

fito
Your seeds



ANNUAL REPORT 2023



1. LETTER FROM THE MANAGEMENT TEAM	5
2. ABOUT THE COMPANY	9
2.1. PHF Group: Semillas Fitó and its subsidiaries	12
2.2. Purpose, vision and values	16
2.3. Strategic objectives	18
2.4. Business areas	21
2.5. Business model	28
2.6. Varieties: Our contribution to the world	32
2.7. Governing bodies	34
2.8. Facts and figures about our people	40
3. KEY MILESTONES 2023	45
4. SUSTAINABILITY CULTURE	49
5. PEOPLE PROJECTS	61
5.1. Promote listening to employees	66
5.2. Guarantee internal and external communication	68
5.3. Implement training and development plan	74
5.4. Guarantee equal and competitive pay	82
5.5. Promote diversity and inclusion	85
5.6. Promote healthy work environments	86
5.7. Carry out the company's activity in a way that is faithful to its values	88
6. PLANET PROJECTS	91
6.1. Reduce the consumption of resources in our production systems	96
6.2. Develop varieties that reduce the ecological footprint	98
6.3. Incorporate sustainability criteria when selecting products and processes	100
6.4. Reduce food waste	102
6.5. Improve waste management	103
6.6. Carbon footprint and measures to mitigate the environmental impact of the organization	104
6.7. Efficient phytosanitary management on farms	107
7. PROFIT PROJECTS	109
7.1. Invest in technical and human resources in research and innovation	114
7.2. Promote self-consumption of energy	116
7.3. Implement more efficient and cleaner technologies	117
7.4. Promote partnerships that contribute to sustainability within the sector	118
7.5. Develop an internal policy for sponsorships, donations and collaborations	124
7.6. Promote sustainable economic growth and development	126
8. ABOUT THIS REPORT	129
8.1. Purpose	131
8.2. Scope and coverage	131
8.3. Methodology and principles of preparation	131
8.4. Materiality matrix	132
9. ANNEXES	135
9.1. GRI content index and requirements of Spanish law 11/2018	136
9.2. Sustainability committee, materiality analysis and next steps	150
9.3. Traceability	152
9.4. Policies	158
9.5. Principles of the Global Compact	159
9.6. Impact assessment and due diligence	160
9.7. Assurance	166



1. LETTER FROM THE MANAGEMENT TEAM



Dear reader,

The annual report you are about to read aims to show the steps taken during the year 2023 to achieve **our common goal of “generating sustainable wealth throughout the agri-food chain through seeds, thanks to our committed and accomplished teams”**.

Therefore, special mention is made of all aspects related to **economic, social and environmental sustainability** that the company has carried out in the current year thanks to our **business activity** and, above all, all milestones reached **to strengthen the accomplishment and commitment of all our employees and relevant stakeholders**.

Sustainability is one of **our strategic objectives**, along with people, processes, technology and growth, and the commitment undertaken by the owners and managers of the company in this regard is very clear.

As a result of all the work done since 2017 with the publication of the annual reports, the preparation of annual plans and the redefinition of our purpose, during 2023 a **clear culture of sustainability has become evident within the organization at a global level**. Many work teams have presented their investment proposals for the following year with a special focus on sustainability, and have also stated how each of the proposed measures has a direct impact on achieving sustainability in a specific area.

It is worth noting that, as a company, we see ourselves as part of a privileged sector, where sustainability is an inseparable element of the company's activity. Semillas Fitó's link to sustainability is essentially built through the **resistance of its varieties, the efficient use of resources, the adaptation of its portfolio to regional conditions, the genetic quality of its seeds and its commitment to continuous improvement**. These factors contribute directly to a more sustainable and environmentally friendly agriculture, and shape the strategy of our R&D programs to a large extent.

In the global context, 2023 has been marked by several geopolitical conflicts worldwide that affect our business (hyperinflation situation in Turkey, Ukraine war, Gaza-Israel conflict), as well as natural phenomena that also have a strong impact on our business, such as drought. Sustainability is becoming more and more relevant in our sector and is strongly represented in our Strategic Plans.

The most significant aspects of 2023 that show a clear evolution compared to previous years, which we will go into in depth in the following pages, are:

- Presentation of the **2023-2026 Sustainability Plan** to the entire organization. Dedication of a large part of the annual report to explaining the status of each of the **20 projects defined** in the plan.
- Clear priority given to **good corporate governance** and the consequent evolution of the company's main governing bodies, in order to better govern and manage the company.

I hope you enjoy reading this report as much as we have enjoyed writing it and making all the mentioned achievements possible.

Thank you very much.

Elisabet Fitó
Director of Corporate





2. ABOUT THE COMPANY

ABOUT THE COMPANY

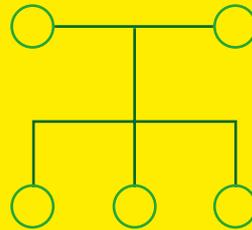
ABOUT THE COMPANY



Company founded
in **1880**



100%
family-owned

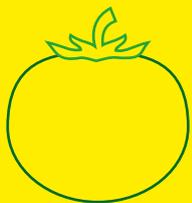


Led by the
**5th generation
of the family**



**We are the
number 1** seed
company in Spain

BUSINESS AREAS



Vegetables



Field Crops

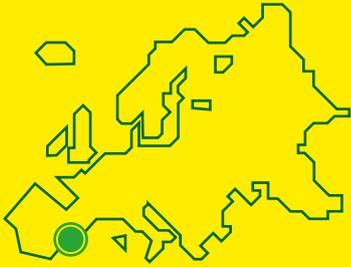


Turf Grasses



Hobby

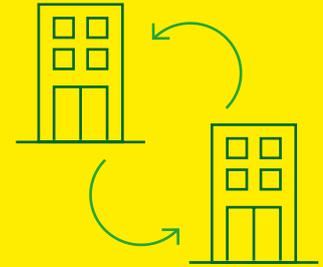
FACILITIES



Headquarters in
Barcelona



9 R&D centers
of our own



10 subsidiaries of our own, 6 of which are outside the EU

EXPERT TEAM



Sales team present in **19 countries worldwide**



38% of the workforce is 100% dedicated to **research**

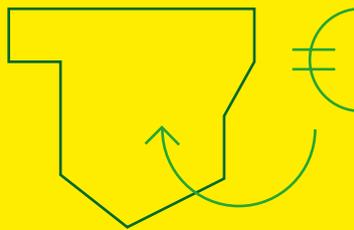


Team made up of almost **800 people**

FIGURES 2023



20% of the group's annual turnover is invested directly in **R&D programs**

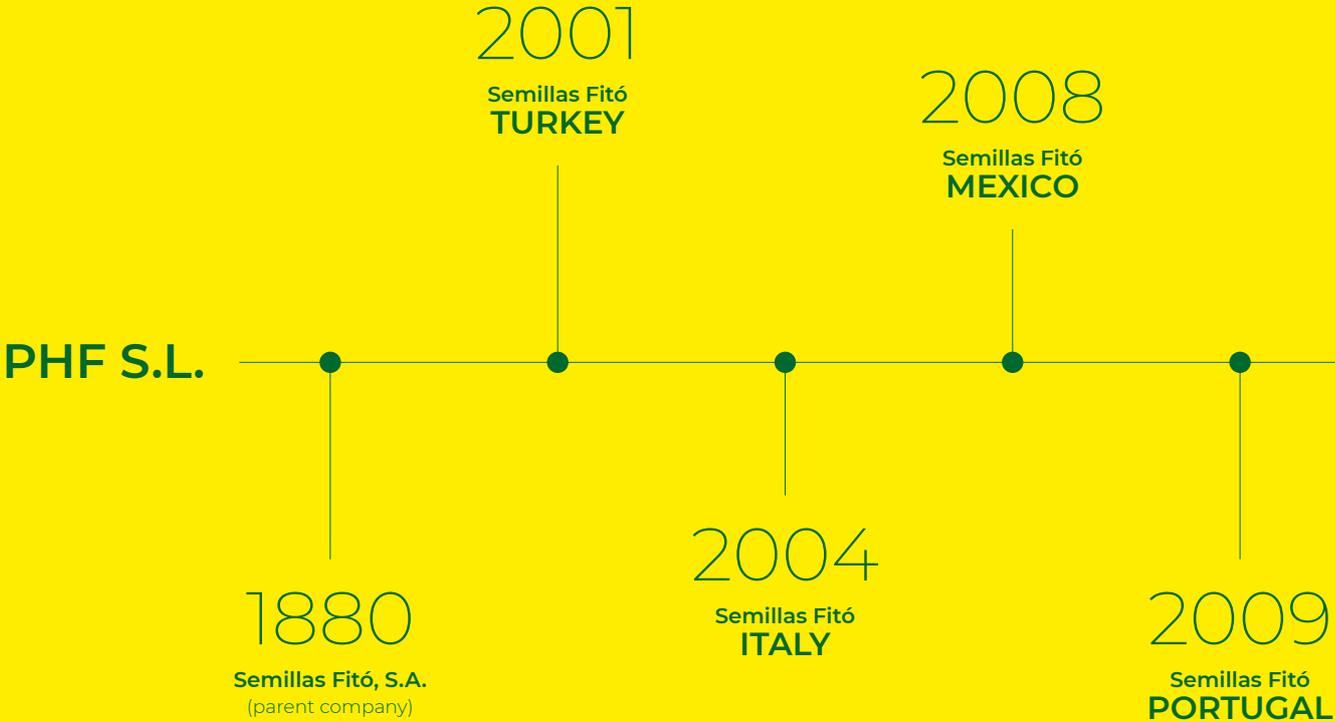


66% of turnover comes from **foreign markets**



90 countries in which we have a continuous commercial presence

PHF GROUP



PHF S.L. (Productos Hortícolas Fitó) is the company that owns **Semillas Fitó S.A.** and all its subsidiaries around the world.

PHF Group is comprised of a parent company, based in the Poblenu neighborhood 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.

2011
Semillas Fitó
FRANCE

2014
Semillas Fitó
INDIA

2018
Semillas Fitó
MOROCCO

2014
Semillas Fitó
CHILE

2017
Semillas Fitó
BRAZIL

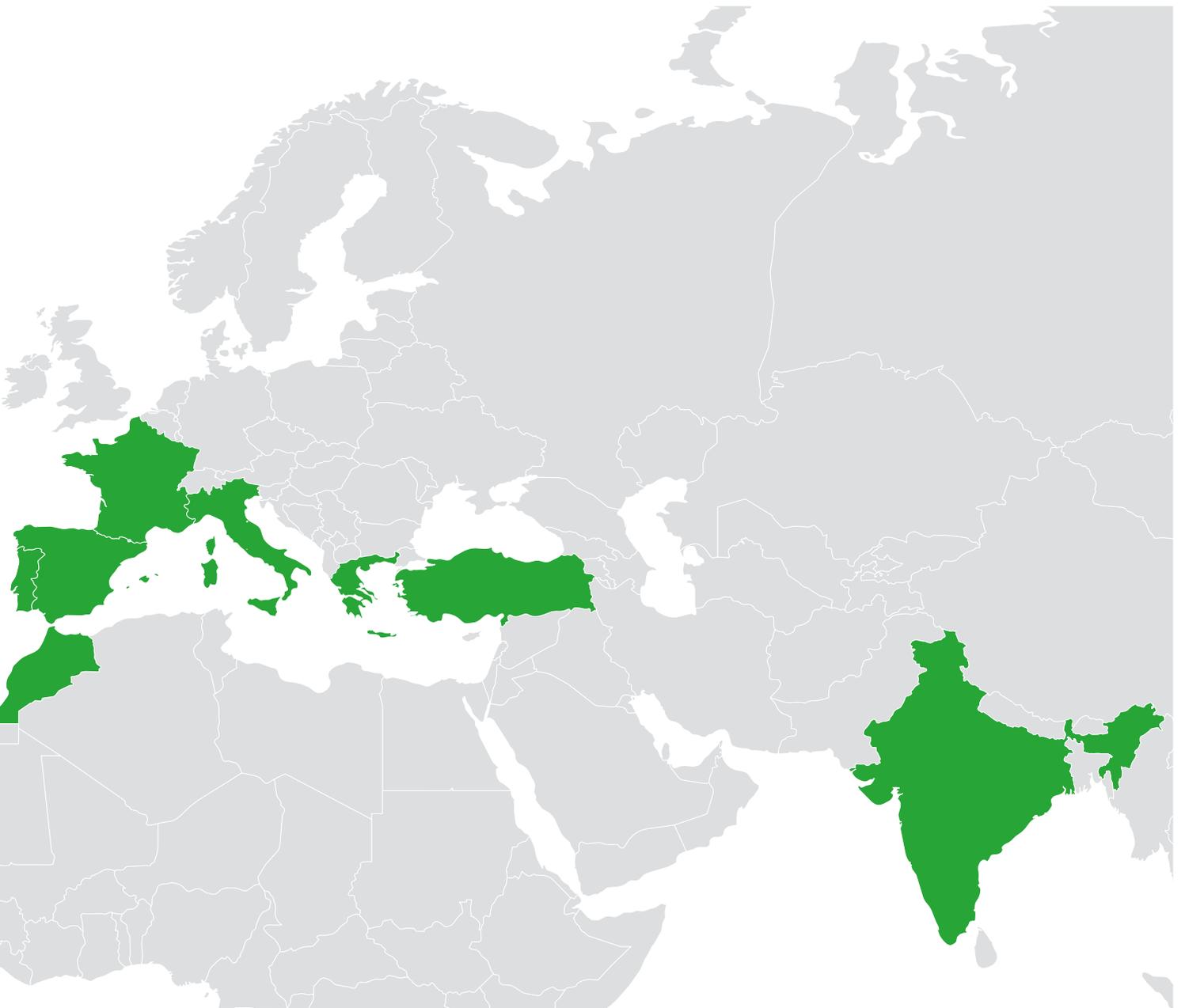
2021
Semillas Fitó
GREECE

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

The internationalization of Semillas Fitó makes it a **global company and brings it closer** to its customers.



Headquartered in Barcelona, it has 10 subsidiaries and a direct presence in another 9 countries on four continents. The operations centers are located in Barcelona and Lleida (Spain), Antalya (Turkey) and Bangalore (India).



HEADQUARTERS

Barcelona, Spain

SUBSIDIARIES

Antalya, Turkey
Padova, Italy
Culiacán, Mexico
Algès, Portugal
Lons, France
Arica, Chile
Bangalore, India
Sao Paulo, Brazil
Agadir, Morocco
Athens, Greece

OPERATIONS CENTERS

VEGETABLE SEEDS

Barcelona, Spain
Antalya, Turkey
Bangalore, India

FIELD CROPS

Barbens, Spain
Don Benito, Spain

R&D CENTERS

VEGETABLE SEEDS

Cabrera de Mar, Spain
Sant Andreu de Llavaneres, Spain
Almería, Spain
Murcia, Spain
Antalya, Turkey
Culiacán, Mexico
Sicily, Italy
Bangalore, India

FIELD CROPS

Barbens, Spain

PURPOSE, VISION AND VALUES

PURPOSE

The purpose of PHF Group was redefined in 2021 in order to meet the current and future needs of the organization, and has become a **new guide to help the company grow in an environment of teamwork and coexistence, with a clear and shared idea about the future of the company, what it wants to become and how it wants to be recognized.**

The group is well aware that it owes it to its *stakeholders* or interest groups, and from its purpose it seeks to create value for each of them:

Generate sustainable wealth
throughout **the agri-food chain**
through **seeds**, thanks
to **accomplished and**
committed teams.



Generate sustainable wealth: have a long-term vision and focus on generating value that has a global and equitable reach and a positive impact.



Throughout the agri-food chain: the ambition to have an impact beyond customers, always considering how Semillas Fitó helps all players across the agri-food chain.



Seeds: these are our essence and what Semillas Fitó specializes in. Seeds are what the company is known for, its area of strength and where it makes an impact.



Accomplished and committed teams: people are key, so priority is given to their well-being, environment and development.

VISION

Our vision is a projection of where we want to be and what we want to achieve in the medium and long term. Taking the specificities and opportunities of each of PHF Group's business units into account, the following visions have been defined:



Vegetable Seeds vision:

To be the expert partner in seeds at a global level in fruit, vegetables and large seeds.



Field Crops vision:

To be one of the main players in the Euro-Mediterranean region offering competitive solutions and an efficient service.

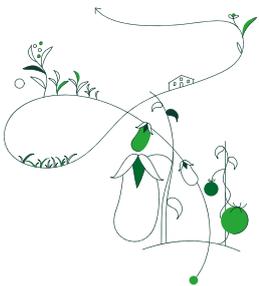


Hobby vision:

To be the trusted and leading supplier for the amateur market.

VALUES

While our purpose defines the path to follow as a company together with its stakeholders, values are part of PHF Group's DNA, and define its way of being and doing. These are the ethical principles, beliefs, behaviors and qualities that are reflected in the behavior and decisions of the company and all its members.



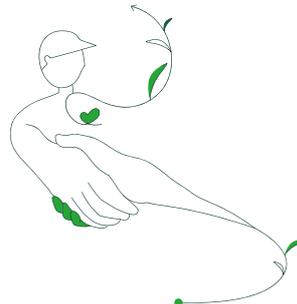
LONG-TERM VISION

We put time and effort into thinking about and planning how to build our future.



PROXIMITY

We are an accessible organization. We build trust in our customers, suppliers and colleagues.



TEAMWORK

We achieve our goals collaboratively and respectfully. We always foster an atmosphere of respect, commitment and mutual assistance.



PROFESSIONALISM

We love what we do. We set ourselves challenges and we are agile in proposing solutions, based on our experience and knowledge.

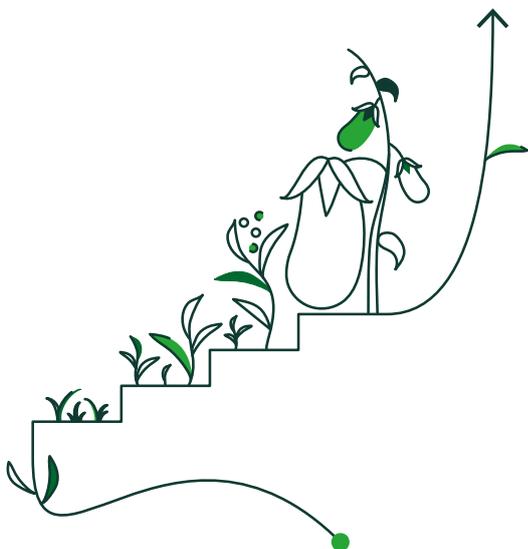
STRATEGIC OBJECTIVES

In 2022, PHF Group redefined the four strategic objectives that have marked the company's global direction and development in recent years. These objectives are cross-cutting for all the company's departments and business units and, together with the strategic business plans, are present in the action plans of all teams.

Year after year, through the lens of these four strategic objectives, our purpose and values, the group has been developing projects and achieving important milestones. The reader can have a look at the main milestones in 2023 in the corresponding section on page 46.

Our four objectives are:

BUSINESS GROWTH



Increase size to continue providing solutions to the agri-food chain.

The growth of all business units is framed within this strategic objective, which defines annual forecasts that are reported at the end of the year to the entire company. This growth is sustained by our corporate values and purpose.

PROCESSES AND TECHNOLOGY



Standardize processes and protocols for structured growth.

The company's international growth in recent years, both in terms of business and human resources, has been very significant. To ensure that this growth is achieved in an orderly, consistent way, with a long-term vision and providing the support required by all departments, the company has prioritized and invested a large part of its efforts in developing and implementing processes and technologies at all levels in order to improve efficiency.

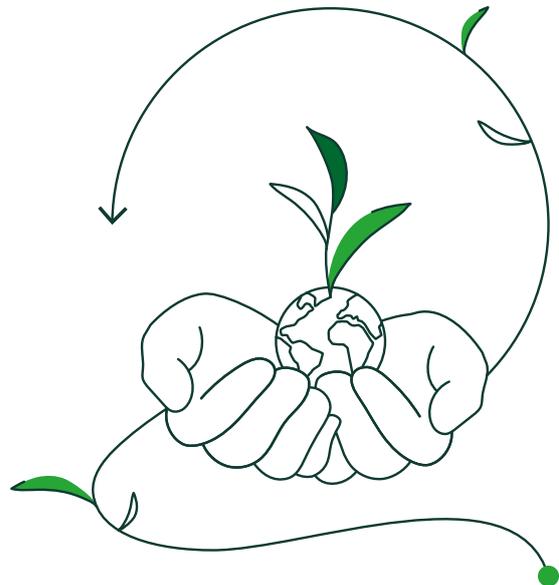
PEOPLE



Accomplished and committed teams.

Prioritizing the people within the company is intrinsic to the values and purpose of PHF Group. Therefore, year after year, and under the leadership of the Human Resources team, action plans are implemented with the aim of promoting an exciting, committed, collaborative and agile team culture.

SUSTAINABILITY



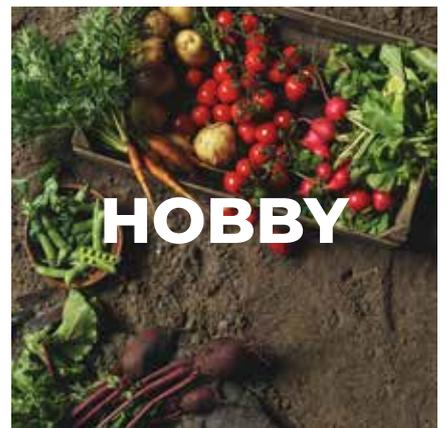
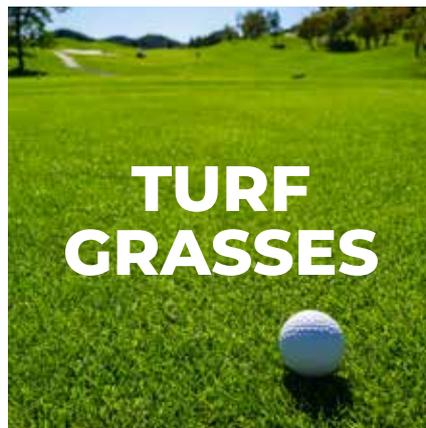
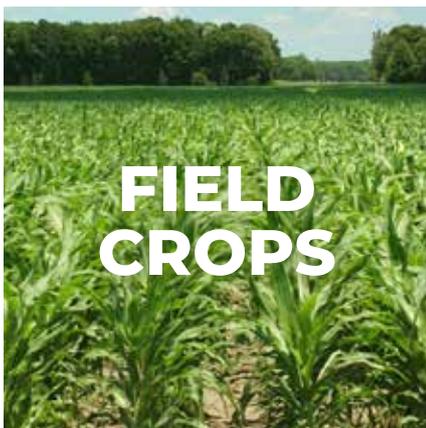
Be a generator of sustainability throughout the agri-food chain.

Since 2022, PHF Group has been working to become a benchmark in the sector in terms of sustainability, through internal and external actions at environmental, human and business levels.



BUSINESS UNITS

The group works across four business units, classified according to the type of crop.





VEGETABLE SEEDS

It is the group's main business unit, specializing in the development, production and marketing of cucurbits, solanaceae and large seeds.

The Vegetable Seeds Division is distinguished by its specialization in 7 vegetable species (tomato, pepper, eggplant, melon, watermelon, cucumber and squash) and 3 large seeds (broad beans, green beans and sweet corn). The group works to develop varieties adapted to temperate, dry and tropical climates, both in the open field and in greenhouses.



SOLANACEAE

Eggplant, pepper and tomato.



CUCURBITS

Squash, melon, cucumber and watermelon.



LARGE SEEDS

Broad beans, green beans and sweet corn.

This specialization, both in terms of species and climatic conditions, plays a decisive role in acquiring the **broad knowledge and experience** in the sector that the company is known for. Another essential element is the **team of experts** working in the business unit, made up of field specialists located in the countries where the group operates (**Eastern and Western Europe, Middle East, Central Asia, Africa, South and Central America and South East Asia**).

PHF Group aims to add value by offering **solutions adapted** to the needs of all players across the **agri-food chain** while ensuring **proximity to customers**. To achieve this, it is essential to integrate the R&D and commercial teams **in the process of listening to the needs** of the sector and identifying them.

As a result of these efforts, we offer a **wide range of products with more than 500 varieties adapted to the different sales channels** in which the group operates (**fresh, industrial and retail**), based on innovation, competitive genetics developed by the R&D team and excellent promotion.

Due to the **heavy investment in innovation**, which in 2023 was **20% of the company's turnover**, and the work done by the R&D programs in the 9 research and development centers, **42 new varieties were launched** on the market in 2023 alone. In addition, in recent years, **differential proposals have been developed under distinctive seals** such as:

flavourite

 **SmartQ**

Organic

Flavourite®:

Seal of **flavor** that sets products apart from others in the same category, approved by sensory analysis and independent professional tastings.

SmartQ®:

The technology that provides peace of mind to our customers through high-quality, sustainable fruits, healthy green plants with **better virus resistance** and high yields.

Organic:

Range of varieties cultivated following entirely **organic production processes**, to ensure that crops are organic from the moment they are planted.

HAR  **BEST**

SEEDNERGIC
Tecnología que potencia la genética

Harbest®:

Our Harbest® seeds provide benefits by facilitating **the harvest process** and allowing for improved results in cost and/or time.

Seednergic®:

The technology that **enhances the genetic expression** of each variety thanks to specific formulations for each crop.

In addition to innovation, quality assurance is a priority for the company, which offers **high quality standards** in all the seeds it markets.

At Semillas Fitó we are well aware of the challenge posed by the company's corporate purpose, i.e. to generate sustainable wealth throughout the agri-food chain through seeds. That is why PHF Group is committed to **creating partnerships that allow it to join forces** with the aim of improving the industry together. An example of this is the company's intense involvement in industry associations, both local and international, which is extensively detailed in section "7.4. Promote partnerships that contribute to sustainability within the sector" of this report.

Vegetable Seed offers **high value solutions** for the entire agri-food chain.

fito Foodture

Semillas Fitó is part of a **constant evolving sector** that needs to be able to **interpret the changing needs** of **consumers** and transform them into **high value solutions**. That is why

Fitó Foodture was created in recent years.

Fitó Foodture is a driver that generates and structures concepts that offer a differential value for all the actors in the chain, through the development of consumer brands.

Semillas Fitó's Foodture department aims to stand out as a **qualitative and differentiating element in the relationship between actors in the chain** that provides differentiated products and that protects margins. To achieve this, it has established a dialogue with farmers, which goes beyond technical and production aspects, and provides them with solutions on issues related to marketing, positioning, access to channels, innovation, differentiation, packaging, and category and quality management, among other things.

Foodture, through an entire multidisciplinary team, focuses its efforts on achieving differential varieties based on different sources of added value: improvements in breeding, the implementation of new varieties adapted to the needs of farmers and retailers, the detection of new consumer needs based on new consumption habits, the definition of new categories, etc. All this through continuous investment in R&D and support for categories with brand attributes that defend the position of retailers, and empathize with end consumers, by adapting to new consumer trends. **Foodture represents the balance between research, development, innovation and marketing on the one hand, and the needs of farmers, retailers and end consumers on the other.**



FIELD CROPS



Business unit specializing in the development, production and sale of varieties of corn, sunflower, forage and sorghum. This unit comprises 4 corn and 3 sunflower programs, which include a wide range of very specific products for dry and hot conditions.



R&D CENTER

Breeding station for the development of new varieties adapted to the conditions of southeastern Europe.



FITÓ CARE

Thanks to seed technology, seeds today come with treatments that protect plants in early stages and improve yield potential.



TVF TEST

To offer the highest quality, we carry out the TVF performance guarantee test, even in difficult areas.



EXCLUSIVE TREATMENTS

Lumisena treatments reduce the incidence of mildew in sunflowers.

TURF GRASSES

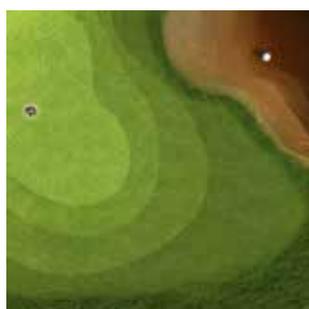


Business unit specializing in offering varietal solutions for the creation and regeneration of green spaces and sports fields in various climates, with expertise in hot and dry environments.



FOOTBALL PITCHES

Supplier to the main clubs in the Spanish, French and Italian leagues, among others.



GOLF COURSES

Partner of the most prestigious golf courses in the world.



PROFESSIONAL GARDENING

We supply the most demanding municipal gardening departments.



SODS

Tailor-made products for manufacturers of instant turf.

HOBBY

Business unit specializing in the sale of a wide range of seeds for the amateur market. We have 2 seed brands adapted to the needs of different audiences and sales channels:



FITÓ HOBBY

Range of seeds for the amateur and semi-professional farmer, for sale in cooperatives and agricultural stores.



EUROGARDEN

Range of seeds for hobby gardeners, for sale in large DIY, gardening and food chains.

With the aim of continuing to offer value to our customers and in line with Hobby market trends, Semillas Fitó has relaunched the Premium and Organic collections and a new Shoots & Sprouts collection for Eurogarden.



PREMIUM EUROGARDEN



ORGANIC Collection



SHOOTS & SPROUTS Collection

BUSINESS MODEL

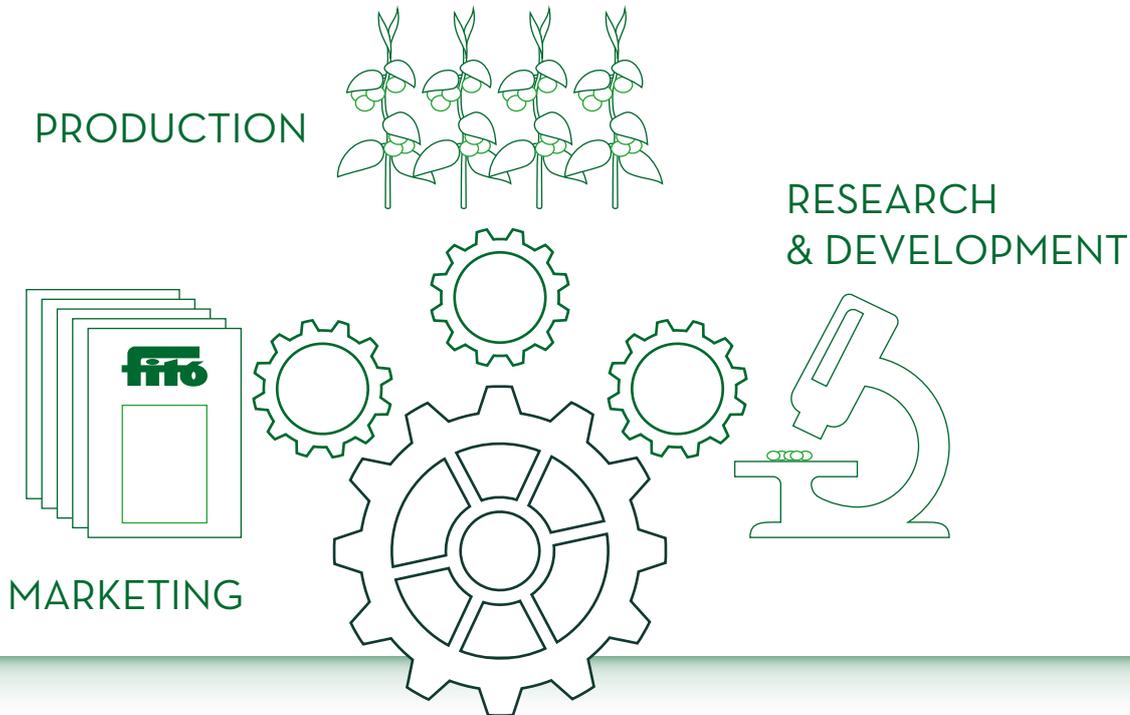
PHF has specialized exclusively in seed production since its foundation in 1880. This is what the owners have wanted for the company throughout its history, ruling out diversifying the business as other companies in the sector have done.

The purpose of the company is to **generate sustainable wealth throughout the agri-food chain through seeds**, and this is possible by offering value propositions for all key players across the agri-food chain, which is the basis of the organization's business model.

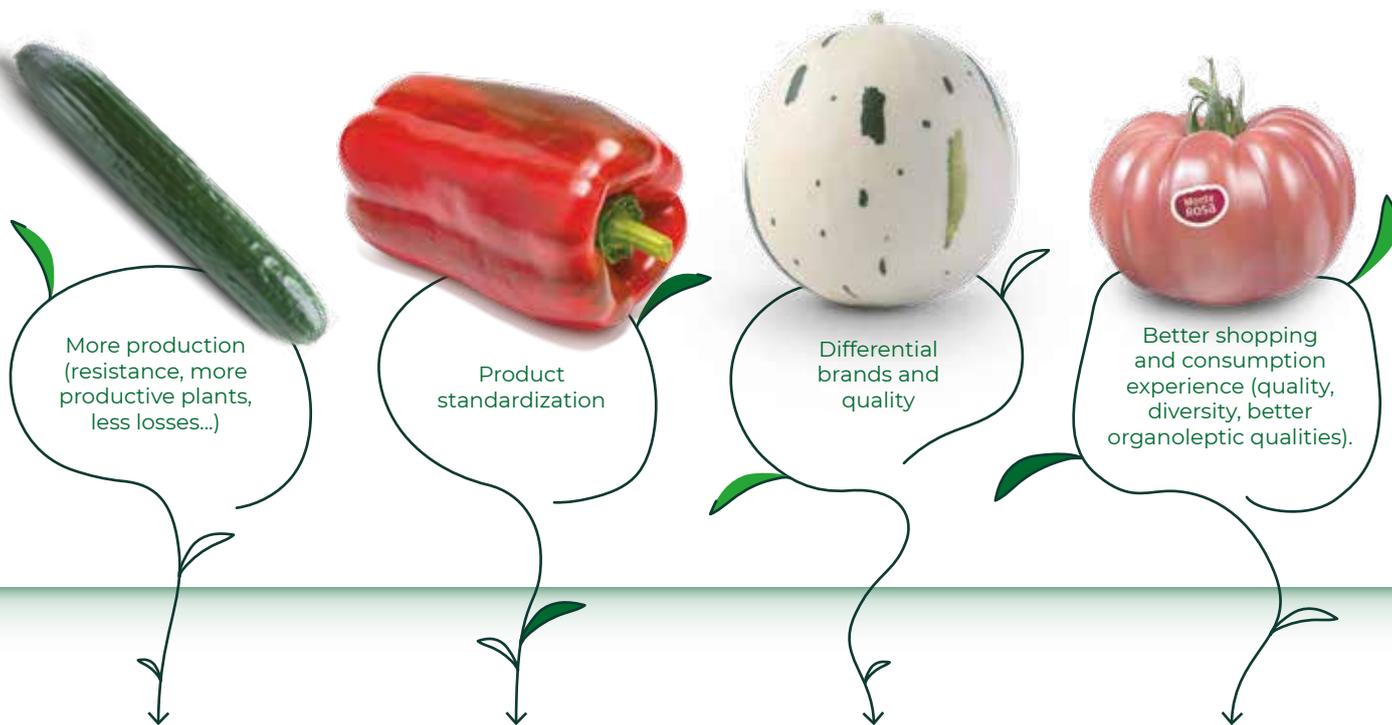


PHF's business model is characterized by the **involvement of the R&D team in the process of identifying market needs throughout the chain**, together with the commercial department. We thus ensure that the seeds meet the needs of the entire value chain.

With a commercial model based on **consultative and assisted selling, hyperconnected with the R&D team**, the desire to generate value throughout the chain has also led Semillas Fitó to create a **highly specialized sales team for each channel**, with a very technical profile that allows for consultative sales. Listening to and understanding the needs of the entire chain makes it possible to create value proposals.



PROPOSALS THROUGH THE SEED



PRODUCTION
farmer



TRANSFORMATION
productive organizations



DISTRIBUTION
wholesalers and retailers



CONSUMER

AGRI-FOOD CHAIN

Fresh fruits and vegetables

The interplay between R&D, marketing and production is the key to success.

RESEARCH AND DEVELOPMENT

The group invests 20% of its turnover in the R&D programs that are carried out in the 9 R&D centers that the company has for this business unit. An investment with a knock on effect on human resources, with 38% of the workforce dedicated to research.

Besides an expert and R&D-specialized team, PHF Group has state-of-the-art facilities in biotechnology that allow the company to select parental seeds and hybrids with greater precision, variability and speed: phytopathology, cell biology and phytotrons laboratories, as well as post-harvest laboratories.

In 2023, as part of its commitment to innovation, Semillas Fitó has expanded its R&D facilities in Cabrera de Mar (Barcelona). The center now has **three new climatic chambers for the growth of donor plants (phytotrons) for the Cellular Biology department, as well as a new germination and acclimatization chamber that together cover an area of 300 m². In addition, the facilities dedicated to Phytopathology have been expanded with a new pathology laboratory, which has four new climatic chambers for carrying out various bioassays with plant pathogens, covering a total area of 150 m² in addition to the facilities already available at the center in Cabrera de Mar.**

These new spaces are in addition to the more than one million euros that the company has invested in the last two years in its main R&D center to expand the facilities and incorporate the latest technology in the areas of Genomics, Cellular Biology and Phytopathology.

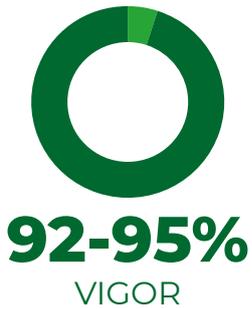


PRODUCTION

The seeds are produced on the company's own or third-party farms and are later packaged for sale. The group guarantees quality in all markets through exhaustive controls during production and in the Quality Laboratory.



High standards in the quality of the seeds we sell.



We test under the conditions that the seeds will encounter in the field, depending on each market, selecting the batches that will best adapt to each area.



We analyse all productions batch by batch.



Seeds are always stored in our own facilities under controlled humidity and temperature conditions.



Seed Borne Disease (SBD): Very rigorous controls, over and above the requirements of the authorities. Between 80 and 90% of the tomatoes we produce are GSPP certified.



SALE

PHF has an extensive network of expert sales technicians for customers around the world, specifically in 19 countries. Other departments such as Customer Service work together with the sales team to ensure direct support and advice is given to customers.

VARIETIES: OUR CONTRIBUTION TO THE WORLD



MAGNETO



CADICE



FALADI



CARMELA



CANCUN

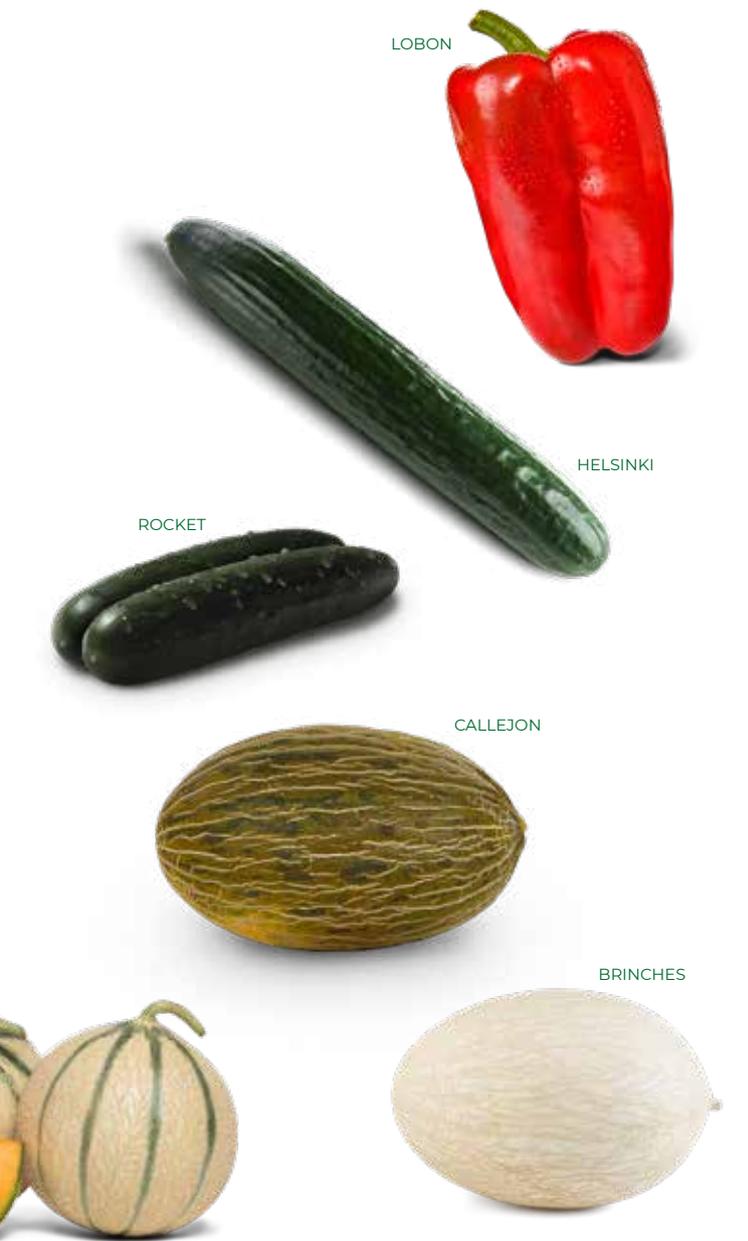
Plant breeding is an essential activity for the sustainability of human diet. In this regard, we are facing the challenge of providing food for a growing world population, while minimizing environmental impacts. PHF Group is firmly committed to the development of new vegetable, cereal, legume and grass varieties to meet this challenge. The organization's development strategy is focused on obtaining new varieties with greater yield potential, while reducing the inputs required for their production. Varietal selection criteria such as tolerance to emerging plant diseases, to stress factors such as salinity, drought or cold are thus established. At the same time, priority is given to the selection of varieties that meet the organoleptic and nutritional requirements appreciated by consumers.

To achieve tangible results in the form of new plant varieties that meet expectations, PHF Group has structured a research and development strategy based on different breeding programs for the crops offered by the company. The commercial launch of a new variety is the goal of an over 5-year journey involving a multidisciplinary and transdisciplinary team: breeders, agricultural engineers, molecular biologists, geneticists, phytopathologists, cell biologists, physiologists, field staff, laboratory analysts, experts in international regulations... They are all committed to achieving the common goal of facilitating sustainable agriculture.

As a result, in 2023 PHF Group has completed the launch of **42 plant varieties**. An example of this effort was the Helsinki cucumber, the first cucumber variety that combines 5 of the most important pathogen resistances for this crop: CGMV, ToLCNDV, Px, CYSDV and CVYV.

VEGETABLE VARIETES

Sweet corn	SF2169	Spain
Sweet corn	SF2186	Spain
Melon	CALLEJÓN	Spain
Melon	LEVANZO	Italy
Melon	CANCÚN	France
Melon	BORA BORA	France
Melon	BRISTOL	Spain
Melon	BRINCHES	Portugal
Watermelon	TATA	Morocco
Watermelon	RAQUEL	Spain
Cucumber	CRIVILLE	Spain
Cucumber	HELSINKI	Spain
Cucumber	NAIROBI	Spain
Cucumber	ROCKET	Mexico
Cucumber	SONIC	Turkey
Cucumber	SPANISH	Kazakhstan



FIELD CROP VARIETIES

Tomato	FALADI	Various
Tomato	CADICE	Italy
Tomato	CHAMPION	Egypt, Saudi Arabia and Iran
Tomato	GARRA	Egypt
Tomato	MAGNETO	Mexico
Tomato	MONTE CHOCO	Dominican Republic
Tomato	MONTE ORANGE	Dominican Republic, Colombia, France and Poland
Eggplant	DARK KNIGHT	Jordan, Saudi Arabia and Iraq
Eggplant	CARMELA	Spain
Eggplant	DOMIZIA	Italy
Eggplant	SAGHAR	Iran
Pepper	BONICELLO	Italy
Pepper	LOBON	Spain, Turkey and Peru

Alfalfa	PAOLA	Spain
Forage formula	WHITERUSTIC	EU
Forage formula	WHITE GREENING	EU
Poa bulbosa	PB-307	EU
Corn	BANKO	Turkey
Corn	MABUKO	EU and Turkey
Corn	TALABOR	Spain and Portugal
Lolium perenne	PROCESS	Spain, Germany, Italy, Ukraine, Romania, Uruguay and Turkey
Cynodon dactylon	MEDPRO SLT	Spain and Italy
Agrostis stolonifera	VALDERRAMA	Spain, Sweden, Germany, Italy, USA and France
Festuca arundinacea	GENIUS	Spain, Italy, France, Sweden, Greece, Germany And Portugal

GOVERNING BODIES

During the year 2023, one of the fundamental changes in the organization has been the **evolution of the main governing bodies**. Prioritizing good corporate governance has been a very important development that has influenced the agenda of the Board of Directors and the Steering Committee.

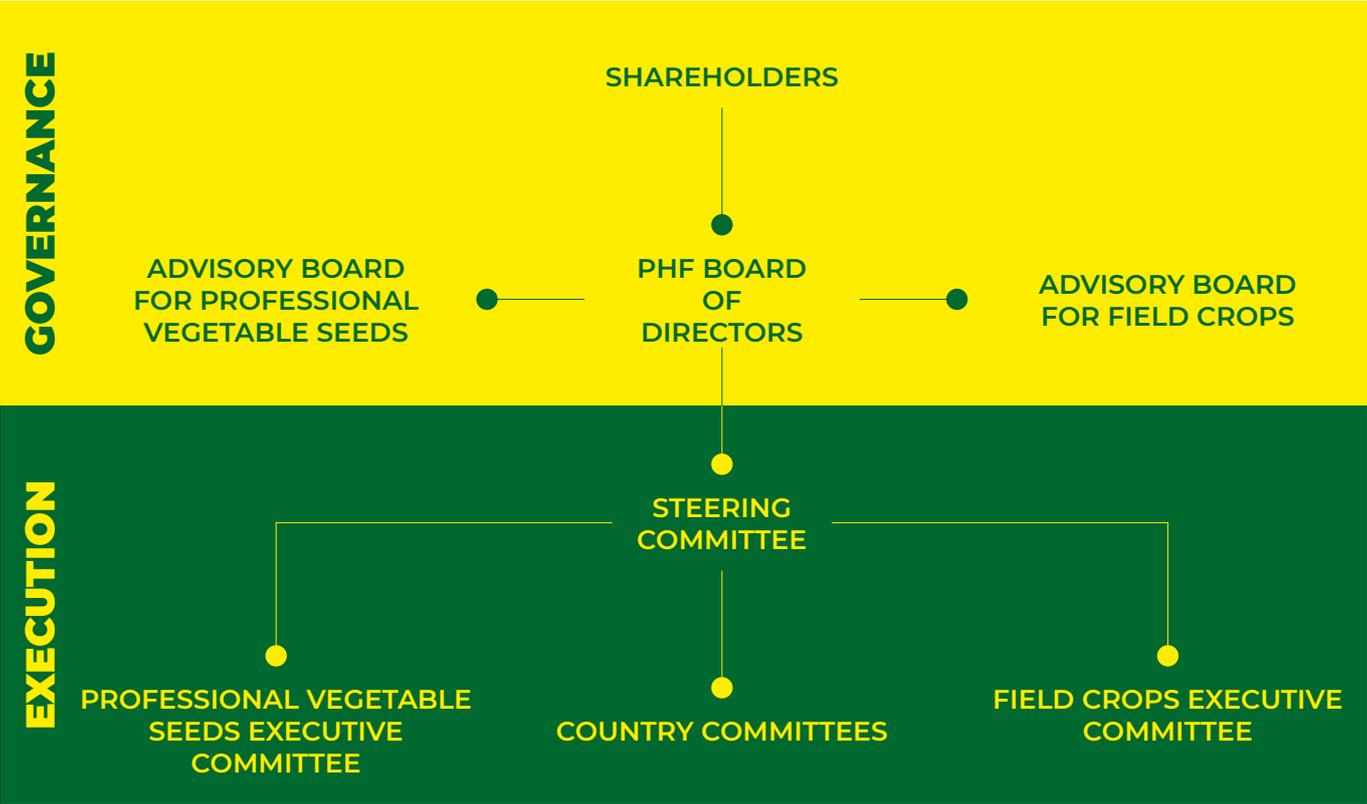
The year 2023 began with five governance bodies organized into four levels (see the 2022 report for more details). During the year we worked hard to develop their structure into one more suited to the current needs of the business and finally decided to implement the structure shown in the following chart

The fundamental change has been the dissolution of the Board of Directors of Semillas Fitó S.A. as such and the **creation of the Advisory Boards for Professional Vegetable Seeds and Field Crops during the second half of 2023 in its place**.

Both Advisory Boards are made up of a mix of independent board members with a solid professional background in their fields of action and executive managers from each business unit and Corporate.

During 2023, two Advisory Boards were created to ensure regular follow-up of the Professional Vegetable Seeds and Field Crops businesses at a strategic level.

These changes have been possible because both the company's owners and managers strongly believe in strengthening and periodically evaluating the different governance bodies. The aim of the company is to ensure that its members have sufficiently favorable and complementary skills to be able to govern and manage the company in the best possible way, while orienting the strategy of each business area.



SHAREHOLDERS & PHF BOARD OF DIRECTORS

Frequency
QUARTERLY

4
meetings in 2023

7
board members

5 men
2 women

President
EDUARD FITÓ

MAIN RESPONSIBILITIES:

- Preparation and approval of the annual accounts of all group companies.
- Assessment of new business opportunities.
- Assessment of main investments and divestments.
- Appointment or dismissal of board members.
- Appointment of family members with executive positions in the Business Group.
- Appointment of auditors.
- Definition of the purpose, vision and values of the Business Group.

STEERING COMMITTEE

Frequency
WEEKLY

37
meetings in 2023

7
members

4 men
3 women

President
LAIA FITÓ

MAIN RESPONSIBILITIES:

- Designation and approval of all corporate policies globally.
- Establishment of the company's annual strategic objectives.
- Consolidation and follow-up of financial budgets at the global level, as well as validation before submission to the Board of Directors for final approval. Decision making for corrective measures, if necessary, during the current year.
- Promotion of staff development and evaluation policies.
- Ensure compliance with the new *Compliance* policy at a general level.
- Supervise the correct implementation of the Sustainability Plan at a global level.
- Forum where the *chairpersons of the Country Committees* of the subsidiaries periodically report.



STEERING COMMITTEE



PROFESSIONAL VEGETABLE SEEDS EXECUTIVE COMMITTEE

PROFESSIONAL VEGETABLE SEEDS

ADVISORY BOARD FOR PROFESSIONAL VEGETABLE SEEDS

Frequency MONTHLY	2 meetings in 2023 (start: October 2023)	5 board members	3 men 2 women	President EDUARD FITÓ
-----------------------------	---	--------------------	------------------	---------------------------------

MAIN RESPONSIBILITIES:

- Establish and transmit **purpose, vision and values** of the business unit. Ensure their compliance.
- Guide and validate the strategy of the business unit. **Approve the strategic plans.**
- Ensure **compliance** with the law and the Code of Ethics of the business unit.
- Follow-up and control of the **main financial indicators** of the business unit.
- **Select and supervise the management team** of the business unit and the **members of the Executive Committee.**
- Set and evaluate the **objectives** of the Executive Committee for the next four years.

PROFESSIONAL VEGETABLE SEEDS EXECUTIVE COMMITTEE

Frequency MONTHLY	10 meetings in 2023	9 members	7 men 2 women	President XAVIER FITÓ
-----------------------------	------------------------	--------------	------------------	---------------------------------

MAIN RESPONSIBILITIES:

- Proposal and implementation of **business unit strategy.**
- Operational follow-up of the business unit.
- Facilitation and promotion of possible conflict resolution.
- Ultimately responsible for the **financial indicators of the business unit.**
- **Validation of work teams:** proposal and approval of possible promotions and dismissals. Proposal of new positions in the organization chart.

FIELD CROPS

ADVISORY BOARD FOR FIELD CROPS

Frequency
MONTHLY

1
meetings in 2023 (start: November 2023)

6
board members

4 men
2 women

President
EDUARD FITÓ

MAIN RESPONSIBILITIES:

- Establish and transmit **purpose, vision and values** of the business unit. Ensure their fulfillment.
- Guide and validate the strategy of the business units. **Approve the strategic plans.**
- Ensure **compliance** with the law and the Code of Ethics of the business units.
- Follow-up and control the **main financial indicators** of the business units.
- **Select and supervise the Management Team** of the business units and **members of the Executive Committee.**
- Set and evaluate the **objectives** of the Executive Committee for the next four years.

FIELD CROPS EXECUTIVE COMMITTEE

Frequency
MONTHLY

9
meetings in 2023

7
members

6 men
1 woman

President
EUGENIO GONZÁLEZ

MAIN RESPONSIBILITIES:

- Proposal and implementation of **business unit strategy.**
- Operational follow-up of the business unit.
- Facilitate and promote the resolution of potential conflicts.
- **Ultimately responsible for the financial indicators of the business unit.**
- **Validation of work teams:** proposal and approval of possible promotions and dismissals. Proposal of new positions in the organization chart.



FIELD CROPS EXECUTIVE COMMITTEE

2023 CALENDAR

The following table shows a month-by-month breakdown of the meetings of the governing bodies held during the year 2023.

As illustrated in the table, Semillas Fitó Board of Directors ceased activities as of August 2023, allowing the establishment of the Advisory Boards in the fourth quarter of the same year.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
PFH Board of Directors			1			1			1			1	
Semillas Fitó Board of Directors	1			1	1		1		Dissolution of this governing body				
Steering Committee	3	2	3	2	4	4	4		4	4	4	3	
Advisory Board for Vegetable Seeds		Establishment of this new body in October 2023									1		1
Vegetable Seeds Executive Committee	1	1	1	1	1	1	1		1	1	1	1	
Advisory Board for Field Crops		Establishment of this new body In November 2023										1	
Field Crops Executive Committee		1	1	1	1	1	1		1	1		1	



ELISABET FITÓ
Director of Corporate

XAVI FITÓ
Director of the Professional Vegetables Business Unit

VICENTE NAVARRO
Independent board member

LAIA FITÓ
R&D Director Professional Vegetables

EDUARD FITÓ
President

ADVISORY BOARD FOR PROFESSIONAL VEGETABLE SEEDS

GOVERNANCE AT THE REGIONAL LEVEL

In terms of governance at the regional level, the Country Committees, a body that was created in 2022, have established themselves in 2023.

The *Country Committees* are the main body in the larger subsidiaries in terms of number of employees and complexity. There are currently five Country Committees that meet every month.

Turkey Country Committee
Italy Country Committee
India Country Committee
Mexico Country Committee
Chile Country Committee

Each Country Committee has a chairperson who sets the agenda and sets up the meetings. This is a rotating position that is assumed temporarily by a member of the committee.

These forums' main responsibilities are the direct supervision of the subsidiary's main financial indicators, the coordination of all processes, policies and procedures and, above all, the resolution of potential conflicts that may arise.



SUSTAINABILITY COMMITTEE

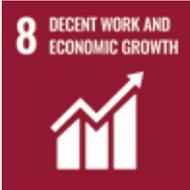
OTHER GOVERNING BODIES

Other key bodies within the business organization that meet regularly are the R&D Committee and the *Sustainability Committee*.

The R&D Committee, which meets monthly, is the body in charge of ensuring the correct implementation of the R&D strategy. It is made up of the main managers of the *breeding, biotech and farming areas*.

Finally, the Sustainability Committee is made up of a multidisciplinary team of experts in different areas (Compliance, HR, Environment, Corporate Communication and Marketing, among others) and meets monthly or fortnightly as needed. Its main task is to design the Sustainability Plan and, above all, to ensure its correct implementation in the company.

FACTS AND FIGURES ABOUT OUR PEOPLE



COUNTRY OVERVIEW

The data presented below is full-time employee data (FTE: Full Time Employee. Full-time annualized equivalent) for Semillas Fitó group at a global level.

We employ an average of 783 people.

However, since it is an agricultural business with a clear seasonal component, the number of staff fluctuates seasonally, throughout the year.

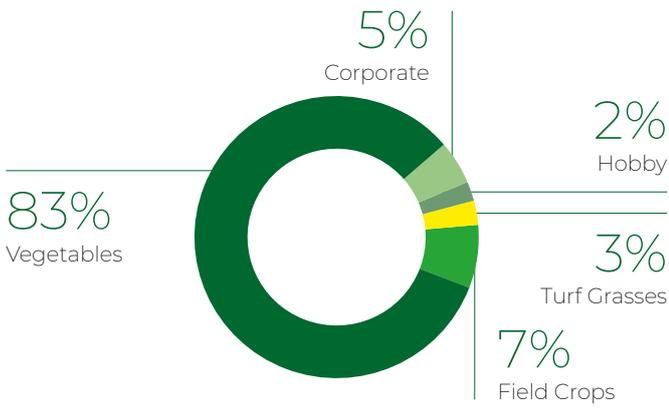
66% of our employees are based in Spain.

Chile, Turkey and Mexico are the subsidiaries **with the largest number of employees.**



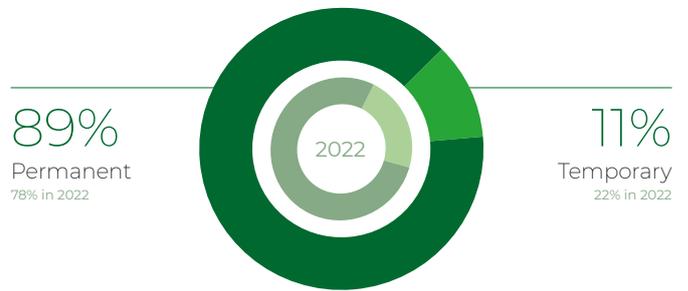
DATA BY BUSINESS UNIT

The Vegetable Seeds area is the business unit with the largest number of employees in the Semillas Fitó group at a global level.



DATA BY TYPE OF CONTRACT

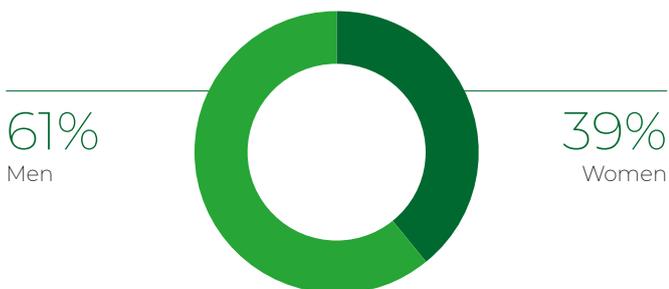
Compared to the year 2022, the number of permanent full-time and part-time contracts has increased by 11%. The increase, among others, in the number of permanent seasonal contracts, has led to a significant increase in the number of permanent contracts compared to the previous year.



DATA BY GENDER

Almost 4 out of 10 employees are women (1% increase compared to previous year). The overall figure is extremely positive, taking into account the parity recommendations of the Spanish Equality Law, which requires a minimum of 40% of all genders, and bearing in mind that, historically and academically, the agricultural sector is a male-dominated sector. The company has an Equality Plan in place aimed at fulfilling several commitments:

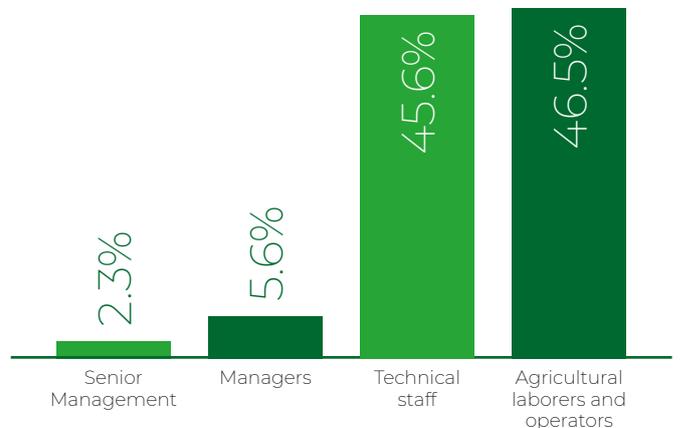
- Presence of men and women in areas and departments in which they are underrepresented.
- Presence of more women in positions of responsibility.
- Action plan to improve the wage gap.



DATA BY ORGANIZATIONAL LEVEL

The company's organization structure comprises the positions of directors, managers, technical staff and farm laborers and operators.

In PHF Group, there are around 100 people with direct, hierarchical or functional responsibility over work teams in charge of coordinating, facilitating and developing staff teams within the company at a global level.

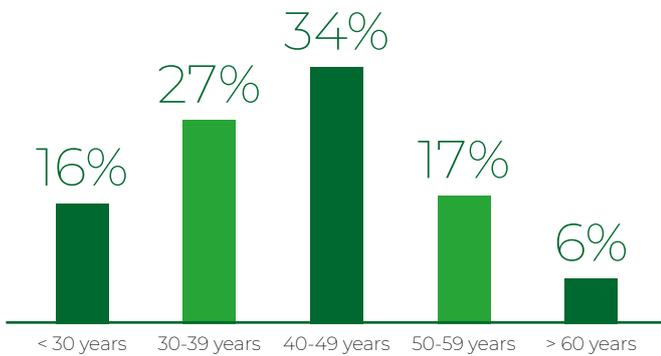


DATA BY AGE GROUP

61% of the workforce is aged between 30 and 50 years.

16% of our employees are under 30 years.

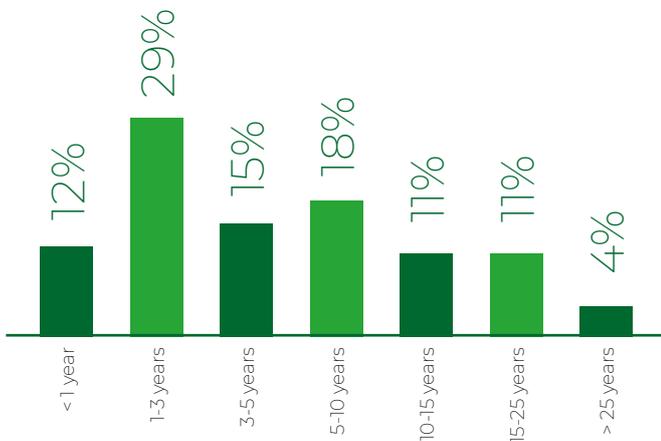
Due to the complexity of our business and the effort and dedication showed by our teams, we prepare for the retirement of our employees in advance and with foresight. This facilitates the transfer of information and showcases the value of our most experienced teams' knowledge.



DATA BY YEARS OF SERVICE

Almost 60% of our employees have less than 6 years of service due to the incorporation of talent in recent years.

Non-seasonal turnover within the organization (voluntary resignations or dismissals) is below 4%.



DATA BY LEVEL OF STUDIES

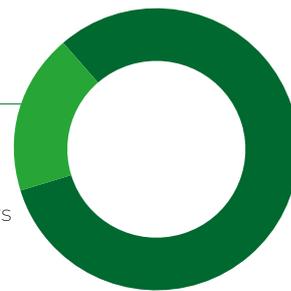
Almost 60% of our teams members have a formal vocational training qualification, a university degree, a master's degree or a postgraduate or higher education degree.

Due to the different tasks carried out within our company and in order to meet the demands of our business, our teams have different education backgrounds that adapt to the needs of the company.

PhD	2%	
Master	4%	29%
Degree	23%	
Diploma	6%	
Ciclo Formativo de Grado Superior (CGFS) (Higher Vocational Training)	6%	29%
Ciclo Formativo de Grado Medio (CFGM) (Intermediate Vocational Training)	6%	
High school diploma	11%	
Compulsory Education	38%	42%
No studies	4%	

PARENTAL LEAVES

10 parental leaves taken by mothers



44 parental leaves taken by fathers

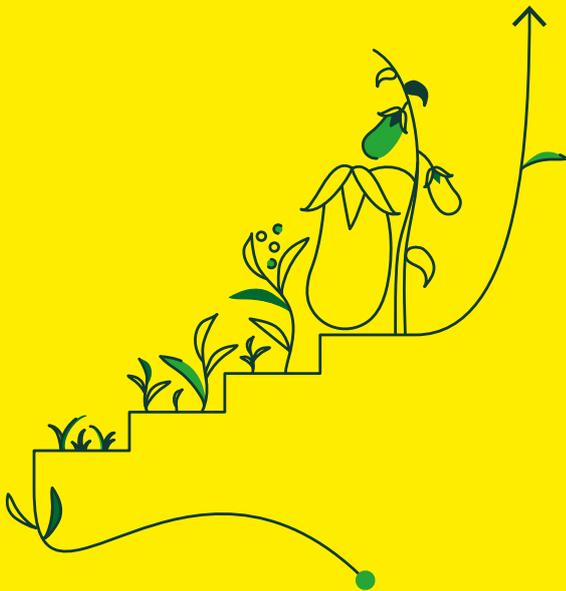




3. MAIN MILESTONES 2023

MAIN MILESTONES 2023

BUSINESS GROWTH



Sales growth of more than 18% globally thanks to the growth of all business units



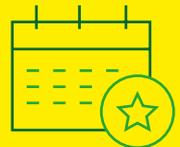
Presentation of the **2024-2027 strategic plans** of the main business units



Integration of the Indian subsidiary's processes (R&D, Quality Control and Corporate)



Organization of **24 macro events** for international distributors and **271 field days**



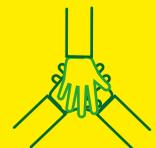
PEOPLE



Expansion of the HR department to provide more support to subsidiaries and business units



9 internal conventions held to share strategic plans and knowledge on an interdepartmental basis



22% of vacancies filled by **internal promotions**



Design and start of the implementation of a new Semillas Fitó's methodology **for the annual development interviews.**



Below are the key milestones the company has reached during 2023. These achievements are presented following the company's four strategic objectives: Business Growth, People, Processes and Technologies, and Sustainability.

To learn more about these objectives, please refer to the "Strategic Objectives" section of this document (page 18).

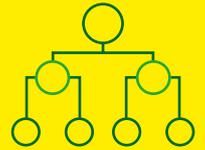
PROCESSES AND TECHNOLOGY



Expansion of biotechnology laboratories



Establishment of **2 new governing bodies** to improve the company's management



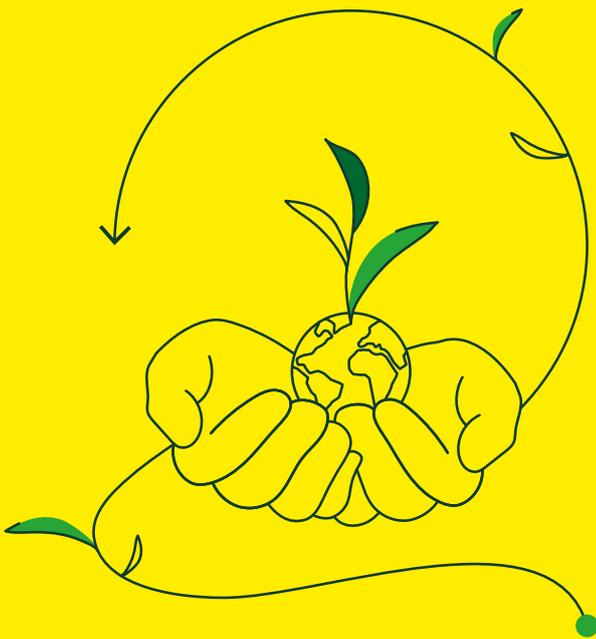
Preparation for **migration to the new global IT system** for activities in Spain, Portugal and Chile



Launch of the implementation of standard protocols in all centers in order to mitigate the spread of seed-borne diseases



SUSTAINABILITY



Introduction of the **Sustainability Plan 2023-2026**



Incorporation of sustainability metrics in 6 R&D programs



Installation of photovoltaic panels for self-consumption at the Field Crops facilities in Barbens (Lleida)



Calculation of the carbon footprint of the company's activity for the first time and design of the mitigation plan





4.

SUSTAINABILITY CULTURE



SUSTAINABILITY CULTURE

SUSTAINABLE DEVELOPMENT GOALS



For Semillas Fitó, Corporate Social Responsibility (CSR) is a long-term commitment aimed at integrating the social and environmental challenges of the company, on a voluntary basis, taking into account an open dialogue with stakeholders and seeking a win-win relationship that generates a positive impact on the 3 Ps (People, Profit, Planet).

This long-term commitment was embodied in 2021 with the redefinition of the group's purpose, which has led to the consolidation of the company's commitment to the integration of sustainability in all its areas:

To generate sustainable wealth throughout the agri-food chain through seeds, thanks to accomplished and committed teams.

Since 2021, a Sustainability Committee made up of members from different Semillas Fitó departments has ensured the integration of these challenges, leading sustainability as a priority and transversal project. The main task driven by the Sustainability Committee, in collaboration with multiple departments within the company at a global level, has been the development of the **Semillas Fitó's Sustainability Plan 2023-2026**. Previously, in 2022, a rigorous task was carried out to determine the priority Sustainable Development Goals (SDGs) for the company, based on the results of the Materiality matrix explained more fully in the *Materiality Matrix* section of this document.

The Sustainability Plan 2023-2026 has been developed.

The SDGs, agreed by the United Nations in 2015, are a global call to action to end poverty, protect the planet and improve the lives and prospects of people around the world. These 17 goals are comprised of 169 specific targets to be achieved by 2030.

Below we detail the priority SDGs for the group and on which the sustainability strategy that is being carried out is focused, although the impact of Semillas Fitó's actions also affects most of the 17 SDGs in some way.

	PEOPLE	PLANET	PROFIT
General	 	 	
Specific		 	

SUSTAINABILITY COMMITTEE

The Sustainability Committee is a stable multidisciplinary working group that in 2023 was made up of:



Juan Jesús Narváez
(Seed Technology)



Laura Vergara
(Quality)



Sílvia Vílchez
(HR)



Paola Flores
(HR)



Elena Astor
(Marketing
Vegetable Seeds)



Elisabet Fitó
(Director of Corporate)



Dàmaris Moreno
(Communication)

In 2023, the group's first Sustainability Plan was defined, bringing together 20 strategic sustainability projects for PHF Group and impacting the entire company and its environment in the areas of:

PEOPLE

PHF Group is committed to creating safe, fair and inclusive work environments for all its employees. This includes respecting labor rights, promoting diversity and equal opportunity, as well as fostering the professional and personal development of all employees.

PLANET

PHF Group wants to meet the most relevant and urgent environmental challenges. The very nature of the business is a key factor. That is why we prioritize the use of raw materials and the execution of our work activities from a responsible perspective, minimizing the possible negative effects of the organization's activities. Our aim is to reduce the consumption of resources and the generation of emissions, as well as to promote recycling and the circular economy.

PROFIT

The nature of the business and PHF Group's commitment have led the company to make innovation and continuous improvement its hallmark, while working for an equitable and sustainable economic development in the long term. This involves considering environmental and social factors in economic decision-making, encouraging efficiency in the use of resources and promoting responsible business models.

Sustainability Plan 2023-2026: 20 projects with an impact



PROMOTE LISTENING TO EMPLOYEES

Engagement survey for the entire company every two years and with a commitment to continuous improvement of all scores (in 2022 the first edition was carried out and in 2024 the second edition will be carried out at a global level).



GUARANTEE INTERNAL AND EXTERNAL COMMUNICATION

- Promotion and improvement of manager-employee communication on relevant issues.
- Periodically highlight successes, projects and progress of the different functional areas and countries.
- Annual Report – Non-financial report.



IMPLEMENT THE DEVELOPMENT AND TALENT PLAN

- Periodic feedback during the first year for all new hires in all subsidiaries.
- Annual career development interview for all workers.
- Professional itineraries or career plans for the R&D, Commercial, Operations, Logistics and Corporate Services areas.
- Continuous investment in training: language courses, GoodHabitZ Platform and ad hoc training.
- Academic Course/Training in Leadership for all team leaders in all countries.
- Prioritize internal promotion.



GUARANTEE EQUAL AND COMPETITIVE PAY

Comprehensive remuneration policies with monitoring of internal equality, external equality and contributions.

PROJECT

05



PROMOTE DIVERSITY AND INCLUSION

Implementation of the Equality Plan (which ensures the correct presence of all orientations in all organizational areas and aims to improve the wage gap) and the Spanish LGD plan (General Law on Disability), which promotes the employment of people with disabilities (minimum 2%). In case companies fail in that, they must make responsible purchases (purchases from special employment centers with employees with disabilities) and, as a last option, donations to organizations that promote the inclusion of people with disabilities.

PROJECT

06



PROMOTE HEALTHY WORK ENVIRONMENTS

- Commitment to 0 accidents in all work centers.
- Ensure support for Psychosocial Risks (offering emotional support to employees) incorporating social benefit measures that promote the well-being of the worker.
- Protect the current strengths of Semillas Fitó (according to the Engagement Survey 2022) at the cultural level: psychologically safe environment, trust and a sense of purpose and well-being.

PROJECT

07



CARRY OUT THE COMPANY'S ACTIVITY IN A WAY THAT IS FAITHFUL TO ITS VALUES

- Code of Ethics.
- Compliance.
- Legislation in force in all countries where we operate.

PROJECT

08



REDUCE THE CONSUMPTION OF RESOURCES IN OUR PRODUCTION SYSTEM

Water savings in seed extraction systems.

PROJECT
09



DEVELOP VARIETIES THAT REDUCE THE ECOLOGICAL FOOTPRINT

- Varieties of cucurbits and Solanaceae resistant to emerging diseases.
- Varieties of corn with less susceptibility to the generation of mycotoxins.
- Horticultural varieties adapted to climate change: greater tolerance to water and thermal stress, etc.
- Horticultural varieties with higher fruit quality: better organoleptic (smell/taste) and nutritional properties.
- Horticultural varieties with greater viability of the fruit to avoid the generation of food loss.

PROJECT
10



INCORPORATE SUSTAINABILITY CRITERIA IN THE CHOICE OF PRODUCTS (packaging, gadgets, etc.) and processes (travel, digitalization, etc.)

- Introduce compostable instead of aluminium packaging.
- Eliminate plastic from bags in the Field Crops Division.
- Review of communication materials.
- Substitution of seed treatment polymers with new ones that do not contain microplastics.

PROJECT
11



REDUCE FOOD WASTE

Donations of vegetable crops.

PROJECT
12



IMPROVE WASTE MANAGEMENT

- Make recycling official in all Fitó centers as in the Barcelona headquarters.
- Drafting of the Business Plan for the Prevention of Waste and Packaging (Spain).

PROJECT

13



CARBON FOOTPRINT CALCULATION AND MEASURES TO MITIGATE THE ENVIRONMENTAL IMPACT OF THE ORGANIZATION

Carbon footprint and measures to mitigate it.

PROJECT

14



EFFICIENT PHYTOSANITARY MANAGEMENT ON FARMS

SBD Project (Seed-Borne Disease).

PROJECT

15



INVEST IN TECHNICAL AND HUMAN RESOURCES IN RESEARCH AND INNOVATION

- 30% of annual turnover invested in R&D.
- 1 out of 3 employees dedicated exclusively to R&D.
- Being at the forefront in the acquisition of technical R&D resources.

PROJECT

16



PROMOTE SELF-CONSUMPTION OF ENERGY

Installation of solar panels in Semillas Fitó centers.

PROJECT
17



IMPLEMENTATION OF MORE EFFICIENT AND CLEANER TECHNOLOGIES

Acquisition of technologies that reduce shrinkage (drum priming, seedX, X-rays, vacuum packaging, etc.).

PROJECT
18



PROMOTE PARTNERSHIPS TO CONTRIBUTE TO SUSTAINABILITY WITHIN THE SECTOR

Altruistic involvement in industry associations (ISF, ANOVE, etc.). Position members of the company in the sustainability committees of these associations.

PROJECT
19



DEVELOP AN INTERNAL POLICY FOR SPONSORSHIPS, DONATIONS AND COLLABORATIONS

Define criteria that are consistent with our values and purpose.

PROJECT
20



PROMOTE SUSTAINABLE ECONOMIC GROWTH AND DEVELOPMENT

- Achieve a global dimension, with a turnover of 140 million euros, while maintaining our values.
- Continue with the roll-out of the new purpose, vision and values in all Fitó work centers.
- Continuous workshops in all governing bodies.
- Continuous presence of the new purpose, vision and values in the most relevant internal meetings.
- Prepare an company Sustainability Policy that governs this objective (HR Policy, Compliance and Environment Policy).

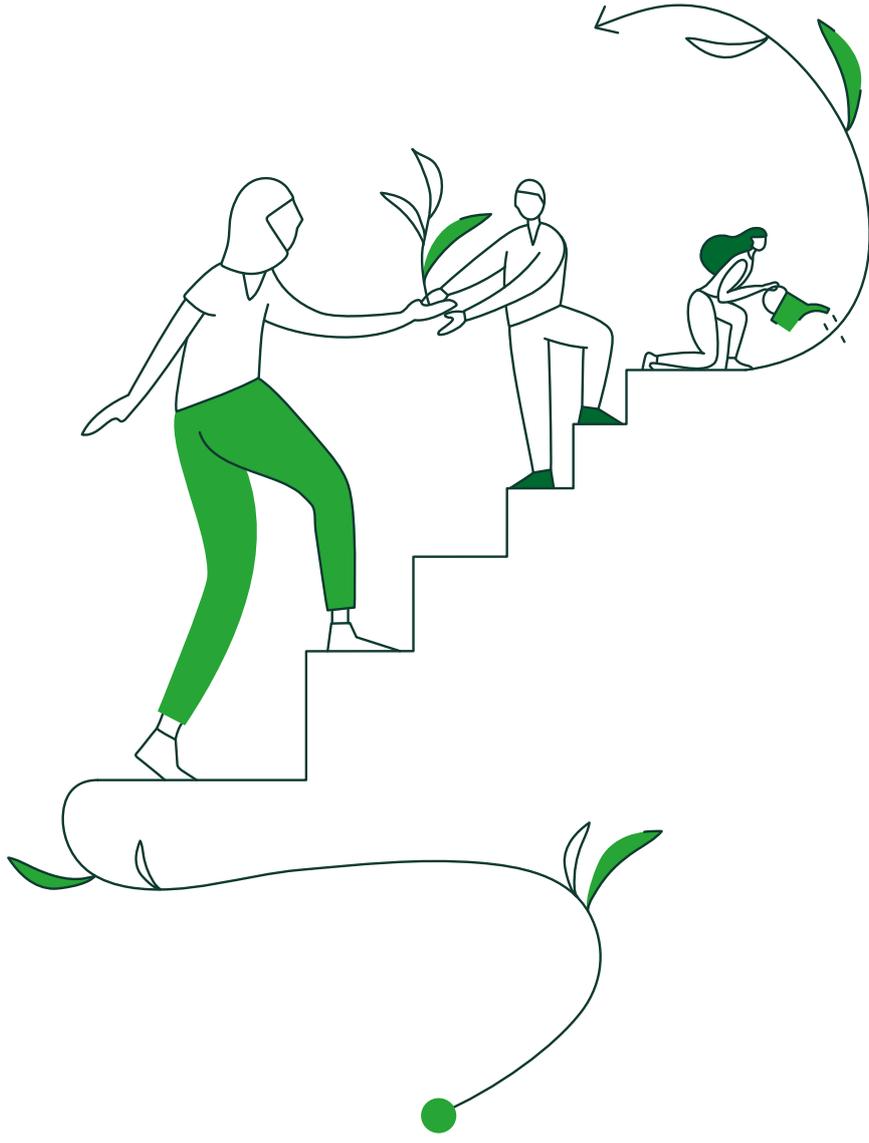
Sustainability is a joint project

During the course of 2023, internal work teams have been created to develop the multiple actions linked to each of the 20 projects mentioned above. The work teams are made up of around 40 employees from different business units, areas and departments at the international level.

In order to facilitate the monitoring of the different sustainability actions carried out by PHF, the structure of this report follows the *triple bottom line framework*. This means that the descriptions of the different actions are organized according to their impact on *people, the planet and profit*. Throughout this report, the group's contribution to each of these projects will be discussed in more detail.







5. PEOPLE PROJECTS



PEOPLE

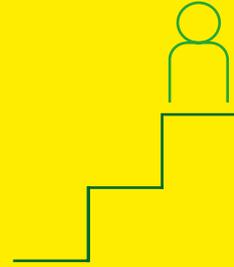
TALENT



We are a team of
783 people
(full time employees)

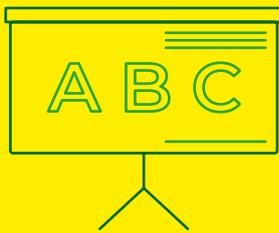


89% of contracts
are **permanent**

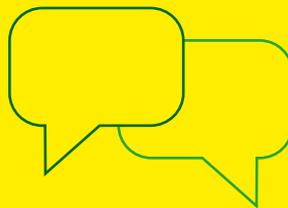


22% of vacancies filled by
internal promotions

DEVELOPMENT



In 2023 we have
doubled the investment
in training and
development



Design and start of implemen-
tation of Semillas Fitó's new
methodology for the **annual**
development interviews

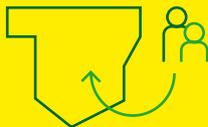


7,586 hours
of training per year

DIVERSITY



Represented in
19 countries,
each with
their own
workforce



34% of the
workforce
resides **outside**
of Spain



39% of the
workforce are
women



17% women
in leadership
positions



More than **40**
nationalities



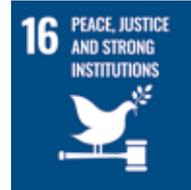
In the following pages, the reader will learn in detail about the evolution of PHF Group in terms of the 7 projects related to the PEOPLE area.

This is one of the areas that has evolved the most during 2023 and intends to keep on growing over the next four years. In 2022 the position of HR Director was created and, thanks to this new leadership, the following milestones have been achieved:

- Between 2022 and 2023 the number of employees in the department has doubled. New profiles have been incorporated to provide a better service to all internal customers, at headquarters and subsidiaries.
- During 2023, a set of high-impact projects in this area has been designed and started to be implemented.

In the following pages, we present the most relevant facts regarding **how to promote listening to employees**, **how internal and external communication is ensured**, **how the training and development plan is implemented**, **how equal and competitive pay is guaranteed**, **how diversity and inclusion are encouraged**, **how healthy work environments are promoted** and, finally, **how the company's activity is carried out in a way that is faithful to its values**.

PROMOTE LISTENING TO EMPLOYEES



In order to improve and promote active listening of the needs of the teams, PHF develops different plans to foster open communication environments.

The most relevant plans for 2023 have been the follow-up of the engagement survey conducted in 2022, the forums and the creation of the Human Resources Business Partners team.

ENGAGEMENT SURVEY

In January 2022 the company conducted the 1st Edition of PHF Group's Engagement Survey among all employees in all countries and for all organizational levels (hand in hand with an external provider). The company's intention is to carry out this survey every two years. The second edition is scheduled to be launched in January 2024.

RESULTS OF THE FIRST EDITION (2022)

377 answers received

62% participation rate

76% engagement rate

The Engagement Survey which is sent to all employees is one of the main tools to listen to them.

The company's assessment of the results of the survey conducted in 2022 is very positive. With a 76% engagement rate and a 62% participation rate, the company will carry out a new edition of the survey in 2024 to actively listen to the teams.

These data outlined the lines of work in the People area with the aim of maintaining the strengths and enhancing the areas for improvement while setting priorities.

In addition, taking into account the global nature of the survey, we worked in parallel on specific work plans in areas, departments, work centers or countries with different or complementary priorities and strengths. These work plans, as well as their evolution and priorities, have been part of the organizational agenda and priority with the aim of improving results in 2024.

FORUMS

The company periodically promotes consultations through different spaces and formats.

These spaces for dialogue and consultation are generated mainly through corporate spaces and events such as town halls, conventions, training courses, improvement and satisfaction questionnaires and follow-up and development interviews, among others, where two-way communication spaces with the teams are created. This allows the company to know and identify areas for work and improvement.



HUMAN RESOURCES BUSINESS PARTNER

In terms of bringing the People area closer to the teams, the role of the HR Business Partner has been reinstated for the different business units of the company.

The role of the **HR Business Partner** has been reinstated for the different business units of the company **to strengthen proximity and listening to internal customers.**

With the reinstatement of this role, the company seeks to enhance proximity and listening to internal customers. The main roles of the HRBP are:

- **Contact person:** Each HRBP is a sole contact person for issues arising in their business unit thus facilitating the manager and the employee with an individualized dialogue.
- **Personalized approach:** Each HRBP understands and specializes in the challenges of the area for which they are responsible within the organization.
- **360° vision:** Each HRBP has different skills and knowledge, which go beyond the human resources area and allows them to have a global vision of the business.

GUARANTEE INTERNAL AND EXTERNAL COMMUNICATION

3 GOOD HEALTH AND WELL-BEING



8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO



An effective communication, both internally and externally, is a priority: internally, with the aim of caring and aligning. And externally, with the objective of impacting, improving and transforming. Fostering a climate of freedom, respect and teamwork based on internal **communication processes that facilitate participation and fit with the vision and values for all stakeholders**. For this reason, PHF Group continuously promotes honest, **close and effective** communication that makes employees and stakeholders feel that they are part of the shared value created by all.

Honest, close and effective communication with all PHF Group stakeholders is continuously encouraged.

From an internal communication point of view, and under the leadership of the Corporate Communication and Human Resources departments, we have worked throughout 2023 towards the following objectives:

- To guarantee the transmission of relevant information about the company, its key projects and their benefits and results through a clear, planned and adapted communication to all employees, linked to the teams as an essential part of the company's success.
- To improve employee experience through the creation and updating of necessary corporate communication tools.
- To increase the sense of belonging to the company, through the integration of the corporate purpose and values in the daily life of employees.

To this end, we have worked on the following communication initiatives:

ENSURING THE COMMUNICATION OF RELEVANT COMPANY INFORMATION.



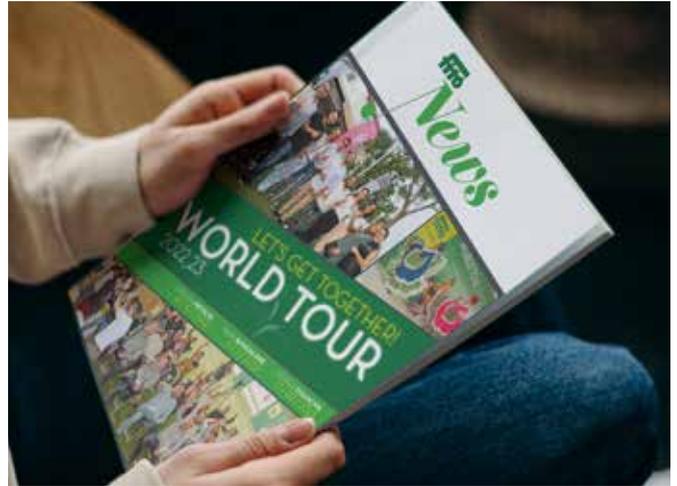
PRESENTATIONS OF STRATEGIC OBJECTIVES

In recent years, two annual virtual meetings have been consolidated internally (Town Hall format) in which members of the Steering Committee present the evolution of the group's strategic objectives. In 2023, a meeting was held in January and another in September for all employees worldwide. On the same day, sessions were organized in Spanish and English and at different times, to make it easier for everyone to understand and to adapt to the time difference of all international subsidiaries. In order to facilitate attendance at the event for those who do not have a computer, there was also a halt in activity at work centers, and rooms with live viewing of the meeting were provided.

In the virtual presentation of September 2023, and with the aim of encouraging the listening and participation of employees, a new space for questions and answers from the attendees **was created during the course** of the meeting. All PHF Group employees were invited to submit their questions before, during and after the meeting. Their questions were answered directly by the Steering Committee.

These events last 20 to 30 minutes and aim to **summarize the present and future of the company in a suitable and understandable language**. They also highlight the shared achievements and show a common vision of the future.

The presentation and the video of the event were made available to the organization, and a summary of the event was also included in the quarterly magazine (Fitó News).



INTERNAL MAGAZINE FITÓ NEWS

Fitó News is the quarterly internal communication magazine. It is distributed on paper and digitally in Spanish, English and Turkish, and it provides detailed information of the main milestones of the company throughout the year. **Fitó News has been restructured to present content linked to the corporate values:** long-term vision, professionalism, proximity, closeness and teamwork. Three editions of this internal magazine were published in 2023.



ANNUAL REPORT

The non-financial annual report is shared internally and externally, both in digital and printed form. **The 2022 Annual Report was distributed in 2023 in printed form to all centers in Spain, and digitally to the rest of the employees worldwide.** This document is published in the three main languages of PHF Group: Spanish, English and Turkish.

Externally, the report is published on the corporate website and on the company's social media profiles. In addition, in 2023, the report was sent to the main stakeholders of the group in hard copy and it is commonly used in the processes of attracting and selecting talent as well as in landing processes.

IMPROVE EMPLOYEE EXPERIENCE



Web access to Talentia

TALENTIA (HR SOFTWARE)

Talentia has become a fundamental tool for the fulfillment of the company's strategic objective of standardizing processes and protocols for structured growth. In turn, it has a global communication impact. This platform offers a number of functions and features that not only streamline but also standardize key human resources processes.

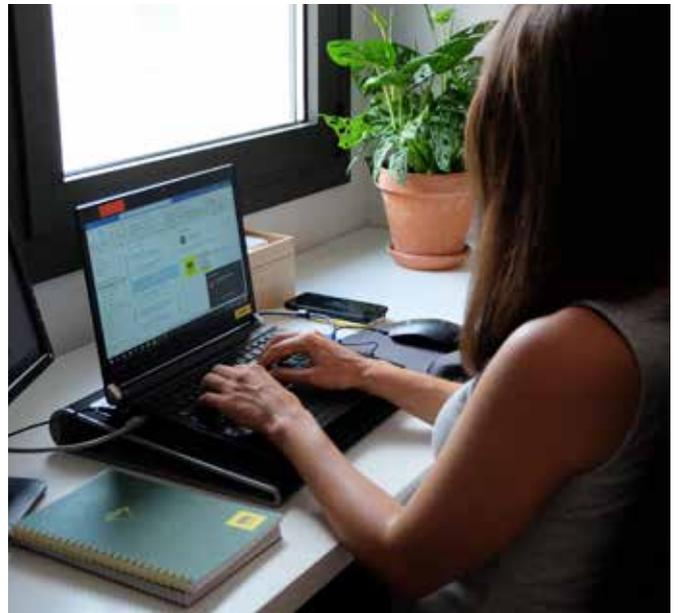
Talentia also promotes an effective communication and efficient human resources management at Semillas Fitó. Its employee portal offers a centralized solution where staff can access a wide range of key resources and tools that allow them to stay connected to relevant company and people management information. The employee portal provides updated information on new hires, facilitating their integration and adaptation process to the work environment, as well as on internal promotions, recognizing and highlighting the value of the individual career plan. Contact information for everyone at Semillas Fitó is also available, which facilitates connection and promotes collaboration, as well as work calendars, internal company regulations, etc.

In addition, Talentia facilitates and streamlines processes such as the management, history and access to payroll sheets, which the employee can download with just one click. The platform also allows for systematic evaluation and monitoring of objectives, which fosters professional growth and the achievement of individual and corporate goals.

Organizational charts, who is who, relevant information, appointments, promotions, manuals and other interesting materials are always available and accessible on the platform.

In 2023, we have been working on the implementation of Talentia in other countries and subsidiaries, which allows us to have a global view of the Fitó team. In an effort to continue improving and adapting to the current needs, we are implementing our processes hand in hand with Talentia.

By 2024, we will implement the automation of the Annual Development Interview processes for everyone who has worked at Semillas Fitó for more than one year and the Feedback Meetings for newly hired staff. This will significantly simplify and streamline the organization of development interviews, promoting a more proactive, agile and structured approach.



CONSULTATION AND PARTICIPATION CHANNELS

On a regular basis, after an event, before and/or after the implementation of a new policy, the company tries to hold consultations, conduct surveys (Microsoft forms) or run Focus Groups that take into consideration the needs or assessments (e.g. after Town Halls, conventions, training courses or before a project, or an internal service satisfaction survey by HR or other departments, or a consultation on the opinion of a new project, as was done with the design of the Leadership Academy...).

SUPPORT FOR NEW HIRES

The company hires more than 70 new staff annually. All new hires are assigned a schedule/landing plan to facilitate their introduction into the company (socialization and learning). To this end, all new hires have the support of the Fitó Buddy (a socializing agent who helps them the first days and weeks at the new job). Subsequently, they have a follow-up conversation after 4 months and 8 months, and before the end of the year they are asked about their onboarding plan.

INCREASE THE SENSE OF BELONGING TO SEMILLAS FITÓ.

PROMOTE TWO-WAY COMMUNICATION SPACES

Create spaces for two-way communication in which an atmosphere of trust, teamwork and cooperation is generated, where the employees feel informed and at the same time listened to. This is what the internal conventions are intended to achieve. The PHF Group makes it a priority to regularly organize a series of annual internal events where teams meet in order to share the successes and challenges of their departments. These spaces are also used for teamwork and communication of key and cross-cutting messages from the company with the collaboration of executive members of other departments. The following internal conventions have been organized in 2023:

The company prioritizes the organization of annual conventions as **key events to create an atmosphere of trust and cooperation.**



Convention of the Professional Vegetable Seeds Division Management

From 11 to 12 January 2023
Sant Fruitós de Bages (Barcelona, Spain)



Convention of the Vegetable Seed Sales Division EAST EMEA

From 27 to 30 November
Istanbul (Turkey)



Convention of the Vegetable Seed Sales Division WEST EMEA

From 14 to 17 November
Cáceres (Spain)



Convention of the Vegetable Seed Sales Division AMERICA

From 18 to 22 January 2023
Los Cabos (Mexico)



Convention of the Field Crops Sales Division

From 20 to 22 November 2023
Porto (Portugal)



Convention of the Turf Grasses Sales Division

From 12 to 14 December
Marrakech (Morocco)



Convention of the Hobby Division

From 7 to 8 February
Barcelona



Convention of the Farming Division

From 16 to 19 October 2023
Badalona (Spain)



Convention of the Marketing & Communication Division

From 28 to 30 November 2023
Barcelona (Spain)

Within the communication process, the global communication tools used are as important as **the information and communication that managers are able to share with their teams**. Therefore, there are different forums at the top-down communication level that enable managers to **learn about the situation of the company and convey this to their teams**. In 2023 the following communication, coordination and decision forums were used:

- Board of Directors
(frequency: quarterly)
 - Advisory Board
(frequency: monthly)
 - Fitó Group Steering Committee
(frequency: weekly)
 - Vegetable Seeds Executive Committee
(frequency: monthly)
 - Field Crops Executive Committee
(frequency: monthly)
 - R&D Committee
(frequency: monthly)
 - Country Committees
(frequency: quarterly)
 - Various conventions
(frequency: annually)
 - Equality Committee
(frequency: bi-annually)
 - Health and Safety Committee
(frequency: quarterly)
 - People Development Committee
(frequency: annually)
 - Remuneration Committee
(frequency: annually)
 - Sustainability Committee
(frequency: monthly)
- Regular (weekly/monthly) departmental meetings so that all managers/responsible parties can communicate priorities, identify concerns and resolve incidents.

Team leaders must make use of these forums to share with their employees the most important aspects of the organization.

In addition, at a departmental level, managers are responsible for organizing regular meetings with their teams in order to channel their priorities and key issues to the management, on the one hand, and to allow teams to share opportunities, needs, improvements and challenges that may arise in the day-to-day for continuous improvement, on the other.



In terms of external communication, enhancing awareness of the Semillas Fitó brand globally and standardizing the brand image were the two main lines of action in 2023.

CREATION OF GUIDELINES AND PROTOCOLS

Ensuring that employees have the necessary communication tools is an ongoing task of the Corporate Communication department. In 2023, the company presentation and corporate templates were updated in terms of content and design. In addition, work has begun on the standardization of the external image, including updating the corporate brand manual, the creation of global guidelines for social media and creation and implementation of a protocol for managing customer visits to our facilities.

IMPROVEMENT OF BRAND AWARENESS

At a corporate level, two outstanding actions that aimed to increase brand awareness at a global level were carried out in 2023:



VISIT BY SPECIALIZED JOURNALISTS TO OUR FACILITIES

A group of **journalists from the main specialized media in Andalusia, Murcia and Portugal** visited the company's facilities in Cabrera de Mar and Sant Andreu de Llanerers. The purpose of the visit was to allow them to see the **latest investments in R&D first-hand**, as well as to explain to them the **new positioning of the Vegetable Seed Division** ("Improving food is in our genes") as well as the **renewal of the purpose, vision and values of PHF Group**.

This event was a great opportunity to **strengthen the relationship** with journalists and to allow them get to know the company better.



TRAINING COURSE FOR VEGETABLE SEED CUSTOMERS EAST EMEA

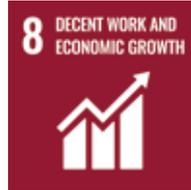
Under the umbrella of Fitó Academy, an initiative of PHF Group to promote knowledge within the industry among its customers, the third edition of a training course for executive managers was carried out with ESADE University in Barcelona in 2023. This third edition of the training course was attended by the main vegetable seed customers in the East EMEA region.

The aim of this training course was to provide a **new perspective and insight into new developments and trends within the business**. A high level training course, diverse and planned according to the needs of our selected customers. Throughout this eye-opening event, EAST EMEA teams and their customers were able to **meet and exchange information and experiences**. In addition, the course attendees also visited the offices and the quality laboratory in Barcelona, as well as our R&D center in Cabrera de Mar.

PROJECT

03

IMPLEMENT THE TRAINING AND DEVELOPMENT PLAN



Semillas Fitó, as part of its commitment to people development, undertakes to encourage internal promotion (minimum 25% of vacancies), to invest at least 1% of the wage bill in training and development and to carry out policies and procedures related to:

- Annual development meetings and feedback at 4 and 8 months
- Career plan
- Training plan
- Internal promotions

In 2023, a **new methodology for annual development interviews has been designed and implemented by the company.**

ANNUAL DEVELOPMENT MEETINGS AND FEEDBACK AT 4 AND 8 MONTHS

Semillas Fitó has established a strategic approach focused on the development and commitment of its teams, understanding that **organizational success is based on the quality and commitment of its human talent**. As part of this commitment, priority has been given to the implementation of people development processes that promote individual and collective growth, aligned with the company's mission and vision.

One of the pillars of these processes is the implementation of the Annual Development Interview (ADI) and the Feedback Meeting for newly hired people at 4 and 8 months. The ADI, initially designed for employees who have been working for the company for more than one year, offers a formal space for dialogue and growth between them and their managers, with the purpose of reviewing the previous year's performance, identifying areas for improvement and establishing future goals aligned with professional growth and the organization's values. In 2023, this process was mandatory for technical profiles and managers (approximately 50% of the organization), **achieving a participation of 95%, including all Semillas Fitó subsidiaries**. In 2024, we plan to extend it to the entire organization (100% of the staff is convened: technical employees, managers and directors).

On the other hand, the Feedback Meeting is aimed at new hires at 4 and 8 months from their date of joining Semillas Fitó, providing a tool to facilitate their integration and development process from the beginning of their career in the company. This process is part of the company's commitment to support and make its employees grow from day one.

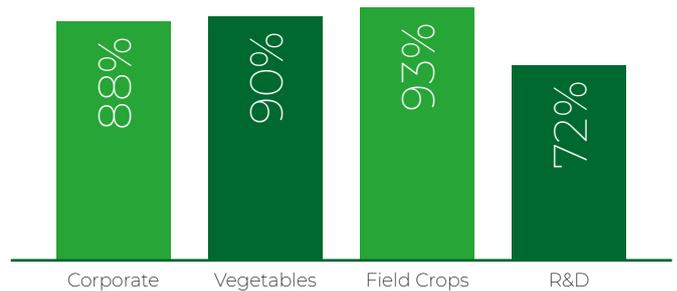
To guarantee the effectiveness and consistency with the values of these processes, informative sessions and trainings were provided for the evaluators, with the aim of ensuring the proper application of the processes and promoting a culture of constructive feedback and development conversations.

The official launch of these processes took place on January 30, 2023.

By 2024, **100% of the company will have carried out these processes**, reaffirming Semillas Fitó's commitment to the development, care and well-being of its human talent. In short, the implementation of people development processes at Semillas Fitó is a significant step towards achieving the company's strategic objectives, while reaffirming its commitment to the growth and well-being of its human talent and achieving a solid organizational culture oriented towards long-term success.

95% of the respondents believe that the quality of the conversations or feedback received was good or excellent. 50% of respondents believe that the Annual Development Survey process has contributed to their professional growth and development.

ADI percentages by areas



CAREER PLANS

During 2023, the company focused on **building the foundations for the development of solid and transparent career plans**. We committed to establishing a clear and transparent organizational structure by developing organizational charts that are available through Talentia and validating/building all the company's role descriptions, which are being updated and validated in the 2023-2024 fiscal year and are available on Talentia for all employees. In addition, all global vacancies are published transparently on our website and LinkedIn profile, thus facilitating access to growth opportunities within the company. **We encourage internal applications and promote internal referrals** (employees referring other professionals).

To promote the professional development of our employees, Annual Development Interviews (ADI) and Feedback Meetings address individual concerns, needs and ambitions. These processes encourage the identification of mutual commitments between the employees and the company, as well as the development of training plans and/or opportunities, projects... aimed at investing in key development areas.



In 2023, a general internal career map has been developed. It allows the employees to grow at a hierarchical level, at an international level, at a horizontal level (other departments) and, if they wish, to specialize at a technical level (as an expert).

In 2023, itineraries have been defined for the R&D area and designed for the rest of the areas (under construction and ending in 2024). We will work to provide clarity on how to access these opportunities, to accompany them, and to create specific programs to support the professional growth of our employees in different areas and levels within the organization.

TRAINING PLANS

PHF Group acknowledges that ongoing training is fundamental for the growth and development of its human talent, in line with its strategic objectives of fostering committed and accomplished teams. The company is therefore committed to investing at least 1% of its total wage bill in training, with a wide range of training programs covering five main types of training:

- **Language training:** to promote effective communication in a globalized environment and to facilitate collaboration with international teams.
- **Cross-cutting training:** aimed at strengthening key skills and competencies that are applicable in various areas and roles within the organization.
- **Technical training:** aimed at developing specialized knowledge in specific technical areas related to our activity in the agri-food industry.
- **Soft skills training:** focused on the development of interpersonal skills, leadership, teamwork and change management, which are essential for success in today's work environment.
- **Mandatory training:** aimed at ensuring compliance with internal and external regulations, as well as the acquisition of knowledge and skills which are necessary to efficiently perform certain functions.
- **Academies:**
 - Implementation of a *Sales Academy* internally for all sales networks (sales representatives and area managers). When fully deployed, more than 100 people will benefit from it. In 2023, the beneficiaries were more than 20 people.
 - Design (and implementation in 2024) of an internal *Leadership Academy* for all employees who lead people and teams (around 100).

During 2023, a total of 41 training actions were carried out, totaling 7,586 hours of training.

It should be noted that, since the end of 2022, the company has an international global online platform for continuous training, which provides employees with customized technical and competency-based training: Goodhabitiz.

During 2023, more than 40 training actions were carried out, totaling more than 7,500 training hours.





GOODHABITZ

These are the main figures related to Goodhabitiz and its use in the company:

- 442 hours of study.
- 140 training courses started.
- 25 course certificates.
- 15 final test certificates.

In January 2024 the service will be extended with the **Assessment functionality that allows self-assessment** (languages, digital, technical, competence) so that the platform will suggest training plans that meet your needs or enhance your strengths.

HR has carried out **internal training sessions** in 2023 to support the teams at national and international level in:

- Conducting annual development interviews (a total of 4 sessions with 70 attendees).
- Using and optimizing the Goodhabitiz platform (a total of 2 sessions with more than 200 attendees).
- Language training.



SALES ACADEMY

Semillas Fitó's Sales Academy is a **training program that promotes the professional development of the Vegetable Seeds Business Unit's sales team**. Through a combination of technical and practical training programs, we seek to empower our sales team to reach its full potential. From mastering sales skills to gaining an in-depth understanding of the business, the goal of this program is to prepare the team with the necessary tools and knowledge to succeed.

The Sales Academy is based on three pillars when it comes to establishing the itinerary and training:

- **Lead the business:** here, the sales team brings itself up to speed based on the market and the competition. Learn how to identify opportunities, face challenges and adapt to a constantly changing business environment.
- **Lead your results:** this focuses on the technical competencies and tools needed to achieve and exceed business objectives.
- **Lead your skills:** we focus on the development of soft skills in relation to managing people and teams to achieve results.

In 2023, the first step was taken with the inaugural training on the challenges and opportunities of business mentoring, aimed specifically at area managers. And now, an exciting **training roadmap is planned for the entire sales team for the period 2024-2026**. Our commitment is to continue to support the growth and success of the team as they move into the future.

LEADERSHIP ACADEMY

The Fitó Leadership Academy is an initiative designed to strengthen and develop leadership skills at all levels within our organization. The Fitó Leadership Academy is conceived at a global level, aimed at all Semillas Fitó's employees who are in charge of teams. Its main objective is to create a Fitó Leadership Way, a shared form of leadership that is aligned with the values, purpose and strategic priorities of the organization, which guides all actions when managing people, promoting team development and making decisions.

New leadership model implemented in 2023

The Leadership Model which defines what type of management Semillas Fitó wants to have in place was implemented in 2023. After the first editions of the Annual Development Interviews, and their subsequent evaluation by more than 30 managers at the annual Convention, the final touches have been put on the design of an internal Leadership Academy to begin its implementation in 2024.



SEMILLAS FITÓ LEADERSHIP MODEL

- Cares for and develops (not in a condescending manner)
- Acts with humility and listens
- Affords employees space
- Helps to set and align priorities
- Inspires and facilitates change and transformation
- More delegating (less control/supervision)

- Manages their own thoughts and emotions effectively
- Ability to manage stress and self-motivated
- Uses empathy and emotional intelligence

Defends people



Ensures its own self-management/self-regulation



Defends the values and DNA and is brand ambassador



Defends the strategy



- See example: ●
Consistency ●

- Business vision
- Global (non-departmental) vision
- Customer orientation
- Agility
- Knowledge of the organization



INTERNAL PROMOTIONS

Internal promotion is a key aspect of Semillas Fitó's strategy to boost the growth and commitment of our human talent. During 2023, 22% of vacancies have been filled through internal promotions, underlining the commitment to the professional development and progression of our own people.

22% of vacancies in 2023 have been filled through internal promotions.

As a strategic objective for 2024-2026, Semillas Fitó has committed to having at least 25% of its vacancies filled by internal talent. This approach reflects confidence in the team's potential and reinforces the culture of growth and opportunity.

All vacancies can always be found on the website, on LinkedIn and on the Talentia intranet available to all employees.

These are the internal promotions registered during 2023:

- VEGETABLE SEEDS: **9**
- FIELD CROPS: **2**
- CORPORATE: **1**



GUARANTEE EQUAL AND COMPETITIVE PAY



From a retribution point of view, the organization works with different resources.

Every year we create a budget (in September/November) which includes salary updating needs based on criteria of internal equity, external competitiveness, contribution and promotion. All data are harnessed and analyzed with a gender perspective.

We work on the basis of **six organizational salary levels** (salary bands for fixed salaries and for variable salaries) which in turn have sub-levels or salary sub-bands (10-15) that allow for equity, progression and control of salary management.

Competitiveness is regularly updated through general and sectorial salary reports, selection processes and other **available information**.

Salaries for the entire organization are updated annually with the corresponding increases in the cost of living (CPI or equivalent).

In each country, depending on its practices, competitiveness and taxation, complementary compensation elements are considered.

Ensuring pay equity and competitiveness is one of the company's priorities.

In general, and specifically for the management, commercial and R&D positions, the following aspects are considered:

- Fixed salaries
- Variable salaries
- Company car
- Other social benefits (per diems, etc.).

For technical positions, fixed + variable salaries are provided for.

For basic positions within the organization, fixed salaries are provided for.



In terms of emotional salary, comprehensive compensation or value proposition, we provide the whole organization, with some country and position particularities, with:

- Flexible working hours
- Training development opportunities (languages, Goodhabitz, others).
- Opportunity for professional development (ADI, Feedback, Internal Promotion)
- Opportunity for participation (cross-cutting projects, forums and meetings, internal magazine, human resources, others).

In Spain, we have a **flexible compensation** platform that allows flexibility of up to 25% of gross salary with the consequent tax savings. To date, approximately 15% of PHF Group employees participate in some of the available tools.

Based on compliance with the Equality Plan, salary reviews are carried out to monitor, manage and guarantee issues related to equal pay within the organization with a gender perspective.

In terms of remuneration decision-making:

- The Steering Committee validates the salary tables.
- The Remuneration Committee decides on annual linear salary increases.
- Line managers and management committees request the necessary adjustments for internal equity (during the budget year). In the budget year the manager has information on internal and external equity and gender equality perspective.
- Remuneration decisions are made by the line manager (if they are within company policy).
- Any decision outside company policy must be validated by the Steering Committee.
- Any decision on the remuneration of the Steering Committee goes through the Advisory Board.



PROJECT
05

PROMOTE DIVERSITY AND INCLUSION



The commitment to **equal opportunities** at all levels is in PHF Group's DNA.

The regulatory framework in this area (gender equality, incorporating people with disabilities, etc.) is applied in each country.

Today, organizational heterogeneity makes it possible to achieve the following diversity figures out of a total of more than 800 people working in 19 countries:

% men	61%	
% women	39%	
Number of different nationalities	40	
% by age groups	< 30 years old	16%
	30 – 39 years old	27%
	40 – 49 years old	33%
	50 – 59 years old	17%
	> 60 years old	6%

The team includes people and members of all major religions and non-binary sexual orientations.

In terms of gender, the areas with a greater proportion of women are Corporate and R+D.

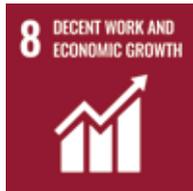
In general, the most male-dominated areas are sales and farm production, but in recent years the proportion of women in those areas has slightly increased.

In farm production, 6 of the 11 farms are led by female farm managers.

With a team made up of 40 nationalities, diversity is part of the group's DNA .

PHF is committed to providing access to the labor market for people with disabilities, as a mechanism for their full integration, fulfillment, professionalization and social contribution. Currently 11 people with special needs/ adaptations are part of the project. We also work with service providers and buy products from companies that employ people with disabilities.

PROMOTE HEALTHY WORK ENVIRONMENTS



Creating physically and psychologically safe and healthy environments is part of PHF Group's vision in people management. Creating an environment where our employees can develop to the fullest.

To this end, PHF Group ensures regulatory compliance in each country in which it operates, with regard to the four technical specialties: occupational safety, industrial hygiene, ergonomics and psychosociology and occupational medicine.

The entire staff is provided with information on their job description, the general risks of their work center, the risks associated with their job, the associated training and information required, and the protective equipment they need to wear.

At the organizational level, we rely on external prevention services, companies that provide support to these prevention services, as well as a network of ambassadors in each work center: employees who, in addition to performing their usual task and for which they have been hired, support the risk prevention team.

In addition to having external prevention services, the Semillas Fitó group has a **network of ambassadors in each work center** who provide support to the occupational risks prevention team.



The most frequent injuries, as in most physical jobs, are lumbago, small sprains and dislocations caused by movement.

In terms of management indicators, the following data are available:

- In 2023, 40 work accidents have been officially reported within PHF Group. All of them were considered to be minor.
- In Spain, a total of 19 training actions on work accidents have been carried out to train around 100 people, prioritizing new hires and coordination teams.
- Special training has been given on working at heights, handling phytosanitary products, forklift truck driving and basic level qualifications.
- In Spain, a total of 399 medical check-ups, always following the times and protocols established by the work physician, have been carried out throughout the country, thanks to the network of healthcare centers of our external prevention service.

WORK ACCIDENTS

36 in Spain 3 in Chile 1 in Turkey

All minor accidents

In Spain there is a team in charge of ensuring and guaranteeing the care of people. It is made up of:

QUIRON PREVENCIÓN EXTERNAL PREVENTION SERVICE
External consultancy: Laura Vila · Manel Aranda (Inter-center Coordinator)

BARCELONA



Cristina Rodríguez

Pilar García

Julio Tovar

MARESME



Juan José Sánchez

Asunción Lázaro

Oumar Sidibe

CASES DE BARBENS



Claudia Casals

Sara Ogando

ALMERÍA



Felipe Navarro

DON BENITO



Antonio José González

MURCIA



Manel Aranda
(on their behalf)

The team is responsible for ensuring compliance in terms of:

- Risk Prevention Plan.
- Risk assessment and training and first aid.
- Organizing medical check-ups that are carried out in workplaces or health centers.
- Ensuring compliance with the emergency plan and the proper functioning of the available fire-fighting equipment.
- Investigating all work accidents almost in real time, in order to start working on how to prevent them from recurring and to draw conclusions as soon as possible.
- Facilitating two-way communication between the staff and employees in charge, as they are the ones who work in the field on a daily basis.
- Planning and organizing emergency drills.
- Ensuring the correct use, maintenance and delivery of personal protective equipment.
- Generating a culture of protection
- Guaranteeing protection measures
- Activating measures, protocols in this regard
- Others

At the level of occupational risk prevention and health and safety in the subsidiaries, the focus has been given on:

- Knowing the legal reality of each country.
- Knowing the legal compliance of each country.
- Establishing a global health and safety momentum in each country that go beyond the legal framework.

In terms of training, the Goodhabitz platform enables the promotion of a culture of prevention, healthy habits and occupational risk prevention. In the coming years, we intend to promote the importance of first aid training, extending it to the entire company's workforce.

At the same time, the manager role is central. As we have already mentioned, the role of the person responsible for each employee has a direct impact in terms of emotional and energetic self-regulation as well as of ensuring proper care and well-being of the employees. **Taking care of people and making them feel cared for.**

As for the 2022 Engagement Survey, the top-scoring areas were:

- Psychologically safe environment.
- Confidence and sense of purpose.
- Well-being.

These results give the company confidence to move in the same direction.

Its goal is to continue to ensure zero harm and to promote a culture of wellbeing and care.

CARRY OUT THE COMPANY'S ACTIVITY IN A WAY THAT IS FAITHFUL TO ITS VALUES

8 DECENT WORK AND ECONOMIC GROWTH



When we speak of values, what are we referring to?

During the year 2021, the company's management engaged in a profound reflection to update the company's purpose, vision and values. We have already discussed the purpose and vision in other sections of this report. We will now focus on values.

Our values are the DNA of the company. Semillas Fitó's current values are four:

- Long-term vision
- Professionalism
- Proximity
- Teamwork

In terms of long-term vision and professionalism, a lot could be highlighted. In the following pages, we will share the main 2023 milestones in terms of the company's Compliance policy.

In terms of proximity and teamwork, many aspects could also be highlighted. The reader will find a direct mention of the satisfaction survey that the company conducts every two years with the customers of the Professional Vegetable Seeds Business Unit in order to gain insight into how the company is seen by them.





COMPLIANCE PROJECT. AN EXAMPLE OF OUR LONG-TERM VISION AND PROFESSIONALISM

The Compliance project in the company began in 2020. After its constant evolution in the last years, the main milestones in 2023 are as follows.

- Renewal of positions.
- Election of a new firm specialized in criminal compliance.
- Implementation of a web-based whistleblower channel.

Regarding the renewal of positions, the position of Compliance Officer has been taken up by Meritxell Puigpinós as of September 2023. Taking advantage of this new appointment, the decision to select a new law firm to support the company in this task was also taken. Fortuny Legal, a boutique law firm specialized in criminal compliance, was chosen.

As a result of the new law in Spain on the whistleblower channel, a form has been made available both on the Semillas Fitó global and Spanish websites. This form can be anonymously used to send any relevant complaint or comment directly to the law firm, where the Compliance team will evaluate it.

Finally, as a result of the new law on Compliance, and in line with the company's commitment to regulatory compliance, transparency and communication as a method of prevention and detection of irregularities, a whistleblower channel has been made available both on the Semillas Fitó global and Spanish websites. It can be completed completely anonymously and be used by anyone who knows the company (employees, customers, suppliers, etc.) and wants to share any relevant comments on this matter.

This internal reporting channel aims to gather all irregularities in order to ensure a safe environment. Messages can be sent through the web, by mail (to the attention of the Compliance Officer) or directly communicated by telephone. All communications will be managed by the Compliance Officer.



CUSTOMER SURVEY. AN EXAMPLE OF OUR VALUES OF PROXIMITY, PROFESSIONALISM AND TEAMWORK.

In September 2023, the Vegetable Seeds Division conducted a customer satisfaction survey to analyze the opinion of its customers on key aspects for the company. **More than 370 customers with different profiles and from 6 key countries (Spain, Italy, Portugal, Morocco, Turkey and Mexico) completed an extensive questionnaire.**

Among other results, the survey concludes that **Semillas Fitó stands out for its proximity and the treatment that the customers receive by the sales teams**, two of the group's fundamental values, which once again are in first place in the survey results.

Customers also express their **trust in the brand and highlight its capacity to respond to incidents and the quality of its varieties.** According to them, these elements are directly related to professionalism.

In addition to getting to know customers' perceptions, this survey is an important tool for increasingly understanding the needs both of customers and the entire agri-food chain.

This is not the first time this customer survey has been conducted. The first edition was carried out in 2017, and a second and third followed in 2021 and 2023.

Customers value the **proximity of the Vegetable Seeds team at Semillas Fitó over its main competitors.**



6. PLANET PROJECTS



PLANET

POSITIVE IMPACT



Incorporation of **sustainability metrics** in **6 breeding programs** in 2023



Measurement of environmental impact through carbon footprint to define actions to mitigate the company's impact

WASTE



Reduction of more than 900 kg of plastic from bags



Reuse of 88% of the plastic generated in the genomics laboratory



Recovery of 190 tons of corn and bean seeds to be used in livestock feed

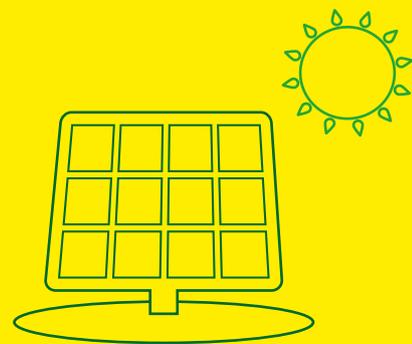


Recycling of 25% of generated waste

RESOURCES



Launch of a project to implement **water reuse systems to reduce water consumption** on farms



8.9% of the energy consumed is produced by the **company's own photovoltaic panels**



The PHF Group conceives its Sustainability Plan as a tool to materialize its corporate purpose: to create sustainable wealth across the entire agri-food chain. In the following pages, the reader will find a description of **7 projects that aim to generate positive externalities within the PLANET sphere.**

You will learn about actions aimed at **reducing the consumption of inputs in production systems**, focused on optimizing the water resources required by the organization.

You will also be introduced to the approach of the project that aims to launch **vegetable varieties that contribute to reducing the ecological footprint of the entire agri-food chain in future years.**

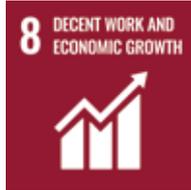
A description of the actions initiated to **select inputs and redesign processes from a sustainability perspective** is also provided in this section.

The evolution of the operations initiated by the organization in previous years, related to **circular economy practices that reduce food waste**, as well as the improvements implemented in **waste management**, are also described.

We also outline the assessment of the **company's carbon footprint**, the measures that have made it possible to mitigate it and the areas of action for its reduction in the future.

And finally, the set of initiatives implemented by the organization to ensure **efficient phytosanitary management** in its agricultural production systems are also explained in detail.

REDUCE THE CONSUMPTION OF RESOURCES IN OUR PRODUCTION SYSTEMS



One of the main concerns of PHF Group's stakeholders in relation to the Planet sphere is to know what kind of actions the company carries out to mitigate the consumption of water resources on its different farms. In this regard, improvements consisting of drastically reducing water consumption during the seed extraction process, reaching a reduction of over 90%, have been reported in previous years. This measure was adopted in addition to those implemented prior to the drafting of the first edition of this annual report. Those were:

- Regulated groundwater collection.
- Construction of rainwater collection ponds.
- Promotion of hydroponic cultivation in protected crop farms.
- Expansion of the drip irrigation surface on the field crops farm located in Cases de Barbens (Lleida).

We implemented a **water reuse system on the Sant Andreu de Lllaneres farm.**



A drainage water reuse system has been implemented at the Sant Andreu de Lllaneres (Barcelona) farm during 2023.

This system has already reduced the consumption of external resources by 25%, which means 3,750 m³ water savings, in this facility. This is reinforced by the use of water from rainwater collection ponds, an infrastructure that covers 37.5% of the farm's water needs. As a result, this center has a self-sufficiency level of 62.5%.

Also in 2023, the drip irrigation surface was expanded on the field crops farm located in Cases de Barbens (Lleida). Specifically, 3 more hectares were added, reaching an area of drip-irrigated 7.6 hectares, which represents more than 9% of the farm's cultivated area.

With this Sustainability Plan project, this type of investment will be gradually strengthened on all farms in future years. With this measure, we anticipate that the figures presented below will enable us to significantly reduce the organization's water footprint.

CENTER	WATER CONSUMPTION (m ³)
Les Cases de Barbens	144,000*
Cabrera	29,350**
Lllaneres	15,000***
Premià	9,000**
Arica:	37,897
Quillota	9,973
Antalya	9,856
Bangalore	3,981
El Ejido	150,972
Culiacán	23,375

*9% of the farm's area is watered by drip irrigation.

**Farms with water collection ponds. The percentage of self-supply will be reported in future years.

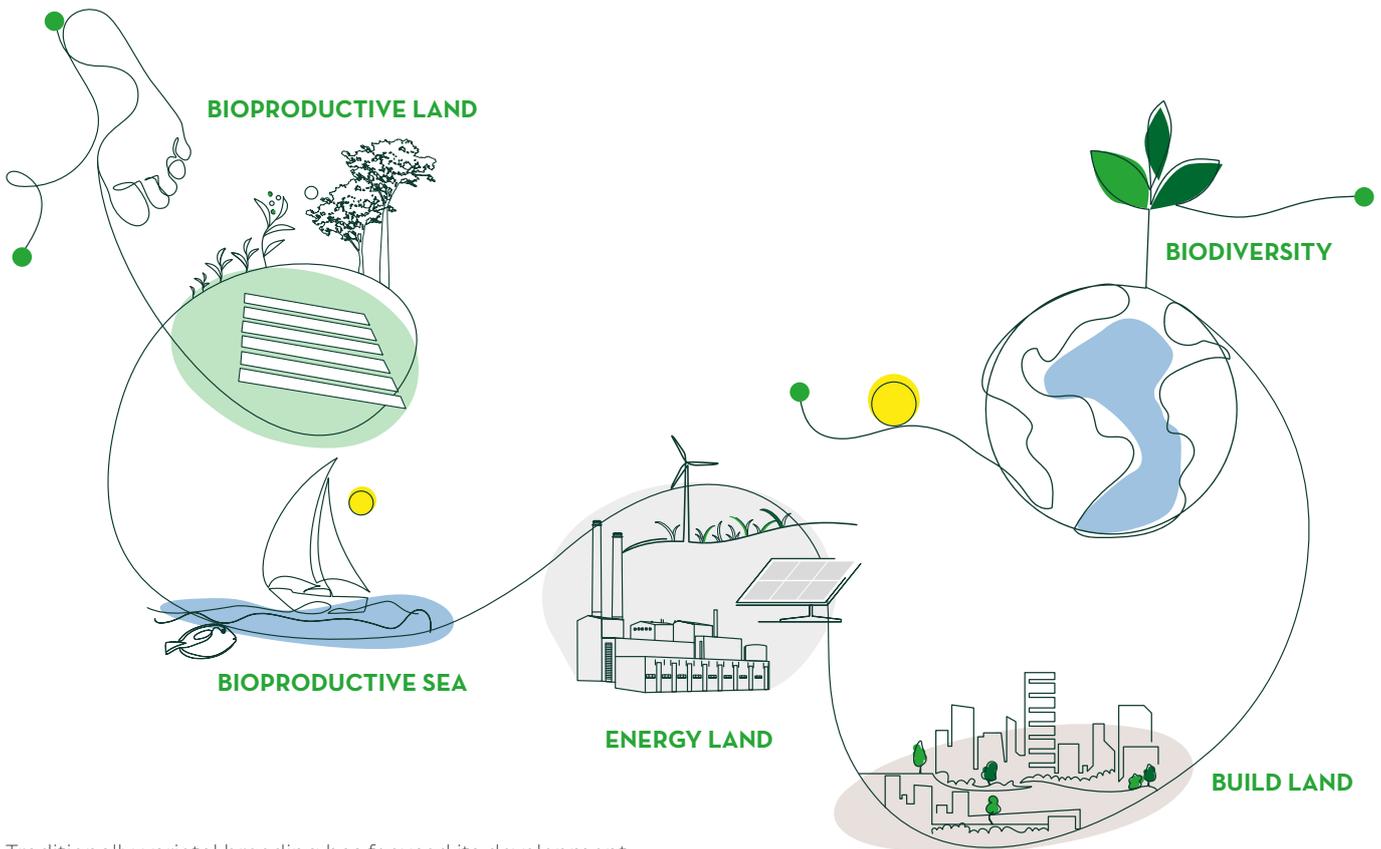
***62.5% comes from self-supplied water sources (water collection ponds and drainage water recirculation systems).



PROJECT

09

DEVELOP VARIETIES THAT REDUCE THE ECOLOGICAL FOOTPRINT



Traditionally, varietal breeding has focused its development milestones on selecting new varieties that are more tolerant to certain diseases, have greater yield potential or exhibit a certain organoleptic profile. However, PHF Group, under the premise of its corporate purpose ("To be a generator of sustainability across the agri-food chain, through accomplished and committed teams"), has set itself the challenge of **developing plant varieties with the potential to reduce the ecological footprint throughout the entire supply chain.**

In 2026, we will launch the **first varieties with net capacity for ecological footprint reduction on the market.**

The ecological footprint is a parameter that makes it possible to quantify the total inputs required to bring out a product, as well as all the waste generated or emitted during its production. Thus, PHF Group intends to integrate this measure as a selection milestone in its varietal breeding programs. **The aim of the company is to put varieties on the market in 2026 with a net capacity to reduce the ecological footprint in the processes of seed production, fruit production and final distribution.**

An example would be varieties that, in addition to showing a high yield potential and the traditional set of pathogenic resistances, also have the capacity to tolerate abiotic stresses (such as drought or salinity) and provide a longer shelf life for the fruit.



For this purpose, and in collaboration with external specialists in the field such as the Institut Cerdà, this methodology began to be implemented in 2023 in several varietal improvement programs for tomato, pepper, eggplant, cucumber, melon and watermelon crops.

During 2023, we started carrying out trials that will allow us to quantify the ecological footprint of the new varieties. These trials are centralized in the R&D centers in El Ejido and, in 2024, also on the Premià de Mar (Barcelona) farm. It is worth noting that the process of selecting a new variety with a net capacity to reduce the ecological footprint **will involve the analysis of more than 15,000 data that will be generated during 3 repetitions per varietal breeding program.**



Data collection for the calculation of the ecological footprint.

INCORPORATE SUSTAINABILITY CRITERIA IN THE CHOICE OF PRODUCTS AND PROCESSES



With the Sustainability Plan project, PHF Group aims to activate the implementation of a sustainable management culture transversally throughout the organization. Consequently, all types of **actions aimed at rationalizing the consumption of any resource and the search for more sustainable alternatives will be encouraged where appropriate.**

In this regard, during 2023, some initiatives have been implemented and others that were previously being developed have been reinforced.

The main focus of the actions has been aimed at **reducing plastic consumption**. Thus, the action with the greatest impact has been the progressive substitution of cardboard bags laminated with plastic for another packaging with similar characteristics, but completely plastic-free.

During 2023, the operating centers in Les Cases de Barbens (Barcelona) and Antalya (Turkey) made available to the market a total of 1,329,848 bags; of which 110,000 bags were already completely free of plastic lamination. As a result, **8.27% of the bags marketed were found to be free of plastic lamination, representing a reduction of more than 900 kg of plastic.** The PHF Group's intention is to gradually and completely replace traditional packaging with this new alternative.

We reused 88% of the plastic consumed for genomics analysis in the Cabrera de Mar laboratory.

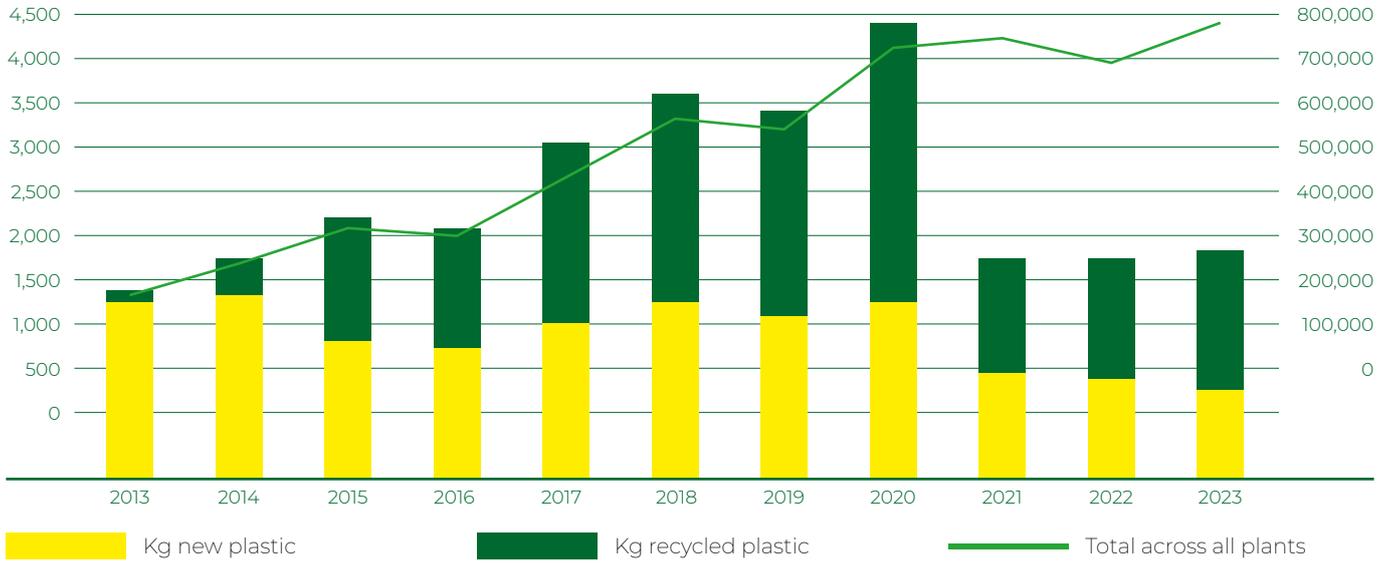


Plastic present in the previous bag.

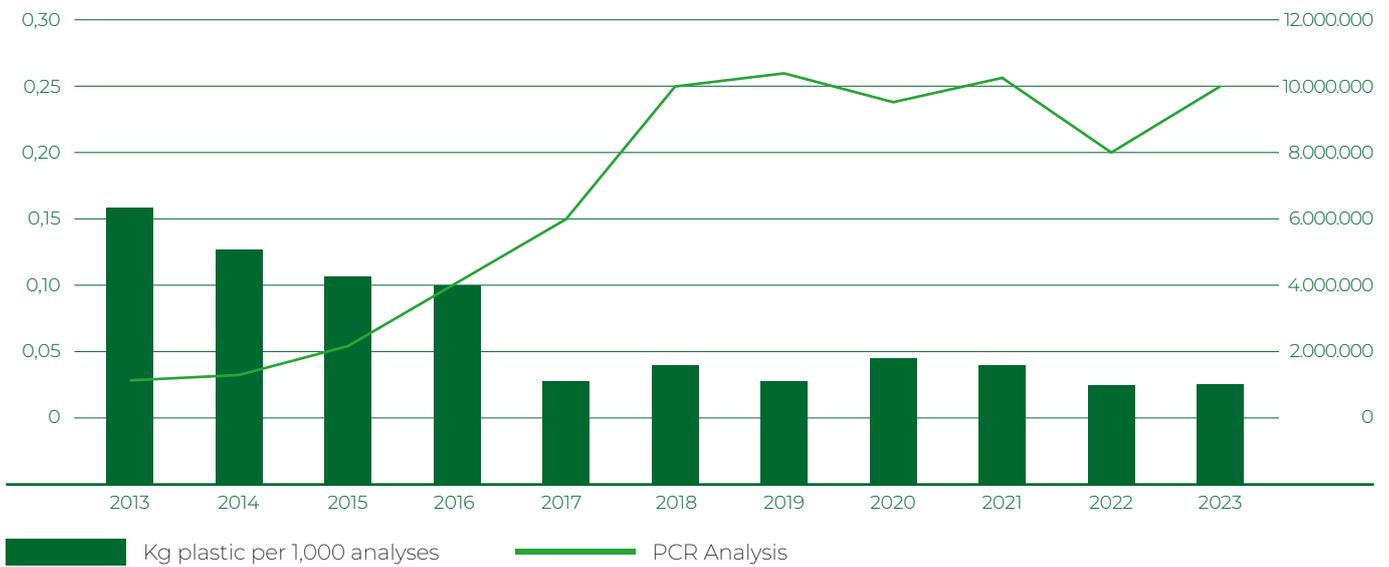
Another continuing action to reduce plastic consumption has been centralized in PHF Group's laboratories. Specifically, the Genomics laboratory of the R&D center located in Cabrera de Mar (Barcelona) has been implementing an intensive management of plastic material reduction in its consumables

since 2012. To this end, they are constantly replacing them with new alternatives of a lower weight and implementing reuse measures when the process allows it. The updated data is presented in the following graphic:

USED AND RECYCLED PLASTIC FOR DNA EXTRACTION



PLASTIC USED FOR PCR ANALYSIS



From these graphs, it can be concluded that **the Cabrera de Mar laboratory has managed to reuse more than 88% of the plastic consumed for its genomics analyses during 2023. This figure represents an increase of 12% compared to 2022.** PHF Group aims to gradually implement these practices in the rest of the organization's laboratories.

Likewise, at the Les Cases de Barbens, Barcelona and Antalya operations centers, the search for alternatives to reduce the consumption of microplastics in seed treatment polymers has begun. In future years, we will report on the gradual substitution with these new alternatives.

The other main packaging used for the commercialization of PHF Group products are the aluminum sachets for vegetable seeds. During 2023, a total of 14,145 kilos of this material were consumed. A working group is currently testing alternatives to gradually replace its consumption. In addition to this measure, during 2023 a review of the portfolio of aluminum container sizes has been initiated with the aim of eliminating those of a smaller capacity; this will reduce the number of containers generated. These two measures together will facilitate a reduction in the consumption of this material, which will be announced in future editions of this report.

REDUCE FOOD WASTE



In order to minimize food waste, PHF Group implements circular economy practices in its operational strategy. In this regard, the organization has defined two waste recovery processes, focused on guaranteeing a second life to the by-products generated from its daily activity: seed waste that does not reach the level of commercial quality and plant waste generated in the observation crops of new varieties by the R&D department.

In the case of seed discards, this type of organic waste is the result of the sequence of cleaning and calibration procedures that a batch of seeds receives from its harvest to its provision to the final farmer to meet the demanding quality parameters associated with seed germination and purity. The batches that do not meet these quality characteristics cannot be marketed. However, despite not meeting the required quality criteria of a seed, they do have nutritional levels that make them suitable for use as livestock feed. Consequently, and in order to avoid waste of this by-product, these batches are made available to the agri-food sector for this purpose.

There are several commercial references in PHF Group's catalog of varieties that generate this by-product and are subjected to this circular economy practice. However, the most significant ones are associated with corn and broad bean crops. In this regard, the Les Cases de Barbens operational center produced in 2023 more than 107 tons of broad beans and more than 83 tons of corn. As a result, **PHF Group provided the agri-food sector with more than 190 tons of feed grains from the seed discard, thus avoiding waste.**

The waste of more than 190 tons of corn and bean grains was avoided by using them as livestock feed.



The second type of by-product subjected to circular economy practices is plant waste from varietal development trials, which is made up of two main by-products: plant remains at the end of cultivation and fruit remains from seed extraction. These wastes are therefore subjected to circular economy practices with their conversion into compostable waste. Thus, the R&D centers located in the province of Barcelona (Cabrera, Premià and Sant Andreu de Llavaneres) managed more than 143 tons as compostable waste. Similarly, the R&D center located in El Ejido managed more than 87 tons. Finally, the operational center in Quillota (Chile) also managed more than 7 tons. In summary, **PHF Group provided more than 277 tons of vegetable waste for its conversion into compost.**

PROJECT
12

IMPROVING WASTE MANAGEMENT



A basic line of action for reducing the impact of PHF Group's activities across the agri-food chain is the recycling of agricultural inputs used. In this regard, the organization had implemented separate collection in its centers in Spain previously. However, PHF Group's commitment has led to this measure also being carried out in its subsidiaries located in other parts of the world. Thus, separate waste management data are reported for the Chilean subsidiary for the first time.

CENTER	BANAL (kg)	PAPER AND BOARD (kg)	PLASTIC (kg)	% RECYCLED WASTE
Barcelona	75,111	40,355	16,596	43
Barbens	41,460	32,580	13,250	52
Almería	7,300	10,800	29,100	84
Quillota	10,030	500	1,022	15

*** In future years, the rest of the centers will also be reported.

*<https://www.miteco.gob.es/gi/calidad-y-evaluacion-ambiental/temas/prevencion-y-gestion-residuos/flujos/domesticos/fracciones/papel-y-carton/por-que-debe-gestionar-adecuadamente.html>

**<https://www.miteco.gob.es/es/calidad-y-evaluacion-ambiental/temas/prevencion-y-gestion-residuos/flujos/domesticos/fracciones/envases/por-que-deben-gestionar-adecuadamente.html>

In 2023, PHF Group **recycled more than 85,700 kg of paper and 59,900 kg of plastic.**

Looking at the table above, we can see that PHF Group recycled more than 83,735 kg of paper and cardboard and 59,968 kg of plastic in 2023. According to the Spanish Ministry for Ecological Transition, this amount of recycled paper and cardboard represents approximately 1,000 trees saved.* The same source states that the amount of recycled plastic has saved approximately 30 tons of oil in the production of this raw material.**

With regard to the farms located in the Maresme area, as a result of PHF Group's Sustainability Plan, the imminent implementation of separated waste management in these centers is being considered. Data on progress in this area will be reported in future years. Thus, in 2023 only banal waste management data are reported:

CENTER	BANAL (kg)
Llavaneres	231,470
Cabrera	61,180
Premià	147,200

*** Arica, Bangalore, Culiacán and Antalya will be reported in future years.

Thus, for the reported centers, PHF Group generated a total of 717,954 kg, of which 144,203 kg were recycled. This means that **25% of the generated waste was recycled.**

In addition, PHF Group also manages other types of waste, which are reported below:

TYPE	AMOUNT (kg)
WEEE	1019.3
Coffee capsules	194
Toners	21.3

CARBON FOOTPRINT AND MEASURES TO MITIGATE THE ENVIRONMENTAL IMPACT OF THE ORGANIZATION



The aim of this Sustainability Plan project is to mitigate the impact of the organization's activities. To this end, the value of PHF Group's carbon footprint was determined through the calculator of the Spanish Ministry for Ecological Transition. As a result of this analysis, it is possible to determine the main areas of action within the organization in order to reduce the value of this parameter as much as possible.

In 2023, the energy self-consumption promoted by PHF Group **has reduced the value of the carbon footprint by more than 200,000 kg of CO₂ equivalent.**

The following table shows the values obtained for the calculation of this parameter for the entire PHF Group in 2023:

EMISSIONS	kg CO ₂	g CH ₄	g N ₂ O	kg CO ₂ e
Fertilizers, amendments, burning and use of agricultural residues	0.00	0.00	882,181.48	233,778.10
Fixed facilities	1,938,906.21	225,388.26	11,848.65	1,948,356.98
Road transportation	971,338.13	23,553.70	38,339.10	982,157.50
Machinery operation	692,779.56	6,486.70	30,357.76	701,005.99
Fugitive emissions: air conditioning and refrigeration	0.00	0.00	0.00	422,015.90
SUBTOTAL	3,603,023.90	255,428.66	962,726.99	4,287,314.46
Electricity buildings	-	-	-	1,512,450.85
Electricity vehicles	-	-	-	0.00
SUBTOTAL	0.00	0.00	0.00	1,512,450.85
TOTAL	3,603,023.90	255,428.66	962,726.99	5,799,765.31

*Calculated using the calculator for farms (scope 1+2) available at the following web address: <https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/calculadoras.html>.

**All PHF Group centers have been included in the calculation, with the exception of the operating centers in Barcelona, Barbens, Don Benito and Antalya. They will be included in the scope of the calculation in future years.

A number of conclusions can be drawn from the above table. Firstly, the agricultural activities carried out on the farms have the least impact on the organization's carbon footprint. At the same time, it is energy consumption, fuel for the operation of physical facilities, machinery and cars, as well as refrigerant consumption, which will generate the biggest impact. This analysis is consolidated as a diagnosis to focus on measures to mitigate the organization's carbon footprint, which will be reported in future years.

In this regard, some of the actions described in other sections of this report are relevant, especially the chapter dedicated to the promotion of energy self-consumption. The actions **described** in this project **alone have made it possible to reduce the value of the carbon footprint by more than 200,000 kg of CO₂ equivalent in 2023.** Its ecological equivalence corresponds to the carbon captured by more than 200 hectares of medium-sized *Pinus halepensis* forest.***

*** Calculated on the basis of the results shown in the following web address of the Spanish Ministry for Ecological Transition: https://www.miteco.gob.es/content/dam/miteco/es/biodiversidad/publicaciones/bosques_cambio_climatico_web_tcm30-522734.pdf (page 85).





PROJECT
14

EFFICIENT PHYTOSANITARY MANAGEMENT ON FARMS



PHF Group's efforts to bring to market varieties that contribute to a more sustainable agri-food chain involve the implementation of a series of processes on its farms. This implies the commissioning of agricultural trials for the observation of new varieties and relevant seed production. For this purpose, the use of certain agricultural inputs is required. In this regard, this action in the Sustainability Plan focuses on optimizing the use of these inputs, focusing on nitrogen fertilizers, phytosanitary products and the area dedicated to organic farming.

Below is the total balance of nitrogen applied on the different farms of PHF Group:

CENTER	NUMBER OF PLANTS	PHYTOSANITARY PRODUCTS TOTAL (kg)	ORGANIC PHYTOSANITARY PRODUCTS (kg)
Barbens	146,469,160	1,502	95
Cabrera	36,662	35	42
Llavaneres	340,787	150	20
Premià	105,773	92	60
Arica:	363,892	34	8
Quillota	68,846	12.7	18
El Ejido	408,914	1,441	64
Antalya	79,316	81.8	36.7

* The Premià and Antalya sites will be reported in future editions.

As shown in the table, the Les Cases de Barbens center is the main consumer of nitrogen fertilizers. This is due to the fact that it is the only farm dedicated to field crops. With the aim of going further with circular economy practices, in 2022 this center signed a collaboration agreement with the Ivars Cooperative, through which by-products of this organization are used as nitrogen fertilizer on the Les Cases de Barbens farm. Thanks to this action and the practice of crop rotation, the total nitrogen balance was reduced by 6,861 kg compared to the previous year.

In addition, within this Sustainability Plan project, our aim is to optimize the use of this input on farms dedicated to field crops. In this regard, as mentioned in previous sections of this report, an irrigation recirculation system which also allows the reuse of the remaining nitrogen fertilizers has been implemented at the Llavaneres center. The company's goal is to gradually implement this system in other PHF Group centers. The recovered returns will be reported in future editions.

In 2023, more than 74% of the phytosanitary products consumed on the group's farms were organic phytosanitary products.

The following table shows the amount of phytosanitary products used on each PHF Group farm and the proportion of organic ones. The number of plants cultivated is also indicated in order to provide a better insight into the intensity of optimization in the use of this resource:

CENTER	NITROGEN (kg)
Barbens	24,998
Cabrera	1,800
Llavaneres	2,500
Arica:	4,281
Quillota	3,750
Bangalore	9,218
El Ejido	6,350
Culiacán	4,860

* The Bangalore and Culiacan centers will be reported in future editions.

Looking at the table above, it can be concluded that, **in 2023, the consumption of organic phytosanitary products represented 74.2% of the total amount.**

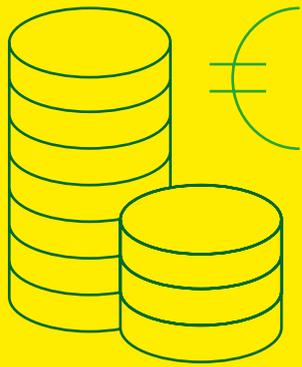
Finally, it should be noted that PHF Group offers a total of 12 varieties produced under organic certification in its professional vegetable catalog. The production of these varieties is supported by more than 2 hectares of land used for this type of production and located on farms in the province of Barcelona.



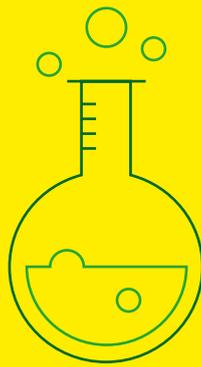
7. PROFIT PROJECTS



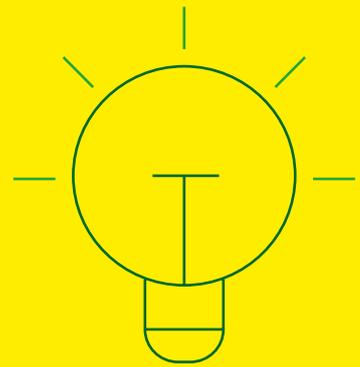
PROFIT



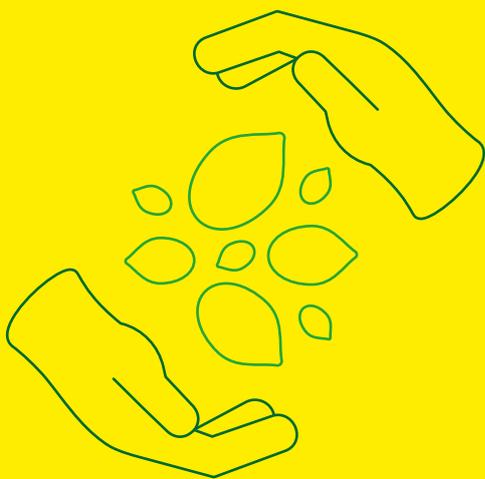
20% of the group's annual turnover is invested directly in **R&D programs**



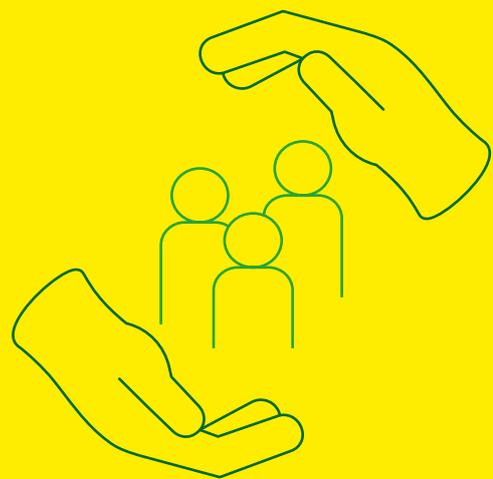
38% of the workforce is 100% dedicated to research



9 self-managed R&D centers



We collaborate with more than **25 local and international sectoral associations**



We collaborate with more than **10 social, educational and cultural entities**



When talking about sustainability and corporate social responsibility, many readers may expect to know how a company operates in terms of its social and environmental impact. These aspects have been covered in the previous pages.

However, what the company does with its profits is just as relevant. Does it reinvest them in the company itself for future sustainability purposes? Does it invest them in any way to improve the industry holistically? Does it support social causes?

In the following pages, the reader will learn in detail about the evolution of PHF Group in terms of the 6 projects related to the **PROFIT area**.

Specifically, the most relevant facts in terms of **investment levels in various aspects such as technical and human resources in research and innovation, green energy to ensure self-consumption or implementation of more efficient and cleaner technologies** to improve existing processes are described below.

The company's investments, both financial and human, in the **sector's associations**, as well as its **donations and sponsorship policy** are also reported.

Finally, a set of ideas is presented to illustrate how Semillas Fitó as a whole works to ensure that the economic growth that impacts the company itself and its environment is sustainable.

PROJECT

15

INVEST IN TECHNICAL AND HUMAN RESOURCES IN RESEARCH AND INNOVATION

8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



In Semillas Fitó's business model, investment in R&D plays a fundamental role and is one of the key factors in its success. Some relevant data regarding innovation in the company are:

- 20% of the group's annual turnover is invested directly in R&D programs.
- 1 out of 3 of the company's employees works directly in the R&D teams.
- Around 25 new varieties are registered each year.

To maintain these figures, the company is constantly at the forefront in acquiring the latest technical R&D resources.

For example, during the year 2023, the R&D center in Cabrera de Mar has been expanded to enable the launch of commercial varieties in less time thanks to the incorporation of new climatic chambers for plant cultivation.

The center now has **three new climatic chambers for the growth of donor plants (phytotrons)** for the Cellular Biology department, as well as a new germination and acclimatization chamber that together cover an area of 300 m². In addition, the facilities dedicated to Phytopathology have been expanded with a new pathology laboratory, which has four new climatic chambers for carrying out various bioassays with plant pathogens, covering a total area of 150 m² in addition to the facilities already available at the center in Cabrera de Mar.

These new spaces are in addition to the more **than one million euros** that the company has invested in the last two years in its main R&D center to expand the facilities and incorporate the latest technology in the areas of Genomics, Cellular Biology and Phytopathology.

Investments were made to expand the company's main R&D laboratory to **reduce the development time for new varieties.**

This technological investment will allow us to develop new varieties more efficiently, making us more agile, offering solutions to the entire agri-food chain, **reducing the development time of new commercial varieties by up to 4 years.**

Growing in climatic chambers is carried out under precise control of environmental conditions: temperature, humidity, CO₂, photoperiod, intensity and spectral composition of light (supplied by the latest generation of LED luminaires), in addition to ensuring that the plants are free of viruses and pathogens thanks to the new facilities' degree of confinement. All of this **allows the plants to develop with maximum efficiency and, therefore, significantly increases the production capacity of double haploid plants (DHs)**, through which commercial hybrids can be developed.

In the new Phytopathology facilities, the newly installed chambers are equipped with humidity control systems that **enable work to be carried out on problematic bacterial pathogens in vegetable crops aimed at markets with a subtropical/tropical climate.**

These facilities have been built with a high level of biosecurity to allow work to be carried out on any type of plant pathogen in fully confined conditions. These characteristics will allow the company to **expand its work in the development of varieties resistant to ToBRFV (Tomato Brown Rugose Virus).**



IMPROVING FOOD IS IN OUR GENES

Convinced of the major impact that seeds have throughout the agri-food chain, and with the responsibility of **ensuring a better diet worldwide**, Semillas Fitó intends to be a key agent in promoting this much-needed global change, under the slogan **"Improving food is in our genes"**, a new global positioning for Semillas Fitó's Vegetable Seeds Division, which was presented in February 2023 at the Fruit Logistica fair (Berlin).

This new positioning is based on something more than just a mere slogan. It is a **firm commitment to achieve, through seeds, a healthier and more sustainable diet.** Helping to address global challenges such as food security (with more productive, more resistant varieties, etc.), and the reduction of food waste (more uniform varieties with greater postharvest properties), are among the priorities of Semillas Fitó. Semillas Fitó contributes through its **sectoral experience and its holistic vision of the market, and through the values of proximity, integrity and commitment** inherent in this family business that is characterized by offering tailor-made solutions to its customers.



Sales team of the Vegetable Seeds Business Unit at the Semillas Fitó stand at the Fruit Logistica 2023 international trade fair.

PROMOTE SELF-CONSUMPTION OF ENERGY



Under the commitment to promote an efficient use of resources, PHF Group has executed a series of investments focused on optimizing the organization's energy consumption with the expectation of reducing its carbon footprint. This involves the gradual implementation of photovoltaic panels in the different centers of the organization, with the goal of reaching at least 10% self-consumption of energy by 2026. In order to monitor this goal, the consumption in kWh of the different centers of the organization in 2023 is shown below:

SUMMARY	kwh	TYPE OF CENTER
Don Benito	110,446	Operations center
Murcia (San Javier)	23,417	Sales office and post-harvest chambers (R&D)
Almería (El Ejido)	406,872	R&D center
Cabrera	1,922,272	R&D center
Llavaneres	484,355	R&D center
Premià	32,348	R&D center
Barbens	1,223,249	Operations and R&D center
Barcelona	1,029,629	Operations center and central services
TOTAL SF SPAIN	5,232,586	
Culiacán – Mexico	141,078	R&D center
Bangalore – India	252,000	Operations and R&D center
Antalya – Turkey	377,380	Operations and R&D center
Arica – Chile	31,253	Operations center
Quillota – Chile	72,467	Operations center
SF TOTAL	6,106,764	

The installation of photovoltaic panels in Barcelona and Barbens make it possible to reach an **energy self-consumption of 8.9%**.



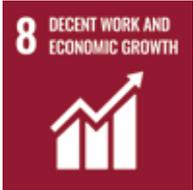
Photovoltaic panels installed in Les Cases de Barbens center.

In 2022, photovoltaic panels were installed in the Barcelona center. In addition, in 2023, the project was extended by installing photovoltaic panels in the Barbens center. Below is a list of the self-generated and self-consumed electric power for both centers:

SELF-CONSUMPTION	kwh
Barcelona	320,202
Barbens	223,034
TOTAL	543,236

As a result, PHF Group self-produced 8.9% of its energy needs, approaching the 10% target set for 2026.

PROJECT
17 IMPLEMENTATION OF MORE EFFICIENT AND CLEANER TECHNOLOGIES



Artificial intelligence is incorporated into an **advanced system to reduce seed waste.**



Advanced sorting system Seedx.

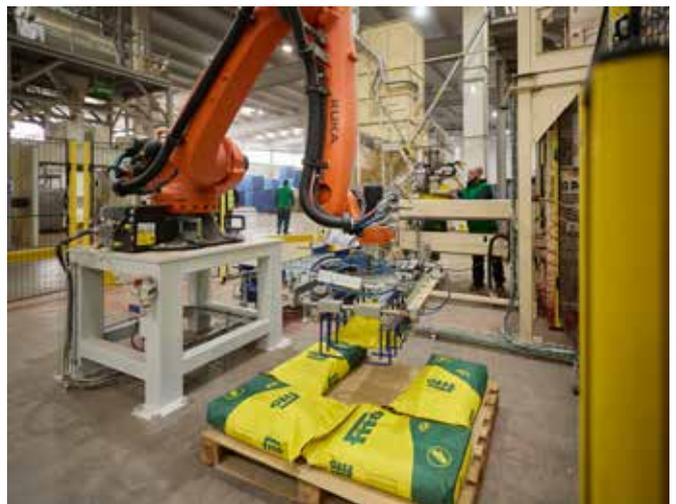
The second investment is a collaboration with the company **Seed-X**. This organization has developed an advanced tomato and bell pepper seed selection system using artificial intelligence. The purpose of this technology is to remove the non-germinating from the germinating parts, in batches that do not reach the required germination level. To do this, the system associates germinating morphologies to high-definition images of each processed seed, after a previous process of establishing an algorithm that allows this association.



Drum Priming drying system.

During 2023, PHF Group carried out two technology-related investments at its operating center in Barcelona. Both technologies are aimed at reducing seed waste and, therefore, at minimizing the waste in the supply chain caused by the non-recovery of the seeds produced, in the form of inputs used in their production, such as water, fertilizers, soil, etc.

The first investment consisted of a vegetable seed priming system using **Drum Priming technology**. This system makes it possible to recover seed batches that do not reach commercial germination levels due to problems associated with seed embryo immaturity. This technology also incorporates a post-priming phase that guarantees greater germination viability of the seeds over time, as a result of an optimization of the remaining intracellular water values.



Meanwhile, in 2023 PHF Group also installed a new palletizing robot at the Les Cases de Barbens operational center and doubled its capacity for phytosanitary seed treatment. Together, these two investments enable the center to increase its operational needs to meet the growing seed requirements of the field crop and turf grass seed supply chain.

PROJECT

18

PROMOTE PARTNERSHIPS THAT CONTRIBUTE TO SUSTAINABILITY WITHIN THE SECTOR



In 2023, PHF Group **contributed over €160,000 to sectoral associations.**

PHF Group is present in all those local and international associations that have a relevant role in the evolution of the agri-food sector. This is possible thanks to the direct involvement of the company's employees both nationally and internationally.

Semillas Fitó's economic contribution to the sectoral associations in 2023 for the development of their activities amounted to a total of more than €160,000. In total, the company collaborates with around 20 local and international associations. Those in which it participates most actively are highlighted below.

NATIONALLY



National Association of Plant Breeders (Spain)



Italian Association of Seed Companies (Italy)



National Association of Seed Producers and Distributors (Portugal)



Union of Seed Industrialists and Producers (Turkey)



Mexican Association of Seed Companies (Mexico)



Indian Federation of Seed Industry (India)



Association of Vegetable Seed Breeding Companies (Morocco)



National Association of Seed Producers (Chile)

INTERNATIONALLY



European Seed Association



Anti-infringement International Bureau



International Seed Federation



The Asia & Pacific Seed Association



International Licensing Platform Vegetable

NATIONAL ASSOCIATIONS



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.

In 2023, the following people worked with this association:



Israel Roca, Vegetable Seeds Sales and Marketing Director at Semillas Fitó, has been a member of the ANOVE board of directors since 2019 and was its spokesperson in 2023.



Eduard Fitó, President of Semillas Fitó, and **Inma Duarte**, head of Communications for Vegetable Seeds West EMEA, as part of the ANOVE Communication Committee in 2022, which promotes actions to raise public awareness of the association's work and the companies that comprise it. Eduard Fitó chaired this committee until March 2022.



Dolors Baget, Head of Regulatory Affairs of the Semillas Fitó Vegetable Seeds Business Unit, 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.



Meritxell Puigpinós, head of Regulatory Affairs at Semillas Fitó, has been a member of ANOVE's Horizontal Regulatory Affairs Commission for 2023, where the new regulations proposed at European and national level are being worked on. In addition, she has participated in some working groups such as the seed movement and packaging groups.



Raúl Martínez, Head of Sales of the Vegetable Seed WEST EMEA Division, is since 2023 Semillas Fitó's representative in the meetings of the Vegetable and Ornamental Plant Seeds Section (SHO) of ANOVE, where sectoral issues in the field of vegetable seeds are discussed.



Eugenio González, Director of Field Crops, represented Semillas Fitó in the meetings of the Maize, Oilseeds and Industrial Crops section (SMOCI), which discusses issues related to the market and seed treatments.



Carlos Fernández Castañeda, Area Manager of Vegetable Seeds for Andalusia and the Canary Islands, has been a member of the Intellectual Property Committee - Geslive (licensing system) since 2023.



Anna Mª Viles, Head of Quality Control, represents Semillas Fitó in ANOVE's phytopathology working group.



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



Massimo Peruzzo, Country Manager Italy, in 2023 continued his work as a member of this association and member of the Gruppo Orto WIC (Work Integrated Companies).



TSUAB is the Union of Seed Industrialists and Producers, a public institution which all companies in the seed sector operating in Turkey are obliged to join.



In 2023, **Utku Ersoy**, Area Manager Professional of Vegetable Seeds Turkey, has been an active member of the working group leading the fight against fraud and illegal seed breeding.



The National Association of Seed Producers and Distributors (ANSEME) is the association that represents seed companies in Portugal. As associate members, the following people have collaborated as the company representatives in 2023:



Dolors Baget, Head of Regulatory Affairs of the Semillas Fitó Vegetable Seeds Business Unit, and **Susana Henriques**, Sales Technician in Portugal.



AMSAC is the Mexican Association of Seed Growers and Semillas Fitó is one of its 70 members. This association works to highlight the importance of seeds as strategic input in the development of Mexico.

In 2023, as in previous years, **Rogelio López**, from the Fitó México Logistics team, collaborated as an association member at its meetings. Specifically, in 2023, he participated in the regular general meetings and the annual convention of the association, as well as in the phytosanitary affairs group, which reviews issues such as seed imports, exports and movements



in Mexico, possible changes that might be decreed by the Mexican agriculture authorities, either in their regulations, procedures or measures taken in the face of a new pest outbreak. A recent example are the measures implemented against the rugose virus.



Luis Miguel Bórquez, Vegetable Seed Area Manager in Mexico, has also attended these meetings, where information on domestic and export sales statistics, market trends, and internal and external factors that impact the sector is also shared, among other topics of great interest.



FSII is the Federation of Seed Industry of India. This association encompasses the main multinational companies in the sector and promotes the development of the Indian agricultural sector through export and import, as well as its rapid modernization. International companies operating in the country are involved in research into the applications of seed breeding and technology, enabling farmers to adopt technology-driven agricultural solutions to improve



agricultural productivity in a sustainable manner, minimizing losses before and after harvest. Semillas Fitó has been part of the FSSI since 2020, with **Enrique Roca**, Sales and Marketing Director for Southeast Asia, as the company's representative in the association since then.



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. The participants in 2023 were:



Ignacio Rodriguez Blasco, Production Manager America, actively participates in the different activities of the association, such as conferences, in which issues related to seed exports and imports are discussed.



Claudia Gaete, Regional Operation Manager, participates in the Arica and Parinacota committee and, in a national level, in the Vegetable Seeds and the Phytosanitary Products Committee.



ASOL (Association of Vegetable Seed Breeding Companies) is the Moroccan association representing the main seed companies operating in the country. In 2023, **Issame Lamharzi** was a board member of the association.



Gonzalo Reyes, Farm Manager at the Arica production center, participates in the Arica and Parinacota committee. Together with other seed companies located in the area, this committee collaborates on issues related to the seed industry, such as regulation, training, plant protection agents, biotechnology and corporate social responsibility to help the environment in a positive way, such as the preservation of the Arica hummingbird.



Alejandra Leiva, Laboratory Coordinator, participates in the National Laboratory Committee. She participates in the different activities carried out by the committee, such as workshops, training courses and the annual meeting of seed analysts in Chile, in which topics related to the regulation, modifications and advances of the ISTA (International Seed Testing Association) rules are discussed.

INTERNATIONAL ASSOCIATIONS



Euroseeds represents the interests of those European associations, companies and institutions that are involved in the research, breeding, production and sale of agricultural, vegetable and ornamental plant seeds.

During 2023, several workers of the Group were selflessly involved in the association. Here we highlight the main roles:

In the Vegetable Seeds section, **Israel Roca**, Vegetable Seeds Sales and Marketing Director, has actively participated in the WIC (Working group Integrated Companies). Since 2023 he is also board member of the Vegetables Section.

In the Corn Division, **Eugenio González**, Field Crops Director, has participated in the work meetings in which regulatory and phytosanitary matters, among others, have been analyzed.

Meritxell Puigpinós, Head of Regulatory Affairs, has joined the Plant Health working group, which works on emerging regulations in Europe affecting plant health and regulatory changes in the movement of seeds.



The International Seed Federation (ISF) is the most important seed sector association in the world.

Eduard Fitó, President of Semillas Fitó, is still connected to the association, having been its president between 2019 and 2020, and is currently chairperson of the Coordination Group of Value Chain. As is **Eugenio González**, Director of Field Crops, who represents Spain in the field crops section (wheat, corn, sunflower, soybeans and rapeseed, among others). **Anna M^a Viles**, Head of Quality Control, attends the ISHI-VEG conference annually.



Juan Jesús Narváez, Seed Technology & Quality Process (GSPP/ESTA) manager, is a member of the ISF Sustainability Committee.



Semillas Fitó is part of the AIB (Anti-Infringement Bureau) which safeguards the intellectual property rights of its members.

Israel Roca, Vegetable Seeds Sales and Marketing Director, is a member of the AIB board of directors. **Massimo Peruzzo**, Country Manager Italy, **Utku Ersoy**, Vegetable Seed Area Manager in Turkey and **Meritxell Puigpinós**, Head of Regulatory Affairs, also participate in the association.



Semillas Fitó has been a member of APSA, the Asia Pacific Seed Association, since 2016. This association's mission is to promote sustainable agriculture through the production and sale of quality seeds.

In this case, it is the director of Sales and Marketing in India, **Enrique Roca**, who is involved in the association.



Since 2023 **Jordi Quilis**, Biotech director, and **Meritxell Puigpinós**, head of Regulatory Affairs, have been attending the two annual meetings of the ILP (International Licensing Platform Vegetable), a platform that promotes access to patents.



PROJECT

19

DEVELOP AN INTERNAL POLICY FOR SPONSORSHIPS, DONATIONS AND COLLABORATIONS

4 QUALITY
EDUCATION



PHF Group's commitment to sustainability and innovation is clear. Generating sustainable wealth throughout the agri-food chain through seeds, thanks to an accomplished and committed team, makes the PHF Group a generator of positive impact on social development. The PHF Group contributes to improving the quality of life of people in the communities where it operates by helping develop a more sustainable society.

The long-term vision is one of the group's values and, from there, it is in a privileged position to contribute to economic development in more than 10 countries. For this reason, it establishes relationships of mutual trust with the societies in which it operates with the commitment to have a positive impact, to be respectful and to bring improvements to generate sustainable solutions in the medium term.

PHF Group collaborates with local social, educational and cultural entities to **contribute to social development in the more than 10 countries** in which it operates.

For this reason, it establishes a constant dialogue with key agents in the sector, performing and contributing value from a business model that seeks, with its purpose, to meet the demands and fulfil the expectations of the different stakeholders. All this is inspired and guided by the goals set by the SDGs to cover the 2030 agenda.

Semillas Fitó's Sustainability Plan 2023-2026 includes the need to develop an internal policy for sponsorships, donations and collaborations that is global and consistent with the company's values. The drafting and implementation of this document will be carried out throughout 2024.

In 2023 Semillas Fitó collaborated with more than a dozen local and/or sectoral social, educational or cultural entities. Some of them are highlighted below:

DONATION OF SEEDS TO THE COMTAL FOUNDATION FOR A COMMUNITY GARDEN

Semillas Fitó also collaborates with the Comtal Foundation, a non-profit organization located in Barcelona that works to improve the prospects of children, adolescents and young people in vulnerable situations, as well as their families.

The relationship with this foundation began in 2019, and consists of the **donation of seeds from the Hobby Business Unit for use in the community garden managed by the Comtal Foundation** in the Benet Corner space. This space is open to the neighborhood and is for different educational programs and social and labor market insertion activities, in which young people and families at risk of social exclusion can participate. The donated seeds are used to plant vegetables in the introduction to gardening workshop, aimed at young people with no training, family support or employment. The training provided gives them the opportunity to resume their studies and build a new future for themselves.

Since 2019 Semillas Fitó has donated 180 seeds packets.



GRANTING OF THE FITÓ AWARD FOR THE BEST FINAL DEGREE PROJECT OF THE BARCELONA SCHOOL OF AGRICULTURAL ENGINEERING.

Once again, together with the Barcelona School of Agricultural Engineering (ESAB) of the Technical University of Catalonia (UPC), we presented the **Fitó Final Degree Project** award to the ESAB students whose projects demonstrate excellence under the theme of improvements in sustainability and crop efficiency.

In 2023 the winner of this award was Paloma Álvarez, for her work "Specificity of plant antiviral components by cell types". Clara Saladrígues, former ESAB student and Farm Manager of the Sant Andreu de Llavaneres farm, presented her with the award on behalf of Semillas Fitó.

We started this collaboration in 2014. The award comes with a financial prize of €1,000 for the student and its objective is to promote and encourage young talent.

DONATIONS IN EMERGENCY SITUATIONS DUE TO NATURAL DISASTERS

In line with the company's commitment to local development in the countries in which it operates, Semillas Fitó has made disinterested donations to local organizations in emergency situations caused by natural disasters. In 2023, a donation was made to help the people affected by the Marrakech-Safi earthquake, a 6.8 magnitude earthquake that hit on September 8, 2023. The earthquake caused more than 2,900 fatalities and around 5,400 injuries.

COLLABORATION WITH "5 A DAY" TO PROMOTE THE CONSUMPTION OF FRUITS AND VEGETABLES

The World Health Organization (WHO) recommends the consumption of at least five servings of fruit and vegetables a day. Based on this premise, there is an international movement that promotes consumption of fruits and vegetables, which in Spain is led by the non-profit association "5 a Day".

In 2023, PHF Group continued its collaboration with "5 a Day", an agreement that began in 2019. This group works to inform society in general and raise awareness of the benefits of eating fruit and vegetables, promoting healthy habits and messages related to health and the fight against childhood obesity.

ARICA HUMMINGBIRD PRESERVATION PROJECT (CHILE)

With the aim of generating a positive impact and preserving the natural environment, the company participated in the project for the preservation of the hummingbird (Picaflor), a bird endemic to the area and in danger of extinction.

Together with ANPROS (National Seed Producers Trade Association) and CONAF (National Forestry Corporation), an area has been set up on the Azapa Valley farm to facilitate the nesting and feeding of this bird. Specifically, the following actions have been carried out:

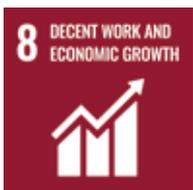
- **Training of the team:** CONAF officials and their regional director were welcomed on the farm to give an environmental education talk on the Arica hummingbird, teaching all Semillas Fitó Arica personnel about its characteristics, food preferences, habitat and the importance of protecting the native flora for its conservation. Different species of trees that favor their nesting were also provided.
- Sowing and transplanting of native trees and flora that favor the hummingbird's habitat in a delimited area of the farm through volunteer sessions.
- Installation of signage on the project identifying the nesting and feeding areas, as well as the trees and flora.



PROJECT

20

PROMOTE SUSTAINABLE ECONOMIC GROWTH AND DEVELOPMENT



PHF Group's growth objectives for the coming years are ambitious, challenging and complex.

One of the elements that make this growth even more complex is internationality and cultural diversity. Most of the growth is expected to come from outside Spain. This implies an excellent management of the teams to **maintain the corporate culture**, as well as the willingness of all employees to work with the same sensitivity in the achievement of the agreed purpose and vision, **faithful to the values of the company**.

A small or big step that has taken place this year is the **concretization of the group's sustainability policy**. Based on official definitions of what sustainability for large global institutions means, Semillas Fitó has developed its own sustainability policy, which can be summarized as follows:

This is a **long-term commitment** aimed at integrating the **social and environmental challenges** of the company, on a **voluntary basis**, taking into account an **open dialogue with stakeholders** and seeking a **WIN-WIN** that generates a positive impact on the 3 Ps (**People, Profit, Planet**).

One of the key aspects of this policy is the result of conviction and is applied voluntarily. Its ultimate aim is to go beyond what is explicitly stipulated in the current law and to be an example and a driving force for change in our sector. The company operates in many countries with different legislations. However, the company's philosophy is to apply standard policies and processes at a global level that go beyond what is required by law in each country.





8. ABOUT THIS REPORT



PURPOSE

This document is the non-financial report and annual report of Grupo Productos Hortícolas Fitó, S.L. (hereinafter PHF) from January 1 to December 31, 2023. This is the seventh annual edition. In order to provide transparency to the data report, the following email address is provided for any request related to it: sustainability@semillasfito.com.

This report was created under the premise of making all the externalities developed by PHF Group in the ESG (environment, social & governance) sphere during the year 2023 visible to all internal and external stakeholders.

This document meets the requirements of the Law 11/2018 on Non-Financial Information and Diversity (LINF) which obliges all companies with more than 250 employees (or a turnover exceeding 40 million; or total assets on the balance sheet of 20 million), to make publicly available information related to environmental, social and personnel-related issues, fight against corruption and bribery and information on due diligence processes in relation to the supply chain and outsourcing.

For the quantification and reporting of metrics, the international GRI standard, version 2021, has been taken as the primary reference. **The disclosure of data in this report is a tool for establishing comparisons within the economic environment in which the PHF Group operates and, in addition, an essential instrument of internal management to monitor the evolution of the various actions undertaken by the organization,** as well as a cornerstone that structures the definition of measures to optimize the implementation of projects in the ESG area.

In order to make information on ESG governance of the PHF Group available to all stakeholders, this document and the versions of previous years are available for public consultation under "Sustainability" on www.semillasfito.com.

As appropriate, this document has undergone external verification by an independent body, in our case, the DPMC Foundation.

SCOPE AND COVERAGE

All the PHF Group's operating and R&D centers, subsidiaries and central services, both national and international, have been subjected to the monitoring and reporting of the information contained in this document. The group currently has 7 national and 5 international centers. In the event that any specific metric excludes any center, this is expressly indicated and justification is provided.

METHODOLOGY AND PRINCIPLES OF PREPARATION

For the drafting of this report the following methodological sequence has been followed. Firstly, a materiality study was carried out in past years in order to identify those ESG aspects that were important to our stakeholders and that should be prioritized by the PHF Group. Each prioritized material aspect was then associated with specific targets of the Sustainable Development Goals of the 2030 Agenda and the related UN Global Compact principle. Subsequently, **PHF Group's three-year Sustainability Plan was defined, consisting of a series of projects in order to monitor the metrics of the material aspects, based on the standardized international reference framework GRI (version 2021);** and to implement actions that contribute to an evolution of those that will result in the generation of positive externalities.



Pacto Mundial
Red Española



MATERIALITY MATRIX

With the aim of structuring a sustainability plan for the PHF Group that generates positive externalities, a study was developed that identifies the ESG aspects indicated by the organization's internal and external stakeholders as the most significant and, therefore, those in which they have expectations that the PHF Group will develop actions that significantly impact specific goals of the Sustainable Development Goals of the 2030 Agenda. This study was prepared under the technical advice of the Cerdà Institute.



It was structured in 4 phases:



Phase 1. Identify materiality aspects

1. Based on various sources of documentation, a list of potential ESG aspects that PHF Group could impact on was drawn up.



Phase 2. Verification by stakeholders

1. The list of potential ESG aspects was presented to a representation of each of the stakeholders that interact with PHF Group: employees, managers, shareholders, suppliers, distributors, end users (farmers), sector-specific media and public administrations
2. Each representative group selected those ESG aspects that they considered to be a priority from their own perspective.



Phase 3. Preparation of the materiality matrix

1. Sharing the results of the previous section made it possible to identify those ESG aspects that are most frequently and intensely considered by each of the groups representing the different stakeholders.



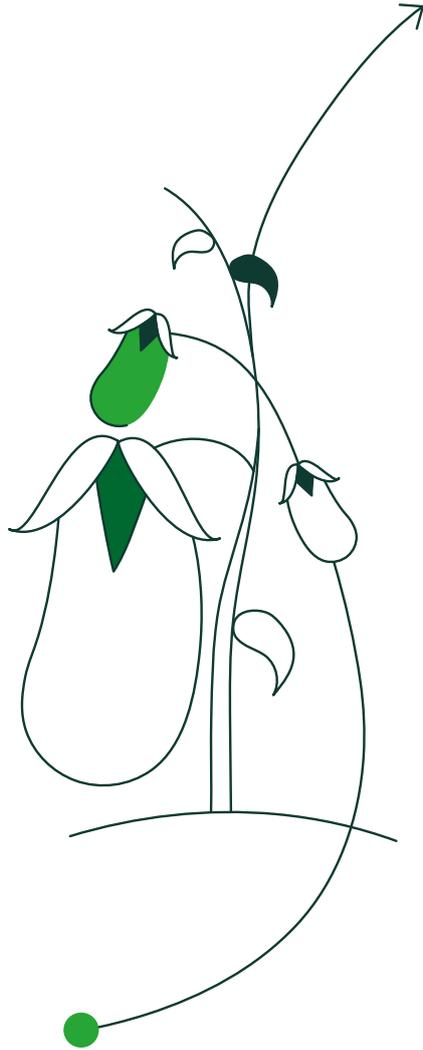
Phase 4. Prioritization of aspects and final matrix

1. The most significant ESG aspects were classified as follows:

Focus	Main lines of work identified for the sustainability strategy and plan	Related material aspects
Customers	Focusing on innovation to offer the best guarantee of quality and adaptation of products and services to customer needs	<ul style="list-style-type: none"> 3 Product and service quality 5 Innovation in agriculture 8 Nutrition and food safety of products 24 Security of product supply
Workers	Promote a people-centered culture	<ul style="list-style-type: none"> 11 Health, safety and well-being of workers 12 Training and development of workers 18 Talent acquisition and retention 20 Commitment to equal opportunities
Shareholders	Accelerate digital transformation to be more efficient, more productive and to generate more value	<ul style="list-style-type: none"> 1 Creation of economic value 15 Reputation and image of the company 2 Production optimization and continuous improvement 39 Efficiency in the use of resources
Community	Be a benchmark in responsible management and commitment to society and convey this to the agents in the chain	<ul style="list-style-type: none"> 21 Respect for human rights 28 Women's rights and empowerment 25 Alignment with stakeholders and participation in public debate 22 Responsible supply chain
Social and corporate sustainability	Provide greater robustness and transparency to the current management model through the integration and standardization of processes	<ul style="list-style-type: none"> 14 Business integrity 13 Business ethics and transparency 16 Reporting and internal communication
Environmental sustainability	Move towards a more sustainable and circular business model	<ul style="list-style-type: none"> 49 Waste management and recycling 4 Sustainability and traceability of the product 38 Water management and quality 39 Adaptation and climate resilience 34 Soil contamination

Once the ESG aspects that PHF Group stakeholders considered a priority when establishing a framework for action were identified, the next step was to align their identification with the selection of specific targets of the Sustainable Development Goals of the 2030 Agenda. Consequently, the materiality matrix was constituted as a fundamental tool that allowed a selection of concrete targets, fully aligned with the expectations of PHF Group stakeholders. The translocation of ESG materiality aspects to specific targets of the Sustainable Development Goals is explained in the annexes to this document.

Once the SDG targets that PHF Group intends to impact were chosen, a Sustainability Plan was defined for the three-year period 2023-2026, consisting of 20 projects with the mission of generating positive externalities in these targets. Their evolution has been described in the previous pages of this report.



9. ANNEXES

GRI CONTENT INDEX AND REQUIREMENTS OF LAW 11/2018

This annual report has been prepared taking into account the requirements established by Law 11/2018 of 28 December 2018, which modifies the Commercial Code on non-financial information based on an official national or international framework. The latest version of the GRI (Global Reporting Initiative) indicators, the Sustainable Development Goals of the

2030 Agenda and the Global Compact Principles were used as the methodological reference framework. The following table details the GRI indicators used. In future years, the same indicators will be reported and their evolution will also be presented.

STANDARD	CONTENTS
GRI 1	Reporting principles
	2-1 Organizational details
	2-2 Entities included
	2-3 Reporting period, frequency and contact point
	2-4 Restatements of information
	2-5 External assurance
	2-6 Activities, value chain and other business relationships
GRI 2	
	2-7 employees
	2-8 non-employee workers
	2-9 Governance structure
	2-10 Nomination and selection of the highest governance body
	2-11 Chair of the highest governance body
	2-12 Role of the highest governance body in overseeing the management of impacts

CONCEPT	RELATED SDG	PAGES
This report has been prepared in accordance with GRI 1, respecting the guidelines described therein, as listed below: Accuracy · Balance · Clarity · Comparability · Completeness · Sustainability context · Punctuality · Verifiability	-	-
See "About the company - PHF Group"	-	9-15
See "About the company - PHF group"	-	9-15
Period: from January 1 to December 31, 2023 Frequency: yearly Contact: sustainability@semillasfito.com Report publish date: 2024	-	-
No errors or mistakes have been found in the annual report from previous years.	-	-
See "Assurance"	-	166
Sector of activity of PHF Group S.L.: Its national classification of economical activity (CNAE) is 4621 - Wholesale trade of cereals, raw tobacco, seeds and animal feeds. Description of the value chain: · Activities of the organization: · Operations: Research and development (varietal breeding), seed production, seed processing, seed storage, seed expedition and commercial activity (sales). · Support: Administration and management, quality control, information systems, human resources, regulatory affairs (varietal registration) and process quality. · Products of the organization: · Vegetable, cereal, legume and turf grass seeds, among others. · Markets served: · Any agricultural area worldwide with a Mediterranean or subtropical climate. · Supply chain: · Three main supplier types are distinguished: · External seed production supplier. · Agrochemical supplier. · Suppliers of various services. · Other commercial relationships: · PHF Group's products are intended for distributors and end farmers.	9	-
Currently being documented. To be reported in future annual reports	-	-
Currently being documented. To be reported in future annual reports	-	-
See "About the company - Governing bodies" * The highest governance body for the management of economic, environmental and human impacts of the organization is the Steering Committee.	-	34-39
For the nomination and selection of the members of the highest governance body, an integrated assessment of the following criteria is taken into consideration: shareholder opinion, independence of candidates in decision-making, and candidates' competencies in risk management (economic, environmental and human). The aim is to gradually include criteria that ensure greater representation that guarantees the social diversity (gender, country, etc.) of the members of the governing body.	-	-
PHF Group's Steering Committee is chaired by the R&D Director. To mitigate potential conflicts of interest, decisions are made collectively by the members of the Steering Committee who are also shareholders of the company.	-	-
The highest governance body oversees the development and approval of the purpose, mission, values, strategies, policies, objectives related to sustainable development, impact assessment management and due diligence. Any modification to these requires approval by the highest governance body. The highest governance body facilitates stakeholder engagement through the materiality matrix (see "About this report - Materiality matrix).	-	-

STANDARD

CONTENTS

	2-13 Delegation of responsibility for managing impacts
	2-14 Role of the highest governance body in sustainability reporting
	2-15 Conflicts of interest
	2-16 Communication of critical concerns
	2-17 Collective knowledge of the highest governance body
	2-18 Evaluation of the performance of the highest governance body.
	2-19 Remuneration policies
GRI 2	2-20 Process to determine remuneration
	2-21 Total annual remuneration ratio
	2-22 Statement on the sustainable development strategy
	2-23 Commitments and policies
	2-24 Embedding of commitments and policies
	2-25 Processes to remediate negative impacts
	2-26 Mechanisms for seeking advice and raising concerns
	2-27 Compliance with laws and regulations
	2-28 Membership of associations
	2-29 Approach to stakeholder engagement
	2-30 Collective bargaining agreements
	3-1 Process to determine material topics
GRI 3	3-2 List of material topics
	3-3 Management of material topics

CONCEPT	RELATED SDG	PAGES
The responsibility for impact management is assumed by the highest management body.	-	-
The highest governance body is responsible for reviewing and approving the information presented in this report (including material issues). This takes place during a regular meeting of the highest governance body.	-	-
The mechanism to avoid conflicts of interest in the highest governance body is through collective decision-making by the organization's shareholder executive staff.	-	-
Critical concerns are communicated to the highest governance body via the email addresses provided for compliance and sustainability matters. During the 2023 financial year, no critical opinions were registered.	-	-
During the 2023 financial year, two expert advisory boards were formed for the Vegetable Seeds and Field Crop Business Units.	-	-
The performance of the highest governance body in managing economic, environmental and human impacts is evaluated by the Shareholders' Meeting in ordinary session.	-	-
The remuneration of the highest governance body consists of a fixed and a variable payment. The variable payment is determined according to the achievement of objectives defined for each member of the highest governance body. The objectives are associated with the successful completion of specific projects related to the organization's ongoing strategic objectives: turnover, development of human resources, sustainable management of the organization and efficiency in process management.	-	-
The process is articulated through comparative studies of internal and external salary equity associated with the position of the different roles of the highest governance body. Final approval is subject to the opinion of the organization's shareholders.	-	-
To be reported in future annual reports.	-	-
See "Sustainability Culture"	-	49-60
See "Annex c, d, e and f". See "Carry out the company's activity in a way that is faithful to its values".	-	152-165 88-90
See "About the company- Governing bodies". See "Carry out the company's activity in a way that is faithful to its values".	-	34-39 88-90
See "Annex f". See "Carry out the company's activity in a way that is faithful to its values".	6, 7, 12, 13 and 15	160-165
Via the following e-mail addresses: compliance@semillasfito.com and sustainability@semillasfito.com	-	-
No cases of non-compliance with applicable laws and regulations have been detected. No sanctions were received.	-	-
See "Promote partnerships that contribute to sustainability within the sector".	17	118-123
See "About this report- Materiality Matrix".	-	132-134
To be reported in future annual reports.	-	-
See "About this report- Materiality Matrix". See "Annex f"	-	132-134 160-165
See "About this report- Materiality Matrix". See "Annex f"	-	132-134 160-165
See "About this report- Materiality Matrix". See "Annex f"	6, 7, 12, 13 and 15	132-134 160-165

STANDARD

CONTENTS

GRI 201	201-1 Generated and distributed direct economic value
	201-2 Financial implications and other risks and opportunities of climate change
GRI 203	203-1 Infrastructure investments and supported services
	205-1 Operations assessed based on corruption-related risks
GRI 205	205-2 Communication and training about anti-corruption policies and procedures
	205-3 Confirmed corruption-related incidents and actions taken
	206-1 Legal actions related to unfair competition and monopoly practices
GRI 301	301-1 Materials used by weight or volume
	301-2 Recycled input materials used
	301-3 Recovered packaging products and materials
	302-1 Energy consumption within the organization
	302-2 Energy consumption outside the organization
GRI 302	302-3 Energy intensity
	302-4 Reduction of energy consumption
	302-5 Reduction in energy requirements of products and services

TABLE A

IDENTIFIED RISK	NATURE	TYPE	DESCRIPTION (risk)	DESCRIPTION (impact)	PROBABILITY	MAGNITUDE	FINANCIAL IMPLICATIONS	MANAGEMENT METHODS
Droughts	Physical	Direct	Restrictions on irrigation water use	Reduction in cultivation area	Medium	Medium	Target market reduction	Project 9 of the Sustainability Plan
Emerging pests and pathogens	Other	Direct	Expansion of pests and pathogens from other latitudes into the target market	Loss of competitiveness of product portfolio	Medium	Medium	Target market reduction	Project 9 of the Sustainability Plan

TABLE B

CATEGORY	TYPE	PACKAGING	NUMBER OF PACKAGINGS	MATERIALS	KG	WEIGHT IN TONS TOTAL
Domestic	Primary	TOTAL	1571012	Low density polyethylene (LDPE)	2256.76878	2.26
				Polypropylene (PP)	1075.829052	1.08
				Metal	631.0218607	0.63
				Tinplate	0	0.00
				Aluminum	1596.21702	1.60
				Paper	23265.58296	23.27
Domestic	Secondary	TOTAL	131666	Cardboard	819.591	0.82
				Polypropylene (PP)	348.777	0.35
Salesperson	Tertiary	TOTAL	14695	Cardboard	9936.116	9.94
Industrial	Primary	TOTAL	616512	Low density polyethylene (LDPE)	599.88526	0.60
				Polypropylene (PP)	16365.51177	16.37
				Metal	46.04530105	0.05
				Tinplate	40.4937	0.04
				Aluminum	97.65574	0.10
				Paper	116153.6299	116.15
Industrial	Secondary	TOTAL	13050	Cardboard	501.14	0.50
				Cardboard	1299.954	1.30
Industrial	Tertiary	TOTAL	12634	Wood	2782.25	278.23
				Low density polyethylene (LDPE)	654.22	6.54

CONCEPT	RELATED SDG	PAGES
To be reported in future annual reports.	-	-
See Table A	-	138
To be reported in future annual reports.	-	-
See "Carry out the company's activity in a way that is faithful to its values".	-	88-90
See "Carry out the company's activity in a way that is faithful to its values". * In past years, explanatory sessions on the Compliance procedure were held for the entire organization.	-	88-90
No incidents have been detected.	-	-
No action was taken.	-	-
Data for 2023: see TABLE B. Data for 2022: see TABLE C: These are all non-renewable materials. The measures that the organization is taking to mitigate the impact of this activity can be found under "Incorporation of sustainability criteria in the choice of products and processes".	12	138-139 100-101
NOT APPLICABLE	-	-
NOT APPLICABLE	-	-
See "Promote self-consumption of energy"	7, 9, 12 and 13	116
To be reported in future annual reports.	-	-
The energy intensity within the organization is determined according to the following precepts: <ul style="list-style-type: none"> Numerator: kWh of consumption from the electricity grid and self-produced electricity, for all PHF Group centers as a whole in 2023. Denominator: Number of plants produced in all PHF Group centers in 2023. Energy intensity: 6,106,764 / 147,873,350 = 0.041 kwh/plant 	7, 9, 12 and 13	-
<ul style="list-style-type: none"> Electricity consumption within the entire organization in 2023: 6,106,764 kWh. Electricity self-consumption within the entire organization in 2023 (produced by photovoltaic panels): 543,236 kWh % reduction in energy consumption from the external grid across the organization in 2023: 8.9% 	7, 9, 12 and 13	-
To be reported in future annual reports.	-	-

TABLE C

CATEGORY	TYPE	PACKAGING	NUMBER OF PACKAGINGS	MATERIALS	KG	WEIGHT IN TONES TOTAL
Domestic	Primary	TOTAL	1998753	Low density polyethylene (LDPE)	2379.91	2.38
				Polypropylene (PP)	1077.48	1.08
				Metal	616.00	0.62
				Tinplate	10.05	0.01
				Aluminum	1671.64	1.67
				Paper	23187.71	23.19
Domestic	Secondary	TOTAL	138911	Polypropylene (PP)	369.30	0.37
				Cardboard	843.11	0.84
				Cardboard	9700.23	9.70
Salesperson	Tertiary	TOTAL	16302	Wood	5325.00	5.33
				Low density polyethylene (LDPE)	149.10	0.15
				Low density polyethylene (LDPE)	591.40	0.59
				Polypropylene (PP)	3851.00	3.85
				Metal	12.45	0.01
Industrial	Primary	TOTAL	310232	Tinplate + Steel	67.03	0.07
				Aluminum	96.28	0.10
				Paper	47855.69	47.86
				Cardboard	1262.46	1.26
				Cardboard	1135.89	1.14
Industrial	Secondary	TOTAL	21939	Wood	168225.00	168.23
				Low density polyethylene (LDPE)	4710.30	4.71

STANDARD

CONTENTS

303-1 Interaction with water as a shared resource

303-2 Management of impacts related to water spillage

303-3 Water withdrawal

303-4 Water spillage

GRI 303

303-5 Water consumption

GRI 304

304-1 Operational sites located within or adjacent to protected areas and/or high-biodiversity areas

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

CONCEPT	RELATED SDG	PAGES																																																		
To be reported in future annual reports.	-	-																																																		
To be reported in future annual reports.	-	-																																																		
To be reported in future annual reports.	-	-																																																		
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The information given in the section "Reduce the consumption of resources in our production systems" is presented below. Water consumption data are given in megaliters, and reference is also made to the assessment of water-stressed areas through the World Resources Institute's Aqueduct Water Risk Atlas tool, which is a global, publicly available database that maps indicators of water-related risks.																																																				
<table border="1"> <thead> <tr> <th>CENTER</th> <th>WATER CONSUMPTION (megaliters)</th> <th>GENERAL WATER RISK (Drought severity)</th> </tr> </thead> <tbody> <tr> <td>Les Cases de Barbens</td> <td>144</td> <td>2-3 (medium/high)</td> </tr> <tr> <td>Cabrera</td> <td>29.35</td> <td>2-3 (medium/high)</td> </tr> <tr> <td>Llavaneres</td> <td>15</td> <td>2-3 (medium/high)</td> </tr> <tr> <td>Premià</td> <td>9</td> <td>2-3 (medium/high)</td> </tr> <tr> <td>Arica</td> <td>37.897</td> <td>3-4 (high)</td> </tr> <tr> <td>Quillota</td> <td>9.973</td> <td>3-4 (high)</td> </tr> <tr> <td>Antalya</td> <td>9.856</td> <td>2-3 (medium/high)</td> </tr> <tr> <td>Bangalore</td> <td>3.981</td> <td>4-5 (very high)</td> </tr> <tr> <td>El Ejido</td> <td>150.972</td> <td>4-5 (very high)</td> </tr> </tbody> </table>	CENTER	WATER CONSUMPTION (megaliters)	GENERAL WATER RISK (Drought severity)	Les Cases de Barbens	144	2-3 (medium/high)	Cabrera	29.35	2-3 (medium/high)	Llavaneres	15	2-3 (medium/high)	Premià	9	2-3 (medium/high)	Arica	37.897	3-4 (high)	Quillota	9.973	3-4 (high)	Antalya	9.856	2-3 (medium/high)	Bangalore	3.981	4-5 (very high)	El Ejido	150.972	4-5 (very high)	6	96-97																				
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For measures to reduce water consumption, see "Reducing the consumption of resources in our production systems".																																																				
The Natura 2000 Network in Spain is currently made up of 1,467 Sites of Community Importance (SCIs), included in the lists of SCIs approved by the European Commission, and 644 Special Protection Areas for Birds (SPAs), which together cover a total surface area of more than 210,000 km ² . Of this total area, more than 137,000 km ² correspond to land area, which represents approximately 27% of the Spanish territory, and around 72,500 km ² to marine area. The assessment of the areas located within or next to protected areas or areas of great value in Semillas Fitó has been carried out through the BDN tool by MAPAMA (Nature Databank of the Spanish Ministry of Agriculture, Fisheries and Food).																																																				
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In future years, the situation in the centers located outside Spain will be reported.																																																				
See Annex f	15	160-165																																																		

STANDARD

CONTENTS

GRI 305	305-1 Direct GHG emissions (scope 1)
	305-2 Indirect GHG emissions related to energy (scope 2)
	305-3 Other indirect GHG emissions (scope 3)
	305-4 Intensity of GHG emissions
	305-5 Reduction of GHG emissions
	305-6 Emissions of substances that deplete the ozone layer (ODS)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions
GRI 306	306-2 Management of significant impacts related to waste
	306-3 Waste generated
GRI 306	306-4 Waste not intended for disposal
	306-5 Waste intended for disposal

TABLE D

WASTE	TOTAL WEIGHT OF WASTE NOT SENT FOR DISPOSAL BY ASSESSMENT METHOD							
	2023				2022			
	ON-SITE	OFF-SITE	TOTAL	%	ON-SITE	OFF-SITE	TOTAL	%
Compostable	0	277.000	277	45%	0	364.6	364.6	58%
Re-circulation of unsaleable seeds as feed grain	190	0	190	31%	130	0	130	20%
Recycling	0	145	145	24%	0	137.1	137.1	22%
TOTAL	190.000	421.800	612	100%	130	501.7	631.7	100%

STANDARD

CONTENTS

GRI 401	401-1 New employee hires and employee turnover
	401-2 Parental leave
	403-1 Occupational health and safety management system
	403-2 Hazard identification, risk assessment, and incident investigation
	403-3 Occupational health services
GRI 403	403-9 Work-related injuries
	403-10 Work-related ill health

CONCEPT

RELATED
SDG

PAGES

New hires:

PEOPLE	<30	30-50	> 50	TOTAL
Men	85	62	12	159
Women	62	96	27	185
Total	147	158	39	344
Turnover %	42.7	46	11.3	

8

-

Leavers:

PEOPLE	<30	30-50	> 50	TOTAL
Men	79	96	22	197
Women	50	97	28	175
Total	129	193	50	372
Turnover %	34.7	51.9	13.4	

42 employees

8

86-87

See "Promote healthy work environments"

8

86-87

See "Promote healthy work environments"

8

86-87

See "Promote healthy work environments"

8

86-87

WORK-RELATED INJURIES

Number of recordable work accidents	40
· of which are fatalities due to work accidents	0
· of which are work accidents with serious consequences (excluding fatalities)	0

TEMPORARY FIGURES

Hours worked	1,000,000
Recordable work accident rate	0.05
Work accident fatality rate	0.00
Severe work accident rate	0.00

8

-

0

8

-

STANDARD**CONTENTS**

	404-2 Programs for upgrading employee skills and transition assistance programs
GRI 404	404-3 Percentage of employees receiving regular performance and career development reviews
GRI 405	405-1 Diversity of governance bodies and employees
GRI 406	406-1 Incidents of discrimination and corrective actions taken
GRI 410	410-1 - Security personnel trained in human rights policies or procedures
GRI 408	408-1 Operations and suppliers at significant risk for incidents of child labor
GRI 409	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor
GRI 410	410-1 - Security personnel trained in human rights policies or procedures
GRI 411	411-1 Violations of the rights of indigenous peoples
GRI 413	413-1 Operations with local community engagement, impact assessments, and development programs 413-2 Operations with significant negative impacts on local communities
GRI 414	414-2 Negative social impacts in the supply chain and actions taken
GRI 415	415-1 Political contributions
GRI 416	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
GRI 417	417-2 Incidents of non-compliance concerning product and service information and labeling 417-3 Incidents of non-compliance concerning marketing communications
GRI 418	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

CONCEPT	RELATED SDG	PAGES
hours/training 7586 total average/hour/person 10.93 hours 3 outplacement programs (outplacement and employability) have been offered.	4	-
Total number of people N1: 2 Total number of people N2: 16.12 Total number of people N3: 43.64 Total number of people N4: 172.51 39% women	4	-
See Table f	8 and 10.	147
Total number of discrimination incidents during the reporting period: 0	8 and 10.	-
Security personnel who have received formal training on the organization's specific human rights policies or procedures and their application to security: 0	-	-
The types of cases described in this indicator have not been detected.	8 and 12.	-
The types of cases described in this indicator have not been detected.	8 and 12.	-
See "Carry out the company's activity in a way that is faithful to its values".	8 and 12.	88-90
The types of cases described in this indicator have not been detected.	8 and 12.	-
See "About this report- Materiality Matrix".	-	132-134
See Annex f	8, 12 and 13	160-165
See Annex f	8, 12 and 13	160-165
No contributions described in this indicator have been made.	-	-
The type of non-compliances described in this indicator have not been detected.	12	-
The type of non-compliances described in this indicator have not been detected.	12	-
The type of non-compliances described in this indicator have not been detected.	12	-
The type of non-compliances described in this indicator have not been detected.	12	-

TABLE F

COMPOSITION OF THE BOARD OF DIRECTORS BY AGE GROUP				
PEOPLE	<30	30-50	> 50	TOTAL
Men	-	1	7	8
Women	-	1	1	2
TOTAL	-	2	8	10
TOTAL NUMBER OF EMPLOYEES BY CLASSIFICATION AND AGE GROUP				
PEOPLE	<30	30-50	> 50	TOTAL
Executive managers	-	4.98	13.10	18.08
Middle managers	-	24	20.74	44.74
Employees	40.41	242.82	75.56	358.79
Workers	82.62	201.12	75.63	359.37
TOTAL	123.03	472.92	185.03	780.98
TOTAL PERCENTAGE OF EMPLOYEES BY CLASSIFICATION AND AGE GROUP				
PEOPLE	<30	30-50	> 50	TOTAL
Executive managers	0%	1%	7%	2%
Middle managers	0%	5%	11%	6%
Employees	33%	51%	41%	46%
Workers	67%	43%	41%	46%
TOTAL	100%	100%	100%	100%

SUSTAINABILITY COMMITTEE, MATERIALITY ANALYSIS AND NEXT STEPS

MATERIALITY MA- TRIX RANKING	3 P	RELATED SDG	ASSOCIATED MATERIALITY ASPECTS
1	Planet	SDG 12 - Responsible consumption and production	Product and service quality
1	Planet	SDG 12 - Responsible consumption and production	Product and service quality
1	Planet	SDG 12 - Responsible consumption and production	Product and service quality
2	People	SDG 8 - Decent work and economic growth	Health, safety and well-being of workers
3	People	SDG 4 - Quality education	Training and development of workers
4	People	SDG 8 - Decent work and economic growth	Respect for human rights
5	Profit	SDG 8 - Decent work and economic growth	Creation of economic value
6	Profit	SDG 8 - Decent work and economic growth	Reputation and image of the company
7	Profit	SDG 9 - Industry, innovation and infrastructure	Innovation in agriculture
7	Profit	SDG 9 - Industry, innovation and infrastructure	Innovation in agriculture
7	Profit	SDG 9 - Industry, innovation and infrastructure	Innovation in agriculture
8	People	SDG 8 - Decent work and economic growth	Business integrity
9	Profit	SDG 9 - Industry, innovation and infrastructure	Production optimization and continuous improvement
10	Planet	SDG 12 - Responsible consumption and production	Business ethics and transparency
10	People	SDG 8 - Decent work and economic growth	Business ethics and transparency
11	Planet	SDG 8 - Decent work and economic growth	Efficiency in the use of resources
12	Planet	SDG 8 - Decent work and economic growth	Waste management and recycling
13	Profit	SDG 9 - Industry, innovation and infrastructure	Product sustainability and traceability
14	Planet	SDG 6 - Clean water and sanitation	Water management and quality
15	Planet	SDG 13 - Climate Action	Adaptation and climate resilience
16	Profit	SDG 4 - Quality education	Nutrition and food safety of products
17	Planet	SDG 8 - Decent work and economic growth	Soil contamination
18	People	SDG 12 - Responsible consumption and production	Alignment with stakeholders and participation in public debate
19	People	SDG 9 - Industry, innovation and infrastructure	Talent acquisition and retention
20	Planet	SDG 12 - Responsible consumption and production	Responsible supply chain
21	Profit	SDG 8 - Decent work and economic growth	Security of product supply
22	People	SDG 12 - Responsible consumption and production	Reporting and internal communication
23	People	SDG 8 - Decent work and economic growth	Women's rights and empowerment
24	People	SDG 8 - Decent work and economic growth	Commitment to equal opportunities

SDG TARGET

SUSTAINABILITY PLAN

12.3 - Reduce food losses.	11. Reduce food waste
12.2 - Efficient use of resources	9. Develop varieties that reduce the ecological footprint
12.2 - Efficient use of resources	8. Reduce the consumption of resources in our production systems.
8.8 - Promote a safe and risk-free environment for workers	6. Promote healthy work environments
4.4 - Increase the number of youth and adults who have technical and vocational skills	3. Implement the Development and Talent Plan
8.5 - Decent work and equal pay for work of equal value	7. Carry out the company's activity in a way that is faithful to its values
8.1 - Promote sustained economic growth	20. Promote sustainable economic growth and development
8.1 - Promote sustained economic growth	19. Develop an internal policy for sponsorships, donations and collaborations
9.5 - Enhance scientific research	15. Invest in technical and human resources in research and development
9.4 - Upgrade infrastructures, use resources more efficiently, promote clean and environmentally sound technologies	16. Promote self-consumption of energy
9.1 - Develop infrastructure to support economic development	17. Invest in more efficient and cleaner technologies
8.8 - Promote a safe and risk-free environment for workers	6. Promote healthy work environments
9.4 - Upgrade infrastructures, use resources more efficiently, promote clean and environmentally sound technologies	17. Invest in more efficient and cleaner technologies
12.7 - Promote procurement practices that are sustainable	10. Incorporate sustainability criteria in the choice of products and processes
8.8 - Promote a safe and risk-free environment for workers	1. Promote listening to employees
12.4 - Sound management of chemicals and waste	14. Efficient phytosanitary management on farms
12.5 - Reduce waste generation	12. Improve waste management
9.4 - Upgrade infrastructures, use resources more efficiently, promote clean and environmentally sound technologies	17. Invest in more efficient and cleaner technologies
6.4 - Efficient use of resources	8. Reduce the consumption of resources in our production systems.
13.3 - Improve human capacity to mitigate climate change and reduce its effects	13. Measures to mitigate the environmental impact of the organization
4.7 - Promote sustainable development and sustainable lifestyles	18. Promote partnerships the contribute to sustainability within the sector
12.4 - Sound management of chemicals and waste	14. Efficient phytosanitary management on farms
12.6 - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	18. Promote partnerships the contribute to sustainability within the sector
9.1 - Develop infrastructure to support economic development	3. Implement the Development and Talent Plan
12.7 - Promote procurement practices that are sustainable	10. Incorporate sustainability criteria in the choice of products and processes
8.2 - Achieve higher levels of economic productivity through diversification, technological upgrading and innovation	17. Invest in more efficient and cleaner technologies
12.6 - Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	2. Guarantee internal and external communication
8.5 - Decent work and equal pay for work of equal value	5. Promote diversity and inclusion
8.5 - Decent work and equal pay for work of equal value	4. Ensure equal and competitive inclusion

TRACEABILITY

CONTENTS

REQUIREMENTS

GENERAL DISCLOSURES

	Description of the group's business model
BUSINESS MODEL	Geographical presence Markets in which it operates
	Objectives and strategies
MATERIALITY	Materiality analysis
RESULTS	The results of these policies, which must include key indicators of pertinent non-financial results that allow monitoring and evaluating progress and which favor comparability between companies and sectors, in accordance with the national, European or international reference frameworks used for each issue.
RISKS*	The main risks related to these issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have an adverse effect on those areas, and how the group manages those risks, by explaining the procedures used to detect and assess them in accordance with the Spanish, European or international frameworks of reference for each matter. This should include information about the identified impacts, therefore providing a breakdown of each one, especially the main risks in the short, medium and long term.

ENVIRONMENTAL ISSUES

	Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety.
	Environmental assessment or certification procedures
	Resources dedicated to the prevention of environmental risks*
ENVIRONMENTAL MANAGEMENT	Application of the precautionary principle
	Provisions and insurance for environmental risks*
POLLUTION	Measures to prevent, reduce or redress emissions that seriously affect the environment; taking into account any form of air pollution specific to an activity including noise and light pollution.
CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT	Measures for waste prevention, recycling, reuse, other forms of recovery and disposal. Actions to fight against food waste.

Content index in accordance with Law 11/2018 on non-financial information and diversity.

LOCATION

GRI INDICATOR

2.1 About this report - Purpose 2.2 About this report - Scope and coverage 2.3 About this report - Methodology 3.1 About the company - PHF Group 3.2 About the company - Our purpose 3.3 About the company - Business units	Content 2-1 Organizational details
2.1 About this report - Purpose 2.2 About this report - Scope and coverage 2.3 About this report - Methodology 3.1 About the company - The PHF group 3.2 About the company - Our purpose 3.3 About the company - Business units	Content 2-1 Organizational details Content 2-6 Activities, value chain and other business relationships
2.5 About this report - Materiality Matrix 7.1 Planet - Sustainable use of resources 8.2 Profit - Collaboration agreements 8.3 Profit - Innovation in agriculture 8.4 Profit - Investment in knowledge 8.5 Profit - Process optimization and continuous improvement	Content 3-3 Management of material topics
2.4 About this report - Principles of preparation 2.5 About this report - Materiality Matrix	3-1 Process to determine material topics 3-2 List of material topics
2.1 About this report - Purpose Annexes 9.6	Content 2-5 External assurance
6.3 People - Health and safety: healthy and sustainable company 7.5 Planet - Small actions, big changes 8.5 Profit - Process optimization and continuous improvement	Content 2-24 Embedding policy commitments Content 3-3 Management of material topics
6.3 People - Health and safety: healthy and sustainable company 7.4 Planet - Promotion of healthy lifestyles 8.3 Profit - Innovation in agriculture 8.4 Profit - Investment in knowledge 8.5 Profit - Optimization of processes and continuous improvement	Content 3-3 Management of material topics
8.5 Profit - Process optimization and continuous improvement	Content 3-3 Management of material topics
3.6 About the company - Governing bodies 6.5 People - Training and development 6.10 People - Compliance and code of conduct 8.3 Profit - Innovation in agriculture 8.4 Profit - Investment in knowledge 8.5 Profit - Process optimization and continuous improvement Annex 9.1 Annex 9.2 Annex 9.4	Content 2-23 Policy commitments Content 3-3 Management of material topics
7.1 Planet - Sustainable use of resources 7.2 Planet - Waste management and recycling 7.3 Planet - Carbon footprint reduction 8.3 Profit - Innovation in agriculture	Content 3-3 Management of material topics 302-1 Energy consumption within the organization 302-4 Reduction of energy consumption 305-5 Reduction of GHG emissions
7.1 Planet - Sustainable use of resources 7.2 Planet - Waste management and recycling 7.3 Planet - Carbon footprint reduction 8.1 Profit - Waste recovery	306-3 Waste generated 306-2 Management of significant waste-related impacts

CONTENTS

REQUIREMENTS

ENVIRONMENTAL ISSUES

	Water consumption and water supply according to local constraints
SUSTAINABLE USE OF RESOURCES	Consumption of raw materials, and measures adopted for a more efficient use of them
	Energy: Direct and indirect consumption of energy. Measures taken to improve energy efficiency. Use of renewable energies
CLIMATE CHANGE	Greenhouse gas emissions generated by the company's activities, including the use of the goods and services it produces
	Measures adopted to adapt to the consequences of climate change
	Voluntary reduction targets established in the medium and long term to reduce greenhouse gas emissions and measures implemented to this end
PROTECTION OF BIODIVERSITY	Actions taken to preserve or restore biodiversity
	Impacts caused by activities or operations in protected areas

COMPANY AND PERSONNEL ISSUES

	Management approach: description and results of the policies related to these issues as well as the main risks related to these issues linked to the group's activities
EMPLOYMENT	Total number and breakdown of employees by country, gender, age and professional category
	Total number and breakdown of employment contract types and average annual number of permanent, temporary and part-time contracts by gender, age and professional category
	Implementation of disconnecting from work policies
	Number of employees with disabilities
ORGANIZATION OF WORK	Organization of working time
	Number of hours of absenteeism
	Measures aimed at facilitating the enjoyment of work-life balance and promoting the shared responsibility of both parents in this regard.
HEALTH	Occupational health and safety conditions
	Workplace accidents, particularly in terms of frequency and severity, as well as occupational illnesses; broken down by gender
TRAINING	Policies implemented in the field of training
	Total number of hours of training by professional category
UNIVERSAL ACCESSIBILITY	Universal accessibility for people with disabilities

LOCATION

GRI INDICATOR

7.1 Planet - Sustainable use of resources	Content 3-3 Management of material topics 303-1 Interaction with water as a shared resource
7.2 Planet - Waste management and recycling	301-2 Recycled input materials used
7.2 Planet - Waste management and recycling 8.5 Profit - Process optimization and continuous improvement	301-2 Recycled input materials used
7.1 Planet - Sustainable use of resources 7.2 Planet - Waste management and recycling 7.3 Planet - Carbon footprint reduction	Content 3-3 Management of material topics 301-2 Recycled input materials used 305-5 Reduction of GHG emissions
7.1 Planet - Sustainable use of resources 7.2 Planet - Waste management and recycling 7.3 Planet - Carbon footprint reduction	Content 3-3 Management of material topics 304-2 Significant impacts of activities, products, and services on biodiversity
3.6 About the company - Governing bodies	Content 2-12 Role of the highest governance body in overseeing the management of impacts Content 3-3 Management of material topics
6.1 People - Employment	Content 2-6 Activities, value chain and other business relationships Content 2-7 Employees Content 3-3 Management of material topics 405-1 Diversity of governance bodies and employees
6.1 People - Employment	Content 2-6 Activities, value chain and other business relationships Content 2-7 Employees Content 3-3 Management of material topics 405-1 Diversity of governance bodies and employees
6.2 People - Effective organization of work and accessibility	Content 3-3 Management of material topics
6.2 People - Effective organization of work and accessibility 6.4 People - Diversity and equal opportunities	405-1 Diversity of governance bodies and employees
6.1 People - Employment 6.2 People - Effective organization of work and accessibility	Content 2-7 Employees
6.3 People - Health and safety: healthy and sustainable company	Content 3-3 Management of material topics 403-2 Hazard identification, risk assessment and incident investigation and incident investigation 403-9 Work-related injuries
6.2 People - Effective organization of work and accessibility	Content 3-3 Management of material topics 401-1 New employee hires and employee turnover 401-3 Parental leave
6.3 People - Health and safety: healthy and sustainable company Annex 9.4	Content 3-3 Management of material topics 403-1 Workers representation in formal joint management worker health and safety committees 403-2 Hazard identification, risk assessment and incident investigation 403-3 Occupational health services 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-8 Workers covered by an occupational health and safety management system
6.3 People - Health and safety: healthy and sustainable company	403-2 Hazard identification, risk assessment and incident investigation 403-9 Work-related injuries
6.5 People - Training and development	404-2 Programs for upgrading employee skills 404-3 Percentage of employees receiving regular performance reviews
6.5 People - Training and development	404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills
6.2 People - Effective organization of work and accessibility	405-1 Diversity of governance bodies and employees

CONTENTS

REQUIREMENTS

COMPANY AND PERSONNEL ISSUES

	Measures taken to promote equal treatment and opportunities between women and men
EQUALITY	Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment
	Policy against all types of discrimination and, where appropriate, diversity management

RESPECT FOR HUMAN RIGHTS

Management approach: description and results of the policies related to these issues as well as the main risks related to these issues linked to the group's activities	
	Implementation of human rights due diligence procedures
IMPLEMENTATION OF DUE DILIGENCE PROCEDURES	Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses
	Complaints about human rights violations
	Measures implemented to promote and comply with the provisions of fundamental ILO treaties related to freedom of association and the right to collective bargaining, eliminating discrimination from the workplace, eliminating forced or compulsory labor and effectively abolishing child labor.

FIGHT AGAINST CORRUPTION AND BRIBERY

Management approach: description and results of the policies related to these issues as well as the main risks related to these issues linked to the group's activities	
	Measures taken to prevent corruption and bribery
CORRUPTION AND BRIBERY	Measures to fight money laundering
	Contributions to foundations and nonprofit organizations

INFORMATION ABOUT THE COMPANY

Management approach: description and results of the policies related to these issues as well as the main risks related to these issues linked to the group's activities	
	Impact of the company's activities on local development and employment
	Impact of the company's activities on local communities and the territory
COMPANY COMMITMENTS TO SUSTAINABLE DEVELOPMENT	Relationships with local community players and types of dialogue with them
	Partnership or sponsorship actions
CONSUMERS	Measures for the health and safety of consumers
	Claims systems, complaints received and their resolution

* Non-Financial Report 2018; pages 35-39 and 62-63

** The traceable elements that will endow all the PLANET initiatives with a global scope are currently being designed.

*** The traceable elements that will allow scope 1 and scope 2 of GRI 305-5 to be reported are currently being designed.

**** The Health and Wellbeing initiatives specifically contribute to SDG 3 and to SDG 2 thanks to the very nature of PHF Group's business.

LOCATION

GRI INDICATOR

6.1 People - Employment 6.4 People - Diversity and equal opportunities	401-3 Parental leave 404-2 Programs for upgrading employee skills
6.1 People - Employment 6.4 People - Diversity and equal opportunities	405-1 Diversity of governance bodies and employees 406-1 Incidents of discrimination and corrective actions taken
6.1 People - Employment 6.4 People - Diversity and equal opportunities	405-1 Diversity of governance bodies and employees 406-1 Incidents of discrimination and corrective actions taken
3.6 About the company - Governing bodies 6.10 People - Compliance and code of conduct	Content 2-12 Role of the highest governance body in overseeing the management of impacts Content 3-3 Management of material topics
6.10 People - Compliance and code of conduct	Content 2-23 Commitments and policies Content 2-26 Mechanisms for seeking advice and raising concerns 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk 410-1 - Security personnel trained in human rights policies or procedures
6.10 People - Compliance and code of conduct	Content 3-3 Management of material topics 412-1 Operations that have been subject to human rights reviews or impact assessments
6.10 People - Compliance and code of conduct	Content 3-3 Management of material topics Content 2-26 Mechanisms for seeking advice and raising concerns 406-1 Cases of discrimination and corrective actions taken
6.10 People - Compliance and code of conduct	Content 3-3 Management of material topics
6.10 People - Compliance and code of conduct	Content 2-12 Role of the highest governance body in overseeing the management of impacts Content 3-3 Management of material topics
6.10 People - Compliance and code of conduct	Content 3-3 Management of material topics Content 2-23 Policy commitments
6.10 People - Compliance and code of conduct	Content 2-26 Mechanisms for seeking advice and raising concerns 205-2 Communicating and training about anti-corruption policies and procedures
6.9 People - Associations 8.2 Profit - Collaboration agreements	Content 2-28 Membership of associations
Letter from Senior Management - Commitment to sustainability 3.2 About the company - Our purpose Annex 9.4	Content 2-12 Role of the highest governance body in overseeing the management of impacts Content 3-3 Management of material topics
6.9 People - Associations 7.5 Planet - Small actions, big changes 8.2 Profit - Collaboration agreements	Content 3-3 Management of material topics 413-1 Operations with local community engagement Content 2-29 Approach to stakeholder engagement 413-1 Operations with local community engagement
2.4 About this report - Principles of preparation 2.5 About this report - Materiality Matrix	Content 2-28 Membership of associations Content 3-3 Management of material topics Content 3-3 Management of material topics

POLICIES

SUSTAINABILITY POLICY

PHF Group establishes that the sustainable performance of its activities must be carried out under the following premises:

- Long-term commitment.
- Integration of the company's social and environmental challenges.
- On a voluntary basis.
- Promotion of an open dialogue with stakeholders.
- Seeking a mutually beneficial relationship that generates a positive impact on people, the planet and the business model itself.

QUALITY POLICY

PHF Group strives to be a leading multinational company in obtaining the varieties that meet the needs of our clients as well as acting as a driver for transformation in the agricultural sector.

To guarantee the quality of the product and service, our goal is to apply accepted industry standards to all our activities. It is for this reason that PHF Group has decided to adopt the guiding principles of internationally recognized Quality Management Systems, with the aim of ensuring continuous improvement.

The company's management team has defined a Quality Policy in accordance with the mission of the organization, ensuring the participation of staff to achieve the following objectives:

- Ensuring the quality of our seeds. Based on the development and implementation of best practices.
- To meet the needs and expectations of customers, ensuring the effectiveness of our products.
- Continuous improvement in the effectiveness of the processes. Achieve the loyalty of our customers through a strategy of trust, proximity and cooperation.
- Operate in accordance with the company's regulatory framework and unique requirements.
- Involve staff in the management system, defining operational responsibilities.
- Work to provide an environment of freedom, respect and teamwork where the professional and personal development of our employees is promoted.
- Strengthen the effective management of the company and be versatile enough to allow changes in order to bolster economic and employment stability. Be respectful in our actions with the community.

This Quality policy has been disseminated, understood and accepted as being the responsibility of all members of the organization.

RISK PREVENTION POLICY

We truly believe that occupational health and safety depends on adequate preventive management. We believe that the prevention of occupational hazards must be one of the objectives of the company, just like quality and productivity; since these three concepts are part of a whole.

We understand prevention as an action that is intrinsic to all the activities of the company, that requires the establishment of the necessary preventive measures in order to control the risks and create a preventive environment that enhances its efficiency.

It is the responsibility of the Management team to achieve these objectives and it is the obligation of the employees to act in accordance with the established procedures and the training received.

Adequate information channels must be provided so that both the staff of this organization and our suppliers adopt these principles. This will result in a better service to our customers.

Our occupational risk prevention system will be reviewed based on the company's technical and organizational processes, as well as the results of the consultation and participation of workers. That is why we are asking all the members of this organization to cooperate and support these guidelines.

With this policy, in addition to complying with current legislation, Law 31/95 on Occupational Risk Prevention, we aim to provide the optimal working conditions for all our employees, reducing as much as possible the human injury that may be caused to people by accidents or illnesses.

Our thanks in advance for supporting this policy.

PRINCIPLES OF THE GLOBAL COMPACT

Apart from the SDGs, this report includes a special mention of the 10 principles of the Global Compact. The 10 principles are detailed below, with an indication of where in the report each is referred to.

HUMAN RIGHTS

Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights, within their sphere of influence.	See "Information on Profit projects"
Principle 2	Businesses must make sure they are not complicit in human rights abuses.	

LABOR RULES

Principle 3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	See "Information on People projects"
Principle 4	Businesses should support the elimination of all forms of forced and compulsory labor.	
Principle 5	Businesses should support the effective abolition of child labor.	
Principle 6	Businesses should support the elimination of discrimination in respect of employment and occupation.	

THE ENVIRONMENT

Principle 7	Business should support a precautionary approach to environmental challenges.	See "Information on Planet projects"
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	

ANTI-CORRUPTION

Principle 10	Business should work against corruption in all its forms, including extortion and bribery.	See "Information on Profit projects"
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IMPACT ASSESSMENT AND DUE DILIGENCE



The Sustainability Committee is responsible for addressing the organization's impact assessment. To this end, it identifies the impacts in collaboration with the heads of the different operational departments. The coordination and subsequent evaluation are carried out by a team of experts in environmental diagnosis.

This diagnosis has been carried out following a GAP analysis methodology. This service allows for the identification of the existing distance between the current organization of information security within the company and the most recognized good practices in the industry for the preparation of the section on environmental issues of this report, which responds to the requirement of the new Law 11/2018 of December 28, on Non-Financial Information and Diversity.

SCOPE

The scope of the present diagnosis corresponds to the integration principles used for financial consolidation, from which the data of the entire organization are considered. The scope of this diagnosis covers the entire PHF Group.

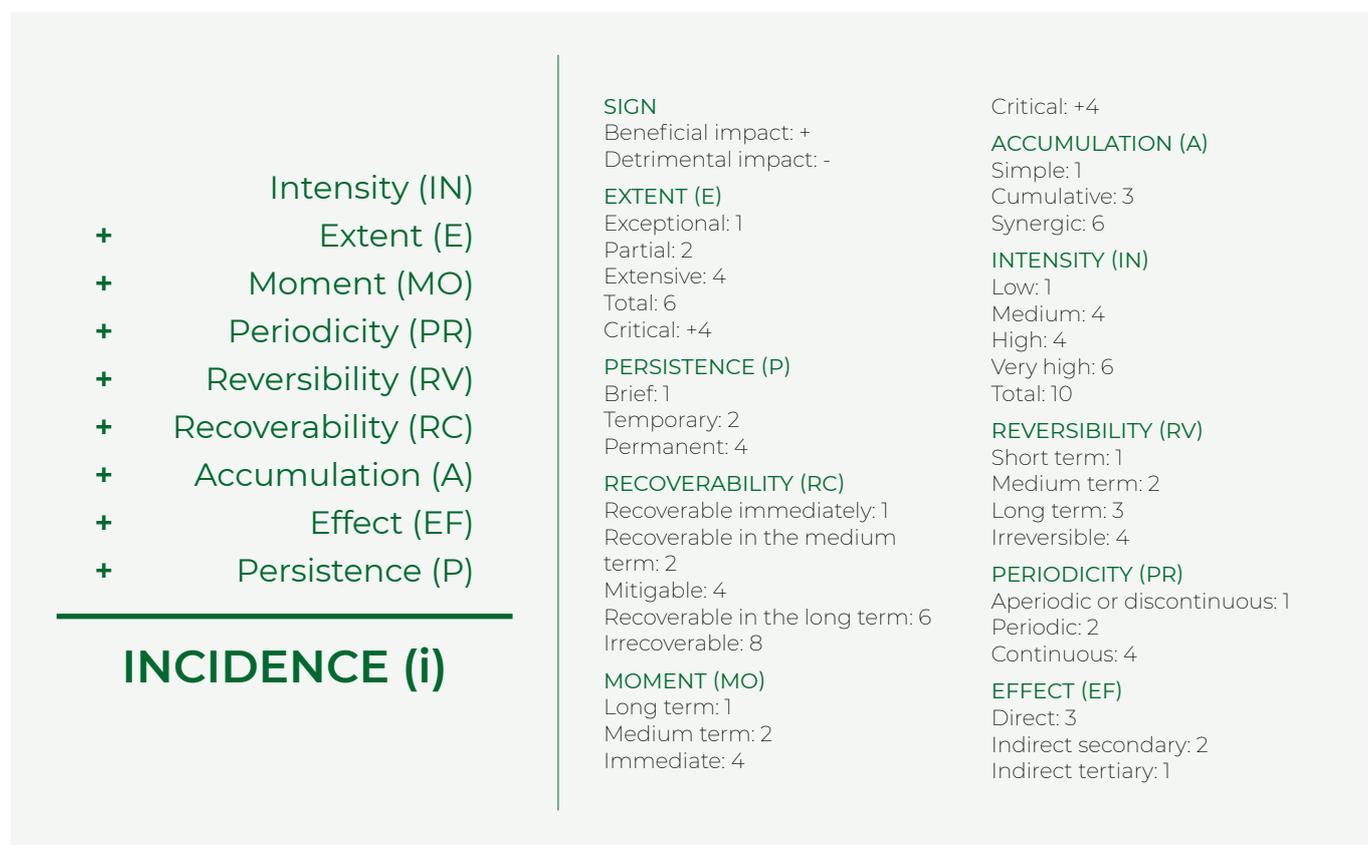
ANALYSIS AND METHODOLOGY OF CALCULATION

The methodology used for the analysis of Semillas Fitó's results during the preparation of this Non-Financial Report was as follows:

1. Definition of the environmental aspects defined in Law 11/2018
 1. Pollution
 2. Circular economy and waste prevention and management
 3. Sustainable use of resources
 4. Climate change
 5. Protection of biodiversity
2. Identification of the activities carried out in each of the seed supply programs that generate impacts on this environmental aspect, as well as its typology. A total of 9 risks (R) have been identified out of a total of 11 activities (Act) that generate impact:
 - R1 - Environmental risk from emission of gases derived from the use of fossil fuel
 - R2 - Environmental risk from chemical spills
 - R3 - Environmental risk from emission of particles derived from seed treatment
 - R4 - Environmental risk from noise from machinery on the premises
 - R5 - Environmental risk from inadequate lighting on the premises
 - R6 - Environmental risk from non-compliance with environmental regulations
 - R7 - Environmental risk from inadequate management of hazardous and non-hazardous waste
 - R8 - Environmental risk from emissions of substances derived from agricultural production
 - R9 - Environmental risk from the use of materials in the packaging process
 - Act. 1 - Transportation of employees
 - Act. 2 - Sowing and integrated crop management
 - Act. 3 - Crop protection
 - Act. 4 - Seed protection
 - Act. 5 - Seed production
 - Act. 6 - Seed heating and drying
 - Act. 7 - Seed production
 - Act. 8 - Seed processing
 - Act. 9 - Laboratory analysis
 - Act. 10 - Administration, management and product distribution
3. Evaluation of the degree of risk of the environmental impact (compatible, moderate, severe and critical) estimated based on the methodology collected in the scientific reference literature for the evaluation of environmental impacts (*Evaluación de Impacto Ambiental*; Domingo Gómez-Orea; ISBN 9788484766438), which distinguishes four impact categories in terms of the degree of risk:
 - **Compatible environmental impact:** One that has a recovery that is immediate after cessation of the activity, and does not require protective or corrective practices.
 - **Moderate environmental impact:** One that has a recovery that does not require intensive protective or corrective practices, and in which the achievement of initial environmental conditions requires some time.
 - **Severe environmental impact:** One in which the recovery of environmental conditions requires the adequacy of protective or corrective measures, and in which, even with these measures, recovery requires a long period of time.
 - **Critical environmental impact:** One that has a magnitude that is greater than the acceptable threshold. This causes a permanent loss of the quality of environmental conditions, with no possible recovery, even with the adoption of protective or corrective measures.

A checklist is the simplest way to identify impacts. It consists of making a list of possible impacts (risks) arising from the actions of the organization's processes and analyzing whether they are compatible, moderate, severe or critical using an attribute table (see point 6. Annexes, Table 2. Environmental risk assessment Semillas FITÓ 2018).

To carry out this quantitative assessment, the impact incidence (or risk incidence) is calculated using the following formula:



Where each attribute means:

SIGN:

- Positive: when the impact is beneficial.
- Positive: when the impact is detrimental.

ACCUMULATION (A): The severity is measured from the moment when the impact starts to occur until it ends.

- **1.** Simple: the impact severity does not worsen over time.
- **6.** Synergic: if the impact occurs at the same time as another impact, its severity is multiplied. For example: a pollutant spilled into the water together with an increase in temperature will cause the pollution to multiply in severity.
- **3.** Cumulative: when an impact occurs and progressively worsens over time. For example: when a spill occurs, it will produce more reactions with the environment over time (without the need for more spills).

EXTENT (E): The area covered by the effect caused by the impact in the project area.

- **1.** Exceptional: < 10%
- **2.** Partial: 10-25%
- **4.** Extensive: 25-75%
- **6.** Total: + 75 %

INTENSITY (IN): Intensity of modification. How it will modify the environment. Not to be confused with extent.

- **1.** Low
- **2.** Medium
- **4.** High
- **6.** Very high
- **10.** Total
- For example: The impact may affect 100% of the body water (total extent), but the pollution produced is low, i.e., it modifies or minimally damages.

PERSISTENCE (P): From the moment the effect begins to manifest until it disappears, or not. The time the effect lasts until it is mitigated.

- **1.** Brief: < 1 year
- **2.** Temporary: 1-5 years
- **4.** Permanent: + 5 years

REVERSIBILITY (RV): When the system is capable of returning to a state similar to the previous one by itself, without having to resort to corrective measures.

- **1.** Short term: < 1 year
- **2.** Medium term: 1-5 years
- **3.** Long term: 5-10 years
- **4.** Irreversible: + 10 years

RECOVERABILITY (RC): When the system is able to return to a state similar to the previous one, through the implementation of corrective measures. Time in which the system recovers.

- **1.** Recoverable immediately: < 1 year
- **2.** Recoverable in the medium term: 1-5 years
- **6.** Recoverable in the long term: 5-10 years
- **8.** Irrecoverable: + 10 years
- **4.** Mitigable: When an additional measure reduces the effect, i.e., downgrades it (to one of those previously mentioned in this section).

PERIODICITY (PR): The frequency at which the effect of that impact occurs.

- **1.** Discontinuous: The effect manifests itself unpredictably.
- **2.** Periodic: The effect manifests itself in a cyclical or recurrent way.
- **4.** Continuous: The effect manifests itself constantly over time.

MOMENT (MO): Time elapsed from the application of the action until the effect begins to manifest.

- **4.** Immediate: < 1 year
- **2.** Medium: 1-5 years
- **1.** Long: > 5 years

EFFECT (EF): It evaluates the nature of the effect with respect to the component's degree of alteration.

- **3.** Direct: Its effect has an immediate impact on some environmental factor.
- **2.** Indirect primary: When the impact is the result of interdependencies between actions on the environment.
- **1.** Indirect secondary.

Impact assessment and due diligence

RISKS	LAW INDICATOR 11/2018	ACTIVITIES THAT GENERATE IMPACT	IMPACT	GRI STANDARD	RISK ASSESSMENT	MANAGEMENT ACTION IN THE SUSTAINABILITY PLAN
<p>R1: Environmental risk from emission of gases derived from the use of fossil fuel</p> <p>R2: Environmental risk from chemical spills</p>	Pollution (CO ₂ emissions)	<ul style="list-style-type: none"> • Transportation • Sowing and integrated crop management • Seed heating and drying 	Greenhouse gas emissions (GHG)	302 305	Compatible	<p>12. Improve waste management</p> <p>13. Measures to mitigate the environmental impact of the organization</p> <p>14. Efficient phytosanitary management on farms</p>
<p>R3: Environmental risk from emission of particles derived from the seed treatment</p>	Pollution (other causes)	<ul style="list-style-type: none"> • Seed treatment 	Other emissions	307	Moderate	<p>6. Promote healthy work environments</p> <p>12. Improve waste management</p> <p>17. Implementation of more efficient and cleaner technologies</p>
<p>R4: Environmental risk due to noise from machinery on the premises</p> <p>R5: Environmental risk from non-compliance with environmental regulations</p>	Pollution (noises)	<ul style="list-style-type: none"> • Seed processing 	Alteration of ecological interactions	307	Compatible	<p>6. Promote healthy work environments</p> <p>7. Carry out the company's activity in a way that is faithful to its values</p> <p>17. Implementation of more efficient and cleaner technologies</p>
<p>R6: Environmental risk from inadequate lighting on the premises</p>	Pollution (light)	<ul style="list-style-type: none"> • Seed processing 	Alteration of ecological interactions	2 302	Compatible	<p>7. Carry out the company's activity in a way that is faithful to its values</p>
<p>R7: Environmental risk from inadequate management of hazardous and non-hazardous waste</p>	Circular economy (waste)	<ul style="list-style-type: none"> • Crop protection • Seed protection • Laboratory analysis • Administration and management 	Resource depletion	306	Moderate	<p>12. Improve waste management</p> <p>14. Efficient phytosanitary management on farms</p>
<p>R8: Environmental risk from emissions of substances derived from agricultural production</p> <p>R5: Environmental risk from non-compliance with environmental regulations</p> <p>R9: Environmental risk from the use of packaging materials</p>	Climate change (emissions generated as a result of the company's activities)	<ul style="list-style-type: none"> • Seed production • Product distribution 	Resource depletion	301 303 303	Compatible	<p>7. Carry out the company's activity in a way that is faithful to its values</p> <p>10. Incorporate sustainability criteria in the choice of products (packaging, gadgets, etc.) and processes (travel, digitalization, etc.)</p> <p>12. Improve waste management</p> <p>13. Measures to mitigate the environmental impact of the organization</p> <p>14. Efficient phytosanitary management on farms</p> <p>17. Implementation of more efficient and cleaner technologies</p>
<p>R8: Environmental risk from emissions of substances derived from agricultural production</p> <p>R5: Environmental risk from non-compliance with environmental regulations</p> <p>R4: People's safety and health risk from noise from machinery on the premises</p> <p>R6: People's safety and health risk from inadequate lighting on the premises</p>	Protection of biodiversity	<ul style="list-style-type: none"> • Seed production • Seed processing 	Alteration of ecological interactions	304	Compatible	<p>14. Efficient phytosanitary management on farms</p> <p>12. Improve waste management</p> <p>13. Measures to mitigate the environmental impact of the organization</p> <p>17. Implementation of more efficient and cleaner technologies</p> <p>7. Carry out the company's activity in a way that is faithful to its values</p> <p>6. Promote healthy work environments</p>

Table 1. Relationship between methodology used and analysis of results at PHF Group. Source: GRI standards, Law 11/2018 INF, drafted by the company

RISKS	QUANTITATIVE IMPACT ASSESSMENT											SIMPLE INCIDENT	
	Sign	A	E	IN	P	RV	RC	PR	MO	EF	Non-standardized	Standardized	
R1 - Environmental risk from emission of gases derived from the use of fossil fuel	-	1	2	2	2	2	2	4	1	3	19	0.25	
R2 - Environmental risk from chemical spills	-	3	4	4	4	3	2	4	2	2	28	0.48	
R3 - Environmental risk from emission of particles derived from seed treatment	-	3	2	1	4	2	4	2	1	3	22	0.33	
R4 - Environmental risk from noise from machinery on the premises	-	1	2	2	2	4	4	2	1	1	19	0.25	
R5 - Environmental risk from inadequate lighting on the premises	-	1	2	2	4	2	4	2	1	1	19	0.25	
R6 - Environmental risk from non-compliance with environmental regulations	-	1	4	4	2	2	2	1	1	1	18	0.23	
R7 - Environmental risk from inadequate management of hazardous and non-hazardous waste	-	3	4	2	4	4	4	2	2	3	28	0.48	
R8 - Environmental risk from emissions of substances derived from agricultural production	-	3	2	1	2	2	2	2	1	1	16	0.18	
R9 - Environmental risk from the use of materials in the packaging process	-	3	2	1	2	2	2	4	1	1	18	0.23	

Table 2. Environmental risk assessment PHF Group. Source: *Evaluación de Impacto Ambiental*, Domingo Gómez-Orea, ISBN 9788484766438

Compatible	9 to 19	0 to 0.25
Moderate	19 to 29	0.25 to 0.50
Severe	29 to 39	0.50 to 0.75
Critical	39 to 49	0.75 to 1

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, 1 de junio de 2024

En relación con el examen que están realizando de las Cuentas Anuales de esta Entidad, correspondientes al ejercicio terminado el 31 de diciembre de 2023, por la presente les manifestamos que, según nuestro leal saber y entender:

1. Los miembros del Consejo de Administración, de la 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 2023, así como el resultado de sus operaciones y los cambios habidos en su situación financiera durante el ejercicio 2023 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.



Sra: Elisabet Fitó i Baucells

Directora de *Corporate Affairs* de Semillas Fitó

INDEPENDENT ASSURANCE REPORT



Informe de Verificación Independiente del Estado de Información No Financiera Consolidado de Productos Hortícolas Fitó S.L. y sociedades dependientes del ejercicio 2023

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

De acuerdo al artículo 49 del Código de Comercio, hemos realizado la verificación, con el alcance de seguridad limitada, del Estado de Información No Financiera Consolidado (en adelante, el EINF) correspondiente al ejercicio anual finalizado el 31 de diciembre de 2023 de Productos Hortícolas Fitó S.L. (en adelante, PHF o grupo PHF) y sus sociedades dependientes (en adelante, Semillas Fitó S.A. y sus filiales), que forma parte del Informe de Gestión de 2023.

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 el Anexo: Índice de contenidos de acuerdo a la Ley 11/2018 de información no financiera y diversidad, y su relación con el índice GRI y con la Agenda 2030, 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 con referencias a los *Sustainability Reporting Standards* de Global Reporting Initiative (estándares GRI) seleccionados de acuerdo a lo mencionado para cada materia en la tabla "Relación Ley 11/2018 con GRI y con Agenda 2030" 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 2023. Los datos correspondientes a ejercicios anteriores no estaban sujetos a la verificación prevista en la normativa mercantil vigente. Hemos llevado a cabo nuestro trabajo de revisión de acuerdo con los requisitos establecidos en la Norma Internacional de Encargos de Aseguramiento 3000 Revisada en vigor, "Encargos de Aseguramiento distintos de la Auditoría y de la Revisión de Información Financiera Histórica" (ISAE 3000 Revisada) emitida por el Consejo de Normas Internacionales de Auditoría y Aseguramiento (IAASB) de la Federación Internacional de Contadores (IFAC) y con la Guía de Actuación sobre encargos de verificación del Estado de Información No Financiera emitida por el Instituto de Censores Jurados de Cuentas de España.

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

Los procedimientos que hemos realizados a efectos de este encargo se basan en 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 2023 en función del análisis realizado por PHF, S.L. y descrito en el capítulo "Contribución a los objetivos de Desarrollo Sostenible (ODS)", considerando los contenidos requeridos en la normativa mercantil en vigor.
- Análisis de los procesos para recopilar y validar los datos presentados en el EINF del ejercicio 2023.
- 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 2023.
- Comprobación, mediante pruebas, en base a la selección de muestras, de la información relativa a los contenidos incluidos en el EINF del ejercicio 2023 y su adecuada compilación a partir de los datos suministrados por las fuentes de información.
- Obtención de una carta de manifestaciones de los Administradores y la Dirección.



Conclusión

Basándonos en los procedimientos realizados y en las evidencias que hemos obtenido, no se ha puesto de manifiesto aspecto adicional alguno que nos haga creer que el EINF de PHF, S.L. correspondiente al ejercicio anual 2023, no ha sido preparado, en todos sus aspectos significativos, de acuerdo con los contenidos recogidos en la normativa mercantil vigente y relacionándolos con los estándares GRI seleccionados, de acuerdo a lo mencionado para cada materia en las "referencias bibliográficas" del citado Informe de Gestión consolidado. El trabajo se ha limitado exclusivamente a la verificación de la información contenida en el Anexo: Índice de contenidos de acuerdo a la Ley 11/2018 de información no financiera y diversidad, y su relación con el índice de contenidos GRI y con la Agenda 2030, incluida en el Informe de Gestión consolidado adjunto.

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.
Alex Montaner
10 de julio de 2024

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