of the economy, given that it is the best electrical conductor.** It is also essential for the generation and distribution of renewable energy, such as that obtained by wind turbines and solar panels.

All of this is done in a sustainable way, since La Farga is constantly innovating and implementing improvements in manufacturing processes, always with the objective of improving energy efficiency of processes and reducing production loss.

What do you think are the most promising technologies in this field?

As far as electric power generation is concerned, technologies to reduce GHG emissions are clear. Solar and wind power are advancing very fast and becoming more accessible and affordable, but it is crucial that energy storage technologies go further. They must constantly improve their capacity and reduce costs as they have been doing in recent years.

Regarding the replacement of fossil fuels, so far there is no single magic solution. There is a lot of discussion on the ad-

vances of “Green Hydrogen”, but it is essential that all electrical energy is renewable and therefore, we must still grow more in terms of generation. In addition, there are still limitations in terms of operating costs, infrastructure, and use, depending on which production process is used.

Other technologies that are advancing quickly and are promising are combustible gases produced from waste, such as biogas or synthesis gas. The growth of these is happening very fast in some countries in Europe, and their double role is very interesting, since apart from reducing the consumption of fossil fuels, they can help reduce the amount of waste that ends up in landfills and thereby decrease soil and water pollution. Finally, as I have said before, carbon capture is a promising and fast-moving technology that would be very useful in reducing GHG emissions in heavy industry.

What do you think are the main challenges for La Farga and similar companies regarding decarbonization?

The main challenge for La Farga and similar companies is to gradually reduce current dependence on fossil fuels. In our case, this mainly refers to Natural Gas, which represents 80% of our current consumption and is therefore the main source of emissions, linked to carrying out our thermal processes that require high temperatures.

Currently, many alternatives that are not very mature are

appearing. We must be attentive to how they evolve, to choose the proper technology without forgetting how its use can affect our processes and making sure it does not alter the quality of products. We need to analyze what each would entail at the level of facilities and operating costs.



3

WE ARE
TALENT



WE ARE TALENT

People who are part of La Farga are our driving force. Thanks to them we can better continue working to achieve, day by day, our commitments to the planet and society.

That is why we provide our team with quality employment, training, and development opportunities, specially aware of their safety, health, and well-being. We want to have a motivated and diverse team, aligned with our purpose and that feels satisfied and happy to work at La Farga.

People, their safety, health and well-being, their professional development, their satisfaction and commitment, as well as equality and diversity are at the center of the third axis of the strategic plan.



3.1

GENERATE QUALITY EMPLOYMENT

We offer employment to over 400 people, the vast majority from the region and always with fair working conditions.

3.2

PRIORITIZE SAFETY AND HEALTH

We focus our efforts on always guaranteeing worker safety and health. It is our priority to offer a safe and accident-free workspace, as well as a balanced and healthy lifestyle.

3.3

CARE FOR PEOPLE

We offer additional benefits, training, and career plans, so that people find a place of integral and holistic development in their work. We also ensure their well-being, satisfaction and commitment and we are interested in their opinion, so we can keep improving every day.

3.4

PROMOTE DIVERSITY AND EQUALITY

We want to be an even more diverse organization that promotes equality and that is a safe space free from any type of discrimination.



3.1 GENERATE QUALITY EMPLOYMENT

La Farga is an economic driver in the territory, employing 407 people, of which 394 are our own staff and the rest are external. The vast majority (94%) of people who work in our organization are from the region, which means that we have a significant weight in the local labor market. In addition, we offer salary conditions that improve what is stipulated by labor agreements and that are above the regional average.

Our workforce enjoys stability and is extremely dedicated to the company. The low turnover reflects the quality of employment and the satisfaction of employees.



94%

Workers from
Osona region



99%

Indefinite
contracts

👤 96% 👤 99%



98%

Full-time
contracts

👤 96% 👤 99%



Our staff is made up of two groups, depending on the type of roles and responsibilities:



Staff group: People who carry out most of their work in the offices and are focused on the management field. Their functions include the purchase of raw materials, staff management and product marketing, among others. They represent **34% of the workforce**.



Specialists group: People who are specialists in processing copper and who work in the plant, on the production of semi-finished copper products. They represent **66% of the workforce**.

In 2022 we brought in 43 new people, and we created 4 new jobs in total.

In addition, we seek to attract motivated talent that learns the profession and decides to stay with us. That is why in 2022 we offered **7 positions for internship students**.

La Farga's Workforce*

407

Workers

394

Workers
(own staff)

13

External
workers

7

Internship
students

Permanence and generation of employment



43

New hirings

7 36



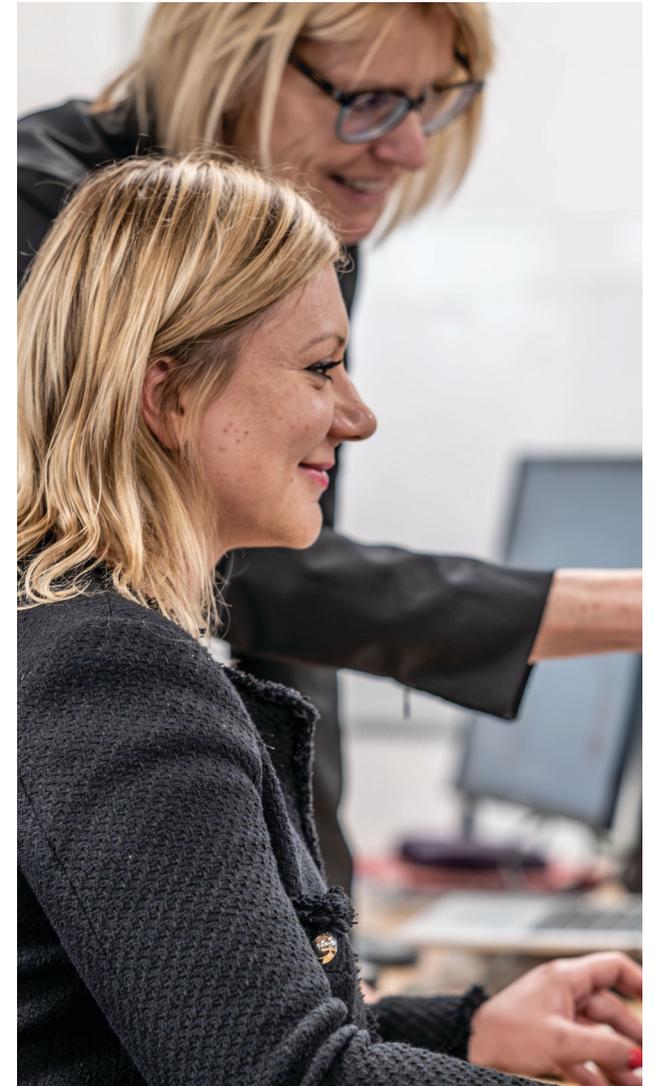
10.15

Average years
in the company



4

New jobs
created



* Data of 12/31/2022.



3.2 PRIORITIZE SAFETY AND HEALTH

Industrial safety and occupational risk prevention

Given that La Farga is a metallurgical company in the industrial sector, guaranteeing the safety of workers is our first responsibility, as well as a fundamental and unwavering value for us. This is why we adopt rigorous safety and occupational risk prevention measures to avoid accidents. All the meetings of our Board of Directors begin with an evaluation of the status of the situation in relation to safety and accident data.

As an occupational risk prevention policy, we have implemented and certified the **ISO 45001** standard, which provides us with a reference framework for managing occupational safety and health risks and opportunities.

We also have various initiatives and different working groups, all aimed at reducing the frequency and severity rate of accidents.



ISO 45001 is the international standard for occupational safety and health management systems, designed to protect workers and visitors from accidents and occupational diseases. Its purpose is to provide a framework for managing risks and opportunities, preventing injuries and illnesses, and providing safe and healthy jobs.



- **Working group “0 accidents and beyond”:** Exclusively dedicated to promoting and coordinating initiatives to promote a safety culture and the improvement of equipment and facilities’ conditions.
- **Safety and Health Committee:** Made up of internal people: three representatives of the workforce and three representatives of the company. This committee represents the entire workforce and meets every three months to draw up improvement plans.
- **Safety Steering:** Made up of La Farga’s Safety Managers and the Management Committee, this group draws up improvement plans and seeks to achieve the objectives.
- **Regional group of best safety practices:** Group created during the Covid-19 pandemic, by companies in the region, with the intention to share best practices and join forces to purchase medical supplies. Today this group is maintained to continue sharing experiences and learning from each other.

The premise in our occupational risk prevention and management policies is to **maintain constant and fluid communication with people responsible for the plant areas** (tube, wire drawing mill, etc.), which lets us identify risks and propose measures to mitigate them. When necessary, we also develop **crash plans** for those areas that accumulate a higher accident rate. These plans include a dialogue with people responsible for the area and with specialists, so that they can share their opinion and propose improvement measures.



To encourage a safety culture among workers, the following activities are carried out:

Trainings: Ongoing training on safety and occupational risk prevention is provided. On the one hand, training in occupational risk prevention is offered upon entering the company, and on the other, training every 3 months on specific topics, such as using safety equipment or how to use certain machines.

Visits to other companies: Visits to other companies with similar characteristics, to learn about their safety practices, share knowledge and best practices, and learn together.

Safety-related wage bonuses: For the group of specialists who are in the plant and more exposed to accidents, there is a monthly premium with “5s” criteria related to accident rates. Specifically, they are assessed on their workspace’s cleanliness and tidiness since these factors are directly related to the accident rates.

Public recognition to people who accumulate fewer accidents: Every year the good work of people who accumulate fewer accidents is recognized. Monitoring is done and improvement actions are defined for those who have higher accident rates.

Periodic communications: We carry out periodic communications regarding safety, to promote best practices, and better prevent accidents.

All these measures allow us to have lower accident rates than other companies in the sector.

In 2022, we defined a very ambitious goal: to reach a frequency rate of under 17. While this target has not been met, our ratio of 22.7 is still far below the industry average. We will continue working tirelessly until we achieve our **goal of zero accidents**.

Investments in occupational risk prevention

180,759€

Individual protection equipment

40,702€

External prevention service

27,508€

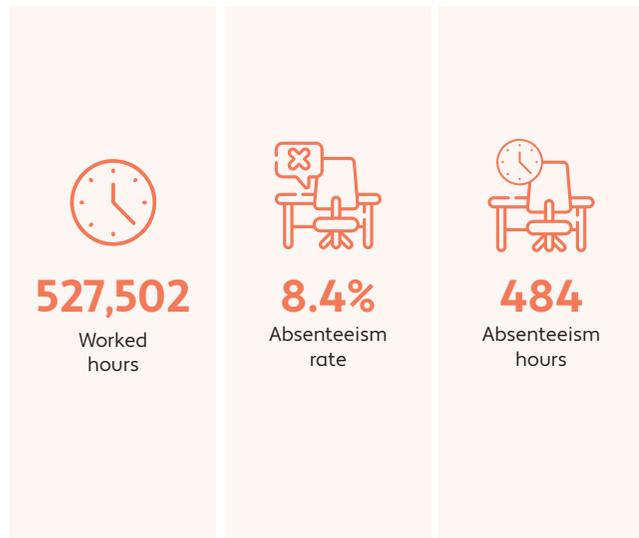
Fire Extinction

248,969€

Total



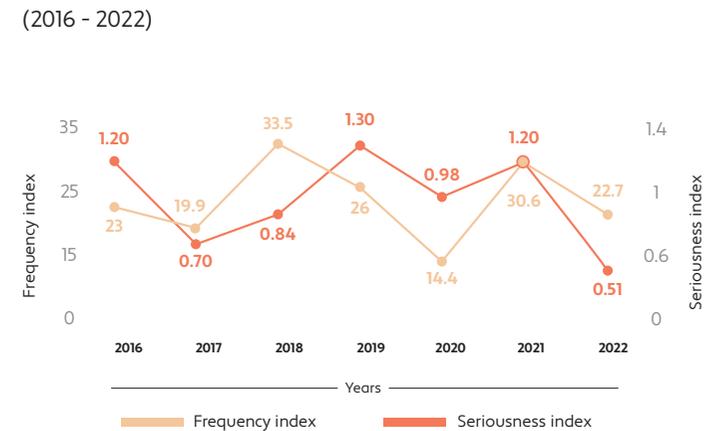
Of the workforce is represented by the Health and Safety Committee



Accident data



Frequency and Seriousness index (2016 - 2022)



Health and well-being

In addition to guaranteeing workers' safety, **we promote health and well-being** within the company, for which we have implemented a series of initiatives, which we continue to improve year after year:

Private health insurance: We offer the option of contracting private health insurance with favorable conditions through flexible compensation, which can also be extended to family members. In this way, people can access a medical service with better conditions, in addition to benefiting from the subsequent tax reduction.

Currently, 62 workers are covered by private health insurance, reaching more than 140 people in total, including their families.

Medical check-up: Every year, at least one medical check-up is carried out at our facilities, which is accessible to all workers.

Safety and Health Week: A few years ago, we decided to hold a cultural week dedicated exclusively to safety and health. La Farga's workers have reacted so positively to this initiative, that we have increased its frequency. Activities included are highly varied, from trainings to recreational-sports activities.



Healthy food service: We offer a healthy food catering service to workers, with the aim of encouraging the consumption of quality food during their workday. This service is provided by "La Cuina de Sant Tomàs", a social entity that employs people at risk of exclusion. We have also improved the quality of the products offered in vending machines, incorporating healthier and more nutritious options.


SANT TOMÀS
LA CUINA

Creation of green spaces: We have set up green spaces so that workers can spend time in natural areas, eat outdoors ("picnic area") and thus improve their emotional well-being.

Promotion of healthy habits: Within the Health Week, we offer training and conversations on different health topics such as stress management, healthy eating, mental health, and physical exercise, among others.

Yoga and mindfulness activities: Before the pandemic we offered yoga and mindfulness sessions, which we intend to resume.

WEEK OF TRAINING SESSIONS ON SAFETY AND ACTIONS IN CASE OF EMERGENCIES

In 2022 we have held **conferences focused on safety** and actions in case of emergency. During three weeks in June, training was carried out and protocols were reviewed to improve safety at the plant and at offices. Among the topics that have been worked on, are the accident communication protocol, workshops for fire extinguisher use, first aid days and evacuation drills for offices in case of fire.



Following the simile of the “L” identification for learning drivers, starting in 2022, yellow helmets are used to identify new hires and people who change work plants. The goal is that supervisors, coordinator specialists and other more experienced specialists can ensure their safety, adding an additional level of attention to specialists who wear yellow helmets.

Specialists will wear a yellow helmet until the end of their Individual Training Plan (ITP), moment then they will start wearing a red helmet, which indicates that the person already has the required experience. If the plan is not completed within the three months as established, they will continue wearing a yellow helmet and their supervisor will ensure that the ITP is achieved.





3.3 CARE FOR PEOPLE

We want our collaborators to develop both professionally and personally and to feel challenged. For this reason, we have training and professional development plans, as well as formal performance evaluation processes and individual development plans. All this, complemented by a series of benefits in addition to salary, improves the well-being and loyalty of people.

Information on internal policies, additional benefits, salary conditions and company values are transferred to the workers in the welcome process, which is detailed and complete, to guarantee the best possible incorporation into the company.

Training and development plans

We understand training as learning and applying new concepts, skills, and competencies in the professional field. Achieving the objectives required by the company and everyone who makes it up is a strategic compo-

nent for us. **Training is considered essential and necessary in all senses, and is governed by a specific annual plan, which includes various trainings**, such as safety and health, languages, and communication skills.

La Farga has a **Joint Training Committee**, made up of members of the Management, as well as legal representatives of the employees. Working to increase staff's qualification, ensuring training effectiveness, and considering all groups in the company are the main objectives of this Committee.

In 2022 we allocated more than €124,000 in training, which represents an investment of €307 per worker.

This investment has materialized through **44 training actions**, which have been aimed at developing different aspects, both of labor and personal nature. In addition, we are always open to training proposals from workers, so that workers themselves have the initiative to promote their career and knowledge.

6,389

Hours
of training

307€

Investment
in training
(per worker)

3,971

Hours of training to
management, technical
team, and staff
(h/worker)

2,398

Hours of training
to specialists group
(h/worker)

124,000€

Total investment
in training

Training actions by type

5%

Languages

41%

Ability
competences

44

Total trainig
actions

20%

Responsibility,
quality, safety,
and environment

34%

Attitude
competences

Performance evaluation

In addition to the transversal training plans, we carry out **performance evaluations** for 100% of our workforce. These are a fundamental instrument for people to know how they are being assessed, as well as to carry out a self-assessment of their performance. Due to the difference between the responsibilities and tasks of the two groups (staff and specialists), their evaluations are also different and adapted to the needs of each group.

Performance reviews help people grow within the company. Specifically, in 2022 there were 12 internal promotions.



Staff group (PES Evaluation – Performance Evaluation System):

This evaluation is carried out at least twice a year and reaches 100% of the staff group. The objective is to promote employee continuous improvement and reward the efforts they make, through the definition of Individual Development Plans (IDP) designed to measure. These plans may include strategic training needs promoted by the company, or they may be requested by the worker, if they believe that they will help them to better develop their work. The cost of these trainings is generally assumed by the company if related to the position.

Apart from the IDP, **Career Plans** are designed for especially dedicated people. These plans seek to provide the tools for professional development within the company.

Of the plans offered, we highlight the ZEUS II Program. It is carried out every two years and is aimed at employees who stand out and have exceptional leadership and dedication skills. In 2023, a new edition of the program will be held, in which 16 people are expected to receive intensive support to promote their professional and personal growth within the company. With this program we **ensure the continuity of competent and dedicated leadership at La Farga.**

We conduct performance evaluations for 100% of our workforce.



Specialists group (PIE Evaluation – Personal Improvement and Evaluation):

Performance evaluations are carried out more frequently for specialist group, three times a year. These evaluations include a self-evaluation, where employees evaluate their own performance, and an evaluation from the person in charge.

Competencies evaluated are the ability to adapt, flexibility, self-learning and orientation to quality and results, within others. The objective is to encourage people to gradually assume new responsibilities and a **greater degree of autonomy, as well as the ability to detect and resolve incidents**, which leads to position improvements, until they reach the coordinator level.

WE OFFER PROFESSIONAL TRAINING

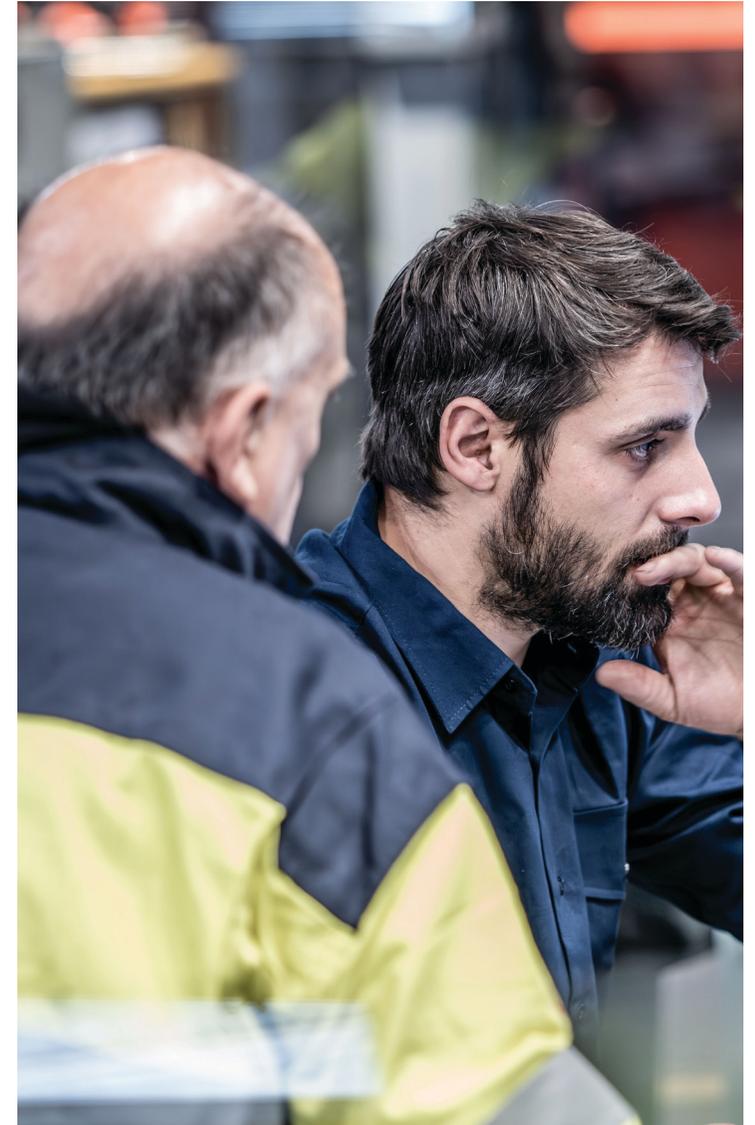
- We carry out training activities outside our facilities professional training students from Vic school. Last year, we received the #FPCAT award for our work in the training and growth program for factory specialists “specialists-coordinators: operations, skills and basic processes of the metallurgical industry in La Farga”, promoted by Management and designed internally with the collaboration of the Paco Puerto Foundation of the CCOO trade union.

After eight editions of the program, the company has trained 112 employees out of 252. We currently have 52 specialists-coordinators working.

- We have started a collaboration with the La Salle Manlleu, a professional training school, in order to design an industrial maintenance training program. This program aims to train staff to carry out industrial maintenance tasks and facilitate direct access to related job offers by companies associated with the program.

NEWS AND IMPROVEMENTS

- Standardization of reception programs in the areas of: (1) effective member of an HPT work team, (2) interpersonal communication and public presentations, and (3) intermediate and advanced Excel skills. Facilitation of using an online platform for learning English.
- Implementation of a 360° feedback system, which offers a more complete and representative vision to the evaluated person.



Social benefits and work-life balance measures

We offer different social benefits for better work-life balance, adapting to new needs and trends, such as home office or flexible hours. The objective is to improve the conditions of our collaborators, for which we offer:

Private health insurance.

Scholarships to help employees who have school age children. These scholarships are intended to help fund studies, from the preschool stage to higher education stages. In 2022, 260 grants were given, which means allocating economic resources valued at €32,830.

Flexible entry and exit times for the staff group.

Intensive day on Fridays and the days before inter-weekly holidays for the staff group.

Conciliation of holidays and three free work-life balance days to choose, for both groups.

Complementary agreement on labor relations, where working hours are reduced for all employees.

Supplements for sick leave or accident.

Home office option of a few days a week for the staff group.

Number of grants per course



260
Scholarships



32,830€
Amount donated
for scholarships



38

Kindergarten



202

Elementary and
secondary school



20

College and
superior
education

WE TAKE THE PULSE OF THE ORGANIZATION

Because we seek to continuously improve our interaction with people, we consider it vital to give them a voice and listen to their opinion, their state of mind and their experience. For this reason, **every two years we carry out a work environment survey**, aimed at both the staff and specialists groups.



Staff group

The 2021 survey displays the following results:

72% of workers **believe that they can balance their professional and personal lives** (76% for women).

80% **would recommend working at La Farga** to a third person.

61% agree or totally agree that there are **good professional opportunities at La Farga**.

87% agree or totally agree that **there is an atmosphere of trust and respect at La Farga**.

75% agree or totally agree that **their manager provides constructive feedback**.

73% agree or totally agree that **their manager shows interest in their mood**.



Specialists group

The 2021 survey displays the following results:

62% of workers consider that the **work environment is good or very good**.

96% of workers consider that **they have the necessary skills to carry out their work**.

68% of workers consider that **their manager provides constructive feedback**.

86% of workers consider that **La Farga is a good company to work for**.



3.4 PROMOTE DIVERSITY AND EQUALITY

Gender equality

The incorporation of women in the industrial world is an enormous challenge. Last year we approved the new Equality Plan for the 2022-2026 period, aligned with current regulations in Catalonia. This plan and its correct application are supervised by the equality agent from the Equality Committee, which includes members of management, the rest of the workforce and the Legal Representation of Workers.

We also carried out a salary gap analysis, verifying that **we do not have a salary gap** nor is there any type of discrimination. Corporate messages and job offer have also been analyzed to ensure that they are written with inclusive language.



Women in the workforce
(own staff)



Women in management positions



Reincorporation rates

100%

Retention after maternity or paternity leave



EQUALITY PLAN 2022-2026

With this new Equality Plan, we want to continue encouraging and promoting the following objectives:

- Foster a company culture that allows promoting the principle of equal treatment and opportunities in the entire workforce.
- Ensure selection and hiring for new professionals with no gender bias.
- Promote and facilitate the access of women and men in all categories and areas of the company with the goal of balance.
- Continue promoting measures for work, family, and personal life balance, regardless of gender.
- Guarantee and ensure the principle of equal pay.
- Contribute to the maintenance of a work environment free of all kinds of any sexual and gender-based harassment.
- Ensure that internal and external communication promotes an equal image of women and men.

- Implement training and awareness actions on equal treatment and opportunities for the entire workforce.
- Apply and facilitate protection measures in cases of gender violence.

To respond to these objectives, in 2023 the main actions will focus on the following areas:

Training: We will train and sensitize the entire workforce on equal opportunities.

Prevention of sexual and gender-based harassment: We will update and review the action protocol in cases of sexual and gender-based harassment.

Perception analysis: We will carry out a new perception survey of La Farga's Equality Plan.

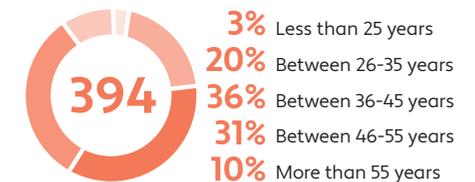
Diversity

Diversity brings resilience, capacity for change and growth to an organization. For a diverse environment to emerge, it is necessary to actively encourage it and apply policies and mechanisms that protect it. For this reason, we have a very rigorous policy against any type of discrimination, and we have developed social inclusion initiatives:

We have hired 19 people with some type of functional diversity. Five of them are hired directly by La Farga, while the rest are external staff who work in special employment centers (Sant Tomàs, TAC Osona and Eurofirms Foundation), and who provide services such as gardening, cleaning, and healthy food service.

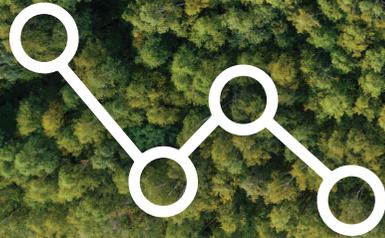
Three editions of training sessions have been held for people at risk of social exclusion. Training is offered in these 120-hour programs. This sometimes leads to being hired by La Farga.

In 2022 we participated in the CreaACCIÓ program to train people at risk of social exclusion. Here we provided teachers and then we incorporated the people who had the best results.



4

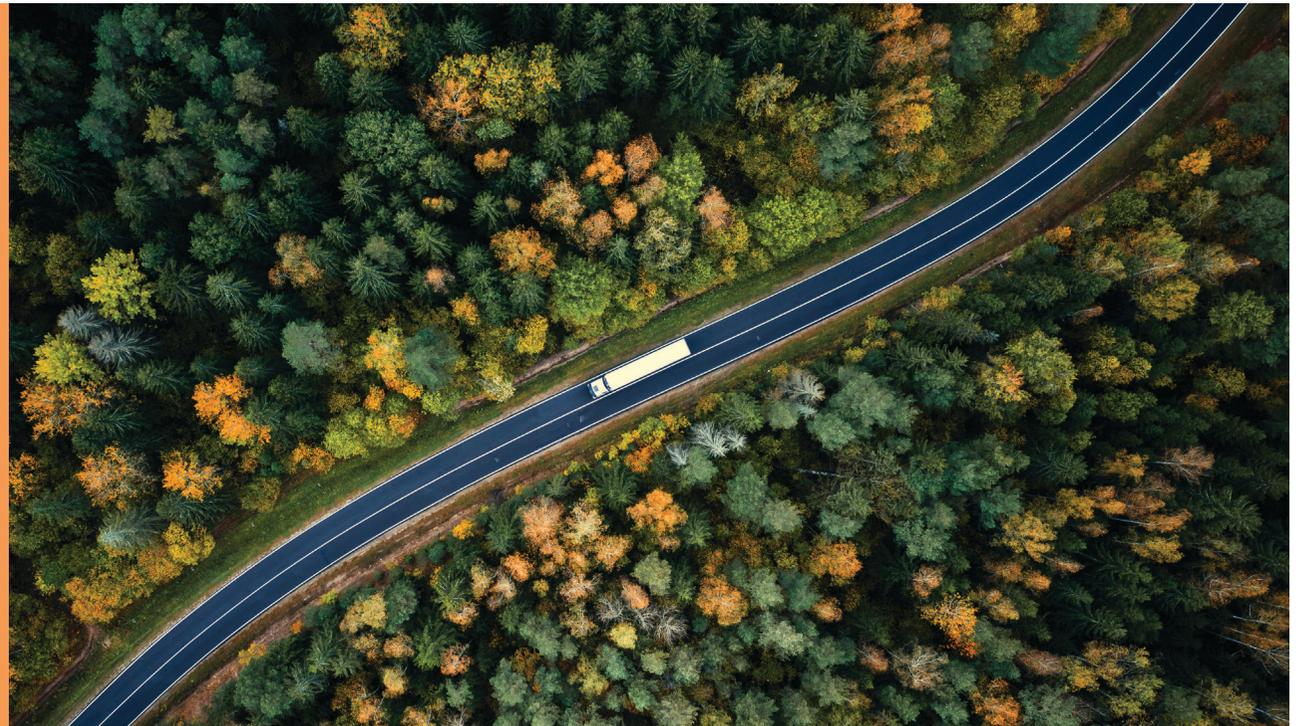
WE ARE
TRACEABILITY



WE ARE TRACEABILITY

We seek for long-term, close, and trust-based relationships with our suppliers. We want them to respect our internal policies and protocols and ethics, as well as the sustainability requirements that we set. Among other things, this allows us to have traceability of the raw materials and products we buy, to ensure that human rights and environmental legislations are respected throughout our value chain.

The fourth strategic axis is focused on suppliers and the policies that we have incorporated for the hiring of services and the purchase of materials.



4.1

ENSURE COPPER TRACEABILITY

We establish relationships with our copper suppliers based on collaboration, trust, and transparency, forging long-term and solid relationships that allow us to ensure traceability.

4.2

PRIORITIZE PROXIMITY

We prioritize local non-copper suppliers, and we work together to establish better sustainability practices. We respond to the commitments we establish in new business relationships.

Characterization and description of our purchases

Our Purchasing Policy establishes the guidelines for action to ensure that the relationships with our suppliers are sustainable over time and are developed in accordance with our values and our Code of Ethics. It requires suppliers to respect and act according to International Sustainability Standards: among others, the **principles of the Global Compact and the Conflict Minerals Initiative**. Our Purchasing Policy establishes certain selection criteria, such as competition, objectivity, professionalism, transparency, and equal opportunities.

At La Farga we have **two types of suppliers**, all subject to our internal policies, depending on the service and/or material they provide us.

Copper suppliers:

Purchase of copper is vital for us, and it represents more than 90% of our supplier expenses. There are two types of copper supply companies:

- Cathode suppliers, which can be mining or trading companies.
- Scrap companies.

Non-copper suppliers:

Within the non-copper companies, we consider the rest of the services and materials necessary to carry out our activity. These includes fuels, refractory materials, oils, machinery, maintenance services, consulting services, office supplies, and many others. Although the budget managed for these purchases is much lower in relative terms than the budget allocated to buying copper, **it is still quite significant in absolute terms. They represent an annual cost of over 30 million euros.**

Characterization of our suppliers

According to location:



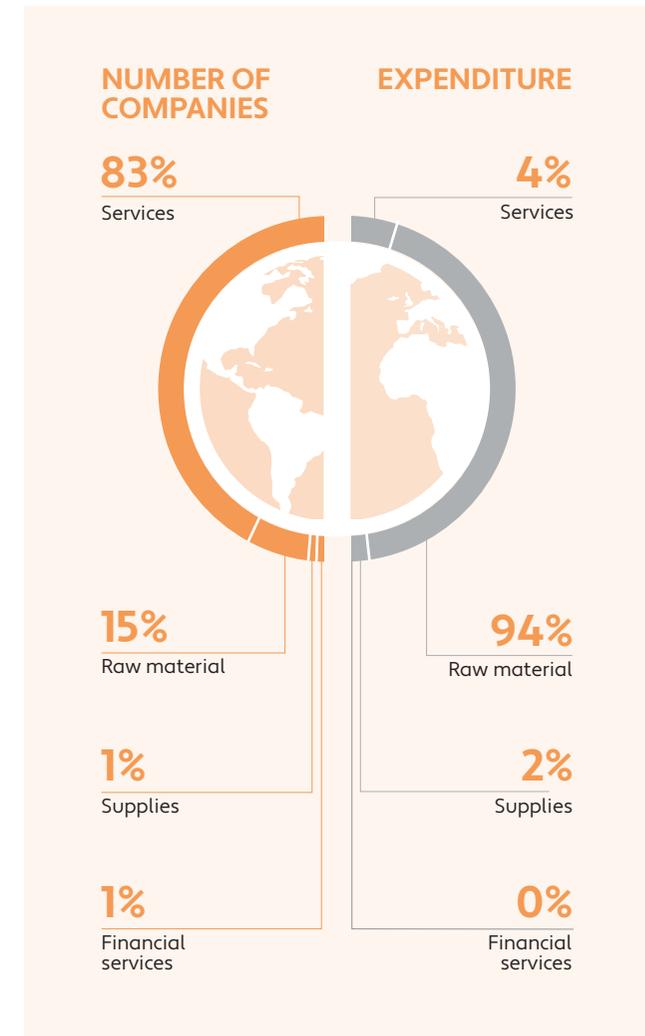
According to income:



According to income (only locals):



Distribution of the type of suppliers according to:



All these companies are subject to annual evaluations to detect improvement areas.

We currently carry out two types of evaluations:

Suppliers' technical evaluation

(Scoring out of 100)



- Technical evaluation of companies that operate in our facilities, which includes aspects of corporate responsibility and the Code of Ethics.
- Evaluation of non-copper companies.



4.1 ENSURE COPPER TRACEABILITY

Copper is a high value metal, listed on the stock exchange, being the Lonfon Metal Exchange (LME) our reference market. Therefore, to buy copper, which represents more than 90% of our costs, we need a strong financial muscle.

Suppliers for each type of copper we buy (cathode and scrap) are quite different from each other. Therefore, the requirements and practices that we define for each one also differ. Below, we briefly describe the main characteristics of the companies and explain our relationship with them:



Cathode purchases



Scrap purchases



△ Chuquicamata Copper Mine (Chile).



Cathode purchases

Companies that sell cathode are large multinational corporations and can be differentiated according to the degree of integration they have in the value chain.

- **Mining companies** integrate all stages, from the mine to the electrolytic process.
- **Trading companies** trade all kinds of goods and are dedicated exclusively to the sale of the cathode, not to its production.

The number of companies that sell cathode is small. At La Farga we buy cathode from a small group of companies (about five) with which our relationship is **very strong and with which we have worked for many years. These relationships have strengthened in recent years** thanks to our exemplary response in the most turbulent moments of 2020.

Due to the conflict situation in Ukraine, restrictions were introduced this year to **avoid buying cathode from Russia**. We have also strengthened quality controls when receiving materials at La Farga, thus increasing the requirements.

We guarantee copper traceability, only purchasing it if it has a certificate of origin.

Adoptamos las medidas necesarias para garantizar que ninguno de los metales utilizados en los procesos indusWe adopt the necessary measures to guarantee that none of the metals used in industrial processes come from **conflict zones, in accordance with the Conflict Minerals Policy** by which La Farga is governed. In addition, **we attempt buy at least half of the copper in the European Union**.

Compliance with this policy is part of our responsible management and the creation of value in the supply chain, of which different companies are a part, whether they sell cathode or scrap.

CONFLICT MINERALS POLICY

La Farga wants to avoid purchasing minerals that come from conflict zones, where armed groups fund themselves through mining operations and where human rights are not respected. For this reason, La Farga has committed to:

Ensure human rights respect and not contribute to conflicts throughout the value chain.

Adopt the necessary measures to ensure that the metals used in our industrial processes do not come from conflict areas.

Support the objectives of the Dodd-Frank Act, regarding the supply of Conflict Minerals.

Refuse to work with a supplier if La Farga determines that the product is not Conflict Free.



Scrap purchases

Scrap purchasing is more **diversified** than cathode, since the market is made up of smaller and more local companies. Con estas empresas, el control de calidad es muy importante, dadas las características de la materia prima.

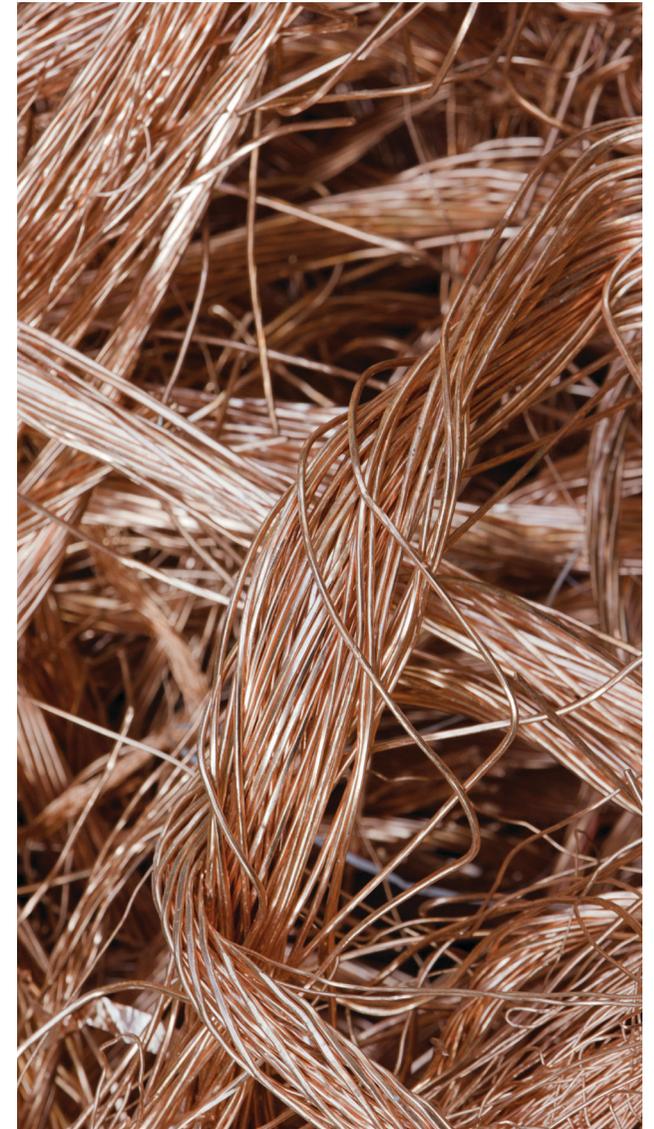
We work with more than 120 scrap supplier companies, which give us greater diversification and negotiation power.

With these companies, quality control is very important, given the characteristics of the raw material. Each scrap truck that enters our facilities is rigorously examined and scrap is even analyzed in the laboratory, to guarantee its quality.

Over the last few years, we have developed a project to improve traceability of material within the company, from the moment it enters our facilities until it is used. Thanks to the integration of reception and quality control data in a single system, the evaluation of suppliers has been improved, and a collaborative relationship has been developed. We draw up joint action plans to improve quality and/or raw material conditions.

We support and collaborate with sectorial-level initiatives directed to increasing transparency, best practices, and raw material traceability, thus improving the sector's contribution to a fairer and more sustainable planet.

The next step to improve the value chain and promote changes throughout it is to start applying ESG criteria in the selection and prioritization of suppliers. To this end, we are developing an action plan that will help us implement this practice, always hand in hand with our suppliers, collaborating with them and working together to create a better value chain.





4.2 PRIORITIZE PROXIMITY

Non-copper purchases include the rest of the materials and services that La Farga needs to operate, such as: fuels (gas and diesel), oils and lubricants, refractories, additives, parts and spare parts, maintenance services, legal services, and consulting services, among others. The number of suppliers included in this group is very large and the budget allocated to these purchases is over 30 million euros.

Proximity is particularly prioritized in non-copper purchases, as this gives us a greater degree of reliability and security.

In recent years, we have begun to apply **selection and prioritization criteria that include social aspects**, such as worker conditions.

We also carry out **approval processes** for companies that supply us with parts or maintenance services at our facilities, to ensure the quality and service of these key elements.

Finally, we have improved the process for making internal demands for materials and components from the different areas, which has allowed us to improve inventory control and material stocks, reduce and regulate costs, and improve internal management.

NEWS AND IMPROVEMENTS



The non-copper purchasing area has implemented new policies and improvements:

Prohibit import of products from Russia.

Start a new supplier approval system, incorporating new elements, such as sustainability.

Continue to improve management, by means of external workshops and training our workers in safety aspects.

Optimize and increase control in the costs of the non-copper area and product stock.

Promote hiring local suppliers as much as possible.

Work for stock to be available at the supplier's location, where we have supply chain security within a certain timeframe, without keeping the stock ourselves and with the subsequent improvement of storage spaces.



Georgeta Postas

Copper Acquisitions Manager

INTERVIEW 

“Copper is a noble metal, key to the continued development of our world.”

What requirements must a company meet to be a supplier of raw materials for La Farga?

The shared vision to guarantee business competitiveness and service reliability in addition to long-term relationships are requirements that we promote in relationships with collaborating companies.

What ESG criteria could be applied to evaluate companies that supply raw materials?

Copper is a noble metal and key to the continued development of our world. We are aware of all the contributions that copper makes to environmental issues. But we still have some aspects to continue working on, such as its total traceability.

How is La Farga able to guarantee the quality of the purchased copper?

We have been working solely with copper for 215 years and the acquired expertise allows us to work with all sorts of features. Knowing how to identify and process different types of materials is part of our DNA and makes us unique, as well as market leaders worldwide.

Do you perceive that there is a collaborative relationship between companies in the sector to reduce the environmental and social impacts of their activity?

Absolutely. The effect of tensions in the supply chain, which we have been experiencing in recent years, as well as the growing interest of companies and the world in general, regarding environmental impact, have highlighted the need to work together to achieve the objectives.

5

WE ARE
COMMUNITY



WE ARE COMMUNITY

We have a strong connection to our territory, its inhabitants, and its development. For this reason, many years ago, when La Farga consolidated itself as a Catalan industrial company in the copper sector, Vicenç Fisas and Oriol Guixà decided that it was time to give value back to society and actively contribute to its development. Today this legacy is still alive and stronger than ever, maintaining the vocation of building and joining efforts to improve the environment and the people who inhabit it.

The social initiatives that La Farga has carried out throughout its history and its commitment to the community are the center of La Farga's fifth strategic axis.



5.1

PARTICIPATE IN KEY SPACES

In addition to sectoral spaces, we are present in and are part of various organizations to disseminate and share our values and best practices.

5.2

COMMITTED TO OUR COMMUNITY

We carry out different initiatives in the region, seeking to have a positive impact in the location where we carry out our activity.



5.1 PARTICIPATE IN KEY SPACES

As a family business, we are committed to our territory and its inhabitants, which is why we are present in spaces that protect and promote local and industrial companies, especially those that are family businesses like us, since this is the model in which we believe.

1. Business and Industry

We are part of different business organizations, and we seek to be present in all areas, from the most local to state-wide. In these places we defend the industry's interests, being the economic engine of the country. We understand the importance in job creation and economic value creation for the territory.

- At the regional level, we have an important role in the *Consell Empresarial d'Osona*.
- At the Catalan level, we have a presence in *Foment del Treball*, the *Unió Patronal Metal·lúrgica (UPM)* and we have been members of the executive committee of the *Càmera de Comerç de Barcelona*.
- At the state level, we are part of the *Confederación Española de Organizaciones Empresariales (CEOE)* and the *Asociación Española de Normalización*, as well as other Spanish and European certification committees.

2. Family business

We are part of the *Asociación Catalana de la Empresa Familiar* and the *Instituto de la Empresa Familiar*.

These organizations in which very relevant European and statal companies are present, we have found a place to weave alliances and promote initiatives to promote this type of company.

We believe in and defend family businesses, as a model that allows to consider people and the community through a long-term vision and a commitment to the territory.

3. Local organizations

We participate in our most direct environment because we believe that we have something to contribute, which is why we are part of the Board of Trustees of the *Hospital de la Santa Creu* Foundation and of the Board of *FADO*, *Fundació Assistencial d'Osona*, dedicated to home care for the elderly.





5.2 COMMITTED TO OUR COMMUNITY

We seek to have a positive impact in our closest environment, starting with the municipal area, in the municipality of Les Masies de Voltregà, and for historical reasons in Sant Joan de les Abadesses (Ripollès), and continuing through the Osona area, the Ripollès and the Moianès.

Having this impact is mainly accomplished through:

- **The company itself**, from where initiatives and collaborations with different social entities are promoted.
- **La Farga's Foundation**, a non-profit entity created in 2004, which aims to improve people's lives and generate shared value with the territory.

La Farga's impact

We have developed initiatives and alliances supporting **laboral insertion of people at risk of exclusion**, seeking to leave no one behind and helping to improve conditions in the region. Here are some examples of initiatives:

We have led the **job placement program** for young people who are outside the school system. We did this together with CreACCIÓ, the entrepreneurship, innovation, and knowledge agency for the socioeconomic development of Osona which seeks to improve employability of people and create quality employment.

With CreACCIÓ and with the advice of the *Fundación Paco Puerto*, we have also carried out three editions of a **training program for people from groups at risk of exclusion**, which consists of an initial training of 120 hours for subsequent hiring as specialists of those who show greater capacity and achieve the established objectives.

We collaborate with two associations in Osona, TAC Osona and Eurofirms, which promote the inclusion of people with diverse abilities in the labor market.

Our gardening, cleaning, and catering services come from these organizations.

Fundació La Farga

The Foundation's scope of action is centered on the region of Osona, Ripollès and Moianès, and specifically in the municipalities of Les Masies de Voltregà and Sant Joan de les Abadesses.

The Foundation aims to create value and wealth in our nearest environment.

La Farga's Foundation

LAFARGA
FUNDACIÓ

Board of Trustees

President: Oriol Guixà

Director/Secretary: Javier Cabeza

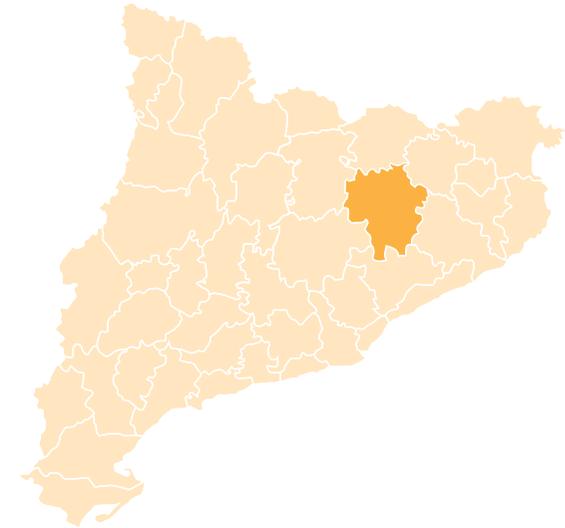
Trustees: Marta Otero, Carmiña Pérez, Xenia Andrade, Tristany Fisas and Meri Rovira

Its activity is focused on improving people's lives, specifically focusing on local neighbours and territory residents, as well as the employees of La Farga and their children.

The Foundation is financed by company donations and is managed by a Board of Trustees, which runs it independently from the company.



La Farga's Foundation's area of action:
Osona region



165,229
Population

17,300€
Income per capita

**Level of education attained
by people aged 15 and over**

46.9%
Secondary

9.6%
Elementary

43.5%
Superior



△ Socioeconomic data of the Osona region.
(Institut d'Estadística de Catalunya)

The Foundation has three very clear axes or areas of action:

Social:

We participate through **donations, sponsorships, and collaborations** with entities from Les Masies de Voltregà and the Osona region, such as the Fundación IMPULSA, which helps people with economic difficulties to continue being part of the educational system. We also donate computer and industrial materials (batteries, electronic equipment, etc.) to different schools.

Education:

Education is a fundamental value, and we believe that no one should be excluded from studying for socioeconomic reasons. For this reason, **the Foundation provides scholarships to people from the territory to fund their studies.** The study grants awarded are intended for degrees, master's degrees, university post-graduate courses, doctoral thesis courses, higher degree cycles and adaptation courses for first-cycle graduates who want to follow official university studies. Each category has its own notice, study basis and budget.

Cultural:

Most of the cultural activity that we carry out is through the **Copper Museum.** The museum, inaugurated in 2008 and located in an old modernist building from the early twentieth century the facilities of La Farga, is a unique space in Europe, which **connects the family and business legacy of La Farga with the public. It serves to preserve and disseminate key knowledge for the development of humanity.**



La Farga's Foundation Scholarship Program

YEAR 2022	SINCE 2006
20 Scholarships	818 Scholarships
31,836€ Donated to scholarships	1,146,609€ Donated to scholarships and social entities
40,033€ Donated to social entities	
71,870€ Total amount donated to scholarships and social entities	



THE COPPER MUSEUM



Through the Museum, we seek to disseminate, by means of different resources, knowledge about copper and the use an application La Farga has made of it throughout history in the industrial, economic and environmental fields.

A visit to the Museum allows people to see the history of the company, the origins of copper, the characteristics of the element and the technology linked to it. **It also includes a visit to La Farga's production plant, which lets the public see industrial activity firsthand.**

The Museum's main audience are school groups, so a pedagogical plan is offered for the students and adapted to their grade level: from primary school to visits by universities and degree cycles.



45,337

People have visited the museum since 2008.



ACADEMIC AWARDS AND RECOGNITIONS

In collaboration with the University of Vic and the Vic School of Art and Design, we award two prizes each year for the best work carried out by their students.

Ninth edition of the Vicenç Fisas Comella award:

The Vicenç Fisas Comella prize is endowed with €2,000 euros and can be applied for by all UVic students who have obtained an excellent grade in their final degree project, whatever discipline they study. One of the requirements to win it is that the work reflects the three values promoted by La Farga Foundation: knowledge applied to social development, creativity as a basis for innovation and progress, and awareness of environmental care and sustainability.

This ninth edition has been won by students of the degree in Biotechnology of the University of Vic, Laia Vila and Gina Liarte, for the final degree project “Development of a robust fed-batch bioprocess for the production of nanobodies (VHH and IgG) with the expression organism *Pichia pastoris* under the control of PGAP”.

Eighth edition of the La Forja de l’Aram award:

The purpose of this award is to promote the training of students in Artistic Ceramics, Sculptural Techniques, Artistic Foundry and Artistic Forging at the school, and to make copper more popular for society. In this eighth edition, 15 students participated, and the proposed topic was Circular Copper. Anna Cerrada was the winner of the first prize valued at €1,200 with the sculpture titled “Lamina”. The second prize, valued at €600, was for the sculpture “Nueva Vida” by student Albert Tesifón.



Javier Cabeza

Secretary and Member of the Board of Trustees of La Farga's Foundation

INTERVIEW 

“After almost 20 years, we keep up our will to create value and wealth in our environment.”

What activities or participation spaces would you highlight from La Farga's Foundation in the territory? What do you think is the impact they have on the community?

There are three fundamental objectives of La Farga's Foundation: to promote, help and participate in social, cultural, and training initiatives.

In the social sphere, we actively participate through donations, sponsorships, and collaborations in activities in our immediate environment. At the same time, we award cultural prizes, such as the biannual prize of La Forja de l'Aram de l'Escola d'Art de Vic, or the Vicenç Fisas award, for all UVIC students who have obtained an excellent in their final degree project whatever the discipline they study. The impact of this initiative is reflected, for example, in students who complete high-level studies which should allow them to access the job market with better

conditions, and with a greater capacity for creativity and innovation.

In the cultural field, we have the Copper Museum space, a platform for educational dissemination of the history of copper, its properties, and its applications. Visits to the museum promote knowledge and interest in the industry, so necessary in current times. Our museum allows us to understand the advantages of using recycled copper, talks about sustainability and circularity, concepts that are not new but that today are very necessary to promote. It is a luxury to have a platform for knowledge and dissemination, such as the Copper Museum.

And at the level of training, the Foundation has been granting, for almost 20 years, scholarships aimed at facilitating education.

We consider that all these grants have a significant impact and generate wealth within the scope of action of the Foundation, which is mainly the region of Osona, Masis de Voltregà, due to the strong link between La Farga and the town where the industry is located and, due to the founder's roots, in Sant Joan de les Abadesses.

What drives you to maintain the Foundation and work for its continuity?

I think it is necessary to highlight the drive and enthusiasm that the founders, Mr. Vicenç Fisas and Mr. Oriol Guixà, put into the constitution and growth of La Farga's Foundation. Today, after almost 20 years, we continue with the same desire to generate value and wealth in our environment. During all these years the Foundation has had involved trustees who have actively participated in the different projects and who have contributed new ideas.

Javier Cabeza

Secretary and Member of the Board of Trustees of La Farga's Foundation

INTERVIEW 

We are all moved by an undeniable desire to want to improve the territory in social, economic, and cultural terms, as well as to involve its people in this project and to make them feel proud of it.

How do you imagine the future of the Foundation in the coming years and in what new areas or themes would you like to get involved?

We will continue working with the same foundational objectives thanks to the generosity of La Farga shareholders and individuals, who selflessly make financial contributions to continue the projects we carry out.

I would like the same essence that we have today to be preserved, the passion that our founders put in creating a social project that can provide knowledge and training opportunities to the territory.

We have certain projects in mind. Next year we will carry out a pilot initiative that combines the social and educational spheres. From the consultation carried out by a La Farga worker, the idea of launching aid for those families who have children with special educational needs arose.

With this pilot test we want to learn about this field and find out in depth what the needs are and how to structure aid in the best possible way.

We are also thinking about how to promote projects of a more industrial nature, value the role of industry in our society, a sustainable industry.

6

WE ARE
INDUSTRIAL
KNOWLEDGE



WE ARE INDUSTRIAL KNOWLEDGE

We are an intrinsically innovative company, leading the way in the copper recycling and processing sector. With a centennial history of working in copper recycling, we are permanently involved in continuous improvement and innovation, which are the focuses of our strategy.

Innovation, digitization, industry 4.0 and the investments we make to promote these advances are the focus of La Farga's sixth strategic axis.



6.1

INVEST TO MOVE FORWARD

We invest to improve our offices and plants, as well as to our management processes. Also, in the creation of new products and materials, and in the optimization and digitization of industrial processes. All this allows us to maintain our innovative and avant-garde character and to respond to the needs of the market.



6.1 INVEST TO MOVE FORWARD

Investments in innovation allow us to advance as a referent company in the copper sector and maintain our vocation for innovation.

The best example of this is our **continuous casting process**, unique in the world: the Cosmelt Process® (registered trademark in 2001). It does not generate any solid waste and it manages to eliminate all the impurities in copper, until getting to a product made entirely from recycled material, with a purity level greater than 99.90%. This process also reduces the product's carbon footprint and its environmental impact. To expand this environmentally beneficial technology, we have patented and exported our knowhow, collaborating in the construction of plants and factories around the world, to achieve the production of semi-finished copper products in a more sustainable way.

Currently, we invest in innovation in different areas, such as:

- Improvement of our facilities.
- Development of new products with recycled copper.
- Research and development of new technologies and processes.
- Technologies of the Fourth Industrial Revolution.
- New work methodologies, such as Agile or Lean.

To manage and govern all these investments, we have defined a clear process, with roles and responsibilities, and we have an Investment Committee that monitors the different projects. We have also created specific working groups, which evaluate the different initiatives proposed and decide where it is best to invest our resources and efforts.



5M€

Investments in facilities improvements 2022 (asset)



Facilities improvements

We want to have modern facilities, which have the most efficient and safe technologies, and which respond to the needs of the market. To this end, in 2022 the following improvements and investments have been made, both in offices and plant:

In offices:

- We have opted for a flexible distribution in our offices, which includes having common spaces for meetings and collaborative activities, together with private spaces to promote concentration. These improvements are considered within the La Farga 4.0 project.

In plant:

- The main actions have been in the field of **energy efficiency**, by means of the modernization of equipment and consumption control systems, as well as productive improvements in foundries to increase the use of recycled materials.
- In addition, a project focused on the **decarbonization of the company** has begun with the replacement of natural gas in some smelting processes with sustainable origin fuels that do not emit CO₂.
- Regarding **security**, we have continued investing in line with the latest years, and in 2022 this investment was of €330,000.
- We are expecting for the implementation of **solar panels** at the beginning of 2023, which has been an approximate investment of €1.7 million. Also, we have invested in the rearrangement of the accesses to the industrial site to deal with the increase in truck circulation and to improve road safety with other vehicles.



Investments in product and process development

Year after year, **we invest in research and development of new products and processes, which allow us to be at the forefront of innovation in the use of copper**, creating new products that respond to market needs and improving our production processes to make them even more efficient, thereby reducing our environmental impact.

We have the necessary machinery and technology to achieve a high degree of specialization. In addition, we establish alliances with prestigious universities such as the Polytechnic University of Catalonia (UPC), to carry out joint research.

We are also **continually seeking for external funding** to develop new projects. We currently have two lines of funding, focused on:

- Recovery of copper slag, to use it for multifunctional concrete (Smartslag).

- Development of new technologies to obtain a copper tube from Up-Cast with high mechanical properties for industrial facilities.

Investments in Innovation and Development

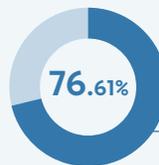


2M€

Investment in Innovation and Development

309,010€

Non-refundable grants received for the development of Innovation and development programs



% of cash flow that investment in Innovation and Development represents



INNOVATION AND DEVELOPMENT HIGHLIGHTS

Improvement of the eccentricity of the copper tube through the application of 3D simulation technologies. This has resulted in a reduction of 1% in weight per meter, equivalent to a reduction of 150 tons per year.

Development of a copper tube with high mechanical performance to withstand the high working pressures that occur when using CO₂ as a refrigerant gas instead of the current polluting CFC gases.

Development of a copper contact wire made entirely from recycled copper for the railway market, with the same characteristics as the one made from cathode.

Investments in digitalization and Industry 4.0

- **Productive process**

We are going through the Fourth Industrial Revolution, also known as Industry 4.0. This incorporates new technological advances, such as big data, IoT, AI, machine learning, and robotization, to achieve a more automated, efficient, and monitored industry.

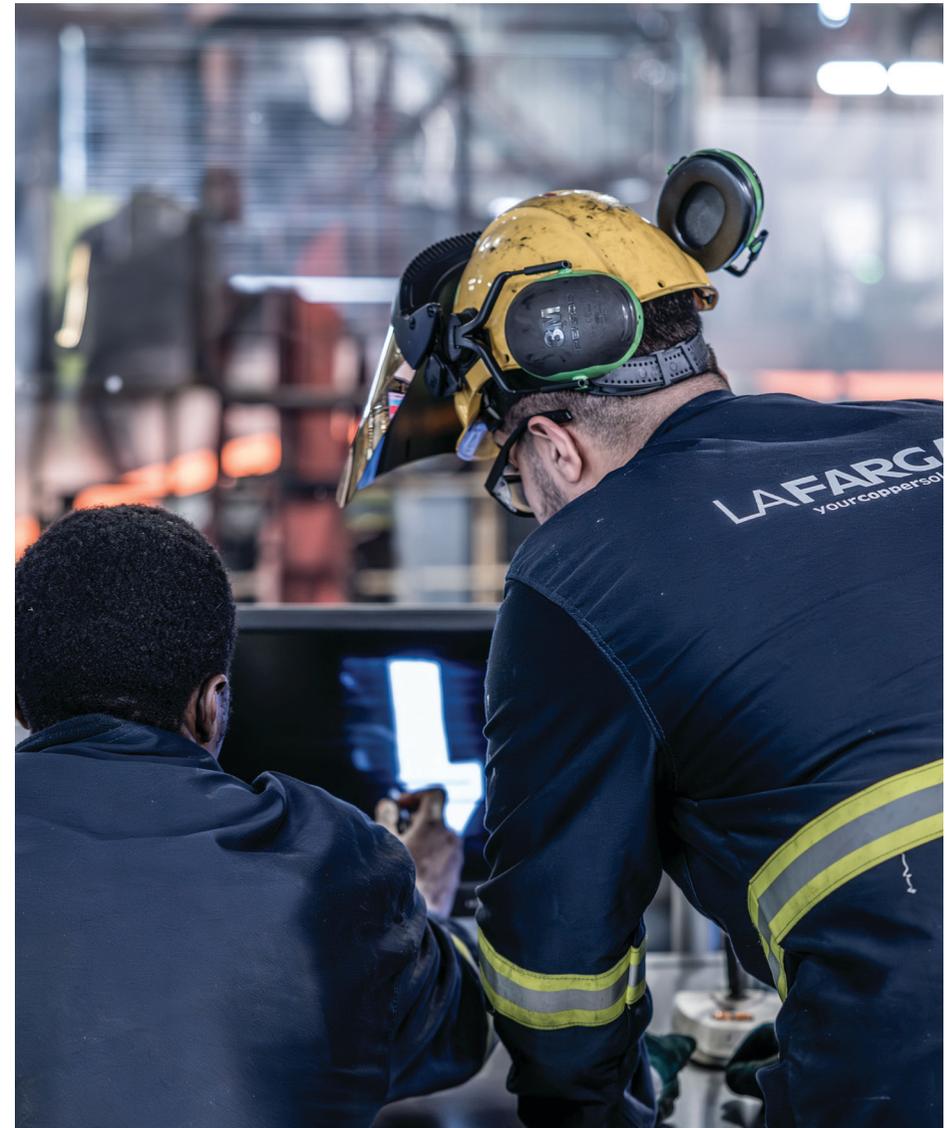
The metallurgical sector does not usually stand out for being innovative, as it is a traditional industry with great technical difficulties, such as the high temperatures of its processes.

At La Farga, we continuously forge paths and explore new possibilities.

We are pioneers in introducing electronics into our processes, to obtain more information and data on what happens in the plant and thus optimize resources, minimize incidents, and improve quality.

More and more parts of our machinery incorporate some type of electronic element, which helps specialists have better tools and information when making decisions. We have also improved **data capture and management** in production processes by integrating control and measurement systems.

In the production plant, we have made a huge progress in **process automation**, incorporating robotic conveyors, which can transport up to four tons of product, improving not only the efficiency of the process, but also safety in the plant. We also have a continuous casting unit that is capable of automatically classifying the materials, depending on the quality of the product.



New work and management methodologies

In such a fast-changing market context and environment, the company needs to have work teams that have internalized certain capacities, such as empowerment, autonomy, and the ability to make decisions in an agile and adaptive manner.

On the one hand, we have successfully incorporated Microsoft Office 365, together with its main applications, specifically Microsoft Teams and Share-Point applications. These have made possible the creation of a collaborative environment and have given more flexibility to staff workers. We know that there is still a long way to go, but progress must always be made while accompanying workers, to ensure that they positively and appropriately adapt to new technologies.

To manage our day-to-day and enhance workers' capacities, we have implemented a new system that provides agile responses to the dynamic and changing environment.

We have called this innovative system **La Farga Way**, and it is a **results-oriented model to achieve the company's common objectives. To do this, Objectives and Key Results (OKRs) have been defined**, which consist of objectives accompanied by metrics, which help us track progress.

This is how an ecosystem of self-organized teams is created, which are guided by the established metrics and which work in an agile and efficient way to achieve common objectives.

We also highlight La Farga's 4.0 program, which was created to respond to the post-pandemic situation, and which includes, among other things, home office policy and the flexible distribution of offices to promote both collaborative spaces and individual workspaces.



“The main challenges today are related to making society aware of the need for sustainable copper.”

Núria Ferrer

R+D+i Manager

INTERVIEW 

What do you highlight about the innovative nature of La Farga and what are the main challenges?

I would highlight the ability to adapt to the needs of the market. A company with more than 200 years of history is the result of its commitment to innovation, which allows us to offer solutions to the market that respond to the needs of each moment. From the beginning with antimicrobial sheets for boats, to the current high requirements in electrical conductivity. **The main challenges today are related to making society aware of the need for sustainable copper, 100% recycled, with maximum performance, and with the lowest carbon footprint.** With the challenges of climate change that lie ahead, the demand for sustainability is a reality, but there is still a long way to go, since regulations have historically slowed down the introduction of material from scrap.

What innovation milestones in recent years would you highlight?

The new manufacturing process for 100% sustainable copper tubes using casting and drawing technology that is much more energy efficient and highly productive. The development and introduction of a 100% sustainable rail contact wire in a market that had been one of the most reticent to making changes in materials.

How would you say La Farga works towards decarbonization through innovation?

There are many ways in which decarbonization is promoted. For example, implementing our knowhow and technology for the manufacturing of 100% recycled copper internationally, studying alternatives to advance the energy transition of our processes to reduce CO2 emissions, or developing innovative projects and technological development with universities focused on waste revaluation to be used in other sectors, thus giving it a second life, and minimizing the impact on the planet.

What kind of projects and areas of innovation do you imagine in the future?

I can imagine a wide variety of projects, but **all of them focused on generating zero emissions in the future and contributing to the emissions reduction throughout the copper value chain, to fight against climate change.** Also, continuing to manufacture sustainable copper products from recycled material, helping to reduce the carbon footprint of all the products that use copper.

7

WE ARE
COMMITMENT



WE ARE COMMITMENT

As a family-owned company, and being consistent with our values and essence, we are strongly committed to good governance, to ensure the legacy and durability of La Farga, and to safeguard the interests of the company over the family ones.

For this reason, we are subject to a series of codes and protocols that establish transparency and responsibility as the main axes of good governance and that ensure professionalized management and succession in the company. Likewise, we have implemented a formal structure of corporate and family governance, which balances the powers and, in turn, divides the functions between the family and the management bodies.

Our corporate strategy incorporates sustainability in a transversal and holistic way. We believe in and work for the generation of social and environmental value, understanding economic benefit as a necessary means to achieve it. We do not differentiate the corporate strategy from that of sustainability, because we understand that sustainability must be at the core of our business and in our daily decisions.

In this seventh and last strategic axis, we focus on corporate governance, which must guarantee efficient management, proper functioning of the business-family pairing, and must protect and defend an impact corporate culture. This axis also includes the elements of the corporate strategy with sustainability at the center, and the financial health of the business, necessary for everything else to be possible.



7.1

SET RESPONSIBLE GOVERNANCE MECHANISMS

Through governance structures and mechanisms, we seek to guarantee an efficient, ethical, and responsible management, which protects its interests, as well as that of shareholders.

7.2

PLACE SUSTAINABILITY AT THE CENTER

Our corporate strategy has sustainability at the center, and each of our initiatives, decisions and policies is executed from this perspective.

7.3

UPHOLD AN ORGANIZATIONAL CULTURE THAT REPRESENTS US

We are proud of the principles and values that rule this company and of the culture that we develop every day among all the people who make up La Farga.

7.4

KEEP SOLID AND HEALTHY FINANCIAL MANAGEMENT

Given the financial nature of our business, we need to ensure a healthy and solid financial management, which allows us to be a profitable business, thus increasing capacity to have a positive impact.



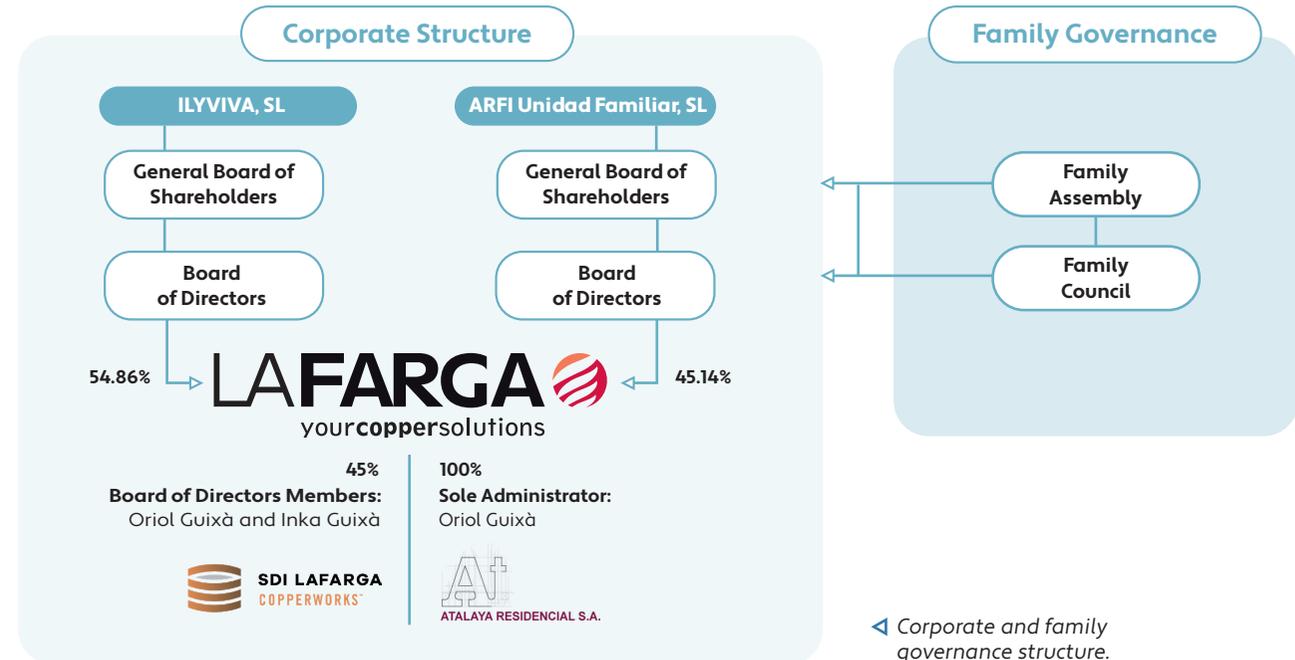
7.1 SET RESPONSIBLE GOVERNANCE MECHANISMS

Corporate governance

We are a family-owned company, whose property is divided in 2 family holdings: ILYVIVA, SL and ARFI Family Unit, SL. La Farga is also part of a joint venture in the United States, with a 45% stake in the SDI La Farga copper steel plant, which we manage together with Steel Dynamics Inc., who holds the rest of the stake. This plant has allowed us to export our technology and our Cosmelt process to the United States, thus promoting the manufacturing of copper with less environmental impact.

In addition to La Farga Yourcoppersolutions S.A., there is also La Farga's Foundation ("Fundació La Farga"), which is dependent on the family. The Foundation is governed by a Board of Trustees that runs it independently. This Board is made up of members of the family, workers, and external agents.

The current corporate and family governance structure of La Farga is as follows:



Details of members of the governing bodies:

Corporate structure

ILYVIVA S.L

- **GENERAL BOARD OF SHAREHOLDERS:** Oriol Guixà, Ana Fisas , Eva Guixà, Inka Guixà , Anna Guixà, Carles Guixà and Edgar Guixà.
- **BOARD OF DIRECTORS:** **President:** Oriol Guixà; **Vice-president:** Ana Fisas; **Secretary:** Carles Guixà; **Board Members:** Eva Guixà, Inka Guixà, Anna Guixà and Edgar Guixà

ARFI Unidad Familiar S.L

- **GENERAL BOARD OF SHAREHOLDERS:** Ma Rosa Armengol, Ma Rosa Fisas , Ana Fisas , Isa Fisas, Ade Fisas, Ferran Fisas, Imma Fisas, Amadeu Fisas, Eva Fisas, Pol Pérez, Xènia Pérez, Elisabeth Pérez, Cristina Fisas, Papik Fisas, Jessica Pujol, Laura Fisas, Claudia Fisas
- **BOARD OF DIRECTORS:** **President:** Cristina Fisas; **Vice-president:** Ana Fisas; **Chief Executive Officer:** Imma Fisas; **Secretary:** Ignasi Castejón

Family Governance

- **FAMILY ASSEMBLY:** Ma Rosa Armengol, Oriol Guixà , Ana Fisas , Eva Guixà, Inka Guixà , Anna Guixà, Carles Guixà, Edgar Guixà, Ma Rosa Fisas, Isa Fisas, Ade Fisas, Ferran Fisas, Imma Fisas, Amadeu Fisas, Eva Fisas, Pol Pérez, Xènia Pérez, Elisabeth Pérez, Cristina Fisas, Papik Fisas, Jessica Pujol, Laura Fisas and Claudia Fisas.
- **FAMILY COUNCIL:** **President:** Cris Fisas; **Secretary:** Carles Guixà; **Founding Members:** Ma Rosa Armengol and Oriol Guixà; **Membres:** Amadeu Fisas, Ana Fisas, Edgar Guixà, Imma Fisas and Papik Fisas.

We have implemented a formal corporate and family governance structure, which balances powers and divides functions between the family and the management bodies.



The business family has a **solid corporate governance** that ensures the preservation of the company-family pairing and the company's viability.

The family's governing bodies are the Family Assembly and the Family Council, both of which are defined in the **Family Protocol**. This is a legal document, updated and voted in 2022, which aims to guarantee the continuity of this business project and transfer shared values in an effective way. This is achieved by defining a set of mandatory regulations and governing bodies that must guarantee a good relationship between the members of the family and those of the company management.

The governing bodies of La Farga are the **Board of Directors and the General Management**, from which the different management areas of the company are derived. After the General Management, we are organized into seven areas, each one responsible for an important part of the business. These are: Finance and Administration, Corporate Development, Market, Production, Supply Chain, Technical and COT (Culture, Organization and Talent).

Governing bodies of the family business and their functions

1. Family Assembly

As established in the Family Protocol, all members of family holdings are part of the Family Assembly.

Among its functions is the transmission of the business project and the promotion and communication of the family's vision. It is also meant to offer every member of the family the opportunity to express their opinion, ensuring the good relationships within the family and evaluating the Family Council.

2. Family Council

It is the permanent and executive body of the Family Assembly, and it is made up of seven members of the family, who were elected by vote.

Its objective is to ensure the correct implementation of the family's values, to preserve the heritage, values, and entrepreneurial culture, and to promote the leadership of future generations and the application of the protocol, among others.

Corporate Governance

LA FARGA 
yourcoppersolutions

General Board of Shareholders

Board of Directors Council

**Risk Management
and Audit**
Carmiña Pérez

General Director
Inka Guixà

Executive Management

Director of Administration, Finance and Systems:
Marco Bandettini.

Director of People and Organization: Dani Pérez.

Production Director: Jordi Clarà.

Director of the Technical Area: Xavier Rovira.

Market Director: Manel Antequera.

Supply Chain Director: Carles Camprubí.

Director of Corporate Development and Strategy: Maria Riera.

△ Corporate governance structure.

Details of people that conform governing bodies:

1. BOARD OF DIRECTORS: President: Oriol Guixà; Vice-president: Inka Guixà; Board Members: Edgar Guixà, Carles Guixà, Papik Fisas, Carles Sumarroca and Gonzalo Cuadra; Honorary Board Member: Ana Fisas; Secretary non-Board Member: Jordi Casas

Corporate and company governing bodies

1. General Board of Shareholders

It is the body that brings together the property of the company and it is in charge of managing it. The General Board of Shareholders is responsible for the key decisions for the company's operations, such as the accounts approval.

2. Board of Directors

The main mission of this body is to ensure the viability of the business group in the long term, protecting the general interests of society, as well as the organization's values and culture.

The Board is made up of proprietary directors, who are part of the business family, and external directors, who provide a vision of the business and contribute their knowledge. The president is Oriol Guixà.

3. Risk Management and Audit

The main mission of this body is to carry out organizational risk analyses and audits. This position is held by Carmiña Pérez.

4. Executive Management

It oversees the organization's executive and operational management, and it must guarantee its proper functioning.

It is headed by the General Director, Inka Guixà, and the 7 Managers of each area.



Mechanisms for ethical and comprehensive management

To make sure that all the governance bodies and employees act in accordance with our principles and values and are aware of their importance, we have developed a series of internal mechanisms, among which we highlight:

Code of Ethics

It establishes the guidelines for ethical behavior, both for people who work in the company as for the companies and organizations that interact with us. All the company's actions, people and processes are governed by this code, which marks the red lines of the actions.

Internal Regulations

It is based on the Code of Ethics, but it is more extensive and specific, establishing how any person associated with the company must behave to comply with the highest standards of ethical, personal, and labor integrity. It also includes the procedures to guarantee this integrity and ethical conduct within the company.

Ethics Committee

It is the body that serves to publicize the Code of Ethics and the Internal Regulations, as well as the one in charge of designing control procedures for its compliance and of supervising and recording all the infractions and measures taken. It is made up of area managers (heads of departments) who are appointed by the Board of Directors.

Risk Prevention Model

It ensures the rules' effectiveness and certifies that due control is being exercised. We carry out internal audits to ensure the proper functioning of the system, as well as the application of the Code of Ethics and the Regulations regarding fight against corruption, bribery, and money laundering. In the productive areas, the application of the protocols reduces risks.

The Whistleblowing Channel

It is managed by the Ethics Committee. In 2022 it did not register complaints. All these mechanisms and the exemplary behavior of people who work at La Farga results in having no legal proceedings, sanctions, or fines related to matters of corruption or tax fraud.

Risk mitigation and analysis

Responsible governance requires evaluating business risks and activating measures to mitigate them. That is why we have a risk map that assesses all the possible risks to which we are exposed and their nature (impact and probability), to propose mitigation actions for each of them.

In addition, the criminal risks that we could incur are evaluated, considering the situations in which there could be crimes (as defined in the Criminal Code) in the production processes.

We have a risk map that assesses the possible risks to which we are exposed to and their nature.



Based on the identified risks and with the aim of continuing to be a company with a high degree of reliability and that can always guarantee the supply of copper to our customers, we have developed the following policies:

- Supplier delivery policy.** Opening of alternative delivery routes, to not concentrate them only in one (road and maritime transport) and therefore mitigate the impact of a strike in the transportation of goods.
- Hedging policy for metals and financial derivatives.** Implementation of mechanisms to cover financial derivatives and metals that do not affect the income statement.
- Supplier diversification policy.** Provision of alternative purchase of suppliers for any product and expansion of the range of suppliers by country
- Commercial risk policy.** Policy to cover any business relationship, either through insurance or financial instruments.
- Copper control policy.** Implementation of mechanisms to prevent fraud in the copper content and to avoid buying copper from criminal activities.

Some of the identified risks are:

Risk	Description	Management, control, and mitigation measures
Market and consumer crime	<ul style="list-style-type: none"> Participation in schemes that operate in stock/futures markets. Use of confidential information to obtain economic benefit. 	<ul style="list-style-type: none"> Dissemination of the code of conduct and internal regulations. Creation of a daily trading cap on the stock market.
Customer fraud	<ul style="list-style-type: none"> Sale of products with characteristics other than those agreed. 	<ul style="list-style-type: none"> Identification of requirements associated with orders and design of the system that makes it possible to satisfy them. Establishment of a decision procedure and hierarchy in case of possible non-compliance with requirements.
Market and consumer crime	<ul style="list-style-type: none"> Appropriation, disclosure, use of secret information from other companies. 	<ul style="list-style-type: none"> Establishment of contracts with securities to avoid accessing secret/protected information. Dissemination of the code of conduct and internal regulations.
Money laundering and financing of terrorism	<ul style="list-style-type: none"> Receipt of funds from criminal activities knowing their origin to promote sales and business. 	<ul style="list-style-type: none"> Implementation of specific collection controls.
Crimes against natural resources and the environment	<ul style="list-style-type: none"> Generation of emissions and discharges. There could be situations in which the production processes lead to the emission or discharge into the atmosphere, soil or water and the corresponding control measures are not exercised. Proper waste management: It could be the case that, in order to reduce costs, the entity would establish deposits or landfills in order to receive waste or solid or liquid waste that may be dangerous. 	<ul style="list-style-type: none"> Existence of an integrated prevention and environmental policy and system, as well as action plans and training on the matter. Implementation of controls related to emissions and discharges into the air, soil or water.
Computer damage	<ul style="list-style-type: none"> Attacks or obstruction of foreign files, documents, or computer programs carried out by an employee. 	<ul style="list-style-type: none"> Security measures in computer systems. Training in cybersecurity and in the use of technological tools. Periodic checks; review of profiles, control of LOGs, password protection, segregation of functions in logins. Definition of confidentiality agreements and control of IT service providers.



7.2 PLACE SUSTAINABILITY AT THE CENTER

We have a noteworthy commitment with sustainability, a concept that we understand as a way of acting and relating that must be considered by all workers, as well as shareholders, suppliers, and customers.

We have incorporated sustainability into the core of our corporate strategy.

It is not an isolated department or area since it is especially important for us, and it cannot be a simple sphere of work.

Our culture, daily operations and any action or initiative is governed by the sustainability criteria.



Our corporate strategy, presented at the beginning of this report, is focused on creating shared value for all our stakeholders. It is defined, nurtured, and prioritized according to:

Materiality analysis

As a more proactive prioritization proposal, **the materiality analysis is a fundamental exercise to incorporate our stakeholders' perspective and expectations into our corporate strategy.**

As exposed at the beginning of this report, this year we have carried out a new analysis, with the aim of updating those areas and topics in which our stakeholders expect us to work on with the highest priority.

In addition to using the analysis for reporting purposes, it has also been extremely useful to define the priorities of our Strategic Plan.

Sustainable Development Goals (SDGs)

Since 2007, **La Farga is adhered to the United Nations Global Compact**, which means that we are committed to work towards the achievement of the Sustainable Development Goals (SDG). Among other measures, the principles of conduct and action regarding human rights, labour, the environment and the fight against corruption and bribery are adopted.

In addition to adhering to the Global Compact, we have defined the SDGs that are most relevant to our activity and our strategy, and to which we consider that we have the greatest contribution capacity.





7.3 UPHOLD AN ORGANIZATIONAL CULTURE THAT REPRESENTS US

The organizational culture is formed by the set of beliefs, values and norms that define the behavior of an organization. The organizational culture is always present, even when it is not consciously defined. Allowing it to develop due to the inertia of events is a risk for an organization. For this reason, at La Farga we continuously work on and reflect about the organizational culture that we want to have and the consequences that derive from it.

Our values are a central element of our culture.

At La Farga we are clear about the values that we want to be associated with, and for us it is very important to be faithful to them. For this reason, we transmit and promote them in our organization day by day.

LA FARGA'S VALUES



COMMITMENT

Emotional and intellectual involvement for the creation of value in a sustainable way, both with the environment and over time, based on ethical and responsible behavior, always considering the economic, social, and environmental impact of our decisions.



INNOVATION

Transform new products, applications, processes and/or services into value, based on the adequate and effective link between the company and the market, and promoting collaborative development.



OPEN MENTALITY

Act and promote an open, receptive, integrating, and collaborative work ecosystem, to achieve the maximum human potential and opportunities, as a tool for collaborative growth.



PASSION

Enthusiasm to work efficiently and making an effort to achieve an individual or team goal.

There are also some **intangible elements** that permeate our day-to-day work and that influence the working atmosphere. These intangible elements are bidirectional between the organization and people that form it: on the one hand, people can modify and influence them and, on the other, the organization attracts and retains people who are compatible with them. We are looking for like-minded people, that are aligned with the following aspects:

- **Commitment**
- **Self-demand**
- **Autonomy**
- **Mistakes as a learning opportunity**
- **Community**
- **Sense of belonging**

Finally, the organizational and management model of a company must be adapted to all these elements and values, and promote them, so that all employees can make the most of their potential and feel fulfilled in the workplace.



7.4 KEEP SOLID AND HEALTHY FINANCIAL MANAGEMENT

As previously mentioned, our business is based on significant financial management, which is why we require a robust and solid financial structure.

At La Farga we require a high level of bank financing to carry out our activity. Specifically, we make intensive use of short-term financing, which is necessary to make copper purchases in advance. To achieve this, we must ensure that we manage our accounts correctly and responsibly, to maintain a healthy debt to EBITDA ratio, which allows us to continue with our business as usual, while also investing to have more impact.

The financial balance for 2022 is as follows:

Economic performance

Revenue (€)	1,572,782,423
Operating costs (€)	1,538,018,074
Salaries and social benefits (€)	21,034,406
Payments to fund providers (€)	5,489,459
Direct payments to public administrations (€)	27,816,071
Significant financial aid received from public administrations (€)	765,171
Billing (€)	1,565,934,237
Net profit (Spain) (€)	2,628,659
Net cash flow (€)	9,474,547
Direct export (%)	18%
Export to European Union (%)	36%
Expenses (€)	1,565,898,367
Total investment (€)	4,462,641
Corporate tax (€)	-270,570
Total assets (€)	231,114,759
Own resources (€)	67,319,129
Reserves (€)	37,127,970
ROE (%)	4%

Balance sheet

Asset		Equity and liabilities	
NON-CURRENT ASSETS	97,814,850	NET EQUITY	68,526,357
Intangible assets	4,453,532	Capital	27,562,500
Fixed assets	64,409,630	Reserves	37,127,970
Long-term financial investments in group companies and associates	26,657,924	Results of past fiscal years	0
Joint long-term funding investments	1,052,024	Grants, donations, and endowments received	1,207,228
Deferred tax assets	1,241,740	NON-CURRENT LIABILITIES	53,445,540
CURRENT ASSETS	133.299,909	Long term debts	53,334,372
Stocks	96,226,141	Deferred tax liabilities	111,167
Commercial debts and other accounts receivable	26,867,856	CURRENT LIABILITIES	109,142,863
Short-term financial investments	9,410,943	Short term debts	60,814,975
Short term accruals	761,762	Debts with group companies and associates in the short term	863,340
Cash and other equivalent liquid assets	33,208	Trade creditors and other accounts payable	47,464,547
TOTAL ASSETS	231,114,759	TOTAL EQUITY AND LIABILITIES	231,114,759

Profit and loss statement

Net amount of turnover	1,565,934,237
Variation in stocks of finished products and work in progress	3,930,176
Work carried out by the group for its assets	1,847,192
Supplies	-1,486,968,248
Other operating revenue	1,032,945
Personnel expenses	-21,034,405
Other operating expenses	-51,049,826
Amortization of fixed assets	-6,845,888
Allocation of non-financial fixed asset subsidies and others	37,873
Impairment and results from disposals of fixed assets	12,040
Other results	88,938
OPERATING RESULTS	6,985,033
Financial revenue	1,422,053
Financial Expenses	-5,489,459
Exchange rate differences	-18,398
FINANCIAL RESULTS	-4,085,804
RESULTS BEFORE TAXES	2,899,229
Tax on Profits	-270,570
FISCAL YEAR RESULTS FROM CONTINUING OPERATIONS	2,628,659
FISCAL YEAR RESULTS	2,628,659



Marco Bandettini

Financial Director

INTERVIEW



“There is greater interest in financing projects and companies that meet and promote ESG criteria, although significant reductions in the costs of such financing are not achieved.”

How do you assess the company’s financial situation?

The company’s financial situation is solid and is consolidating despite the events that have occurred in recent years that have affected our environment, such as the COVID-19 pandemic or recently the war in Ukraine with the consequent impact on energy costs. Despite the negative impact that these events have had on our income statement, **the company has maintained its profitability thanks to the different actions that have been implemented to minimize these effects.**

What great challenges do you think La Farga has to obtain financing?

The great challenge is to tie our working capital financing to the physical copper stocks that the company needs to operate in the different market segments. If we achieve this, we could have the financing to optimize our logistics chain and improve the service that we could offer our customers.

How do you perceive financial agents regarding the ecological transition and investment in more sustainable products?

The financial world is increasing its sensitivity to these issues, also driven by the new regulatory regimes that are being approved. There is greater interest in financing projects and companies that meet and promote ESG criteria, although significant reductions in the costs of such financing are not achieved.

What role do you think the new EU green taxonomy will play?

The new green taxonomy will drive significant change in all areas of our environment. It will be a constant and profound change that will affect our way of making decisions, consuming, producing, investing, and it will not be just a “green” change because it will affect many other areas of social and economic life in our environment.

ANNEXES

ANNEXES

Table of contents of the Global Reporting Initiative

GRI Standard	Localisation or direct response
GRI 2 General Disclosures 2021	
2-1 Organisational details	La Farga Yourcoppersolutions, SA. Location: Ctra. C-17z, Km 73,5, 08508 Les Masies de Voltregà (Barcelona) Spain Legal form: Family holding company. Size: Pg, 59 Countries of operation: Pg. 14
2-2 Entities included in the organization's sustainability reporting	La Farga Yourcoppersolutions, SA. Fundació La Farga
2-3 Reporting period, frequency and Contact point.	Year 2022 (from January 1st 2022 to December 31th 2022). Annual frequency. Date of publication: July 2023 yourcoppersolutions@lafarga.es
2-4 Restatements of information	Modification of the base period
2-6 Activities, value chain and other business relationships	Pg. 24

2-7 Employees

Pg. 58-72

Size of the workforce at 31/12 2022

	2020	2021	2022
Number of employees (own staff)	322	386	394
Number of workers who are not employees	31	34	13
Trainees	0	0	0
Total	353	420	407

Distribution of staff by origin and gender

		2020		2021		2022	
		H	M	H	M	H	M
From the Osona Region	Management	4	0	4	0	4	0
	Rest of staff	272	41	333	44	325	41
	Total	276	41	337	44	329	41
	% management	50%	0%	50%	0%	50%	0%
	% rest of staff	86%	14%	88%	12%	84%	10%
Outside the region	Management	2	2	2	2	2	2
	Rest of staff	0	1	0	1	13	5
	Total	2	3	2	3	15	7
	% management	25%	25%	25%	25%	25%	25%
	% rest of staff	0%	0%	0%	0%	4%	2%

*Only own staff

2-7 Employees

Breakdown of the workforce by type of contract and working day as at 31/12

	2020		2021		2022	
	H	M	H	M	H	M
Indefinite	272	41	288	38	344	46
% Indefinite contracts	97%	98%	85%	81%	99%	96%
Eventual	8	1	51	9	2	2
% Temporary contracts	3%	2%	15%	19%	1%	4%
Total staff	280	42	339	47	346	48
Full time	278	40	334	44	341	46
% Full time	99%	95%	99%	94%	99%	96%
Part-time	2	2	5	3	5	2
% Part-time	1%	5%	1%	6%	1%	4%
Total staff	280	42	339	47	344	48

2-7 Empleados

Dismissals

	2020	2021	2022
By gender	8	2	4
Male	5	1	4
Female	3	1	0
According to age	8	2	4
≤ 25 years	0	0	0
26-35 years	2	0	1
36-45 years	1	2	2
46-55 years	1	0	1
56-65 years	4	0	0
According to professional group	8	2	4
Management positions	0	0	0
Middle management	1	0	1
Rest of the staff	7	2	3

2-8 Workers who are not employees	Pg. 59
2-9 Governance structure and composition	http://www.lafarga.es/es/el-grupo/organos-de-gobierno/presentacion The committees reporting to La Farga's highest governance body are: - Board of Directors - Management Committees
2-10 Nomination and selection of the highest governance body	Pg. 101-103
2-14 Role of the highest governance body in sustainability reporting	Review and approve the information submitted
2-16 Communicating critical concerns	The communication channels between La Farga and its stakeholders allow us to gather their main concerns and aspects of value. The La Farga's corporate responsibility strategy establishes the lines of action in relation to each group and the Sustainability Report provides information on the issues raised, as well as the improvement actions implemented by the Group.
2-22 Statement on sustainable development strategy	Pg. 18
2-23 Policy commitments	<p>At La Farga we are committed to ensuring respect for and compliance with human rights, as set out in our code of ethics, internal regulations, conflict minerals policy and the rest of the company's policies.</p> <p>At La Farga we are committed to protect the environment and, to this end, we have adopted a preventive approach to the negative impacts that our activities generate or may generate. We have defined a strategy aligned with the priorities of La Farga that is conveyed through our ISO 14001 Environmental Management System. Every year, we establish objectives linked to our main risks and opportunities: consumption of resources and raw materials, climate change, waste and wastewater, and soil and noise pollution. In order to develop our strategy and meet the objectives set, we have implemented actions and created management, monitoring and control tools for operations, and we have also consolidated a corporate culture focused on continuous improvement.</p>
2-27 Compliance with laws and regulations	<p>There were no significant instances of non-compliance with laws and regulations during the reporting period.</p> <p>No fines or sanctions have been imposed on the organisation during the reporting period.</p>
2-28 Asociaciones de miembros	Pg. 31

2-29 Enfoque de la participación de las partes interesadas

Pg. 19-20

La Farga has identified its stakeholders using criteria such as: dependence (those who depend on our activities, products or services, or on whom we depend to continue the business), responsibility (whether commercial, legal, operational, social, etc.), proximity (in reference to those in our more local environment), influence (those who can generate an impact on the strategy or business).

The stakeholders to whom the company is committed are: the business family, as owners of the Group; the employees, who are the most important asset and the key to ensuring the achievement of the Group's challenges; the customers, who are at the centre of decisions; the supplier companies, as an important part of the value chain and as a group whose contributions are important to achieve greater competitiveness; the community of neighbours (because they form part of the immediate environment of the production facilities), the public administrations (because they can affect the company's operating environment), the local community (where it is desired to have an impact, promoting its progress and economic and social development) and the media (because of their informative capacity and impact on society).

Main channels of communication with stakeholders:

- Corporate family: meetings of governing bodies and committees, knowledge portal, among others.
- Employees: individual mailing of each person (staff), communication mailings, plant bulletin boards, individual mailboxes for each employee, climate survey, among others.
- Customers: catalogues, sales team, customer value meetings, annual customer satisfaction index, complaints system, technical advisory service, website, presence at trade fairs, mailings, - special communications, specific campaigns, presence at trade fairs, among others.
- Supplier companies: code of ethics, face-to-face meetings, technical evaluation of suppliers, among others.
- Neighbourhood community, public administrations, local community and media: press releases, website, presence at trade fairs, visits to the Copper Museum and La Farga facilities, meetings with organisations and associations, presentations, social networks, institutional events, collaborations (financial or with materials), among others.

2-30 Collective bargaining agreements

During the year 2022, 100% of the workforce has been covered by the collective bargaining agreement.

GRI 3 Material Topics 2021

3-1 Process to determine material topics

To determine the material topics La Farga has developed a market analysis, assessed its main impacts (positive and negative), questioned the company's management and consulted different industry standards.

In defining the material topics, the following has been consulted:

- Indirectly and through their public information, supplier companies, customers and sectoral organisations.
- The Management of La Farga.
- Sustainability and sectoral standards and certificates: BCorp, GRI (general and sectoral), SASB Mining, The Copper Mark, Gender Equality Index, ISO 26000, among others.

The material topics identified have been grouped into the seven strategic axes contemplated in La Fraga's corporate strategy.

3-3 Management of material topics

Pg. 19-20

GRI 201 Economic Performance 2016

201-1 Valor económico directo generado y distribuido

Pg. 110-112

GRI 202 Presencia en el mercado 2016

201-1 Direct economic value generated and distributed

Pg. 59

GRI 203 Indirect economic impacts 2016

203-2 Significant indirect economic impacts

Generation of direct and indirect jobs in the territory.
The economic and social development of the region.

GRI 204: Procurement Practices 2016

204-1 Proportion of expenditure on local suppliers

Pg. 75

Distribution of suppliers by region

	2020	2021	2022
Europe	95%	96%	96%
America	2%	1%	1%
Asia	2%	2%	2%
Africa	1%	1%	1%

Location of suppliers

	2020	2021	2022
Premises (Osona)	16%	15%	17%
Non-local	84%	85%	83%
National (Catalonia)	54%	55%	57%
Non-national	46%	45%	43%

Suppliers by type of invoicing

	2020	2021	2022
Turnover over €100,000	29%	29%	28%
Turnover less than €100,000	71%	71%	72%

204-1 Proportion of expenditure on local suppliers	Local suppliers by type of turnover			
		2020	2021	2022
	Turnover over €100,000	18%	17%	16%
	Turnover less than €100,000	82%	83%	84%
	Suppliers by type			
		2020	2021	2022
	Raw materials	17%	16%	15%
	Services	62%	64%	83%
	Financial services	2%	1%	1%
	Large supply providers	19%	19%	1%

GRI 205 Anti-Corruption 2016

205-1 Operations assessed for risks related to corruption	100% of La Farga's operations are assessed in relation to corruption risks.
205-3 Confirmed incidents of corruption and actions taken	There have been no corruption-related incidents during the reporting period.

GRI 207 Taxation 2019

207-2 Tax governance, control, and risk management	Pg. 104-106
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GRI 301 Materials 2016

301-1 Materials used by weight or volume

Pg. 29-30

Overall annual consumption of materials (g/t processed)

	2020	2021	2022
Materials from renewable sources	7.759	14.758	12.086
Cardboard	455	1,135	989
Wood	7,304	13,623	11.097
Materials from non-renewable sources	290	668	472
Plastics	243	645	441
Iron	47	23	31
Total	8,049	15,426	12.558

301-2 Recycled input materials used

Pg. 29-30

Secondary copper is used in the copper recycling process

301-3 Reclaimed products and their packaging materials

Pg. 30

Packaging materials consumed by origin

	2020		2021		2022	
	Recuperado	Nuevos	Recuperado	Nuevos	Recuperado	Nuevos
Renewable sources (wood)	7,828	32,484	23,680	69,507	17,410	60,979
Coils	1,075	1,445	0	3,715	56	4,033
Pallets	6,753	31,039	23,680	65,792	17,354	56,946
Non-renewable sources (metal)	97	0	892	0	0	0
Coils	97	0	892	0	0	0
Pallets	0	0	0	0	0	0
Total	7,925	32,484	24,572	69.507	17,410	60,979

GRI 302 Energy 2016

302-1 Energy consumption within the organisation

Pg. 46-50

Energy consumed within the organisation (GJ)**(Non-renewable sources)**

	2020	2021	2022
Electric power	188,027	214,543	197,615
Natural gas	851,819	752,205	722,602
Transport diesel	13,794	11,768	12,959
Total	1,078,640	952,816	933,176

302-3 Energy intensity

Pg. 46-50

Overall annual energy consumption (kWh/t processed)**(Non-renewable sources)**

	2020	2021	2022
Electric power	215	207	206
Natural gas	857	779	754
Transport diesel	13	13	14
Total	1,085	999	974

302-4 Reduction of energy consumption

Pg. 46-50

GRI 303 Water and effluents 2018

303-2 Management of water discharge-related impacts

Pg. 51-52

303-4 Water discharge

Pg. 51-52

Control parameters for treated wastewater from La Farga

Substance	2020	2021	2022
N total	4.65	3	4
P total	1.7	0.55	1.72
Cd	0.1185	0.01045	0.019
Cu	2.4	0.589	0.7
Cl	383	106	272
DQO	194	37.5	462
Pb	0.064	0,018	0
Zn	1.46	0.145	0.09

303-5 Water consumption

Pg. 51-52

Annual water consumption by source per tonne processed (m³/t processed)

	2020	2021	2022
Surface water (canal)	0.68	0.72	0.71
Groundwater (well)	0.10	0,08	0,09
Total	0.81	0,81	0,81

GRI 304 Biodiversity 2016

304-2 Significant impacts of activities, products and services on biodiversity

Pg. 54

GRI 305: Emissions 2016

305-1 Direct (Scope 1) GHG emissions

Pg. 49-50

Direct CO₂ emissions (Scope 1)

	2020	2021	2022
Natural gas (t CO ₂)	37,958	37.958	36,485
Diesel (t CO ₂)	928	928	1.033
TOTAL (t CO₂)	38,886	41.752	37,518

305-2 Energy indirect (Scope 2) GHG emissions	Pg. 46-50 Direct CO₂ emissions (Scope 2) <table border="1" data-bbox="633 268 2065 384"> <thead> <tr> <th></th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Electricity (t CO₂)</td> <td>13,114</td> <td>14,919</td> <td>13,723</td> </tr> <tr> <td>TOTAL (t CO₂)</td> <td>13,114</td> <td>14,919</td> <td>13,723</td> </tr> </tbody> </table>		2020	2021	2022	Electricity (t CO ₂)	13,114	14,919	13,723	TOTAL (t CO₂)	13,114	14,919	13,723																												
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Electricity (t CO ₂)	13,114	14,919	13,723																																						
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305-3 Other indirect (Scope 3) GHG emissions	Pg. 46-50 Direct CO₂ emissions (alcance 3) <table border="1" data-bbox="633 483 2065 767"> <thead> <tr> <th></th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Procurement of goods (water)</td> <td>13.00</td> <td>16.00</td> <td>14.00</td> </tr> <tr> <td>Waste generation</td> <td>107.19</td> <td>129.70</td> <td>85.30</td> </tr> <tr> <td>Banales (kg CO₂/kg)</td> <td>N/A</td> <td>N/A</td> <td>80.92</td> </tr> <tr> <td>Packaging (kg CO₂/kg)</td> <td>N/A</td> <td>N/A</td> <td>4.365</td> </tr> <tr> <td>Glass (kg CO₂/kg)</td> <td>N/A</td> <td>N/A</td> <td>0.014</td> </tr> <tr> <td>Paper/cardboard</td> <td>N/A</td> <td>N/A</td> <td>14.00</td> </tr> </tbody> </table>		2020	2021	2022	Procurement of goods (water)	13.00	16.00	14.00	Waste generation	107.19	129.70	85.30	Banales (kg CO ₂ /kg)	N/A	N/A	80.92	Packaging (kg CO ₂ /kg)	N/A	N/A	4.365	Glass (kg CO ₂ /kg)	N/A	N/A	0.014	Paper/cardboard	N/A	N/A	14.00												
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305-4 GHG emissions intensity	Pg. 46-50 Emission intensity of La Farga (kg CO₂ /t processed) <table border="1" data-bbox="633 858 2065 1270"> <thead> <tr> <th></th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Direct CO₂ emissions (Scope 1)</td> <td>159.40</td> <td>145.10</td> <td>140.94</td> </tr> <tr> <td>Natural gas</td> <td>155.60</td> <td>141.50</td> <td>137.06</td> </tr> <tr> <td>Diesel</td> <td>3.80</td> <td>3.60</td> <td>3.88</td> </tr> <tr> <td>Direct CO₂ emissions (Scope 2)</td> <td>53.76</td> <td>51.85</td> <td>51.55</td> </tr> <tr> <td>Electricity</td> <td>53.76</td> <td>51.85</td> <td>51.55</td> </tr> <tr> <td>Total (scope 1 and 2)</td> <td>213.16</td> <td>196.95</td> <td>192.50</td> </tr> <tr> <td>Other indirect CO₂ emissions (scope 3)</td> <td>0.49</td> <td>0.51</td> <td>0.37</td> </tr> <tr> <td>Procurement of goods (water)</td> <td>0.05</td> <td>0.06</td> <td>0.05</td> </tr> <tr> <td>Waste generation</td> <td>0.44</td> <td>0.45</td> <td>0.32</td> </tr> </tbody> </table>		2020	2021	2022	Direct CO₂ emissions (Scope 1)	159.40	145.10	140.94	Natural gas	155.60	141.50	137.06	Diesel	3.80	3.60	3.88	Direct CO₂ emissions (Scope 2)	53.76	51.85	51.55	Electricity	53.76	51.85	51.55	Total (scope 1 and 2)	213.16	196.95	192.50	Other indirect CO₂ emissions (scope 3)	0.49	0.51	0.37	Procurement of goods (water)	0.05	0.06	0.05	Waste generation	0.44	0.45	0.32
	2020	2021	2022																																						
Direct CO₂ emissions (Scope 1)	159.40	145.10	140.94																																						
Natural gas	155.60	141.50	137.06																																						
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Procurement of goods (water)	0.05	0.06	0.05																																						
Waste generation	0.44	0.45	0.32																																						
305-5 Reduction of GHG emissions	Pg. 46-50																																								
305-6 Emissions of ozone-depleting substances (ODS)	La Farga does not generate significant greenhouse gas emissions other than CO ₂ already reported.																																								

305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

In the case of NOx and SOx , direct emissions are not significant either. Emission source controls are carried out periodically and, to date, the parameters comply with the environmental requirements for the activity.

GRI 306 Waste 2020

306-1 Waste generation and significant waste-related impacts

Pg. 53

306-2 Management of significant waste-related impacts

Pg. 53

306-3 Waste generated

Pg. 53

306-4 Waste diverted from disposal

Amount of waste per tonne processed (kg/t processed)

306-5 Waste directed to disposal

	2020	2021	2022	
Non-hazardous waste:	V. Relative (Kg/t processed)	V. Relative (Kg/t processed)	V. Relative (Kg/t processed)	Elimination
Wood waste	1.45	1.72	1.65	Recycling/reclamation
Scrap	1.10	1.14	0.98	Recycling/reclamation
Cardboard and plastic	0.52	0.41	0.41	Recycling
Othe	0.62	0.51	0.53	Deposition
Glass	0.00	0.00	0.00	Recycling
Fluorescent	0.00	0.00	0.00	Transfer Centre Management
Debris	0.00	0.00	5.74	Deposition
Fine concentrates	1.54	1.32	1.32	Recycling/reclamation
Cables	0.00	0.03	0.01	Valorisation

306-3 Waste generated

306-4 Waste diverted from disposal

306-5 Waste directed to disposal

Pg. 53

Amount of waste per tonne processed (kg/t processed)

	2020	2021	2022	
Hazardous waste	V. Relative (Kg/t processed)	V. Relative (Kg/t processed)	V. Relative (Kg/t processed)	Elimination
Oil	1.02		1.13	Regeneration
Empty containers	0.59	1.23	0.14	Valorisation
Water-in-oil emulsions	0.39	0.08	0.09	Physico-chemical treatment
Toners	0.00	0.00	0.00	Recycling
Aerosols	0.00	0.00	0.00	Transfer Centre Management
Computer equipment	0.00	0.00	0.01	Transfer Centre Management
Absorbents with oil	0.01	0.00	0.01	Transfer Centre Management
Cells and batteries	0.00	0.00	0.00	Transfer Centre Management
Filters	0.00	0.00	0.00	Transfer Centre Management
Traces of paint	0.00	0.00	0.00	Transfer Centre Management
Fine concentrates	0.00	0.00	0.00	Deposition
Cooling water with oils	0.00	0.00	0.15	Physico-chemical treatment

GRI 401 Employment 2016

401-1 New employee hires and employee turnover

Pg. 59-60

New hires by gender and age group (including own staff and temporary agency staff)

	2020		2021		2022	
	M	F	M	F	M	F
≤ 25 years	10%	0%	10%	0%	2%	5%
26-35 years	43%	5%	28%	7%	30%	5%
36-45 years	19%	5%	33%	3%	28%	7%
46-55 years	10%	10%	15%	5%	21%	0%
56-65 years	0%	0%	0%	0%	2%	0%
Total	81%	19%	85%	15%	84%	16%

401-1 New employee hires and employee turnover

Origin of new recruits

	2020	2021	2022
% Comarca of Osona	100%	100%	93%
% of Catalonia	0%	0%	7%
Total new recruits	21	61	43

Average tenure of staff in the company

	2020	2021	2022
Years	10.6	9.76	10.15

New jobs created

	2020	2021	2022
Number	3	2	4

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

Pg. 69

Number of grants per course:

	2020	2021	2022
Kindergarten	20	30	38
Primary and secondary	125	201	202
University and above	17	22	20
Total	152	253	260

401-3 Parental leave

Pg. 69

Levels of return to work and retention after parental leave

	2020		2021		2022	
	M	F	M	F	M	F
Most significant indicators for 2022						
Persons on maternity/paternity leave	16	2	15	1	17	4
People who have returned to work after leave	16	2	15	1	17	3
People remaining in the organisation after 12 months	16	2	15	1	17	3
Re-entry rate	100%	100%	100%	100%	100%	75%
Retention rate	100%	100%	100%	100%	100%	100%

GRI 402: Labor/Management Relations 2016

402-1 Minimum notice periods regarding operational changes

Organisational changes are communicated as far in advance as possible, in compliance with the legal regulations and collective bargaining agreement, which provides for a period of 30 days. By agreement with the works councils there have been changes for periods of less than 30 days.

GRI 403 Occupational Health and Safety 2018

403-1 Occupational health and safety management system

La Farga has a health and safety management system, certified according to the ISO 45001:2018 standard, which covers 100 % of the staff.

403-2 Hazard identification, risk assessment, and incident investigation

La Farga has systematised the dynamics of diagnosis and continuous risk assessment, the planning of measures and the monitoring of actions. The company's Health and Safety Committee determines the systematics and evaluation, and only recognised methodologies are accepted and preventive principles are followed in accordance with article 15 of Law 31/1995 on the prevention of occupational hazards. Based on the assessments, one or several quantitative or qualitative actions are set for each identified hazard in order to reduce the risk or control it.

403-3 Occupational health services

The prevention service has fully integrated the discipline of health surveillance, which allows for synergic work with the technical prevention staff. It intervenes in the evaluation of critical work stations and proactively in the resolution of personal problems related mainly to ergonomics.

403-4 Worker participation, consultation, and communication on occupational health and safety

Pg. 61-63

Risk assessments are carried out physically by touring the plant, always in the presence and with the participation of the prevention delegations, and employees are attended to and consulted. A prevention-focused structure is promoted with labour representation, prevention delegates are elected and the Health and Safety Committee is formalised, which meets regularly.

403-5 Worker training on occupational health and safety

Pg. 61-63

403-6 Promotion of worker health

Pg. 64

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

About the prevention or mitigation of negative occupational health and safety impacts directly linked to the organisation's business relations, once risks have been identified, they are either presented to management for resolution (and investment or improvement is processed in the case of facilities or equipment) or dealt with directly with the departments involved.

403-8 Workers covered by an occupational health and safety management system

La Farga has a health and safety management system, certified according to the ISO 45001:2018 standard, which covers 100 % of the staff.

403-9 Work-related injuries

Pg. 61-63

Security and risk indicators

	2020	2021	2022
Number of accidents	6	15	12
Male	6	14	12
Female	0	1	0
Lost days off work	409	583	270
Male	409	583	270
Female	0	0	0
Hours worked	417,554	486,316	527,502
Frequency index	14.4	30.8	22.7
Male	14.4	30.8	22.7
Female	0	2.1	0
Severity index	0.98	1.2	0.51
Male	0.98	1.18	0.51
Female	0	0	0
Absenteeism rate	7.79%	7.79%	8.4%
Absence hours	36,759	36,759	484

Accidentality of outsourced personnel and temporary employment agencies (ETTs)

	2020	2021	2022	
Number of accidents with sick leave	ETT personnel	0	2	5
	External personnel	10	7	3
Rate of accidents with sick leave of temporary agency staff	00.00	36.70	118.00	

Accident rates are directly related to the volume of hiring and duration of outsourced personnel within the company. External personnel are linked to the implementation of new projects. The outsourced personnel are linked to the implementation of new projects. There have been no accidents resulting in a fatality (0 fatalities). Currently, the rate of absenteeism rate and hours worked are segregated by gender, as the data is being consolidated. We expect to have this information available in future editions.

GRI 404 Training and education 2016

404-1 Average hours of training per year per employee

Pg. 66

Training indicators

	2020		2021		2022	
Investment in training (€)	76,863		75,299		124,000	
Investment in training per employee (€/employee)	215		210		307	
	2020		2021		2022	
	M	F	M	F	M	F
Total hours of training	1,869	935	3,930	983	4,582	1,787
Hours of training Management, technical team and staff (h/employee)	28	35	704	577	2,184	1,787
Specialist team training hours (h/employee)	25	8	3,596	36	2,389	0

404-2 Programs for upgrading employee skills and transition assistance programs

Pg. 66-67

Breakdown of the training activities carried out at La Farga

	2020	2021	2022
Aptitudinal competences	30%	31%	41%
Attitudinal competences	25%	20%	34%
Corporate responsibility, quality, safety and environment	26%	46%	20%
Languages	19%	3%	5%
Number of training actions	16	40	44

404-3 Percentage of employees receiving regular performance and career development reviews

Pg. 66-67

GRI 405 Diversity and Equal Opportunity 2016

405-1 Diversity of governance bodies and employees

Pg. 72

Distribution of staff by age group and gender

	2020		2021		2022	
	H	M	H	M	H	M
≤ 25 years	2%	0%	2%	0%	2%	1%
26-35 years	15%	4%	14%	3%	17%	3%
36-45 years	33%	6%	27%	6%	31%	6%
46-55 years	29%	2%	33%	3%	30%	2%
56-65 years	9%	0%	11%	0%	10%	0%
Total	88%	12%	88%	12%	88%	12%

Presence of women in the workforce and governing bodies

	2020	2021	2022
Women in the workforce	13%	12%	12%
Women in management positions	14%	13%	12%
Women on the board of directors	29%	29%	29%

Number of disabled people in the workforce

	2020	2021	2022
Number of disabled people in the workforce	4	5	5

*5 direct persons and 14 equivalent persons through invoicing to special employment centres.

405-2 Ratio of basic salary and remuneration of women to men

Indicators of remuneration by gender, age and position

Most significant indicators for 2022		2020	2021	2022
Average remuneration by gender	Male	35,745,00 €	38,570 €	39,854,31 €
	Fermale	32,730,00 €	36,641 €	39,128,75 €
Average remuneration per position	Management positions	69,930,00 €	86,500 €	86,500 €
	Middle management	34,876,25 €	35,646 €	35,646 €
	Rest of staff	25,888,67 €	30,783 €	30,783 €

GRI 406 Non-discrimination 2016

406-1 Incidents of discrimination and corrective actions taken

There have been no incidents of discrimination during the reporting period. There is a very strict policy on non-discrimination.

GRI 413 Local Communities 2016

413-1 Operations with local community engagement, impact assessments, and development programs

Pg. 84-88

GRI 416 Customer Health and Safety 2016

416-1 Assessment of the health and safety impacts of product and service categories

Pg. 38

416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

There have been no incidents of non-compliance relating to health and safety impacts of products and services during the reporting period.

GRI 417 Marketing and labelling 2016

417-1 Requirements for product and service information and labeling

Information on products and services complies with current procedures and regulations. Product information includes data on product composition.

417-2 Incidents of non-compliance concerning product and service information and labeling

No se han dado incidentes de incumplimiento relativos a la información y el etiquetado de productos y servicios durante el periodo del informe.

417-3 Incidents of non-compliance concerning marketing communications

There have been no incidents of non-compliance relating to product and service information and labelling during the reporting period.

GRI 418 Customer Privacy 2016

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

There have been no substantiated complaints regarding breach of privacy and loss of customer data during the reporting period.

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5) The average remuneration of directors and senior management	(405-2)	Pg. 132
6) Disconnection from work	(3-3)	The agreement provides for the creation of a commission to deal with the digital disconnection. La Farga personnel who have company e-mail, during leave and vacation periods, activate the "automatic reply (out-of-office)" and "out-of-office assistant" to notify others that they are out of the office, on vacation or unavailable to respond to e-mail messages and indicate the contact persons in their absence.
7) Employees with disabilities	(405-1)	Pg. 72
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2) Measures to facilitate the enjoyment of work-life balance	(403-9)	Pg. 69

(c) Health and safety	(403-1), (403-2), (403-3), (403-5), (403-6), (403-7), (403-9)	Pg. 61-65
d) Social relations	(2-29), (402-1), (403-1), (2-30), (403-4), (403-8)	Labor relations are conducted at different levels: individual and collective. In the latter, relations are open with the different stakeholders: first with the legal representatives of the workers, who are structured in a company committee currently made up of 13 members chosen by direct vote. Dialogue with the committee is continuous, both formal and informal. Formal meetings are held once a month and three times a year. The formal dialogue with the committee is continuous, both formal and informal, with one regular monthly meeting and three annual meetings where they are present, the permanent official company interlocutors (Culture, Organization and Talent Management, Production Management and Labor Relations Manager), are present Labor Relations Manager), the General Management and the Financial Management to present the financial statements and follow up on KPIs. of KPI's. In addition, there are small committee meetings, where training, flexibility and accountability issues are addressed. flexibility and corporate responsibility issues are discussed in small committee meetings.
e) Training	(404-2), (404-1)	Pg. 66-67
f) Universal accessibility for people with disabilities	(405-1)	Pg. 71
g) Equality	(3-3), (405-1)	Pg. 71

3. Human rights

a) Preventing risks of human rights violations.	(3-3)	<p>The prevention of risks of human rights violations is included in our criminal risk prevention system (Compliance). Relations between all employees and the other groups with which we interact are characterized by fair, polite and respectful treatment. In addition, we apply the principles of honest treatment and respect for human rights, which are set out in our Code of Ethics. This document also includes principles related to human rights and workers' rights in line with the principles of the International Labor Organization, which explicitly refer to the elimination of forced and compulsory labor and child labor.</p> <p>We comply with the provisions of the ILO core conventions related to all areas of human rights. Our commitment to human rights also extends to our supply chain through our Supplier Code of Ethics, which, among other things, includes respect for ILO standards.</p>
b) Allegations of human rights violations	(406-1)	No cases of human rights violations have been recorded in 2022 in La Farga.

4. Corruption and bribery

a) Measures taken to prevent corruption and bribery	(2-23), (2-26), (205-1)	100% of La Farga's operations are assessed in relation to corruption risks.
b) Measures taken to combat money laundering	(205-2)	Pg. 104-106
c) Contributions to foundations and non-profit organisations	(201-1)	Pg. 82-88

5. Society

a) Company commitments to sustainable development	(3-3), (413-1), (201-1), (203-2)	Pg. 11-20
b) Subcontracting and suppliers	(3-3), (308-1), (414-1)	Pg. 75-79 No specific method is available to evaluate suppliers according to social criteria. However, the suppliers undertake to comply with the Code of Ethics, which includes social aspects. In addition, in 2021 we have drawn up a new contract for purchases for non-copper suppliers which includes social aspects such as regulatory compliance with the workers.
c) Consumers	(3-3), (416-1)	Pg. 39
d) Fiscal information	(3-3), (201-4)	Pg. 110-112

6. Other significant information

a) Other information on the company profile	(2-1), (2-2)	Pg. 9-20
b) Corporate Governance		Pg. 101-103
c) Stakeholder engagement	(3-3)	Pg. 19-20

Table of contents of the Global Compact

UN Global Compact Principles	GRI Guidelines	Pages or direct response
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	GRI 406, GRI 407, GRI 408, GRI 409, GRI 410, GRI 411, GRI 412, GRI 414, GRI 413	https://www.lafarga.es/es/responsabilidad-corporativa/etica-y-profesionalidad
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	GRI 406, GRI 407, GRI 408, GRI 409, GRI 410, GRI 411, GRI 412, GRI 414	https://www.lafarga.es/es/responsabilidad-corporativa/etica-y-profesionalidad The prevention of risks of human rights violations is included in our criminal risk prevention system (Compliance).
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	(2-30) GRI 402, GRI 407	Pg. 57-71
Principle 4: Businesses should support the elimination of all forms of forced and compulsory labour.	GRI 409	There are no operations that carry a risk of causing episodes of forced or non-consensual labour.
Principle 5: Businesses should support the elimination of child labour.	GRI 409	There are no operations with a potential risk of incidents of child exploitation.
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	102-8 GRI 401, GRI 402, GRI 403, GRI 404, GRI 405, GRI 414, GRI 103, GRI 406	Pg. 57-72
Principle 7: Businesses should support a precautionary approach to environmental challenges.	GRI 301, GRI 302, GRI 303, GRI 304, GRI 305, GRI 306, GRI 307, GRI 308	Pg. 43-54
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	GRI 301, GRI 302, GRI 303, GRI 304, GRI 305, GRI 306, GRI 307, GRI 308	Pg. 43-54
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	GRI 301, GRI 302, GRI 303, GRI 304, GRI 305, GRI 306, GRI 307, GRI 308	Pg. 22-54
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	GRI 205, GRI 415	https://www.lafarga.es/es/responsabilidad-corporativa/etica-y-profesionalidad Pg. 104-108

Ideation and content in collaboration with Roots for Sustainability (R4S) and Jimmy Knows.

