

# ANNUAL REPORT

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# 2019

Non-Financial Information Statement



**PHF**  
Holding

**fito**  
*Your seeds*



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# NUESTRAS PERSONAS Y NUESTRAS POLÍTICAS

## GRUPO HUMANO

Un aspecto fundamental de la empresa es el equipo humano que la conforma. Gracias a la apuesta por la internacionalización con filiales en 2007 y 2009 (a final se abrió en 2007 en el crecimiento orgánico de la empresa) el personal ha ido ganando en diversidad formativa, de género y de edad.

Además, a lo largo de las siguientes páginas, se hace hincapié en las aportaciones de los accionistas desarrolladas durante el año 2019. Especialmente, en esta parte social vinculada al personal, se hace hincapié en los ODS.

A continuación, se comparten los datos de desarrollo de la plantilla durante este año, haciendo hincapié en los hechos diferenciales con respecto otras empresas y, sobre todo, de aquellos valores que presentan un cambio respecto los valores reportados el año 2018.

## EMPLEO: P

## CIFRAS 2019

Este año 2019, el Grupo DNE cierra a 31 de diciembre con una plantilla de personal de 660 personas, en su mayoría de un negocio agrícola estacional, en la que se emplea personal a lo largo del año según las temporadas, media contratado durante el ejercicio laboral. Prácticamente igual que en 2018 (Promedio 2018: 771 empleados).

"Más del 70% de la plantilla está en la unidad de negocio de horticola profesional, actividad principal del grupo."



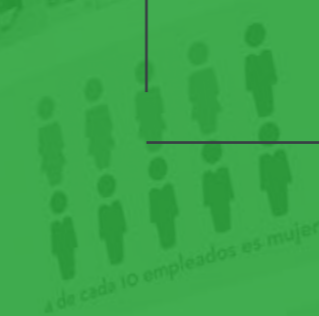
La diversidad geográfica y cultural sigue aumentando. En el año 2019, un 30% de la plantilla reside fuera de España, esta proporción ha crecido un 40% con respecto al año 2018, cerrando el año 2019 con un 40% de la plantilla residente fuera de España.

"A cierre de 2019, un 40% de la plantilla reside fuera de España, trabajando para alguna de las 10 filiales del grupo, 7 de las cuales están fuera de la UE".



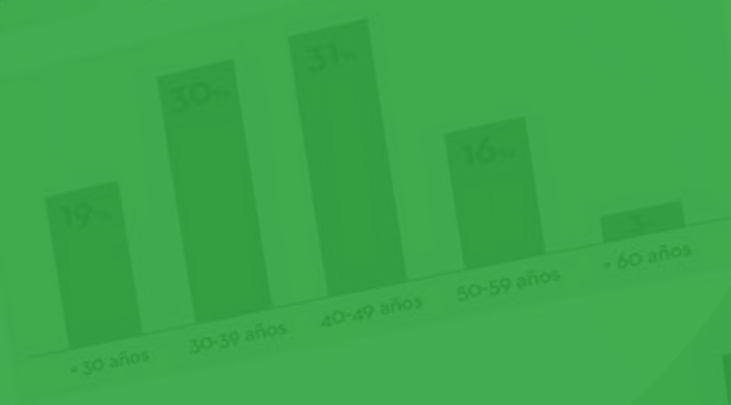
En cuanto a las edades del personal, la configuración es la que muestra el gráfico, donde más de un 30% se encuentra representado en los dos tramos centrales de 30 a 49 años y un 17% está formado por jóvenes por debajo de los 30 años.

"Más del 60% de la plantilla se encuentra entre los 30 y 49 años".



En cuanto a diversidad de género, paulatinamente el peso de mujeres en la empresa va aumentando. Si bien en el año 2018, se reportaba una proporción del 35%, a cierre del 2019, ya había subido al 40%.

"Con el incremento de la diversidad de género en la plantilla, cada vez estamos más cerca de la igualdad en la plantilla."



# ABOUT THIS REPORT

The purpose of this report is to clearly and visually present in a single document all the social and environmental actions that **Grupo Productos Hortícolas Fitó S.L.** (hereinafter PHF) has carried out during 2019.

This report is aimed at complying with **Law 11/2018 on Non-Financial Information and Diversity (LINF)**, which was definitively 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 workers to disclose the actions they have carried out in the current year regarding five issues:



Both the PHF Group and Semillas Fitó are included within the group of companies subject to this reporting requirement.

In fact, this is the third annual report published by the company. Even before the entry into force of Law 11/2018, Semillas Fitó used to publish its annual report which included the year's main milestones. For more information on previous years, both the 2017 annual report and the 2018 annual report are available at [www.semillasfito.com](http://www.semillasfito.com).



## SCOPE AND COVERAGE

Regarding its scope and coverage, this 2019 annual report presents all the relevant data from all the group's work centres, **both national and international**. The reader will be able to get a clear idea of the group's activity at a global level. In those specific points where, for one reason or another, only the data for Spain has been included rather than for all the subsidiaries, this is explicitly specified.

## METHODOLOGY

In terms of methodology, the report details the various actions implemented to achieve the SDGs and principles of the Global Compact. To quantify their positive impact, the reference measurement system based on GRI indicators is used.

**SUSTAINABLE DEVELOPMENT GOALS**  
The 17 Sustainable Development Goals (SDG) approved by the United Nations in 2015.

**100 AÑOS**  
COMPARTIENDO PRINCIPIOS  
LOGRANDO OBJETIVOS  
Red Española

The 10 principles of the Global Compact.

**GRI**  
Global Reporting Initiative

The Sustainability Reporting Guidelines of the **Global Reporting Initiative (GRI)**, in particular in the section on environmental issues.

As a result, the direct and indirect contribution of the company to the achievement of said global sustainable development objectives, which is a good measure of its commitment to wanting to have a positive impact, are presented in a schematic manner.

This methodology has been chosen in all cases 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.

# 2

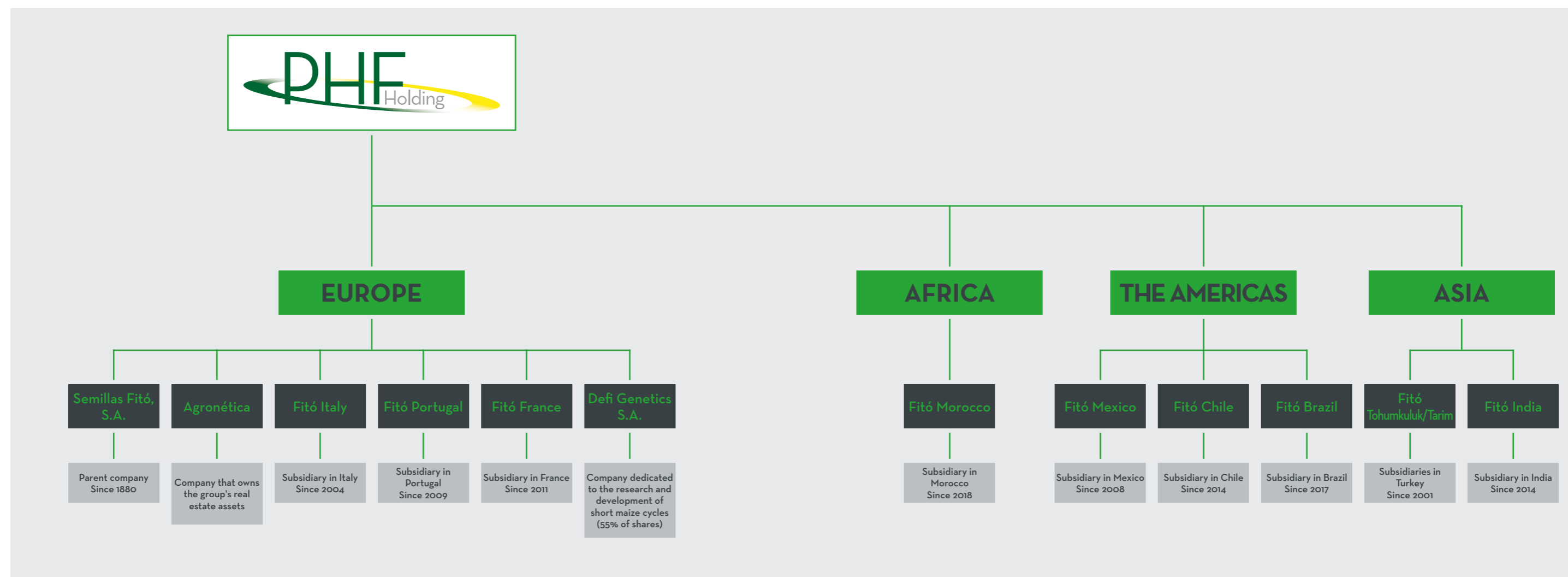
# ABOUT THE COMPANY

# THE PHF GROUP

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

The group is comprised of a parent company, based in the Poblenou neighbourhood of Barcelona, and ten subsidiaries in other countries whose strategic objective is to provide commercial, production and/or R&D support to the different business units.

Below is a diagram showing PHF's organizational structure.



The very structure of the company is proof of its international outlook. The first subsidiary outside of Spain was opened in 2001 in Antalya (Turkey) and, since then, the Group has continued its international expansion on four continents.

The following are photos of the Group's main work centres in full operation during 2019:

## IN SPAIN:



**Barcelona - PHF Group headquarters**  
Processing, packaging and shipping.



**Cabrera de mar**  
R&D activities of vegetable crops.



**Sant Andreu de Llavaneres**  
Vegetable crop production



**Les Cases de Barbens**  
R&D activities and production of field crops.  
Also processing, packaging and shipping of field crop seeds.



**El Ejido**  
R&D activities of vegetable crops.



**Don Benito**  
R&D activities and production of field crops.  
Also processing, packaging and shipping of field crop seeds.

## AROUND THE WORLD:



**Antalya (Turkey)**



**Farms in Arica (Chile)**



**Culiacán (Mexico)**



**Bangalore (India)**

# OUR PURPOSE

To be the driver of change in the agri-food sector at the level of the seed.

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

## OUR MISSION



## OUR VALUES

When taking decisions, PHF always takes into account the following values that define the management philosophy and objectives of the company.

 <p><b>PROFESSIONALISM</b></p> <p>We are able to meet deadlines and tasks effectively, proposing solutions to problems and acting responsibly in the decisions we take.</p>	 <p><b>INNOVATION</b></p> <p>We are up-to-date and are aware of the trends in each of our business units. We propose ideas and new ways of working, proactively promoting various initiatives.</p>
 <p><b>DISCRETION</b></p> <p>We respect hierarchical relationships and highlight the organization's achievements above our individual contributions. We are careful and restrained when it comes to invitations to customers, travel and other expenses, avoiding ostentation.</p>	 <p><b>LONG-TERM VISION</b></p> <p>We plan future actions, adapting our behaviour to market campaigns when making decisions. We constantly assess the risks and benefits of short-term and long-term decisions.</p>

# BUSINESS UNITS

Semillas Fitó S.A. is a company that specializes in the development, production and sale of seeds of a wide variety of species, which are grouped into four business units.



## VEGETABLE SEEDS

Business unit specializing in the development, production and sale of cucurbits (courgette, melon, cucumber, watermelon), Solanaceae (aubergine, tomato, pepper) and large seeds (green beans, broad beans and sweet corn).

Catalogue composed of more than 500 varieties of vegetables adapted to the different terrains of Mediterranean areas, temperate and subtropical climates.



## FIELD CROPS

Business unit specializing in the development, production and sale of varieties of maize, sunflower, forage and sorghum.

It works with 15 segments of maize and six of sunflower, which comprise a wide range of very specific products for dry, hot and heat and water stress conditions.



## TURF GRASSES

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



## HOBBY

Business unit specializing 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 its geographical expansion, growth and current consolidation.

### A BRIEF HISTORY LESSON



In ancient times, farmers used to have to sacrifice a part of each year's harvest to ensure they had seeds for the following year. In this way, farmers were able to produce their own seeds with a lot of work, effort and 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 those farmers who chose to specialize in food production. This fact gave rise to the appearance of the first seed companies in the world. **Semillas Fitó was born 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, ensuring 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 represented a major revolution in the market: they offered a spectacular increase in yield compared to the varieties at the time, and were therefore widely accepted by farmers around the world.

In the 1960s, this technology was consolidated in the US. In Europe, from 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 significant differences in terms of natural resistance, yield, flavour and/or nutritional qualities.

In Spain, the **pioneering company** in this field in terms of investment in research and development was Semillas Fitó. After consolidating its investment in R&D, the company went from dedicating itself to the production/purchase of seeds and their subsequent sale to a business model based on three pillars: **research and development, production and sales.**



### RESEACRH and DEVELOPMENT

The main objective of the investment in research is to obtain new varieties that improve those already on the market in terms of natural resistance to plant pathogens, yield, flavour or nutritional qualities. This is one of the key areas at Semillas Fitó. As a result of this research, 70 new varieties were registered during 2019. As shown in various sections of this report, the group's annual investment in R&D corresponds to 20% of turnover and more than 36% of the workforce is 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. The quality control and packaging of seed is carried out in the company's own facilities for their subsequent sale.



### SALE

Our own team of sales technicians is responsible for offering the Semillas Fitó own range to selected farmers in specific countries, where the weather conditions are most favourable. 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.

# 3

## CONTRIBUTION TO THE 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 to poverty, protect the planet and ensure that all people enjoy peace and prosperity**. These 17 goals are comprised of 169 specific targets to be achieved by 2030. For this reason, this initiative is also called the 2030 Agenda.

*"The objective 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, the awareness and importance of the SDGs among all the different stakeholders has increased. Today, many private companies have begun to link their strategic objectives to some of these objectives or have begun to define their policies and actions in social or environmental matters based on these 17 SDGs. This is very significant because engaging the private sector - especially at the level of senior management- in these aspects is essential to ensure that decision-making in companies is aligned with this philosophy. Indeed, only with the commitment of companies 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 the fight against climate change and the protection of the environment.

The following section describes how the PHF Group in general and Semillas Fitó in particular contribute to the achievement of these SDGs.



## CONTRIBUTION OF THE PHF GROUP TO THE SDGS

As explained in last year's non-financial report (2018), the various activities generated in the PHF group are deemed to 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:

### AT A STRATEGIC LEVEL



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

**THROUGH:**

- The development of own varieties with less reliance on limiting factors such as land area, fertilizers, irrigation or plant protection agents.
- Own projects to develop varieties suitable for organic farming.



**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.
- The strengthening of the business fabric by creating close long-term commercial relationships with distribution companies and with producers in more than 70 countries, most of which are emerging economies.



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

**THROUGH:**

- An investment in infrastructures that allow energy savings, water savings and minimize the use of fertilizers.
- The requirement of continuous improvement applied to our environmental policy



**Ensure sustainable consumption and production patterns**

**THROUGH:**

- The direct control of our seed productions, both on our own farms and those of third parties.
- The application of our own environmental policy in work centres.



## SOCIAL SPHERE



**Guarantee inclusive, fair and quality education and promote lifelong 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 centres.



**Reduce inequality within and among countries**

**THROUGH:**

- Direct business investment in many countries with emerging economies.



**Achieve gender equality and empower all women and girls**

**THROUGH:**

- The gradual incorporation of more women in the management team.
- Recruitment of women in own subsidiaries, especially in work centres located in countries with emerging economies where women are a vulnerable group.



**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.

## ENVIRONMENTAL SPHERE



**Ensure access to 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.



**Take urgent action to combat climate change and its impacts**

**THROUGH:**

- The continuous reduction of the ecological footprint of the agricultural sector.



**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.



Throughout this report, the group's contribution to each of these 12 SDGs selected as priorities will be discussed in more detail.

# 4

2019

# MAIN MILESTONES 2019

In general, 2019 has been a very good year, both in terms of financial results and in terms of the other qualitative and quantitative indicators that will be presented throughout this report.

The major milestones of 2019 can be summarized in four main blocs for their relevance to the business group: our capacity for innovation, our international presence, our constant long-term outlook and our unique approach of being close to our customers.



## COMMITMENT TO INNOVATION



- 70** new varieties registered in 2019
- +20%** of turnover is invested directly in R&D programmes
- 10** R&D centres of our own
- +36%** of the workforce is 100% dedicated to research

## COMMITMENT TO THE LONG-TERM



- 1880** Company founded in
- 140** years in 2020
- 100%** family owned
- 25%** of the workforce has been in the company for more than **15** years
- High level of profit re-investment in the company. The majority of properties and farms are **100%** owned by the group, and are managed by the team at Agronética, S.L.

## COMMITMENT TO AN INTERNATIONAL OUTLOOK



- +60%** of turnover comes from foreign markets
- 10** subsidiaries of our own
- 7** of them outside the EU
- Continuous commercial presence in more than **70** countries
- +40%** of the workforce resides outside of Spain

## COMMITMENT TO PROXIMITY



- Direct participation in more than **33** national and international fairs
- More than **200** field days
- More than **50** visits from schools, institutions and customers to our facilities
- +20%** of the workforce is dedicated to direct customer service and technical advice

# OUR PEOPLE AND OUR POLICIES

## THE TEAM

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

Below are the main figures regarding the evolution of the workforce in 2019, focusing on those aspects which are different with respect to other companies and, above all, highlighting those facts that have changed significantly compared to 2018.

The following pages also focus on the contributions of the actions carried out in 2019 to the SDGs. In this section related to staff, 4 SDGs are prioritized in particular:

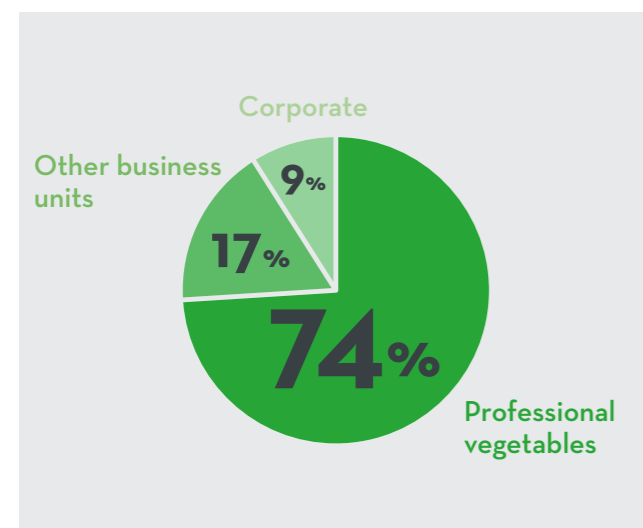


## EMPLOYMENT: MAIN FIGURES 2019



PHF group ended 2019 with a workforce of **660 people**. However, since it is an agricultural business with a clear seasonal component, the number of staff fluctuates throughout the year depending on the season. The average workforce during the year was comprised of **774 people, practically the same as in 2018 (2018 Average: 771 employees).**

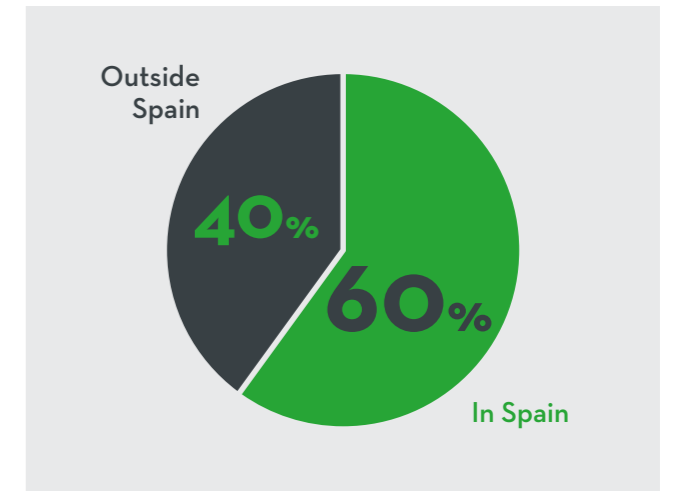
**“More than 70% of the group’s workforce is dedicated to the professional vegetables business unit, the group’s main activity”.**



**Geographic and cultural diversity continues to increase.** Although in 2018, 35% of the workforce resided outside Spain, this proportion has been increasing to the point where this figure at the end of 2019 stood at 40%.

**“At the end of 2019, more than 40% of the group’s workforce resided outside Spain, working for one of the group’s 10 subsidiaries, 7 of which are outside the EU”.**

The number of staff working in international work centres are mostly concentrated in Turkey, Mexico, Chile and India, divided almost equally between these four subsidiaries.

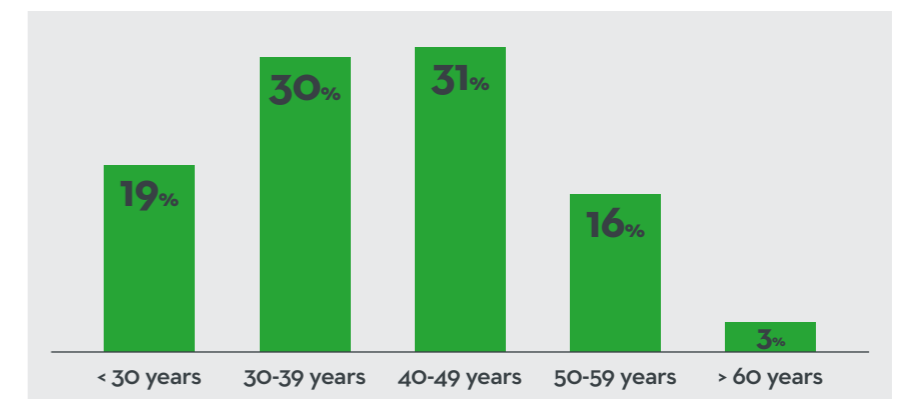


In terms of **gender diversity**, the proportion of women in the company has gradually increased. If in 2018 women made up an average of 35% of the workforce, at the end of 2019 this percentage has already risen to 39%.

**“With some of the group subsidiaries hiring more and more women, we are getting closer and closer to achieving gender parity in the workforce”.**

The graph below shows the breakdown of staff by **age group**. More than 60% fall within the two central ranges from 30 to 49 years of age and 17% are young people under the age of 30.

**“More than 60% of the workforce is aged between 30 and 49 years of age”.**





In terms of **years in the company**, the distribution of the workforce at a global level is as follows

Distribution according to years in the company 2019	
< 1 year	25%
1 - 3 years	23%
3 - 5 years	11%
5 - 10 years	17%
10 - 15 years	10%
15 - 25 years	8%
> 25 years	6%

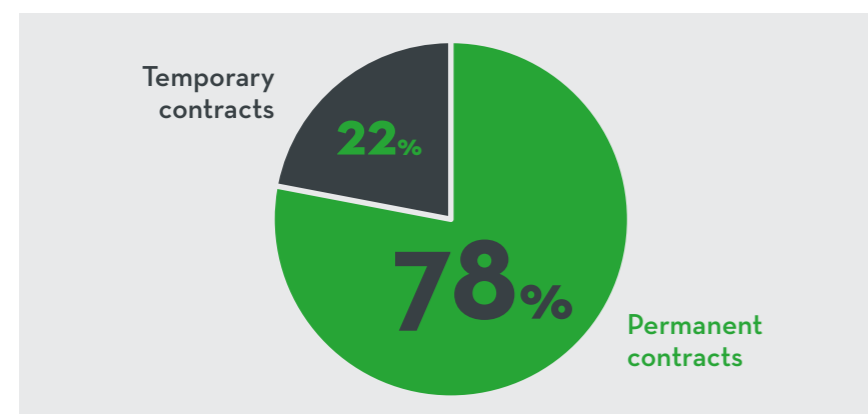
The figures are considerably different between work centres, depending on when each was opened.

Spain, where the parent company is established, has the highest number of senior employees. Taking into account all work centres in Spain, 25% of the workforce have been in the company for more than 15 years and 17% have been in the company for between 5 and 10 years.

By contrast, the American subsidiaries and the Indian subsidiary are the ones with the highest number of workers who have been in the company for less than 3 years.

Distribution by level of studies 2018			
University studies	PhD	2%	37%
	Degree	24%	
	Diploma	11%	
Vocational training and/or high school diploma	Higher Vocational Training	6%	14%
	Intermediate Vocational Training	2%	
	High school diploma	6%	
Secondary school studies or lower	Compulsory Secondary Education	41%	49%
	No studies	8%	

Regarding the **distribution by educational level**, there is huge diversity within the workforce, typical of the sector. Almost 40% have university studies or higher, while almost 50% of the workforce worldwide have secondary school studies or lower. The figures for 2019 are shown in the following table.



Finally, in terms of contract type, the proportion of permanent compared to temporary contracts has improved in 2019, with 78% of staff on permanent contracts (compared to 72% in 2018).

## ORGANIZATION OF WORK AND ACCESSIBILITY



The working hours in all the group's work centres are conducive to a healthy work-life balance so that each worker can fulfil their commitment to work 1,800 hours/year, generally spread over a 40-hour week.

In general, most of the workforce works full-time. During 2019, 21 female workers and 10 male workers have benefited from a reduced working day to take care of a minor, or because of partial retirement or other reasons.

The PHF group's workforce includes 6 people with a 33% degree or more of disability. Specifically in 2019, these included 3 men and 3 women, occupying various positions appropriate to their abilities.



## HEALTH AND SAFETY



### SPANISH WORK CENTRES

During 2019, in the work centres in Spain, 16 minor accidents that did not require medical leave and 12 accidents that did require medical leave were recorded. This represents a total of 386 working days lost due to accidents at work, which represents 0.22% of the total hours worked. It should be noted that the PHF group's absenteeism and incidence rates derived from accidents at work are well below the sector average for the same employment categories.

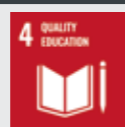
These low figures have been achieved thanks to a team of 13 workers from the group who dedicate part of their working day to performing tasks aimed at preventing occupational risks in the company.

### INTERNATIONAL WORK CENTRES

During 2019, no workplace accidents were reported either in the work centres in Chile or in the centres in Turkey. An accident that required medical was reported in the work centre in Mexico.



## TRAINING



During 2019, the company has continued to offer training to its employees at the various work centres in languages (English, French, Catalan and Italian), office automation (basic Excel, advanced Excel and OneNote) and personnel management.

Regarding the specific training in personnel management, during 2019 two types of courses have been offered. On the one hand, workshops for reflection on leadership have been held exclusively for the management team (professional categories N1 and N2). And on the other, workshops focused on personnel management have been held for middle managers and technical personnel (N4).

In production-focused work centres, other technical specialization courses have been offered. For example, in the Chilean subsidiary, in August 2019 courses were held on recognition and management of pathogens in tomato crops, which are very important in that area.



Overall, employees have received more than 1,200 hours of training throughout the year in the three areas mentioned in the previous paragraph.

**"During 2019, employees have received more than 1,200 hours of training".**

Apart from the aforementioned training, employees in the different categories in the centres in Spain have been offered the possibility of attending short coaching sessions. Specifically, in 2019, 25.5 hours of coaching were given with an internal coach, and 13.5 hours of coaching with a coach external to the company.



## INTERNSHIP STUDENTS

In terms of training young people, the table below shows the number of interns the business group took on 2019 in each work centre, as well as the total hours worked by them in each centre.

In total, there were 15 interns from different backgrounds in the company, the same number as in 2018. Internships are only offered in work centres in Spain. In all cases, the students were paid for the work they did.

Work centre	No. of students	Total hours
Barcelona	2	648
Almería	1	240
Barbens / Bellpuig	2	195
Cabrera	9	1,681
Llavaneres	1	80
Mexico	3	



The group is also directly linked to several universities. Worth highlighting is the relationship with the Barcelona School of Agricultural Engineering, with whom we have an agreement whereby the student who presents the best final course project is awarded a prize of €1,000.

## INDUSTRIAL DOCTORATES PROGRAMME OF THE CATALAN GOVERNMENT

Semillas Fitó is one of the companies participating in the Catalan Government's Industrial Doctorate Plan. This plan consists of a 3-year research project in a company, in which the selected doctoral student carries out their research training, in collaboration with a university or research centre, which becomes the subject of a doctoral thesis. In this way, doctoral students act as bridges of knowledge transfer between the university and business world, and contribute to increase the competitiveness of the country's industry.

At Semillas Fitó we are currently involved in two projects:

- **"Seed treatments for crop protection"**, by the doctoral student Virginia Estévez (2016-2019), at the department of Seed Technology (Barcelona) with Dr Juan Jesús Narváez (Seed Technology manager).
- **"Optimization in obtaining double haploids in maize"**, by the doctoral student Ijlal Benslimane (2017-2020), at the Field Crops R&D farm in Les cases de Barbens (Lleida) with Marc Solsona (Director of Field Crops R&D) and the University of Lleida (UdL).



## NEW HIRES - ORIENTATION PROCESS

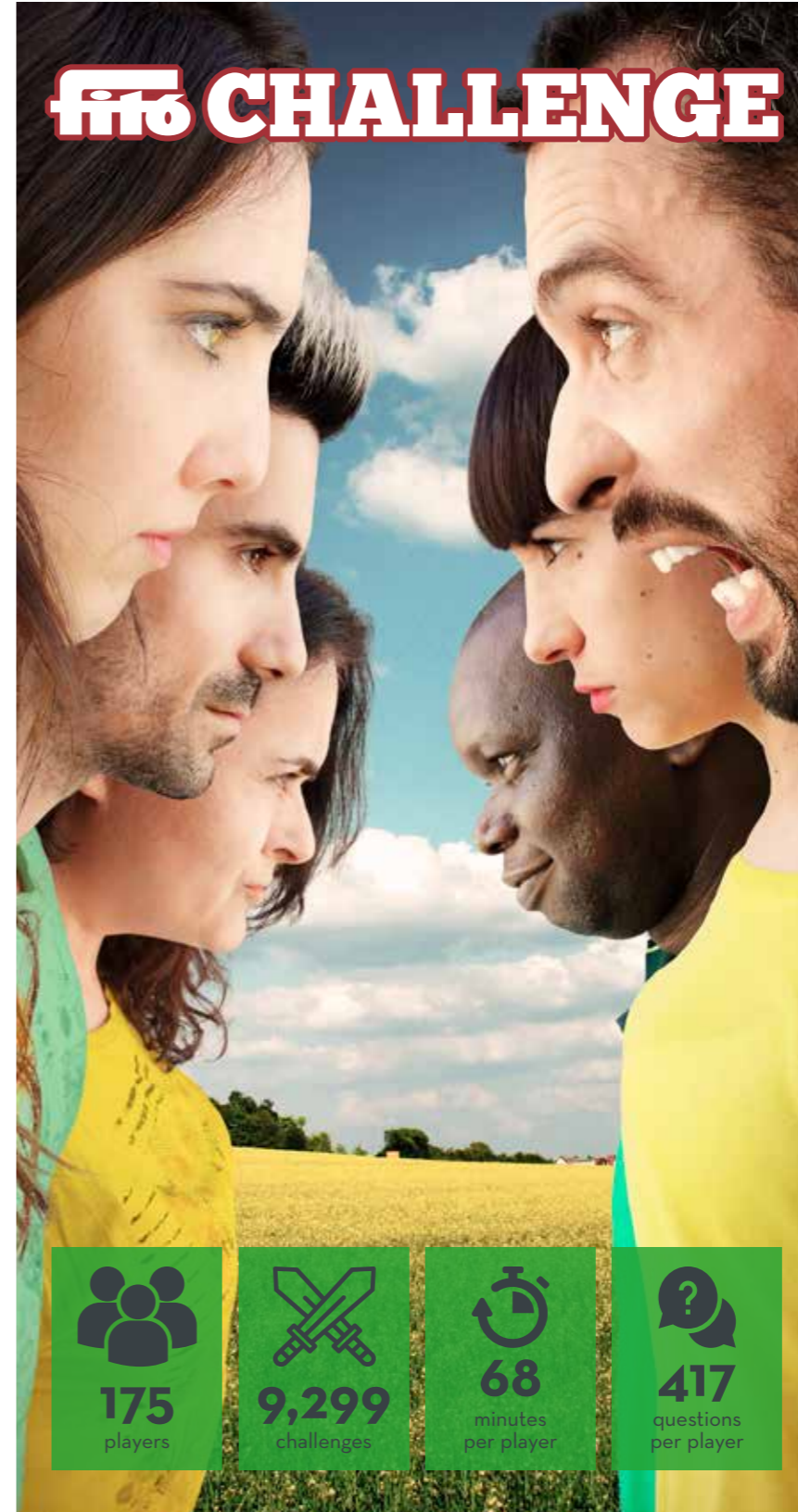


During 2019, the company has hired people with very different profiles. Quantitatively, more than 30 new employees were taken on in the different work centres, in particular in the areas of professional vegetables and R&D.

The complexity of the group in terms of business units, subsidiaries and portfolio, has resulted in the creation of a necessary orientation process to support new employees from the first minute to help them understand the missions that guide the functioning of the company and the values that capture its essence and know-how.

*“It is essential that new employees are given support through an orientation process with the purpose of transmitting the mission and values of the company. All this is part of the corporate culture, which is transmitted to new employees from the start of their employment so they can adopt the Fitó culture as their own”.*

## FITÓ CHALLENGE



**What better way than to learn by playing!**

Last May, coinciding with the San Isidro festival (patron saint of farmers), the Fitó Challenge was held for the second consecutive year. It is the only activity that all Semillas Fitó workers carry out jointly, regardless of their position or work centre.

The game consists of challenging each other and answering as many questions as possible on a wide variety of topics: from the history of the company, products, new colleagues or curious facts about the sector. Once again, the results of the game were positive. Despite being miles apart, this virtual game breaks down barriers between the different subsidiaries of the company. Moreover, it is a very entertaining tool that helps employees understand the functioning of the company and learn useful information that makes the day to day easier.

**Of course, we congratulate the winners!**

1st ranked player  
**JOSÉ ANTONIO ROZAS**  
 (Cabrera de Mar)  
**145,243 points**

---

1st ranked team  
**TURKEY**  
 Winning team for the second time in a row!  
**1,137,709 points**

THE ENVIRONMENT



As mentioned in section 3 of this report, the PHFGroup/Semillas Fitó currently focuses its efforts on contributing positively to three sustainable development goals regarding the environment:



The following section describes the actions linked to these three most relevant objectives in 2019.



It also includes those actions linked to guaranteeing sustainable consumption and production patterns.



USE OF RESOURCES



WATER

The Semillas Fitó centres optimize the consumption of water resources through the construction of rainwater collection pools and the construction of drainage networks to take advantage of the water used in washing seeds.

Centres such as those at Cabrera de Mar (in Barcelona) or El Ejido (in Almería) have different rainwater collection pools that can hold from 500,000 litres to 5 million litres.

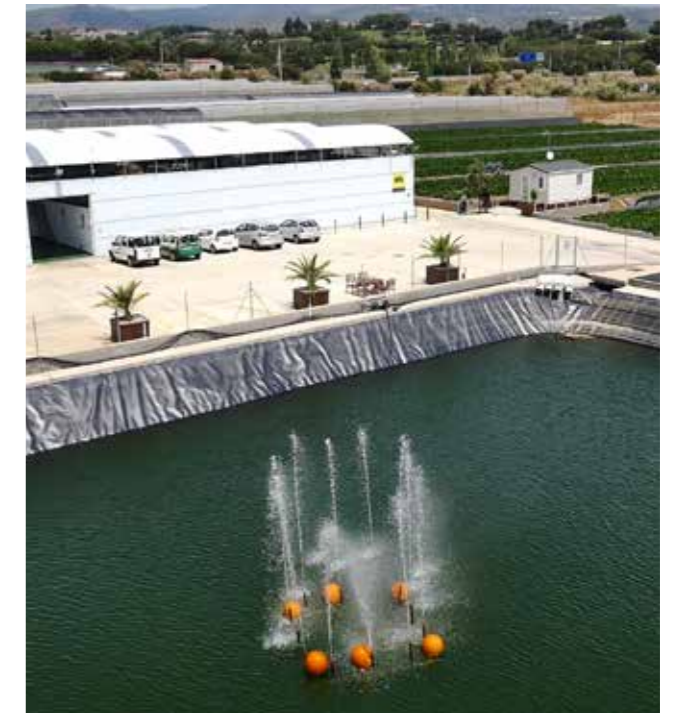
But, without a doubt, Semillas Fitó's most significant environmental project, which spanned 2012 to 2017, was the construction in the Sant Andreu de Llavanes production centre, in Barcelona, of the entire drainage network of leachate water from crop irrigation, the pool for said leachates and the rainwater collection pool with a capacity of 9.5 million litres.

This initiative was undertaken in order to take advantage of the production centre's own environmental profitability. If water is used to wash the seeds produced in the field and in the greenhouse, why not use that water for irrigation?

This is how the Sant Andreu de Llavanes drainage network arose. All the water that is used to wash the seeds in the processing area is sent to a network of 6 filters and access chambers that clean the water of any organic remains, which, using a pump system, is eventually disinfected with chlorine and returned to the drainage network that helps irrigate our crops in fields and greenhouses.

And, in the same way, this water that is used to irrigate our crops in fields and greenhouses is collected through this drainage network and finally stored in the 200,000-litre leachate pool, where its concentration of salts and nutrients is adjusted by mixing it with well water to be used again for irrigation.

This enables us to achieve considerable environmental and economic savings, since instead of using 200,000 litres of well water in 6 hours of seed washing we now use only 3,000 litres of water, of which 70% is recycled water and 30% is well water.



By combining the drainage network that uses recycled irrigation and seed washing water with rainwater, we obtained the water savings we needed. The rainwater collected in the pool also enables us to irrigate our organic farm, as detailed further in the next section.



## PLASTIC

**We reduce and recycle the plastic used in the DNA extraction process in the laboratory.**

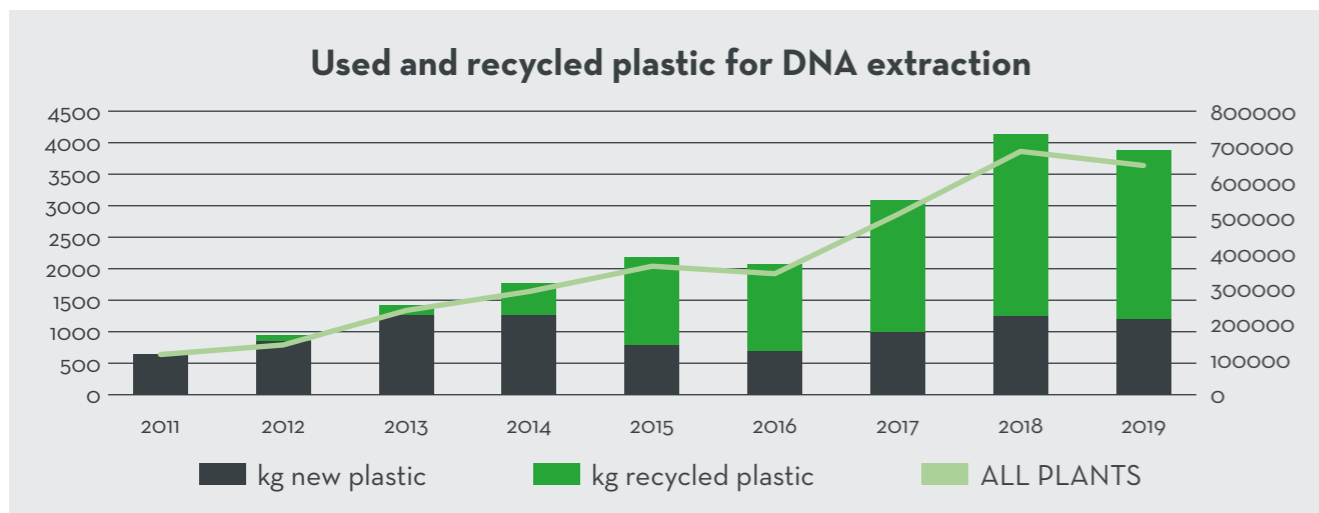
Since 2011 and due to the increasing volume of samples being analysed, the molecular marker laboratory at Semillas Fitó's Cabrera de Mar centre changed the way it carried out its DNA extraction from a manual system to a semi-automated system using robots.

The DNA extraction system requires 7 different solutions that in turn require plastic plates with 96 tubes.

In recent years, the laboratory has been optimizing the use of this plastic from commercial kits, **achieving a reduction of around 70% (from 7 to 2.1 plates for each extraction).**

**This has been achieved by reusing the plates 15-20 times, cleaning them with water and pressurized air.**

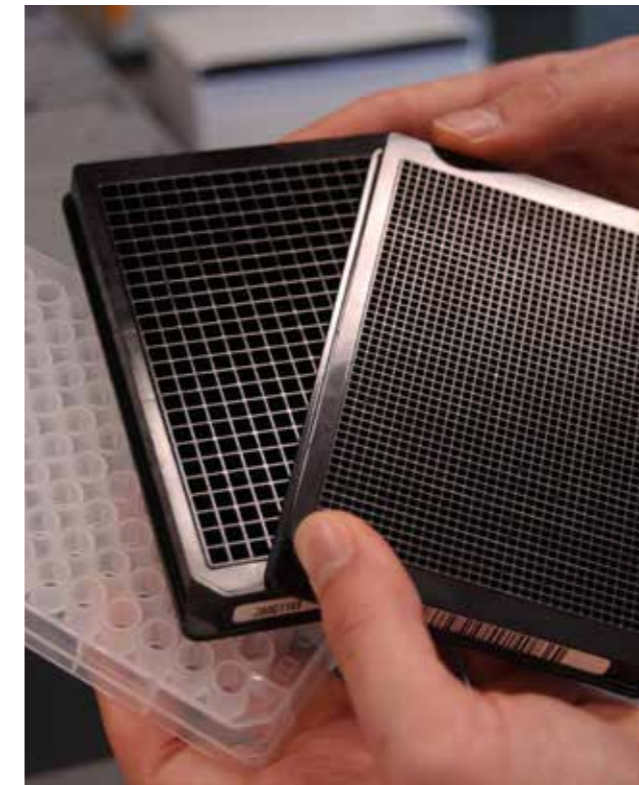
The following graph shows the proportion of used and recycled plastic for DNA extraction.



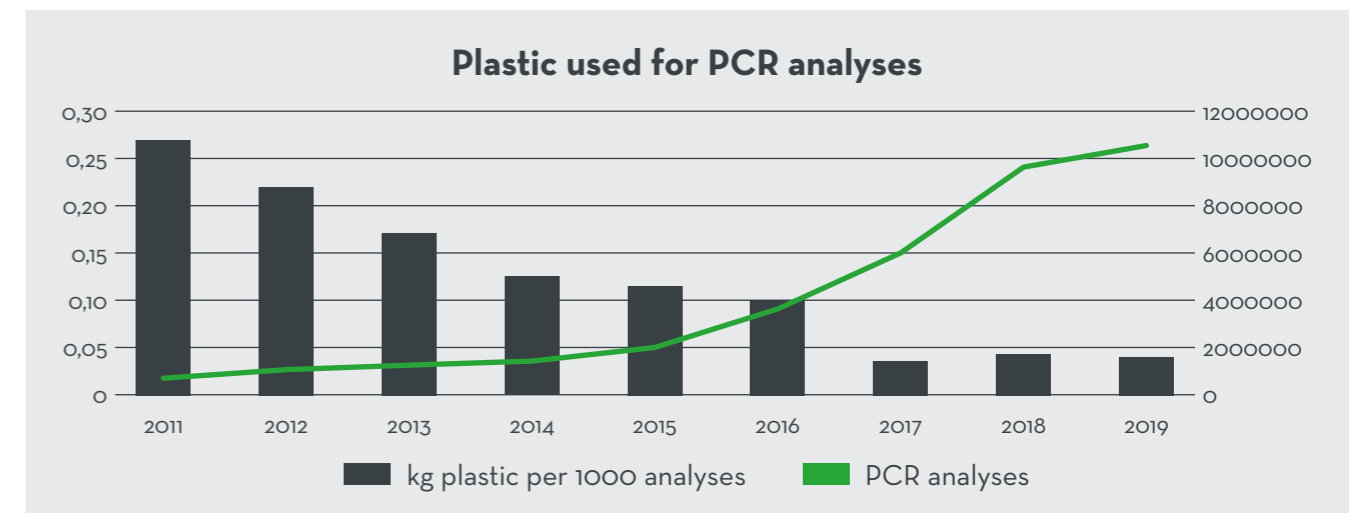
\* In grey, the histogram that represents the new plastic that we use each year to carry out all the DNA extractions from the leaves of the different vegetable species. The units are "kilos of plastic" and are shown on the left axis.  
 \* In green, what we recycle (also in kilos and on the left axis).  
 \* The light green line represents (on the right axis) the volume of analysed plants (DNA extractions) each year. We currently analyse around 700,000 plants.

## Environmentally responsible use of plastic for PCR analyses in the laboratory.

Following the process carried out in the laboratory, once the DNA extraction has been carried out (previous step), a PCR analysis is carried out to determine the genotype of each plant. In this process, plastic plates are also used and the marker laboratory has been improving its technology with the aim of significantly increasing its production capacity, but at the same time stabilizing the necessary resources.



These PCR analyses require the use of plates of about 30 g of plastic which initially had a capacity for 96 samples. Subsequently, we switched to using plates with four times the capacity (384 samples per analysis), **thus reducing the volume required for each reaction.** But not satisfied with this, we focused on a definitive system using plates that now have 16 times the initial capacity (1,536 analyses) with the same surface area.



\* In grey, the histogram (on the left axis) that represents the new plastic that we use for every 1,000 analyses (in kg).  
 \* The green line represents (on the right axis) the number of PCR analyses carried out in the last 8 years. In this case, we currently perform around 10,000,000 PCR analyses (also called "datapoints").

## ORGANIC CROPS



For several years now, Semillas Fitó has been focusing on building links with the organic farming sector, offering solutions for those customers who choose to produce under this new line.

The four business units –Professional Vegetables, Field Crops, Turf Grasses and Hobby– have adopted this organic trend in one way or another.



### VEGETABLE SEEDS - ORGANIC LINE



In 2019, the first fruits grown from the first organic hybrid courgette and cucumber seeds were harvested on the new Can Catà farm: a 2-hectare farm adjoining the Llanereres production centre dedicated exclusively to the Fitó Organic vegetable seeds line.

In the Vegetable Seeds business unit, seeds produced on the new organic farm come from crops that have been cultivated without fertilizers or chemical synthetic pesticides (fungicides, insecticides or herbicides) and have been controlled throughout their production, processing, packaging and sales processes. This helps ensure the absence of any traces of these substances and enables compliance with current regulations for obtaining organic certification. As a result, the envelopes containing these seeds are identified with the Fitó Organic badge and the logo of the certifying body (CCPAE), as seen for example with the organic Hobby seeds.

Our aim is to produce certified organic seeds of our most outstanding and well-known varieties of aubergine, tomato, cucumber, courgette, melon and sweet corn, in order to offer a 100% organic product from the moment the seeds are planted, through the production system, to the point where it reaches the consumer.

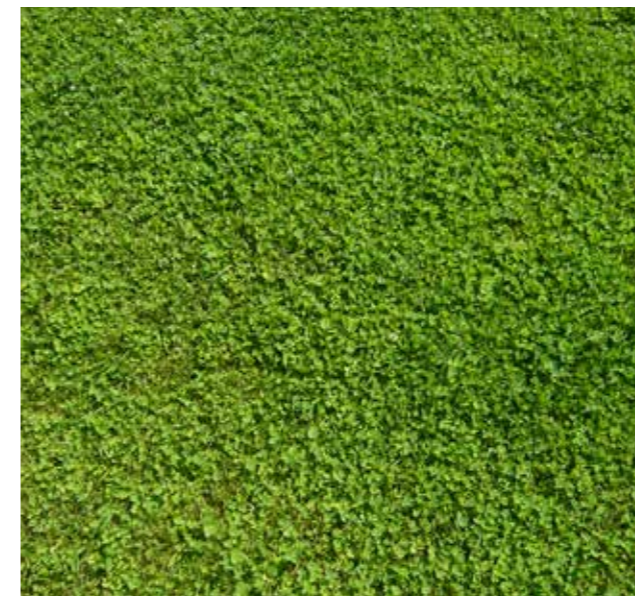
### FIELD CROPS - ORGANIC LINE

The Field Crop business unit also offers two organic products in its catalogue, which went on sale in 2016, as a response to the growing trend for organic production. The fields where these crops are grown play a very important role, particularly in terms of nitrogen content, as a result of their impact on nitrogen fixation, organic matter content, structure, biological activity of the soil and also in terms of minimizing the negative effects of animal production, including nitrogen emissions into the environment.



As a result, several organic varieties of maize and oats were tested and launched on the market, in response to this growing trend in Europe, and more varieties may be added in the near future.

### TURF GRASSES - ORGANIC LINE



The Turf Grasses business unit has been selling the Sparring Eco grass line since 2013, which is a new formula that provides the advantages of the well-known Sparring formula, but with a 5% addition of a dwarf clover variety with the following benefits:

- Provides the annual nitrogen needs in a continuous and constant way, forgoing the need for nitrogen fertilizers with the consequent economic and environmental savings.
- Maintains the hardness and uniformity of the formula.
- Improves colour especially in the winter.
- Prevents the appearance of clover as weeds.
- Results in a more sustainable turf in line with the new European plant protection products directive.

### HOBBY - ORGANIC LINE



Currently, Semillas Fitó has 10 varieties in its Hobby business unit with organic certification, which went on sale back in 2011. These include courgette, onion, cucumber, parsley, and tomato, among many others. This organic certification guarantees that the products have been produced or prepared following organic farming standards, and that they have been monitored throughout their production, processing, packaging and sales process.

Also, in 2019 the Eurogarden Vitalfoods project was launched. This is a selection of ten 100% natural foods that contain high amounts of minerals and nutrients essential for the proper functioning of the body in small doses, such as broccoli, soya, sesame, buckwheat and quinoa, among others.

## WASTE



### WEEE WASTE (Waste Electrical and Electronic Equipment)

An electrical or electronic device is any device that needs electric current or electromagnetic fields to function properly. These devices, having been used for the day to day, will at some point reach the end of their useful life, and become WEEE (waste electrical and electronic equipment).



Lead, barium, phosphorus, chromium, cadmium, mercury, etc. are some of the elements that WEEE usually contain that can be highly toxic for the environment and harmful to human health if they are not properly managed, in addition to other components that can be recyclable, like copper, plastic and aluminium.

**According to UNEP (United Nations Environment Program) 50 million tonnes of WEEE were generated in 2017. Waste from electrical and electronic equipment is, by far, the fastest growing type of waste around the world. In Europe, and according to the statistics provided by official bodies, 4% of the waste generated on the continent is already electronic.**

To provide a solution to this "technological waste" that we generate so much of today, there are several laws at the worldwide and European level that regulate this type of waste, and more specifically in Spain, Royal Decree 110/2015, of 20 February, on waste electrical and electronic equipment, which classifies it as follows:

- 1 Temperature exchange appliances.
- 2 Monitors, screens and devices with screens larger than 100 cm².
- 3 Lighting.
- 4 Large appliances (with an external dimension over 50 cm).
- 5 Small appliances (with no external dimension over 50 cm).
- 6 IT and telecommunications equipment (with no external dimension over 50 cm).
- 7 Large solar panels (with an external dimension over 50 cm).

At Semillas Fitó, we subscribe to the belief that "with small actions, we can achieve big changes" and in 2019 we started recycling the WEEE items discarded in our centre in Barcelona, and in other centres, including: empty toners, printers, monitors, mobile phones, different types of light bulbs, tools and temperature exchange devices, among other things, and in this way play our small part in the global initiative of the Sustainable Development Goals - 2030 Agenda, more specifically regarding Goals 12 and 13. We have improved our knowledge and awareness regarding waste in order to contribute to the fight against climate change by reducing our waste through prevention, reduction, recycling and reuse actions, and we have fitted almost all our facilities with energy efficient light bulbs and adopted sustainable energy consumption/generation practices.

**How do we achieve this?** We have adapted a section in the Operations warehouse of the Barcelona centre to store the WEEE waste generated in the centre itself and in other company centres, and we hire different types of Authorized WEEE Waste Managers who are responsible for the collection and subsequent management of this waste to reuse that part which contains recyclable components or to properly handle that part which is dangerous.



## “SMALL ACTIONS, BIG CHANGES”



All our actions directly impact our environment. At Semillas Fitó we are aware of this and, therefore, we want to actively contribute to the preservation of the planet with more sustainable gestures, even if they are small actions in the day to day. In this regard, in 2018, the **"small actions, big changes"** initiative was launched which encompasses all those actions aimed at workers that generate a positive impact in social or environmental matters.



### CHRISTMAS GIFT 2018

At Christmas 2018, the first of these initiatives was launched. Specifically, it was decided that part of the Christmas gift for that year 2018 would be a glass bottle for day-to-day use by workers at the Semillas Fitó centres in Spain. This contributed to two objectives: on the one hand, to promote the regular consumption of water, essential for health, and, on the other, the reuse of the same bottle at the drinking water fountains provided by the company at various points in the work centres.

### CHRISTMAS GIFT 2019

For the second consecutive year, in 2019 Semillas Fitó Spain used the Christmas gift to workers as an opportunity to reinforce ecological awareness and reduce the environmental footprint, in line with our mission to care for the community.

As part of the "small actions, big changes" initiative, a snack bag, a bamboo cup and a reusable sandwich bag were given to all Semillas Fitó workers in Spain to promote the reduction of plastic and single-use materials in our day to day. In total, 600 gift packs were handed out.

Thanks to these initiatives, habits are gradually being changed that have an impact on the reduction of waste generation. For example, since the handing out of glass bottles in 2018, the offices of the Barcelona centres have reduced their consumption of 33 cl water bottles. **Specifically, the consumption of bottles in 2019 has decreased by 64% (units) compared to 2018.**



Consumption of 33 cl water bottles

2018	2019	January-May 2020
13,440 units	4,800 units	3,600 units

\* Source: 2018-2019-2020 annual consumption ratio provided by the supplier.

## COMMITMENTS TO SOCIETY

As well as focusing on staff and the environment, one of the aspects that the company keeps in mind when planning its annual activities is its commitment to society.

*“One of the four blocks of the company’s mission is related to the community. The two basic objectives in this block is to contribute knowledge and protect the environment”.*

In this regard, the following sections details 5 groups of activities that have had a special impact in 2019.





## PARTICIPATION IN SECTOR ASSOCIATIONS



One of the things that makes Semillas Fitó stand out in the agricultural sector in Spain in particular and in the world in general, is the participation of its employees in the different associations that operate in the sector. In terms of figures, it is worth noting that in 2019 we maintained our approach of recent years with the following milestones:

- Participation in more than **30 sector associations**, both nationally and internationally.
- Contribution of over **€150,000** in annual fees to help their growth
- **12 group workers** actively participate in one association or another



Nationally:

<p><b>SPAIN</b></p> <p>Asociación Nacional de Obtentores Vegetales National Association of Plant Breeders www.anove.es</p>	<p><b>ITALIA</b></p> <p>Italian Seed Association www.sementi.it</p>	<p><b>FRANCE</b></p> <p>UNION FRANÇAISE DES SEMENCIERS French Union of Seed Companies www.ufs-semenciers.org</p>
<p><b>TURKEY</b></p> <p>TORUN SANAYİCİLERİ VE ÜRETİCİLERİ ALT BİRLİĞİ Union of Seed Industrialists and Producers in Turkey www.tsuab.org.tr</p>	<p><b>MEXICO</b></p> <p>Mexican Association of Seed Companies www.amsac.org.mx</p>	<p><b>CHILE</b></p> <p>National Association of Seed Producers www.anproschile.cl</p>

Internationally:

<p><b>EUROPE</b></p> <p>European Seed Association www.euroseeds.eu</p>	<p><b>THE WORLD</b></p> <p>International Seed Federation www.worldseed.org</p>	<p><b>THE WORLD</b></p> <p>Anti-infringement International Bureau www.aib-seeds.com</p>
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One of the most important associations is ANOVE.

The National Association of Plant Breeders (ANOVE) is the Spanish association that brings together companies and public institutions dedicated to the generation 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 promoting the defence of its interests and awareness of its activity, supporting innovation and the development of agriculture. ANOVE works towards a form of agriculture that is innovative, competitive, and sustainable, which values and has full access to plant improvement, thus and contribute to food security and the economic development of society.

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

- **Cereals,**
- **Vegetables and ornamentals,**
- **Fruits and berries,**
- **Maize, oilseeds and industrial crops.**

This helps to promote discussion around the specific problems of each type of crop and the definition of strategies.

During 2019, several workers of the group were selflessly involved in the association. We highlight the main roles:

**Israel Roca**, Semillas Fitó 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.



**Eduard Fitó**, Semillas Fitó Director of Corporate Affairs and Business Development, chairs the ANOVE Communications Committee, that determines which messages need to be transmitted and through which media.



**Dolors Baget**, head of regulatory affairs of the Semillas Fitó Vegetables business unit, was part of the cross-departmental committee of regulatory affairs at ANOVE during 2019. 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-Iloch**, Semillas Fitó Director of Operations of the Field Crops business unit, he has participated in the meetings of the Maize, Oilseeds and Industrial Crops Section (SMOCl in its Spanish initials) to discuss issues related to the market dimension and seed processing.






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

The main objective of Assosementi 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.

During 2019, a worker from the group actively participated in these meetings:

**Massimo Peruzo**, *Country Manager Italia*, 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.



During 2019, a worker from the group regularly attended the association's events:

**Charlène Aurignac**, head of Sales and Marketing for Field Crops in France, represents Semillas Fitó within the Union. She attends the meetings that are organized periodically.




Within Turktob, there is a sub-association called Tsuab: Union of Seed Industrialists and Producers in Turkey. It is a public institution of mandatory membership for all companies that operate in some way in the seed sector. 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 business, such as production, supply or distribution.

During 2019, a worker from the group was actively involved in these associations:

**Utku Ersoy**, Area Manager Professional Vegetables Turkey, is an active member of Tsuab's working group leading the fight against fraud and illegal seed breeding. He meets periodically with other executives of other companies in the sector to follow up on these matters.




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 in 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.

During 2019, two workers from the group were selflessly involved in the association. Both participate in the association's events regularly:

**Alejandro Lugo**, Area Manager Fitó México

**Rogelio López**, Logistics Fitó México




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 Registry of Certified Seeds of the Ministry of Agriculture.

During 2019, two workers from the group were selflessly involved in the association. Both participate in the association's events regularly:

**Luis Vielma**, Country Manager 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, and it maintains a close relationship and collaboration with the governmental entity SAG (Agricultural and Livestock Service).



**Claudia Gaete**, Farm Manager at the Arica production centre, 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 favour 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 a 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.

During 2019, several workers of the group were selflessly involved in the association. We highlight the main roles:

**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.



**Torben Jahrmann**, Semillas Fitó Biotech Research Manager, participated in the intellectual property committee (IP & Breeders' Rights Committee) during 2019.





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**, Semillas Fitó Director of Corporate Affairs and Business Development, is a member of the AIB Board of Directors.



The 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.

One of the major milestones in 2018 for the company and for the sector, was the election of **Eduard Fitó**, Director and CEO of PHF, as chairman of the association for 2019-2021. The election was held during the 69th World Seed Congress in Brisbane (Australia).

During 2019, Eduard Fitó represented seed breeders—hundreds of family companies, SMEs and several multinationals—based in 72 countries and operating almost all over the planet.



**«During 2019, Eduard Fitó was president of the ISF, the only voice of the seed sector worldwide. He represented more than 72 countries in which companies at all levels of the industry operate».**

As well as Eduard Fitó's huge dedication to the ISF, there are also other workers involved in the association. First and foremost, **Eugenio González**, Semillas Fitó Director of Fields Crops, represents Spain in the field crops section (wheat, maize, sunflower, soybeans, rapeseed, among others). This involves several meetings a year to discuss issues related to the legislation of seeds worldwide and the transportation of goods.

## COMMITMENTS TO THE AGRI-FOOD SECTOR



### IMPLEMENTATION OF THE PROTOCOL FOR THE PREVENTION OF SEED BORNE DISEASES

**In 2019 we implemented new quality protocols and hygiene measures on our farms to avoid contamination by SBD (Seed Borne Diseases)**

Having healthy seeds is essential for achieving high productivity in crops and to guarantee food security both in Europe and the rest of the world. Every day these pathogens that endanger the health of our

crops and hinder the improvement in productivity, are more numerous and more difficult to control, making it increasingly difficult to achieve the satisfaction of our customers, and of our own employees, when working on our farms.

For this reason, a series of hygiene protocols have been developed to tackle "Seed Borne Diseases" (diseases

transmitted by seeds), the main objective of which is the prevention of contamination through pathogens transmitted by seeds, including: in Solanaceae, ToBRFV (Tomato Brown Rugose Fruit Virus); ToMV (Tomato Mosaic Virus); TMV (Tobacco Mosaic Virus); the bacteria Cmm (or *Clavibacter michiganensis* sbsp. *michiganensis*) in tomatoes; and in cucurbits, CGMMV (Cucumber Green Mottle Mosaic Virus) and MNSV (Melon Necrotic Spot Virus), among many others.

These protocols have been established to improve the quality control of the seeds and create spaces where the seeds grow more healthily and are more supervised against said pathogens during their processing, and to develop hygiene measures for each of the activities of the different centres, as well as for the people who work in them.

**These pathogens, although they do not affect humans, can be transmitted by people: when touching plant with our hands, clothing or shoes.**

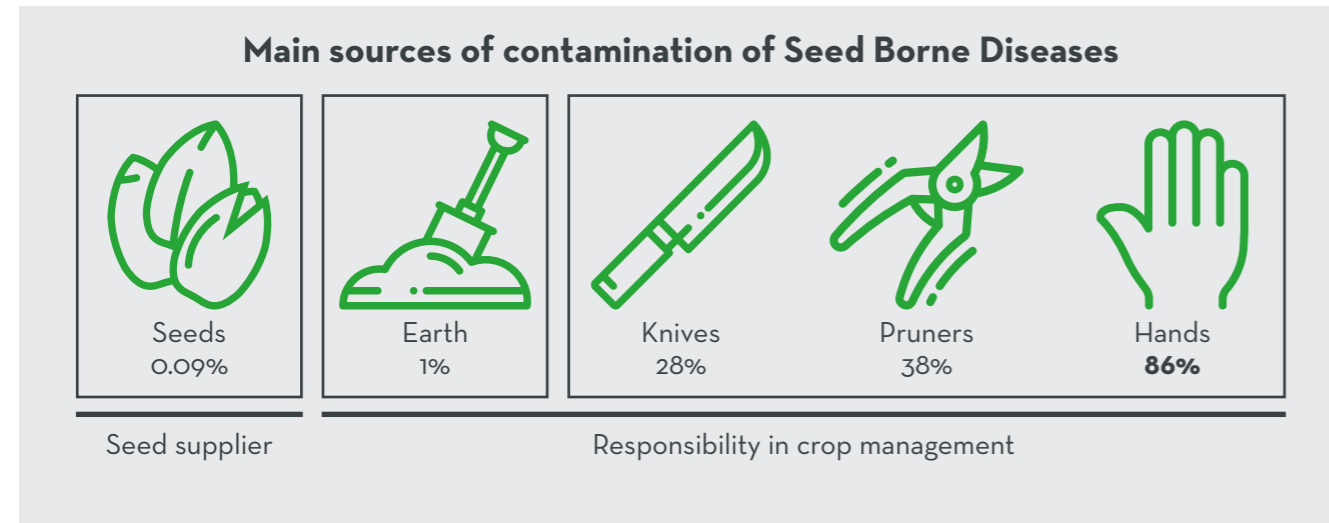
For this reason, we have set up protocols by type of centre (levels A, B or C according to the risk of contamination), by groups of people (groups 01, 02 and 03 according to whether or not they belong to a Semillas Fitó centre in the different countries) and by security zone (red, yellow and green zones depending on the location and the task being carried out at the centre). It is also necessary to give prior notice of any visit to the staff responsible for receiving visits at all Semillas Fitó centres.



And how do we transfer this message to our stakeholders (customers, workers, suppliers, etc.)?

Employee training at Semillas Fitó.

In 2019, several training sessions were given to employees at the different Semillas Fitó centres. These sessions included a technical section, in which the employees were taught about which diseases were most susceptible to being transmitted by seeds, such as the Tomato Brown Rugose Fruit Virus (ToBRFV), the main sources of contamination and the infection cycle, and an instructional section, in which we showed employees how to disinfect their hands before working with any seed or plant.



The training session also conveyed a very important message from the point of view of seed quality control. An event was held in Mexico in September 2019 with several talks in which customers from different areas of the country were invited to inform them about the current situation regarding seed borne diseases, and specifically the Tomato Brown Rugose Fruit Virus (ToBRFV), as well as the prevention measures that the company has implemented.

Anna María Viles, current head of Quality Control at Semillas Fitó Barcelona, spoke of the importance of her work, which consisted in ensuring that the seed that leaves Fitó meets the expectations of the customer, guaranteeing a seed that is free of any pathogen transmitted by seed and that meets the highest standards of germination and vigour.



In September 2019 we carried out a demonstration of our new quality protocols for the press

We started the new season in September 2019 with a visit from 9 journalists from technical media outlets specializing in agriculture, such as *Ideal*, a newspaper from Almería, the magazine *Fruit Today* and the website *Portalgrano*, among others, to whom we talked about how to prevent the transmission of diseases by seeds in plant breeding.

The day began in Barcelona with a guided tour of the facilities in the GSPP (Good Seed and Plant Practices) site and the implementation of new quality systems to

ensure best practices in seed management and the prevention of viral and bacterial contamination mainly in tomato seeds.

The day ended with a guided tour of the Llavaneres production centre, where the processes and the new protocols implemented to ensure the health of the seed and prevent contamination by the Tomato Brown Rugose Fruit Virus (ToBRFV) were demonstrated.

The result of this action was very positive, since all the invited media outlets published articles about the day, as did other media outlets that did not attend but also wanted to disseminate the information.



## FOODTURE



Seed companies and plant breeders are the first link in the food chain. However, in line with our value of long-term vision, Semillas Fitó wants to actively contribute to the improvement and development of the entire chain, from beginning to end.

Therefore, in parallel to our main business, we have carried out projects that aim to raise awareness of the importance of seeds on the industry and the impact they generate.

Fitó Foodture is the company's star project in this regard. The initiative encompasses actions, projects and concepts that aim to anticipate future consumer needs.

At Semillas Fitó we understand that our *core business* is to develop new resistance varieties and offer our customers (farmers and distributors) competitive varieties. However, Foodture goes beyond that and is not limited to the concerns of our direct customers. The new project focuses on the end consumer and the consumer of the future. It offers complete concepts covering one or more varieties grown in a speci-

fic way by leading companies (our partners) in specific areas (exclusive), with a customized packaging and consumer recommendations (recipes and combinations with other products).

With Foodture we are not selling seed but rather a concept. We provide a solution, for example, for a meal. We create a new concept from start to finish and offer it in the best conditions, marking a certain way of consuming it. This allows us to offer something unique and distinctive, unlike production innovations that are easier to replicate.

We are convinced that **innovation implemented responsibly will bring value to society and the restaurant industry.**

The Foodture project includes, among other products, the Monterosa tomato and the Waikiki melon.



Monterosa is a large-calibre, furrowed and intense pink tomato at maturity. It does not have a long-life gene so it has a high potential flavour if cultivated properly.

This tomato draws attention and creates expectations. It evokes bygone tomatoes as it is aromatic, juicy and sweet—with a fruity finish.

It is known for its versatility when it comes to preparation, either alone or in various types of salads, sauces and salmorejos.

Monterosa resulted from crossing a Girona pear tomato and a Costoluto Genovese. From the beginning we discovered that it would be difficult to develop the variety as a commodity product because achieving stability in its qualities throughout the season with minimal yield was difficult.

We searched for a company that understood the importance of producing Monterosa, bearing in mind its quality standards, and we found in the Gavà Group our ideal partner. This company has a clear idea of the needs and requirements of its customers and it grows tomatoes based on what it can sell. In fact, part of the production is discarded because it does not meet minimum quality standards. Thus, consumers can be certain that if they buy Monterosa, they are always getting top quality.

Currently the Monterosa tomato is well established, especially in Spain. Markets where it is growing include the United States and the hobby segment.



Waikiki is a Branco melon, but smaller (from 2 to 3 kg) and with orange flesh.

The Branco melon is a native species of Portugal and usually weighs 4.5 to 5.5 kg, less netting and white flesh. It is a species virtually unknown outside Portugal and is of very good internal quality and good post-harvest handling, two important and difficult requirements found in European melons.

Waikiki has allowed the Branco melon species to the demands of Central European melon consumers. There is currently no other variety like Waikiki on the market because it is a novelty in terms of size and flesh colour. In the eyes of the European market, the new variety is different on the outside and tasty and surprising inside.

Waikiki stemmed from the ambition of making small melons that were different. European consumers look for formats less than 2 kg that taste good. With Waikiki we have achieved a different melon that is amazing outside and inside, with a pleasant flavour and an appropriate postharvest handling. The challenge now is to further reduce the size of the fruit.

This new variety is in the initial phase. 2018 was the first year it was sold through two partners—one in Portugal and one in Spain—for distribution in Europe. The priority markets are Germany and France in particular, and also Austria and the Netherlands.



## CERTIFICATIONS



We are aware that climate change currently affects every country on every continent. With GSPP and ESTA certification our projects are, and will be, more sustainable since we put seeds on the market that are free of pathogens and treatments, which allows us to reduce the intensive use of plant protection products, one of the main problems in this industry. We also properly manage waste and avoid wastage through affordable and non-polluting energy.

### GSPP CERTIFICATION



#### Why have we obtained certification?

In line with our Quality Policy, at Semillas Fitó we decided to undergo the certification process voluntarily to offer our customers the highest level of safety in the production and processing of our tomato seeds. In this way, we also internalized the highest standards of preventive culture with the aim of promoting profitable and sustainable agriculture.



#### What does the GSPP certification at Semillas Fitó involve?

The GSPP standard covers 18 activities as part of the scope of the certification that go from the production of seeds to their sale (including processing and quality analyses). In addition, it requires an exhaustive traceability of the seed lots, an essential requirement for our process control. Therefore, GSPP implies safety and quality assurance in the work centres where these activities are carried out which have demonstrated compliance with said regulations.

During 2018, the company worked toward obtaining GSPP (Good Seed and Plant Practices) certification. Finally, in March 2019, the company's head office and warehouse in Barcelona obtained this certification.

#### *“The company obtained GSPP certification in March 2019”*

This certification guarantees that the seed has been produced and processed based on the regulatory requirements of the GSPP foundation, which in turn means that the seed has been managed following strict quality standards that minimize the likelihood of contamination by the bacteria *Clavibacter michiganensis* subsp. *Michiganensis* (Cmm). This pathogen, harmless to human health but harmful to plant health, is the cause of the main bacterial disease in tomatoes around the world.

To achieve this milestone, in our Barcelona centre a completely isolated working environment has been set up for the tomato seeds that pass through the GSPP activities circuit. In this space, our workers follow strict hygiene measures which include properly disinfecting the work material. In addition, it is equipped with the latest extraction technology to prevent the flow of suspended particles from other environments.

GSPP certified production sites must also:

- Develop, implement and maintain a quality management system and improve efficiency.
- Write procedures describing actions taken and how growing is managed (and the resulting seed) through work instructions.
- Carry out proper monitoring, train staff regularly, create a preventive mindset and define an emergency procedure against the appearance of commercial incidents resulting from the presence of pathogens.

## ESTA CERTIFICATION



Similarly, the European Seed Association offers ESTA (European Seed Treatment Assurance) quality certification, a general standard for quality assurance in seed processing that includes plant protection products.

Its objective is to guarantee that the seed treatment process and resulting processed seeds meet the regulatory and sectoral requirements, to guarantee that the production of food, feed and fibres is sustainable through a combination of precision and a minimum use of plant protection agents managed with the maximum efficiency and minimal environmental impact.

**"Semillas Fitó plans to obtain this certification during the course of 2020".**

In October 2020, Semillas Fitó submitted its ESTA maize seed management systems project for audit.

### Why did we decide obtain certification?

As with GSPP, in line with our Quality Policy, at Semillas Fitó we decided to undergo the certification process to offer our customers the highest level of safety in the production and processing of our maize seeds, and to help protect the environment. Thanks to this certification we obtain environmental benefits by using smaller amounts of insecticide, since we directly treat the seed in a controlled and specific environment instead of in the open field.

### What does the ESTA certification at Semillas Fitó involve?

The ESTA standard covers 7 activities within its scope of certification, ranging from seed cleaning to the use given to treated seeds, and their sale. Therefore, ESTA implies supporting the industry, as it provides a quality assurance system for seeds, their treatment and subsequent use and all the necessary management throughout the supply chain.

## COMMITMENT TO TRAINING



Apart from the specific training for personnel that have been detailed in previous sections of this report, Semillas Fitó also carries out other training actions aimed at customers and society in general.

In this 2019 annual report, we would like to highlight the efforts of the Turf Grasses division with the reissue of a turfgrass handbook that is unique in the sector, and also the *Sapiens del tomate* project, which is being carried out together with the Bulli Foundation.

### 2ª EDICIÓN TURFGRASS TECHNICAL HANDBOOK



In 2010, the Green Areas division drafted the *The Turfgrass Culture Technical Handbook*, a guide of just over 200 pages dedicated exclusively to turf management and the construction of sports fields. The document contains all the knowledge and experience of in-house professionals together with the advice of external experts. At the time, there were very few documents that described the challenges faced by the turf sector and also presented practical solutions, which is why it was very well received by both national and international professionals in the sector, who also have access to an edition in English.

In 2019, the guide was reissued in English, updating the information and expanding the content in the most relevant areas such as the construction of football pitches and tennis courts and the existence of new turf diseases. This second edition has been just as well received, with an issue of 1,000 copies that have been made available to customers, distributors, suppliers, greenkeepers and groundsmen, among other technicians, as well as technical colleges.

### INTERNAL/EXTERNAL TRAINING ON TURFGRASSES

During 2019, different training sessions were held in the area of turfgrasses at the hands of the sales director of the Turf Grasses unit, Josep Cirera.

**Six training courses** were taught on turf management and on specific Semillas Fitó varieties adapted to the needs of different regions in Spain.

More than **10 technical workshops** were held in our Cabrera de Mar test field with both national and international visitors.

We received about **20 corporate visits** to our facilities from customers from around the world to learn about our selection process, quality control and service.



**A webinar was also held at the Campus del Césped** to talk about the importance of quality control in turfs.



## SAPIENS DEL TOMATE



From seed to plate: everything you need to know about the tomato in the new book by the elBulli Foundation and Semillas Fitó.

The *Sapiens del Tomate* is a research project jointly developed by Semillas Fitó and the elBulli Foundation to understand what the tomato is from a holistic and interconnected point of view. The *Sapiens del tomate* is part of Bullipedia, the chef Ferran Adrià's grand project, which consists of creating the largest multi-format encyclopaedia of restaurant gastronomy in the western world. "This is not a recipe book, but a book for knowledge," says chef Ferran Adrià.



The book has been written by the journalist Mireia Nicolás. The tomato specialists at Semillas Fitó, Germán Anastasio (Tomato Global Crop Coordinator), José Antonio Rozas (Tomato Breeder) and Marta Fernández (Laboratory Assistant), have provided

the scientific and technical information about the tomato, while the elBulli Foundation has provided the cultural and culinary vision of the fruit. This combination of agronomic knowledge from Semillas Fitó and gastronomic experience from the elBulli Foundation helps explain how the tomato has evolved, both its fruit and its use in cooking, as well as its importance in politics or art. The tomato has been analysed from different perspectives: not only as a product, but also the ecosystem in which it is grown and produced, from its production to its arrival to the consumer, with a 360 degree perspective. Through the "Sapiens" multidisciplinary analysis method a journey has been undertaken that began thousands of years ago in America and has not yet ended.

The *Sapiens del tomate* is representative of the social commitment that unites Semillas Fitó with the elBulli Foundation. Focusing on the most produced and highly appreciated fruit in the world, Semillas Fitó hopes to take one more step along the path to the continuous transformation of the agro-food industry at the seed level, and contribute new knowledge to restaurant gastronomy in particular and others disciplines in general: botany, chemistry, commerce, among many others.



## SUPPORT FOR SOCIAL ORGANIZATIONS IN OUR REGION



### HOSPITAL SANT JOAN DE DÉU



In December 2019, we collaborated with the Sant Joan de Déu hospital in Barcelona in a fundraising campaign to investigate serious childhood illnesses. At the Fitó centres in Barcelona, Cabrera and Barbens we made "Pequeños valientes" bracelets and "Siembra esperanza" pencils available to anyone -internal staff and people external to the company- who wanted to make their small contribution. We raised €650 as a donation for research.

### PERE TARRÉS FOUNDATION



At Semillas Fitó we have also collaborated with the Pere Tarrés for several years now on different projects. Specifically at Christmas 2019 we took part in the campaign to collect food and materials for vulnerable children in the Poblenou neighbourhood of Barcelona, where our headquarters are located.



## HUMAN RIGHTS AND ANTI-CORRUPTION POLICIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



In the PHF group, respect for human rights is a fundamental value. There has never been any violation in this regard. As has been explained in various sections of this report, the Group is present in various countries around the world, inside and outside the EU. The legislation in force in the destination country has always been respected, as have the standard practices of good conduct typical of our culture of origin.

Regarding measures to tackle corruption and bribery in particular, one of the rules of the PHF Group is the non-acceptance of gifts in any form by suppliers or customers. In cases in which a worker receives a gift in physical form – a typical case is gifts around Christmas – which cannot be returned for whatever reason, the company's policy is to hand over the gift in question to the HR department.

This department collects all the gifts received in the company during the year and these are then used as prizes in the competitions that are organized for the workers on the day that Christmas is celebrated in the company.

# 5

## APPENDICES

# GRI CONTENT INDEX AND REQUIREMENTS OF LAW 11/2018

GRI indicator and description		Content of Law 11/2018	"2019 Annual Report" section	Pages	Related SDG
<b>General topics</b>					
GRI 101 - Foundation 2016	--	Methodology: Use of official frameworks	1. About this report	6-7	
GRI 102 - General Disclosures	102-1 Name of the organization	Brief description of the group's business model	2. About the company. The PHF Group	10-11	
	102-2 Activities, brands, products and services	Brief description of the group's business model	2. About the company. The PHF Group	10-11	SDG 2; SDG 8; SDG 9; SDG 12
	102-3 Location of headquarters	Brief description of the group's business model	2. About the company. The PHF Group	10-11	
	102-4 Location of operations	Brief description of the group's business model	2. About the company. The PHF Group	10-11	SDG 10
	102-5 Ownership and legal form	Brief description of the group's business model	2. About the company. The PHF Group	10-11	
	102-6 Markets served	Brief description of the group's business model	2. About the company. The PHF Group	10-11	SDG 10
	102-7 Scale of the organization	Brief description of the group's business model	2. About the company. The PHF Group	10-11	SDG 8; SDG 9
	102-8 Information on employees and workers	Employment: Number and distribution of employees	3. 2019 c) The team	28	SDG 8; SDG 9
	102-13 Membership of associations	Information about the company	3. 2019 e) Society	48-53	SDG 4
	102-16 Values, principles and standards.	Brief description of the group's business model	2. About the company. Mission and values	14	SDG 2; SDG 8; SDG 9; SDG 12
	102-46 Defining report content and topic Boundaries	Methodology: Use of official frameworks	1. About this report	6-7	
	102-50 Reporting period	Methodology: Use of official frameworks	1. About this report	6-7	
	102-51 Date of most recent report	Methodology: Use of official frameworks	1. About this report	6-7	
	102-52 Reporting cycle	Methodology: Use of official frameworks	1. About this report	6-7	
	102-53 Contact point for questions regarding the report	Methodology: Use of official frameworks	1. About this report	6-7	
	102-54 Claims of reporting in accordance with the GRI Standards	Methodology: Use of official frameworks	1. About this report	6-7	
102-55 GRI content index	Methodology: Use of official frameworks	4. Appendix A	70-71		
102-56 External assurance	External assurance by a third party	4. Appendix B	72		
<b>Economic topics</b>					
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	67	SDG 16
	205-3 Confirmed incidents of corruption and actions taken		4. Human rights and anti-corruption policies	67	SDG 16
<b>Environmental topics</b>					
GRI 301 - Materials	301-1 Materials used by weight or volume	Sustainable use of resources	3.d. The Environment Use of resources. Plastic	38-39	SDG 13
GRI 303 - Water	303-3 Water withdrawal	Sustainable use of resources	3.d. The Environment Use of resources. Water	37	SDG 6
	303-5 Water consumption	Sustainable use of resources	3.d. The Environment Use of resources. Water	37	SDG 6
GRI 306 - Waste	306-2 Management of significant waste-related impacts	Circular economy and waste prevention and management	The 3.d. Environment. Waste	42-43	SDG 13
<b>Social topics</b>					
GRI 401 - Employment	401-1 New employee hires and employee turnover	Employment: Number and distribution of employees	3. 2019 c) The team	28-29	
	401-3 Parental leave	Employment: Organization of work	3. 2019 c) The team	31	
GRI 403 - Occupational health and safety	403-1 Workers representation in formal joint management worker health and safety committees	Employment: Health and safety	3. 2019 c) The team	31	
	403-2 Hazard identification and workplace accidents	Employment: Health and safety	3. 2019 c) The team	31	
GRI 404 - Training and education	404-1 Average hours of training per year per employee	Employment: Training	3. 2019 c) The team	32-33	SDG 4
	404-2 Programs for upgrading employee skills	Employment: Training	3. 2019 c) The team	32-33	SDG 4
GRI 405 - Diversity and equal opportunities	405-1 Diversity of governance bodies and employees	Employment: Equality	3. 2019 c) The team	29	SDG 5
GRI 412 - Human rights assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	Information on respect for human rights	4. Human rights and anti-corruption policies	67	SDG 16
GRI 413 - Local communities 2016	413-1 Operations with local community engagement	Information about the company	3. 2019 e) Society	65	SDG 16

# PRINCIPLES OF THE GLOBAL COMPACT

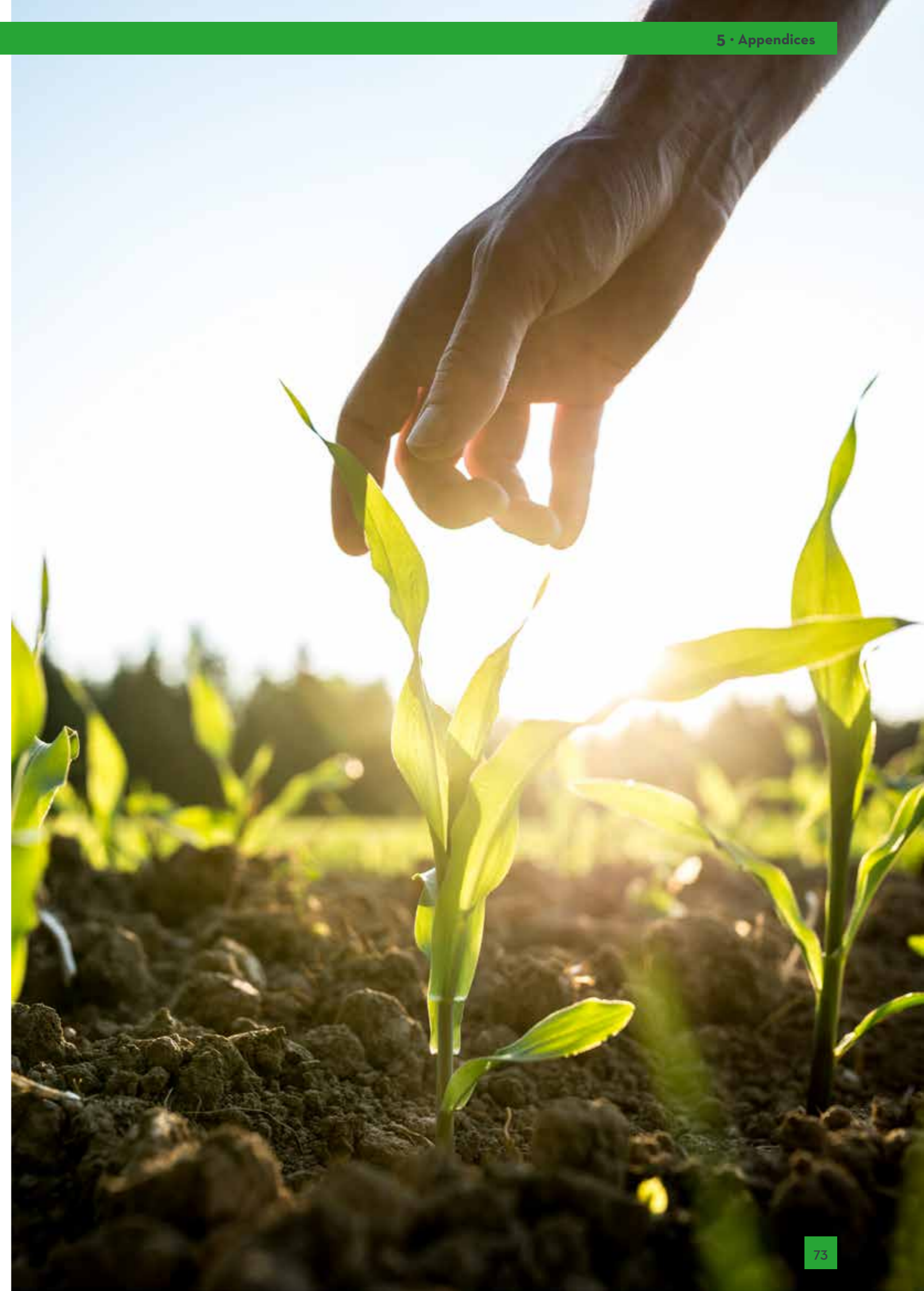
The Ten Principles of the Global Compact are derived from United Nations declarations on human rights, labour, the environment and anti-corruption and are globally accepted. The Ten Principles are detailed below, with an indication of where in the report each is referred to.

HUMAN RIGHTS		
<b>Principle 1</b>	Businesses should support and respect the protection of internationally proclaimed human rights, within their sphere of influence.	See "Information on matters relating to for human rights" (page 67)
<b>Principle 2</b>	Businesses must make sure they are not complicit in human rights abuses.	

LABOUR RULES		
<b>Principle 3</b>	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	See "Information on matters relating to the workforce" (pages 28-35)
<b>Principle 4</b>	Businesses should support the elimination of all forms of forced and compulsory labour.	
<b>Principle 5</b>	Businesses should support the effective abolition of child labour.	
<b>Principle 6</b>	Businesses should support the elimination of discrimination in respect of employment and occupation.	

ENVIRONMENT		
<b>Principle 7</b>	Business should support a precautionary approach to environmental challenges.	See "Information on environmental issues" (pages 36-45)
<b>Principle 8</b>	Businesses should undertake initiatives to promote greater environmental responsibility.	
<b>Principle 9</b>	Businesses should encourage the development and diffusion of environmentally friendly technologies.	

ANTI-CORRUPTION		
<b>Principle 10</b>	Business should work against corruption in all its forms, including extortion and bribery.	See "Information on anti-corruption and bribery" (page 67)



# ASSURANCE

## LETTER FROM THE 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, 19 de marzo de 2020

En relación con el examen que están realizando de las Cuentas Anuales de esta Entidad, correspondientes al ejercicio terminado el 31 de diciembre de 2019, por la presente les manifestamos que, según nuestro leal saber y entender:

1. Los miembros del Consejo de Administración, de PHF, S.L. 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.L., 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 2019, así como el resultado de sus operaciones y los cambios habidos en su situación financiera durante el ejercicio 2019 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.L. 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.



ELISABET FITÓ BAUCELLS

Consejera y Directora Ejecutiva de PHF, S.L.

## INDEPENDENT ASSURANCE REPORT



Dirección por Misiones, S.L.  
Ronda General Mitre, 145 - 1º 2º  
08022 Barcelona

## Informe de Verificación Independiente del Estado de Información No Financiera Consolidado de Productos Hortícolas Fitó, S.A. y sociedades dependientes del ejercicio 2018

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

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 2018 de Productos Hortícolas Fitó, S.A. (en adelante, PHF) y sus sociedades dependientes (en adelante, Semillas Fitó), que forma parte del Informe de Gestión de 2018.

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 2018. 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.

Reg. Mer Barcelona, T. 39.925, F. 206., H. M -357.040, Inscryp. 1.  
N.I.F. B-64660780



Dirección por Misiones, S.L.  
Ronda General Mitre, 145 - 1º 2º  
08022 Barcelona

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 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 2018 en función del análisis realizado por PHF, S.A. 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 2018.
- 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 2018.
- Comprobación, mediante pruebas, en base a la selección de muestras, de la información relativa a los contenidos incluidos en el EINF del ejercicio 2018 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.A. correspondiente al ejercicio anual 2018, 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  
10 de marzo de 2019

Reg. Mer Barcelona, T. 39.925, F. 206., H. M -357.040, Inscryp. 1.  
N.I.F. B-64660780





