

ANNUAL REPORT 2020



PHE
 Holding

fito
Your seeds

CONTENTS



1 About this report	4
Scope and coverage	6
Methodology	6
2 About the company	8
The PHF Group	10
Our mission	14
Business areas	15
Business model	16
Varieties: Our contribution to the world	18
Governing bodies	22
3 Contribution to the Sustainable Development Goals (SDGs)	24
4 2020	32
2020 milestones	34
Our people and our policies	36
The Team	37
Employment: 2020 key figures	38
Organization of work and accessibility	44
Health and safety	46
Training	48
New hires - Promotions	51
The environment	52
Pollution prevention	54
Pest reduction and use of pesticides	56
Water usage	60
Energy efficiency	61
Small actions, big changes	63
Commitment to society	64
Management of the corona virus pandemic	66
Promotion of healthy eating habits	68
Pedagogy from the seed	70
Commitment to the agri-food sector	72
Agri-food innovation projects	80
Support for social organizations	86
Human rights and anti-corruption policies	88
5 Appendices	90
GRI table of contents and requirements of Law 11/2018	92
Principles of the UN Global compact	96
Verification	98
Letter from shareholders	98
Independent assurance report	100



1

ABOUT THIS REPORT

The purpose of this report is to clearly and visually present, in a single document, all of the social and environmental actions carried out by Grupo Productos Hortícolas Fitó S.L. (hereinafter PHF) in 2020.

This report is intended to comply with Law 11/2018 on Non-Financial Reporting and Diversity, which was published in the Official State Gazette (BOE) on 29 December 2018, and which requires all companies with a certain volume of turnover or number of employees to disclose the actions they have carried out in the current year regarding five issues:

- The Environment** (Globe icon)
- Staff** (Three people icon)
- Respect for human rights** (Handshake icon)
- Fight against corruption and bribery** (Euro symbol and plant icon)
- Society** (Group of people icon)

Both the PHF Group and Semillas Fitó are part of the group of companies that is subject to reporting requirements.

This is the company's fourth annual report of its kind. Even before the entry into force of Law 11/2018, Semillas Fitó began to publish an annual report which included the year's major milestones. For more information on previous years, the 2017, 2018 and 2019 annual reports are available at www.semillasfito.com.

SCOPE AND COVERAGE

As for scope and coverage, the 2020 Annual Report includes the relevant data for all of the Group's domestic and international locations. Readers will get a clear idea of the group's activity on a global level. In those cases where, for one reason or another, the data is limited to Spain and does not include all subsidiaries, this is explicitly noted.

METHODOLOGY

In terms of methodology, the report details the actions taken to achieve the SDGs and principles of the Global Compact. GRI indicators are used to measure and quantify the positive impact of these actions.

SUSTAINABLE DEVELOPMENT GOALS

The 17 Sustainable Development Goals (SDGs) approved by the United Nations in 2015.

10 AÑOS
COMPARTIENDO PRINCIPIOS, LOGRANDO OBJETIVOS

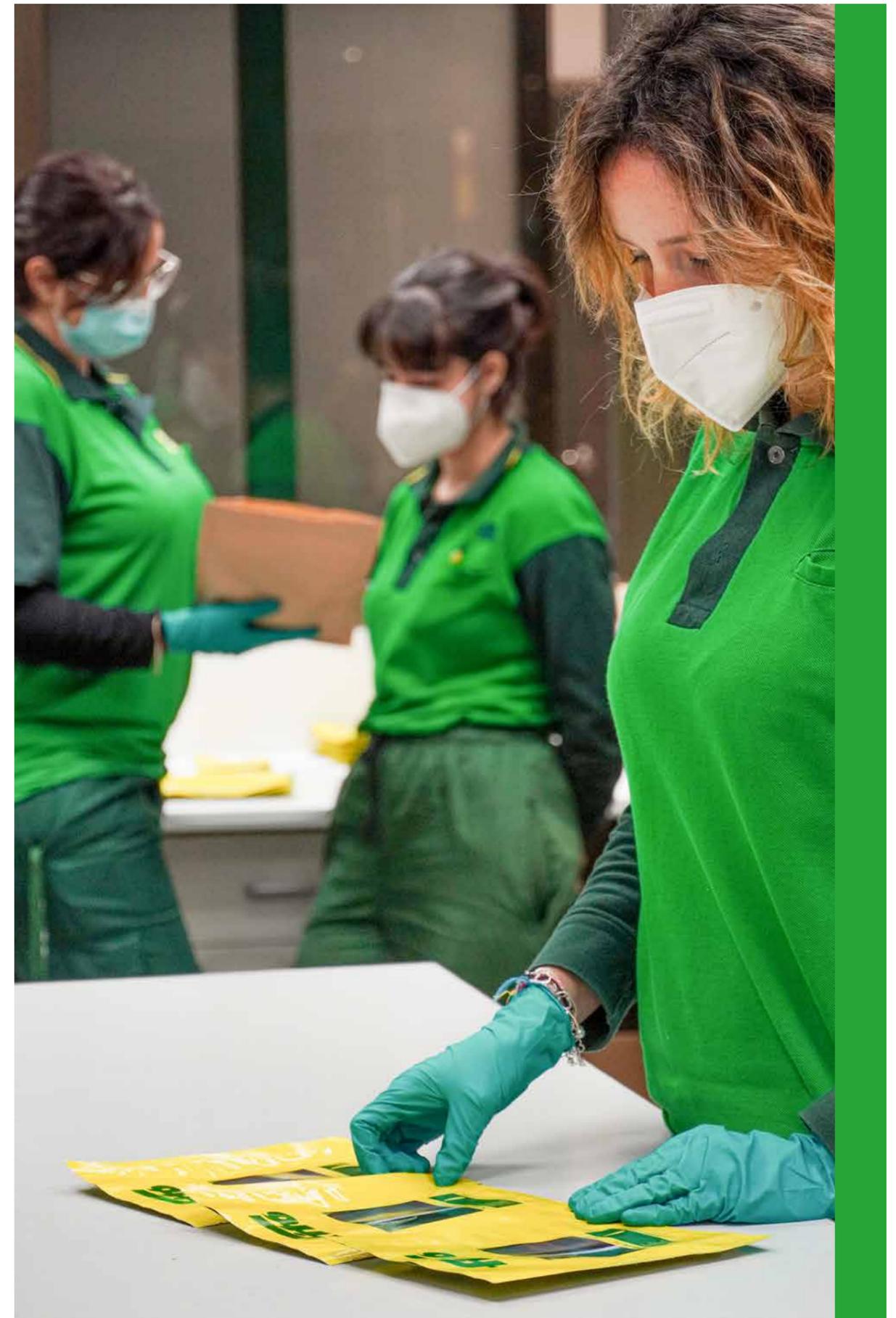
The 10 Principles of the UN Global compact

GRI
Empowering Sustainable Decisions

The Guidelines for the Preparation of Sustainability Reports according to the Global Reporting Initiative (GRI), especially the section on environmental issues.

It is intended to show, in a schematic format, the country's direct and indirect contribution to global sustainable development goals, as a measure of the group's commitment to having a positive impact.

This methodology has been chosen to enable the reader to compare the metrics presented in the report with those of the sector or other companies, a particular requirement of Law 11/2018.



A woman with brown hair tied back, wearing a white lab coat and a blue surgical mask, is examining a tray of green leafy plants in a laboratory. She is looking down at the plants with her hands near them. The background shows a laboratory environment with white walls, a perforated metal wall, and several long fluorescent light tubes hanging from the ceiling. There are other trays of plants visible in the background.

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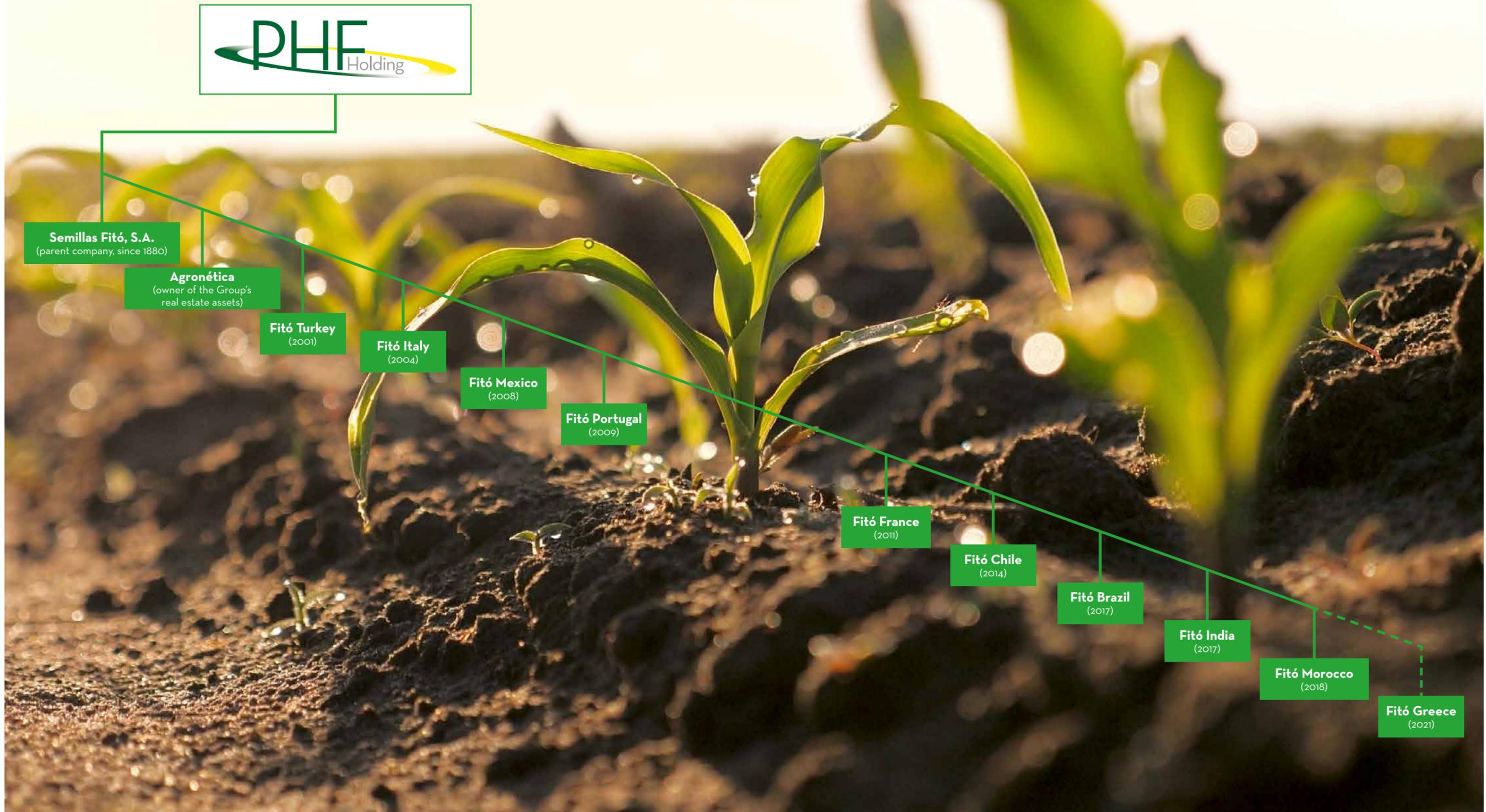
**ABOUT
THE COMPANY**

THE PHF GROUP

PHF S.L. is the company that owns Semillas Fitó S.A. and all of its subsidiaries around the world.

The company's structure is the best testament to its international vocation. The first subsidiary outside of Spain was opened in Antalya (Turkey). Since then, the Group has continued its international expansion on four continents

The Group is composed of a parent company based in Barcelona's Poblenou neighborhood and ten subsidiaries in other countries whose strategic objective is to provide sales, production and/or R&D support to the different business units.



GEOGRAPHICAL EXPANSION

The Group's international expansion process continues with the growth of its subsidiaries and the addition of new locations to build and consolidate the proximity between customers and workers. Semillas Fitó currently has ten subsidiaries around the world and a direct presence in another 70 countries.

The following facilities were inaugurated in 2020:

Organic farm in Sant Andreu de Llaveneres (Spain)



Can Catà is a farm adjoining the Sant Andreu de Llaveneres production center dedicated exclusively to the Fitó organic vegetable seed line. At this time, this farm is producing some of the most highly-prized and well-known varieties of eggplant, tomato, cucumber, zucchini, melon and sweet corn on the market.

The seeds produced on the new organic farm come from crops that have been cultivated without fertilizers or synthetic chemical pesticides (fungicides, insecticides or herbicides) and have been controlled throughout the entire production, processing, packaging and sales process. This ensures the absence of any traces of these substances, in compliance with current regulations for organic certification. The envelopes containing these seeds bear the Fitó Organic badge and the logo of the certifying body.

In 2020, Semillas Fitó opened its first office in San Javier (Murcia), Spain's second most important fruit and vegetable growing region after Almería.

The eight-person staff (sales, breeders, 1 assistant and 1 trial officer) now has its own office space and meeting rooms to facilitate teamwork. The new office brings us closer to our customers in the region and provides them with a point of reference for satisfying their needs more expeditiously.

There is also a space in the building for three post-harvest coolers to test the shelf life of the fruit. Each cooler is 4 m2. The temperature, relative humidity and ventilation inside each one can be controlled to simulate the conditions in which the fruit is stored from the time it is harvested until it is consumed, i.e., from packing to shipping to the store shelf. These tests will allow us to better serve the market's needs and keep the fruit as fresh as possible.

Office in San Javier, Murcia (Spain)



New facilities in Antalya (Turkey)



After two intense years, Fitó Turkey completed the renovation of its facilities in 2020. The breeding station in Kurşunlu, to the north-east of Antalya (Turkey), was expanded, with a new 6.5 hectare farm and a newly-built office where the sales and breeding teams will work together. The new location provides the subsidiary with a more modern and productive working environment and will facilitate synergies and teamwork.

Office in Agadir (Morocco)



The first office opened by Semillas Fitó in Morocco is located in Agadir, the country's main agricultural region. Morocco is a strategic market for the Group and our direct presence in the region will allow us to respond quickly and stay in direct contact with customers.

Farm in Quillota (Chile)



Production at the Semillas Fitó production center in Chile has doubled with the aim of guaranteeing only the highest quality seeds and a competitive supply chain. This subsidiary added 3 hectares of greenhouses in Quillota and specialized professionals with more than 20 years of experience in the sector joined the staff.

Proari, the Semillas Fitó subsidiary in Chile, currently has 7 hectares, half of which are used for pre-commercial and commercial production and the other half for R&D programs.

OUR MISSION

TO BE A DRIVER OF CHANGE IN THE AGRI-FOOD SECTOR STARTING WITH THE SEEDS.

Semillas Fitó's vision is to optimize agri-food production from a sustainable perspective, through new varieties that require lower amounts of inputs: land, fertilizers, irrigation and plant protection agents. This optimization has a direct impact in significantly reducing the agricultural sector's ecological footprint.

OUR MISSION

- High profitability solutions adapted to the needs of the customer.
- Closeness, cooperation and a long-term relationship.



- Sustained profitability and value creation.
- Prestige and future vision.

- Professional and personal development.
- Climate of freedom, respect and teamwork.

- Be respectful in our actions.
- Contribute knowledge.

OUR VALUES

PHF always considers the following values that define the company's management philosophy and objectives in the decision-making process.



PROFESSIONALISM

We are able to meet deadlines and perform tasks effectively, proposing solutions to problems and assuming responsibility for the choices we make.



INNOVATION

We are up-to-date and are aware of the trends in our business areas. We propose new ideas and new ways of working, proactively promoting various initiatives.



DISCRETION

We respect hierarchical relationships and focus on the organization's achievements above our own individual contributions. We are careful and restrained when it comes to invitations to clients, travel and other expenses, avoiding ostentation.



LONG-TERM VISION

We plan for the future, adapting our behavior to market campaigns when making decisions. We are constantly evaluating the risks and benefits of our long and short term decisions.

BUSINESS AREAS

Semillas Fitó S.A. is a company that develops, produces and markets the seeds of a wide variety of species, with four main business areas.



VEGETABLE SEEDS

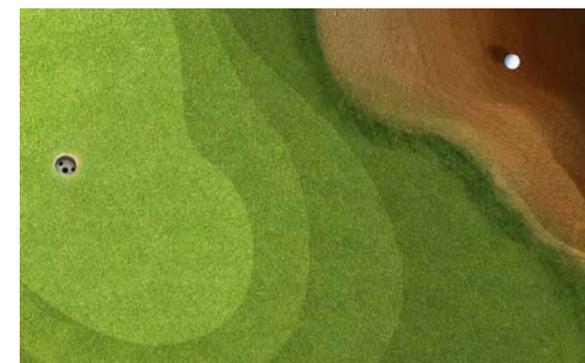
This business unit specializes in developing, producing and marketing cucurbits (squash, melon, cucumber, watermelon), Solanaceae (eggplant, socket, pepper) y large seeds (bean, broad bean and sweet corn).

Our product catalogue contains more than 500 varieties of vegetable seeds adapted to the soil and climate conditions in Mediterranean, temperate and subtropical zones.



FIELD CROPS

This business unit develops, produces and markets maize, sunflowers, forage and sorghum. It works with 15 segments of maize and six of sunflower, which comprise a wide range of highly specialized products for hot, dry conditions subject to heat stress and drought.



TURF GRASS

Business unit specializing in solutions for the creation and regeneration of green spaces and athletic fields in the Mediterranean region.



HOBBY

The business unit that specializes in the sale of a wide range of seeds for the amateur market.

BUSINESS MODEL

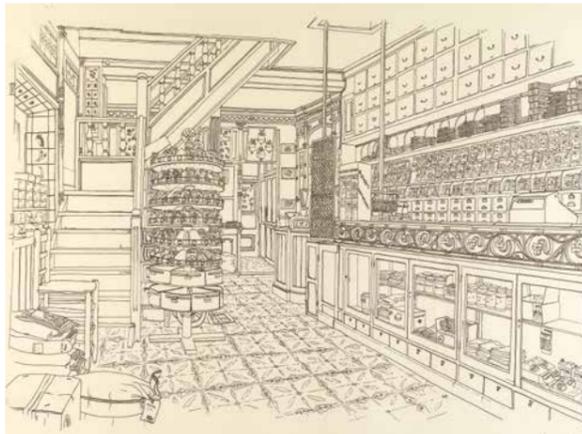
What do seed companies contribute to the world?

140 years after its founding, the Semillas Fitó business model continues to focus exclusively on seeds. In other words, unlike other companies in the sector that hold significant market shares, the PHF group is dedicated exclusively to seeds, and has no agrochemicals or other agricultural inputs in its portfolio.

Below is an explanation of the company's business model which has enabled it to expand, grow and consolidate.

A BRIEF HISTORY LESSON

In ancient times, European farmers would have to sacrifice a part of each year's harvest to ensure they had seeds for the following year. Farmers had to work hard to produce their own seeds, with very few synergies.



At the end of the 18th century and throughout the 19th century, some farmers in Europe decided to specialize in the maintenance and production of seeds, selling seeds and seedlings to farmers who opted to specialize in food production. This gave rise to the appearance of the world's first seed companies. **Semillas Fitó was founded in 1880 taking advantage of this specialization of tasks.**

The main role of seed companies at that time and even now is to provide the market with a stable range of seeds in order to protect against uncontrolled varietal degradation.

A VERY SIGNIFICANT DEVELOPMENT: THE APPEARANCE OF HYBRID SEEDS

A very significant development in the history of seed companies was the **appearance of the first hybrids in the middle of the 20th century.** The first to appear were maize hybrids, which caused a major revolution in the market: they offered a spectacular increase in yields compared to the varieties at the time, and were therefore widely accepted by farmers around the world.

This technology was consolidated in the US in the 1960s. In Europe, starting in 1967, any variety that could be proven to be **different, uniform and stable** could be registered as intellectual property. This encouraged several companies to dedicate significant efforts

to the research and development of varieties that provided meaningful differences in terms of natural resistance, yields, flavor and/or nutritional qualities.

In Spain, the **pioneer** in this field in terms of investment in research and development was Semillas Fitó. After consolidating its investment in R&D, the company evolved from producing/buying and reselling seeds to a three-pronged business model: **research and development, production and sales.**

RESEARCH AND DEVELOPMENT

The main objective of the investment in research is to obtain new varieties that improve upon those already on the market in terms of natural resistance to plant pathogens, yields, flavor or nutritional qualities. This is one of the key areas at Semillas Fitó. As a result of this research, 27 new varieties were registered in 2020. As discussed in various sections of this report, the group invests 20% of its turnover each year in R&D, with more than 36% of the workforce dedicated exclusively to this area.

An example of Semillas Fitó's commitment to the generation and dissemination of knowledge regarding agronomic solutions was its participation in the Melonomics project, which in 2012 successfully sequenced the melon genome for the first time.



PRODUCTION

Our seeds are bred on our own or third-party farms. Quality control and packaging of the seeds to be sold on the market are carried out at the company's own facilities.



SALES

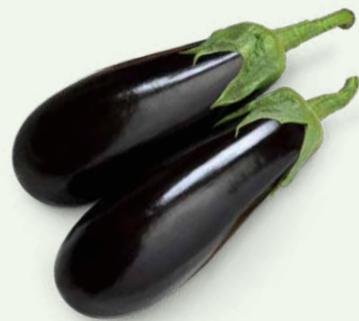
Our own team of sales technicians is responsible for offering Semillas Fitó's own range to selected farmers in specific countries, where the weather conditions are most favorable. As shown in other sections of this report, more than 20% of the group's workforce is fully dedicated to direct customer service and technical advice.



VARIETIES: OUR CONTRIBUTION TO THE WORLD

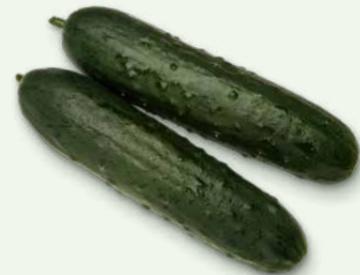
VEGETABLE SEEDS

The Vegetable Seed business unit works primarily with seven species: tomato, pepper, eggplant, melon, watermelon, cucumber and squash, in addition to some leguminous species such as fava beans, green beans and sweet corn. Our product catalogue contains more than 500 varieties adapted to the soil and climate conditions of Mediterranean, temperate and subtropical zones. The following varieties stand out as market leaders in their zones:



CRISTAL

The company's flagship variety and a global benchmark, it has been on the market for more than 20 years.



CENTAURO

The leading variety of slicer cucumber in the American market.



GOLDEX

A European market leader in the winter months for the last 10 years thanks to its stable quality and post-harvest conservation.



RIO GRANDE

Lamuyo sweet pepper variety that strikes the perfect balance between the yields that farmer's need and the quality that consumers demand. Semillas Fitó has a long history in the lamuyo pepper market and our product range covers all sowing segments.



ATENEO

The leading variety in its segment for six years in a row, with one million tons produced, mostly in the greenhouses of Almería.

FIELD CROPS

The Field Crops division specializes in four main products: maize, sunflower, forage and sorghum. It works with 15 segments of maize and six of sunflower, comprising a wide range of highly specialized products for hot, dry conditions that are subject to heat stress and drought. The most notable varieties include:



SAGUNTO

A leading maize variety in the silage market for seven years in a row known for its exceptional yields and high quality.



HATAY

Launched in 2015, this variety is suitable for grain or silage and is notable for its tolerance to Cephalosporium, Fusarium and virosis.



PORTBOU

The leading maize variety for European markets that meets the demand for high yields, with fast drying and high fall resistance.

TURF GRASSES

The business unit that specializes in solutions for creating and regenerating green spaces and athletic fields for any climate and geographical location. The most notable varieties include:



SPARRING

A sales and market leader for more than 25 years, it is a strong, fast-growing, aesthetically-appealing broad-spectrum grass. It is also compact and resistant, with low maintenance requirements.



RINOVO

This internationally recognized variety which has been on the market for 10 years is perfect for high-level persistent turf, used on its own, in mixtures or for interseeding, reseeding or overseeding applications on existing turf.



BIZEM

A leader in different markets for 6 years, this variety is known for its excellent turf quality, dark color, density and fine leaf texture, as well as its resistance to traffic, shade and drought.

HOBBY

The Hobby Division caters to non-professional or amateur farmers who grow their own vegetables and tend their own gardens as a hobby. Under the Fitó, Fitó Hobby and Eurogarden brands, it offers a wide range of vegetable, flower, herb, grass and legume seeds. The most notable varieties include:



Carrot NANTESA 5 - CORAL

A select variety by Semillas Fitó that has all the qualities of the popular Nantesa carrot, but is more cylindrical, obtuse at the tip and has a more intense color.



AUTUMN LIGHT Bean

A leading variety that has been on the market for more than 30 years. Its primary advantage is its short germination time.



PEROLAR bean

A Semillas Fitó variety and top seller because of its early cycle and high production, which yields long pods with no threads or parchments and fleshy, flavorful beans.



It takes between 8 and 10 years to create a new variety. The process begins with genetic breeding research and is followed by years of field trials and evaluations until the desired seed is obtained.

Every new variety that goes to market benefits farmers and society as a whole. The productive and durability features of the seeds make them profitable for farmers, while the organoleptic characteristics are satisfying to customers. Consumers demand high quality, flavorful and healthy foods as well as a commitment to sustainability.

In 2020, Semillas Fitó brought 30 new varieties to market.

VEGETABLES

Tomato

SIGMA, GARRA, LSF 15100, MULAN, ALBARADO, ROSAMEI

Eggplant

VANESA, NAZARET, SLA 160603

Pepper

SF 549, MARTINICA, SHARLO, BARELLI

Cucumber

BAMBU

Zucchini

RAFFAELLO

Melon

RAWDA, WIAM, KONSOLOS, MONTIEL, BELORO, GRAZALEMA

Watermelon

RHIANA, SAM 160069

Green bean

GAUDI, VOLTRAN

Sweet corn

F2070



TURF GRASS

IBIZA

Exceptional Bermuda variety: the solution to drought, heat, cold and salinity.

SPORT BLUE

A new mix of three pure Poas pratenses that is ideal for regrowth and thus responds to the needs of the soccer sector.

LIGHT RYE

A mix of three light-colored rye grasses, ideal for sodding, athletic fields with maximum trampling, tees, soccer fields and high quality gardens where horizontal and vertical growth is desired.

HOBBY

VITALFOODS

The Vitalfoods collection of organic seeds offers a selection of 10 foods that are 100% natural and contain high quantities of the essential minerals and nutrients that our bodies need in small doses. This is an innovative concept in the seed category, in line with market trends and new consumer demands.



GOVERNING BODIES

In terms of governing bodies, there are four levels of management as shown on the following diagram.



PHF Board of Directors			
8 board members	Main responsibilities: <ul style="list-style-type: none"> Approval of all group companies' annual accounts Assessment of new business opportunities Assessment of investments and divestments Appointment and removal of directors Appointment of family members to executive positions in group companies. 	1 meeting / quarter annual target	
		5 meetings in 2020	100% attendance 2020
Semillas Fitó Board of Directors			
6 board members	Main responsibilities: <ul style="list-style-type: none"> Validation of each business unit's strategy Validation of the management teams responsible for each business unit. 	2 meetings / quarter annual goal	
		8 meetings in 2020	100% attendance 2020
Semillas Fitó Management Committee			
4 managers	Main responsibilities: <ul style="list-style-type: none"> Strategy definition and monitoring Operational review of business units Setting of annual objectives Coordination of the different departments for effective implementation of strategy and achievement of objectives New business opportunities Validation of the team leaders of each department (HR) 	1 meeting week annual target	N1 professional category attendees
		45 meetings in 2020	100% attendance 2020
Vegetable Seed Executive Committee			
8 managers	Main responsibilities: <ul style="list-style-type: none"> Implementation of approved strategy Monitoring day-to-day activities Resolution of possible conflicts Validation of teams (HR) Employee performance evaluations and promotions 	1 meeting month annual goal	N1 and N2 professional category attendees
		10 meetings in 2020	100% attendance 2020
Field Crop Executive Committee			
6 managers	Main responsibilities: <ul style="list-style-type: none"> Implementation of approved strategy Follow-up of day-to-day business Resolution of possible conflicts Validation of teams (HR) Employee performance evaluations and promotions 	1 meeting month annual goal	N1 and N2 professional category attendees
		10 meetings in 2020	100% attendance 2020

A woman with her hair in a bun, wearing a white lab coat, is standing in a greenhouse. She is holding a red clipboard and a pen, looking down at it. The background shows the structure of the greenhouse and various green plants. A large green box on the right side of the image contains the number 3 and text about Sustainable Development Goals (SDGs).

3

**CONTRIBUTION
TO SUSTAINABLE
DEVELOPMENT
GOALS (SDGs)**

In 2015, the United Nations approved 17 sustainable development goals (hereinafter, SDGs) with the aim of establishing a clear, common, sustainable development agenda for governments, civil society and the private sector to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. These 17 goals comprise 169 specific targets to be achieved by 2030. For this reason, the initiative is also called the 2030 Agenda.

The aim of the 2030 agenda is to establish 17 sustainable development goals in consensus with governments, civil society and the private sector that must be achieved before 2030, focusing on equality, justice and the environment, among other issues.



Since the launch of the 2030 Agenda, stakeholders' awareness of the importance of SDGs has increased. Today, many private companies have started to link their strategic objectives to some of these goals or to define their social or environmental policies and actions based on these 17 SDGs. This is very significant because engaging the private sector - especially at the senior management level - in these aspects is essential to ensure that decision-making in companies is aligned with this philosophy. Indeed, only with the commitment of business leaders can there be an increase in positive impacts such as the creation of quality employment and the promotion of innovative solutions that improve quality of life in general and contribute significantly to environmental protection and the fight against climate change.

The way in which the PHF Group in general and Semillas Fitó in particular contribute to the achievement of these SDGs is explained below.

CONTRIBUTION OF THE PHF GROUP TO SDGs

As explained in last year's non-financial report (2019), the PHF Group believes that its activities have an impact, in one way or another, on 16 of the 17 Sustainable Development Goals. Nevertheless, PHF/Semillas Fitó, faithful to its missions and values, prioritizes its involvement in the following SDGs:



2 ZERO HUNGER



End hunger, achieve food security and improved nutrition, and promote sustainable agriculture



Through:

- The development of proprietary varieties with less reliance on conditioning factors such as land, fertilizers, irrigation or plant protection agents.
- Projects to develop varieties suitable for organic farming.

4 QUALITY EDUCATION



Ensure inclusive and equitable quality education and promote life-long learning opportunities for all



Through:

- A continuous training offer for employees throughout the year.
- Collaboration with different universities, offering continuous work placements.
- Collaboration on research projects with public research centers.

5 GENDER EQUALITY



Achieve gender equality and empower all women and girls



Through:

- The gradual addition of more women to the management team.
- Recruitment of women in by our subsidiaries, especially at locations in countries with emerging economies where women are a vulnerable group.

6 CLEAN WATER AND SANITATION



Ensure the availability and sustainable management of water and sanitation for all.



Through:

- The construction of rainwater collection pools on our own farms in order to reduce the consumption of traditional water resources.
- Use of advanced irrigation systems that economize on water consumption.

8 DECENT WORK AND ECONOMIC GROWTH



Promote inclusive and sustainable economic growth, full and productive employment and decent work for all.



Through:

- The creation of quality direct permanent employment in the various countries where the company has its own subsidiary.
- Strengthening the business fabric by creating long-term commercial relationships with distribution companies and with producers in more than 70 countries, most of which are emerging economies

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Through:

- Investment in infrastructure to save on power and water usage and minimize the use of fertilizers.
- Continuous improvements applied to our daily activities.

10 REDUCED INEQUALITIES

Reduce inequality within and among countries.

Through:

- Direct business investment in many countries with emerging economies.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.

Through:

- The direct control of seed production on our own farms and those of third parties.
- The application of our own environmental policy at job centers.



13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

Through:

- Continuous reduction of the ecological footprint of the agricultural sector.




15 LIFE ON LAND

Protect, restore and promote the sustainable use of terrestrial ecosystems, manage forests sustainably, combat desertification, halt and reverse land degradation and curb the loss of ecological biodiversity.

Through:

- Investment in our own organic farms.
- Investment in varieties suitable for organic production.
- Maintenance and preservation of old varieties that have some type of benefit.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote just, peaceful and inclusive societies.

Through:

- Act as an example in terms of coexistence between workers of different religions (especially Catholics and Muslims) and with very diverse cultural origins.

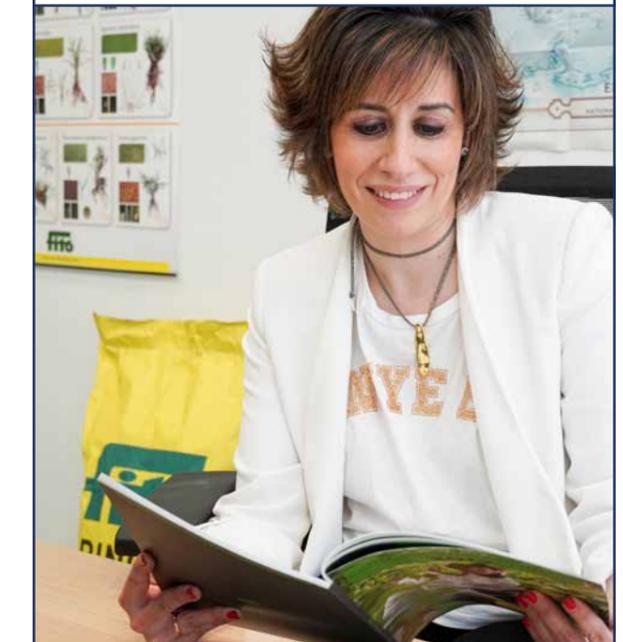


17 PARTNERSHIPS FOR THE GOALS

Revitalize the World Alliance for Sustainable Development.

Through:

- Preparation and distribution of reports such as this one.





4 2020

KEY MILESTONES IN 2020

Despite the COVID-19 pandemic, 2020 was a very good year, similar to 2019 in terms of financial results as well as the rest of the qualitative and quantitative indicators that will be presented throughout this report.

The key milestones in 2020 can be divided into four main blocks based on their relevance to the business group: capacity for innovation, international presence, consistent long-term outlook and closeness to customers.

COMMITMENT TO INNOVATION

 <p>65 new varieties registered in 2020</p>	 <p>+20% of turnover allocated directly to R&D programs</p>	 <p>10 self-managed R&D centers</p>	 <p>+36% of the workforce is 100% dedicated to research</p>
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COMMITMENT TO INTERNATIONAL EXPANSION

 <p>+60% of turnover from foreign markets</p>	 <p>10 subsidiaries, 6 of them outside the EU</p>	 <p>Continuous commercial presence in more than 70 countries</p>	 <p>+40% of the workforce resides outside Spain</p>
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COMMITMENT TO THE LONG TERM

 <p>Company founded in 1880 140 years in 2020</p>	 <p>Ownership 100% family-owned</p>	<p>High reinvestment of profits in the company. Most of the properties and farms are 100% owned by the group and managed by the Agronetica, S.L. team</p>	 <p>In Spain, 25% of the workforce has been more than 15 years with the company</p>
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COMMITMENT TO PROXIMITY

<p>Tripling of the budget allocated to digital tools to ensure the quality and continuity of services and relationships.</p>	 <p>13 new social media profiles 3 new websites for strategic markets.</p>	 <p>More than 30 major events targeting both customers and employees that were held virtually.</p>	 <p>+20% of staff dedicated to direct customer service and advice.</p>
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OUR PEOPLE AND OUR POLICIES

THE TEAM



One of the most important aspects of a company is the team of people it employs. Thanks to our commitment to internationalization, with the opening of our own subsidiaries going back to 2000 (the first subsidiary was opened in 2001 in Antalya, Turkey) and the company's organic growth, the staff has become more **diverse in terms of culture, geography, education, gender and age in recent years.**

Below are the main figures reflecting the evolution of the workforce in 2020, focusing on those aspects which differentiate us from other companies and, above all, highlighting any significant changes compared to 2019.

On the following pages we will also focus on the contribution of the actions carried out in 2020 to the SDGs. Insofar as staff are concerned, there are 4 key SDGs:

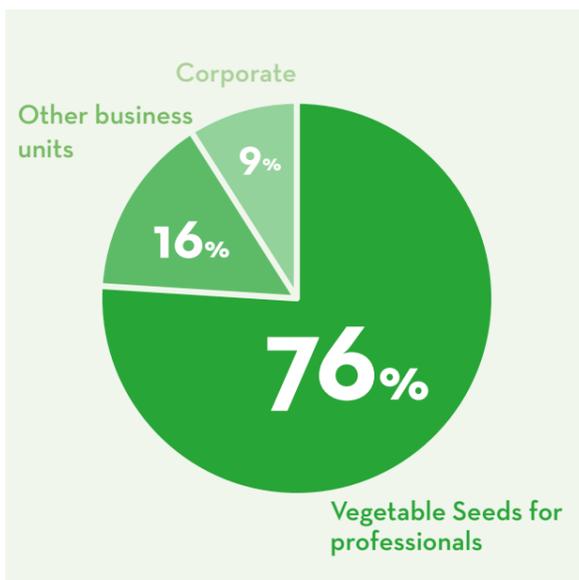


EMPLOYMENT: KEY FIGURES FOR 2020



The PHF Group closed the 2020 financial year at 31 December with a workforce of **690 people**, 28 more than at the end of 2019. Globally, the Vegetable Seed Division accounted for most of the increase, with the parent company in Spain adding a total of 38 new employees, including reinforcements of the the Corporate area and other divisions of the Group.

However, because it is an agricultural business with a clearly seasonal component, the headcount fluctuates throughout the year according to the seasons. The average number of people hired during the year was **827**, in addition to the 52 people who worked with us on a seasonal basis, especially in Chile, where there were 34 more people on average than in 2019. This growth is due to the fact that in 2020 our production capacity doubled at our Chilean locations and we also added a new farm in Quillota.

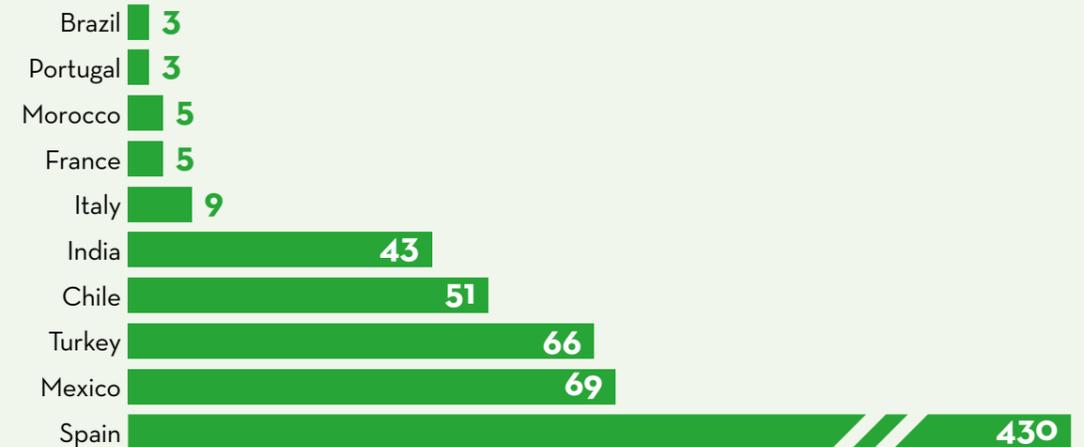
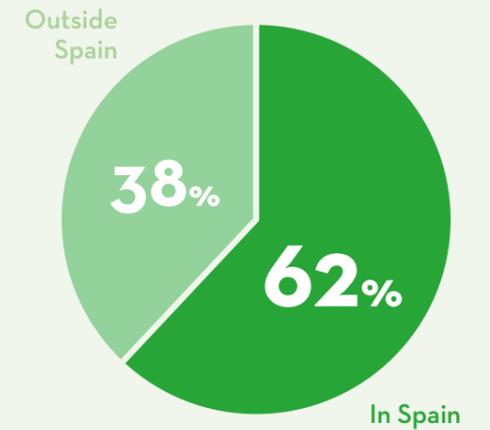


7.6 out of 10 people work in the Vegetable Seed unit, which is the group's core business unit.

At the 2020 year end, 37% of the workforce resides outside of Spain, working for one of the group's 10 subsidiaries, 6 of which are located outside the EU.

At our international workplaces, there continues to be a significant percentage of **geographical and cultural diversity** (4 out of 10 employees work outside Spain's borders). Mexico and Turkey continue to be the locations with the highest number of employees, followed by Chile and India.

The Moroccan subsidiary, one of the newest, added 2 people to its workforce.

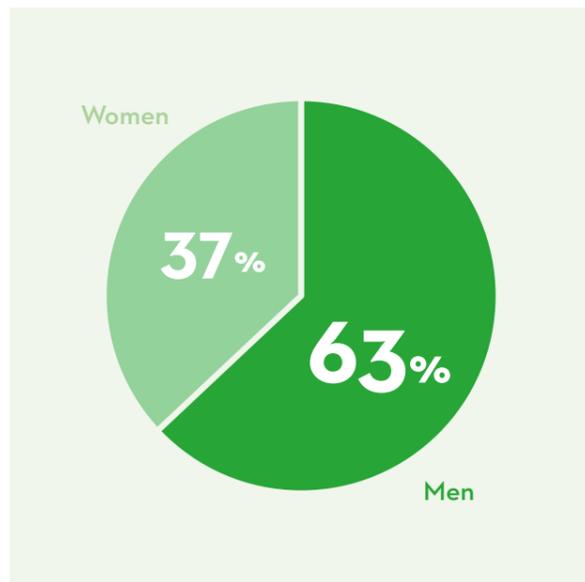


Mexico and Turkey continue to be the locations with the highest number of employees, followed by Chile and India.

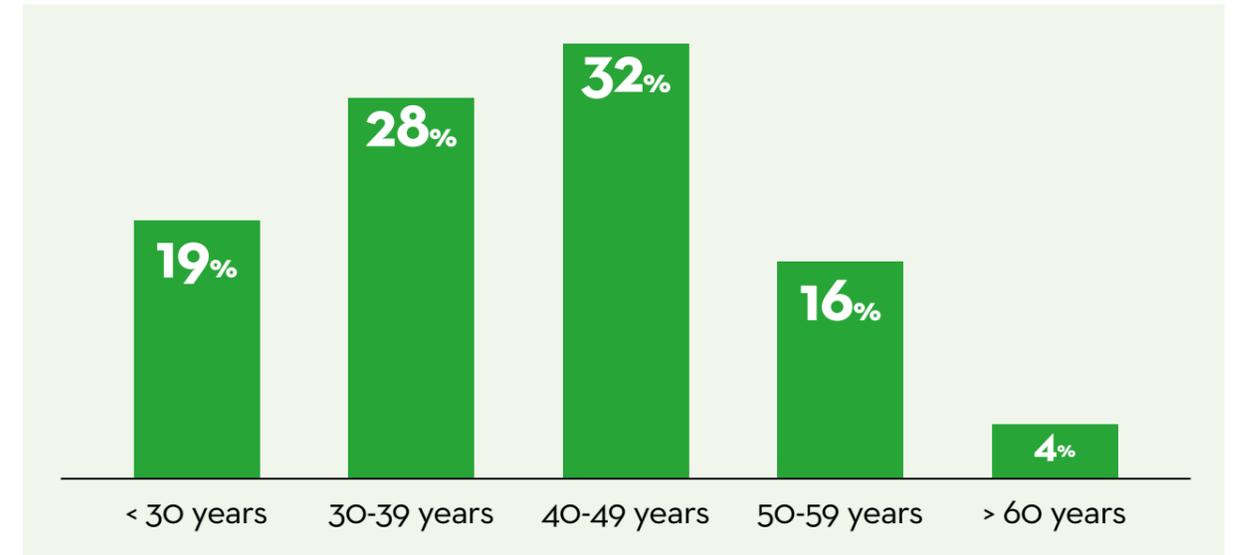
In terms of **gender diversity**, the proportion of women in the company is gradually increasing. This year we hired more women (64%) on average compared to the year before and the number of women hired by the Chilean subsidiary for the harvesting season (78%) is also notable. However, the ratio of women to men at the end of the year remains virtually unchanged from 2019: 4 out of 10 employees are women.

4 out of 10 employees are women.

There is an upward trend in the number of professional women hired at the different locations, even though the final ratio remains the same as the year before. It goes without saying that the professional agriculture sector has traditionally been a male-dominated sector, especially in some of the countries where our subsidiaries are located, where women do not enjoy the same equal opportunities as men. In this regard, it is worth noting that Fitó continues to add more female talent to our organizational structure with the implementation of policies promoting equal opportunities.



As shown on the graph of the breakdown of staff by age group, more than 60% of employees fall in the 30 to 49 age range. The number of employees under the age of 30 increased by two percentage points (to 19%) compared to the year before.



60% of the workforce is between 30 and 49 years of age.



In terms of years of service with the company, the worldwide breakdown is as follows:

Years of service with the company 2020	
< 1 year	23%
1 - 3 years	21%
3 - 5 years	16%
5 - 10 years	17%
10 - 15 years	8%
15 - 25 years	9%
> 25 years	6%

These numbers fluctuate considerably from one location to the next, depending on the opening dates of each one.

It is worth noting that 23% of employees globally have more than 10 years of service. Spain, where the parent company is headquartered, has the highest percentage of employees with more than 10 years of seniority (33%). At the group's oldest subsidiary, which is located in Turkey, 24% of employees have been with the company between 5 and 15 years.

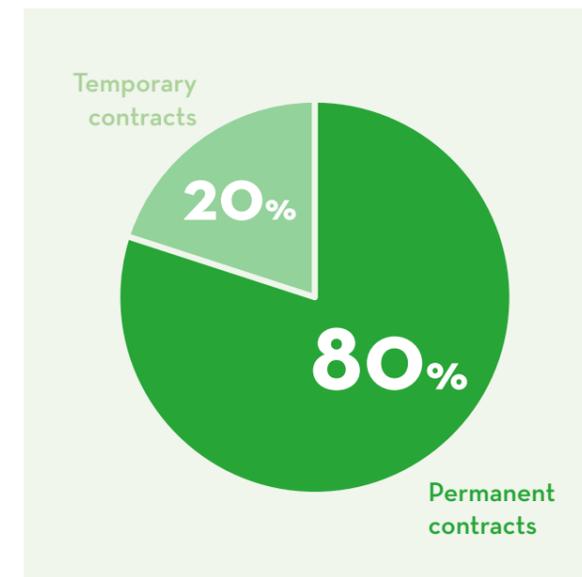
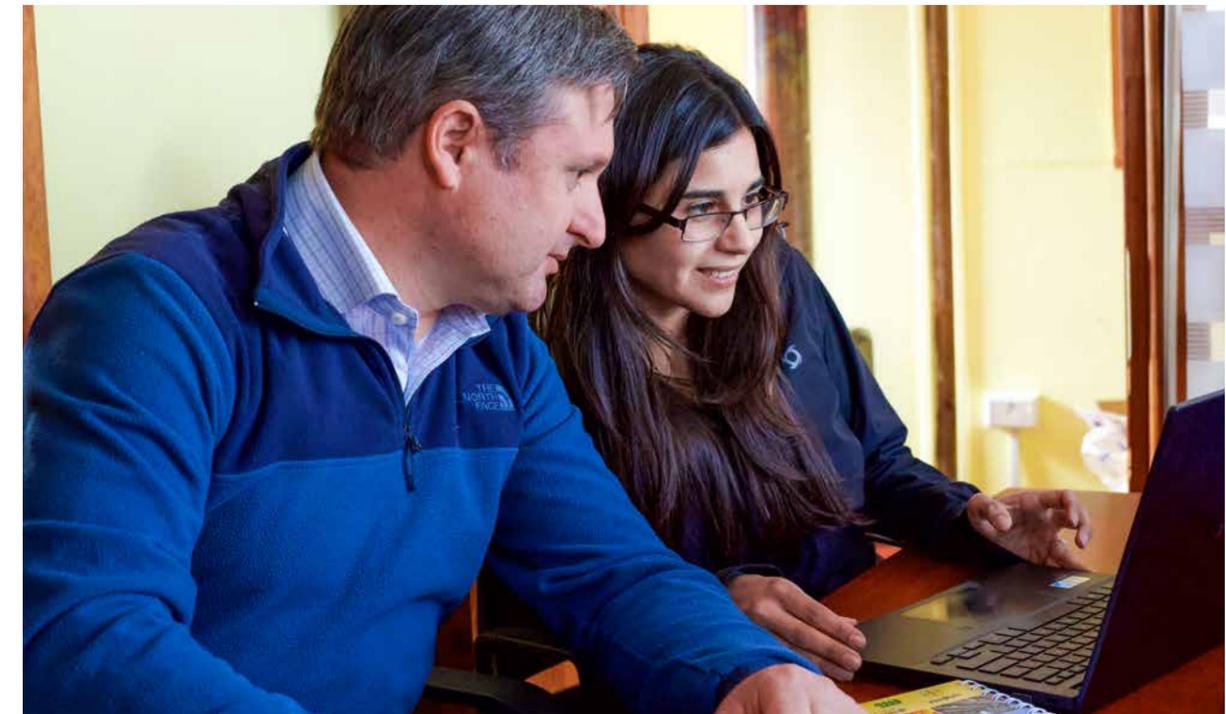
By contrast, because of the group's international expansion and consolidation strategy, there are some subsidiaries, such as the ones in Mexico, Chile and India, where 44% of the employees have joined in the last 3 years.



4 out of every 10 new Fitó employees have joined in the last 3 years as a result of the group's international consolidation and expansion strategy.

Regarding the **breakdown by educational level**, the diversity of the workforce is typical of the sector in which the company operates. Nearly 40% of employees have a university or higher level of education, while almost 15% of the workforce worldwide has a technical education. The details for the 2020 fiscal year are shown on the following table.

Breakdown by level of education 2020			
University studies	Doctorate or master's degree	8%	37%
	Bachelor's degree	19%	
	Diploma	10%	
Vocational training and/or high school diploma	Advanced vocational training	7%	14%
	Intermediate vocational training	2%	
	High school diploma	5%	
Secondary education or lower	ESO (compulsory secondary education)	40%	49%
	No formal education	9%	



Finally, by contract type, the ratio of permanent to temporary contracts increased during the period from January to December, with a ratio of permanent to temporary contracts of 7 to 3. At the end of the fiscal year, 80% of employees had permanent contracts, a 2-point increase over the year before, and only 20% were temporary employees, down 2 points from 2019.

80% of employees have permanent contracts.

ORGANIZATION OF WORK AND ACCESSIBILITY



The main challenge in terms of work organization in 2020 was undoubtedly figuring out how to adapt to the prevention measures implemented to combat the **COVID-19 crisis**.

For years, the working hours at the Group's locations were designed to facilitate work-life balance. In 2020, schedules had to be further adapted and made more flexible, depending on the type of work, for enhanced safety, prioritizing the health and well-being of our employees.

Organizing work to fit the "new COVID-19 normal" consisted of adapting the **workday** in such a way that would allow us to work the number of annual hours established in the collective agreements signed in each country.

In most locations, the workday is split into morning and afternoon, except where there are different shifts. Intensive working hours are permitted in the field and in the warehouse, and the option of working straight through on Fridays has been introduced in most of the company's departments.

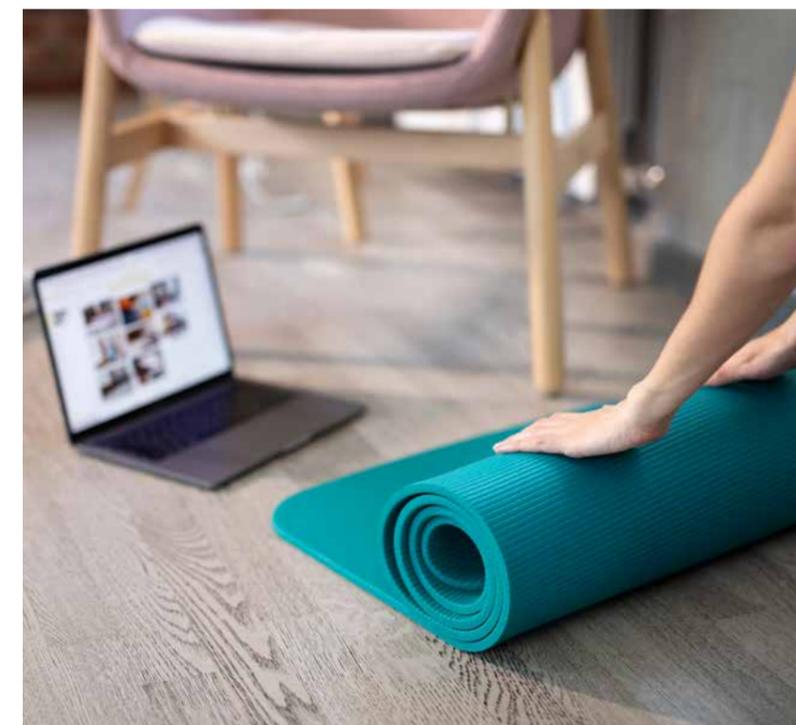
In the departments that work split shifts, lunch breaks vary in length from 30 to 90 minutes. This makes it possible for employees to take part in outside activities such as sports, language classes or yoga classes. For intensive shifts or those lasting more than 6 hours, employees are allowed to take a 15-minute paid break.

Flexible working hours have also been extended, with new formulas that allow employees to start and finish the workday at different times to suit the needs of the individual and his or her team. Each department has been given the freedom to define its own working hours.

The concept of **flexible work** has been introduced in departments and/or positions where services can be rendered offsite (basically office personnel and some R&D and quality control positions). At Spanish locations, employees have the option of working remotely up to two days per week.



One of the corporate initiatives carried out in 2020 consisting of offering communication and dissemination days on topics of interest for the entire workforce. Internally, they are called "**Trending Topics**" and are offered online. One of these trending topics was aimed at alleviating the anxiety and stress caused by the COVID-19 crisis. It was offered by the psychologist and coach, Herminia Gomà, who spoke to us about how to regulate emotions in times of uncertainty and worry.



Each week, a link is distributed to employees inviting them, if they wish, to attend a virtual yoga class.

In general, most of employees work full time. In 2020, a total of 24 women and 7 men worked reduced hours in order to care for a minor child.

The permanent staff of the PHF Group includes 3 people with a disability of more than 33%. In 2020, these two men and one woman occupied positions commensurate with their abilities.

HEALTH AND SAFETY



COVID-19 protective measures



In 2020, a series of special health and safety measures were introduced in response to the COVID-19 crisis. The company created a **Technical Prevention Committee** made up of professionals from different corporate areas and departments whose mission was and is to monitor prevention and compliance through protocols and measures designed to prevent infection at the company's job centers. This committee has prepared technical reports, implemented organizational measures and proposed changes to some procedures.

The industrial hygiene measures implemented to deal with the crisis fall into two main categories: prevention/disinfection and cleaning. The purchase of personal protection equipment (PPE), especially FFP2 masks, was centralized to guarantee weekly supplies to employees, and cleaning was reinforced at all locations along with a disinfection service by nebulization in specific areas. Thanks to these cleaning and disinfection measures, we managed to avoid the spread of coronavirus at **Semillas Fitó's locations in Spain** and, by extension, to reduce it to a minimum at our international locations.

Over the 12-month period between the beginning of the pandemic and the date of this report (March 2020-March 2021), the company invested more than €200,000 in COVID-19 prevention measures.

The company has invested more than €200,000 in COVID-19 prevention measures.

Locations in Spain

21 minor accidents not requiring medical leave and 11 accidents that required medical leave were reported at locations in Spain in 2020. This represents a total of 237 workdays lost due to on-the-job accidents. This in turn means that 1.29 out of every 1,000 hours were not worked. It should be noted that the PHF group's absenteeism and on-the-job accident rates are well below the sector average for the same employment categories.



These low figures are possible thanks to a team of 13 group employees who devote part of their time on the job to tasks aimed at preventing occupational risks. In addition, the prevention objectives were redefined by the workers' committee this year and by the end of the year 84.6% of the objectives had been achieved.

Also in 2020, the occupational risk assessments of all locations in Spain were updated from an occupational health and safety point of view, including the new center located in **San Javier, Murcia**.

International job centers



No on-the-job accidents were reported at locations in India, Turkey or Mexico in 2020.

Only one accident requiring medical leave was reported at the Chilean subsidiary and two minor accidents not requiring medical leave. Eight workdays were lost. However, the **accident rate** remains **very low (1.54%)**.

TRAINING



In fiscal year 2020, a total of **1,920 hours** of training, specialization and acquisition of new skills were offered to the workforce. This represents an increase of **60%** over the number of hours in 2019. 727 attendees participated in a total 71 courses or workshops which were offered to individuals and groups. Thus, a total of **6,367 working hours were devoted to learning.**

Language training is part of a cross-cutting benefits program offered to all Semillas Fitó employees, regardless of their position within the organization. As in the past, this year the company continued to offer unrestricted access to language classes (mainly English, French, Spanish, Italian and Arabic) to those employees who wish to attend.

In 2020, a total of **161** employees received **1,712 hours of language classes.** **Language and office automation courses** accounted for **89%** of all training hours for the year.

Due to the exceptional circumstances caused by the pandemic, a large part of our training resources have been focused on remote courses aimed at educating team members in 3 very specific areas: **teleworking tools; remote team management** due to restrictions on business travel and **organization of work and personal productivity,** where attendees were provided with resources to adapt to the new reality in the workplace. A total of 32 training hours were offered on these topics to the 163 people who attended.

As far as special training, the company continues to invest in the development of **process quality management systems** with the aim of guaranteeing the quality of our seeds and ensuring continuous improvements to process efficiency.

In the same vein, the company has allocated a large part of the training hours to educate the teams and departments involved in the audited and certified quality management systems. For example, specific

training was offered in **Good Seed and Plant Practices (GSPP)** to prevent tomato seeds and plants from becoming infected with the *Clavibacter michiganensis subsp. michiganensis (Cmm) bacterium* (18 hours; 91 people) as well as **ESTA Standard (European Seed Treatment Assurance)** training for quality assurance of corn seed treatments that include phytosanitary products. (23 hours; 97 people).

In 2020, two employees attended the **Equality Agent Advanced Training Program,** and were certified as **equality agents** for the design of equality and intervention policies to guarantee compliance with gender equality at the company (250 hours).



Other, more specialized technical courses were offered at production-focused locations. These included specialized courses to train employees in the prevention of the **rugose virus** that affects tomato, bell pepper and eggplant crops (15 hours; 167 people) or in the **application of phytosanitary products** (25 hours; 8 people), as well as **organic vegetable production and how to manage nematodes in vegetables,** the latter two of which were offered in Mexico.

There were training hours dedicated to the three Rs - **reduce, reuse, recycle** - where people from the Barcelona location learned about waste management. A total of **23 hours** were devoted to raising employees' awareness of how to better manage the waste that we all generate.

In 2020, the company offered 1,920 hours of training, which represents a 60% increase over 2019.

In addition, the company continued to offer **coaching** to individual employees for their professional development and also to **teams** with the aim of helping them come together to achieve the annual objectives. In 2020, there were **53 hours of coaching,** 21 of which were spent on improving team processes.



Student internships

The table below shows the number of student interns welcomed by the group in 2020 at each location, and the total hours worked by the interns at each one.

Location	No. of students	Total hours
Barcelona	1	376
Cabrera	5	1,528
Llavaneres	1	134
Barbens	1	180
Mexico	7	4,060
Turkey	2	560



Semillas Fitó locations in Spain welcomed **8 interns** from different universities (6 students) and vocational training centers (2 students). However, this year there were fewer applications than in previous years due to the pandemic and the lockdowns imposed in some geographical areas at different times of the year. Even so, this year interns worked a total of 2,218 hours at the company's locations in Spain.

The group has direct relationships with several universities. Worthy of note among these is the relationship with the School of Agronomic Studies of Barcelona, with which there is an agreement to award a €1,000 cash prize to the student who submits the best final project. The prize for the 2019/2020 academic year will be awarded in May 2021, since it was postponed due to **COVID-19**.

At **Semillas Fitó México** seven **student interns** completed a total of 4,060 hours at our Culiacan facilities. Of these interns, six were Agricultural Engineering students and one was an International Business student.

At **Semillas Fitó Turkey**, two Agricultural Engineering interns completed a total of 560 hours.

17 student interns worked a total of 6,838 hours at different Fitó locations in 2020.

NEW HIRES - PROMOTIONS

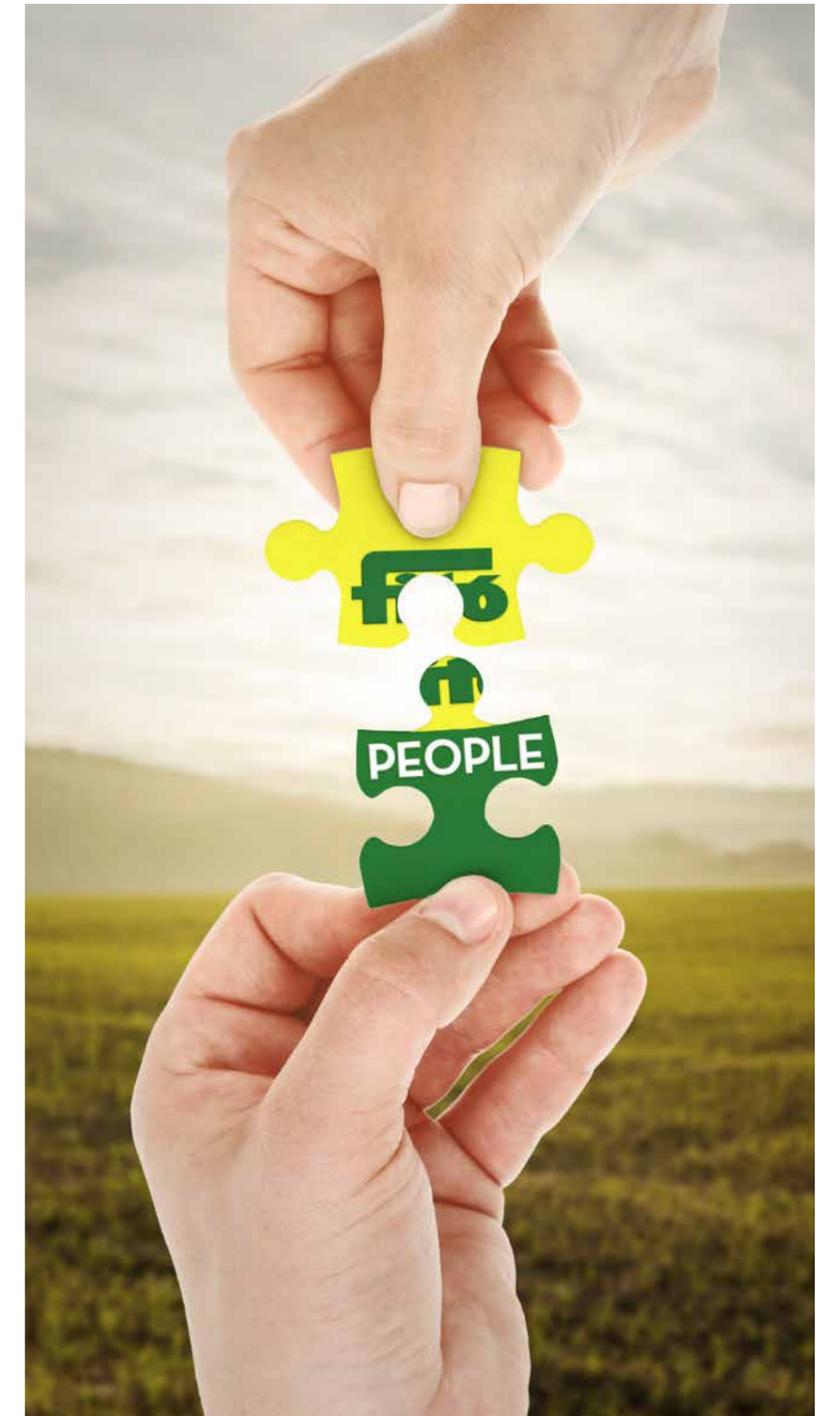


28 people joined the company in 2020, in different roles and at various locations. Most of these new hires joined the **Vegetable Seed** area, mainly in Sales and Development, R&D and Operations.

At the national level, staff members were added to the Almería and Barcelona locations, the production farms in the Maresme area (Catalonia) and the new facility in Murcia.

Internationally, Chile, Italy, Morocco, Mexico, Portugal and Greece all added new talent to their staffs.

Fitó's mission highlights the company's firm commitment to the professional and personal development of its team members. The number of internal promotions that took place in 2020 is worth noting, with 16 people promoted to higher level positions or assuming different functions at the same hierarchical level on the company's organizational chart. Of those 16 people, **11 were men and 5 were women** from the Research and Development (6), Sales and Production (5) and Corporate (5) areas.





THE ENVIRONMENT



As mentioned in section 3 of this report, the PHF/ Semillas Fitó Group is currently prioritizing its efforts to make a positive contribution to three sustainable development goals related to the environment:



The actions linked to these three priority goals in the 2020 fiscal year are detailed below.



This includes the actions designed to ensure sustainable consumption and production methods.



POLLUTION PREVENTION



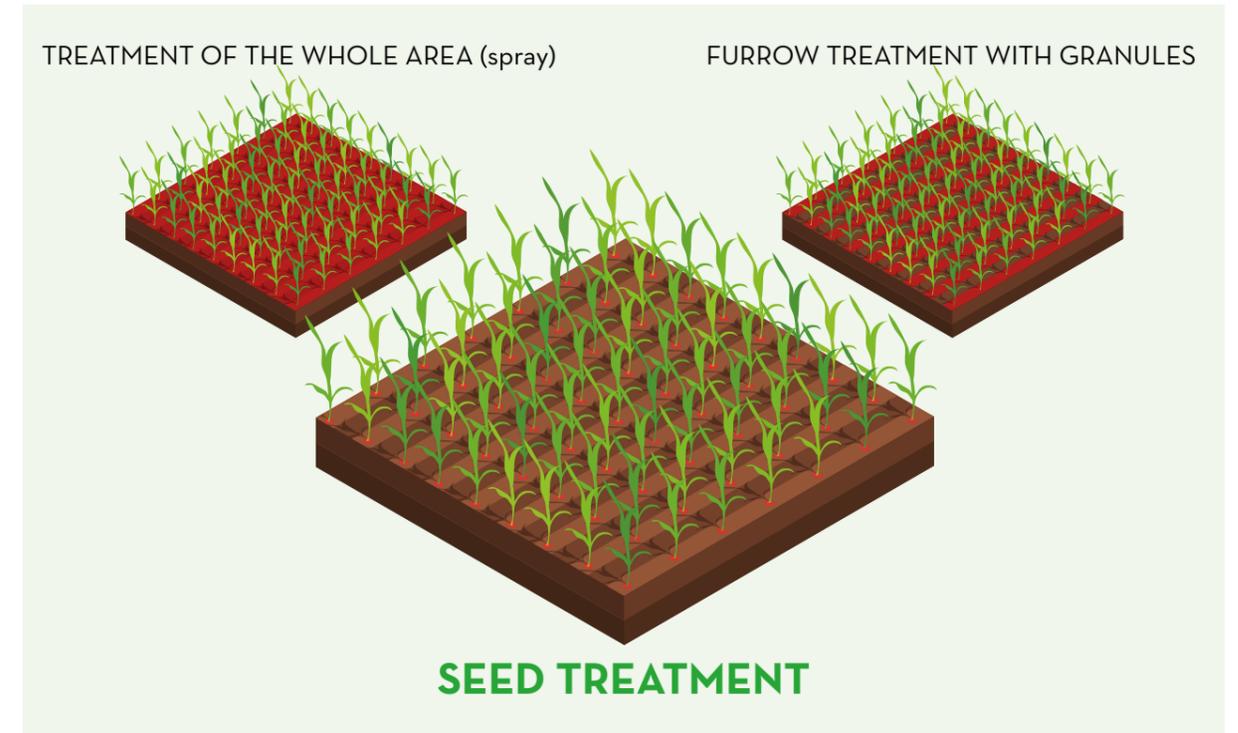
ESTA Certification



The ESTA (European Seed Treatment Assurance) quality certification awarded by the European Seed Association guarantees that the treatment of seeds, as well as the resulting seeds, meet the requirements defined by legislators and the industry, so as to ensure the sustainable production of **food, feed and fiber by combining precision with the minimal use of phytosanitary products for maximum efficiency and minimum environmental impact.**

In line with its Quality Policy, Semillas Fitó decided to pursue certification for the logistics and processing center at Les Cases de Barbens (Lleida, Spain) in order to offer customers the highest level of safety in the production and processing of maize seed and at the same time contribute to environmental protection. The audit was approved and certified by SGS-Germany on October 19.

The application of phytosanitary products using sprinklers or microgranules is widespread in most of the field. Thanks to this certification we obtain environmental benefits by using smaller amounts of insecticide, since we treat the seed directly in a controlled and specific environment instead of in the open field.



By applying phytosanitary products in seed treatments, they are limited to a very specific area and spread over less than 1% of the field surface, which ensures adequate protection while minimizing the affected area.



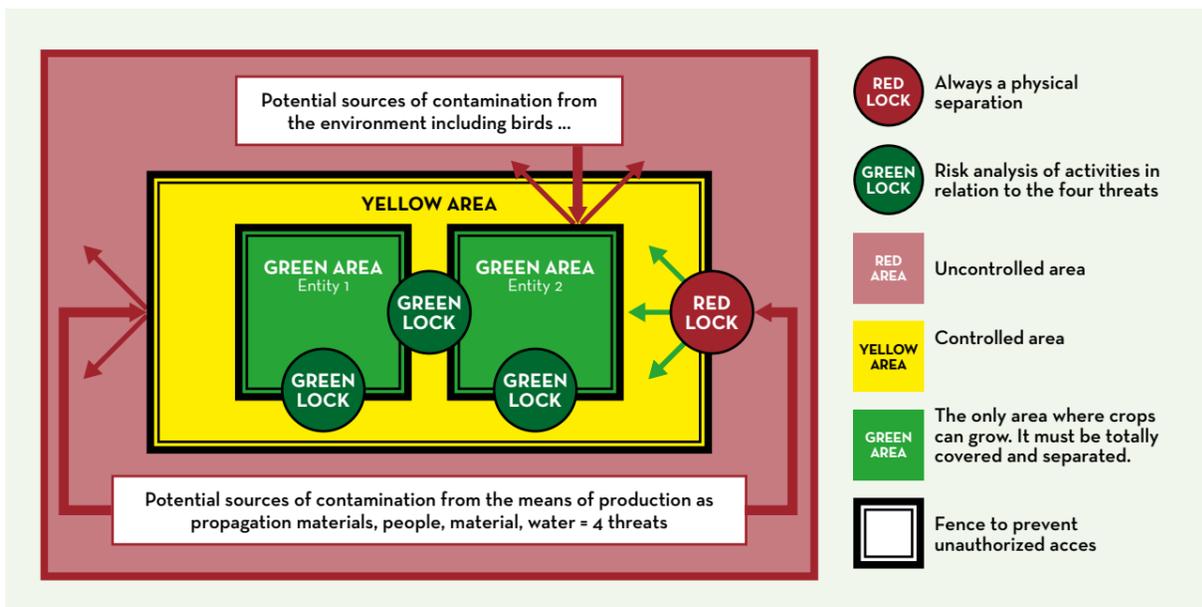
Certification under the ESTA standard covers seven activities ranging from seed cleaning to the use and sale of treated seeds. Therefore, ESTA supports the industry by providing a quality assurance system for seeds, their treatment and subsequent use, a management system that spans the entire supply chain.

PEST REDUCTION AND SUBSEQUENT USE OF PHYTOSANITARY PRODUCTS



In 2020, Semillas Fitó took a series of measures at all vegetable crop farms focused on preventing contamination by plant pathogens. The object of these measures is to contain possible outbreaks in the target area and prevent them from spreading to other greenhouses on the farm, which reduces the need for curative phytosanitary treatments.

Color-coded zoning was implemented, by safety levels:



RED ZONE

The red zone is an uncontrolled area (office and outside), separated from a yellow zone by a visible red object (e.g. a door, a sign, etc.). The red zone is designed to act as a barrier to keep the threat of contamination from plant diseases at bay and prevent them from being carried by people and materials (including equipment) into yellow or green zones. The threat of disease is blocked from gaining access to the yellow zone and ultimately to the green zone.

YELLOW ZONE

The yellow zone is the part of the operating area that lies just beyond the red zone (doors through which people and goods enter the warehouse), where there are hygiene protocols in place to disinfect the people and materials (including equipment) that will subsequently enter a green zone.

GREEN ZONE

The green zone is the production area which is separated from the yellow zone by a visible physical object (e.g., a sign, etc.). This is where Semillas Fitó's operating processes are carried out.

The safety measures that apply to the yellow zone are as follows:

- Disposable clothing (caps, gloves, gowns and booties) or customized uniforms in some cases.
- Disinfection of hands and footwear.
- Disinfection of personal items (cell phone, tablets, headphones, etc.) or plasticization in some cases.
- Disinfection of work tools (including equipment)

The inclusion of yellow zones and the safety practices associated with them act as a barrier that confines hypothetical outbreaks and prevents them from spreading to other areas. As a result, the aim is to gradually reduce the use of phytosanitary products, which will be monitored over time.

WASTE



The three R's

At Semillas Fitó, we are aware that the problems surrounding waste are caused at the individual as well as the corporate level. Waste is caused at an individual level. Issues such as overpopulation, human activities and consumerism have contributed to the accumulation of large quantities of waste (hundreds and thousands of tons per year).

Nonetheless, solutions are possible if each and every member of society is committed to finding them. Semillas Fitó has joined this global project and is moving in the right direction with three basic measures that can help to solve the problem of waste management, commonly known as "The three Rs": Reduce, Reuse and Recycle.

The company had already launched reduction and reuse projects in different locations in 2019.



In 2020, waste recycling was implemented in the seed processing, packaging and logistics warehouse and at the corporate headquarters in Barcelona.

Recycling containers for different types of waste were positioned in the office reception area, warehouse reception area and canteen. Other PHF Group locations will gradually practice the 3 Rs in the future.

The project was implemented in the fourth quarter of 2020. The volume of waste that was recycled from January to April 2021 is detailed below:

Waste	Kg recycled
CARDBOARD	13,270.22 kg
PLASTIC	7,973.20 kg
OTHER NON-HAZARDOUS	22,731.24 kg



Other types of waste are also recycled, such as WEEE (Waste Electrical and Electronic Equipment), toner, batteries and coffee capsules.

Without a doubt, the focus must be not only on recycling waste but also reducing it, and the best way to achieve this is to not generate the waste in the first place. With that in mind, **starting in 2020 all coffee cups at Semillas Fitó are 100% ecological and compostable, with the paper fiber used to make them coming from 100% sustainably produced wood.**



The company also encourages employees to use the **reusable cups** that were delivered to them in 2019 under the "Small Actions, Big Changes" initiative, and **recycled paper with demanding environmental certifications** is used and reused in offices. These are some of the ways that Semillas Fitó has found to protect the environment and be part of the solution.

WATER USAGE



Vegetable seed production is a delicate process that involves different procedures: sowing, transplanting, pollination, crop maintenance, fruit harvesting and seed extraction. The seed production process requires a series of specific actions to ensure the quality of the germinated seeds, along with certain inputs to guarantee their sustainability: soil, fertilizers and water. Seed extraction requires different volumes of water to ensure that the seeds obtained are of the highest quality.



To economize on the water used during the seed extraction process, in 2020 Semillas Fitó completed the installation of a new technological system at its farms in Llavaneres and Almería (Spain).



The extraction technology is differentiated by type of crop:

For Solanaceae (bell pepper and tomato), a vacuum extraction system was implemented that **reduced the water used in this process by 100%**.

For cucurbits (melon and zucchini), a new extraction system based on reduced current flow was installed to replace the old intensive flow system. **This system has reduced the water requirements for this process by 95.6%**.

ENERGY EFFICIENCY



Energy usage is so closely related to the current climate and environmental situation that it is at once the heart of the problem and the source of a possible solution. Bearing in mind that in our oil-dependent society, energy is a very important part of the ecological footprint and is responsible for 80% of GHG emissions (which are water vapor or H₂O, carbon dioxide or CO₂, nitrous oxide or N₂O, methane or CH₄ and ozone or O₃), Semillas Fitó is committed to reducing emissions. The two main actions in 2020 in this regard are described below.

More efficient boilers

At Semillas Fitó's headquarters in Barcelona, the old DHW (domestic hot water) boilers were replaced with **more efficient boilers**. The new boilers have an A efficiency rating, so the indoor acoustic level is lower, thus emitting less noise; and the rated thermal power is higher, so they produce more domestic hot water on a continuous basis, which is the hot water used in the restrooms and canteen at the corporate headquarters.

The value that makes the difference is the high energy-efficiency of condensing boilers compared to conventional boilers, which **can result in savings of 20% to 30%**.



LED lamps

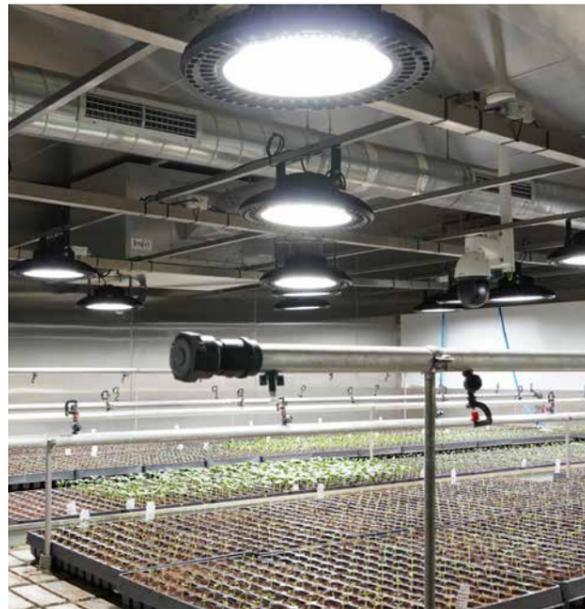
The main objective of lighting in corporate buildings is to enable employees to do their work under optimal conditions. At Semillas Fitó, this objective must be achieved keeping energy consumption to a minimum.

In 2020 the company gradually replaced all the lamps in the warehouse areas, laboratories and germination chambers, finally eliminating conventional incandescent bulbs and replacing them with LED lighting.

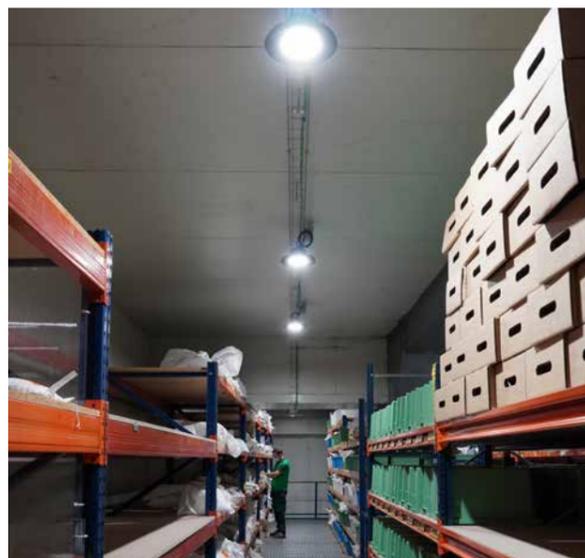
Lighting accounts for 40 to 70% of a store's or office's electricity bill. Given that electricity prices are set to increase in 2021 and beyond, rationalizing the use

of electricity can represent very significant savings. Since 2009, when Directive 2009/125/EC was published to institute ecodesign requirements for energy-related products, there has been a gradual push to eliminate the least efficient lamps from the market, including metal halide lamps, which are very bad for the environment and have a very short service life.

Because LED lamps have no filament they have longer lives (now over 100,000 hours), are highly resistant to blows and are a good choice for industrial lighting. **They are also 80% more efficient than incandescent lights.**



At Semillas Fitó, two germination chambers have been updated with a total of 18 new 250 W LED lamps, replacing the incandescent halide lamps which consumed 315 W each.



"SMALL ACTIONS, BIG CHANGES".



For the third year in a row, Fitó Spain used the 2020 Christmas gift for employees as an opportunity to reinforce ecological awareness, in keeping with its mission to be respectful of the environment and actively contribute to the preservation of the plant through gestures that reduce our environmental footprint.

As part of the "Small actions, big changes" initiative, which encompasses the actions targeting employees to generate a positive impact on social or environmental matters, in 2020, Semillas Fitó employees in Spain received a cloth bag, an airtight glass bowl and a container with reusable cutlery made from environ-

mentally friendly materials for Christmas. The idea was to promote the reduction of plastic and disposable materials in our daily lives. In all, 600 gift packs were distributed.

Thanks to these initiatives, habits are gradually changing in a way that will reduce the volume of waste we generate. For example, since glass bottles were first distributed in 2019, fewer 33cl water bottles are used at the company's offices in Barcelona.

COMMITMENT TO SOCIETY

In addition to minimizing its environmental impact, Semillas Fitó has assumed the commitment, as an organization, to conduct itself in a socially responsible manner. One of the four blocks of the company's mission is related to its commitment to the community, with the two basic goals of contributing knowledge and protecting the environment.

In 2020, Semillas Fitó was focused on contributing value in a responsible manner to the communities where we operate and making a positive contribution to the management of the pandemic.



MANAGEMENT OF THE CORONAVIRUS PANDEMIC



Faced with the public health emergency caused by the COVID-19 pandemic, **Semillas Fitó implemented a series of internal prevention measures that, in addition to securing the safety of its worldwide locations, also helped to contain the spread of coronavirus among the population.**

In addition, Semillas Fitó was one of the first companies to make a donation of personal protection equipment to the Catalán Health Service (Servei Català de la Salut). The following material was donated to the Vall d'Hebrón Hospital in Barcelona:

- Alcohol / Ethanol: **35 liters**
- Latex gloves: **7,000 units**
- Shoe covers: **7,400 units**
- Caps: **10,300 units**
- Single-use gowns: **700 units**

The company also provided Manresa Hospital with DNA/RNA extraction equipment from its quality control and biotechnology laboratory to speed up COVID-19 diagnoses.

At the same time, as a company operating in the primary sector, at no time did Semillas Fitó's activities slow down.



The company has been unwavering in its commitment to society and has adapted to ensure the continuity of its operations and its contribution to the food supply.

The strategic commitment to digitalization has been key to ensuring the continuity of service and relationships under its quality standards. In 2020, Semillas Fitó reinforced its digital communications, something it had already been working on but became even more important during the COVID-19 crisis.

In the absence of physical contact, the use of digital tools and platforms such as WhatsApp, Telegram, Facebook, Instagram or Teams enabled the company to maintain its relationships with customers, suppliers and colleagues. For example, the company organized several virtual events and boosted its online presence with 13 new profiles on social media, launching new websites for Portugal, Mexico and Central Asia.

Our social media accounts

Don't hesitate to find us, follow us and share our social media content!



Semillas Fitó, committed to the agri-food chain and in line with its goal of transforming the sector through seeds, has also joined the "We feed this country together" initiative, which recognizes and values the **efforts of all those in the agri-food sector who, especially in this time of crisis, are ensuring the supply of healthy and safe food to the entire population.**

Now more than ever, we must be aware of and support vulnerable groups that lack the most basic necessities such as food, and recognize the efforts of all the people who work every day to supply the world with food.

Semillas Fitó creates long-term relationships rooted in mutual trust with #FoodHeroes, farmers and other workers all along the agri-food chain, to ensure that food gets from field to table, even in difficult times.



DISSEMINATION OF HEALTHY EATING HABITS



In 2020, aside from strict compliance with the recommendations of public health authorities to curb the spread of the virus, the idea of eating a balanced diet rich in plant-based foods such as fruits and vegetables to prevent disease took on renewed importance.

As a seed company, Semillas Fitó is the first link in a long chain that contributes to a healthy diet, with a strong commitment to the dissemination of knowledge.

The most notable activities in which the company has participated with the aim of promoting healthy eating habits among the population are discussed below.

"Què mengem avui?" (What are we eating today?) Exhibition

Semillas Fitó assisted with the financing of this exhibition on food curated by chef Ada Parellada at the Museum of Natural Sciences in Granollers (Barcelona). The exhibition addresses the cultural aspects of food and answers the question "Why do we eat what we eat?". The question is simple but the answer is complex because our choices are not casual, but rather the result of an accumulation of personal and environmental factors that are engraved in our memory, otherwise known as culture.

Behind the exhibition there is a team of specialists in gastronomy and culture led by Ada Parellada, prestigious chef, scholar and enthusiast of home cooking, and the owner and chef of the Semproniana restaurant for more than 25 years.



"Quality vitamins to feed society", a virtual event



With the aim of showcasing the quality and nutritional benefits of peppers in the Region of Murcia, a group of nutritionists, chefs and technical experts analyzed the qualities and benefits of peppers from different points of view.

From a nutritional standpoint, the bell pepper provides water, fiber, and vitamin C. It also has antioxidant properties which can help to prevent diseases such as hypertension and boost the immune system.

From a culinary point of view, whether cooked or raw, the bell pepper is a healthy food that adds flavor, color and texture and is perfect for avant-garde cooking and new food trends.

In addition, bell pepper farmers are an example of a job well done as far as caring for the environment. Semillas Fitó works closely with them to develop varieties that are adapted to the agronomic conditions, are resistant to diseases and need little fertilizer, but are flavorful and pleasing to consumers. This is the main objective of the company's R&D program in Campo de Cartagena, where varieties such as Maestral and Río Grande have been developed.



World Food Day



World Food Day calls for global solidarity to help the most vulnerable members of society recover from the current public health crisis and make food systems more resilient and robust. The aim is to find ways to withstand increasing volatility and the climate crisis, provide affordable and sustainable healthy diets for all, and ensure decent livelihoods for food system workers.

On the most recent World Food Day, Semillas Fitó joined in spreading FAO's message "Grow, nourish, sustain. Together." In line with its social commitment and with the aim of raising awareness, the company disseminated several videos with data provided by the FAO on food waste, difficulties in the agricultural sector and world hunger. A webinar was also organized with Israel Roca, Head of Sales & Marketing Europe at Semillas Fitó, and Paco Casallo, CEO of HaciendasBio, about the myths and facts behind a popular food trend that often generates confusion and debate: organic food.

TV campaign of the "5 a day" association

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PEDAGOGY FROM THE SEED



Thanks to Semillas Fitó's vast experience and specialization in the seed industry, we have a wealth of knowledge that allows us to act as a driver of innovation and growth. In line with its commitment to the community, the company has sponsored a series of projects designed to share this knowledge with the world.

Fitó Academy

Fitó Academy is an international project that offers a series of high quality training materials and/or content in different formats (talks, workshops, tutorials, etc.) to key players involved in the decision-making process for introducing and promoting horticultural varieties: distributors (owners, managers and technicians), producers and sellers (cooperatives and companies that sell fruits and vegetables).



Semillas Fitó launched the new Fitó Academy project in 2020 to support our customers' growth and promote the development of the sector through knowledge.

The Fitó Academy began with an Executive Development Program at the prestigious ESADE university designed especially for Semillas Fitó's customers. It was attended by approximately thirty people, most of them representatives of the company's key customers in Spain, as well as members of the Murcia and Almería sales teams.

Under the umbrella of Fitó Academy there are other educational events of a more technical nature, such as the conferences dedicated to agri-food marketing held in Murcia by Dr. José Luis Ruiz Real, professor of marketing at the University of Almería.



The Fitó Academy project helps us build loyalty among our key customers. In addition, all training sessions are attended by company employees, which further contributes to the skill-building and training of the company's sales team.

Tomato Sapiens

Tomato Sapiens is a research project jointly developed by Semillas Fitó and the elBulli Foundation to understand the tomato from a holistic and interconnected point of view. It covers all aspects from its history, to its agricultural and productive evolution, to its culinary uses and role in society.

The Tomato Sapiens project is representative of the social commitment that unites Semillas Fitó. The seed company's agronomic expertise and the foundation's culinary mastery are thus combined to explain how the tomato has evolved as a fruit and how it has come to be used in cooking, as well as its political or artistic significance.

The tomato is analyzed from different perspectives: not only the product itself but also the ecosystem out of which it emerges and is processed, from farm to table, completing a 360-degree circle. Using the Sapiens multidisciplinary analysis method, we embark on a journey that began thousands of years ago in America and is ongoing to this day.

Starting with the most oft-produced and highly-prized fruit in the world, Semillas Fitó takes another step on the road towards the continuous transformation of the agri-food industry through seeds, and offers new knowledge to the restaurant sector in particular and to other disciplines such as botany, chemistry and commerce, among others.

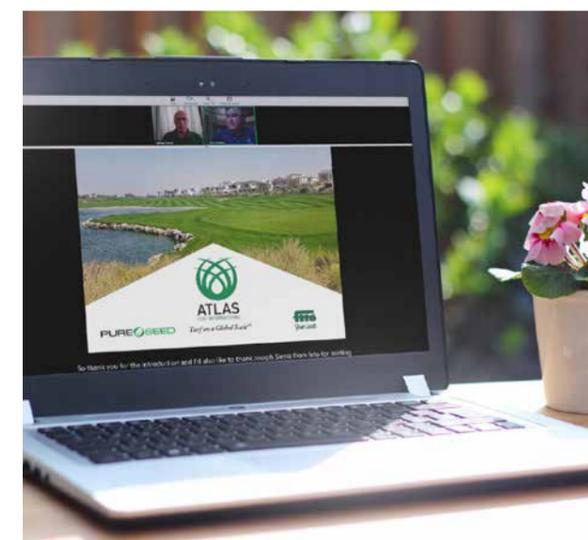
Tomato Sapiens is part of Ferran Adrià's "Bullipedia", the first great encyclopedia on gastronomy, creativity and innovation, which can be purchased at bookstores and online at www.elbullistore.com.



Turf Grass Webinars

Turf Grass is one of the sectors most severely affected by the COVID-19 crisis due to the closure of golf courses, athletic facilities and public gardens. However, the Semillas Fitó team has found the way to use technology to continue offering solutions, advice and varieties adapted to new market needs.

Semillas Fitó has more than 20 years of experience in warm climate species and multiple references in the Mediterranean region. In 2020, the company organized a series of webinars to continue sharing its experience and stay close to its customers, despite the complicated situation.



A webinar was organized jointly with CENEC, the Spanish Turfgrass Center, on how to manage the transition from C3 (temperate climate) to C4 (warm climate) species on athletic fields. Another webinar was organized with Campus del Césped, one of the leading training platforms in the sector, to discuss Seashore Paspalum golf course maintenance and the introduction of the new Pure Dynasty variety. Finally, a seminar focused on the French market was held on the conversion to the Bermuda Grass variety.

All of these seminars were attended by renowned professionals who shared their experience and gave technical presentations that were greatly appreciated by the attendees, who averaged around 100 people per event.

COMMITMENT TO THE AGRI-FOOD SECTOR



One of the highlights of Semillas Fitó's presence in the agricultural sector in Spain in particular and in the world in general is the participation of its employees in the various associations that operate in the sector. The figures in 2020 were consistent with those of prior years, with the following milestones:

- Participation in more than **30 specialized associations**, both nationally and internationally.
- Contribution of **€150,000** in annual dues for their continued development.
- **13 group employees** actively participate in one association or another.



At the national level:

SPAIN	ITALY	FRANCE	TURKEY
 National Association of Plant Breeders www.anove.es	 Italian Seed Association www.sementi.it	 French Union of Seed Companies www.ufs-semenciers.org	 Union of Seed Industrialists and Producers of Turkey www.tsuab.org.tr
MEXICO	INDIA	CHILE	
 Mexican Association of Seed Companies www.amsac.org.mx	 Federation of Seed Industry of India www.fsii.in	 National Association of Seed Producers www.anproschile.cl	

At the international level:

EUROPE	WORLD	WORLD
 European Seeds Association www.euroseeds.eu	 International Seeds Federation www.worldseed.org	 Antinfringement International Bureau www.aib-seeds.com



One of the most noteworthy associations is ANOVE.

The National Association of Plant Breeders (ANOVE) is the Spanish association that brings together private companies and public institutions dedicated to the creation of added value in the agri-food sector through research, development and the exploitation of new plant varieties (www.anove.es) ANOVE's mission is to represent the plant breeding sector in Spain by defending its interests and raising awareness of its activities, supporting innovation and the development of agriculture.



ANOVE pursues a form of agriculture that is innovative, competitive, and sustainable, which values and has full access to plant improvement, and thus contributes to food security and economic development.

Currently, ANOVE is made up of 55 entities and is structured in four areas of activity:

- **Cereals.**
- **Horticultural and ornamental crops.**
- **Fruit trees and berries.**
- **Corn, oilseeds and industrial crops.**

This stimulates discussion around the specific problems of each type of crop and the definition of strategies.

In 2020, several of the group's employees were actively involved in the association. Most notably:

Israel Roca, Director of Marketing and Sales in Europe for the Professional Vegetable business unit, joined the Board of Directors of Anove in 2019 while continuing to serve as chair of the vegetable seed section. His main functions have been setting the agenda of the annual meetings of this section and aligning the members with the decisions taken both by the Board of Directors of ANOVE and during meetings of the section itself.



Dolors Baget, Head of Regulatory Affairs of Semillas Fitó's Vegetable business unit, was part of the cross-departmental committee for regulatory affairs at ANOVE in 2020. Among other functions, she has actively participated in the annual meetings of the association, in the discussions regarding changes in seed legislation and in the proposals for optimizing processes and communication between all state bodies.



Jaume Bell-lloch, Director of Operations of the Field Crops business unit, he has participated in the meetings of the Maize, Oilseeds and Industrial Crops Section (SMOCI in Spanish) to discuss issues related to market dimension and seed processing.





Assosementi is an organization that represents the participating agents in the seed industry in Italy: producers of vegetable varieties, seed producers and seed distributors.

Assosementi's mission is to inform its member companies about regulatory measures and to moderate the debate on initiatives and issues in the sector. It periodically organizes meetings between its members and, at the same time, represents their views in discussions with the authorities.

In 2020, one Group employee actively participated in these meetings:

Massimo Peruzzo, Country Manager Italy, regularly participates in the association's meetings.



The Union Française des Semenciers brings together 135 companies involved in the selection, production and marketing of seeds for agriculture, gardens and landscapes. It is the principal point of contact for the seed industry in France, and comprises family businesses, cooperatives and subsidiaries of foreign seed companies.



In 2020, one Group employee regularly attended the association's events:

Charlène Aurignac, Large Crop Sales and Marketing Manager in France, represents Semillas Fitó within the Union. She attends the meetings that are organized on a regular basis.



Within Turktob, there is a sub-association called Tsuab: Union of Seed Industrialists and Producers. It is a public institution to which all companies that operate in some way in the seed sector must belong. Currently, there are 961 member companies of TSuab, including vertically integrated companies that are involved in all stages of the process, from the development of varieties to the distribution and sale of seeds, as well as companies that are only involved in certain stages of the process, such as production, supply or distribution.

In 2020, one company employee was actively involved in these associations:

Utku Ersoy, Area Manager of the Professional Seed area in Turkey, is an active member of the Tsuab working group leading the fight against fraud and illegal seed breeding. He meets regularly with other managers from other companies in the industry to monitor these issues.



AMSAC is a civil association which for 50 years has been promoting the production and use of improved seeds for planting and plant breeding research in Mexico. AMSAC is the national and international benchmark for everything concerning seeds for crops in Mexico.

With a voluntary membership of 70 national and international partner companies, which produce, research and market seeds, as well as service providers for the seed industry, this association represents 85% of the production and marketing of improved seeds.

AMSAC supports and informs members on handling the new regulations in the country related to imports, phytosanitary regulations, policies, etc. on the seed market and its environment.

In 2020, two group employees were involved in this association on a voluntary basis. Both participate regularly in the association's events:



Alejandro Lugo
Fitó Mexico Area Manager



Rogelio López
Fitó Mexico Logistics



FSII is the Seed Industry Federation of India. This association brings together the leading multinationals in the sector to promote the development of the Indian agricultural sector through exports, imports and rapid modernization. International companies operating in the country are involved in research on breeding applications and seed technology, which enables

farmers to adopt technology-driven agricultural solutions to improve agricultural productivity in a sustainable manner, minimizing pre-harvest and post-harvest losses. Semillas Fitó joined the FSII in 2020.

Enrique Roca, Director of Sales and Marketing for Southeast Asia, is the company's representative in the association.





ANPROS is the National Association of Seed Producers in Chile. Its mission is to contribute to the progress and development of Chilean agriculture, representing its members in all matters concerning the seed sector, nationally and internationally, and promoting the sustainability of its industry.

It is an entity made up of producers, distributors, retailers, researchers and other organizations related to the seed industry. It was founded in Santiago in December 1959 by a group of farmers registered in the Ministry of Agriculture's Registry of Certified Seeds.

In 2020, two Group employees were involved with this association. Both participate in the association's events on a regular basis:



Luis Vielma, Country Manager of Fitó Chile, actively participates in the different activities of the association as the legal representative of Semillas Fitó in Chile. One of the most important activities is attendance at conferences organized by this entity where issues related to seed exports and imports are discussed. It also maintains a close relationship and collaboration with the governmental entity SAG (Agricultural and Livestock Service).



Claudia Gaete, Farm Manager at the Arica production center, participates in the Arica and Parinacota committee. Together with other seed companies located in the area, this committee collaborates on issues related to the seed industry such as regulation, training, plant protection agents, biotechnology and corporate social responsibility to help favor all stakeholders.



Euroseeds, formerly known as ESA, is the representative of the European seed sector. It was founded in 2000 with the aim of being the voice of the European seed industry. It represents the interests of those associations, companies and institutions that are involved in the research, improvement, production and sale of agricultural, vegetable and ornamental plant seeds.

The mission of Euroseeds is to ensure a framework that guarantees the following three points:

- **Fair and proportionate seed legislation at the European level.**
- **Freedom of choice of seed supplier for the different customers (other seed companies, farmers and consumers).**
- **Effective protection of intellectual property rights related to plants and seeds.**

Anove, Assosementi, UFS and TSUAB are members of Euroseeds.

In 2020, several Group employees were involved with the association. Most notably:



Israel Roca, Semillas Fitó Director of Marketing and Sales in Europe for the Professional Vegetable business unit is an active member of the Working Group of Integrated Companies (WIC) of the Vegetable Seeds section. Its main focus of action is to defend the interests of companies that are engaged in the research, production and sale of seeds.

Eugenio González, Semillas Fitó Director of the Field Crops Unit, is also a member of the Euroseeds maize section, which analyses the issues faced by the European maize sector, in terms of regulations and plant protection agents among other things.



AIB is an international association that represents the main companies in the vegetable seed industry.

AIB's mission is to prevent and combat infringements of the intellectual property rights of its members.

Its member companies are committed to supporting sustainable horticulture through innovation in vegetable farming and seed production.



Eduard Fitó, Director of Corporate Affairs and Business Development at Semillas Fitó, is a member of the board of directors of AIB.

Presidency of the International Seed Federation

The International Seed Federation (ISF) is the most important seed sector association in the world and its annual congress is a key meeting point for the best seed companies around the world.

Eduard Fitó, PHF's Chairman and CEO of PHF, was the president of the association in 2020, representing seed producers - hundreds of family-owned companies, SMEs and several multinationals - based in 72 different countries with operations all over the world.



The ISF's key milestones in 2020 under Eduard Fitó's presidency are aligned with the association's two-pronged mission: to facilitate the movement of seeds through countries and to promote research.



On the one hand, a Systems Approach scheme has been defined which consists of reciprocal agreements between companies and countries to facilitate seed transit procedures and ensure rigor in the import and export of seeds following the established sanitary protocols. In the field of research, the focus has been on managing the planet's genetic resources and resolving the question of how to share the benefits derived from them. Finally, the association works to create alliances with other organizations and sectors that share its vision of feeding the world in a sustainable way, such as farmers' associations and international bodies like the FAO, among others.

In addition to Eduard Fitó, there are other employees who are involved with this association. Mainly, Eugenio González, Semillas Fitó's Director of Fields Crops, represents Spain in the field crops section (wheat, maize, sunflower, soybeans, and rapeseed, among others). This involves several meetings a year to discuss issues related to the legislation of seeds worldwide and the transportation of goods.

Improving golf courses with AECG

In July 2020, Semillas Fitó signed a collaboration agreement with the Spanish Association of Golf Courses (AECG) to help build better golf courses.

Claudia Hernández, President of the Spanish Association of Golf Courses, and Josep Cirera, Director of Turfgrass at **Semillas Fitó**, signed the two-year agreement which converts Semillas Fitó into one of AECG's most important partners in this area, with the aim of helping to strengthen the golf sector in Spain.



As Josep Cirera stated, "We believe the association does admirable work in defense of such a strategic sector in Spain as tourism in general, and golf-related tourism and sport in particular".



For her part, Claudia Hernández stressed that, "this agreement emphasizes our commitment to defending the business interests of Spanish golf and even more so in these tough times. Agreements like this one demonstrate the unity and collaboration within the sector, and we are convinced that it is the only way to emerge from this crisis".

With this new agreement, Semillas Fitó hopes to continue using its knowledge and experience to help build better and, above all, more sustainable golf courses.

AGRI-FOOD INNOVATION PROJECTS



Innovation is one of the pillars of Semillas Fitó's growth strategy. More than 20% of the company's annual turnover and 39% of its global workforce are dedicated to R&D+i.

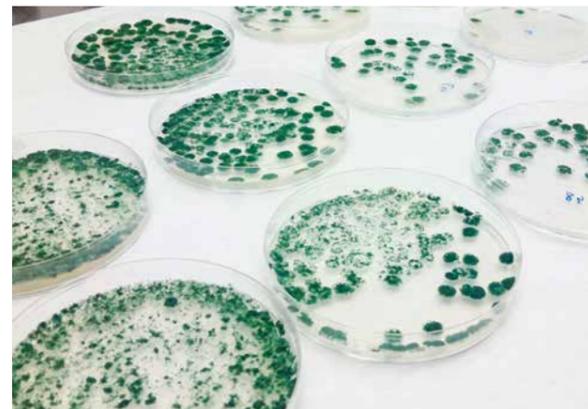
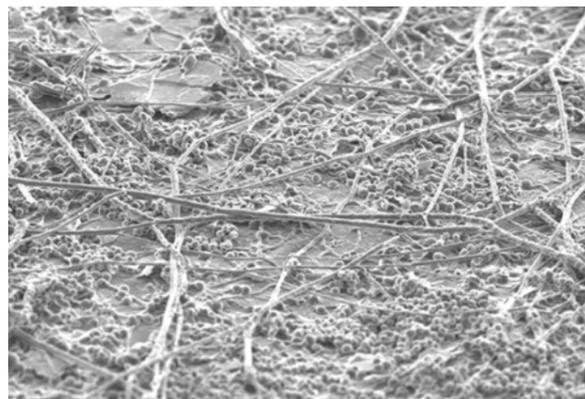
The main agri-food innovation projects developed in 2020 are detailed below:



Application of Trichoderma to maize seeds to control drought stress

The Seed Technology team at Semillas Fitó, in collaboration with the research team led by Dr. Maria Isabel Trillas (University of Barcelona), within the framework of the Industrial Doctorates program sponsored by the Generalitat de Catalunya, **has demonstrated the benefits of a biological seed treatment based on Trichoderma asperellum strain T34 in maize under conditions of severe drought stress.**

In the study, a conventional seed treatment based on chemical fungicide and a combination of the two were tested on the seeds. Plants with strain T34 in the roots achieved significantly higher dry weights and number of grains in the ear at the end of the trial. In addition, final carbon and phosphorus content was increased. Under drought stress conditions, when the gas exchange on the leaf's surface was measured, it was observed that relative water content and efficiency, as well as photosynthesis were better in plants with T34.



The results of this research therefore demonstrate that:

- A seed treatment with a biological phytosanitary agent (T34) can improve plant physiology under both normal irrigation conditions and severe drought stress in maize (*Zea mays*).
- Combined seed treatments (biological phytosanitary and chemical fungicide) can be applied to the same seed (and remain viable two years after treatment according to results published at the MICROPE international congress held in Vienna, Austria, in 2018).

The conclusions of this research have been published in the international journal PLANTA, one of the most prestigious in the world in its field, and are ranked in the top quartile in terms of scientific impact on plant biology.

Inoculation of tomato seedlings with mycorrhiza for irrigation efficiency



Semillas Fitó is part of a group that in 2020 completed the project titled "Irrigation Management and Mycorrhization in Agricultural Crops" (Order ARP258/2015), subsidized by EAFRD funds through the Generalitat de Catalunya. This work was developed in collaboration with the horticultural sector producer Maresme S.XX1, the agronomic consulting firm Arrau, the research group of Dr. María Cinta Calvet who heads the IRTA-Cabrils Sustainable Plant Protection Program.

The aim of the project was to optimize irrigation management in tomato crops by inoculation with mycorrhiza. **This technology, which could be extrapolated to other crops in the future, favor the sustainability of farming operations by reducing the amount of water required.**

The results of the research have shown that tomato seed inoculation was effective as a seed treatment, with levels similar to those achieved using more traditional application routes. Moreover, as a consequence of mycorrhization increased yields were observed under both optimum and reduced irrigation conditions.

Semillas Fitó and Cocina de Ideas renew their partnership for the development of food quality studies and market trends



A variety of programs have been carried out under this partnership, primarily focused on analyzing different varieties of sweet corn for the grain industry and different pepper varieties for open field and mechanical harvesting, as well as Semillas Fitó's specialty tomatoes.

The purpose of the agreement between Semillas Fitó and Cocina de Ideas is to conduct different types of studies: on the suitability of the horticultural varieties of Semillas Fitó for different industrial processes (freezing, canning, etc.); evaluation of industrial crop yields; quality assessment; post-harvest studies; changes in quality over the product's shelf life; consumer perception studies to learn about their preferences and demands; studies with producers, customers

and consumers (group dynamics) to ascertain consumer preferences and in so doing boost acceptance of the product; and studies of the strategies that add value all along the food chain, etc.

By renewing their agreement, the parties intend to expand the fields of collaboration between Semillas Fitó and Cocina de Ideas to encompass new product segments, continuing with their studies of corn and peppers and expanding into other areas of interest to the company.

Cocina de Ideas is based in Pradera de Navalhorno, in the town of La Granja de San Ildefonso (Segovia), inside the Sierra de Guadarrama National Park.

Protocol for obtaining doubled haploid lines in cucurbits



Semillas Fitó participates in an innovation project in cell biology under the name of New Technological Tool for the Development of Doubled Haploid Lines in Cucurbitaceae, which aims to develop a protocol for obtaining doubled haploid lines in cucurbits **in order to accelerate the process of obtaining new varieties.**

Doubled haploids are genetically fixed plants that are generated from a gametic cell, such as a microspore or an ovule. The ability to produce doubled haploids is a valuable tool for breeding programs, since the time needed to obtain a genetically fixed line (a parental line) is reduced from 5-10 years to 1.5-2 years, which can then go directly into hybrid trials. At the same time, it represents a source of variability that allows us to create new, innovative and successful varieties.

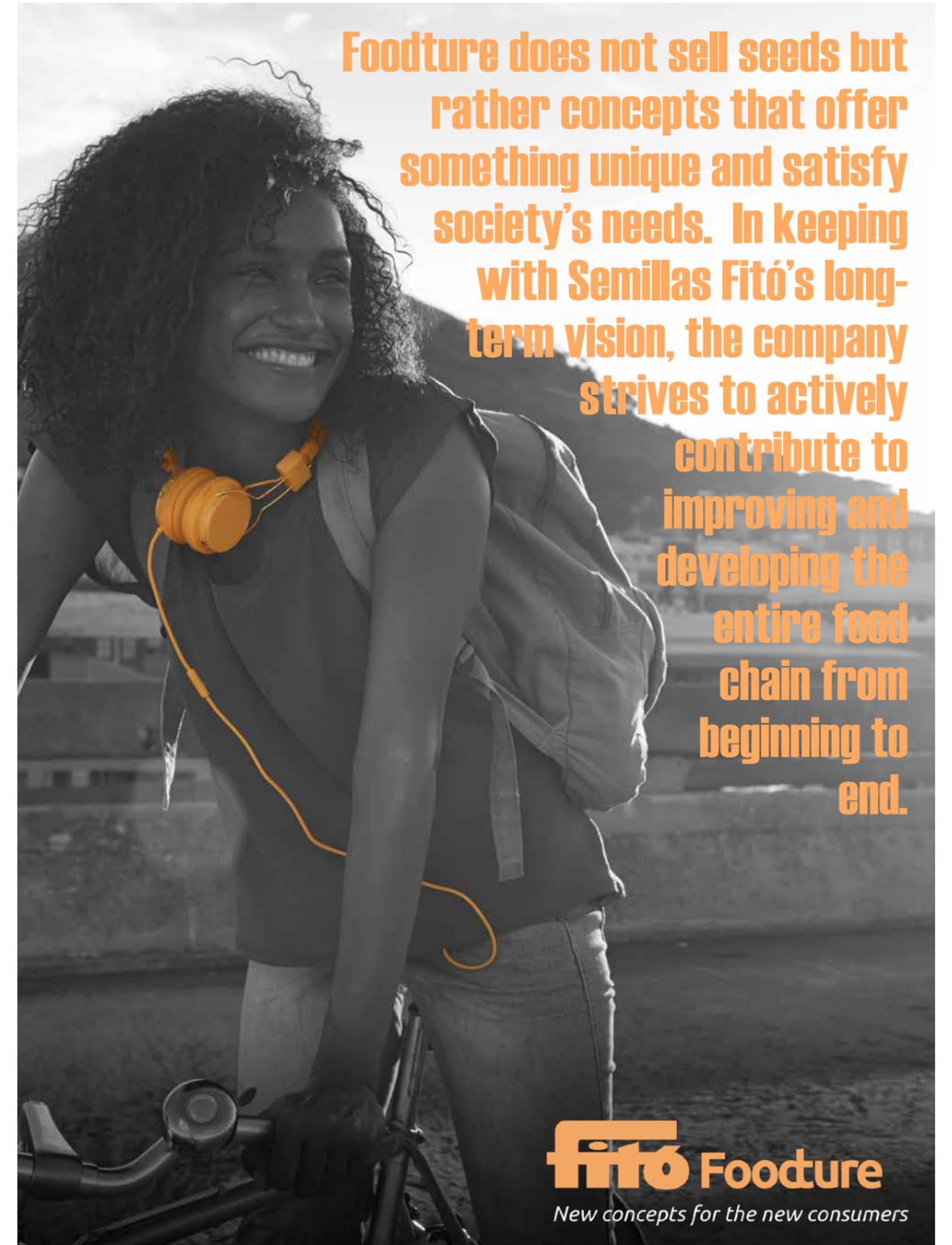
The project will be conducted over a three-year period with a grant of €125,000 - the maximum grant amount - out of a total project budget of €319,010.26. The grant was awarded as part of the "Nuclis d'innovació" initiative managed by ACCIÓ of the Generalitat de Catalunya, funded by the European Regional Development Fund (FEDER) operating funds assigned to Catalonia for the 2014-2020 period.

The development of a doubled haploid protocol is complex due to the multiple factors that influence the response of gametic cells and the induction of embryogenic regeneration. Many experimental trials are required before hitting upon the specific conditions for an efficient and robust protocol for routine production, considering that the protocols for each species are different. This grant will be of great assistance to Semillas Fitó in continuing this line of research in order to expedite the process of obtaining new varieties.



New launches of Fitó Foodture

Fitó Foodture is an initiative of Semillas Fitó that encompasses actions, projects and concepts that aim to anticipate consumers' future needs.



Foodture does not sell seeds but rather concepts that offer something unique and satisfy society's needs. In keeping with Semillas Fitó's long-term vision, the company strives to actively contribute to improving and developing the entire food chain from beginning to end.

fitó Foodture
New concepts for the new consumers

The new Foodture concepts launched in 2020 include the Waikiki melon, Crü zucchini and Nippo tomato.



Waikiki is an exotic melon with a sweet and juicy taste. Its white outer skin contrasts with its deep orange flesh. With Waikiki we have achieved a unique melon, small in size, surprising both inside and out, with a good flavor appropriate postharvest handling.



There is currently no other variety like Waikiki on the market. Its unique and attractive appearance both inside and out make it iconic and recognizable, and sets it apart from any other fruit.

In addition, the fresh and fun Waikiki brand transports the consumer to an endless exotic summer of white sandy beaches, crystal clear waters and plenty of surf. It wouldn't be summer without Waikiki, and now it can last all year long.



CRÜ is a new zucchini which is ideal for eating raw.

CRÜ is easily recognized by its striped skin and attractive green color, as well as its mild flavor with no bitterness. Hardy, with a long post-harvest, CRÜ maintains its fresh appearance longer than other zucchini, thus appealing to today's consumers who are becoming more health conscious as they strive to achieve the ideal of a happy, healthy and balanced lifestyle.

CRÜ is loved by raw food vegetarians, flexitarians and vegans, as it is perfect for preparing fresh and healthy recipes. When consumed raw, its properties remain intact and all of the vitamins, nutrients and enzymatic activity are better utilized. A raw zucchini provides 65% more vitamin C than a cooked zucchini. Raw is not the same.



Nippo is a melting tomato concept that has never existed before.

This is a completely new tomato with an exceptional flavor and texture. Nippo is cherry-shaped and particularly pleasing in appearance and texture, with a very thin, shiny skin and a soft flesh that explodes in the mouth and leaves a juicy, intense fruity, very sweet and umami flavor.

Nippo offers complete sensory experience for the consumer and is being recommended by some of today's top chefs. Ferran Adrià states that "with Nippo I have discovered the pleasure of eating a tomato with an almost invisible skin, melting texture and a sweet taste that is both intense and deep".



SUPPORT FOR SOCIAL ORGANIZATIONS



Pere Tarrés Foundation



Semillas Fitó has been collaborating with the Pere Tarrés Foundation on different projects for several years.

In 2020, the company worked on different campaigns to collect educational games, food and other items for vulnerable children in the Poblenou neighborhood of Barcelona, where our headquarters are located.



Food Bank



At the Semillas Fitó production center, the fruit that is still in good condition after seed extraction is donated to the Food Bank to reduce food waste.

In 2020, the company donated 6 tons of tomatoes, 32 kg of zucchini, 30 kg of cucumber, 19 kg of eggplant and 7 kg of bell pepper.

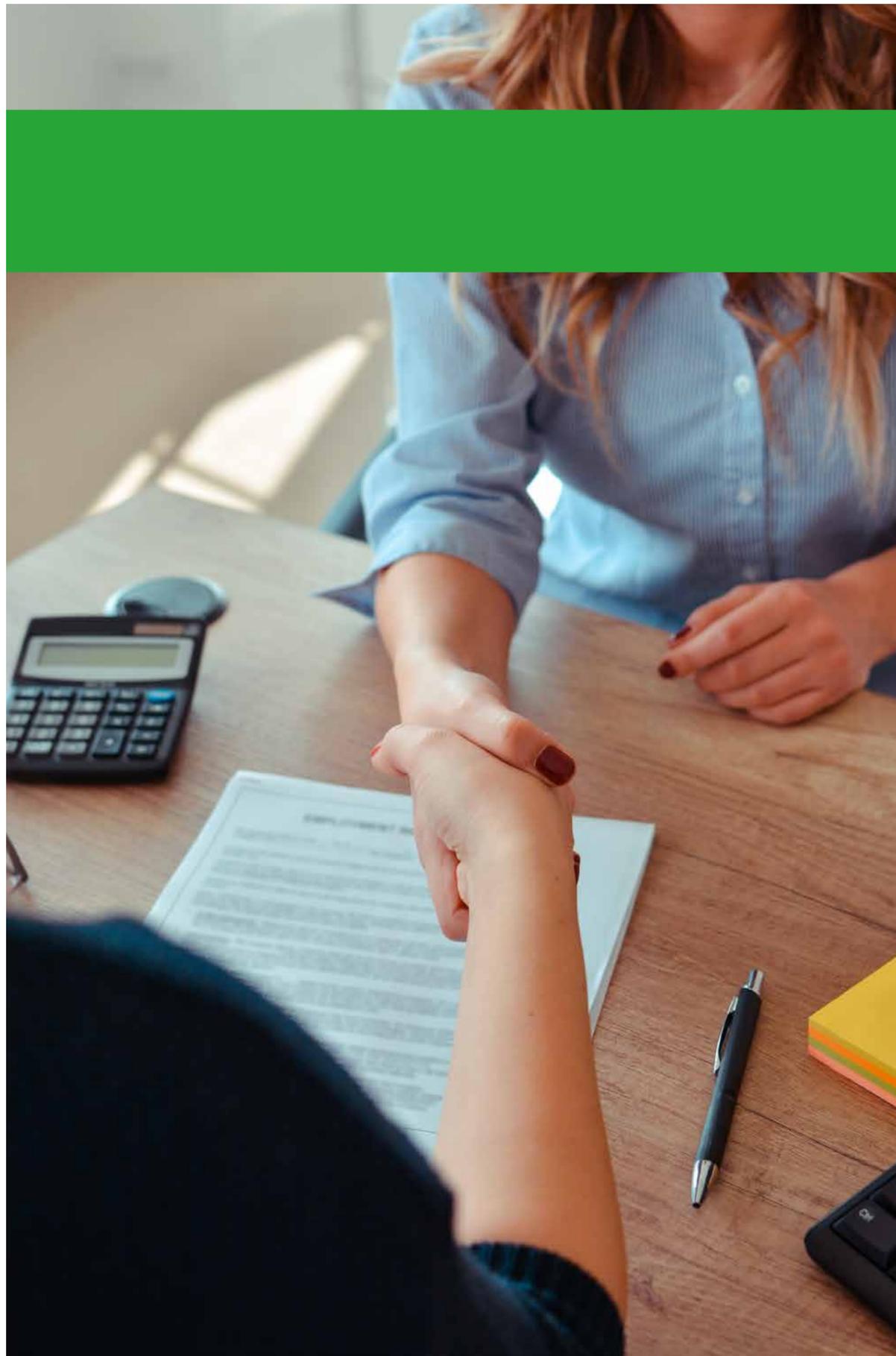


Koris Agri NGO



Semillas Fitó collaborated with the NGO, Koris Agri, to create a women's agricultural cooperative in Bajakunda (Gambia). Bell pepper, tomato and zucchini seeds were donated to plant a 2,000 m² plot of land.





HUMAN RIGHTS AND ANTI-CORRUPTION POLICIES



For the PHF Group, respect for human rights and compliance with the law, from both a regulatory and ethical standpoint, is fundamental.

In this regard, work began in 2020 on a Compliance Policy that regulates and promotes respect for the company's values, mission and commitment to its stakeholders through a code of ethics that represents the main ethical foundation upon which the organization operates.

This policy is also supported by a series of recommendations based on the detection of potential risks arising from its operations (risk map), as well as the creation of a whistleblower hotline. The whistleblower hotline was created as a channel of communication for reporting to the company any potential or real irregularities involving any member of the organization or any department in the course of their business activities.

Anyone who interacts directly or indirectly with the company, whether internally or externally, may direct their inquiries or concerns to the company by completing an online form or sending an e-mail to the bodies responsible for overseeing compliance with the policy.

The internal body responsible for the supervision of this regulatory policy and its compliance is the Ethics Committee, whose members include the Director of Operations, the CFO and the Compliance Officer. The Committee issues a report to the Board of Directors, on the basis of which the Board makes a decision on the actions to be taken.

5 APPENDICES



GRI TABLE OF CONTENTS AND REQUIREMENTS OF LAW 11/2018 92

The 2020 annual report of Grupo PHF, S.L. and Semillas Fitó S.A, was prepared with the requirements of Law 11/2018 of 28 December 2018 in mind, which amended the Commercial Code 28 vis-a-vis non-financial and diversity reporting. Under that law, companies are required to report non-financial information in keeping with an official domestic or international reporting framework. As mentioned on several occasions throughout this report, management has considered the GRI (Global Reporting Initiative) indicators, the Sustainable Development Goals and the Global Compact Principles as a methodological reference framework. The table below shows the GRI indicators addressed at some point in the report and matches them with the requirements of Law 11/2018. To make it easier to search, the table also shows where each one is discussed in the report (page number).

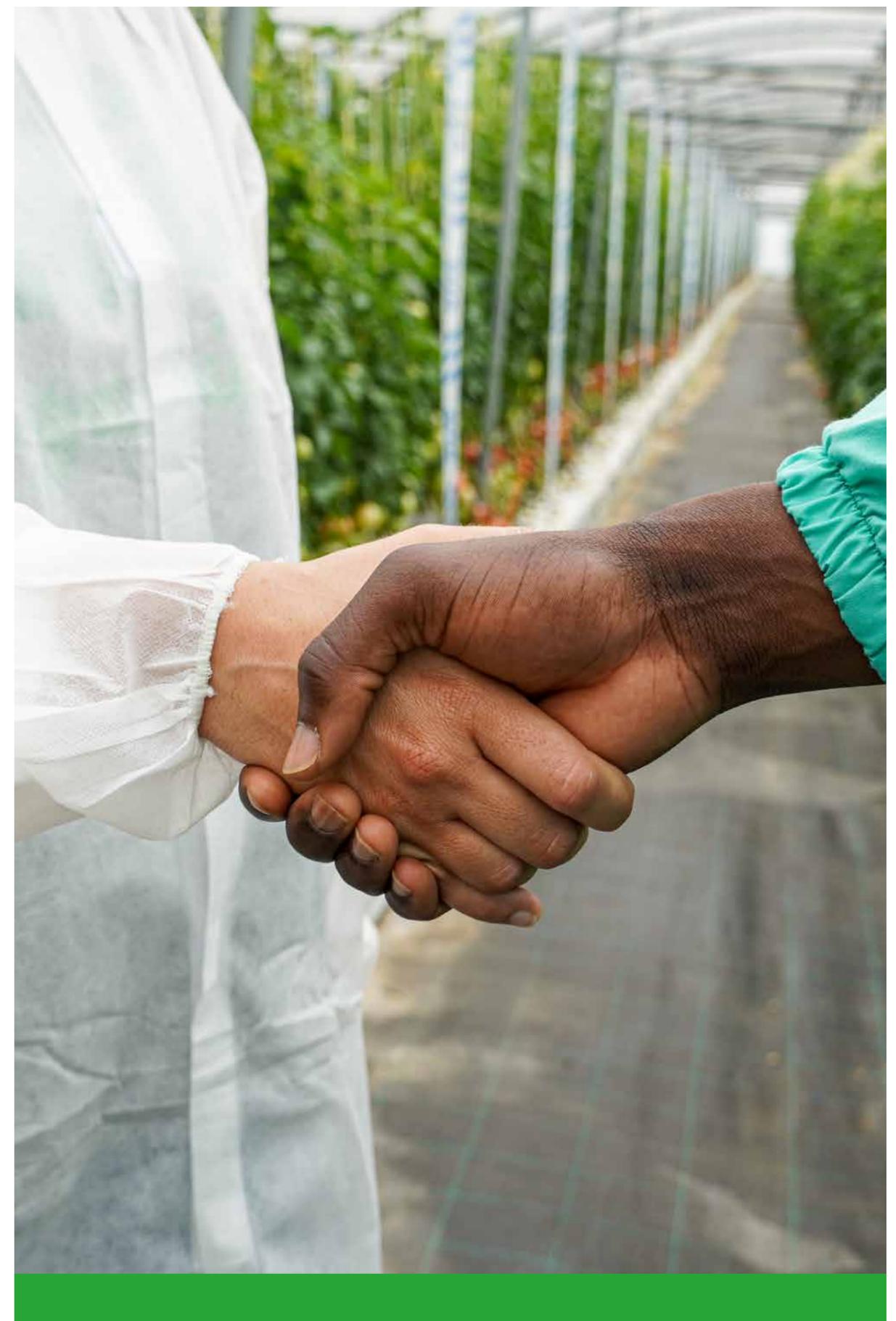
GRI indicator and description			Contents of Law 11/2018	Section of "2020 Annual Report"	Pages	Related GDS
GENERAL TOPICS: 1. About this report · 2. About the company · 3. Contribution to SDGs · 5. Appendices						
GRI 101: Foundations 2016			Methodology: Use of official frameworks	1. About this report	4-7	
GRI 102 General contents	102-1. Name of organization		Brief description of the group's business model	2. About the company	8-23	SDG 2 SDG 4 SDG 8 SDG 9 SDG 10 SDG 12
	102-2 Activities, brands, products and services		Brief description of the group's business model	2. About Company	8-23	
	102-3 Location of headquarters		Brief description of the group's business model	2. About Company	8-23	
	102-4 Location of operations		Brief description of the group's business model	2. About Company	8-23	
	102-5 Ownership and legal form		Brief description of the group's business model	2. About Company	8-23	
	102-6 Markets served		Brief description of the group's business model	2. About Company	8-23	
	102-7 Scale of the organization		Brief description of the group's business model	2. About Company	8-23	
	102-8 Information on employees and other workers		Employment: Number and breakdown	2. About Company	8-23	
	102-13 Membership in associations		Information on the company	2. About the company	8-23	
	102-16 Values, principles, standards and		Brief description of the group's business model	2. About the company	8-23	
	102-18 Governance structure		Brief description of the group's business model	2. About Company	8-23	
	102-46 Defining report content and topic boundaries		Methodology Use of official frameworks	1. About this report	8-23	
	102-50 Reporting period		Methodology Use of official frameworks	1. About this report	8-23	
	102-51 Date of most recent report		Methodology Use of official frameworks	1. About this report	8-23	
	102-52 Reporting cycle		Methodology Use of official frameworks	1. About this report	8-23	
	102-53 Contact point for questions regarding the report		Methodology Use of official frameworks	1. About this report	8-23	
102-54 Claims of reporting in accordance with GRI standards		Methodology Use of official frameworks	3. Contribution to the Sustainable Development Goals and GRI	24-31		
102-55 GRI content index		Methodology Use of official frameworks	5. Appendices	90-101		
102-56 External assurance		Third party verification	5. Appendices	90-101		
SOCIAL TOPICS: 4. 2020: Staff and commitment to society						
GRI 401 - Employment	New hires and employee turnover		Employment: Number and breakdown	4. Employment: 2020 key figures	38-43	SDG 5 SDG 10
	401-3 Parental leave		Employment: Organization of work	4. Employment: 2020 key figures	38-43	
GRI 404 - Training and education	404-1: Average hours of training per year per employee		Employment: Training	4. Employment: 2020 key figures	38-43	
	404-2 Programs for upgrading employee skills		Employment: Training	4. Employment: 2020 key figures	38-43	
GRI 405 - Diversity and equal opportunities	405-1 Diversity of governance bodies and employees		Employment: Equality	4. Employment: 2020 key figures	38-43	
GRI 406 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken		Employment: Equality	4. Employment: 2020 key figures	38-43	
GRI 407 Freedom of association and collective bargaining			Employment: Equality	4. Employment: 2020 key figures	38-43	
GRI 409 - Forced labor			Employment: Equality	4. Employment: 2020 key figures	38-43	
GRI 402 - Labor relations			Employment: Health and safety	4. Organization of work and accessibility	44-45	SDG 16
GRI 403 - Occupational health and safety	403-1: Workers representation on joint management-labor health and safety committees		Employment: Health and Safety	4. Organization of work and accessibility	44-45	
	403-2 Identification of hazards and workplace accidents		Employment: Health and Safety	4. Organization of work and accessibility	44-45	
GRI 402 - Labor relations			Employment: Health and Safety	4. Health and Safety	46-47	
GRI 403 - Occupational health and safety	403-1: Workers representation on joint management-labor health and safety committees		Employment: Health and Safety	4. Health and Safety	46-47	
	403-2 Identification of hazards and workplace accidents		Employment: Health and Safety	4. Health and Safety	46-47	

GRI Indicator and description			Contents of Law 11/2018	“2020 Annual Report” Section	Page	Related GDS
SOCIAL TOPICS: 4.2020: Staff and commitment to society						
GRI 404 - Training and education	404-1: Average hours of training per year per employee		Employment: Training	4. Training	48-50	SDG 4
	404-2 Programs for upgrading employee skills		Employment: Training	4. Training	48-50	
GRI 401 - Employment	New hires and employee turnover		Employment: Number and breakdown	4. New hires - promotions	51	SDG 4; SDG 16
GRI 402 - Labor relations			Employment: Health and Safety	4. Management of the corona virus pandemic	66	SDG 8 ODS 12
GRI 403 - Occupational health and safety	403-1: Workers representation on joint management-labor health and safety committees		Employment: Health and Safety	4. Management of the corona virus pandemic	66	
	403-2 Identification of hazards and workplace accidents		Employment: Health and Safety	4. Management of the corona virus pandemic	66	
GRI 413 - Local communities	413-1 Operations with local community engagement		Information on the Company	4. Promoting healthy eating habits	68-69	SDG 1; SDG 4; SDG 12
GRI 413 - Local communities	413-1 Operations with local community engagement		Information on the Company	4. Seed pedagogy	70-71	SDG 4 ODS 12
GRI 404 - Training and education	404-1: Average hours of training per year per employee		Information on the Company	4. Seed pedagogy	70-71	
	404-2 Programs for upgrading employee skills		Information on the Company	4. Seed pedagogy,	70-71	
GRI 413 Local communities 2016	413-1 Operations with local community engagement		Information on the Company	4. Seed pedagogy,	70-71	SDG 6 SDG 9 ODS 12
GRI 407 Freedom of association and collective bargaining			Information on the Company	4. Commitment to the agri-food sector	72-79	
GRI 412 Human rights assessment	412-1 Operations subject to human rights reviews or impact assessments		Information on respect for human rights	4. Commitment to the agri-food sector	72-79	
GRI 413 Local communities 2016	413-1 Operations with local community engagement		Information on the Company	4. Commitment to the agri-food sector	72-79	
GRI 414 Supplier social assessment			Information on the Company	4. Commitment to the agri-food sector	72-79	
GRI 416 Customer health and safety			Information on the Company	4. Commitment to the agri-food sector	72-79	
GRI 417 - Marketing and labeling			Information on the Company	4. Commitment to the agri-food sector	72-79	
GRI 418 - Customer privacy			Information on the Company	4. Commitment to the agri-food sector	72-79	
GRI 419: Socioeconomic compliance			Information on the Company	4. Commitment to the agri-food sector	72-79	
GRI 401 - Employment	New hires and employee turnover		Employment: Number and breakdown	4. Agri-food innovation projects	80-85	
GRI 404 - Training and education	404-1: Average hours of training per year per employee		Employment: Training	4. Agri-food innovation projects	80-85	SDG 8 SDG 9 ODS 12
	404-2 Programs for upgrading employee skills		Employment: Training	4. Agri-food innovation projects	80-85	
GRI 412 Human rights assessment	412-1 Operations subject to human rights reviews or impact assessments		Information on respect for human rights	4. Support for social organizations	86-87	SDG 2; SDG 4; SDG 8; SDG 10; SDG 16
GRI 413 Local communities 2016	413-1 Operations with local community engagement		Information on the Company	4. Support for social organizations	86-87	
ENVIRONMENTAL TOPICS: 4. 2020: The Environment						
GRI 102 General contents	102-13 Membership in associations		Pollution and climate change	4. EST certification	54-55	SDG 12 SDG 15
	102-16 Values, principles and standards of conduct		Pollution and climate change	4. EST certification	54-55	
GRI 304 - Biodiversity	304-2 Significant impacts of activities, products and services on biodiversity		Pollution and climate change	4. EST certification	54-55	SDG 9; SDG 12; SDG 15
GRI 307 - Environmental compliance	Non-compliance with environmental laws and regulations		Pollution and climate change	4. EST certification	54-55	
GRI 304 - Biodiversity	304-2 Significant impacts of activities, products and services on biodiversity		Pollution and climate change	4. Pest reduction and use of pesticides	56-57	SDG 12 SDG 13
GRI 306 - Waste	306-2 Waste by type and disposal method		The circular economy and waste management and prevention	4. Waste	58-59	
GRI 308 - Supplier environmental assessment	308-1 Percentage of new suppliers screened using environmental criteria		The circular economy and waste management and prevention	4. Waste	58-59	SDG 6; SDG 9; SDG 12
GRI 303 - Water	303-3 Recycled and reused water		Sustainable use of resources	4. Water usage	60	
	303-5 Water consumption		Sustainable use of resources	4. Water usage	60	
GRI 302 - Energy	302-4 Reduction of energy consumption		Sustainable use of resources	4. Energy efficiency	61-62	SDG 7
GRI 305 - Emissions	305-5 GHG emissions reduction		Pollution and climate change	4. Energy efficiency	61-62.	
GRI 306 - Waste	308-1 Percentage of new suppliers screened using environmental criteria		The circular economy and waste management and prevention	4. Small actions, big changes	63	SDG 13
ECONOMIC TOPICS: 4.2020: Human rights and anti-corruption policies						
GRI-205 Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures		Information on the fight against corruption and bribery	4. Human rights and anti-corruption policies	88-89	SDG 16
	205-3 Confirmed incidents of corruption and actions taken			4. Human rights and anti-corruption policies	88-89	

PRINCIPLES OF THE GLOBAL COMPACT

In addition to the SDGs, this reports discusses some of the **10 Global Compact principles**. The 10 principles are listed below, with an indication of where they are specifically mentioned in the report.

HUMAN RIGHTS		
Principle 1	Companies must support and respect the protection of fundamental human rights, recognized internationally, within their sphere of influence.	See «Information on human rights matters» (pages 26-31 and 36-51)
Principle 2	Businesses must make sure they are not complicit in human rights abuses.	
LABOR STANDARDS		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	See «Information on workforce-related matters» (pages 36-51)
Principle 4	Businesses should support the elimination of all forms of forced or compulsory labor.	
Principle 5	Businesses should support the abolition of child labor.	
Principle 6	Businesses should support the elimination of discrimination in respect of employment and occupation.	
THE ENVIRONMENT		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	See «Information on environmental issues» (pages 52-53)
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	
ANTI-CORRUPTION		
Principle 10	Business should work against corruption in all its forms, including extortion and bribery.	See «Information fighting corruption and bribery» (pages 88-89)



VERIFICATION

LETTER FROM SHAREHOLDERS

**"CARTA MANIFESTACIONES"
EN RELACIÓN AL
INFORME DE INFORMACIÓN NO FINANCIERA**

Sr./es. DPMC, S.L.
Ronda General Mitre, 145 – 1º2º
08022 Barcelona
España.

Barcelona, 15 de marzo de 2021

En relación con el examen que están realizando de las Cuentas Anuales de esta Entidad, correspondientes al ejercicio terminado el 31 de diciembre de 2020, por la presente les manifestamos que, según nuestro leal saber y entender:

1. Los miembros del Consejo de Administración, de la PHF, S.A. somos los responsables de la formulación de las Cuentas Anuales en la forma y los plazos establecidos en la normativa vigente.
2. Las Cuentas Anuales han sido obtenidas de los registros de contabilidad de PHF, S.A., las cuales reflejan la totalidad de sus transacciones y de sus activos y pasivos, mostrando la imagen fiel de su situación financiero-patrimonial al 31 de Diciembre de 2020, así como el resultado de sus operaciones y los cambios habidos en su situación financiera durante el ejercicio 2020 de conformidad con los principios y normas contables generalmente aceptados, aplicados uniformemente.
3. No tenemos conocimiento de incumplimientos o posibles incumplimientos de la normativa legal de aplicación a la Sociedad, cuyos efectos deban ser considerados en las cuentas anuales o puedan servir de base para contabilizar pérdidas o estimar contingencias.
4. No tenemos conocimiento de la existencia de errores e irregularidades significativas que afecten a las cuentas anuales, así como de la existencia de ninguna irregularidad que haya afectado al control interno, ni de situaciones de este tipo que hubiera estado implicada la Dirección de la entidad.
5. Los únicos compromisos, contingencias y responsabilidades a la fecha de cierre son los reflejados en las Cuentas Anuales.
6. PHF, S.A. no tenía, ni tiene en proyecto, ninguna decisión que pudiera alterar significativamente el valor contabilizado de los elementos de activo y de pasivo, que tengan un efecto en el patrimonio, y en la información no financiera revelada en las Cuentas Anuales.
7. Entre el día de la formulación de las Cuentas Anuales y la fecha de esta carta, no ha ocurrido ningún hecho, ni se ha puesto de manifiesto ningún aspecto que pudiera afectar, significativamente, a las Cuentas Anuales y que no esté reflejado en las mismas.
8. La Entidad no tenía, ni tiene en este momento pasivos contingentes en curso, de los que pudieran derivarse pagos por penalizaciones de importancia, al amparo de la legislación vigente, que no estén ya reflejadas en las cuentas anuales.

9. La Sociedad no tiene compromisos por prestaciones laborales similares de los que puedan derivarse obligaciones futuras, adicionales a las indicadas en las Cuentas Anuales.
10. La Sociedad ha llevado a cabo todas sus operaciones con terceros de una forma independiente realizando sus operaciones en condiciones normales de mercado y en libre competencia.
11. Cuando fuera aplicable, el informe de gestión contiene toda la información requerida por la legislación vigente.



Sra: Elisabet Fitó i Baucells

Directora Ejecutiva PHF Holding



INDEPENDENT VERIFICATION REPORT



Dirección por Misiones, S.L.
Ronda General Mitre, 145 – 2ª1ª
08022 Barcelona

Informe de Verificación Independiente del Estado de Información No Financiera Consolidado de Productos Hortícolas Fitó, S.L. y sociedades dependientes del ejercicio 2020

A los accionistas de Productos Hortícolas Fitó, S.L.:

De acuerdo al artículo 49 del Código de Comercio, hemos realizado la verificación, con el alcance de seguridad limitada, del Estado de Información No Financiera Consolidado (en adelante, el EINF) correspondiente al ejercicio anual finalizado el 31 de diciembre de 2020 de Productos Hortícolas Fitó, S.L. (en adelante, PHF) y sus sociedades dependientes (en adelante, Semillas Fitó), que forma parte del Informe de Gestión de 2020.

El contenido de Informe de Gestión incluye información adicional a la requerida por la normativa mercantil vigente en materia de información no financiera que no ha sido objeto de nuestro trabajo de verificación. En este sentido, nuestro trabajo se ha limitado exclusivamente a la verificación de la información contenida en la tabla "Vinculación Ley 11/2018 con GRI" incluida en el Informe de Gestión consolidado adjunto.

Responsabilidad de los Administradores

La formulación del EINF incluido en el Informe de Gestión Consolidado del Grupo, así como el contenido de este, es responsabilidad de los administradores de la Sociedad dominante. El EINF se ha preparado de acuerdo con los contenidos recogidos en la normativa mercantil vigente (Ley 11/2018 publicada en el BOE el 29 de Diciembre de 2018) y siguiendo los criterios de los *Sustainability Reporting Standards* de Global Reporting Initiative (estándares GRI) seleccionados de acuerdo a lo mencionado para cada materia en la tabla "Vinculación Ley 11/2018 con GRI" del citado Informe de Gestión, así como los objetivos de desarrollo sostenible aprobados por la Organización de las Naciones Unidas en 2015..

Esta responsabilidad incluye asimismo el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material, debida a fraude o error. Los administradores de la Sociedad dominante son también responsables de definir, implantar, adaptar y mantener los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF.

Nuestra responsabilidad

Nuestra responsabilidad es expresar nuestras conclusiones en un informe de aseguramiento independiente de seguridad limitada basándonos en el trabajo realizado que se refiere exclusivamente al ejercicio 2020. Los datos correspondientes a ejercicios anteriores no estaban sujetos a la verificación prevista en la normativa mercantil vigente.

Hemos llevado a cabo nuestro trabajo de revisión de acuerdo con los requisitos establecidos en la Norma Internacional de Encargos de Aseguramiento 3000 Revisada en vigor, "Encargos de Aseguramiento distintos de la Auditoría y de la Revisión de Información Financiera Histórica" (ISAE 3000 Revisada) emitida por el Consejo de Normas Internacionales de Auditoría y Aseguramiento (IAASB) de la Federación Internacional de Contadores (IFAC) y con la Guía de Actuación sobre encargos de verificación del Estado de Información No Financiera emitida por el Instituto de Censores Jurados de Cuentas de España.

En un trabajo de aseguramiento limitado los procedimientos llevados a cabo varían en naturaleza y momento, y tienen una menor extensión, que los realizados en un trabajo de aseguramiento razonable y, por lo tanto, la seguridad proporcionada es también menor.

Los procedimientos que hemos realizados a efectos de este encargo se basan a nuestro juicio profesional y han consistido en la formulación de preguntas a la Dirección y los miembros que han participado en la elaboración del EINF, en la revisión



Dirección por Misiones, S.L.
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de los procesos para recopilar y validar la información presentada en el EINF y en la aplicación de ciertos procedimientos analíticos y pruebas de revisión por muestreo que se describen a continuación:

- Reuniones con el personal de la Sociedad dominante para conocer el modelo de negocio, las políticas y los enfoques de gestión aplicados, los principales riesgos relacionados con esas cuestiones y obtener la información necesaria para la revisión externa.
- Análisis del alcance, relevancia e integridad de los contenidos incluidos en el EINF del ejercicio 2020 en función del análisis realizado por PHF, S.L. y descrito en el capítulo "Contribución a los objetivos de Desarrollo Sostenible (ODS)", considerando los contenidos requeridos en la normativa mercantil en vigor.
- Análisis de los procesos para recopilar y validar los datos presentados en el EINF del ejercicio 2020.
- Revisión de la información relativa a los riesgos, las políticas y los enfoques de gestión aplicados en relación con los aspectos materiales presentados en el EINF del ejercicio 2020.
- Comprobación, mediante pruebas, en base a la selección de muestras, de la información relativa a los contenidos incluidos en el EINF del ejercicio 2020 y su adecuada compilación a partir de los datos suministrados por las fuentes de información.
- Obtención de una carta de manifestaciones de los Administradores y la Dirección.

Conclusión

Basándonos en los procedimientos realizados y en las evidencias que hemos obtenido, no se ha puesto de manifiesto aspecto adicional alguno que nos haga creer que el EINF de PHF, S.L. correspondiente al ejercicio anual 2020, no ha sido preparado, en todos sus aspectos significativos, de acuerdo con los contenidos recogidos en la normativa mercantil vigente y siguiendo los contenidos de los estándares GRI seleccionados, de acuerdo a lo mencionado para cada materia en las "referencias bibliográficas" del citado Informe de Gestión consolidado.

Uso y distribución

Este informe ha sido preparado en respuesta al requerimiento establecido en la normativa mercantil vigente en España, por lo que podría no ser adecuado para otros propósitos y jurisdicciones. El presente informe en ningún caso puede entenderse como un informe de auditoría en los términos previstos en la normativa reguladora de auditoría vigente en España.

DPMC – Dirección por Misiones, S.L.
Nuno Santos Pitta
30 de marzo de 2021



