

ANNUAL REPORT 2019-2020

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ANNUAL REPORT

2019-2020

PROFILE

Vilmorin & Cie, the 4th largest seed company in the world, develops vegetable and field seeds with high added value, contributing to meeting global food requirements.

A multi-crop seed company, every year Vilmorin & Cie brings around 300 new varieties to market to meet the needs of all diverse types of agriculture and allow farmers to produce better and produce more.

Accompanied by its reference shareholder Limagrain, both an agricultural cooperative owned by French farmers and an international seed group, Vilmorin & Cie's strategy for growth relies on research and international development to durably strengthen its market shares on resilient world markets.

True, since its origins in 1743, to its vision of sustainable development, Vilmorin & Cie ensures its achievements fully respect its three founding values: progress, perseverance and cooperation.

Vilmorin & Cie, a single core business of seeds

Seeds are a concentrate of solutions. The first link in the food chain, they are crucial to ensure food security today, and above all tomorrow, while responding to societal trends in food quality and environmental protection.

Focused on its know-how in seed and plant breeding, Vilmorin & Cie meets food challenges through genetic progress. An original alternative to the all-in offers of the agrochemical sector, Vilmorin & Cie thus preserves the independence and freedom of choice of farmers concerning their other production factors.

No. 4
seed company
in the world

No. 1
worldwide
for vegetable
seeds

No. 6
worldwide
for field seeds

MESSAGE FROM THE BOARD OF DIRECTORS



“In the context of an unprecedented health crisis, Vilmorin & Cie has demonstrated the resilience and robustness of its development model.”

From left to right: Pascal VIGUIER, Claude RAYNAUD,
Annick BRUNIER, Sébastien VIDAL,
Marie-Yvonne CHARLEMAGNE,
Philippe BLATEYRON, Mary DUPONT-MADINIER.

Vilmorin & Cie achieves quality performances, at the end of a fiscal year that revealed the strategic nature of seeds

Dear Shareholders,

Over the course of fiscal year 2019-2020, marked by the world health crisis, Vilmorin & Cie's priority was twofold: ensure the health and safety for its employees, customers and stakeholders, and ensure business continuity.

Indeed, our seeds activity plays a fundamental role, highlighted in the specific context of this crisis: seeds, the first link in the food chain, is crucial to ensure food security. Thanks to the full mobilization of its teams, Vilmorin & Cie was able to adapt and secure its operational organization rapidly and efficiently. Almost all of the industrial sites and research centers managed to continue operating. Thus, despite difficulties, particularly in logistics, Vilmorin & Cie's customers, farmers and vegetable producers, received deliveries on time, during the crucial spring period, to secure the following harvests and produce the ingredients for tomorrow's food.

Despite the unprecedented lack of visibility that marked the second semester of 2019-2020, leading Vilmorin & Cie to suspend its annual objectives⁽¹⁾, the Company's activity, due to its strategic nature, was not significantly impacted by the health crisis, and Vilmorin & Cie posted quality performances at the end of the fiscal year.

Sales stood at 1.4 billion euros, an increase of 3.2% with current data.

- In Vegetable Seeds, Vilmorin & Cie confirms its position of number 1 worldwide, illustrating the pertinence of its strategy, combining innovation and close proximity to markets.
- In Field Seeds, there was significant business growth, particularly in development regions, reflecting the strengthening of its international development.

As for the total net income, it came to 67.5 million euros, down by 10.5 million euros compared with the previous fiscal year, which had however posted several positive non-recurring items⁽²⁾. If these items are excluded, a marked increase of more than 12% was posted.

Moreover, Vilmorin & Cie vigorously pursued the deployment of its strategy, which focuses on three foundations:

- Investment in research, key to the creation of value, and which was consolidated this year reaching 260 million euros. Aimed at developing seeds with higher added value, it enabled Vilmorin & Cie to market more than 330 new varieties over the fiscal year.
- International business development, which has been strengthened during the past few months, particularly through the creation of two new joint ventures in Africa, one in Ghana and the other in South Africa⁽³⁾.
- The ability to work through partnerships, which again materialized during the fiscal year, with, for example, the signing of a new research agreement for access to genome editing technologies*.

Following on from this past year, our ambition for 2020-2021 is to continue to strengthen our competitive positions, in market conditions that are expected to remain uncertain due to the probable continuation of the global health crisis.

In a context of unprecedented crisis, Vilmorin & Cie demonstrated the resilience and robustness of its development model. More than ever, thanks to the commitment and competence of our teams, the constant support of Limagrain, our reference shareholder, and our Shareholders, committed to the long term, we are convinced that we have all the necessary resources to accelerate our expansion on a resolutely buoyant seeds market, which the current crisis is clearly repositioning as strategic.

The dividend of one euro per share proposed by your Board of Directors reflects this confidence and thanks you for your loyalty.

Vilmorin & Cie's Board of Directors

(1) Cf. Vilmorin & Cie's press release of March 26, 2020.

(2) Cf. Vilmorin & Cie's press release of October 15, 2019. The non-recurring operating items of fiscal year 2018-2019 particularly concerned capital gains from the reorganization of the biotechnology* research company Biogemma, and profit on the disposal of industrial plant devoted to corn seed production in Hungary. Net income for 2018-2019 also included a revaluation profit of 11 million euros, from the financial and legal reorganization of Seed Co's international businesses (Africa. Field Seeds).

(3) Operation finalized at the beginning of fiscal year 2020-2021.



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1.1. Key figures

1.1.1. Key indicators for 2019-2020

1,435.2

million euros

sales

(+3.2% with current data)

1.1

billion euros

market capitalization

on June 30, 2020

NET INCOME

67.5

million euros

including a group share
of **66.2** million euros

34.6%

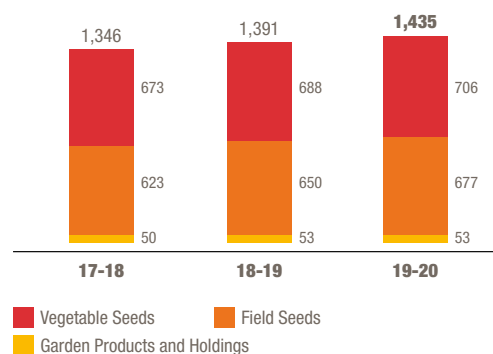
distribution rate

of income in 2019-2020

Evolution of sales

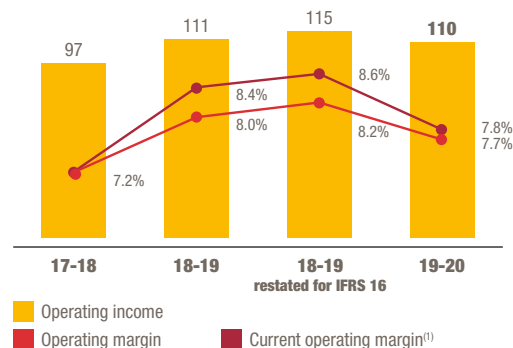
(in millions of euros)

(Revenue from ordinary activities)



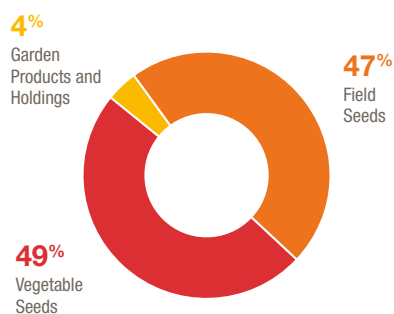
Evolution of the operating income and the operating margin

(in millions of euros and as a % of sales)

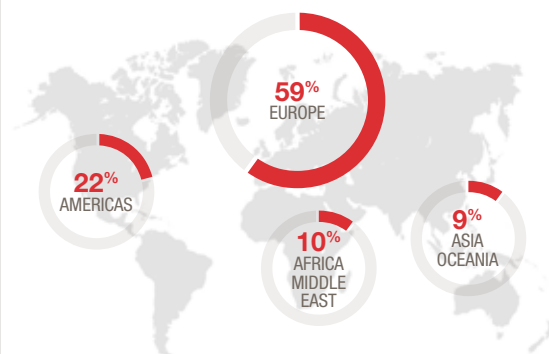


(1) The current operating margin is defined as the book operating margin, restated for impairments and reorganization costs.

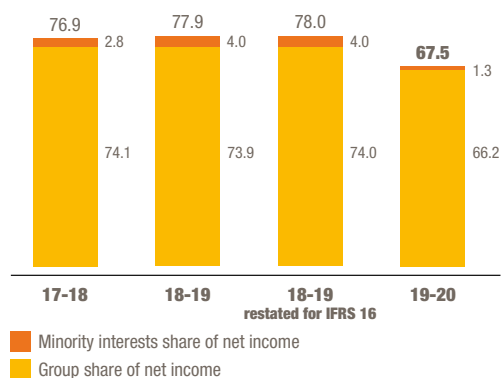
Analysis of sales in 2019-2020 according to activity (as a %)



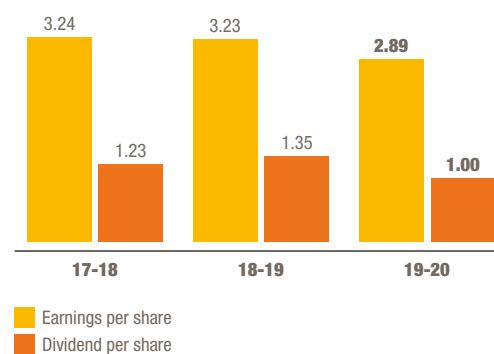
Analysis of sales in 2019-2020 according to geographical zone (as a %)



Evolution of net income (in millions of euros)

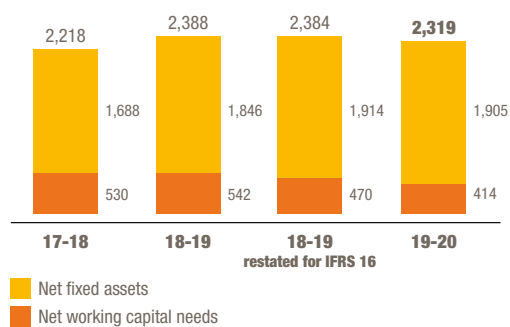


Evolution of the group earnings per share (EPS) and dividend per share⁽¹⁾ (in euros)

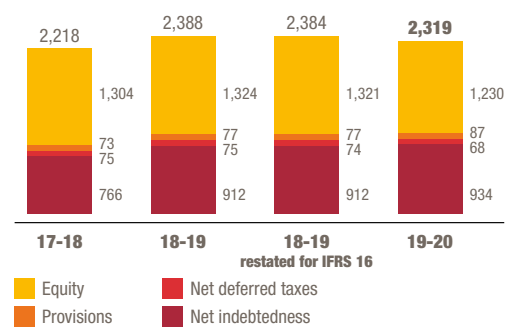


Balance sheet structure on June 30 (in millions of euros)

Assets



Liabilities



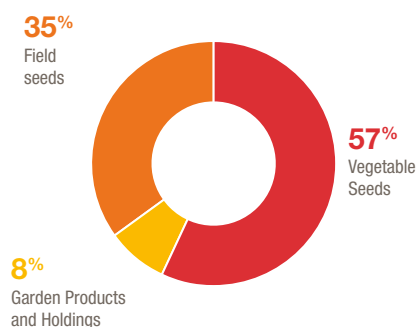
(1) Data adjusted for the allotment of free shares.

7,054
permanent staff
in the world

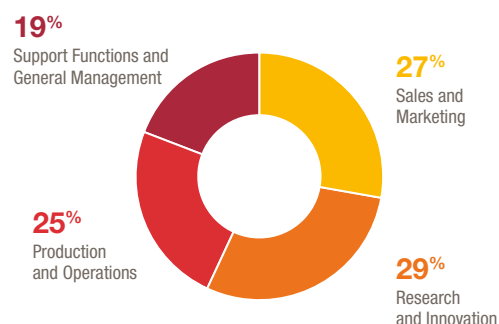
16.7%
sales of seed 2019-2020
invested in research

Almost
6,000
varieties distributed
in 2019-2020
(of which 337 varieties launched
in 2019-2020)

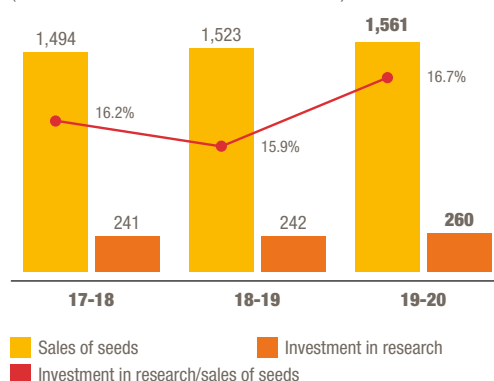
Analysis of permanent staff in 2019-2020
according to activity
(as a %)



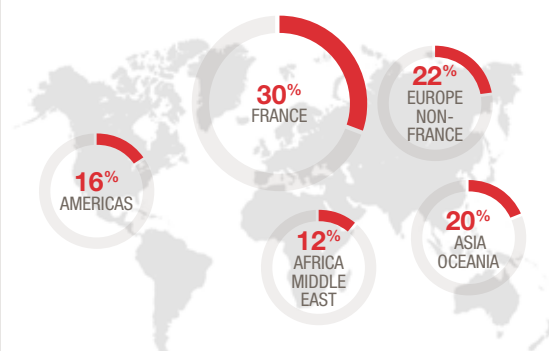
Analysis of permanent staff in 2019-2020
according to function
(as a %)



Evolution of investment in research⁽¹⁾
(in millions of euros and as a % of sales)



Analysis of permanent staff in 2019-2020
according to geographical zone
(as a %)



(1) Research investment refers to gross research expenditure before recording any research costs as fixed assets and tax relief for research. Data calculated from the sale of seeds for activities intended for professional markets and integrating 50% of AgReliant's business (North America. Field Seeds).

1.1.2. Key indicators 2019-2020 for each activity

Vegetable Seeds

No. 1
worldwide

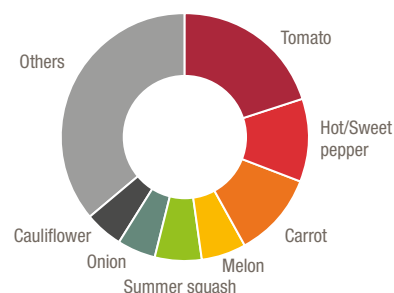
705.5
million euros
contributed to consolidated
sales
(+2.6% with current data)

4,032
permanent
staff

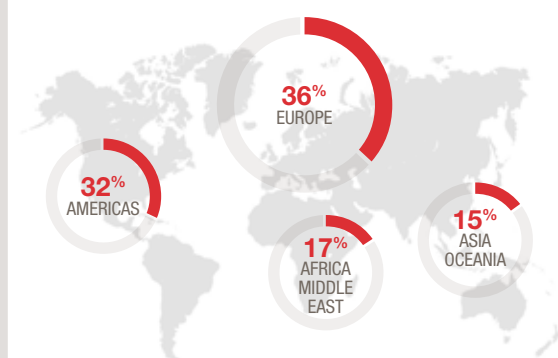
36
countries
with locations

96%
of sales from proprietary
varieties*

Analysis of sales according to crop



Analysis of sales according to geographical zone
(as a %)



Field Seeds

No. 6
worldwide

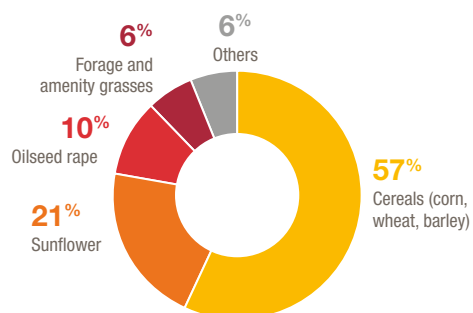
677
million euros
contributed to consolidated
sales⁽¹⁾
(+4.2% with current data)

2,491
permanent
staff

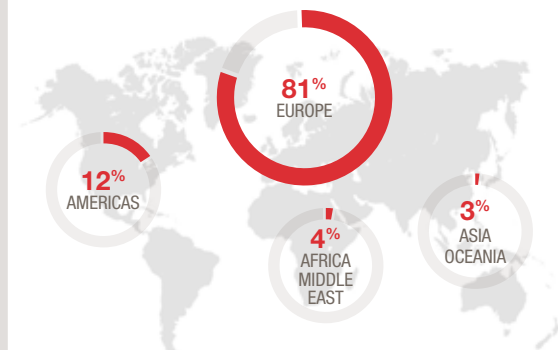
36
countries
with locations

More than **50%**
of sales
from proprietary varieties*

Analysis of sales according to crop
(as a %)



Analysis of sales according to geographical zone
(as a %)



(1) Taking into account the impact of the standard IFRS 11, i.e. excluding AgReliant (North America. Field Seeds).

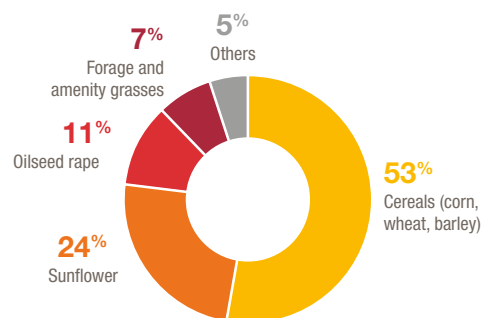
Field Seeds in Europe

571.1
million euros
contributed to consolidated
sales
(+1% with current data)

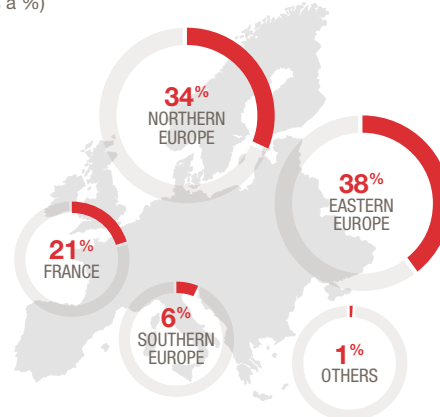
1,522
permanent
staff

20
countries
with locations

Analysis of sales according to crop
(as a %)



Analysis of sales according to geographical zone
(as a %)



Field Seeds in development regions⁽¹⁾**105.9**

million euros
contributed to consolidated
sales
 (+25.2% with current data)

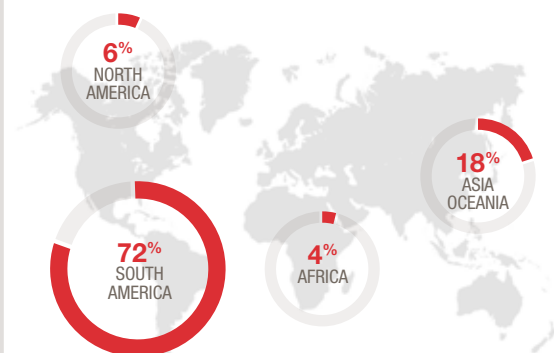
969

permanent
staff

16

countries
with locations

Analysis of sales according to geographical zone
 (as a %)



(1) Data including wheat seed activities in North America (i.e. sales of 6.9 million euros).

Garden Products and Holdings

52.7

million euros
contributed to consolidated
sales
(-1.3% with current data)

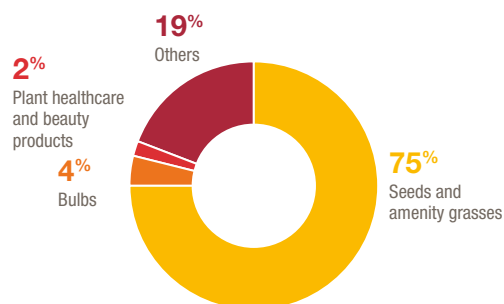
531

permanent
staff

2

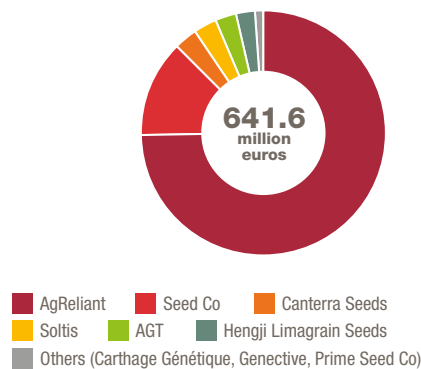
countries
with locations

Analysis of sales of Garden Products according to product family
(as a %)



Strategic partnerships

Sales from Vilmorin & Cie's strategic partnerships⁽¹⁾



(1) Total sales 2019-2020 from each of Vilmorin & Cie's strategic partnerships: AgReliant, Seed Co, Canterra Seeds, Soltis, AGT, Hengji Limagrain Seeds, Carthage Génétique, Genective and Prime Seed Co.

1.2. History

A history of solid development

1.2.1. Historical expertise in plant improvement

Vilmorin & Cie has been built on the foundations of almost 280 years of prestigious history. In 1743, the first boutique was opened at 4, Quai de la Mégisserie in Paris. Vilmorin & Cie's head office today is still located at this address. The boutique took on the name "d'Andrieux et Vilmorin" when Philippe Victoire de Vilmorin and Pierre d'Andrieux, a seed merchant and botanist of Louis XV, joined forces in 1775. Following in the tracks of these two talented botanists, subsequent generations made major discoveries and decisive technical progress in plant improvement.

Strengthened by this exceptional heritage, Vilmorin & Cie today benefits from one of the widest and most diversified expertise and genetic heritages* in the world, a true reference in the seeds sector.

1.2.2. Key stages in development

Initially structured around field seeds since its creation in 1942, Limagrain gradually built up a vegetable seeds pillar through successive purchases, in particular Vilmorin in 1975, and Tézier in 1979. In 1989 Oxadis - today called Vilmorin Jardin - was set up to distribute all the brands on the French home garden market as a complement to these acquisitions.

1993: Introduction of Vilmorin & Cie to the Paris stock market

In 1993, Vilmorin & Cie, which combined all Limagrain's Vegetable Seeds and Garden Products activities, entered the Paris stock market with a single ambition: to aim for world leadership on its markets.

From 1993 until 2006, the Vegetable Seeds activity continued to develop with the purchase in 1996 of Clause in France and Harris Moran in the United States, then Nickerson Zwaan (Netherlands) in 1998 and Hazera Genetics (Israel) in 2003.

Vilmorin & Cie also reinforced its investments in research, in particular by becoming a shareholder of the Dutch biotechnology* company Keygene in 2000.

2006-2007: Integration of Limagrain's Field Seeds into the scope of Vilmorin & Cie

Vilmorin & Cie set out to pursue its expansion and consolidate the financial performances it had achieved since its introduction to the Paris stock market. With the support of its reference shareholder Limagrain, in 2006 Vilmorin & Cie integrated Limagrain's Field Seeds activity into its scope. At the time the Field Seeds activity was essentially European (with the integration of Nickerson's straw cereals activity in 1990, and the acquisition of Advanta Europe in 2005) and North American (AgReliant, a joint venture with the German seed company KWS, was founded in 2000).

This broadened scope allowed Vilmorin & Cie to build up its resources in upstream technologies, take advantage of the new critical size to facilitate external international growth, and develop new research partnerships, to establish new growth relays and ensure a better risk spread.

Since 2007, acceleration of development and internationalization

Internationalization of the Vegetable Seeds activity was strengthened through the creation of a seed unit in Japan in 2007 (Mikado Kyowa Seed), acquisitions in the United States (Mesa Maize in 2010, Campbells' Seeds in 2012, Shamrock in 2013, Genica Research in 2016), in Turkey (Su Tarim in 2010), in India (Century Seeds in 2012) and in Vietnam (Tropdicorp in 2015).

With global ambitions in corn and in wheat, at the same time the Field Seeds activity enjoyed fast acceleration, and Vilmorin & Cie progressively set up business in all parts of the world:

- In 2010, Limagrain Cereal Seeds was founded in the United States for the development of wheat in North America.
- In South America, business has been developing since 2011, with the acquisitions of Sementes Guerra and Brasmilho in Brazil. In 2018, Vilmorin & Cie significantly reinforced its organization and commercial positions in this region with the integration of the companies Sursem (Argentina) and Geneze (Brazil).
- In Africa, after the acquisition of Link Seed (South Africa) in 2013, the stake purchased in Seed Co, the largest African seed company, formed the base for solid development over the continent. Vilmorin & Cie and Seed Co are permanently strengthening the deployment of their partnership.

Accordingly, in 2020, the two companies created two joint ventures: one based in Ghana and the second⁽¹⁾, established with another partner (Klein Karoo Seed Marketing), located in South Africa.

- In Asia, business is structured around three units: a unit in India after the integration of Bisco Bio Sciences⁽²⁾ in 2013, a unit in China built around the joint venture Hengji Limagrain Seeds created in September 2015, and a unit in South East Asia with the purchase of Seed Asia⁽³⁾ (Thailand) in 2014.

Maintaining a strong research budget, Vilmorin & Cie signed strategic partnerships in wheat, in Australia with Australian Grain Technologies (2008) and in Canada with Canterra Seeds (2015) along with corn. In 2013, Vilmorin & Cie and its partner KWS founded the company Genective, in order to develop GM* traits* for corn and allow Vilmorin & Cie to develop a proprietary line-up of seed for genetically modified corn varieties.

Year	Company name	Country	Nature of the operation	Activity
1743	Foundation of Vilmorin Andrieux			
1975	Vilmorin joins Limagrain			
1993	Introduction of Vilmorin & Cie to the Paris stock market			
1996	Clause	France	Acquisition	Vegetable Seeds
	Harris Moran	United States	Acquisition	Vegetable Seeds
1998	Nickerson Zwaan	Netherlands	Acquisition	Vegetable Seeds
2000	Kyowa	Japan	Acquisition	Vegetable Seeds
	Keygene	Netherlands	Research partnership and minority participation	Vegetable Seeds
2003	Hazera Genetics	Israel	Acquisition	Vegetable Seeds
2006	Mikado	Japan	Acquisition	Vegetable Seeds
	Limagrain's Field Seeds activity	Europe and North America	Acquisition	Field Seeds
2008	Global Genetics	United States	Isolated assets	Vegetable Seeds
	Australian Grain Technologies	Australia	Research partnership and minority participation	Field Seeds
2009	LSL Plant Science-LSL Biotechnologies	Mexico	Isolated assets	Vegetable Seeds
	Genefresh	United States	Isolated assets	Vegetable Seeds
	K&B Development	United States	Isolated assets	Vegetable Seeds
	Gentropic	Guatemala	Isolated assets	Vegetable Seeds
	Dahlco	United States	Acquisition	Field Seeds
2010	Su Tarim	Turkey	Acquisition	Vegetable Seeds
	Trinity Growers	United Kingdom	Acquisition	Vegetable Seeds
	Mesa Maize	United States	Acquisition	Vegetable Seeds
	Trio Research	United States	Acquisition	Field Seeds
	BSF Ag Research	United States	Specific assets	Field Seeds
	Genesis Seed Research	United States	Specific assets	Field Seeds
	Trigen	United States	Specific assets	Field Seeds
	Clovis Matton	Belgium	Acquisition	Field Seeds
2011	Genective ⁽⁴⁾	France	Research partnership	Field Seeds
	Sementes Guerra	Brazil	Specific assets	Field Seeds
	Brasmilho	Brazil	Specific assets	Field Seeds

(1) Operation finalized in 2020-2021.

(2) Company today named Limagrain India.

(3) Company today named Limagrain Thailand.

(4) Approval from the European Commission in 2013.

Year	Company name	Country	Nature of the operation	Activity
2012	Campbells' Seeds	United States	Isolated assets	Vegetable Seeds
	Century Seeds	India	Acquisition	Vegetable Seeds
	Eurodur	France	Acquisition	Field Seeds
	Boreal Plant Breeding	Finland	Research partnership and minority stake	Field Seeds
	Genetica Agricola	Brazil	Specific assets	Field Seeds
2013	Link Seed	South Africa	Acquisition	Field Seeds
	Bisco Bio Sciences	India	Acquisition	Field Seeds
	Geneseed	Brazil	Specific assets	Field Seeds
	KSP	Brazil	Specific assets	Field Seeds
	CCGL	Brazil	Specific assets	Field Seeds
	Shamrock	United States and Mexico	Acquisition	Vegetable Seeds
	Eureka Seeds	United States	Acquisition	Field Seeds
2014	Seed Co	Zimbabwe	Minority stake	Field Seeds
	Green Land	Poland	Acquisition	Garden Products
	Seed Asia	Thailand	Acquisition	Field Seeds
2015	Tropicorp	Vietnam	Acquisition	Vegetable Seeds
	DNA	Brazil	Specific assets	Field Seeds
	Canterra Seeds	Canada	Research partnership and minority stake	Field Seeds
	Hengji Limagrain Seeds	China	Minority stake	Field Seeds
	Golden Acres Genetics ⁽¹⁾	United States	Acquisition	Field Seeds
2016	Genica Research	United States	Acquisition	Vegetable Seeds
2017	Prime Seed Co	Zimbabwe and Botswana	Minority stake	Vegetable Seeds
2018	Graines Gondian	France	Purchase of business activities	Garden Products
	AdvanSeed	Denmark	Acquisition	Vegetable Seeds
	Sursem et Geneze ⁽²⁾	Argentina and Brazil	Acquisition	Field Seeds
2020	Limagrain Zaad South Africa ⁽³⁾	South Africa	Partnership	Field Seeds

(1) Acquisition made by AgReliant (North America. Field Seeds).

(2) Operation achieved through the acquisition of Mars Holding B.V., a Dutch company holding Sursem and Geneze.

(3) Operation finalized during fiscal year 2020-2021.

1.3. Challenges facing the seed segment

Major levers for growth

As a seed company, Vilmorin & Cie is above all positioned on the market for agriculture. For farmers, seeds constitute an essential input*, decisive for their future production.

Agriculture faces many challenges, the most important of which is meeting the world's food needs, both in quantity and quality. Seeds are a concentrate of solutions to contribute to meeting these challenges.

As the first link in the food chain, seeds are indeed crucial to ensure food security today and above all tomorrow, while responding to societal trends in terms of food quality and environmental preservation. The Covid-19 health crisis has highlighted the fundamental role of seeds in the face of these challenges.

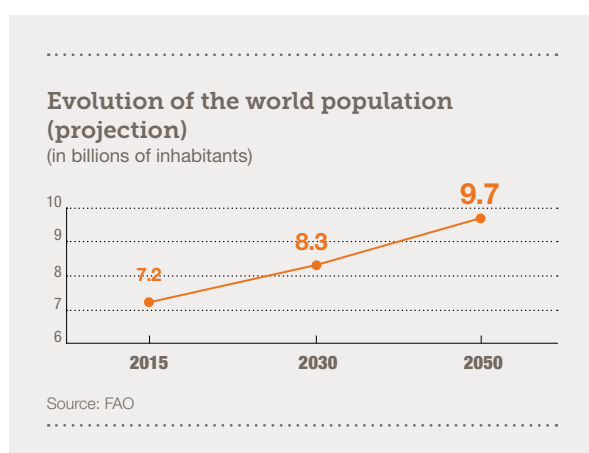
In addition, to create more efficient seeds, investment in research and access to the widest possible plant biodiversity are essential, as is the ability to integrate digital transformation into all fields of activity, which is significantly modifying the seed business.

1.3.1. Producing more and better to meet food challenges

The challenges facing agriculture tomorrow

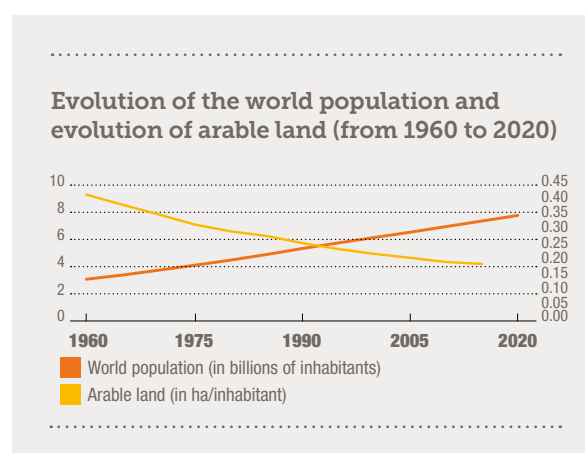
Produce more

- To contribute to feeding the population: almost 10 billion people by 2050



Produce better

- In a context where arable land is decreasing



- By saving natural resources
- By adapting to climate change
- And by resorting to less plant treatment products

Seeds, the first link in the food chain, is a concentrate of solutions to meet these challenges.

Seed innovation and genetic progress must allow farmers to grow varieties from seeds with improved performances.

Examples:

- Adaptation to different regions and climates
- Compatibility with needs /cultures: taste, size, preservation, etc.
- Resistance to disease
- Optimization of yield

The increase in food needs

The current rate of increase in the world's population is unprecedented in history: each year it grows by an average of more than 82 million inhabitants. Having risen from 1.66 billion to 6 billion inhabitants in the 20th century, the world population is expected to reach nearly 10 billion by 2050.

It is the Asian and especially African populations - that of Sub-Saharan Africa is expected to double over this period - that will contribute most to this increase in the coming decades.

The growth in the world population is accompanied by greater urbanization (in 2050, two out of three people are expected to live in urban areas) and changing diets that will lead to an overall rise in the consumption of vegetables and meat, and an increase in the need for agricultural raw materials.

By the year 2050, food production will therefore need to be increased by 60% in order to meet the food needs of humanity (Source: IFPRI 2018).

1.3.1.1. Growing use of commercial seeds

Meeting world food requirements, producing more and better – particularly utilizing less resources – has become a major challenge. Indeed:

- arable land is slowly being eaten away on a world scale, because of urbanization, desertification and the overall deterioration in soil quality,
- growing conditions are becoming more complex because of the greater need to take environmental factors into account, but also because of climate variations and increasingly limited access to natural resources, particularly water.

In such a context, farmers and growers are using commercial seeds more and more systematically. They propose constantly improved technical performances, and their use can considerably increase crop yields.

Moreover, commercial seeds guarantee production that is perfectly adapted to industrial requirements: resistance to diseases and insects, shorter production cycles, simultaneous maturity and homogeneity in production, etc.

The potential to replace farm seeds by commercial seeds remains significant in several countries where agriculture is being modernized, and for certain crops in particular, such as wheat. For example, about 50% of the European wheat market is covered by farm seeds; this rate is almost identical on average in the United States, even if it reaches up to 70% in certain states (*Internal source*).

1.3.1.2. GMOs*, a response to global challenges

Genetically modified seeds are one of today's solutions, helping farmers to rise to major agricultural challenges more efficiently and adapt supply to demand more easily, by producing more and better. Their yield per hectare can, in certain environments, be much higher than that of conventional seeds.

They provide greater efficiency to agricultural production, while considerably reducing production costs.

Since they reduce the need for agrochemical treatment, they indirectly contribute to respecting the environment, and tomorrow they will also make it possible to manage water resources better.

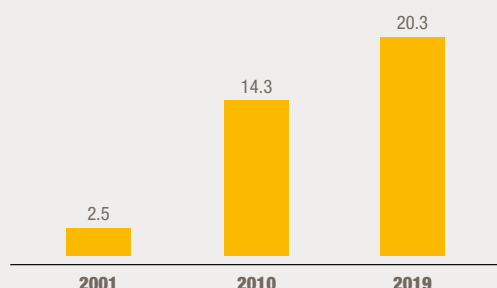
The adoption of genetically modified organisms (GMOs)*

The technology of genetically modified seeds has become indispensable in several areas of the world, particularly in the Americas, with the market for genetically modified seeds today representing more than half the world market for commercial seeds, representing more than 20 billion dollars in 2019 (*Source: AgbiolInvestor*).

Concerning only field seeds, in 2019 the market fell back by 7.2% compared with 2018, in particular because of difficulties in the United States, with a strong drop in soybean acreage and a climate accident in May and June 2019 affecting the Corn Belt.

Evolution of the market value for GM* field seeds

(in billions of US dollars)



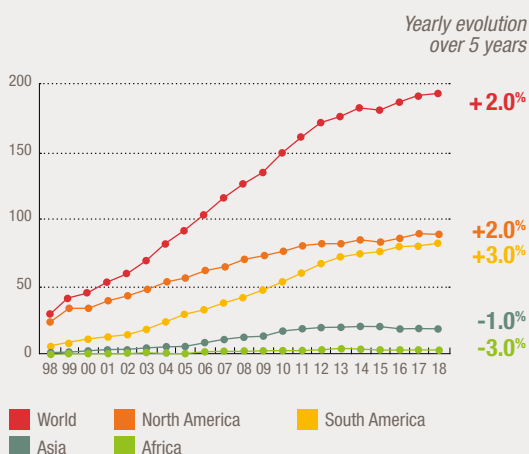
beet. Similarly, in Brazil, even though GMO* technology was adopted at a later stage, its adoption rate today stands at 89% for corn, with soybean reaching a rate of 96%. Similarly, in Brazil, even though GMO* technology was adopted at a later stage, its adoption rate today stands at 89% for corn, with soybean reaching a rate of 96%.

On the other hand, there are markets which remain to be convinced, particularly in Asia and in Africa. In this respect China, which, to date, represents only 1.5% of cultivated GMO* acreage in the world, is a key country for the future development of genetically modified seeds. The Chinese market might well open up soon to GMO* technologies for corn, once the Chinese Ministry of Agriculture delivers biosafety certificates for GM corn with stacked* traits. Today, only GM* cotton is authorized for growing in the country.

However, in certain markets, the prospect of opening up more widely to these technologies today seems less likely; this is the case in Europe, where GM* crops remain marginal, with around 120,000 hectares in 2018. The same is true of India, where the only GM* crop is cotton. (Source: ISAAA 2019).

Evolution of acreage devoted to genetically modified plants between 1998 and 2018

(in millions of hectares)



Source: ISAAA 2019.

Genetically modified seeds fully adopted in certain regions of the world

In total, this market represents more than 10% of arable land, with strong variation between different regions. Some regions have fully adopted GMOs*, such as the Americas, where the majority of world GMO* acreage is located. Thus, the United States, Brazil, Argentina and Canada combined represent 85% of world GMO* acreage. In the United States, a precursor, more than 92% of corn acreage is GMO*, rising to 94% for soybean and 100% for sugar

The world regulatory environment for GMOs*

In 2018, GM* seeds represented 191.7 million hectares (an increase of 1.9 million hectares compared to 2017) cultivated by 17 million farmers in 26 countries, the main ones being the United States, Brazil, Argentina, Canada and India.

Corn and soybean are the main genetically modified crops in the world, followed by cotton and canola (spring rape).

These productions are used locally for human or animal nutrition or mainly exported to countries that have authorized their consumption. The total number of producing and consuming countries comes to around forty (the European Union counts as just one country).

All these countries, without exception, have authorized GMOs* following regulatory examination procedures. Depending on each country, the approach either concerns solely an evaluation of the "product", or a combination of "technique and product."

70 countries have established and apply regulations on growing and importing GMOs*; 44 have regulations solely concerning imports.

Source: ISAAA 2019 (<http://isaaa.org/resources/publications/briefs/54/executivesummary/default.asp>).

Higher value for GM* seeds

Since they emerged in the 1990s, genetically modified seeds have progressed significantly in terms of value, at the same time as their growth in volume. The market for GM* field seeds today represents 51% of the world market for commercial seeds in terms of value, i.e. 20 billion dollars (*Source: AgbioInvestor 2019*). This is particularly due to the integration of several traits* stacked in the same variety.

As an indication of how well these technologies have been integrated, and because they provide superior technical performances, genetically modified seeds are sold at a price 100% to 150% above that of conventional seeds, depending on their technical input.

More and more frequent trait* stacking

Today's GM* varieties mainly propose three traits*, which are being more and more frequently stacked: resistance to two insects (corn borer and corn root worm) and tolerance to herbicides. In 2018, stacked traits represented 42% of the market (*Source: ISAAA 2019*), with this figure being even higher for corn seeds (around 80%).

The range of traits* on offer is expanding every year, with traits* proposing tolerance to different types of herbicides and different modes of action for insect resistance traits.

1.3.2. Having access to plant biodiversity and investing in research

Positioned upstream of agricultural production chains, seeds are at the heart of improving the competitiveness of agriculture. The creation of new, more efficient seed varieties is crucial in meeting the economic, environmental and food safety challenges facing Vilmorin & Cie.

In order to rise to these challenges, it is essential to have access to plant biodiversity and to invest in research.

1.3.2.1. Having access to genetic resources*

In order to create seeds with improved performance, first of all genetic resources* are required, as diverse as possible; this is fundamental for the continuation of seed production. What is specific about the creation of seeds is that they inevitably start from existing genetic diversity.

In this respect, particular attention should be paid to the protection of the rights of creators of new plant varieties, an essential source of research funding.

Moreover, mastering each of the stages in the profession is also indispensable: the expertise of seed producers involves research, cutting edge technologies in terms of plant breeding*, production – first in fields and then the factory – and the distribution of the seeds through networks that need to be as close as possible to the markets, in order to understand and anticipate the needs of growers and farmers better.

And even if all these resources and this expertise are combined, it still takes seven to ten years for the seed producer to come out with a new variety for marketing.

1.3.2.2. Investing permanently in research

The seed business involves a high level of investment. These investments concern the funding of the production cycle and working capital needs, setting up distribution networks and marketing plans, and above all research, the key to the creation of value, so that new varieties of more efficient seeds can be developed. The seed market is indeed one of the most demanding segments in terms of investment in research. Accordingly, Vilmorin & Cie spent nearly 17% of its seed sales on research in 2019-2020.

Vilmorin & Cie's investment in research is presented in detail as of page 52.

Consequently, the creation of new seed varieties and, more generally, the seed business, require access to genetic resources* and also strong expertise, time and investment, particularly in research.

Any new protagonist entering the seed market has to benefit from several complementary assets which all constitute barriers to this entry.

1.3.3. Integrating digital transformation

Like all sectors of activity, the seed sector is impacted by digital transformation. The lightning growth in the capacity to collect, analyze, process and exploit ever-increasing volumes of data requires Vilmorin & Cie to constantly adapt in all its activities.

1.3.3.1. Digitalization of agriculture

As a player involved in agriculture and vegetable production, close to its customers and users of its products and services, Vilmorin & Cie is taking part in the digital transformation of agriculture. Although its applications and scale may vary according to geographical regions, digital technology is having an impact on all forms of agriculture wherever they are practiced. Massive data collection, precision agriculture and disintermediation are the three axes of digital mutation in agriculture.

Digital data is behind everything. The multiplication of data sources, through satellite imagery or sensors, whose use is becoming more widespread because of a significant drop in prices, makes it possible to describe the activity in all its dimensions more and more accurately. This is leading to a change of approach. Agriculture progressed through the accumulation of local knowledge as crops were harvested, and therefore over time. From now on, it is the ability to simultaneously access multi-local data from various conditions that is becoming a source of major advances.

As it is collected and analyzed, this data becomes the source of precision agriculture (which is the practical application of digital agriculture), whose objective is to optimize production conditions to make the best use of production factors, such as soil, agricultural equipment, fertilizers, seeds or plant protection products. The investment and training required to use precision agriculture can be a barrier to its use in regions where farms are generally small in size. In this case, agricultural contractors can play a role as intermediaries and prescribers. In terms of seed, sowing density modulation, prediction of sowing or harvest dates, or choice of varieties are some of the applications.

In this context of the digitalization of agriculture, the multiplication of digital tools is enabling all of Vilmorin & Cie's teams to improve their performance. For sales representatives, this means a more detailed and exhaustive approach to the behavior of their product line-ups for each customer, or for product development teams, through the easy ability to develop simple test or

demonstration networks, highlighting effects on vegetation or yield.

Finally, as in other market segments, in agriculture digital technology also means an increase in disintermediation. To buy, sell or receive advice, farmers now have new methods of action and new contacts. It can also be an opportunity for Vilmorin & Cie to contact its end customers more directly.

1.3.3.2. Digital technology used for plant breeding

Creating a variety means being able to identify, in the widest possible range of available genetic bases, the combination that will best meet the criteria sought. Therefore, digital technology, through its description and analysis capabilities, provides valuable assistance to breeders*. Genotyping, decoding the plant's genome*, and phenotyping, which is the description of its physical characteristics, have greatly benefited from the development of digital technology and are two major contributors to the exponential growth in data volume. Digital also allows for real-time availability of collected data, wherever it is in the world.

There can therefore be no plant breeding today without mastering different IT domains: infrastructure, databases, applications, security, etc. Given its now strategic importance, Vilmorin & Cie's Research and Development IT is managed globally.

1.3.3.3. The impact of digital technology on customer relations

The possibilities offered by the Internet, messaging and social networks open up new opportunities for business relations, advice and communication. Such opportunities are further amplified by the development of tools for those on the move, and increasingly efficient mobile networks.

This trend leads to a more limited relationship between producers and users, questions the distribution process, and opens up new avenues of loyalty programs and consulting. All over the world, although the applications and uses are different, the exchange of information and advice between farmers and seed companies is increasing. And even though seed companies do not have all the skills required, the implementation of platforms combining product and relational skills will certainly be developed. Vilmorin & Cie is particularly attentive to these developments.

1.3.3.4. Ensuring that information systems are secure

The multiplication of data, processing and access points provides many possibilities for digital malicious acts aimed at destabilizing the organization, misusing private information or extorting the Company. Vilmorin & Cie implemented an ambitious program for the security of information systems during the fiscal year. It is based first of all on the specific skills of the employees recruited to carry out this project, which combines technical systems, internal procedures and controls, supervision and processing.

These actions are complemented by essential awareness raising on the subject organized for employees, first and foremost those of the Information Systems Department. Indeed, by helping people understand the risks involved, they are essential relays for disseminating best practices and changing behavior. To ensure this awareness, new dissemination channels were developed during the year, including the publication of videos and the coordination of a cybersecurity community on the corporate social network.

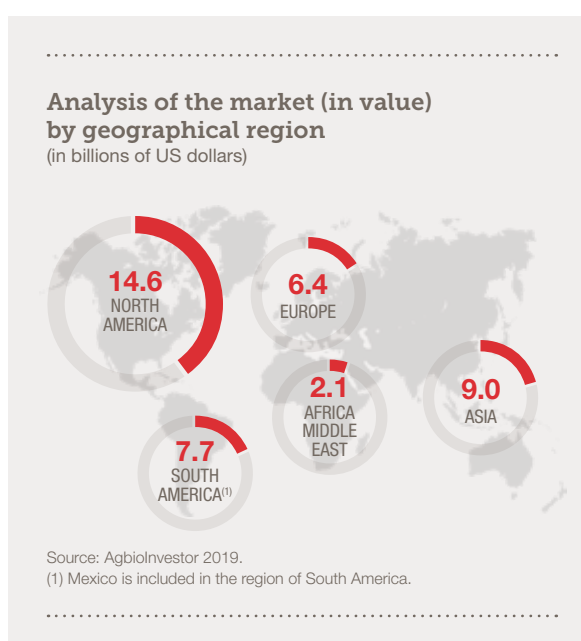
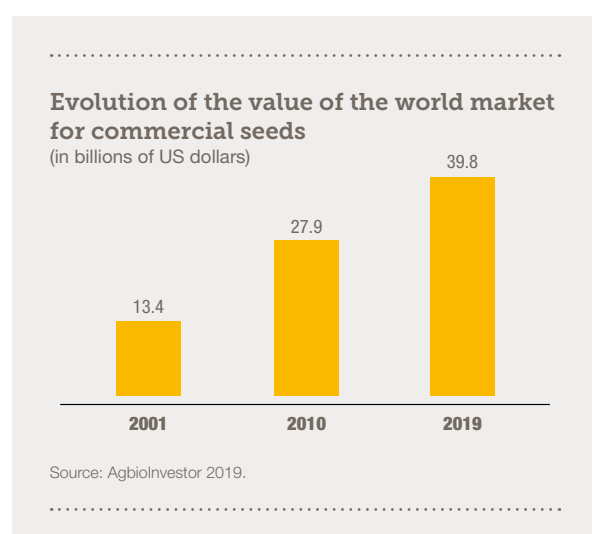
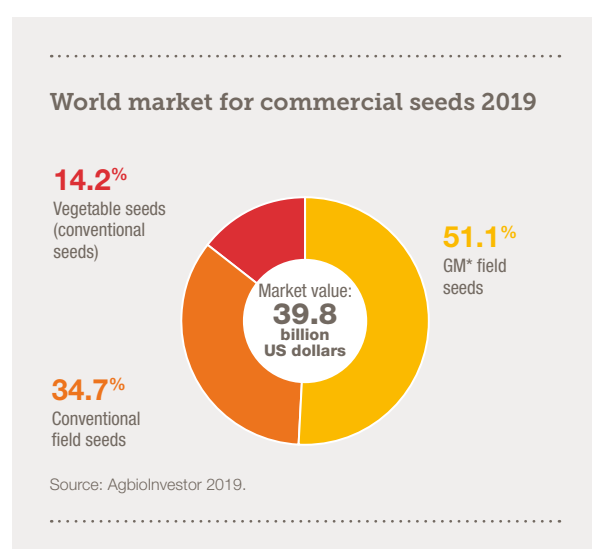
This information is also presented in detail in part 2.2.2.1. Risk factors, page 75.

1.4. The seed market

An essentially growing market

The world market for seeds, the value of which was almost 40 billion US dollars in 2019 (Source: AgbiolInvestor 2019), is essentially growing, thanks to several complementary factors, the most important of which is global population growth.

Since it first emerged, the Covid-19 health crisis has generated many uncertainties in the market, which will remain for fiscal year 2020-2021. However, the seed market has been relatively unscathed compared to other sectors that have been heavily impacted economically. Indeed, this unprecedented crisis has highlighted the strategic nature of the food and agriculture segments, of which seeds are the very first link.



1.4.1. The market for vegetable seeds

The value of the world market for vegetable seeds was estimated to be at around 5.6 billion US dollars in 2019 (Source: AgbiolInvestor 2019).

In spite of the uncertainties arising because of the Covid-19 health crisis, and even if some vegetable productions have been impacted, the vegetable markets were, on the whole, fairly well-preserved during the fiscal year.

The health crisis has in no way called into question the fundamentals of this market, the development of which is driven by the regularly increasing world consumption of vegetables. This is a consequence of the rising world population, and the evolution of the food habits of consumers who have become more aware of the importance of a well-balanced, varied diet. As a result, the world production of vegetables is continuing to develop.

Greater use of commercial seeds in developing markets, and the increase in the use of seed technology in the more mature markets, are also contributing to global growth in the sector.

1.4.1.1. Many high value-added niches

The operators on the vegetable seeds market work side by side in the major production and consumption zones.

The sector has become highly concentrated yet it still remains scattered in terms of products. This segmentation can be explained by the numerous specificities of the vegetables market, and in particular by the great diversity of species - more than 150 botanic species are cultivated throughout the world. In addition, within each species, there are a multitude of product types (melons, for example, have about 20 main typologies, with the greatest diversity in Europe and Asia), and therefore extensive commercial line-ups, offering a wide variety in terms of shape, size, color and taste.

In this way, all the sales possibilities can be covered, from production in season to that of counter-season, while responding to the tastes and eating habits of the population. Some production is highly region-specific, such as Daikon radish in Japan or tomatillo in Mexico, while other vegetables are produced worldwide. This is the case of tomatoes, the most cultivated and consumed vegetable in the world, also the world's leading species in terms of value: tomatoes thus represent nearly a third of the total world acreage devoted to vegetables. Onion, cucumber, bell pepper, carrot, watermelon, cabbage and melon are also world-leading species in terms of value.

The segmentation of vegetable markets is also due to the wide variety of vegetable production methods (open field, cold or heated shelters - tunnels, plastic greenhouses, glass greenhouses, etc.) as well as the wide geographical dispersion of production areas.

Therefore, the world market for vegetable seeds is composed of many niches, with particularly strong added value.

1.4.1.2. Innovation at the heart of market growth

The vegetable seeds market is highly sensitive to the technical performance of seeds. Indeed, the varieties that growers choose will determine the quality and added value of their production, while the cost of seeds remains moderate compared to that of other inputs*.

It is therefore a strategic choice, above all driven by economic considerations, and by the criteria of yield, resistance to diseases and suitability to trends in consumption.

Consequently, even though the market for vegetable seeds is powered by the global increase in vegetable consumption, it is also dependent on the research results of seed companies and the development of innovation that can stimulate producers to purchase seeds with greater added value.

1.4.2. The market for field seeds

The value of the world field seeds market was estimated to be more than 34 billion US dollars in 2019 (*Source: AgbioInvestor 2019*), including more than 20 billion US dollars for genetically modified seeds.

Corn holds the position of top crop in terms of value, representing almost 17 billion US dollars, whereas wheat is the most widely cultivated world crop in terms of acreage (more than 220 million hectares in 2019, about 15% of arable land) (*Sources: USDA, FAO*).

Wheat is mainly used for human consumption and is the staple food for one third of the world's population. Soft wheat is used to make bread, biscuits and cakes, whereas hard or durum wheat is used to make pasta and semolina.

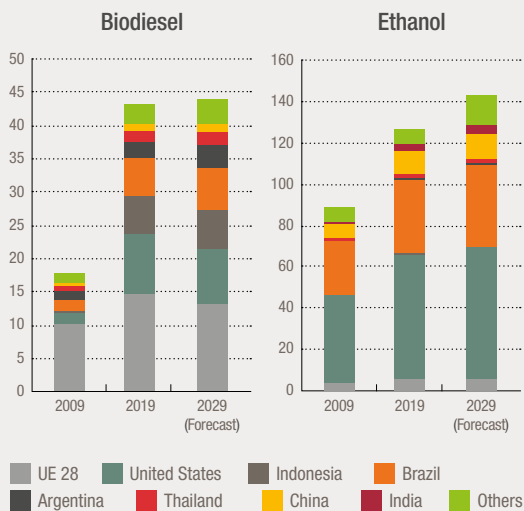
As for corn, it offers several outlets to meet both food and non-food needs. It is an important raw material for:

- animal feed: grain corn or forage corn,
- industrial sectors, in particular for the development of plant chemistry (also known as "green chemistry") including the market for biodegradable plastics,
- the energy sector, with agrofuels, principally ethanol, produced from corn, representing more than 40% of corn applications in the United States.

The growth of the latter two markets, which are still limited in size, can have a positive impact on the volume of commercial seed activity. Vilmorin & Cie therefore remains attentive to developments in these markets.

Evolution of the world production of agrofuel

(in billions of liters)



Source: OECD-FAO outlook.

Made uncertain by the health crisis, the environment for field seeds remained difficult in fiscal year 2019-2020, particularly because of the low level of agricultural production prices, both corn and wheat. Indeed, field seed markets have been under pressure since 2013, as a consequence of the high inventory worldwide

Variations in the prices of agricultural raw materials can above all be explained by the systematic lack of coherence between supply and demand that is specific to all agricultural production, by fluctuating weather conditions in different geographical areas, leading to surpluses or shortfalls, and by the fact there is persistent speculation on agricultural produce. There is no direct correlation between the prices of raw materials and the price of seeds. Nevertheless, the low level of prices for agricultural production observed for several years is having a grave impact on the profitability of farms and the revenues of farmers, who are therefore more careful about how much they invest in their inputs*.

Evolution of the prices of corn and wheat in Europe between 2001 and 2020

(in euros per tonne)



Sources: "Marché des céréales", France Agrimer. June 2020.

The development of digital farming

Farmers today, particularly in the more mature markets in the Americas and Europe, have increasingly broader access to different services accompanying them in the management of their farms.

Based on the use of new technologies, digital farming makes more and more detailed, updated and personalized data available to them, through connected objects (connected underground probes, sensors installed in livestock pens, on machines, etc.). The objective is to guide farmers in their decision-making to enable them to better manage their farm and analyze its performances: choice of varieties to be sown according to the characteristics of their plots, sowing density or growing practices.

1.4.2.1. The market for Field Seeds in Europe

The European market is dominated by corn, straw cereals (wheat, barley), oilseed rape and sunflower.

In a context of still generally gloomy markets overall, just as last year, corn acreage increased, both in grain corn and forage corn. At the same time, sunflower acreage increased slightly in Europe.

As for rapeseed acreage, there was a very marked decline. This decline, a consequence of the dry summer and fall of 2019, which made planting conditions particularly difficult for this crop, favored spring crops, especially corn and sunflower.

Evolution of cultivated acreage in Europe⁽¹⁾

(in millions of hectares)

	Acreage 19-20	Evolution over 1 year
Total corn	26.8	+4%
> Grain corn	18.0	+6%
> Forage corn and biodiesel	8.8	+1%
Soft (bread) wheat	20.1	-3%
Sunflower ⁽²⁾	20.3	+2%
Oilseed rape ⁽³⁾	5.6	-13%

Source: internal estimates.

(1) The main countries in which Vilmorin & Cie is present.

(2) Ukraine and Russia represent more than 15 million hectares.

(3) Winter rape.

Marginal acreage of GM* crops

Growing, selling and importing genetically modified plants are subject to European legislation. To date, only one GM* variety (MON810 corn) is authorized for growing and selling in the European Union, whereas about 70 types of GMO* corn, soybean, cotton, rape and sugar beet are authorized for import, mainly for animal feed (Source: https://webgate.ec.europa.eu/dyna/gm_register/index_en.cfm).

Certain member states have nevertheless decided to suspend authorization to grow MON810 corn. Indeed, a procedure allowing member states to prohibit the cultivation for commercial purposes of transgenic plants in their country was adopted in March 2015 (directive 2015/412) by the Parliament and the Council; it offers greater liberty and a seemingly wider legal base to prohibit such cultivation. 19 member states have chosen to make use of this option (Source: https://ec.europa.eu/food/plant/gmo/authorisation/cultivation/geographical_scope_en).

Consequently, GM* varieties are only marginally grown in Europe with about 120,000 hectares in 2018 (mainly in Spain and Portugal). Down by 8% this past year compared to the year before, they remain modest on a world scale, and represent much less than 1% of world acreage (Source: ISAAA 2019).

1.4.2.2. The market for corn seeds in North America

Acreage under corn in the United States this year recorded an increase of 3% (Source: USDA 2020), covering more than 37 million hectares.

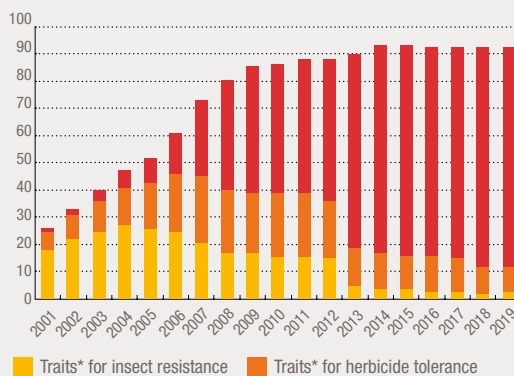
At the same time, soybean acreage, after falling sharply in 2019, posted a strong increase (+10%), reaching nearly 34 million hectares.

The preponderant position of genetically modified seeds

Representing 39% of the world acreage for all crops combined (Source: ISAAA 2019), the United States is by far the biggest producer of genetically modified plants. Today they cover 92% of cultivated acreage in corn. Varieties stacking several resistance traits* represent a significant share of the market, estimated to be around 80% of corn acreage (Source: ISAAA 2019).

Genetically modified seeds enable farmers to reduce their running costs significantly, for example agrochemical treatment, while guaranteeing a much more abundant harvest. They are therefore sold at a significantly higher price than conventional seeds.

Evolution of the acreage of genetically modified corn in the United States (as a %)

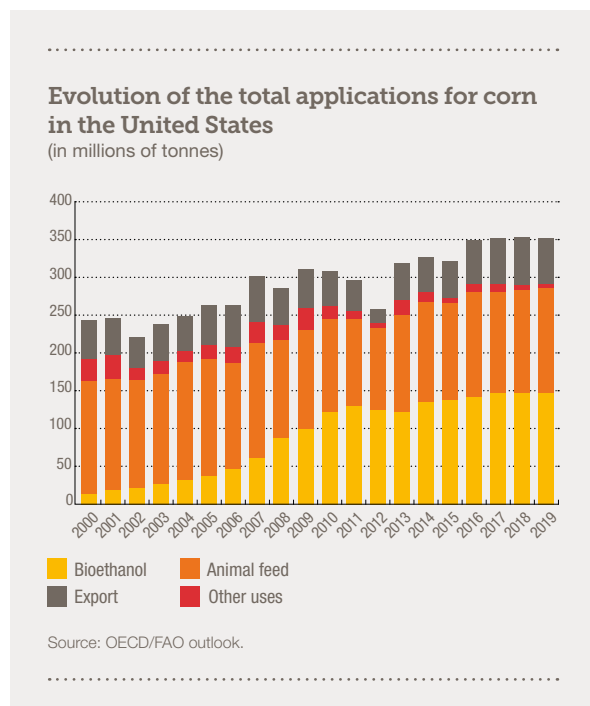


Source: USDA 2019.

Agrofuels, a significant outlet for corn production

As of 2000, corn production in the United States has been stimulated by agrofuels. High demand from bioethanol factories in particular was behind the strong increase in corn acreage. A large proportion of the use of corn in the United States is intended for this market: in 2019-2020, it stood at more than 40%.

In 2020, the Covid-19 health crisis has led to a sharp drop in the demand for oil, as well as the demand for agrofuels, which could significantly impact the corn market in the United States.



1.4.2.3. The market for seeds in development regions

South America

With average annual growth of nearly 1% per year over the past five years, the South American market represented more than 19% of the world market for seeds in 2019, a total of 7.7 billion dollars. It is positioned as the third largest world market for seeds in value (*Source: AgbioInvestor 2019*), and has immense potential, especially in field seeds.

While soybean holds a prominent place, corn is also a widely cultivated crop in South America: more than 26 million hectares were devoted to corn in 2019, including around 18 million hectares in Brazil (*Source: USDA*). Soybean and corn together account for more than 89% of the South American seed market, mainly concentrated in Brazil and Argentina.

- Brazil, the world's third largest market for field seeds, has the particularity of offering, in some regions, two corn harvests per year: "safra" (summer crop) and "safrinha" (winter crop). In 2019-2020, acreages of "safra" and "safrinha" increased; nevertheless, in spite of a more favorable market environment this year, the Brazilian market remains volatile.

The country is also characterized by a very high adoption rate of genetically modified varieties, in particular for

corn, which stood at 89% in 2018. Brazil is therefore the second largest world market in terms of GM* corn acreage (*Source: ISAAA 2019*).

- Argentina is the world's fourth largest market for field seeds, with about 30 million hectares, more than half of which are devoted to soybeans (16 million hectares). Soybeans are now a pillar of the country's economy with the rapid adoption of GMOs*: about 98% of soybeans are produced from GMO* seeds.

Asia

With the second largest seeds market in the world in value, Asia represents more than 9 billion US dollars (*Source: AgbioInvestor 2019*). Characterized by a continuous population increase, (which already represents more than half the world population), the emergence of the middle classes and changing consumer habits, the Asian market is very buoyant. Agriculture, which is mainly dedicated to domestic consumption, is undergoing significant changes in farm size, mechanization and the use of inputs*, particularly seeds. In value, vegetables, rice, corn and cotton are the main crops in Asia.

In this region, China and India are both positioned as key countries:

- China is a major producer of cereal crops, and one of the major players in the world for rice and corn acreage. Its seed market is characterized by the modernization of its agriculture, progressive concentration of the local players and the involvement of the Chinese authorities in this sector, which is considered to be highly strategic. Chinese players have thus recently achieved a high-ranking position in the seed sector. Furthermore, while only GM* cotton is currently authorized for cultivation in the country, the Chinese market could soon open up to GMO* technologies for the cultivation of corn.
- In India, where self-sufficiency in food continues to be a major challenge, the seed market also is evolving very fast. It is characterized by a trend towards greater concentration of the numerous local seed companies, and a rate of commercial seed use by farmers gradually increasing.

Africa

By 2050, Africa will contain almost a quarter of the world's population (*Source: United Nations Food and Agriculture Organization/FAO*). In order to satisfy these immense food needs, farmers will require access to efficient seed varieties, which the majority do not have today.

The African market, which today represents less than one billion US dollars, has a low rate of adoption of commercial seeds, and in particular hybrid* seeds. It is therefore a very promising market with considerable development in years to come.

Corn is the main crop grown in Africa, and in 2018 represented around 20% of world grain corn acreage, with

around 39 million hectares (*Source: ISAAA 2019*). This concerns mainly white corn, which along with vegetables and poultry is a staple food for Africans, although acreage for yellow corn, intended for animal feed, is progressing to meet increasing poultry feed requirements.

Only South Africa is the exception, where yellow corn is a priority. This particularly promising market for field seeds, and corn above all, with almost 3 million hectares grown, is also fully focused on innovation. Genetically modified seeds are already widely used by farmers, with an adoption rate of 87% in 2018 for corn (*Sources: ISAAA 2019 and USDA*).

1.4.3. A concentrated competitive environment

In recent years, several mergers have been concluded between major operators in the seed and agrochemical sectors, in a competitive environment that was already highly concentrated. As a result, even if market integration remains uneven across regions and crops, the top five seed companies now account for more than 60% of the world's commercial seed market (in terms of seed sales)⁽¹⁾.

These movements highlight a trend for companies in the agrochemical sector to consolidate their portfolio of assets by integrating or strengthening seeds, as a response to the difficulties of an agrochemical market affected by farmers' economic difficulties and by the growing reluctance to use plant protection products in several countries. In the seed business, however, these mergers have not significantly changed the size of the main operators.

On the other hand, the geopolitical distribution of the major players in the sector has been significantly modified by these operations, highlighting in particular the emergence of Chinese players in world agriculture.

In this competitive landscape, Vilmorin & Cie maintains its solid competitive position as the No. 4 seed company worldwide, and the world's No. 1 non-agrochemical seed company.

No. 1 worldwide for vegetable seeds, the Company is positioned as a top world player in wheat seeds and a dynamic challenger in corn seeds.

Global competitive panorama (Seed business)

No. 1		Bayer
No. 2		Corteva Agriscience
No. 3		Syngenta
No. 4		Vilmorin & Cie
No. 5		BASF
No. 6		KWS
No. 7		DLF
No. 8		Rijk Zwaan
No. 9		LPHT
No. 10		Sakata

Sources: company disclosures and internal estimates for sales in 2019; Vilmorin & Cie for 2019-2020; Vilmorin & Cie and KWS data before IFRS11.

(1) Sources: company disclosures and internal estimates, AgbiolInvestor 2019.

1.5. Activities

A world leader in seeds

Vilmorin & Cie is one of the world leaders of the seed sector. The Company focuses on its single, historical core business of seeds; it does not operate in the agrochemicals sector.

Vilmorin & Cie develops business around three activities, two of which represent its core business: Vegetable Seeds and Field Seeds, along with the Garden Products activity, intended for the consumer market.

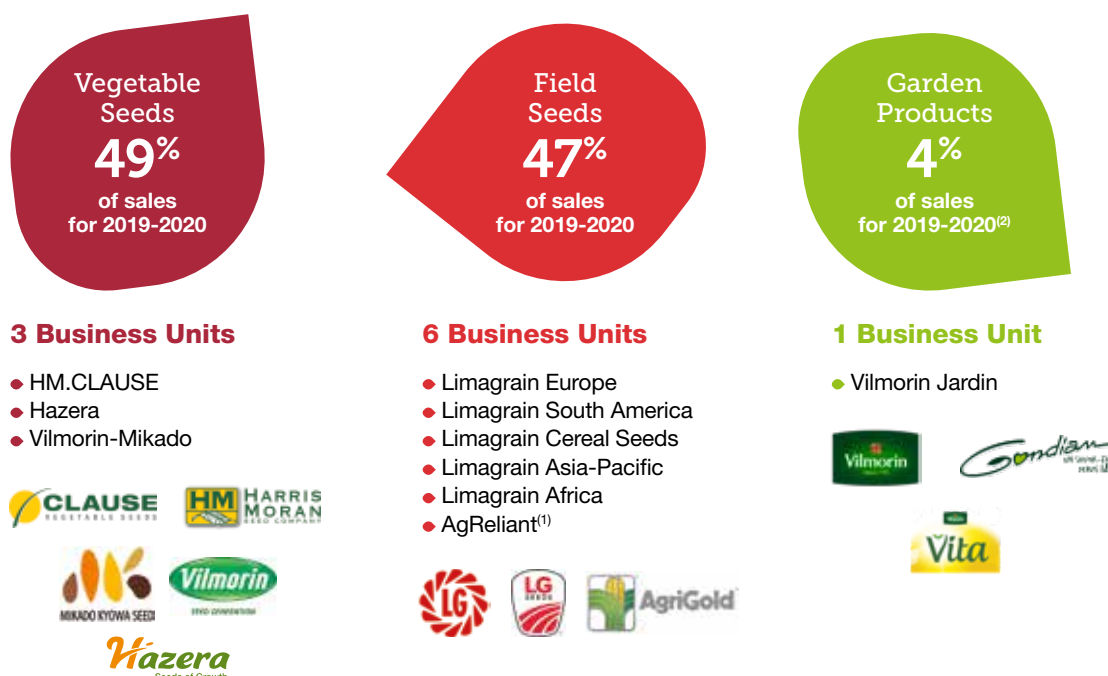
Each of these divisions is organized into Business Units, guaranteeing close proximity to their markets.

In 2019-2020, Vilmorin & Cie made consolidated fiscal sales for the year of 1,435.2 million euros, up 3.2% with current data compared with the previous fiscal year and 2.7% on a like-for-like basis. Despite the unprecedented health crisis that marked the fiscal year, Vilmorin & Cie was able, thanks to the full mobilization of its teams, to ensure the continuity of its activities, contributing to securing food production.

Vilmorin & Cie thus continued its growth, at the end of a fiscal year that confirmed the resilience of its activity.



The **Limagrain** seed business



As the parent company of the group, Vilmorin & Cie carries out missions for the benefit of its subsidiaries, regarding general administration, human resource management, information systems and pooled upstream research programs⁽³⁾.

(1) Bearing in mind the application of the standard IFRS 11, AgReliant (a 50/50 joint venture with the German seed group KWS) has been recorded in the accounts using the equity method since fiscal year 2014-2015.

(2) Including the Holdings.

(3) Compensation for these services and the corresponding flows are set out in Note 34 of the notes to Vilmorin & Cie's consolidated financial statements.

1.5.1. Vegetable seeds

Vegetable Seeds
sales in 2019-2020

705.5

million euros

(+2.6% with current
data)

No. 1 worldwide for vegetable seeds, Vilmorin & Cie creates, produces and distributes novel seeds for professional vegetable production. Its customers are growers – who produce vegetables for fresh markets – and indirectly processors, specialists in canning and deep freezing.

Vilmorin & Cie's product line-up comprises more than 80 different crops, for which around 40 Vilmorin & Cie develops research programs, including the most widely consumed throughout the world: tomato, sweet (bell) and hot pepper, onion, watermelon, carrot, cucumber, melon, lettuce, cabbage, cauliflower, sweet corn, bean, summer squash, etc.

For several crops Vilmorin & Cie holds leading world positions: No. 1 in tomato, the top vegetable crop in the world in terms of value, but also in carrot, melon, cauliflower and summer squash, No. 2 in bean, No. 3 in bell pepper.

1.5.1.1. Key advantages: innovation and proximity to markets

A strong capacity for innovation

Vilmorin & Cie is positioned as a world leader in terms of innovation and market shares. Indeed, Vilmorin & Cie continuously invests heavily and continuously in research to permanently develop seeds that meet the performance demands of vegetable growers and processors: increase in productivity, resistance to diseases and insects, tolerance to climatic stress, perfect adaptation to growing and processing conditions, preservation, etc.

The varieties sold must also anticipate and meet consumer expectations (taste, appearance, etc.), taking their cultural diversity into account, while optimizing added value for professional vegetable producers. In total, Vilmorin & Cie offers several thousand different varieties of vegetable seeds, in order to meet the diversity of needs of each of the sector's players throughout the world.

A diversified market approach

In order to cover highly segmented markets efficiently, the Vegetable Seeds activity is structured around three Business Units with a global vocation: HM.CLAUSE, Hazera and Vilmorin-Mikado.

The strategy for Vegetable Seeds is defined by the divisional management, particularly through two global functions:

- research, which defines and manages upstream research projects (genetic resources management*, development of breeding* tools); these shared resources and tools are made available to the Business Units,
- strategic marketing, which provides global analysis and a forward-looking view of crops and markets.

Each of the Business Units is responsible for its own operational management. Structured around international and multicultural teams, each hub has a sales organization specifically adapted to its areas of influence. This structure thus promotes close proximity to world markets, from research to distribution. Moreover, the Business Units work in close coordination to best combine their product portfolios, brands, sales forces and distribution networks.

Set up more than ten years ago, this organization, which combines a global vision and a local approach, makes it possible to adapt to the specificity of vegetable markets, which are extremely fragmented. It also makes it possible to cover a large number of highly profitable local markets, or niches, and to be very responsive to the needs of growers and consumers, thereby maximizing market share.

Vegetable Seeds Main brands



1.5.1.2. Performances in 2019-2020: a fiscal year with marked growth, confirming the position of No. 1 worldwide

On June 30, 2020, sales for Vegetable Seeds for the fiscal year came to 705.5 million euros, an increase of 2.6% with current data compared with fiscal year 2018-2019. Restated on a like-for-like basis, this increase came to 2.5%.

During the second part of the fiscal year, in the context of the health crisis, the three Vegetable Seeds Business Units ensured the implementation of business continuity plans, due to the lockdown measures taken in the vast majority of the 36 countries in which they operate.

The deployment of home-working and the adaptation of operations at production and research sites were very fast everywhere, with remarkable commitment from all employees, mobilized to continue serving customers.

At the end of the fiscal year, Vilmorin & Cie recorded truly fine performances for several strategic world crops: tomato, for which Vilmorin & Cie gained market shares in several regions, particularly Europe and North America, bell pepper, hot pepper, cauliflower and carrot, for which business progressed in all parts of the world. Furthermore, this growth was also marked for several crops grown for canning and freezing, such as sweet corn, bean and pea.

With regard to geographical regions, business was particularly dynamic in North America, both in Mexico and the United States, and in Turkey too. In Asia fortunes were mixed, with significant progress in India, in an upbeat market, but the year was more difficult in China, where the market was under pressure as of January because of the health crisis, and in spite of a good quality fourth quarter.

In spite of a context made uncertain by the health crisis, the Vegetable Seeds business was not in fact significantly affected taking the fiscal year as a whole, thus showing its resilience. Moreover, Vilmorin & Cie managed to post marked business growth, and was therefore able to confirm, at the end of the fiscal year, its position as No. 1 worldwide for vegetable seeds.

1.5.1.3. Highlights in 2019-2020

Targeted operations to consolidate competitive positions

Acquisitions and facilities established in recent years in key geographical areas and strategic crops have shown themselves to be pertinent and represent active relays for growth.

For example, the acquisition in 2018 of the Danish company AdvanSeed, specialized in the breeding*, production and marketing of hybrid spinach* seeds and leafy vegetables, enabled Vilmorin & Cie to complete its product portfolio. By integrating spinach, a crop which was not previously part of the product line-up, Vilmorin & Cie has strengthened its worldwide presence in leafy vegetables. The acquisition of AdvanSeed, operationally integrated within Vilmorin-Mikado, enabled the Business Unit to expand its range of lettuces, now having a complete and innovative range of nearly 500 varieties, adapted to each market, and to confirm its place among the major players in this sector.

Strengthening innovation and close proximity to markets

In order to maintain growth in coming years, research programs are making progress, while investment in research tools, and resources devoted to sales and marketing development, have been consolidated as sales have increased.

Fiscal year 2019-2020 was marked by ongoing investments in research facilities. A platform devoted to pathology, shared by the three Business Units, is being finalized: located in Culiacan (Mexico), it is dedicated to crops that are grown in the region, tomatoes and bell peppers and will be used to conduct pathology tests on local diseases. At the same time, the Business Unit HM.CLAUSE has invested in the modernization of its pathology laboratory located in Saint-Rémy-de-Provence (France). These investments contribute to consolidating Vilmorin & Cie's capacity for innovation.

Furthermore, Vilmorin & Cie is constantly optimizing its organization to ensure maximum proximity to its markets. Thus, after China two years ago, then Brazil and Poland during the course of the previous fiscal year, the sales organization is changing this year in Greece, where the Business Unit Hazera now distributes the Vilmorin-Mikado product line-up. These optimizations, which have provided sales impetus, do not in any way call into question the Business Unit organization model; they aim to address certain major markets more effectively, while capitalizing on the complementarity of the Business Units' product ranges.

Finally, in order to strengthen its presence in China, the Business Unit Hazera has created a joint venture, in which it holds a majority stake, in partnership with a group of Chinese investors already involved in the vegetable seed segment. This structure allows Hazera, which was already established in the country, to extend its activities to cover research as well as the production and the marketing of seeds. This joint venture is subject to the approval of the Chinese authorities.

Along similar lines, in Sub-Saharan Africa, Prime Seed Co, a joint venture between the Business Unit HM.CLAUSE and Seed Co created in 2017, is pursuing its development through the acquisition of a majority stake in Alliance, the historical distributor of HM.CLAUSE in South Africa. This additional entry into the South African market should enable the Business Unit to bring its products to small African producers and thus differentiate itself from its main competitors.

Optimizing the production of high added-value seeds

Vilmorin & Cie is developing its on-site seed production capacities thanks to the recent opening of a production farm dedicated mainly to Solanaceae (mainly bell peppers and hot peppers) in Dalat, Vietnam. The objective is to optimize the control of supplies for high added-value seeds, while ensuring greater flexibility in inventory management.

1.5.1.4. Competitive position

The competitive landscape of vegetable seeds is characterized by a great diversity of players: global companies some of which are active in both seeds and agrochemicals, regional or specialized companies, as well as a multitude of local players. Today the top five operators represent more than half of the world market for vegetable seeds.

Within this highly concentrated competitive market and thanks to a fiscal year 2019-2020 with marked growth, Vilmorin & Cie is clearly positioned as No. 1 worldwide for vegetable seeds.

Competitive position in vegetable seeds

	Companies	Countries
No. 1	Vilmorin & Cie	France
No. 2	Bayer	Germany
No. 3	Syngenta	China
No. 4	BASF	Germany
No. 5	Rijk Zwaan	Netherlands

Sources: internal estimates and corporate disclosures

1.5.2. Field Seeds

Field Seeds sales
in 2019-2020

677

million euros
(+4.2% with current
data)

No. 6 worldwide in field seeds, Vilmorin & Cie creates, produces and distributes field seeds for farmers.

Vilmorin & Cie proposes a multi-crop line-up and has defined four strategic crops for its Field Seeds activity:

corn, wheat, sunflower and oilseed rape. Two of them are global: corn and wheat. As a complement, Vilmorin & Cie develops a portfolio of crops adapted to each region where it operates, and therefore proposes seeds for regional crops: barley, soybean, millet, rice and pulse.

Vilmorin & Cie's field seeds activities cover Europe, North America, and, since 2010, new development regions. They are organized around two global functions (research and strategic marketing) and six Business Units with a regional vocation, to be able to address the six continents:

- field seeds in Europe, with the Business Unit Limagrain Europe,
- corn seeds – and soybean seeds – in North America, through AgReliant⁽¹⁾, a 50/50 joint venture with the German seed group KWS,
- field seeds in the development regions, through three Business Units: Limagrain South America, Limagrain Asia-Pacific (India, China and South East Asia⁽²⁾) and Limagrain Africa,
- wheat seeds in North America, grouped within the Business Unit Limagrain Cereal Seeds.

In 2019-2020, the Field Seeds division posted sales of 677 million euros, up 4.2% compared with fiscal year 2018-2019. On a like-for-like basis, business growth of 2.9% was achieved at the end of the fiscal year, with a very marked business increase in the development regions, in particular.

In the unprecedented context of the health crisis, the Field Seeds division teams throughout the world mobilized to ensure business was maintained, from research to seed marketing, while rigorously applying the necessary measures to ensure the safety of everyone.

(1) Bearing in mind the application of the standard IFRS 11, AgReliant has been recorded in the accounts using the equity method since fiscal year 2014-2015.

(2) The company Australian Grain Technologies, in which Vilmorin & Cie holds a minority stake, is part of the Business Unit Limagrain Asia-Pacific.

Despite a number of difficulties, particularly in terms of logistics, it was possible to ensure operations globally in all regions (seed deliveries, implementation of production plans, harvests in some countries, etc.). The fiscal year thus reflects a solid business performance.

1.5.2.1. Field Seeds in Europe

The Field Seeds activity located in Europe focuses on farmers as customers, through distribution networks that vary according to the countries targeted and the crops distributed.

A key advantage: a multi-crop strategy optimizing cover of the European market

A product line segmented according to strategic interests

A major player in Europe, Vilmorin & Cie is active on the main European agricultural markets, with clearly defined positioning for the different crops.

To optimize its investments in research and marketing, Vilmorin & Cie has segmented its crops into three main categories:

- Strategic crops for which the objective is to control all activities, from research to marketing. These mainly concern corn, straw cereals (wheat and barley), sunflower and oilseed rape. For these crops, Vilmorin & Cie, which has strong competitive positions, permanently develops specific research programs, thus guaranteeing its future development.
Vilmorin & Cie is also developing an offer in pulses (pea and horse bean), through a specialized research program, bringing together expertise on these two crops.
- Support crops which provide commercial synergies as line complements when strategic crops are marketed. Vilmorin & Cie then forges partnerships with some of the world's leading companies, such as DLF, a Danish company and world leader in the forage plant segment.
- So-called "companion" crops (amenity grasses, cotton, sugar beet, etc.) distributed according to market opportunities, which complete the line-up.

This multi-crop positioning means that all the farmers' needs can be met.

Corn, straw cereals (wheat and barley), sunflower and oilseed rape, which represent the core products of Vilmorin & Cie's portfolio in Europe, are generators of value, in the short-, medium- and long-term.

- Corn is potentially a highly profitable crop, given high-performance germplasm that is historically well-suited to the needs of the forage corn market in Northern Europe. Vilmorin & Cie is indeed well-positioned

as the second largest player in Europe for forage corn seeds. This crop is liable to develop even further, particularly through the launch of new varieties developed for grain corn, the main corn market in Europe, with adaptation to each market (animal feed, the industrial sector for starch and semolina production, energy production) and meeting farmers' needs even more extensively (higher yields, disease resistances).

- Straw cereals (wheat and barley), sold through two different distribution channels (long channel, from seed companies to farmers, and short channel, from seeds companies to agricultural cooperatives) have a life cycle that is longer than average. Their profitability, which is indirectly influenced by the prices of agricultural production, is lower than for other strategic crops, and can vary from one year to the next. The objective is to develop varieties adapted to different pedoclimatic contexts, with higher and more consistent yields, while being adapted to different industrial outlets. Opportunities for the creation of value also involve the development of hybrid* wheat. This is a strategic development for Vilmorin & Cie and is presented on page 64. As far as barley is concerned, Vilmorin & Cie owns efficient germplasm which will enable it to become one of the reference breeders* for this crop.

As for oilseed crops, both rapeseed in the north and sunflower in the south, they represent an important stake with the growing demand from agri-food and agrofuel industrialists.

- Sunflower, which is very similar to corn, benefits from very high-performance germplasm, and a solidly implanted European distribution network. Vilmorin & Cie's breeding program* focuses mainly on yield, stress resistance and the introduction of disease and pest resistance traits* (including broomrape, a parasite that is prevalent in Europe). The objective is to develop a range of varieties adapted to all the markets, and to provide innovative solutions to maximize yield in the fields of sunflower growers.
- Oilseed rape varieties, because of their agronomic profile, have a short lifespan. Moreover, the crop, already extremely profitable because it has switched to a hybrid* form, will further improve because of the adoption of varieties with improved technical performances. Research programs include yield, oil content, pod-shattering resistance and disease resistance. In this respect, the new hybrids* marketed under the LG brand, first and foremost the LG Architect variety, combine the different characteristics: resistance to "Turnip Yellow Virus", which can have a particularly strong impact on the yield of oilseed rape in Europe, low sensitivity to pod-shattering and high yield potential, thanks in particular to good resistance to cold and drought. A true breakthrough innovation, this genetic offer has quickly become a must, and today LG Architect is the best-selling rapeseed

variety in Europe. New hybrids* were launched over the course of fiscal year 2019-2020, including, in addition to these characters*, the capacity to optimize nitrogen use, offering more regular yields and greater profitability for the crop.

A distinctive sales and marketing approach

The marketing strategy adopted by Vilmorin & Cie for the field seeds market in Europe is also one of the key factors in its success. In corn for example, the Company has fine-tuned the segmentation of its range according to two criteria: the market targeted (market for forage corn and industrial applications) and the qualities targeted (digestibility and starch content for forage corn, and varieties devoted to the production of agrofuels, etc.).

The objective here is therefore to propose a wide segmented offer to meet farmers' needs, around a brand that is strong and recognized by its customers, LG.

Moreover, in order to strengthen its proximity to farmers, Vilmorin & Cie remains attentive to their needs. In addition to the product, it provides them with agronomic expertise and support in order to enhance the full genetic potential of the seed.

As such, Vilmorin & Cie has developed a platform of tools for digital agriculture that provides services to farmers, called Agrility. The aim is to collect environmental and agronomic data to provide farmers with tailor-made solutions. For example, the intra-plot sowing modulation service significantly increases the yield of grain corn. The farmer has access to a digital platform, gathering all the information on the plots as well as the crop itinerary.

Finally, Vilmorin & Cie's multi-crop and multi-brand strategy clearly recognizes the central role of agricultural distribution to exploit the value of its innovations. In this respect, privileged commercial partnerships with European cooperative distribution networks represent another advantage.

Field Seeds in Europe

Main brand



Performances and highlights in 2019-2020: a satisfactory commercial campaign

In Europe, over fiscal year 2019-2020 Vilmorin & Cie posted sales of 571.1 million euros, an increase of 1% with current data. Restated on a like-for-like basis, the increase stood at 0.9%, confirming a satisfactory commercial campaign.

■ In corn, Vilmorin & Cie recorded an increase in its sales while the acreage devoted to this crop increased, in line with the previous year. Growth in sales volumes was particularly strong in Russia, France, Germany and Turkey. Thanks to this good performance, at the end of the fiscal year Vilmorin & Cie confirmed its position as the fourth largest European player in corn seeds.

Illustrating this fine performance, sales of Starcover, whose launch was initiated in fiscal year 2017-2018, increased very significantly this past year. Starcover is a biostimulant applied in seed treatment, which combines a micro-organism and a plant extract with an innovative coating system. This mixture, combined with the best of Vilmorin & Cie's genetics, stimulates root development and efficiency for better yield expression. This major innovation, initially applied to corn seeds marketed in Western Europe, creates added value for farmers and represents a real competitive advantage for Vilmorin & Cie.

■ In straw cereals (wheat and barley), certified seed sales for the long distribution channel fell slightly in comparison with the previous year. On the other hand, the activity of delegating straw cereal varieties (known as the short circuit) rose compared to the same period; it contributed to generating more than 33 million euros in royalties*.

■ In sunflower, sales were down, impacted by a fallback in activity in Ukraine and despite the strong increase in volumes in Russia. It should be noted that Ukraine and Russia now account for more than half of the world's sunflower-growing acreage. At the end of this fiscal year, Vilmorin & Cie remains ranked No. 3 in Europe for this species.

■ In rapeseed, the 2019-2020 commercial campaign was of very high quality, as in previous years. In a market that is temporarily experiencing a very sharp economic downturn, Vilmorin & Cie managed to post sustained growth in sales volumes, thanks to an extremely technically efficient product portfolio, which gives it a solid competitive advantage. In addition, the start of sales for the new rapeseed campaign at the end of the fourth quarter was excellent. Vilmorin & Cie thus continues to win significant market shares and is now positioned as a European leader in rapeseed.

Competitive position

In Europe, Vilmorin & Cie holds top rate competitive positions for its main crops.

Competitive panorama in Europe			
	Straw cereals ⁽¹⁾	Corn ⁽²⁾	Sunflower ⁽²⁾
No. 1	KWS	Corteva Agriscience	Syngenta
No. 2	RAGT	Bayer	Corteva Agriscience
No. 3	Vilmorin & Cie	KWS	Vilmorin & Cie
No. 4	Syngenta	Vilmorin & Cie	Euralis

(1) Wheat and barley (main countries in which Vilmorin & Cie operates).
 (2) Greater Europe.
 Source: internal estimates.

In particular, these options include traits*, giving the plant the characteristic sought after.

These resistance genes incorporated into the plant's genome* enable it to resist certain destructive insects (corn-borer and rootworm) and tolerate herbicides. The genetically modified varieties combine several resistance genes, using the stacking* technique, now considered by farmers to be a standard offer.

The seeds offered by AgReliant thus combine yield and adaptation to their environment. This offer is accompanied by a personalized agronomic roadmap, adapted to the genetic characteristics of each seed variety.

A differentiating sales policy

Thanks to a highly qualified sales force, AgReliant can cover the three distribution networks in North America:

- direct sales to the farmer, which is the most widespread form of distribution,
- farmer-dealer networks,
- and sales through distributors.

Farmers can thus have access to AgReliant's seeds, regardless of their location or the size of their farm, allowing the company to penetrate most of the North American market.

In addition, following the deployment of the new commercial policy and reorganization of its brands since the previous fiscal year, in the United States, AgReliant now relies on two strong brands with a national focus:

- a brand for direct sales to farmers (AgriGold),
- and a brand dedicated to distributors and farmer-dealer networks (LG Seeds).

The Pride Seeds brand caters for the Canadian market.

AgReliant provides very broad coverage of the Corn Belt, the heart of the North American market, as well as the Canadian market.

The objective of this strategy is to encourage innovation, optimize efficiency while fostering a strong relationship of proximity with customers, with the deployment of new tools to support their development, foremost among which is the "Advantage Acre®" platform.

"Advantage Acre®" is a novel tool for precision farming. This digital platform will allow farmers to fill in their own data from their farms, plot by plot, and combine them with information concerning AgReliant hybrids*.

The objective is to allow growers to optimize sowing conditions, to follow the state of their crops with precision and thus overall improve agricultural production.

1.5.2.2. Corn seeds in North America⁽¹⁾

AgReliant, a 50/50 joint venture set up in July 2000 with the German seed group KWS, develops, produces and distributes corn and soybean seeds in the United States and Canada. These are the two main crops grown in North America.

The original aim in creating this company was to unite the research and marketing investments of the two companies and to climb into the rankings of the top local seed companies. Research, production, distribution and administration are all today fully pooled.

AgReliant has managed to win significant market shares since it was first set up 20 years ago, and is now the third largest player on the corn market in the United States, the largest world market in terms of value.

A key advantage: a specific approach to the market

High value-added seeds

AgReliant offers North American farmers high-quality germplasm, which, when combined with technological options, enables adapting seeds to their most specific needs.

(1) Bearing in mind the application of the standard IFRS 11, AgReliant has been recorded in the accounts using the equity method since fiscal year 2014-2015.

Field Seeds in North America Main brands



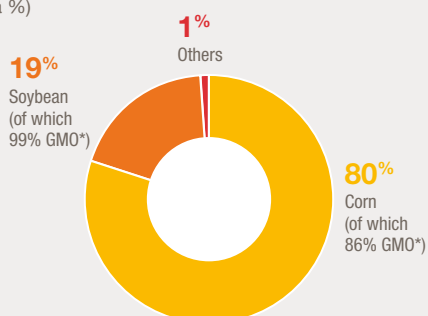
Performances and highlights in 2019-2020: a slight decline in business over the fiscal year

For fiscal year 2019-2020 AgReliant posted sales of 484.6 million euros (100% data) a slight drop of 0.6% with current data (-3.6% on a like-for-like basis).

The last part of the commercial campaign turned out to be disappointing in terms of volumes sold, and was also affected by higher seed returns than expected. Indeed, the fiscal year was marked by the deployment of the new commercial organization, initiated in 2018-2019, which impacted a certain number of AgReliant's distribution networks (sales made through distributors and farmer-dealer networks).

At the end of the fiscal year, AgReliant maintained its position as the 3rd largest player position on the North American corn seed market.

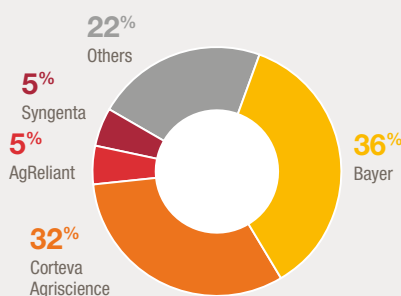
Analysis of AgReliant's sales by crop (as a %)



Competitive position

With a particularly concentrated competitive environment (more than 80% of the market being held by four players), AgReliant is positioned as the 3rd largest player on the corn market in North America.

Estimate of market shares in corn seeds in North America (Spring 2020)



Source: internal estimates.

1.5.2.3. Field Seeds in development regions

To go beyond its positions in Europe and North America, Vilmorin & Cie made the strategic choice in 2010 to internationalize its Field Seeds activities on new markets with strong potential for development: South America, Asia and Africa.

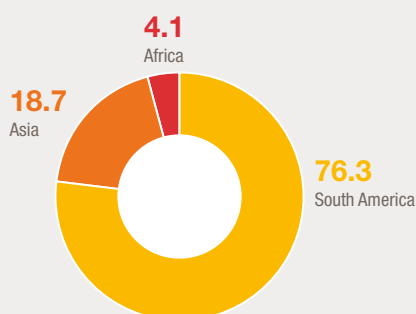
Performances and highlights in 2019-2020

In its development regions for Field Seeds, Vilmorin & Cie made sales of 99.1 million euros in 2019-2020⁽¹⁾, an increase of 25.5% with current data and 15.4% on like-for-like basis.

These regions therefore experienced very marked growth this year. Although sales are still modest at Company level, Vilmorin & Cie is continuing to deploy its Field Seeds activities internationally.

(1) Excluding wheat seeds in North America.

Field Seeds in the development regions
Analysis of business on June 30, 2020
 (in millions of euros)



Vilmorin & Cie's facilities in its development zones are structured for research, production and commercial development. The research and marketing functions are global, ensuring there is worldwide coordination of these key cross-cutting functions. Similarly, a genetic resources* network has been established, to optimize the management of germplasm*, for example that of temperate corn and tropical corn.

South America

On June 30, 2020, Vilmorin & Cie, through its Business Unit Limagrain South America, posted very strong business growth in South America: +24.6% with current data and +12.1% on a like-for-like basis. Despite the difficulties linked to the health crisis, Vilmorin & Cie continued its expansion in this key continent. In addition, Sursem (Argentina) and Geneze (Brazil), whose acquisition was completed in December 2018, are now fully integrated: they enabled Vilmorin & Cie to take a step forward on the South American market by significantly strengthening its organization and its commercial positions for major crops (corn, soybean, sunflower and wheat). With Brazil and Argentina, Vilmorin & Cie now benefits from two solid bases in South America to ensure its continued development.

- In Brazil, sales for the first campaign in corn (*safra*) were down compared to last year, while the second campaign (*safrinha*⁽¹⁾) recorded strong growth in both volume and value, in a more favorable market environment this year. As a result of this fine achievement, Vilmorin & Cie is gaining market share in *safrinha* corn. As for soybean

seed sales, in line with the previous fiscal year, they showed excellent growth; Vilmorin & Cie thus continues to strengthen its positions for this major crop in South America.

It may be recalled that in Brazil, following the integration of the company Geneze, sales are made through two commercial brands: the LG brand, which is dedicated to the sale of corn, soybean and wheat seeds, and the Geneze brand, which is dedicated to the sale of corn seeds.

- At the same time, in Argentina, in a market impacted by the political and economic context, and marked in particular by the sharp devaluation of the local currency, sales were up significantly. They benefited from the integration of Sursem, which enabled Vilmorin & Cie to significantly and effectively complete its organization in terms of research, production and sales network. In Argentina, since the end of fiscal year 2018-2019, Vilmorin & Cie has been operating under a single commercial brand: the LG brand.

In addition, beyond these two countries, the Business Unit Limagrain South America also deploys its business in Chile and Peru, which are mainly dedicated to seed production.

It is also working to develop new markets, in partnership with local distributors, in Paraguay and Uruguay, and more recently in Ecuador and Peru.

Asia

Vilmorin & Cie's Field Seeds activities in Asia are structured around three priority zones: India, China and Southeast Asia. Their development is managed by teams in the Business Unit Limagrain Asia-Pacific, based mainly in Bangkok (Thailand), Hyderabad (India), and Beijing (China)

In this continent, in 2019-2020, Vilmorin & Cie posted fine growth, particularly in India, resulting overall in a good fiscal year, even if business was impacted by drought in some countries.

- In India, Vilmorin & Cie's organization relies on Bisco Bio Sciences⁽²⁾, one of the top Indian players in corn seed, held 100% since March 2013. Vilmorin & Cie is continuing its deployment and the structuring of its local organization in India, especially commercially. Vilmorin & Cie benefits from a research center devoted to corn and rice, located in the north of the country, as a complement to the research center located in Yadaram (state of Telangana). Vilmorin & Cie now has its own hybrid* rice seed program and can therefore, as a complement to corn, offer Indian farmers this crop that is essential for the market.

(1) *Safrinha* corn corresponds to the second corn crop, sown after the soybean harvest, from January to March.

(2) Company today named Limagrain India.

- In Southeast Asia, Vilmorin & Cie structures its activities around the Thai company Seed Asia⁽¹⁾, acquired in March 2014 and whose commercial presence extends beyond Thailand.
- In China, Vilmorin & Cie's commercial presence is ensured through the joint venture for the production and distribution of corn seeds Hengji Limagrain Seeds, in which Vilmorin & Cie holds 45% of the capital stock. In China, the participation of foreign companies in the capital stock of Chinese field seed companies is currently limited by law to minority positions. Vilmorin & Cie also has three research centers in China, located according to the different corn types (spring, summer and subtropical), two counter-season sites, and a wheat breeding* station. Vilmorin & Cie is pursuing its local research programs; several varieties were introduced onto the market during the course of fiscal year 2019-2020. As a result of these launches, Hengji Limagrain Seeds' activity grew very fast over 2019-2020, at a similar rate to that achieved in previous fiscal years. This very good performance, mainly achieved in northeast China, in the temperate corn niche, is based on quality genetics, with a temperate corn germplasm* from Europe and North America perfectly adapted to the environment of northeast China. The product offer should continue to expand gradually over the next few years.

Africa

In Africa, Vilmorin & Cie develops its Field Seeds activities through the Business Unit Limagrain Africa, whose business was once again considerably affected during the course of fiscal year 2019-2020 by persistent drought in South Africa.

Vilmorin & Cie began its activity on the African corn market in January 2013, with the acquisition of Link Seed (South Africa). In order to pursue its strategic implantation on the continent, in 2013-2014, Vilmorin & Cie purchased a minority stake in the capital stock of the African company Seed Co. Listed on the Stock Exchanges of Harare (Zimbabwe) since 1996, and Gaborone (Botswana) since 2018, Seed Co is the largest seed company in Africa, with strong presence on the white corn market for human consumption. The company enjoys leading positions in several southern African countries (Zimbabwe, Zambia, Malawi, etc.) and aims to develop in other regions of the continent.

As of March 31, 2020, with total sales reaching 114 million US dollars⁽²⁾, Seed Co posted strong growth in its activities outside Zimbabwe, demonstrating the pertinence of its strategy to internationalize its positions.

At the same time, in Zimbabwe, Seed Co kept the impacts of the local economic crisis under control.

Vilmorin & Cie and Seed Co are constantly strengthening the implementation of their partnership, which provides Vilmorin & Cie with access to new markets with high potential.

Thus, in August 2018, Seed Co reorganized its activities through a partial demerger which led to the separate listing of its holding structure Seed Co International. This structure, based in Botswana, groups all its international activities (except Zimbabwe). Vilmorin & Cie therefore participated in the reserved capital stock increase of Seed Co International.

Since then, Seed Co has been listed on the Gaborone (Botswana) and Harare (Zimbabwe) stock exchanges.

As Seed Co's leading shareholder, on June 30, 2020, Vilmorin & Cie held 29.2% of the capital stock of Seed Co Limited and 30.9% of that of Seed Co International.

In recent months, Vilmorin & Cie has continued to accompany Seed Co in its development projects.

- During the course of the fiscal year 2019-2020, Vilmorin & Cie and Seed Co created a joint venture mainly devoted to corn seeds, and located in Ghana. Operationally established between Vilmorin & Cie and Seed Co International, this new structure is equally held by the two companies; it will specifically address the West and Central African markets.

- At the beginning of fiscal year 2020-2021, Vilmorin & Cie announced the creation of a joint venture in South Africa dedicated to field seeds, particularly corn. Operational as of July 2020, this structure groups together all of Vilmorin & Cie's field seeds activities in South Africa - through Link Seed, Seed Co and a third partner: Klein Karoo Seed Marketing⁽³⁾. Named Limagrain Zaad South Africa, it is controlled by Vilmorin & Cie.

This joint venture will constitute one of the top players in South Africa, proposing a specific multi-crop approach and benefiting from critical mass in an already highly consolidated field seed market. It has a combined headcount of around 300 and sales of over 20 million euros. It covers South Africa, as well as Lesotho, Eswatini and Namibia, which also require temperate genetics for corn.

The joint venture combines the strengths of the three companies, and will be able to capitalize on a high level of synergies, in terms of research, production, product portfolio, sales organization and marketing, with in particular three well-known brands.

The joint venture is primarily dedicated to corn seeds (white and yellow), an essential crop in South Africa.

(1) Company now named Limagrain Thailand.

(2) Annual data at 100%. Seed Co's fiscal year closes on March 31.

(3) Klein Karoo Seed Marketing is a South African seed company which has been firmly established in the country since its creation in 2002; it is a subsidiary of the South African group Zaad, which in turn belongs to the Zeder Investment group, which specializes in the agricultural sector and is listed on the Johannesburg stock exchange.

Moreover, the joint venture stands out on the market by offering a wide product range, including soybean, sunflower, wheat, sorghum and forage, as a complement to corn. Fully integrated into Vilmorin & Cie's worldwide field seeds research organization, it will also be able to benefit from genetic resources* from the Americas and Europe to increase the efficiency of its research work. On the strength of these assets, the joint venture, which today represents 6 to 7% of market share in corn, has set itself the ambition of reaching a 10% share in this market in the country within three years.

Continuing to intensify its collaboration ventures with Seed Co, Vilmorin & Cie demonstrates, through these operations, its desire to significantly accelerate its expansion in Africa.

1.5.2.4. Wheat seeds in North America

Wheat is the most widely cultivated crop in the world, and so for Vilmorin & Cie it is a strategic crop. Vilmorin & Cie holds a leading position in Europe, as well as in Australia, through its minority stake of almost 33% in Australian Grain Technologies⁽¹⁾, the Australian leader for cereal breeding*, development and distribution.

Beyond Europe and Australia, Vilmorin & Cie is now present in other major areas of world wheat production: the foremost of which are the United States and Canada.

The Business Unit Limagrain Cereal Seeds, based in Fort Collins (Colorado, United States), is the development platform for North American activities. This operation combines scientific collaboration with certain American universities, a portfolio of diversified genetic resources* adapted to local climate conditions, and a sales network covering the main American production areas. The local team, comprising wheat experts who are highly mobilized to develop this market that remains undervalued today, is another key factor for future success.

Performances and highlights in 2019-2020

- In a market environment that remains difficult, wheat acreage decreased again this past year in the United States (-2%. *Source: USDA 2020*), reaching 17.9 million hectares, its lowest level since statistics were first recorded in 1919.

In this context, the Business Unit Limagrain Cereal Seeds achieved a solid performance, with a strong increase of its sales on June 30, 2020 (6.9 million euros, i.e. +19.9% with current data and +16.2% on a like-for-like basis compared with June 30, 2019). Growth, which particularly concerns the Pacific North West area, relies on a quality product offer. It allows Limagrain Cereal Seeds to continue to strengthen its commercial positions in the region.

The level of business nevertheless remains modest on the group scale.

- Furthermore, in the United States, implementation of the partnership signed at the beginning of 2016 with the Colorado Wheat Research Foundation and the company Albaugh⁽²⁾ is continuing. This technological and commercial agreement targets the development of wheat varieties with a non-GMO* trait conferring resistance to a generic herbicide.

Limagrain Cereal Seeds has thus developed four wheat varieties that provide effective weed control and offer additional qualities adapted to the needs of wheat producers, representing a new and innovative solution for them. Other varieties are currently being developed.

This world partnership also involves an exclusive license granted to Vilmorin & Cie, with the commitment to deploy the use of the technology outside the United States.

- In Canada, Vilmorin & Cie is making progress with the development of its research program through the joint venture Limagrain Cereals Research Canada⁽³⁾, specialized in the development and breeding* of cereal crops. Created in July 2015 with the Canadian company Canterra Seeds, this joint venture will ultimately bring significant added value to western Canadian agriculture by developing new varieties of cereal crops, with a specific focus on wheat, using the most advanced technologies. In this respect, the first varieties were registered during the course of fiscal year 2019-2020, as part of a pilot project. This creation was made possible in a context where the Canadian government adjusted its legislation, which, in the coming years, should result in the application of royalties* on wheat seeds, and which should place Canada among the top world players for this crop.

(1) Over the course of fiscal year 2019-2020, Australian Grain Technologies made total sales of 17.3 million euros. Australian Grain Technologies is part of the Business Unit Limagrain Asia-Pacific.

(2) Company specialized in generic products for plant production.

(3) A joint venture located in Saskatoon (*Province of Saskatchewan, Canada*) and held 70% by Vilmorin & Cie and 30% by Canterra Seeds. Furthermore Vilmorin & Cie holds 30% of the capital stock of the company Canterra Seeds.

1.5.3. Garden Products

Garden Products
sales in 2019-2020

52
million euros
(-0.8% with current
data)

Vilmorin & Cie offers home gardeners a full range of seeds (vegetable, flower and amenity grass) and associated products (flower bulbs, potting soil and garden equipment).

The Garden Products division's customers comprise all the garden

product distribution networks: garden centers, agricultural self-service stores, home improvement stores and supermarkets. Vilmorin & Cie's product line-up is also sold online through different websites of pure play garden specialists and online sales to consumers.

The Garden Products branch is continuing its transformation and digitalization, with the ambition to become the partner of all gardeners in their garden experience. It is organized around the Vilmorin Jardin Business Unit.

1.5.3.1. Key advantages: solid expertise and a strong brand, Vilmorin

Vilmorin & Cie permanently develops innovations to anticipate and meet the needs of consumers who are seeking efficient, easy-to-use solutions that guarantee success for their vegetable and decorative flower gardens. Notions of pleasure and fun experiences are also playing a greater role today in consumer choices, who seek healthier, locally produced food too.

Drawing on its expertise and its emblematic Vilmorin brand, the Garden Products division is pursuing diversification of its commercial offer. After launching a Vilmorin application for cell phones and connected objects last year, along with its sensor, this year, for example, it has expanded its organic range. Vilmorin & Cie is thus strengthening its presence in all the solutions offered to home gardeners, around its Vilmorin brand.

Moreover, the Garden Products division relies on the technical expertise of the Vegetable Seeds division to succeed in its strategy of innovation.

Garden Products Main brands



1.5.3.2. Performances and highlights in 2019-2020: a strong recovery in sales of seed packets, and a return to a balanced operating performance

Sales for the Garden Products division came to 52 million euros on June 30, 2020, slightly down by 0.8% with current data, and up by 2.2% on a like-for-like basis.

- While January and February saw strong growth, the Garden Products activity was directly impacted by the closure of garden centers and large do-it-yourself stores in March 2020 in France, due to the Covid-19 health crisis: it thus experienced a sudden temporary halt, with sales down approximately 40% in that month alone. Nevertheless, over the fourth quarter, business was very dynamic, thanks to the strong recovery of gardening in France at the end of the lockdown period. The market for seed packets for home gardeners, which had been marked by continuous erosion for several years, showed a significant rebound this year, directly related to the health crisis. As a result, Vilmorin Jardin recorded a very marked increase in sales of seed packets (especially vegetable seeds), benefiting from the trend towards a return to a healthier and more local diet, combined with the period of lockdown, which boosted the incentive for home gardeners to spend more time in their gardens.
- The health crisis and the period of lockdown have also accelerated the use of new digital consumption modes: online purchases have experienced extremely strong growth this year. Vilmorin Jardin, which sells its product line-up on the websites of its main customers, benefited from this trend.

Likewise, visits to the Vilmorin Jardin website, which was completely redesigned last year, and to its social media (notably Youtube and Instagram) increased significantly. Enabling amateur gardeners to gather all the information and advice to accompany them, this trend also marks the interest of new consumers, including neophytes, in gardening. It is also the fruit of the reorientation of the marketing strategy initiated 3 years ago and the major advertising campaign carried out in 2018-2019.

In this context, Vilmorin Jardin's application also met with great success. Launched in the spring of 2019, this application for cell phones and connected objects, accompanied by a sensor, is a true "gardener's coach", offering consumers practical and easy advice on how to make their garden a success. The goal here is also to recruit new gardeners.

- With the same objective in mind, Vilmorin Jardin continued to expand its product range of organic seeds, in particular under the Vilmorin brand, to respond to this very strong development in France. The line-up, which now covers the main crops, will continue to expand in the coming years. As for the potting soil range, it is gradually progressing in the market. Its segmentation, particularly with smaller packaging volumes, meets consumer needs. In addition, over the fiscal year, sales under the Vita brand, dedicated to food retail stores, increased significantly. They certainly benefited from the lockdown period – during which the food supermarkets were authorized to stay open – but also from efficient work done to reposition the range, which simplified and clarified the offer. The Vita brand became the leading brand in superstores.

- Moreover, the integration of Gondian, whose business was acquired at the beginning of fiscal year 2018-2019, enabled Vilmorin Jardin to benefit from the strong complementarities and synergies existing between the two companies, particularly in terms of product offerings and customer portfolio.

Finally, the sale of the Garden Products business in Turkey was completed at the end of fiscal year 2019-2020. This business was taken over by the Turkish company Genta, specialized in soil fertilizers, seeds and garden products. On the other hand, in Poland, Vilmorin Jardin decided, in the context of the health crisis, to suspend the project to dispose of its activities there.

- At the same time, Vilmorin & Cie continued its action plan during the fiscal year aimed at further optimizing its expenses, particularly in terms of operating costs. As a result of the efforts made over several recent years and the commercial performance recorded over the fiscal year, particularly on sales of seed packets, the fiscal year was also marked by the return to a balanced operating contribution from the Garden Products activity.

Vilmorin Jardin, which is pursuing its transformation, will consolidate the diversification of its offer, with the objective of being the partner of all gardens and gardeners.

1.5.3.3. Competitive position

Vilmorin & Cie is the leading player on the French market for seeds intended for home gardeners.

1.6. Business model

MAIN CHALLENGES FOR THE SEED SECTOR

RESOURCES AND ASSETS

Human capital and governance

- A long-term reference shareholder and a diversified floating shareholder base
- 7,054 permanent employees of 72 nationalities
- 48% of headcount based outside Europe
- Board Members strongly involved in governance and guaranteeing close proximity to the agricultural world

Economic and financial capital

- 1.2 billion euros shareholders' equity on June 30, 2020
- Net financial indebtedness of 934 million euros on June 30, 2020

Intellectual capital

- 16.7% of sales reinvested in research⁽¹⁾
- 29% of headcount active in research
- More than 100 research centers in the world
- Almost 280 years experience in plant improvement
- A portfolio of strong brand

Natural and environmental capital

- 262.5 GWh of energy consumed
- 2,790,309 m³ of water consumed
- Active participation in the preservation of genetic diversity

Societal capital

- Sites in 51 countries
- Numerous scientific, industrial and commercial partnerships
- Regular dialogue and strong involvement with stakeholders in the different regions with sites

No.4 seed company worldwide,
Vilmorin & Cie creates vegetable and field seeds
with high added-value, contributing to meet food challenges



A SPECIFIC DEVELOPMENT MODEL

- A single core business of seeds
- Organization very close to its markets
- A long-term vision of its development
- Three founding values: progress, perseverance and cooperation

AN AMBITIOUS STRATEGY OF WINNING MARKET SHARES

Data for 2019-2020.

(1) Data calculated from the sale of seeds for activities intended for professional markets and integrating 50% of AgReliant's business (North America. Field Seeds.)

- Increase in the world population and in food needs
- Growing urbanization and a trend towards a reduction of arable land
- Climate change and the preservation of natural resources
- Access to plant biodiversity
- Digital transformation



4. PRODUCING SEEDS IN THE FIELDS



5. PROCESSING SEEDS



6. SELLING SEEDS

- Strong permanent investment in research
- Strong internationalization of activities
- Capacity to combine targeted acquisitions and partnerships

A CSR PROGRAM ANCHORED IN THE COMPANY'S DNA

- Contribute to the lasting progress of agriculture through seed
- Act responsibly
- Encourage cooperation

IMPACTS AND VALUE CREATION

Human capital and governance

- Strategic choices guided by customer needs and consistency in strategic orientations
- 322 million euros paid out in compensation to employees and almost 11 million euros devoted to profit-sharing schemes
- 104,306 training hours with a training budget of more than 2 million euros

Economic and financial capital

- Sales of 1,435 million euros
- Total net income of 67.5 million euros
- 34.6% profit distribution rate (a dividend of one euro per share)
- 1.1 billion euros of market capitalization on June 30, 2020
- A 3rd free allotment of shares in 2019

Intellectual capital

- A portfolio of nearly 6,000 varieties, associating globally consumed crops and local crops
- 337 new varieties launched

Natural and environmental capital

- 2.8 million euros invested in the improvement of environmental impacts
- 58,167 t_{eq}CO₂ emitted
- More than 1.8 million euros invested in almost 100 actions to reduce energy consumption
- 34,911 tonnes of waste generated and 73.7% of non-aqueous waste recovered

Societal capital

- Contribution to the increase in food production through the genetic progress made by new varieties
- 176 societal and philanthropic actions
- A responsible purchasing policy
- Influence exerted in societal debates related to seed issues

1.7. Development model

A specific model

In a business sector that is characterized by the strong concentration of its players, and driven by research and internationalization, Vilmorin & Cie focuses its development on a specific economic model, with the following three major, singular advantages:

**A single
core business
of seed**

**Very close
proximity
to markets**

**A long-term
vision of its
development**

Through the solidity of this model, the resilience of which has been confirmed in the context of the Covid-19 health crisis, Vilmorin & Cie is in a strong position to deploy an ambitious strategy, in order to sustainably ramp up its world leadership positions.

Vilmorin & Cie's development model draws its inspiration from the respect of three founding values: progress, perseverance and cooperation.

Shared with its reference shareholder, Limagrain, these values are linked to the historic expertise of Vilmorin & Cie in plant improvement since 1743, and its anchorage in the world of agriculture.

- Progress has always been at the heart of the convictions and mission of Vilmorin & Cie. Its objective is to move agriculture forward to meet its numerous challenges, whether food, social or environmental. For Vilmorin & Cie, which has always had a culture that is both agricultural and scientific, the vision of progress is that of responsible progress. This culture of progress is materialized by strong, permanent investment in research.
- Perseverance is part and parcel of the professions of farmer and seed producer, which both need to work in the long-term. At Vilmorin & Cie, this perseverance is also expressed through the consistency of its strategic orientations.
- Finally, the spirit of cooperation, which is also one of the founding principles of the cooperative group Limagrain, is expressed through the numerous cooperation agreements and partnerships instigated by Vilmorin & Cie throughout the world, whether scientific, industrial or commercial.

1.7.1. A single core business: seeds

Vilmorin & Cie is heir to several centuries of know-how of great botanists and agronomists, and is a pure player in seeds, not involved in agrochemicals, unlike many players who offer all-in solutions. Vilmorin & Cie is thus the world's leading non-agrochemical seed company.

Vilmorin & Cie focuses its expertise on the creation of new varieties of seeds with higher added value, which will enable farmers and growers to produce more and better, thus contributing to meeting global food challenges.

As the first link in the food chain, seeds are indeed a concentrate of solutions.

Focused on its know-how in seed and plant breeding, and as an original alternative to the all-in offers of agrochemical companies, Vilmorin & Cie can preserve the independence and freedom of choice of farmers regarding their other production factors.

Active throughout the value chain, from research to distribution, Vilmorin & Cie controls all the stages in its seed business, proposing high quality seeds, perfectly adapted to each of its target markets.

The process of developing a seed involves the following stages:



1 ANALYZING NEEDS

The phase of analyzing and anticipating the needs of direct customers – farmers and growers – and indirect targets – distributors and consumers – is a fundamental stage in the creation of seeds. This stage is all the more complex that it has to account for geographical specificities and expectations that can vary considerably for the same crop.

● **Vilmorin & Cie relies on operational organization that is close to its markets in order to assess the requirements of its customers and ensure relevant information is passed on to its marketing and research teams.**



2 MANAGING AND ENRICHING GENETIC RESOURCES*

The development of new seed varieties is only possible if beforehand there is a collection of plants, called genetic resources* or heritage, as wide and varied as possible. They have to be collected, enriched, and characterized, and then maintained regularly so as to preserve their quality, and ensure they are available for the research teams. Indeed, breeders* use this plant base to draw their “raw material”, which is indispensable for the creation of a new seed variety.

● **Vilmorin & Cie has a very large and diversified collection of varieties produced from its genetic heritage*. Built up over the past 280 years of its history, it has been enriched through the acquisitions of seed companies, breeding* programs and research partnerships.**

3 CREATING NEW SEED VARIETIES



After these phases of needs analysis and access to genetic resources*, breeding* can begin, which is the art of crossing two varieties of the same plant species, with distinct properties, in order to create a new plant whose agronomic profile will be superior to that of its parents.

This breeding* work – or variety improvement – is the key to creating value and the competitiveness of the seed company. It can be facilitated by using plant biotechnology*. These tools such as molecular marking*, genotyping, transgenesis*, etc., can be used to develop new plants faster and more efficiently thanks to more extensive knowledge of their genome*.

● **Vilmorin & Cie develops varieties that are adapted to different regions and climates, with a better yield, specific resistances (to diseases, insects, etc.) and improved qualities. (for example, taste). In a context where research is becoming more and more industrialized, Vilmorin & Cie can benefit from an international network of internal and external skills, including more than 2,000 staff contributing to the research process spread out over more than 100 research centers all over the world, and from numerous partnerships. This organization is explained in more detail on page 52.**

The regulations that apply to the marketing of seeds

In compliance with regulations in force in targeted countries, before distributing the created variety, it has to be certified (for GMOs*) and registered (for all varieties: both GMOs* and conventional) in countries that have a catalogue, in particular to demonstrate the absence of risks to human and animal health and the environment (for GMOs*) as well as the characteristics of the said variety (in particular distinctness, uniformity and stability). In Europe, for example, any new variety can only be marketed if it is listed in the official European catalogue.

Further information on the regulations applied to the marketing of seeds is available at the following addresses.

- Concerning France: <https://www.geves.fr/informations-toutes-especes/quelles-sont-les-reglementations/reglementations/>
- Concerning Europe: https://ec.europa.eu/food/plant/gmo/legislation_en (for the certification of GMOs*) and https://ec.europa.eu/food/plant/plant_propagation_material/plant_variety_catalogues_databases_en (for the registration of all varieties)



4 PRODUCING SEEDS IN THE FIELDS

Once it has been created and registered, the new seed variety is produced in the field. Seed production must provide flexibility and optimal adaptability to market conditions, with high quality at a competitive price. The careful choice of production zones is therefore a vital factor in determining seed quality and the capacity to satisfy demand.

● **Vilmorin & Cie entrusts its seed production to an international network of carefully selected seed multiplication farmers* who work to very strict specifications. Vilmorin & Cie also has its own production farms, particularly for the production of high value-added seeds.**

5 PROCESSING SEEDS (CLEANING, CALIBRATION, PROCESSING, PACKAGING)

Seed production then involves an industrial valorization phase. During this stage, the seed is first prepared – i.e. sorted, cleaned, dried and calibrated – then treated or pelleted to facilitate sowing. This stage also integrates packaging and storage.

In addition, throughout this industrial process, quality controls are carried out to guarantee the conformity of the seeds (germination, sanitary state, specific and varietal purity).

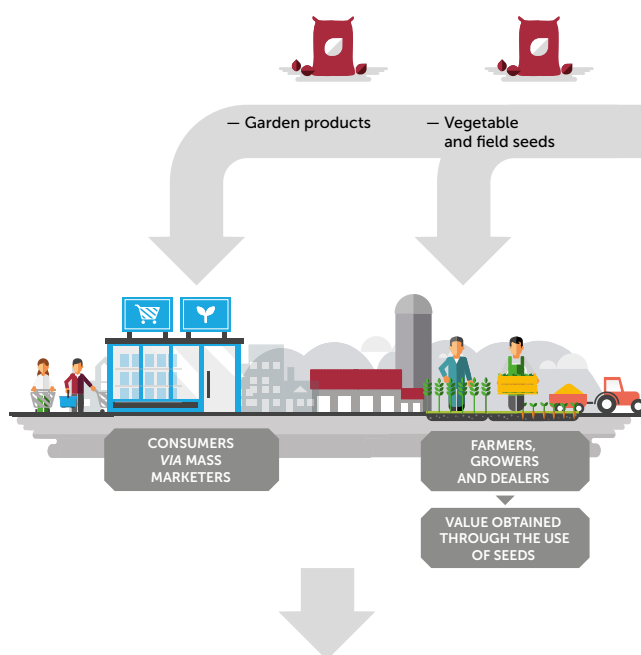
● **Vilmorin & Cie makes full use of the strong expertise of its teams, modern industrial equipment, and standardized controls to guarantee the high quality of the seeds.**

6 DISTRIBUTING SEEDS

Finally, after a product development phase that makes it possible to initiate the marketing of the seeds to growers and farmers, the seeds are distributed as widely as possible on the markets.

● **In order to remain in close contact with its customers, almost all Vilmorin & Cie's subsidiaries sell seeds through distributors, cooperatives and sometimes directly to end users. These networks are selected according to the specific nature of each geographical region. Sales teams represent about 27% of the total headcount in the Company.**

Vilmorin & Cie relies on a portfolio of very well-known brands, each with specific positioning.



In 2019-2020, Vilmorin & Cie launched 337 new varieties on the market.



IT TAKES

7 to 10 YEARS

ON AVERAGE TO CREATE A SEED

1.7.2. Close proximity to markets

1.7.2.1. Thanks to its organization model

Vilmorin & Cie has chosen to organize each of its activities around Business Units, in order to focus on proximity to its multiple markets.

This organization model, specific to Vilmorin & Cie, is a great strength. It guarantees very close proximity to its customers, excellent knowledge of its markets, which are highly segmented both in terms of products and regions, along with a real capacity to anticipate and to react.

The ten Business Units of Vilmorin & Cie each have a well-adapted development strategy, defined in accordance with a global crop/geographical zone architecture; and they each have their own dedicated organization.

Cross-cutting functions, such as the scientific strategy, the external growth policy and finance are all centralized.

The organization diagram is presented on page 31.

1.7.2.2. Thanks to its reference shareholder: Limagrain

Through its reference shareholder Limagrain, Vilmorin & Cie benefits from close proximity with the world of agriculture. Indeed, Limagrain's parent company is an agricultural cooperative.

This knowledge of agriculture represents a solid and original performance lever for Vilmorin & Cie in the seed sector.

Thanks to this proximity to its markets all over the world, Vilmorin & Cie strives to serve all types of agriculture in their diversity and with respect for the agricultural and cultural reality of each region.

1.7.3. A long-term vision of its development

Vilmorin & Cie is driven by a long-term vision of its development, corresponding to that of its reference shareholder Limagrain.

The long-term is a key component in the professions of farmer and seed producer, where long periods are involved. This is also an important feature of the culture of Limagrain, with its source partly in the farmer members of the cooperative, above all concerned to ensure the lasting success of their farms.

Characterized by transparency in the information it provides and by its sharing of decisions, the governance of Vilmorin & Cie, like that of its reference shareholder Limagrain, allows strategic choices to be made for the long-term. This constancy in strategic orientations has resulted in a solid history of growth and also enabled Limagrain to encourage the development of Vilmorin & Cie, accompanying its investments regularly and significantly.

Created and managed by French farmers, Limagrain is an agricultural cooperative and an international seed group. Its purpose is to cooperate so that agriculture can progress everywhere, for everyone.

As a creator and producer of plant and cereal varieties, Limagrain develops vegetable seeds and field seeds – through Vilmorin & Cie – as well as agri-food products (ingredients and bakery products) – in particular through the Jacquet and Brossard brands.

To find out more

www.limagrain.com -    #Limagrain

1.8. Strategy and objectives

A strategy of winning market shares

Vilmorin & Cie's aim is to contribute to meeting the world's food challenges by creating high value-added seeds. For this purpose, the Company relies on an ambitious strategy.

This strategy is a blend of strong, continuous investment in research, powerful international growth, and the capacity to combine targeted acquisitions and partnerships, in order to accelerate its expansion and strengthen its leading global positions sustainably on promising and resilient world markets.

3 strategic foundations



1.8.1. Strong, continuous investment in research

1.8.1.1. Research, the key to performance

As the main source of value creation, research ensures tomorrow's growth and is at the heart of business development challenges.

It aims to develop new varieties that are adapted to agricultural, environmental, climatic and societal challenges and that meet the expectations of each of the players in the sector, and which must:

- improve the plant's agronomic qualities (adaptation to different climates and regions, resistance to diseases and to insects, yield, drought tolerance, etc.) for farmers and growers,
- integrate the technical and logistical constraints of industrialists and distributors (standardization of calibration, appearance and texture of food products, preservation, earliness, price, etc.),
- improve the taste, convenience and nutritional qualities of the products depending on the cultural specificities of consumers, while anticipating evolutions in consumption practices.

By developing new seed varieties in as short a time as possible, with high added value, and that are perfectly suited to the requirements of its customers and societal trends, Vilmorin & Cie's research generates decisive commercial advantages, making it possible to win new market shares and achieve organic growth higher than that of the market.

Key indicators

in research 2019-2020

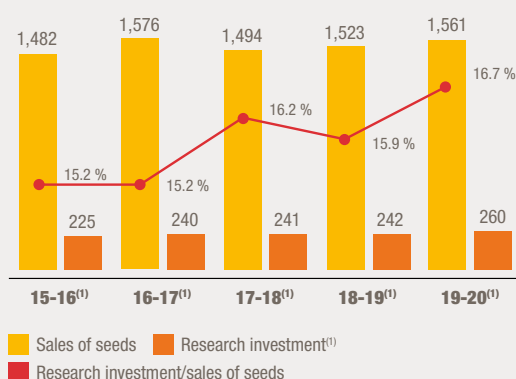
- 16.7% of seed sales invested in research⁽²⁾ – including about 86% devoted to conventional research, and 14% devoted to biotechnology*
- 260 million euros of investment in research in absolute value, balanced in its spread between Vegetable Seeds and Field Seeds
- 310 million euros invested globally, i.e. including funding in the form of partnerships
- 337 new varieties created and marketed
- Proportion of sales from proprietary* Vegetable Seeds varieties: 96%
- Proportion of sales from proprietary* Field Seeds varieties: more than 50%

During the course of fiscal year 2019-2020, Vilmorin & Cie signed a long-term funding agreement with the European Investment Bank (EIB). This funding, for a total amount of 170 million euros and which involves two maturity tranches at five years and seven years, will be devoted to R&D projects.

It demonstrates the support of a leading European institution to Vilmorin & Cie's seed research strategy.

Evolution of investment in research

(in millions of euros and as a % of sales)



1.8.1.2. A comprehensive research organization

Thanks to the expertise of its research teams, both in conventional breeding* and plant biotechnology*, and its worldwide locations, Vilmorin & Cie is able to create new varieties with differentiating advantages, and strengthen its competitiveness through innovation.

In 2019-2020, more than 2,000 staff contributed to the research process. This represents 29% of the headcount, spread out over more than 100 research centers throughout the world, working on upstream research and conventional breeding* in vegetable seeds and field seeds, to meet market needs.

In terms of organization, Vilmorin & Cie's research combines cross-company resources and sites that are

(1) Research investment corresponds to gross research expenditure before any recording of research costs as fixed assets and tax relief for research.

(2) Data calculated from the sale of seeds for activities intended for professional markets and integrating 50% of AgReliant's business (North America. Field Seeds).

as close as possible to its target markets. Each Business Unit runs its own plant breeding programs, ensuring that customer requirements are taken into account with regard to the product innovation process. Their activity is coordinated by a Divisional Research Department ensuring that technological resources are pooled, and genetic databases are circulated between the Business Units, with faster integration of any work concerning the development of new technologies. It is also responsible for managing major partnerships.

In the Field Seeds division, Research Departments have also been set up for each of the strategic crops, and for each of the major areas of biotechnology*.

The group's Scientific Affairs and Innovation Department focuses, with complementarity, on certain strategic projects, prospective science, technology and regulations, and the pooling of support in expertise.

Key themes include, for example, developments related to digital agriculture. Vilmorin & Cie is currently working to develop innovative, comprehensive solutions for farmers to manage their crops, from sowing to harvesting, and best exploit the potential of each seed variety. They include several areas of expertise: genetics, agronomy, technologies (for example data sensors) and data analysis. Examples of tools are presented on page 36, paragraph 1.5.2.1.

At the same time, and with the aim of strengthening its innovation capacity, Vilmorin & Cie made a commitment during fiscal year 2018-2019, and for a period of ten years, to the PSL Innovation Fund, a professional private equity fund created by the partnership between the Université PSL (Paris Sciences et Lettres) and the management company Elaia.

Backed by the Université PSL, France's leading research and higher education center, *PSL Innovation Fund* targets innovative start-ups with a strong digital and technological component, active in particular in the life sciences, biotechnologies, agriculture and artificial intelligence sectors. This commitment provides Vilmorin & Cie, one of the fund's reference partners in the field of agriculture, with privileged access to the leaders of today and tomorrow on key topics and to strengthen its links with world-class innovation ecosystems. The start-ups followed by the *PSL Innovation Fund* are indeed a source of innovation, which will benefit all Vilmorin & Cie's businesses and activities, both strengthening their operational efficiency and developing new products and services.

Vilmorin & Cie's research organization

Risk

Group Scientific Affairs and Innovation Department
Intelligence
Pooling of support in expertise
Research leadership

Divisional Research Department
Pooling of technological resources
Technological innovation
(new protocols, technology tests)

Business Unit/Company Research Management Committee
Product innovation
Implementation of plant breeding processes
Use of routine technologies

Maturity

1.8.1.3. Vilmorin & Cie's research focuses

Permanently enriching genetic resources*

In order to create new varieties, research is first and foremost dependent on the diversity of plants. Access to genetic resources* is therefore fundamental for sustainable seed production.

Vilmorin & Cie has a very large and diversified collection of varieties, developed over its 280 years history. Progress in plant breeding* is dependent on the capacity to enrich and network this heritage. It is ensured by taking full advantage of breeders' know-how*, the opening or modernization of research centers, as well as external growth operations and partnerships.

The preservation of the genetic biodiversity of cultivated species is therefore a priority for Vilmorin & Cie. It contributes to this through its participation in national and international programs for the preservation and exchange of genetic material and through its own conservation work.

At the same time, Vilmorin & Cie maintains and enriches this genetic diversity through the creation of new varieties of seeds resulting from its research.

Issues related to plant biodiversity are presented in detail on page 136, paragraph 5.2.2.

Accelerating the breeding process by using plant biotechnology*

Breeders* today still use the same methods that have been improved over time to domesticate wild plants, which are the essence of today's food. They observe plants, select those that best match the desired qualities, and cross them. Field experimentation is an essential step in assessing new varieties under real conditions.

However, today, new breeding* methods and techniques – plant biotechnology* – allow breeders* to develop new plants more quickly and efficiently, by accurately describing plants and predicting some of their characteristics. They thus save valuable time by identifying plants of interest more effectively and earlier depending on their breeding* objectives. Thanks to their use, over a varietal creation cycle that requires seven to ten years, two to three years of development are on average saved, guaranteeing a quicker response of research to changes in demand.

For Vilmorin & Cie, which has made the acceleration of its plant breeding cycle a major focus in its research strategy, mastering plant biotechnology* therefore plays a major role. Today representing 14% of the research budget, the investment allocated to biotechnology* will increase in the coming years, while taking account of the need to preserve the company's financial profile.

Plant biotechnology* today includes a wide range of tools that have been considerably extended over several decades (molecular marking*, cellular biology, etc.). This palette of tools also includes new techniques for plant improvement. The generic term *New Breeding Techniques* (NBT) covers a number of biotechnologies* applied to plants. These have been developed since the late 1990s on the basis of pre-existing techniques.

Among these techniques, which are very diverse, genome* editing techniques are particularly promising, as they can make it possible, in a very precise and effective way, using “molecular scissors”, to intervene on the plant's genome* in order to silence or modify the expression of one or several genes, without adding foreign DNA.

For seed companies, these new techniques represent complementary tools capable of providing new solutions, in some cases where plant improvement is difficult to achieve, in terms of time and costs. They expand the possibilities for using genetic diversity with even greater precision, but without fundamentally changing the breeder's* way of working.

In this respect, at the beginning of fiscal year 2018-2019, Vilmorin & Cie signed two agreements enabling it to broaden its range of technologies, by accessing the CRISPR genome* editing technique, in order to use it in all its breeding* work, both for Vegetable Seeds and Field Seeds.

- A first agreement was signed at the beginning of fiscal year 2018-2019 with the Broad Institute of MIT (Massachusetts Institute of Technology) and Harvard biomedical and genomics* research center located in Cambridge in the United States. This agreement grants Vilmorin & Cie access to the techniques known as CRISPR-Cpf1.

- A second agreement was signed during the course of fiscal year 2019-2020 with the company Corteva Agriscience (United States) and the Broad Institute of MIT and Harvard. This non-exclusive licensing contract grants Vilmorin & Cie access to patents concerning the genome* editing techniques known as CRISPR-Cas9 for agricultural use. This reference technology CRISPR-Cas9, complementary to the so-called CRISPR-Cpf1, is today the most widespread genome* editing tool.

These agreements cover all of Vilmorin & Cie's research work and programs as well as potential commercial applications.

Vilmorin & Cie thus confirms its desire to work through collaboration agreements to gain access to the most recent technologies. In addition, the Company, which now has a wide range of genome* editing tools, is providing itself with the means to increase the efficiency of its research and its capacity to develop more efficient seed varieties.

Vilmorin & Cie will use these techniques in strict compliance with the laws and regulations applicable in various countries.

In Europe, the decision of the Court of Justice of the European Union taken in July 2018 on the regulatory status of plants obtained with new directed mutagenesis techniques (CRISPR type) considers that varieties resulting from these new methods should be subject to the same European legal regulations as GMOs*, obtained by transgenesis*. This legal status governs the possibilities of using these technologies for products intended for European markets.

With the exception of the European Union, as well as New Zealand, the majority of countries in which regulatory status has been clarified so far have excluded products obtained by directed mutagenesis (CRISPR type) from the scope of their GMO regulations*. In March 2020, these included the following countries: Argentina, Australia, Brazil, Chile, Colombia, Guatemala, Honduras, Japan, Paraguay, the Philippines and the United States. These varieties excluded from the GMO* regulatory scope are considered conventional varieties and are therefore subject to the regulations applicable to conventional seeds.

Vilmorin & Cie will continue to invest in these technologies and develop its research programs in this field, in accordance with each local regulatory context in the countries where it operates.

Developing strategic partnerships to enrich upstream research

Strategic partnerships, permanently pursued and strengthened, constitute a complement to Vilmorin & Cie's research organization. They provide access to new skills and technologies, extending existing genetic bases and enriching upstream research:

- Genective (France) - a 50/50 joint venture with the German seed company KWS: through this upstream research agreement initiated during the course of fiscal year 2011-2012, Vilmorin & Cie and KWS have pooled resources in order to develop GM* traits* intended for corn seeds. Vilmorin & Cie will thus eventually have a proprietary line-up of genetically modified corn seed varieties.
- Keygene (Netherlands) - experts in genomics* applied mainly to vegetable plants, and in which Vilmorin & Cie has held a stake of 25% since 2001, in partnership with the Dutch seed companies Enza Zaden and Rijk Zwaan, and the Japanese seed company Takii.
- Innolea (France) - a company which, since the beginning of 2019, combines the plant genetics and genomics* research activities previously conducted by Biogemma on oilseed species (rapeseed and sunflower). Innolea is equally owned by Vilmorin & Cie, Euralis Semences, RAGT Semences and the vegetable oil and protein innovation fund led by Sofiprotéol (Avril group).
- Soltis (France) - 50/50 joint venture between Vilmorin & Cie and Euralis, specialized in sunflower research.
- Australian Grain Technologies (Australia) - Australian leader for breeding*, developing and distributing novel cereal varieties. Vilmorin & Cie holds a stake of almost 33% in the company's capital stock, and can therefore benefit from broad access to Australian public genetic resources*, technologies and research, and be present on the major straw cereal markets.
- Limagrain Cereals Research Canada (Canada), a joint venture set up in 2015, specialized in the development and breeding* of cereals, in particular wheat, and held 70% by Vilmorin & Cie and 30% by the Canadian company Canterra Seeds.

Vilmorin & Cie's researchers also work in association with public and private research institutes throughout the world: INRAE and IRSTEA (France), University of Davis (United States), University of Jerusalem (Israel), CSIRO (Australia), University of Wageningen (Netherlands), University of Chiba (Japan), etc.

1.8.1.4. The results of research

Through this research organization, every year Vilmorin & Cie is able to create several hundred new varieties, and thus achieve a significant share of its sales from products that come out of its own research programs: in 2019-2020, 96% of Vegetable Seed sales and more than 50% of Field Seeds sales originated in seed varieties created by Vilmorin & Cie.

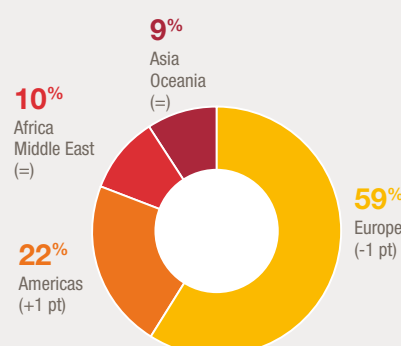
1.8.2. Strong internationalization of activities

In a global seed market, the internationalization of Vilmorin & Cie's activities is the driving force behind its development. All stages of seed development have an international dimension: research sites are distributed worldwide; seed production takes place in both hemispheres, while product distribution is carried out in the main areas of seed use.

In line with a strong segmentation strategy, targeted by region and crop, internationalization of the business combines organic and external growth and involves acquisitions, strategic alliances and partnerships on a recurring basis. Vilmorin & Cie is pursuing its development plan in both the vegetable seeds and field seeds markets.

1.8.2.1. Significant business outside Europe

Analysis of sales by geographical area in 2019-2020 compared to 2018-2019



1.8.2.2. North America: a major market

A leading region for vegetable and corn seeds

In the United States, Vilmorin & Cie holds strong positions and is in the top players for corn and for vegetable seeds. Since it covers the territory efficiently, Vilmorin & Cie holds all the assets it needs to pursue its growth on this major market. Representing more than 35% of the global market for seeds, North America⁽¹⁾ is the largest seed market in the world in value. (Source: AgbioInvestor 2019).

A long-term growth zone for wheat

Average wheat yields today in the United States stand at 3.5 tonnes per hectare while they stand at almost 6 tonnes per hectare in Europe. Dominated, particularly in certain southern states, by low yield farm seeds, the North American market is lacking in any major innovation, whereas in Europe, seed companies are very active in wheat breeding, proposing varieties that continue to improve their performances. Faced with the inevitable evolution of the North American market towards seeds guaranteeing a better performance, especially in yield, Vilmorin & Cie has a major opportunity to exploit its expertise in this crop and contribute to converting the market.

In this respect, Canada represents a zone of great potential for Vilmorin & Cie, following the evolution of Canadian legislation, which in the coming years will result in the application of royalties* on wheat seeds. Vilmorin & Cie is making headway in the development of its wheat research program dedicated to this country, through its joint venture Limagrain Cereals Research Canada, set up in July 2015 with the Canadian company Canterra Seeds.

1.8.2.3. Asia and South America: two priority areas for investment in the short term

Asia and South America have been defined as priority regions for development, considering the current size of their markets and their growth potential.

Asia: an essential development area

With the continuous growth in population, which already represents more than half the world's population, and the evolution of its consumption habits, the Asian market for seeds is growing regularly. Representing almost 23% of the world market in value (Source: AgbioInvestor 2019), it is now positioned as the second largest seed market in the world. Asia represented around 8% of Vilmorin & Cie's sales in 2019-2020, mainly in China, India and Japan.

Besides the two countries initially targeted – India and China – Vilmorin & Cie has progressively expanded its presence in Southeast Asia in recent years, with the acquisition of the Thai company Seed Asia⁽²⁾ (Field Seeds) in 2014, and the Vietnamese company Tropdicorp (Vegetable Seeds) in 2015.

For Vilmorin & Cie, development in this zone is a clear strategic objective, both in vegetable seeds and field seeds, with an approach combining respect for cultural specificities and protection of intellectual property. In a long-term perspective, Vilmorin & Cie's ambition is to make 15% of its consolidated sales on this continent.

South America: a region with immense potential

Historically, South America has provided Vilmorin & Cie with the opportunity to reinforce its capacity to produce counter-season seeds. For Vilmorin & Cie this has, for several years, also become a zone for commercial development, with field seeds as a priority.

Representing more than 19% of the value of the global seed market in 2019 (Source: AgbioInvestor 2019), the South American market⁽³⁾ offers immense potential for development, particularly in field seeds. Soybean and corn account for more than 89% of the South American seed market, mainly concentrated in Brazil and Argentina.

In this context, a major step was taken on this market in December 2018 with the acquisition of Sursem (Argentina) and Geneze (Brazil). The two companies, now fully integrated, have enabled Vilmorin & Cie to significantly strengthen its organization and commercial positions for major crops (corn, soybean, sunflower and wheat). With Brazil and Argentina Vilmorin & Cie now has two solid bases in South America to make headway with its development.

This information is presented in detail on page 39.

(1) Excluding Mexico.

(2) Company today named Limagrain Thailand.

(3) Including Mexico.

In total, Vilmorin & Cie's sales in South America⁽¹⁾ came to more than 128 million euros in 2019-2020 (including more than 76 million in Field Seeds), as opposed to 115 million euros the previous fiscal year.

1.8.2.4. Africa: a market with potential

Even though the market for seeds in Africa today represents less than one billion US dollars (*Source: ISAAA 2019*), it is assured of considerable development in the long-term, especially because of extremely dynamic population growth. Africa will hold almost one quarter of the world's population by 2050 (*Source: United Nations Food and Agriculture Organization / FAO*).

Already present with vegetable seeds, in particular in the Maghreb countries and in South Africa, Vilmorin & Cie set up business at the beginning of 2013 on the market for corn seeds, the most widely grown crop in Africa, by acquiring the South African seed company Link Seed. Vilmorin & Cie has also held a minority stake since fiscal year 2013-2014 in Seed Co, the top seed company in Africa.

Vilmorin & Cie and Seed Co are constantly strengthening the implementation of their partnership.

During the course of fiscal year 2019-2020, the two companies created a joint venture mainly devoted to corn seeds, and located in Ghana. Equally held by Vilmorin & Cie and Seed Co International, this new structure will specifically address the West and Central African markets. Furthermore, at the beginning of fiscal year 2020-2021, Vilmorin & Cie announced the creation of a joint venture in South Africa dedicated to field seeds, particularly corn, grouping together all of Vilmorin & Cie's field seeds activities in South Africa - through Link Seed, Seed Co and a third partner: Klein Karoo Seed Marketing. This information is presented in detail on page 40.

Through these operations, Vilmorin & Cie demonstrates its desire to significantly accelerate its expansion in Africa.

Seed Co's reference shareholder, on June 30, 2020 Vilmorin & Cie held 29.2% of Seed Co Limited's capital stock and 30.9% of that of Seed Co International.

Vilmorin & Cie's aim is to pursue its gradual development on this particularly high potential continent by continuing to rely on its direct facilities, partnerships and distribution agreements, while adapting to the specific nature of each country.

1.8.3. The capacity to combine targeted acquisitions and partnerships

1.8.3.1. Priority focuses for acquisitions

Vilmorin & Cie runs a policy of targeted acquisitions aiming to anticipate market evolutions so that it can respond to major strategic opportunities:

- gain access to differentiating and/or complementary genetic resources* for strategic crops,
- acquire new production capacities,
- create new platforms for commercial development,
- penetrate and cover areas with high potential to provide new outlets and guarantee that the offer is adapted to local demand,
- ensure there is a better spread of risks (climate, industrial, logistics, etc.).

Accordingly, the operations achieved in recent years concerned Vilmorin & Cie's priority markets, for example South America

1.8.3.2. A progressive integration model that respects existing identities

Vilmorin & Cie's external growth policy is to gradually integrate companies that are taken over, with the purpose of preserving the identity of each acquired company, and capitalizing on the existing assets and know-how of the teams already in place.

Product development and local distribution networks are often maintained, whereas the functions that can generate synergies (upstream research, administration, etc.) are pooled.

Moreover, Vilmorin & Cie has made the choice of proximity management by organizing its structure into Business Units, combining respect for Vilmorin & Cie's strategic choices and acknowledgement of local cultures and specificities. Vilmorin & Cie's managerial culture therefore promotes delegation and a spirit of initiative. In this way, the Company enables its local teams to respond to the diversity of needs and situations in all the countries where it operates and to bring their projects to life according to local conditions and opportunities.

As a result of this highly specific model, Vilmorin & Cie is very much involved in the territories where it works.

(1) Excluding Mexico.

1.8.3.3. The capacity to work in partnership

Vilmorin & Cie has established numerous collaboration agreements all over the world, whether scientific, industrial or commercial. The Company thus relies on several scientific partnerships with public or private research laboratories, universities, start-ups, etc. These are presented in detail on page 55.

Vilmorin & Cie has, for example, built a partnership with the University of California in Davis to create a start-up incubator and investigate new forms of open innovation. Vilmorin & Cie is also involved in the professional private equity fund, PSL Innovation Fund, in order to strengthen its links with world-class innovation ecosystems and strengthen its capacity for innovation.

In addition to these partnerships, there have also been investments in companies or co-creations of companies, such as AgReliant, a joint venture created in 2000 with the German seed company KWS, and AgReliant is now number 3 on the North American corn market, and Genective, a joint venture also founded with KWS, for the development of GMO* corn traits*.

Vilmorin & Cie has also created joint ventures and acquired significant stakes throughout the world: Seed Co in Africa, Hengji Limagrain Seeds in China, Australian Grain Technologies in Australia, Canterra Seeds in Canada, etc., which open up new avenues for the breeding*, production and distribution of seeds.

1.8.4. Three strategic priorities

Vilmorin & Cie's offer is focused on seeds and the control of plant genetics, for the professional markets of vegetable growing and agriculture; it is thus positioned as an original alternative to agrochemical companies offering an all-in model.

Vilmorin & Cie is indeed convinced of the importance of preserving farmers' independence and freedom of choice regarding their other production factors.

Based on this specific model, Vilmorin & Cie's ambition is to accelerate its development according to three strategic priorities.

1. In vegetable seeds, Vilmorin & Cie, which is now the world No. 1 in this business, aims to strengthen this world leadership.

To achieve this, its strategy is to consolidate its positions in the most mature markets (Europe, North America, the Middle East,) while developing in emerging regions, particularly in Asia and Africa. Vilmorin & Cie thus aims to become a leader in all markets and on all the main crops.

In field seeds, in order to pursue the development of its activities, Vilmorin & Cie's strategy is based on several complementary pillars: presence in all continents; a strong brand – LG –; effective research, combining rich and diversified genetic resources* and the use of the latest technologies; an ability to develop strong international partnerships, as well as, first and foremost, a broad portfolio of crops.

Thanks to its multi-crop strategy, Vilmorin & Cie is able to offer a full range adapted to the needs of farmers in each region where it operates.

Within its product portfolio, Vilmorin & Cie has defined four strategic crops: corn, wheat, sunflower and rapeseed. Two of them are global – corn and wheat – and are therefore priority areas for development.

2. In corn seeds, the top world crop for value, Vilmorin & Cie's ambition is to confirm its status as a global player.

3. In wheat seeds, the top world crop for acreage, Vilmorin & Cie's objective is to be the world reference.

3 strategic priorities

Vegetable seeds

A global market (5.6 billion dollars in 2019) with high added value, highly segmented in terms of products and production methods

Objective

Strengthen world leadership

Strategy

- Combine organic and external growth:
 - maintain organic growth higher than that of the market, thanks to the virtuous circle of innovation combined with close proximity to its markets,
 - strengthen positions through targeted external growth operations.
- Develop business on complementary crop/zone segments and become a leader on all markets with strong ambitions in Asia and in all strategic crops.

Corn seeds

Top crop in the world in value (almost 17 billion dollars in 2019)

Objective

Confirm status as a global player

Strategy

- Reinforce leading positions in Europe and North America.
- Strengthen activities in development zones: South America, Asia and Africa.
- Pursue innovation in plant breeding and develop a proprietary* line-up of genetically modified* varieties.

Wheat seeds

No. 1 crop in the world in acreage (more than 220 million hectares in 2019)

Objective

Ultimately become the world reference

Strategy

- Contribute to the conversion of the market into one of high value seeds.
- Consolidate its positions as leader in Europe and Australia.
- Develop solid positions in North America.

Sources: AgbioInvestor 2019, USDA.

1.8.4.1. Vegetable seeds: strengthen world leadership

To consolidate its position as No. 1 worldwide in vegetable seeds, Vilmorin & Cie's strategy is based on a combination of organic growth, driven by a powerful flow of innovations and close proximity to markets, and external growth, through targeted operations.

This strategy is being pursued and promoted through its organization in Business Units, emphasizing a number of main focuses, to enable Vilmorin & Cie to develop on complementary crop/zone segments. For this purpose, the Company has defined a segmentation strategy for its geographical markets and crops, depending on their size and growth potential, to guide its market approach.

Combining organic growth with external growth

Maintaining organic growth higher than that of the market.

In order to gain market shares and prolong its organic growth, Vilmorin & Cie relies on the virtuous circle of innovation combined with close proximity to its markets.

- Indeed, the development of the vegetable seeds market is linked to evolutions in the consumption of vegetables, driven above all by the increase in the world's population, and is primarily dependent on the creation of novel seeds.

In this context, mastering cutting-edge research technologies, for example plant biotechnology* (molecular marking*, cellular biology, etc.), is now vital for breeders*, since such technologies contribute directly to the acceleration of plant breeding. Therefore, research investment allocated to these tools continues to be high. Upstream Vegetable Seed research is organized in a mutualized and cross-cutting way, via centers of expertise dedicated to all Business Units, and sometimes also used for the Company's other activities. For example, the Business Unit Vilmorin-Mikado has developed specialized expertise in image processing and in 2007 created an "artificial vision" unit, based in La Ménittré (France). This unit has developed cutting edge tools to obtain and analyze information automatically on seeds, seedlings, fruit and the finished product. These tools are used in numerous fields (research, quality control).

The Business Unit HM.CLAUSE benefits from its center of expertise in molecular biology, and in the domain of entomology, the Business Unit Hazera is researching into the detection of links between the behavior of insects and genotypes.

Moreover, a technological platform, common to the three Business Units and dedicated to the evaluation of the quality of fruiting vegetables and sensory analysis, was created in Spain in 2018-2019. It contributes to improving the understanding of taste components, in association with consumer panels. Similarly, a platform dedicated to pathology, also common to the three Business Units, is being finalized: located in Culiacan (Mexico), it is dedicated to crops grown in the region, particularly tomatoes and bell peppers, and will be able to perform pathology tests on local diseases.

At the same time, investment in the sites which run this research is increasing. For example, during fiscal year 2019-2020 the Business Unit HM.CLAUSE invested in the modernization of its pathology laboratory located in Saint-Rémy-de-Provence (France).

- In addition, Vilmorin & Cie's wide network of direct locations on all continents and its organization into Business Units guarantee close proximity to customers. The Business Units have a global vocation and are supported by teams who are as close as possible to the markets, from plant breeding* to product development and marketing. This organization, which combines a global vision with a local approach, provides in-depth knowledge of customer needs in highly fragmented markets.

In addition, the three Business Units work in close coordination and capitalize on their complementarities, for example in terms of products, to address markets more effectively. For example, since fiscal year 2019-2020, Hazera has been distributing Vilmorin-Mikado's product line-up in Greece.

- Finally, the modernization and extension of certain production sites directly participate in the final quality of the product and customer satisfaction. Investments are regularly made at the different sites of Vilmorin & Cie throughout the world.

Strengthening positions by targeted external growth operations

Vilmorin & Cie has pursued targeted external growth operations to consolidate the current geographical set-up, and solidify the key regions and crops that are less prominent in the line-ups in the Business Units; such operations will continue in the years to come.

As such, the acquisition of the Danish company AdvanSeed, which specializes in hybrid* spinach and leafy vegetable seeds, was completed at the beginning of fiscal year 2018-2019. It allowed Vilmorin & Cie to complement its product portfolio, with a new business position for spinach, a crop which it had not worked on until then, and to strengthen its global presence in leafy vegetables, while capitalizing on AdvanSeed's genetic resources*.

Becoming a leader in all the main markets and for all strategic crops

Present on all continents and in almost all the major cultivated crops in the world, Vilmorin & Cie's objective is to become a leader in all markets and for all the main crops. Already firmly established in the most mature regions, Vilmorin & Cie has a strong ambition in emerging regions, first and foremost Asia, which represents more than half of the world's population.

In addition to its strong foothold in Japan, Vilmorin & Cie's strategy aims to significantly strengthen its presence on this continent through organic growth as well as through equity investments, acquisitions or partnerships, with the objective of accelerating its expansion there.

Vilmorin & Cie aims to achieve, in the long term, around 20% of its activity on this continent which, in 2019-2020, accounted for around 12% of Vegetable Seed sales. To ensure its development in this high-potential region, the Company has chosen to dedicate specific resources to increase research investments, and to extend market coverage.

In this respect, in India, the sales team of the Business Unit HM.CLAUSE was significantly strengthened during fiscal year 2018-2019, guaranteeing better coverage of this huge country, and this helped to boost sales during fiscal year 2019-2020.

As for China, a zone where Vilmorin & Cie cannot afford to be absent because of the high level of vegetable production, it nevertheless requires a gradual, careful approach because of the difficulties involved in protecting intellectual property. Vilmorin & Cie's presence and development are the responsibility of the breeding* stations of all the Vegetable Seeds Business Units. In 2019-2020, in order to reinforce its presence in the country, the Business Unit Hazera set up a joint venture, in which it has a majority stake, in partnership with a group of Chinese investors already involved with the vegetable seeds segment. This structure will allow Hazera, which was already established in the country, to extend its activities to cover research as well as the production and marketing of seeds. This joint venture is subject to the approval of the Chinese authorities.

At the same time, the sales teams of the Business Units Vilmorin-Mikado and HM.CLAUSE have been merged since 2018-2019, in order to address the Chinese market more effectively.

Africa is also a key development region for Vilmorin & Cie. Its expansion on the continent will be based in particular on the Prime Seed Co International joint venture, created in fiscal year 2016-2017 with Seed Co. Carried out as part of the partnership between the two companies⁽¹⁾, this joint venture has been operationally established between the Business Unit HM.CLAUSE and Seed Co.

HM.CLAUSE provides this structure with its know-how in terms of the development of new varieties while Seed Co provides it with its knowledge of distribution networks on the African continent.

Continuing its development, Prime Seed Co International has taken out a majority stake in Alliance, the historical distributor of HM.CLAUSE in South Africa. This additional entry into the South African market should enable the Business Unit to bring its products to small African producers and thus differentiate itself from its main competitors.

In addition, in the coming years Prime Seed Co International will be initiating a breeding program* in vegetable seeds that is specific to Africa.

Vilmorin & Cie will thus gradually extend its presence in the sub-Saharan African market, whose potential is very promising.

1.8.4.2. Corn seeds: confirm status as a global player

The corn seeds market is the largest seeds market in the world in terms of value: almost 17 billion dollars, or 40% of the global market for commercial seeds and 50% of the world market for field seeds. (Source: AgbioInvestor 2019). In 2019, 197 million hectares were devoted to this crop worldwide (Source: USDA). So corn is quite naturally a strategic crop for Vilmorin & Cie.

In spite of a context that remains difficult for field seeds markets, due especially to the low level of prices for agricultural production prevalent now for several years, and moreover made uncertain by the health crisis, Vilmorin & Cie is pursuing the implementation of its strategic plan to become a global player for this crop. This strategy is based on a combination between regional Business Units, something very specific to Vilmorin & Cie, and global functions - research and strategic marketing - to ensure coordination of these cross-cutting functions throughout the world. In this respect, the networking of genetic resources* for corn means their management can be optimized, so they can benefit from high levels of synergy. Therefore, the genetic resource* flows between the tropical and temperate zones of the world contribute to increased efficiency in research.

Strengthening leading positions in Europe and North America

Historically present on the corn market in Europe and North America, Vilmorin & Cie aims, in its strategy, to reinforce its leading positions in these major regions of the world. Vilmorin & Cie is the No. 4 player in Europe and No. 3 in North America (through AgReliant, its 50/50 joint venture with the German seed company KWS) for corn seeds.

(1) On June 30, 2020, Vilmorin & Cie held 29.2% of Seed Co Limited's capital stock, and 30.9% of that of Seed Co International.

- In Europe, Vilmorin & Cie needs both to consolidate its position as No. 2 on the forage corn segment by developing new varieties that offer improved qualities (yield, nutritional qualities) and, in a context where its competitive positions in corn are becoming more and more international, strengthen its presence on the grain corn segment, by bringing out new products. The world market for corn is divided between grain corn (around 95% of world acreage) and forage corn, essentially a European crop.

Research programs devoted to grain corn have therefore been redeployed to extend the existing line-ups through innovations specifically developed for this segment to better meet the needs of farmers (higher yields, resistances to diseases, etc.). Vilmorin & Cie is concentrating its efforts particularly on Eastern Europe (Ukraine and Russia), in order to continue to develop on this top rate market.

- In North America, AgReliant's growth will continue to rest on its specific market approach, combining a seed offering of high added value and a differentiating sales policy. This information is presented in detail on page 37.

Strengthening business in the development regions: South America, Asia and Africa

Vilmorin & Cie can exploit these strong positions in Europe and North America to branch out toward a wider market. Capitalizing on its expertise in field seeds and on the proven solidity of its development model, in 2010 Vilmorin & Cie set itself a strong ambition: to become a top international player in corn.

This objective implies rapid internationalization of its positions in corn on markets with high-potential growth, South America, Asia and Africa, by setting up business here sustainably.

This internationalization has enabled Vilmorin & Cie to aim for a much more significant share of this market for corn: by integrating South America, Asia and Africa, Vilmorin & Cie is now targeting potentially around 90% of the world acreage for corn, as opposed to about 35%, with presence exclusively in Europe and North America.

Conquering new frontiers is also an opportunity to approach corn with a more comprehensive vision of the crop. It enables Vilmorin & Cie to enrich its research process, gain access to complementary genetic resources*, particularly for tropical corn, and to work in extremely varied climatic environments with different objectives in the use of corn.

The first stages in this ambitious action plan were to set up Business Units on these different markets in order to form development platforms. Acquisitions and research

partnerships have been achieved over several years in order to establish the right indispensable conditions and advantages for the deployment of these activities.

Today, Vilmorin & Cie's set-up in these regions is structured in terms of research, production and commercial organization, and the Company is pursuing its development, with a very marked increase in sales in 2019-2020. This information is presented in detail on page 38.

South America

Historically, South America provided Vilmorin & Cie with the opportunity to reinforce its capacity to produce counter-season seeds, to extend the period when products are available in the northern hemisphere.

As a complement to this strategic advantage, this continent now represents a key development focus for field seeds, given its current size and growth potential. Corn is a widely grown cereal here, and the use of genetically modified varieties is very widespread: Brazil has become the second largest world market in terms of GM* corn acreage.

In order to cover all the needs of farmers, the Company also completed its commercial line-up several years ago, by offering farmers varieties of soybean seeds in a region where this crop is of major importance. It thus has an additional advantage in approaching this market and optimizing its coverage.

Vilmorin & Cie prefers a gradual approach to its development in South America, with the initial aim of reinforcing its presence on the key market of Brazil. During fiscal year 2018-2019, Vilmorin & Cie took a major step forward in its development with the acquisition of the companies Sursem (Argentina) and Geneze (Brazil). The two companies, which are now fully integrated, have enabled Vilmorin & Cie to significantly strengthen its organization as well as its commercial positions on major crops (corn, soybean, sunflower and wheat).

With Geneze, Vilmorin & Cie has consolidated its market shares in Brazil and acquired complementary proprietary genetic resources* in corn. Sales in the country are today made through two commercial brands: the LG brand, which is dedicated to the sale of corn, soybean and wheat seeds, and the Geneze brand, which is dedicated to the sale of corn seeds.

In Argentina, Sursem is a relevant and significant addition to Vilmorin & Cie's organization in terms of research, production and sales network. Vilmorin & Cie has already had a research activity in the country since 2010. Argentina, the world's fourth largest market for field seeds, is a major market, with temperate corn genetics offering synergies with the genetic resources* of Europe, North America and southern Africa.

Since the end of fiscal year 2018-2019, Vilmorin & Cie has been operating under a single commercial brand in the country: the LG brand.

With Brazil and Argentina, Vilmorin & Cie can now benefit from two solid bases in South America in order to ensure its continued expansion. At the same time, Vilmorin & Cie is also working to develop new markets, in partnership with local distributors, in Paraguay and Uruguay, and more recently in Ecuador and Peru.

Asia

In Asia, the largest geographical continent for corn acreage, with around 64 million hectares in 2019 (*Source: USDA*), Vilmorin & Cie has defined priority zones for action and investments: India, China, and Southeast Asia.

Vilmorin & Cie's long-term growth in this region means extending its present number of sites through new partnerships or acquisitions. Access to local genetic resources*, just like in other regions for development, is an essential step.

An increase in the Field Seeds business in Asia will initially require selling high added-value conventional corn seeds, and possibly at a later stage, the introduction of GM* varieties that will better respond to the need to improve yields. To date, only the Philippines and Vietnam have adopted GM* corn in Asia.

As for the Chinese market, it might well open up soon to GMO* technologies for corn, once the Chinese Ministry of Agriculture delivers biosafety certificates for GM corn with stacked* traits.

● In India, Vilmorin & Cie, which has a market share of around 5% in corn seeds, has set the objective of extending its cover and continuing to win market shares in the corn sector. After taking full control of Bisco Bio Sciences (today named Limagrain India) in 2013, one of the top Indian players in corn seeds, Vilmorin & Cie created facilities for research and production, reinforced through an extensive distribution network. The Company is continuing to deploy and structure its organization in the country, particularly for sales. Moreover, Vilmorin & Cie now benefits from a hybrid* rice program, enabling it to complete its product portfolio with this essential crop on the market.

● In China, Vilmorin & Cie has adopted a specific development policy. In this key country, Vilmorin & Cie has to develop business growth in conditions that guarantee protection of intellectual property and its values, particularly in terms of management and organization model.

In addition, since the participation of foreign companies in

the capital stock of Chinese seed companies is currently limited by law to minority positions, access to, and conditions of use of genetic resources* must be assessed very precisely before any investment is made. In this context, direct locations and partnerships with major local seed companies remain the two main focuses of Vilmorin & Cie's development policy in this area. Vilmorin & Cie's commercial presence in China is ensured by Hengji Limagrain Seeds, a joint venture in which Vilmorin & Cie holds 45% of the capital stock, and which is dedicated to the production and distribution of corn seeds, with the company Anhui Hengji Seeds.

Vilmorin & Cie also has a network of research centers located according to different types of corn, which means it can breed seeds adapted to local agronomic conditions.

Thanks to this set-up, Hengji Limagrain Seeds' business continues to accelerate, mainly in northeastern China, in the temperate corn segment. This information is presented in detail on page 39.

● Southeast Asia is another area of strong potential, and Vilmorin & Cie began doing business here in 2014 when it acquired the company Seed Asia (Thailand), today named Limagrain Thailand, specialized in hybrid* tropical corn. Besides a commercial presence which is being gradually extended in Southeast Asia, this operation provided Vilmorin & Cie with access to high quality genetic resources*, also adapted to other regions of the world (India, Brazil, southern China and Africa) and which therefore enrich its genetic heritage* in tropical corn.

Africa

Africa ultimately has considerable potential for growth. Corn is the main crop grown on the continent, with about 38 million hectares under cultivation in 2019, or about 20% of the world's corn acreage (*Source: USDA*).

Vilmorin & Cie first set up business in field seeds on this continent at the beginning of 2013, through the acquisition of Link Seed in South Africa. In 2013-2014, Vilmorin & Cie purchased a minority stake in Seed Co⁽¹⁾, the largest seed company in Africa. Seed Co, which has an extensive infrastructure base spread across the continent, enjoys leading positions in several southern African countries (Zimbabwe, Zambia, Malawi, etc.) and aims to expand into other regions of the continent.

Since 2013-2014, the two companies have intensified their collaborations. For this purpose, they set up a joint venture in fiscal year 2019-2020 dedicated primarily to corn seeds, located in Ghana. Owned equally by Vilmorin & Cie and Seed Co International, this new structure will make it possible to specifically address the markets of West Africa and Central Africa.

(1) Seed Co's leading shareholder, on June 30, 2020, Vilmorin & Cie held 29.2% of Seed Co Limited's capital stock, and 30.9% of that of Seed Co International.

In addition, at the beginning of fiscal year 2020-2021, Vilmorin & Cie announced the creation of a joint venture in South Africa dedicated to field seeds, particularly corn. Operational as of July 2020, this structure groups together all of Vilmorin & Cie's field seeds activities in South Africa - through Link Seed, Seed Co and a third partner: Klein Karoo Seed Marketing. Named Limagrain Zaad South Africa, this joint venture will be a leading player in South Africa, offering a specific multi-crop approach. This information is presented in detail on page 40.

Through these operations, Vilmorin & Cie demonstrates its desire to significantly accelerate its expansion in Africa.

Vilmorin & Cie clearly continues to support Seed Co in its development projects and is pursuing its progressive implantation on the African market, with the aim of offering solutions adapted to the specificities of the different countries and the great diversity of agricultural models on the continent.

Pursuing innovation in plant breeding and developing a proprietary line-up of genetically modified varieties

With an adoption rate of 30% of world acreage in 2018 (*Source: ISAAA 2019*), the market for genetically modified corn seeds today represents almost 11 billion US dollars (*Source: AgbiolInvestor 2019*) and is characterized by more and more complex products, often stacking several traits* in the same variety.

In this context, Vilmorin & Cie aims to take up position among the few technology providers in the world, and to develop a proprietary line-up of transgenic corn varieties.

With this objective in mind, Vilmorin & Cie is counting on a number of complementary focuses:

- As a complement to GM* traits* for corn currently being licensed in, Vilmorin & Cie is working on the development of corn seed varieties integrating its own technologies. This research is being conducted through Genective, a 50/50 joint venture between Vilmorin & Cie and the German seed company KWS in order to develop proprietary GM* traits* for corn. Vilmorin & Cie and KWS have confirmed their collaboration through the programs led by Genective.

During fiscal year 2019-2020, Genective announced a partnership with AgBiome, a leading U.S. company in microbial technology for plant protection. Through this partnership Genective has access to all the genes of resistance to insects identified by AgBiome.

This multi-year program provides Genective with significant capabilities to discover new ways to control major corn pests as an alternative to agrochemical treatment products.

Genective is continuing its progress and as a priority is targeting the American markets (North and South

America) as well as, in the longer term, other potential GMO* markets (Asia and Africa).

- At the same time Vilmorin & Cie is continuing to exploit the long-term license agreements signed with Syngenta in October 2015, concerning GM* traits* for corn. These agreements provide Vilmorin & Cie with the authorization to use, for commercial purposes, present and future GM* traits* for corn developed and sold by Syngenta. They also provide for the combination of these traits* with those developed by Genective, including AgReliant⁽¹⁾ for North American markets.

These agreements significantly supplement and strengthen Vilmorin & Cie's technological platform. Indeed, the possibility of combining its proprietary genetic resources* with a wider range of highly competitive traits* – including those developed by Genective – will make it possible to offer farmers throughout the world a greater number of options and corn seed varieties that are extremely competitive in meeting their needs.

The first sales of corn seeds incorporating Syngenta's technologies were initiated during fiscal year 2017-2018 in Brazil, then in North America through AgReliant. Representing a very limited portion of sales to date, they are expected to grow gradually over the coming years.

1.8.4.3. Wheat seeds: become the world reference for the most widely grown crop in the world

Contributing to the conversion of the market into one of high value seeds

Wheat is the most widely grown cereal in the world with more than 220 million hectares in 2019 (*Source: USDA*), and is the staple food for one third of the world's population. In order to satisfy constantly increasing food needs, the world production of wheat needs to increase by 30% between 2012 and 2050 (*Source UN, 2018*).

Yet wheat is suffering globally from low yields, and this represents a serious underlying risk for the world's food balance. This situation can be explained by a lack of major innovation for this crop with very complex genetics and consequently the low use of commercial seeds.

The seed industry is thus working to come up with more efficient seeds, guaranteeing a better performance, particularly in terms of yield and a better potential for different uses.

Vilmorin & Cie is particularly well positioned to contribute to the conversion of this market into a seed market that offers high yields as a result of genetic progress, with the development of hybrid* seeds.

(1) 50/50 joint venture created in July 2000 with the German seed group KWS.

Consolidating the leading position in Europe and in Australia

- As a European leader for straw cereals (wheat and barley), Vilmorin & Cie is empowered by its historical expertise and high-quality genetic resources* obtained through acquisitions and specialized partnerships. Today it holds more than 11% of the wheat market in Europe with market shares exceeding 20% in certain countries. Vilmorin & Cie's ambition is to maintain and strengthen its position as leader in Europe. In particular this involves the creation of varieties that are perfectly adapted to different soils and climates and to different industrial applications, and meeting farmers' needs even better by improving yield potential and regularity
- As for Australia, it is a major wheat seed market, which also benefits from an efficient royalty* collection system. Vilmorin & Cie is building on the strategic partnership initiated in 2008 with the company Australian Grain Technologies (AGT)⁽¹⁾, an Australian leader in the breeding*, development and marketing of innovative wheat varieties, which holds more than 50% of the market share (*Internal source*).

Developing solid positions in North America

From its positions of excellence in Europe and Australia, Vilmorin & Cie has all the benefits required to stand out as the world reference for this strategic crop. Its growth strategy, which primarily targets North America, is aimed at the constitution of a portfolio of diversified genetic resources* perfectly adapted to local climatic conditions, with access to, and the development of, innovative technologies and the setting up of new distribution networks.

- The United States represented the first major objective for Vilmorin & Cie. Launched in 2010, its wheat seed development plan for this zone, deployed by the Business Unit Limagrain Cereal Seeds, based in Fort Collins in Colorado, means that it now has an efficient platform to distribute high yield seeds.

In this respect, through the implementation of the cooperation agreement with the Colorado Wheat Research Foundation and the company Albaugh⁽²⁾, signed at the beginning of 2016, Vilmorin & Cie reached a new stage in its development of this crop. Further to this agreement, which targets the development and distribution of wheat varieties with a non-GM trait* conferring resistance to a generic herbicide, Limagrain Cereal Ingredients has developed four wheat varieties, while other varieties are also being developed.

This partnership also involves an exclusive license granted to Vilmorin & Cie with the commitment to deploy

the use of the technology outside the United States. This information is presented in detail on page 41.

- Vilmorin & Cie is pursuing its development on the Canadian market. The Company initiated its presence in this country in July 2015, with the creation of a joint venture devoted to research and the development of new cereal varieties, with a special focus on wheat, with the Canadian seed company Canterra Seeds. This operation was the consequence of changes to Canadian legislation which in the coming years, will result in the application of a system of royalties* on wheat seeds, and provide direct remuneration to research. Canada will therefore be positioned among the top world players for this crop. This information is presented in detail on page 41.

1.8.5. Objectives for 2020-2021

Fiscal year 2020-2021 should allow Vilmorin & Cie to continue to strengthen its competitive positions in market conditions that will probably remain uncertain and lack visibility as a result of the likely continuation of the global health crisis.

Vilmorin & Cie will continue to strengthen its investments in research and development, particularly in upstream technologies, while remaining on the look-out for any external growth opportunity that fits in with its strategic challenges.

For fiscal year 2020-2021, Vilmorin & Cie is fixing the objective of achieving an increase in its consolidated sales of at least 3% on a like-for-like basis.

Moreover, Vilmorin & Cie has set the objective of achieving a current operating margin rate close to 8%. This margin will take into account research investment that should be above 265 million euros, spread equally between Vegetable Seeds and Field Seeds.

Finally, Vilmorin & Cie is aiming for a contribution from its associated companies – mainly AgReliant (North America. Field Seeds), Seed Co (Africa. Field Seeds) and AGT (Australia. Field Seeds) of around 22 million euros.

1.8.5.1. Vegetable Seeds

In Vegetable Seeds, Vilmorin & Cie's objective is to reach sales growth of at least 3% on a like-for-like basis in 2020-2021.

Vilmorin & Cie thus aims to strengthen its position as No. 1 worldwide. In order to succeed the Company will pursue its strategy combining innovation and close proximity to markets in order to reinforce its commercial positions.

(1) On June 30, 2020, Vilmorin & Cie held almost 33% of the capital stock of Australian Grain Technologies.

(2) Company specialized in generic products for plant production.

The objective is to become the leader on all the main markets and for all the strategic crops. In this context, Vilmorin & Cie will continue to accentuate its development investments in Asia, in order to accelerate its expansion in this very high potential region.

1.8.5.2. Field Seeds

Vilmorin & Cie is approaching 2020-2021 with the ambition of developing its business in all the regions it operates from.

Vilmorin & Cie is aiming for an increase in its sales of at least 3% on a like-for-like basis for this activity.

This objective is based on the continued implementation of its strategic plan for Field Seeds, which aims to give it an indisputable position as a global player, with a worldwide dimension in corn and wheat and a portfolio of crops adapted to each region.

In 2020-2021, this will notably involve the continued consolidation of European positions, both in Western and Eastern Europe, and the confirmation of the strong growth momentum posted in the development regions in 2019-2020.

The fiscal year will also be devoted to the implementation of Vilmorin & Cie's strategic partnerships and alliances. In this respect, Vilmorin & Cie will continue to implement the agreements signed with Syngenta in October 2015 concerning GMO* corn traits*.

1.8.5.3. Garden Products

In 2020-2021, Vilmorin & Cie will continue to implement the transformation of its Garden Products activity. This will be based in particular on the digitalization of the company and consolidation of the diversification of its offer to consumers, around its flagship brand Vilmorin.

This transformation will strengthen the presence of Vilmorin & Cie in all the solutions offered to home gardeners and meet their new expectations. With the ambition of recruiting new gardeners, Vilmorin Jardin will at the same time strive to constantly improve the service offered to the distribution networks for garden products.

The Garden Products activity will also continue its efforts to strive for operational excellence while optimizing the organization of its supply chain.

1.8.6. Outlook for development

The objectives for 2020-2021 should enable Vilmorin & Cie to continue the growth of its activities while continuing to deliver solid financial performances, in a resolutely buoyant seeds market, whose strategic nature has been confirmed by the health crisis. As the first link in the food chain, seeds will ensure tomorrow's food security.

Vilmorin & Cie will thus be able to consolidate its position as the fourth largest seed company in the world, while confirming its ability to offer resilient development prospects, in the short-, medium- and long-term.

In this context, Vilmorin & Cie will make progress in the realization of its three strategic priorities, with an established rhythm for each of them:

- the consolidation of world leadership in vegetable seeds is already a priority,
- the objective of confirming its status as a global player in corn seeds is rather aimed at the medium term,
- internationalization of leadership in wheat seeds is a more long-term horizon.

The strategic priorities are presented in detail on page 59.

This outlook also includes a non-financial dimension, with environmental performance objectives that are set out in detail in Part 5 (see page 159).



2 RISK FACTORS

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2.1. Risk management organization

Risk management is an integral part of Vilmorin & Cie's global strategy, which continues to build and continuously improve its risk management system.

Its objective is to anticipate the threats to which Vilmorin & Cie is exposed and to identify future opportunities in order to:

- preserve its employees, assets and reputation,
- promote the achievement of its objectives,
- and to ensure its sustainability.

The Governance Risk and Compliance Department (GRC) ensures that a coherent and effective system for controlling activities exists for Vilmorin & Cie. It coordinates the identification of major risks and plans on how to deal with them, as well as the resulting process improvements. It also ensures compliance with laws and regulations. As a coordination and control function, it comprises five departments: legal affairs; audits and risk management; insurance; safety, security, data, archives, crisis; product quality. It provides both the General Management and operational entities with expertise and support in adapting to the increasingly stringent market requirements, in terms of governance, transparency and compliance, as well as crisis management.

Since 2018, a Group Risk Management and Internal Audit Department (GRAIG) has been responsible for coordinating Vilmorin & Cie's global risk management approach so that its control is ensured.

Within the GRAIG Department, the Group Risk Management Department manages Vilmorin & Cie's risk management process. Its main tasks are to coordinate the various players, ensure that the group methodology is properly deployed and report the results of the group evaluations to Vilmorin & Cie's Executive Committee and Audit and Risk Management Committee.

Since the merger of the risk management and internal audit functions in 2018, the annual internal audit plan has been based on risk mapping, and audit findings feed into the analysis of residual risks. In addition, during fiscal year 2018-2019, Vilmorin & Cie began the deployment of group guidelines and indicators on the treatment of the highest risks.

Vilmorin & Cie's risk management system is based on three essential pillars:

- an iterative process that regularly ensures the pertinence of risk levels in the company,
- a network of players that allows a link between operational activities, Corporate functions and management,
- a common and shared methodology.

To manage the entire process, Vilmorin & Cie's risk management is based on a Risk Management Information System (RMIS) deployed across all Business Units since the end of 2017.

Governance of the risk management system is described in detail in the management report on page 118.

2.1.1. The risk management process

The risk management process is based on a formalized methodology for the use of a common language and evaluation criteria between the different activities and operational entities of Vilmorin & Cie.

This process is divided into four steps:

- risk assessment (identification, description, analysis and evaluation of criticality*),
- the position of the Management bodies on the acceptable level of each risk and the validation of treatment plans,
- the treatment of these risks (implementation of action plans to bring the risk to the desired level),
- monitoring the implementation of treatment plans via key performance indicators (KPIs) and their results with key risk indicators (KRIs).



To assist the operational units in identifying their risks and to achieve a more consistent consolidation of these risks at Vilmorin & Cie level, a common reference framework has been established. It includes 57 generic risks for mapping for fiscal year 2019-2020, divided into two categories: risks related to the implementation of the strategy and operational risks; the latter are themselves classified into fourteen risks determined by the source of the risk.

2.1.2. The people involved in risk management

The implementation of the risk management process is based on a network of participants identified at Corporate level and in each Business Unit. At Vilmorin & Cie, a risk management officer manages this network.

The roles of each type of participant have been clearly defined:

- **Risk owners:** in each Business Unit, they are members of the Operating Committee, and at Vilmorin & Cie level members of the Executive Committee. They are in charge of defining the risk tolerance for their scope and providing the means to implement treatment plans if necessary.
- **Risk domain coordinators:** they are appointed by the members of the Vilmorin & Cie Executive Committee. Through their expertise and responsibility in the domain concerned, they coordinate risk management for this domain throughout the scope of Vilmorin & Cie.
- **Business Unit risk coordinators:** each Business Unit Operating Committee has appointed a coordinator whose role is to ensure that the risk management process is duly implemented and to coordinate the participants within its Business Unit. The risk coordinator reports to the Operating Committee of its Business Unit on the risk management process.
- **Risk controllers:** they are appointed directly or indirectly by the risk owners for their knowledge of, or proximity to, the risk scope. They are responsible for implementing risk management plans.

2.1.3. Assessment methodology

Vilmorin & Cie's risks are described and analyzed in risk scenarios specific to Vilmorin & Cie, i.e. events that may occur internally or externally and have an impact on Vilmorin & Cie or its Business Units. These risk scenarios are then assessed by taking into account the control measures in place: assessment of residual risks according to their likelihood and their impact on two scales at four levels:

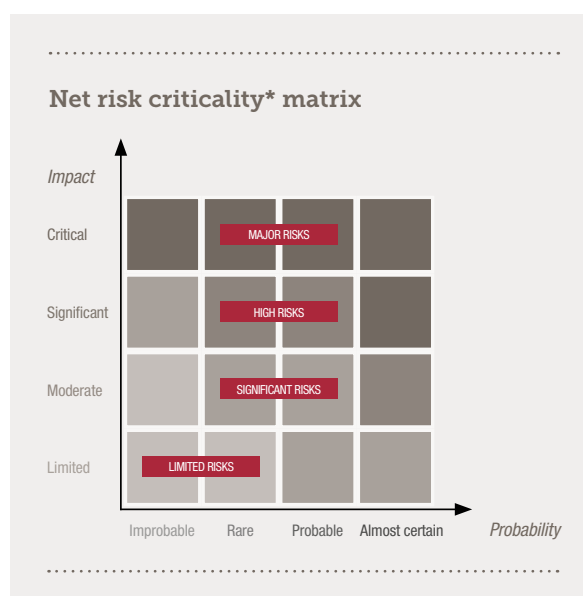
- the likelihood scale: improbable, rare, probable and almost certain,
- the impact scale: limited, moderate, significant and critical.

Each level is assessed according to five criteria:

- operations/business/strategy (business continuity, reaching objectives),
- compliance with laws, regulations and ethical commitments,
- human (safety, security),
- financial,
- image/reputation.

By crossing the likelihood and impact of the risk, a position of the net criticality* of the risk is obtained: major risk, high risk, significant risk, limited risk.

Vilmorin & Cie's risk management policy is voluntarily demanding, as shown by the net criticality* evaluation matrix where five out of sixteen boxes represent major risks.



The room for improvement in risk control is then studied in order to determine the prioritization of the new treatment plans to be implemented.

2.1.4. Risk mapping

This organization makes it possible to carry out risk mapping of each Business Unit and a global mapping at Vilmorin & Cie level.

The risk map is updated annually in collaboration with the risk management system members at the level of the Company and its Business Units. An additional update may be conducted if the business context changes abruptly (e.g. change in the global context, change in scope, major crisis).

The risks identified are classified in risk areas and are set out in detail in risk sheets included in the Risk Management Information System (RMIS) deployed since 2017 in all Vilmorin & Cie's Business Units.

The risk mapping method, the functions of the RMIS, as well as the networking of Risk Management mean it is possible to carry out risk mapping specific to a particular domain if necessary. Thus, during fiscal year 2019-2020, the mapping of corruption risks was conducted in response to the requirements of the Sapin II law, as well as the mapping of risks and opportunities specific to the Covid-19 health crisis (cf. paragraph 2.1.5.).

Risks likely to have major consequences for Vilmorin & Cie are dealt with and monitored by the risk management network and reported to the Executive Committee. They are described in chapter 2.2. "The main risk factor".

As indicated above, risk mapping is a logical part of the internal audit program.

2.1.5. The impact of the Covid-19 health crisis on Vilmorin & Cie's risks

The Covid-19 health crisis has upended the global context in which Vilmorin & Cie's Business Units operate. This general crisis has impacted all sectors of activity in different proportions. Vilmorin & Cie's Executive Committee decided to update the risk map in the spring of 2020, in addition to its annual update, in order to take into account the impact of the Covid-19 health crisis on the Company's risks in the short and medium term. The analysis work was carried out in two stages, firstly with the risk coordinators and the Business Unit Executive Committees, then consolidated at the level of Vilmorin & Cie by the Group risk area coordinators and validated in a session of the Vilmorin & Cie Executive Committee.

The study involved two stages:

- an analysis of the evolution of existing risks in terms of likelihood and impact as well as a description of any new scenarios and risk sources,
- identification of new risks and new opportunities.

The results enabled the risk map to be updated, identifying new risk scenarios as well as opportunities. The methodology described in paragraph 2.1.3. was used to assess the risks and opportunities.

The most significant new risks or risk scenarios emerging from the analysis are included in the description of risk factors in the following paragraphs and were presented to Vilmorin & Cie's Audit and Risk Management Committee at the end of fiscal year 2019-2020.

2.2. The main risk factors

The following paragraphs describe the main risks identified in 2019-2020 and their treatment plan. These are divided up into two categories: risks related to the implementation of the strategy and operational risks.







In each category, the risk factors are presented according to a decreasing order of residual criticality* determined by Vilmorin & Cie at the date of this annual report.


Due to the new ESMA (European Securities and Markets Authority) and AMF (French Securities Regulator) guidelines on risk factors within the framework of the European "Prospectus" regulation, this year Vilmorin & Cie has limited itself to describing the most critical risks in its mapping and will set out in detail the risk scenarios specific to the Company.

However, Vilmorin & Cie's other risks, which are less critical*, are managed according to the same global risk management process as set out in this chapter.

The four risks listed below, which were described in the "Risk Factors" section until the annual report of the previous fiscal year, are not among the most critical risks for Vilmorin & Cie and are therefore not developed in this chapter:

- *Risks of pollution and environmental non-conformities and Risks related to the compliance of practices, to ethical principles and to anti-corruption laws* are dealt with in chapter 5 "Corporate Social Responsibility and non-financial performance", on page 158 and page 152.
- *Neither Risks related to the strategy for growth and development nor Legal risks related to the competition* are dealt with in this document, since their residual criticality* is weaker.

Assessment of the residual risk (after integrating the impact of the Covid-19 health crisis)	
Risks related to Vilmorin & Cie's strategy	
Risks related to a change in the economic or geopolitical environment	Major
Risks related to research	High
Risks related to the price of agricultural raw materials	Significant
Operational risks	
Information systems	
Risks related to cybersecurity 	Major
Product Quality	
Risks related to product quality 	Major
Safety/Security	
Risks related to the safety of persons and property 	Major
Risks related to the security of persons and property 	Major
Purchases/Procurement - Operations/Trading	
Risks related to purchases of services and key supplies	Major
Risks related to agronomic production	Significant
Communication	
Risks of damage to Vilmorin & Cie's reputation or image 	Major
Intellectual property/Legal affairs	
Risks related to intellectual property 	High
Finance	
Risks related to exchange rates	High

The pictogram  identifies the risks that include non-financial stakes (also described in Chapter 5 "Corporate Social Responsibility and non-financial performance").

2.2.1. Risks related to Vilmorin & Cie's strategy

2.2.1.1. Risks related to a change in the economic or geopolitical environment

Identification of the risk

Vilmorin & Cie is present in 51 countries and has sales in nearly 150 countries. It operates in areas and countries where economic or geopolitical disruptions may occur.

The marketing of seeds, subject to specific regulations and directly linked to the question of food resources, can take on a strategic dimension locally and represent a significant part of the economy of the geographical area concerned. Local authorities may decide to implement policies that form a constraint for a foreign investor, particularly in the context of an economic crisis: exchange controls, protection of intellectual property rights, restrictions on company ownership, local debt, repatriation of flows and capital invested, the obligation to produce locally, either partially or totally, nationalization of agriculture, etc.

Elements of instability disrupting the functioning of a state (war, revolution, major social conflicts, pandemic, deep economic crisis) or affecting the financial situation of agriculture and farmers (devaluation, drying up of farmers' funding, major climate disturbances, whether exceptional or long-lasting, etc.) could temporarily compromise Vilmorin & Cie's capacity to pursue its sales, production and research activities in a given region.

Assessment of the residual risk for Vilmorin & Cie (excluding impact of the Covid-19 health crisis): residual criticality*: significant

Sources of the risk

In one or more countries where Vilmorin & Cie is established, the risk is that of a major economic or geopolitical disruption affecting the situation of agriculture and the farmers with whom Vilmorin & Cie operates. In particular, the scenarios are as follows:

- major deterioration of the local economic situation (financial crisis, devaluation, higher costs or drying up of farmers' funding),
- political instability (war, revolution, major social conflicts, nationalization of agriculture),
- implementation of exchange control policies or the equivalent,
- constraints in the international trading policies (fluctuating or misunderstood, for example with regard to which varieties can be imported) or regulations related to biotechnology* or to seed treatment,
- major health crisis.

Potential consequences for Vilmorin & Cie

- Financial consequences
- Impact on business continuity
- Human consequences
- Impact on image and reputation
- Legal consequences

Managing the risk

Vilmorin & Cie cannot affirm that its results would not be affected by an upheaval in the economic, competitive, political or regulatory conditions, or by a crisis in certain countries in which it is present.

To anticipate these possible upheavals, Vilmorin & Cie has chosen international development, with operations on all continents, which allows it to limit the risk of concentration and to face competition thanks to this geographical diversification. Vilmorin & Cie generated 59% of its 2019-2020 sales in Europe, 22% in the Americas, 9% in Asia/Oceania and 10% in Africa/Middle East.

In addition, the segmentation of its activities allows Vilmorin & Cie to balance its presence in the various markets: in 2019-2020, Vilmorin & Cie generated 49% of its sales in Vegetable Seeds and 47% in Field Seeds.

Moreover, potential risks in a country are considered when choosing investments and locating industrial, scientific and commercial assets: trade facilitation and movement of goods, political stability, intellectual property protection, etc.

Vilmorin & Cie's strategic monitoring and crisis management system, which it has set up in recent years, also makes it possible to anticipate and manage the impacts of risks related to the economic and geopolitical environment of its activities. In addition, the GRC Department is regularly mandated to carry out specific threat/opportunity analyses on strategic and geopolitical issues, making it possible to provide a cross-functional perspective and decision-making support for the General Management.

Furthermore, the Development and Strategic Studies Department is responsible for building, with the General Management and the Operational Managers, a forward-looking vision and exploring new themes to support Vilmorin & Cie's growth, in terms of activities and products. To this end, it also analyzes market trends (monitoring the evolution of competitors' strategies and detecting possible weak signals of threats and opportunities).

Impact of the Covid-19 health crisis

The Covid-19 health crisis has had a strong impact on the world geopolitical and economic context, thus increasing the likelihood of risk scenarios that could occur in one or more countries where Vilmorin & Cie is established or active. The pandemic, with all its economic, geopolitical and regulatory consequences, is an aggravating factor in the risk of economic and geopolitical disruption. Tensions between states, particularly between China and the United States, and the rise of populism in certain countries could continue and make international trade more difficult.

The likelihood of the risk has increased from rare to almost certain and the residual criticality* of this risk has thus become major.

Assessment of the residual risk for Vilmorin & Cie (after impact of the Covid-19 health crisis): residual criticality*: major

2.2.1.2. Risks related to research

Identification of the risk

Research and innovation activities are a key element of Vilmorin & Cie's strategy. In order to develop the seed varieties of tomorrow and thus ensure its future growth, Vilmorin & Cie constantly invests in research and development projects. These investments now represent 16.7% of its seed sales from activities aimed at professional markets⁽¹⁾.

Vilmorin & Cie's competitiveness could be affected in cases of:

- a mismatch between the research projects launched and future market needs, bearing in mind the long duration of research cycles (7 to 10 years to create a new seed variety; 10 to 15 years to develop a new trait*),
- an imbalance between the distribution of investments granted to different research and development projects, the targets being insufficiently diversified, or markets being targeted with no potential growth or inappropriate timelines,
- late identification of emerging technologies that might have an impact on seed improvement processes,
- the launch of a breakthrough innovation by a competitor in varietal research, technology or, more broadly, business model, which would expose Vilmorin & Cie to the loss of a competitive advantage in one of its business segments.

Assessment of the residual risk for Vilmorin & Cie (excluding impact of the Covid-19 health crisis): residual criticality*: high

Sources of the risk

- Malfunctioning in the decision-making process.
- Non-identification of new technologies.
- Poor appreciation of the potential impact of new technologies identified for Vilmorin & Cie's processes, products, business model and strategy.
- Poor appreciation in terms of resources or timing of the action plan to be implemented in order to exploit new technological opportunities, or faulty implementation of an adapted action plan.

Potential consequences for Vilmorin & Cie

- Financial consequences
- Impact on image and reputation

Managing the risk

Vilmorin & Cie strengthens its positions in the vegetable and field seeds markets by investing heavily and continuously in research, which enables it to launch several hundred new seed varieties per year.

Vilmorin & Cie has adopted several measures in order to secure its investments in research. On the one hand, permanent work on scientific, technological and competitive intelligence is carried out, and numerous international partnerships, both with academic players and world-renowned research institutes or start-ups, enable it to identify the emerging trends and disruptions that Vilmorin & Cie and its environment might be facing in the future.

Research and the partnerships established by Vilmorin & Cie are presented in detail starting on page 52.

Moreover, Vilmorin & Cie relies on Research Focus Committees for each activity and the management of project portfolios to assess research programs and make sure the balance of investment matches market trends, and ensures current programs will be profitable.

Impact of the Covid-19 health crisis

The Covid-19 health crisis has had an operational impact on Vilmorin & Cie's research, due to travel restrictions, without however significantly modifying the criticality* of the risks described above.

Assessment of the residual risk for Vilmorin & Cie (after impact of the Covid-19 health crisis): residual criticality*: high

(1) Integrating 50% of AgReliant's activities (North America. Field Seeds).

2.2.1.3. Risks related to the price of agricultural raw materials

Identification of the risk

The fluctuation of cultivated acreages per crop can have a significant effect on the level of activity of seed companies, since the price of seeds is very different from one crop to another. Geographical location, local environment and climate determine farmers' choices of the crops they sow, but the profitability of each crop is also decisive. This depends on several factors, including the price of agricultural production (for field seeds) and the cost of inputs*.

The prices of agricultural produce have an impact on the profitability of farms. For example, when prices of major agricultural produce (corn, wheat) are low, this affects farmers' cash flow, and so they are more vigilant about their investment in inputs*. However, there is no direct correlation between commodity prices and seed prices.

Over the past few years, the operating margin level of Vilmorin & Cie's Field Seeds business has been impacted by the low prices of agricultural produce.

Assessment of the residual risk for Vilmorin & Cie (excluding impact of the Covid-19 health crisis: residual criticality*: significant

Sources of the risk

- Low level of prices for agricultural produce.
- Volatility in the prices of agricultural raw materials.

Potential consequences for Vilmorin & Cie

- Financial consequences

Managing the risk

The distribution of Vilmorin & Cie's activities, both in terms of business segments and geographical areas, limits the impact of this risk. But while there is no direct correlation between agricultural production prices and seed prices, in a context of significant price decreases, or even stagnation, customer pressure to obtain price reductions for field seeds increases. This situation also affects Vilmorin & Cie's competitors.

Moreover, the prices of agricultural produce have no impact whatsoever on the Vegetable Seeds business.

As far as the potential impact of the volatility of certain agricultural raw material prices is concerned, it should be emphasized that the network of seed multiplication farmers*, to which Vilmorin & Cie entrusts the production of its seeds, meets very strict specifications, which notably define the purchase price of the seed.

These specifications comprise fixed or variable prices which are not structurally indexed on the evolution of the prices of agricultural raw materials. Therefore, the contractual system set up allows Vilmorin & Cie to preserve considerable economic independence.

Vilmorin & Cie does not systematically use hedging instruments to hedge the price of agricultural raw materials, except for its North American subsidiary in corn and soybean seeds - AgReliant. These positions, which translate into forward buying positions on corn and soybean on the Chicago market, allow it to control the potential volatility of its supply costs.

Impact of the Covid-19 health crisis

The Covid-19 health crisis has disrupted global trade but it is still too early to measure the impact on the price of agricultural raw materials.

However, a few notable aspects might well influence the price of agricultural raw materials:

- at the beginning of the crisis, a drop in China's agrochemical exports due to the shutdown of many plants,
- the U.S. ethanol industry, whose main raw material is corn, has experienced a sharp decline in sales, linked to declining production and lower prices; this could have an impact on the future crop choices of American farmers,
- the halt of Argentinean biodiesel exports and a drop of demand in Europe. Factories have been shut down, which is expected to result in a surplus of soybean oil in the country.

Assessment of the residual risk for Vilmorin & Cie (after impact of the Covid-19 health crisis: residual criticality*: significant

2.2.2. Operational risks

2.2.2.1. Risks related to cybersecurity

Identification of the risk

Information systems (IS) are an essential support for the management and development of Vilmorin & Cie's activities in an international and decentralized environment. The various processes, whether administrative, industrial, commercial or research, are based on various complex and interconnected IT architectures. In this context, Vilmorin & Cie believes that the main risks to information systems are related to cybersecurity. Indeed, any attack on the availability, integrity, confidentiality or traceability of information systems and data, whether malicious, accidental or technical, could have an immediate negative impact on Vilmorin & Cie's activities, reputation and results. Like any other company, Vilmorin & Cie could be the target of IT attacks whose impacts on its activities are assessed as being critical.

Assessment of the residual risk for Vilmorin & Cie (excluding impact of the Covid-19 health crisis: residual criticality*: major

Sources of the risk

Cybercriminals, for financial, strategic or ideological reasons, could carry out IT attacks, targeted or not, against Vilmorin & Cie or one of its Business Units. These IT attacks could take several forms: data exfiltration, intrusion into computer systems, denial-of-service. These attacks could be carried out for the purposes of sabotage, espionage or fraud.

Potential consequences for Vilmorin & Cie

- Financial consequences
- Impact on business continuity and operations
- Impact on image and reputation
- Impact on compliance with laws and regulations

Managing the risk

Aware of the importance of IS-related risks, Vilmorin & Cie has set up a specific governance system based on a cross-functional organization. In particular, the Company has adopted a new IT project management method, integrating the specific operating features and requirements of Vilmorin & Cie.

During fiscal year 2019-2020, several actions dedicated to improving Vilmorin & Cie's cybersecurity were carried out:

- deployment of the group's cybersecurity policy,
- review of the various charters related to the use of IT tools,
- awareness-raising and training on cybersecurity risks using different exercises,
- project compliance check using "security by design",
- deployment of a mid-term plan for the development of capabilities and devices to detect security incidents,
- monitoring indicators of exposure to cyber risk by listing security vulnerabilities and incidents,
- various technical measures.

This work to improve cybersecurity will continue in the coming fiscal year with organizational measures (preparation for cyber crisis management, industrialization of awareness-raising actions, optimization of outsourcing and subcontracting control) and technical measures (implementation of measures to improve the common group infrastructure).

Cybersecurity challenges are also presented on page 171, paragraph 5.4.5.1.

Impact of the Covid-19 health crisis

The Covid-19 health crisis has strongly contributed to an increase in the occurrence of computer attacks worldwide. This trend can be verified by objective elements such as, for example, the increase in the creation of domain names maintaining confusion, or intrusion attempts on equipment allowing digital nomadism. In addition, within Vilmorin & Cie, a large number of employees were forced to work remotely during the health crisis. This geographic dispersion and the inaccessibility of the premises could have increased the impact of a massive attack aimed at damaging the network and applications.

Assessment of residual criticality* remains major.

Assessment of the residual risk for Vilmorin & Cie (after impact of the Covid-19 health crisis: residual criticality*: major

2.2.2.2. Risks related to product quality

Identification of the risk

Once created and registered, seed varieties are produced in the fields. In order to produce its seeds (conventional or genetically modified field seeds, conventional vegetable seeds), Vilmorin & Cie makes use of a vast international network of seed multiplication farmers*. The production of seeds is presented in detail on page 49.

Vilmorin & Cie must respect its obligations with regard to legislation, to its contracts and to customer requirements.

Regulatory obligations exist in most countries; these concern in particular health⁽¹⁾, technology and seed purity aspects in order to guarantee the identity, specific purity and germinative faculty of seeds⁽²⁾.

Vilmorin & Cie also has internal requirements to reduce its exposure to risks of product non-conformities. Product non-conformities can have serious financial consequences, which may be amplified when the seeds are disseminated in different countries in the world, and by the complexity of regulations.

Assessment of the residual risk for Vilmorin & Cie (excluding impact of the Covid-19 health crisis): residual criticality*: major

Sources of the risk

Vilmorin & Cie's reputation, its financial results, and the market value of products could be negatively affected in cases of:

- physical mixing or contamination by pollen flows between conventional seeds and genetically modified seeds,
- dissemination of regulated material to third party products,
- non-compliance of the quality requirements laid down by suppliers of GM* traits (these requirements concern, for example, the implementation of the Quality Management System in accordance with the requirements of the ETS – Excellence Through Stewardship⁽³⁾ program, the implementation of a control plan in accordance with the requirements of the supplier of the technology, the running of training courses, etc.),
- contamination of seed lots by pathogens (fungi, bacteria, viruses, parasites, etc.) or insects.

Potential consequences for Vilmorin & Cie

- Financial consequences
- Impact on image and reputation
- Legal consequences

Managing the risk

Firstly, in order to control the quality of its seed production, Vilmorin & Cie secures, on the basis of contracts and detailed specifications, relations with its network of seed multiplication farmers*. These are rigorously selected in a vision of partnership in the medium to long term.

At the same time, Vilmorin & Cie has quality management systems, deployed in its operating structures, in order to ensure the compliance of its conventional and GM* products for its activities of research, production and sales. In this respect, it should be noted that since the decision of the European Court of Justice of July 25, 2018, products resulting from new genome editing techniques are considered as GMOs* in Europe.

With regard more specifically to the GMO* quality management system, a document system (guidelines, procedures, control plans, etc.), supported by a documentary management tool, is deployed and transmitted to colleagues, in particular through internal training courses. GMO risk mapping* is also carried out by country and crop to assess the different levels of risk, determine priorities and update control plans as necessary.

Regular audits validate the system's implementation, the traceability of research processes, testing, production, processing and sales processes in order to limit the risks of incorrect mixes, seed non-conformity and mislabeling.

In order to guarantee the quality and reliability of the products sold, a quality control system has been set up as well as control plans to be followed (depending on crop and country). These specific analytical controls are carried out by accredited laboratories, regularly tested and validated by the quality management department, in order to guarantee the reliability of the results.

Overall, in 2019-2020, 60 employees from the Field Seeds and Vegetable Seeds divisions were trained on the guidelines, and 20 audits were carried out by the network of internal quality auditors.

Finally, since 2012, Vilmorin & Cie has been a member of the international ETS (Excellence Through Stewardship) program, in order to demonstrate, through external audits, its responsible management of GMOs* by implementing the requirements of the ETS quality management system throughout the life stages of GM* products: research, production, marketing, launch, distribution, crisis management and product stoppage. Vilmorin & Cie is audited once every three years by independent, external auditors on the implementation of this program. Vilmorin & Cie's ETS qualification was renewed in 2018, and a new audit cycle is underway (2019-2021).

Actions carried out in terms of product quality are also presented on page 138, paragraph 5.2.4.

Impact of the Covid-19 health crisis

Product quality risks have not directly been impacted by the Covid-19 health crisis. The control measures have had to be adapted to the health situation: remote quality audits, anticipation of quality analyses. The residual criticality* of the risk remains unchanged.

Assessment of the residual risk for Vilmorin & Cie (after impact of the Covid-19 health crisis): residual criticality*: major

(1) Sanitary quality is harmonized by the International Plant Protection Convention (IPPC): <https://www.ippc.int/en/core-activities/governance/convention-text/>

(2) Seed quality controls are carried out in the laboratory, usually using internationally harmonized procedures of the Organisation for Economic Co-operation and Development (OECD), following the guidelines of the International Seed Testing Association (ISTA): <https://www.seedtest.org/en/home.html>.

(3) Reference system created at the initiative of the international seed industry.

2.2.2.3. Risks related to safety and security

Risks related to the safety of persons and property

Identification of the risk

Vilmorin & Cie employs 7,054 permanent employees in 51 countries, working in various conditions and environments. The main risks concerning the safety of persons and property are:

- accidents occurring at a site leading to serious consequences for the personnel, the neighboring community, third parties, goods and business at the site,
- accidents of persons resulting in the death or serious injury of an employee, a service-provider, a sub-contractor or a visitor, occurring because of, or at the time of work, whatever the cause.

Assessment of the residual risk for Vilmorin & Cie (excluding impact of the Covid-19 health crisis): residual criticality*: major

Sources of the risk

Particular risk factors are as follows:

- risks of industrial accidents (fire, explosion, flood, earthquake),
- risks related to manual and mechanical handling,
- risks related to the working environment (slip, trip and fall accidents),
- risks related to mechanical equipment and work tools,
- risks related to road traffic (commuting or business trip accidents),
- risks related to exposure to chemical agents,
- electrical risks.

Potential consequences for Vilmorin & Cie

- Human consequences
- Financial consequences
- Impact on business continuity
- Impact on image and reputation
- Legal consequences

Managing the risk

Vilmorin & Cie places the safety of its employees and activities at the top of its priorities.

Vilmorin & Cie's frequency rate of workplace accidents with and without stoppage (TF2) – over a 12-month sliding period – stood at 17.50 per million hours worked in August 2016, at 10.09 on June 30, 2019, and at 8.45 accident per million hours worked at the end of fiscal year 2019-2020.

In December 2019, Vilmorin & Cie renewed its objective to halve the accident frequency rate with and without stoppage within three years, i.e. less than five accidents per million hours worked targeted for December 2021.

To achieve this, a prevention program focused on developing and harmonizing the group's safety culture, strengthening the managerial approach to safety and professionalizing practices is being deployed.

Since 2018, priority has been given to chemical risk management with the initiation of a diagnosis that will enable the control of these risks to be taken to a higher level in the coming years.

The safety policy is also presented on page 143, paragraph 5.3.1.3., along with the actions undertaken in favor of the health of employees.

Vilmorin & Cie has also undertaken a five-year prevention and protection plan for all its sites in terms of property security. The objective is to reduce both the frequency and impact of events such as fires, explosions, natural disasters and theft.

This plan involves:

- A preventive component including in particular the improvement of procedures, intervention plans, means of detection and the development of a risk culture at each site (supervision of work by hot spots, storage rules, fire detection, automatic gas shutdown, business continuity plans, etc.).
- A protection component with significant investments dedicated to the installation of automatic sprinkler⁽¹⁾ systems and the reinforcement of explosion protection equipment.

These safety programs are managed by Vilmorin & Cie's Corporate Services in conjunction with the Business Units through regular meetings both at operational level and at the highest Management levels.

In addition, guidelines have been issued and training courses are being offered to support this effort.

Impact of the Covid-19 health crisis

The Covid-19 health crisis has led to the emergence of a new risk scenario for the health and safety of persons: an epidemic of Covid-19 on one or more of Vilmorin & Cie's sites with consequences for the health of employees as well as in terms of business continuity.

This risk is managed jointly by the Corporate Human Resources and Safety teams, and the Business Units, and also through the various crisis units. Regulatory requirements and other health protocols published by governments and health agencies have been rigorously implemented on Vilmorin & Cie's sites. Teleworking has been favored whenever possible, and production processes in the plant or in the field have been adapted to guarantee the safety of all, while ensuring the continuity of operations.

Taking this new risk scenario into account, the reassessment of the residual criticality* of risks related to the safety of persons and property remains major.

Assessment of the residual risk for Vilmorin & Cie (after impact of the Covid-19 health crisis): residual criticality*: major

(1) Sprinklers are fitted for automatic water extinction of fires.

Risks related to the security of persons and property

Identification of the risk

Vilmorin & Cie is exposed to risks of harm to persons, especially because of its international scope. A significant proportion of its employees (expatriates, local staff, or on business trips), are exposed to a variety of risks in different countries (acts of terrorism, armed conflicts, riots, criminal activity or natural catastrophes).

It is this risk to personal security that can have a critical impact on the physical and moral health of Vilmorin & Cie's employees.

Vilmorin & Cie is also exposed to other security risks such as malicious attacks on its property (production plant, production inventory, products from its research, etc.). While thefts of belongings (simple thefts, burglaries, etc.) constitute the main part of these risks, the theft of so-called "sensitive" data or information (such as economic or corporate espionage) constitutes a significant threat because the impacts can be significant.

Malicious actions against the group continue to represent a high risk in terms of image but also in terms of potential financial loss (particularly in the event of the destruction of test plots).

Assessment of the residual risk for Vilmorin & Cie (excluding impact of the Covid-19 health crisis): residual criticality*: major (security of persons)

Sources of the risk

Risk factors for scenarios of physical injury or loss of employees are as follows:

- risks related to countries where the group operates (geopolitical event, social context, insecurity, terrorism),
- behavior during business trips,
- major accidental event (disappearance following a natural disaster).

Potential consequences for Vilmorin & Cie

- Human consequences
- Impact on image and reputation
- Operational consequences
- Financial consequences

Managing the risk

Vilmorin & Cie has set up a tracking and alert procedure for risk countries in order to limit employee exposure. This daily tracking is supplemented by a registration system allowing the monitoring of employees on business trips as well as a real-time alert system for them when a risk arises in the region where they are travelling. In terms of destination, the Group also provides a detailed risk framework for business trips. Finally, rapid repatriation solutions are in operation.

This organization has been completed by crisis management procedures dealing with the nature of these risks.

Since 2017, Vilmorin & Cie has been listed as a partner company by the Crisis and Support Center of the French Ministry of Europe and Foreign Affairs and participates in the annual meetings for the security of French companies abroad.

With regard to the risk of damage to property, Vilmorin & Cie is constantly strengthening the protection measures at its sites and, more generally, its security and crisis management policy. The Group Safety and Security Department centralizes watch and intelligence and reinforces links with the various departments concerned (Information Systems Security, Human Resources, Business Units, etc.), and responds to ad hoc requests for training or information related to security. Two manuals (the first dealing with security within the Company in general, and the second dealing specifically with security during business trips) have been written and made available online to all employees. In the area of prevention of actions by opponents of the Group, this department also supervises certain Vilmorin & Cie events that may be targeted.

All these actions are coordinated by a safety/security/data/archives/crisis Manager and are described on page 143, paragraph 5.3.1.3.

Impact of the Covid-19 health crisis

The Covid-19 health crisis has had economic and geopolitical repercussions which could in the medium term aggravate economic, social and geopolitical instability in the different countries where Vilmorin & Cie operates. However, the country watch carried out by the Safety team and the policy of reducing business travel by Vilmorin & Cie employees during the Covid-19 health crisis have reduced the likelihood of risk. The evaluation of the residual risk remains unchanged: major criticality*.

Assessment of the residual risk for Vilmorin & Cie (after impact of the Covid-19 health crisis): residual criticality*: major

2.2.2.4. Risks related to procurement, purchases, operations and trading

Risks related to purchases of services and key supplies

Identification of the risk

Within the framework of its activities, Vilmorin & Cie works with numerous suppliers, subcontractors and service providers for its agronomic production operations, factory production, storage, transport and for its research and development activities. Certain services or supplies are of crucial importance for operations and could, in the event of failure, have an impact on the continuity of the activities and services of one or more Vilmorin & Cie Business Units. IT services in terms of network and infrastructure are among the supplies and services that have a potential impact on the group as a whole.

Assessment of the residual risk for Vilmorin & Cie (excluding impact of the Covid-19 health crisis): residual criticality*: significant

Sources of the risk

The sources of risk from dependency on a key provider or supplier are as follows:

- sole supplier,
- highly specific know-how or expertise,
- technological choice,
- specific products.

Failures in delivery or performance may be related to interruptions in deliveries, services or supplies, or to non-compliance with the contractual obligations of the supplier/service provider.

Potential consequences for Vilmorin & Cie

- Impact on business continuity
- Financial consequences

Managing the risk

A Group Purchasing Coordination department, reporting to the Group Finance Department, has existed since 1995. This department is supported by a Purchasing Orientation Committee (POC) made up of members of Vilmorin & Cie's Business Units. Together they have defined the purchasing policy applicable in all Vilmorin & Cie entities and coordinate the management of risks related to the Company's purchases. Some purchases are centralized and others, when they can be shared between several entities, are coordinated within the group Purchasing Coordination Network or decentralized within Business Unit Purchasing teams when the need is specific to the Business Unit.

Over the last 6 years, the department has implemented a responsible purchasing policy and carried out numerous projects to improve its efficiency and risk management:

- development of the Purchasing Coordination Network,
- creation of the IT purchasing function to support the centralized Information Systems Department,
- internationalization of the group's purchases,
- improvement of organizational performance through the creation and monitoring of purchasing performance indicators and the digitalization of the purchasing process,
- group Purchasing guidelines, recommending double sourcing for the selection of key suppliers or service providers,
- quality process for supplier selection (certifications, audits, continuity plan, specifications).

On the strength of these advances, the coming few years will be devoted to:

- strengthening the structure of the Purchasing function in the Business Units,
- pursuing deployment of the Purchasing guidelines in the Business Units and the development of international contracts,
- pursuing digitalization of Purchasing, a source of efficiency,
- reducing Vilmorin & Cie's environmental impact in all regions, by selecting the suppliers who are the most advanced in their CSR policy,
- developing tools to improve the management of supplier risks (financial analysis, risk analysis, quality/CSR assessment, selection criteria including CSR),
- optimizing payment lead times.

Impact of the Covid-19 health crisis

The Covid-19 health crisis has disrupted the global supply chain and in particular, the transport and logistics providers of Vilmorin & Cie. A group Purchasing crisis unit has been set up in order to assess the impact in terms of service continuity, financial cost and to implement business continuity plans if necessary. Vilmorin & Cie, as a seed company, is part of a strategic sector, and so the flow of goods has been maintained, albeit with additional costs and longer lead times.

New suppliers of masks and hand sanitizer have been approved urgently, while ensuring compliance with Vilmorin & Cie's quality and ethical requirements. Continuity of supply was maintained for all employees present on Vilmorin & Cie's sites.

Moreover, the Covid-19 health crisis and regulatory restrictions in terms of the movement of persons have led Vilmorin & Cie to introduce teleworking for a large number of its employees. In this context, IT services, whether in terms of network, remote working tools or infrastructures, are playing an even more important role in the continuity of Vilmorin & Cie's activities. Vilmorin & Cie's IT services, grouped together cross-functionally, are at the forefront to ensure service continuity and the management of IT service providers in liaison with the group Purchasing Coordination department. No significant incident has been reported to date.

However, the impact of a possible failure of one of these key services has been re-assessed from significant to critical for the criterion of business and operational continuity. The residual criticality* of risks related to purchases is therefore increased from significant to major.

Assessment of the residual risk for Vilmorin & Cie (after impact of the Covid-19 health crisis): residual criticality*: major

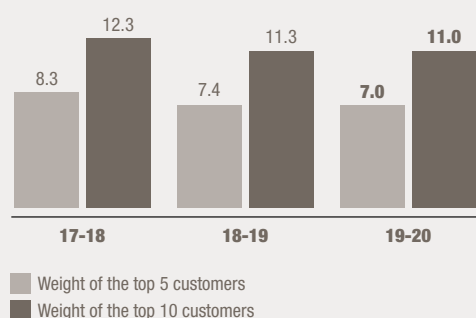
Important contracts outside the normal course of business

Vilmorin & Cie runs its business activities through a large number of suppliers and a diversified clientele. Within the framework of its activities, Vilmorin & Cie uses specific technologies formalized by pluri-annual contracts.

With the exception of these pluriannual contracts there is no other important contract outside the normal course of business that is liable to have a significant and recurring impact on its financial profile.

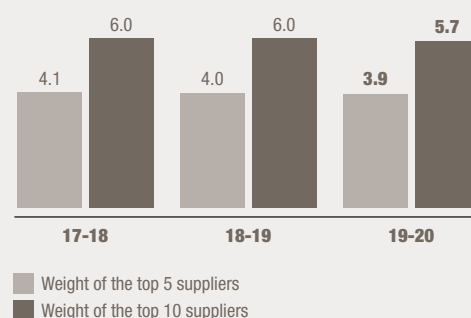
Evolution of the weight of the main customers

(as a % of consolidated sales)



Evolution of the weight of the main suppliers

(as a % of purchases)



Risks related to agronomic production

Identification of the risk

Vilmorin & Cie's activities are highly seasonal, and sensitive to climate risks and procurement hazards. Whether the reasons are climate-related, technical, geopolitical, contractual, etc., the consequences of risks related to agronomic production, and therefore to seed procurement may have a strong impact on Vilmorin & Cie.

Assessment of the residual risk for Vilmorin & Cie (excluding impact of the Covid-19 health crisis): residual criticality*: significant

Sources of the risk

- Fluctuating climate.
- Geopolitical context.

Potential consequences for Vilmorin & Cie

- Financial consequences
- Impact on image and reputation

Managing the risk

The production plan⁽¹⁾ plays a major role in limiting risks related to procurement. As a vital aspect in the appropriate supply of markets, and also control over inventory levels, the production plan is set up with regard to different factors: market needs, harvest results, commercial lifespan of the variety, preservation quality of each seed lot, and also each production zone. Coordinated by the production managers, this plan is confirmed by the General Management in each company.

In terms of climate, weather and geopolitical risks, the varied international locations of production areas and research stations make it possible to share out and limit these risks, and ensure regular high-quality seed production. As far as production is concerned, the highly seasonal nature of the business, the specific needs of the different crops, and variations in demand, all mean that sites need to be established all over the world. These sites are either owned directly by the Company, by the network of seed multiplication farmers* or indeed by sub-contractors. There are about twenty production basins spread out over all the continents, both in the northern and southern hemispheres, to ensure this risk is under control.

Impact of the Covid-19 health crisis

The Covid-19 health crisis has not had any specific impact on the agronomic production process.

Assessment of the residual risk for Vilmorin & Cie (after impact of the Covid-19 health crisis): residual criticality*: significant

(1) Depending on crops and varieties, the production plan is built up on the basis of sales forecasts for the following year. These forecasts are made with regard to inventories, customer opportunities and market trends. The function of the production plan is to define the crops and varieties to be produced, the places and quantities for production, depending on climate risks, production sites, earliness, average yields and producers.

2.2.2.5. Risks of damage to Vilmorin & Cie's reputation or image

Identification of the risk

Through its business activities, Vilmorin & Cie is exposed to public attacks of all kinds and all origins, in particular in France, whether well-founded or not, sincere or in bad faith, which might damage its image and reputation. Such events could have negative effects on Vilmorin & Cie's sales, income, image, attractiveness and development perspectives.

Assessment of the residual risk for Vilmorin & Cie (excluding impact of the Covid-19 health crisis): residual criticality*: major

Sources of the risk

Vilmorin & Cie could be targeted in national media with an impact on political decision-makers, influencers, its customers and shareholders, its employees and more broadly the general public, or during a call for a boycott via social media, launched by a consumer association or an NGO that could go as far as demonstrations.

Potential consequences for Vilmorin & Cie

- Impact on image and reputation
- Impact on attractiveness
- Financial consequences

Managing the risk

In order to limit the proliferation, range and impact of criticisms and attacks against the Company, in liaison with its reference shareholder Limagrain, Vilmorin & Cie has implemented measures to prevent this risk and be in a position to react in the case of a media crisis. The Communication and Institutional Affairs Department, which is more specifically in charge of crisis communication, has organized its approach around several action plans:

- The strengthening of relations with national, regional and local administrations, by presenting the group, its activities and its installations, its challenges and potential risks. This preventative action means there is already greater comprehension and proximity in times of crisis, in situations where the intervention of these services is required.
- The development of regular communication with targeted media and the online community to facilitate their understanding of the group and initiate quality dialogue.
- Awareness-raising and training of the group's top executives, communicators and spokespersons. Two crisis communication guides are made available to them and specific media-training is regularly scheduled as a preventive measure to prepare certain more sensitive topics and, in crisis situations, to prepare statements.
- The dissemination of a press procedure for Vilmorin & Cie's subsidiaries, to provide a framework for following and speaking to the media. An audit will be conducted in 2020-2021 to ensure this framework is respected.
- The organization of a crisis communication unit at group level in charge of recommending the communication strategy and deploying the communication plan as soon as possible in times of crisis.
- Conducting crisis management exercises (this information is presented in detail on page 84, paragraph 2.3.1.).

Specific press and web monitoring, flexible and multi-lingual (social media, websites, blogs, the press, etc.), focused on the anticipation and identification of image risks, is also part of this system.

In addition, to support Vilmorin & Cie's employees, who are the primary vectors of the Company's image, and to guide them in their actions and behavior in the interest of integrity and ethics, tools and training are provided, the first line of which includes the group's Code of Conduct⁽¹⁾.

Communication actions, particularly to foster societal dialogue on seed issues, are presented on page 137, paragraph 5.2.3.

Impact of the Covid-19 health crisis

With the health crisis Covid-19, the themes of food safety and independence have fueled media communication, thus enhancing the agricultural and agri-food sectors. As a consequence of the media news focused on the health crisis, the likelihood of attacks on the reputation of Vilmorin & Cie has temporarily decreased. However, this risk remains of major criticality* for Vilmorin & Cie.

Assessment of the residual risk for Vilmorin & Cie (after impact of the Covid-19 health crisis): residual criticality*: major

(1) Information on the Ethical Principles and Code of Conduct is presented in detail starting on page 153.

2.2.2.6. Risks related to intellectual property

Identification of the risk

The intellectual property rights held by Vilmorin & Cie, including plant varieties and the protection of technological innovations, constitute Vilmorin & Cie's assets, requiring special precautions.

The questioning of the validity of intellectual property rights and the rights attached to them, as well as the use by unauthorized third parties of assets, products or processes protected by intellectual property rights, constitute a significant risk for Vilmorin & Cie.

Moreover, Vilmorin & Cie's activity requires access to genetic resources* in order to develop new varieties adapted to the needs of farmers throughout the world. In this respect, and due to complex national regulations related to the implementation by countries of the Convention on Biological Diversity (CBD), Vilmorin & Cie is particularly exposed to the risk of using a genetic resource* in contravention of local regulations. Similarly, alongside the traditional industrial property tool of the Proprietary Variety Protection Certificate (PVPC), Vilmorin & Cie is confronted with the seed industry's practice of making greater use of patents to protect its innovations.

Assessment of the residual risk for Vilmorin & Cie (excluding impact of the Covid-19 health crisis): residual criticality*: high

Sources of the risk

Vilmorin & Cie's intellectual property risks are related to:

- access to genetic variability becoming restricted,
- protections that are being strengthened in this domain, meaning more and more intellectual property analyses are necessary with regard to the freedom to operate,
- counterfeiting of its assets, products and processes.

Potential consequences for Vilmorin & Cie

- Financial consequences
- Legal consequences
- Impact on image and reputation

Managing the risk

Vilmorin & Cie has experts from the Legal Affairs and Scientific Affairs departments who work very closely on intellectual property issues. Supported by a solid legal framework and a network of expert lawyers on the subject of intellectual property, Vilmorin & Cie uses numerous tools to protect its rights and innovations.

One of the clauses in the Ethical Principles and Code of Conduct states that each employee must maintain confidentiality with regard to Vilmorin & Cie's research work and intellectual property, which is essential for the company's sustainability and development.

Moreover, control procedures are strengthened every year to ensure the traceability of the genetic material used. This process is based on written collection procedures laid down for this purpose, and on the training of employees at Vilmorin & Cie and its subsidiaries on this subject.

The stakes related to the protection of plant breeding are presented on page 136, paragraph 5.2.2.1.

Impact of the Covid-19 health crisis

The Covid-19 health crisis has not had a significant impact on the risks related to Vilmorin & Cie's intellectual property. The residual criticality* of these risks remains unchanged.

Assessment of the residual risk for Vilmorin & Cie (after impact of the Covid-19 health crisis): residual criticality*: high

Litigation

As they run their business, Vilmorin & Cie and its subsidiaries are sometimes required to deal with various kinds of litigation: customers (debt recovery, various claims), suppliers, competitors (intellectual property). These situations undergo a detailed risk analysis, resulting in the appropriate course of action to be taken in the companies concerned, in liaison with Vilmorin & Cie's legal services.

Provisions are made on such litigations when appropriate. Information related to litigations is presented in Note 27 "Other current provisions" in the notes to the consolidated financial statements.

As at June 30, 2020, the Company did not identify any litigation that could significantly affect its financial position.

To the knowledge of the Company, there is no other administrative, judiciary or arbitration procedure in progress, or threatening to arise, concerning the past twelve months, that is liable to have, or indeed has had, any significant effects on the financial situation or profitability of the Company and/or the group.

2.2.2.7. Financial risks

Risks related to exchange rates

Identification of the risk

As a consequence of its activity and international presence, Vilmorin & Cie is exposed to currency fluctuations.

Assessment of the residual risk for Vilmorin & Cie (excluding impact of the Covid-19 health crisis): residual criticality*: high

Sources of the risk

- Currency fluctuations.

Potential consequences for Vilmorin & Cie

- Financial consequences
- Impact image and reputation

Managing the risk

Bearing in mind the size of Vilmorin & Cie and its international dimension, procedures have been set up in order to better identify these risks and control them.

Thus, on behalf of Vilmorin & Cie, the Limagrain Finance Department manages foreign exchange risks by means of an intra-group pooling procedure and hedging strategies at group level. Vilmorin & Cie manages fourteen currencies as part of this intra-group pooling procedure, the main currencies of which are the US dollar (USD), the British pound (GBP) and the yen (JPY).

During fiscal 2019-2020, an audit was carried out with the support of an external service provider on foreign exchange risk hedging mechanisms in order to improve management of this risk. The assignment resulted in recommendations concerning a review of how the guaranteed rates are set for subsidiaries and of the hedging methods in place. These recommendations should be progressively implemented during fiscal year 2020-2021.

The hedging methodology and the values involved are described in Note 32, section 2.1 "Information regarding currency exchange risks" in the notes to the consolidated financial statements; an analysis of sensitivity to currency risks after management is described in section 2.1.5 "Information on risk exposure to instruments set up to hedge currency exchange" in the notes to the consolidated financial statements.

Impact of the Covid-19 health crisis

The Covid-19 health crisis is an aggravating factor in foreign exchange risks, due to its impact on currency variability. Indeed, this crisis has had an impact on the sharp depreciation of the main currencies in which Vilmorin & Cie operates against the euro. This is notably the case for the Russian ruble, the Australian dollar, the South African rand, the Turkish lira, the Polish zloty, the Czech crown, etc., with devaluations ranging from -10% to -25%.

Assessment of the residual risk for Vilmorin & Cie (after impact of the Covid-19 health crisis): residual criticality*: high

Comment

By way of information, in order to optimize its financial capacities while anticipating its financial deadlines, on July 15, 2020, Vilmorin & Cie successfully achieved the cash buyback offer launched on July 6, 2020 for its bond issue of a total nominal amount of 450 million euros, maturing in May 2021 (ISIN FR0011921881).

The nominal amount outstanding prior to the repurchase amounted to 450 million euros and therefore stands at 346.2 million euros after the conclusion of this transaction.

This operation enables Vilmorin & Cie to anticipate its financial deadlines. Vilmorin & Cie is thus pursuing its strategy of optimizing its financial capacities, after significantly strengthening its financial resources in 2019 with, on the one hand, a private "Schuldschein" placement (private placement under German law) of 250 million euros and the renewal of its syndicated bank loan for 300 million euros and, secondly, the signature of a long-term financing agreement for 170 million euros with the European Investment Bank during the course of fiscal year 2019-2020.

2.3. Shared means of control for all operational risks

2.3.1. Provisions for crisis management

As part of its activities, Vilmorin & Cie may be confronted with crisis situations that may impact its reputation. Crisis management provisions have been in place for several years and are managed by the Governance, Risk and Compliance Department. They involve different functions in the company and are deployed in the Business Units. These provisions are based on dedicated tools, and in particular on the crisis management and communication rules distributed to all Vilmorin & Cie entities.

During fiscal year 2019-2020, several events justified the mobilization of the Company's crisis unit and the crisis units of the Business Units concerned, particularly in the management of the Covid-19 health crisis, both at Vilmorin & Cie and in the Business Units, presented in chapter 5, on page 132.

These sometimes sensitive events were handled with success. In a continuous improvement process, practices are reviewed based on feedback.

2.3.2. Insurances

Vilmorin & Cie has a policy of global cover concerning different operating risks, and makes use of different insurance schemes available on the world market, depending on their availability and local regulations.

Insurance programs are negotiated and managed by Vilmorin & Cie for its subsidiaries with leading international or national insurance companies.

These programs concern, in particular, risks of damage to property and operating losses, civil liability, damage to goods in transit and insurance for the automobile fleet.

For risks of damage to property, operating losses and civil liability, the cover is "all risks except" on the basis of the widest guarantees that exist on the market, combined with deductible that varies according to activity. 98% of Vilmorin & Cie's entities, representing 100% of consolidated sales, are covered by the group Civil Liability program with the widest possible guarantees. Most of Vilmorin & Cie's entities are covered by the Property Damage program, or by policies underwritten locally with reputable insurers. Compensation limits, fixed on the basis of worst-case scenarios and of capacities proposed by the insurance markets, stand at 300 million euros per claim for consequential and operating loss, and at 80 million euros per claim and per year for general public liability and product liability.

Insurance programs for special risks which are potentially significant and require centralized management, such as the responsibility of corporate officers, environmental risks, or cyber risks, are negotiated according to capacities available on the markets.

Management of these programs is entrusted to brokers and professional insurers under the supervision of Vilmorin & Cie. These programs were renewed on July 1, 2020, for another duration of one year.

Vilmorin & Cie is continuing to standardize its cover policy and deploy its insurance programs internationally.



3 REPORT ON CORPORATE GOVERNANCE

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This Chapter contains the constituent parts of the report on corporate governance drawn up pursuant to article L.225-37 of the French Commercial Code. This report was adopted by the Board of Directors at its meeting of October 14, 2020 and will be submitted for approval at the Annual General Meeting scheduled on December 11, 2020.

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3.1. Corporate Governance Code of Reference

As of fiscal year 2016-2017, Vilmorin & Cie has applied the Middelnext Corporate Governance Code, published in December 2009, and updated in September 2016, considering that it is adapted to the governance of the Company and the structure of its shareholding. This Code is available in French on the Middelnext website (www.middelnext.com).

In compliance with the recommendation of the Middelnext Corporate Governance Code, the Board of Directors of Vilmorin & Cie consulted the key points in the Code during the course of its meeting of June 30, 2020, and has also ensured that they had been taken into account throughout the fiscal year.

Vilmorin & Cie's Board of Directors applies the various recommendations formulated to date by the Middelnext Corporate Governance Code, while respecting the specific characteristics of Vilmorin & Cie.

Thus, on June 30, 2020, Vilmorin & Cie had not identified any point of divergence with this Code.

3.2. The Board of Directors

Vilmorin & Cie has always attached the greatest importance to the quality of its governance, which is strongly marked by two particular aspects: the fact it is a seed company with the need for a long-term vision, and its reference shareholder, Limagrain, an agricultural cooperative and international seed group.

In 1993, when Vilmorin & Cie was first listed on the French stock market, Limagrain made a commitment to encourage its development strategy, respecting the interests of minority Shareholders, another fundamental pillar in the Company's development.

3.2.1. Composition of the Board of Directors and mandates of the Board Members

Composition of the Board of Directors on June 30, 2020

On June 30, 2020, Vilmorin & Cie's Board of Directors comprised seven members:

- the Chairman and CEO: Sébastien VIDAL,
- four other Board Members representing the reference shareholder Limagrain: Philippe BLATEYRON, Annick BRUNIER, Claude RAYNAUD and Pascal VIGUIER,
- two independent Board Members: Marie-Yvonne CHARLEMAGNE and Mary DUPONT-MADINIER.

The Board Members are appointed by the Annual General Meeting of Shareholders for a duration of three years, renewable. This term allows for staggered renewal of the Board Members in accordance with the recommendations of the Middlednext Corporate Governance Code.



Sébastien VIDAL

Chairman and CEO

Nationality: French — 44 years old

Terms of office

Commencement: 2016 — Renewal: 2017 — Expiry: 2020

Main activities

Farmer, Vice Chairman of Limagrain

Expertise and experience

Member of the Limagrain Board since 2006, Sébastien VIDAL has exercised several mandates within the different divisions in Limagrain. Today he is Vice Chairman of Limagrain (since January 2019) and Chairman of the Field Seeds division.

Ongoing mandates on June 30, 2020

Chairman of the Board:

Desprat & Saint VERNY SAS (France), Limagrain Brasil SA (Brazil), Limagrain Europe SAS (France)

Joint Manager:

Dome 2000 (France)

Member of the Board:

Groupe Limagrain Holding SA (France), Limagrain Co Ltd (Thailand), Link Seed Proprietary Limited (South Africa), Sélia SA (France), Limagrain Brasil SA (Brazil), Société Coopérative Agricole Limagrain (France) (Vice Chairman), Tardif Tivagrain SA (France)

Member of the Management Board:

Limagrain Europe SAS (France)

Member Representative:

AgReliant Genetics LLC (United States)

Mandates exercised

over the past five fiscal years and expired

(End of mandate)

2015-2016

Chairman and CEO: Vilmorin Jardin SA (France)

Chairman of the Supervisory Board: Vilmorin Garden Sp. Zo.o. (Poland)

Member of the Board: Jacquet Brossard SA (France), Limagrain Céréales Ingrédients SAS (France), Savane Brossard SA (France), Vilmorin Jardin SA (France)

Manager: De la Graine au Pain SARL (France)

2016-2017

Manager: Limagrain Chile Limitada (Chile)

2018-2019

Chairman and CEO: Limagrain Europe SA (France), Sélia SA (France), Tardif Tivagrain SA (France)

Member of the Board: Hazera Seeds Ltd (Israel), HM.CLAUSE SA (France), Limagrain Europe SA (France), Vilmorin SA (France)

2019-2020

Member of the Board : HM.CLAUSE INC. (United States)



Philippe BLATEYRON

Member of the Board and member of the Audit and Risk Management Committee

Nationality: French — 53 years old

Terms of office

Commencement: 2020 — Expiry: 2020

Main activities

Farmer, Vice Chairman of Limagrain

Expertise and experience

Member of the Limagrain Board since 2009, Philippe BLATEYRON has exercised several mandates within the different divisions in the Group. Today he is Vice Chairman of Limagrain (since January 2020) and Chairman of the Vegetable Seeds division.

Ongoing mandates on June 30, 2020

Chairman and CEO:

Vilmorin-Mikado (France, Japan)

Chairman of the Management Board:

HM.CLAUSE SAS (France)

Chairman of the Board:

HM.CLAUSE INC. (United States)

Member of the Board:

Groupe Limagrain Holding SA (France), Hazera Seeds Ltd (Israel), HM.CLAUSE INC. (United States), HM.CLAUSE SAS (France), Proxiel (France), Sélia SA (France), Société Coopérative Agricole Limagrain (France) (Vice Chairman), Vilmorin-Mikado (France, Japan)

Mandates exercised over the past five fiscal years and expired

(End of mandate)

2017-2018

Member of the Board: HM.CLAUSE SAS (France)

2018-2019

Member of the Board: Limagrain Europe (France)

2019-2020

Member of the Board: Limagrain Brasil SA (Brazil), Link Seed Proprietary Limited (South Africa), Soltis (France) (Representing Limagrain Europe)



Annick BRUNIER

Member of the Board

Nationality: French — 60 years old

Terms of office

Commencement: 2017 — Expiry: 2020

Main activity

Farmer

Expertise and experience

Member of the Limagrain Board since 2012, Annick BRUNIER has exercised several mandates within different divisions in the Group. Today, she is Chairwoman of Limagrain's Bakery Products activity. She also represents the Group on the Coopération Agricole Auvergne-Rhône-Alpes Board of Directors.

Ongoing mandates on June 30, 2020

Chairwoman and CEO:

Jacquet Brossard SA (France), Savane Brossard SA (France)

Member of the Board:

Groupe Limagrain Holding SA (France), Jacquet Brossard SA (France), Savane Brossard SA (France), Sélia SA (France), Société Coopérative Agricole Limagrain (France), Vilmorin Jardin SA (France)

Member of the Board Committee:

Limagrain Ingredients SAS (France)

Mandates exercised over the past five fiscal years and expired

(End of mandate)

2015-2016

Member of the Board: HM.CLAUSE INC. (United States), HM.CLAUSE SA (France), Vilmorin SA (France)

2016-2017

Chairwoman: Jacquet Belgium (Belgium) (Representing Jacquet Brossard SA), Jacquet Brossard Distribution (France) (Representing Jacquet Brossard SA), Jacquet Panification (France) (Representing Jacquet Brossard SA), Milcamps (Belgium) (Representing Jacquet Brossard SA)

2017-2018

Member of the Board: DLF France (France)

Joint Manager: De la Graine au Pain SARL (France)



Marie-Yvonne CHARLEMAGNE

Independent Member of the Board and Chairwoman of the Audit and Risk Management Committee

Nationality: French — 61 years old

Terms of office

Commencement: 2019 — Expiry: 2022

Main activities

Founder member and manager of the consultancy MYA Partners

Expertise and experience

Marie-Yvonne CHARLEMAGNE, a graduate of Audencia with a specialization in finance, and a chartered accountant, has more than 35 years of experience in several companies with an international dimension (PWC, Rougier). She has mainly held positions in finance, in France and Africa. After joining the forestry group Rougier in 1999 as group Chief Financial Officer, she was appointed to the Executive Board and then to the Board of Directors and became Delegate CEO for the group in 2015. In April 2019, she created MYA Partners, a consultancy devoted to medium-sized companies investing in Africa.

Ongoing mandates on June 30, 2020

None

Mandates exercised over the past five fiscal years and expired

(End of mandate)

None



Mary DUPONT-MADINIER

Independent Member of the Board

Nationality: Franco-American — 65 years old

Terms of office

Commencement: 2014 — Renewal: 2017 — Expiry: 2020

Main activity

Partner at VALTUS

Expertise and experience

Mary DUPONT-MADINIER has more than 30 years of experience in top management in functions of business development, international trade, operations and IT in the United States, in France and in the United Kingdom. She is a specialist in transformation and change program management. Today she is a Partner of VALTUS, one of the French leaders in transition management.

Ongoing mandates on June 30, 2020

Member of the Board:

Groupe Limagrain Holding SA (France)

Mandates exercised over the past five years and expired

(End of mandate)

COMPANIES OUTSIDE THE GROUP

2019-2020

Member of the Board: IPSOS SA⁽¹⁾, American Chamber of Commerce (AmCham) in France

(1) Listed company



Claude RAYNAUD

Member of the Board and member of the Audit and Risk Management Committee

Nationality: French — 63 years old

Terms of office

Commencement: 2018 — Expiry: 2021

Main activities

Farmer, Vice Chairman of Limagrain

Expertise and experience

Member of the Limagrain Board since 1999, Claude RAYNAUD has held several mandates in the different divisions of the Group. Currently, he is Vice Chairman of Limagrain (since January 2019) and Chairman of the Garden Products division as well as of the Cereal Ingredients activity. More specifically, he follows local activities of the Limagrain cooperative.

Ongoing mandates on June 30, 2020

Chairman and CEO:

Sélia SA (France), Tardif Tivagrain SA (France), Vilmorin Jardin SA (France)

Chairman of the Board Committee:

Limagrain Ingredients SAS (France)

Chairman of the Supervisory Board:

Vilmorin Garden Sp. zo.o. (Poland)

Member of the Board:

DLF France SAS (France), Groupe Limagrain Holding SA (France), Jacquet Brossard SA (France), Sélia SA (France), Société Coopérative Agricole Limagrain (France) (Vice Chairman), Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et du Val d'Allier (France) (Representing Coopérative Agricole Limagrain), Tardif Tivagrain SA (France), Vilmorin Jardin SA (France)

Member of the Board Committee:

Limagrain Ingredients SAS (France)

Manager:

De la Graine au Pain SARL (France)

Mandates exercised over the past five fiscal years and expired

(End of mandate)

2015-2016

Member of the Board: HM.CLAUSE INC. (United States), HM.CLAUSE SA (France), Vilmorin SA (France)

2019-2020

Member of the Board: Savane Brossard SA (France)



Pascal VIGUIER

Member of the Board and Member of the Audit and Risk Management Committee

Nationality: French — 56 years old

Terms of office

Commencement: 2007 — Renewal: 2019 — Expiry: 2022

Main activities

Farmer, Chairman of Limagrain

Expertise and experience

Pascal VIGUIER became a Limagrain Board member in 1999, and has exercised several mandates in the Group's different divisions. Since December 2018, he has held the position of Chairman of Limagrain.

In this capacity, he works with several professional organizations in the agricultural sector.

Ongoing mandates on June 30, 2020

Chairman:

Société Coopérative Agricole Limagrain (France)

Chairman and CEO:

Groupe Limagrain Holding SA (France)

Member of the Board:

Groupe Limagrain Holding SA (France), Sélia SA (France), Société Coopérative Agricole Limagrain (France) (Chairman), Tardif Tivagrain SA (France) (Representing Société Coopérative Limagrain)

Mandates exercised over the past five fiscal years and expired

(End of mandate)

2016-2017

Member of the Management Board: Limagrain Chile Limitada (Chile)

2018-2019

Chairman and CEO: Limagrain Europe SA (France)

Member of the Board: Limagrain Europe SA (France), Unisigma GIE (France)

Member Representative: AgReliant Genetics LLC (United States)

2019-2020

Chairman of the Board: Limagrain Brasil SA (Brazil), Link Seed Proprietary Limited (South Africa)

Member of the Management Committee: Limagrain Cereal Seeds LLC (United States)

Member of the Board: Bisco Bio Sciences Private Ltd (India), Limagrain Brasil SA (Brazil), Vilmorin USA Corp. (United States)

Table of the composition of the Board of Directors on June 30, 2020

	Nationality	Age	Independence ⁽¹⁾	Commencement of the mandate	Date of last renewal	Expiry of current mandate	Number of years on the Board	Attendance rate at Board Meetings	Audit and Risk Management Committee	Strategic Committee
Sébastien VIDAL Chairman of the Board	French	44	No	2016	2017	2020	4 years	100%	-	Member
Philippe BLATEYRON	French	53	No	2020	-	2020	-	100%	Member	Member
Annick BRUNIER	French	60	No	2017	-	2020	3 years	100%	-	-
Marie-Yvonne CHARLEMAGNE	French	61	Yes	2019	-	2022	1 year	100%	Chairwoman	-
Mary DUPONT-MADINIER	Franco-American	65	Yes	2014	2017	2020	6 years	83%	-	Member
Claude RAYNAUD	French	63	No	2018	-	2021	2 years	100%	Member	Member
Pascal VIGUIER	French	56	No	2007	2019	2022	13 years	100%	Member	Chairman
Number of meetings								7	4	1
Average attendance rate								98%	100%	100%

(1) Independence according to the criteria of the Middenext Corporate Governance Code as interpreted by the Board of Directors at its meeting of June 30, 2020.

Vilmorin & Cie's Board of Directors does not include any Board Member representing employees, in accordance with the exemption provided for in article L.225-27-1 paragraph 3 of the French Commercial Code; as Groupe Limagrain Holding fulfils this obligation.

For the purpose of their mandate, all members of the Board can be contacted at the following address:

c/o Vilmorin & Cie – CS 20001 Saint Beaulieu – F-63360 GERZAT.

The Board of Directors attaches particular importance to its composition and that of its Committees. It ensures that the profiles of Board Members are complementary, in terms of nationality and skills (agricultural expertise, accounting and financial knowledge, etc.). It also ensures that the Board maintains an independence rate appropriate to the Company's shareholding structure (cf. paragraph 3.2.3.), as well as a balanced representation of women and men on the Board.

Independence of the Members of the Board of Directors

Vilmorin & Cie's Board of Directors was extended in December 2007 to include an independent Board Member.

In accordance with the Middenext Corporate Governance Code and as specified in the Internal Regulations of Vilmorin & Cie, the Company ensures that at least two members of the Board of Directors are independent members and meet the following criteria:

- they have not been, within the last five years, and are not currently an employee or corporate officer of the Company or a company in its group,

- they have not had, in the last two years, and do not currently have, a significant business relationship with the Company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.),
- they are not a reference shareholder of the Company and do not hold a significant percentage of voting rights,
- they do not have a close relationship or close family tie with a corporate officer or a reference shareholder,
- they have not been, during the course of the last six years, the Company's Statutory Auditor.

Marie-Yvonne CHARLEMAGNE and Mary DUPONT-MADINIER are thus considered as Independent Board Members because they have no financial, contractual, family or significant proximity relationship with Vilmorin & Cie that could impair their independence of judgment.

At its meeting of June 30, 2020, Vilmorin & Cie's Board of Directors verified that Marie-Yvonne CHARLEMAGNE and Mary DUPONT-MADINIER fulfilled these independence criteria.

Balanced representation of women and men on the Board of Directors

A mixed gender Board of Directors was initiated in fiscal year 2013-2014 through the successive appointment of two female Board Members.

On June 30, 2020, the presence of three women out of a total of seven Board Members on Vilmorin & Cie's Board of Directors ensures women are represented above the threshold of 40%, in compliance with article L.225-18-1 of the French Commercial Code.

3.2.2. Changes in the composition of the Board of Directors

Changes in 2019-2020

At his request, Philippe AYMARD resigned from his mandate as Chairman and CEO on December 6, 2019. On the same date, the Board of Directors appointed Sébastien VIDAL as Chairman and CEO for the remainder of his term as Board Member, which will expire at the end of the Shareholders' General Meeting called to approve the financial statements for the fiscal year ending June 30, 2020.

On February 26, 2020, the Board of Directors acknowledged Philippe AYMARD's resignation from his mandate as Board Member and, while noting that the number of Board Members remaining in office exceeded the statutory minimum, decided to co-opt Philippe BLATEYRON to replace Philippe AYMARD for the remainder of the latter's term of office, i.e. until the end of the Shareholders' General Meeting called to approve the financial statements for the fiscal year ending June 30, 2020.

In compliance with legal provisions, the appointment of Philippe BLATEYRON will be subject to ratification by the Annual General Meeting of Shareholders to be held on December 11, 2020.

The Board expressed its sincere gratitude to Philippe AYMARD for his commitment and contribution to the development of the Company. His chairmanship was notably marked by the international deployment of Vilmorin & Cie, in particular for the Field Seeds activity. Furthermore, in the context of agricultural markets undergoing profound changes, Vilmorin & Cie has kept its development and internationalization strategy on course. This constancy in its strategic orientations has enabled it to gain market share on a recurring basis.

Philippe AYMARD had been Vilmorin & Cie's Chairman and CEO since December 2012.

Marie-Yvonne CHARLEMAGNE was appointed by the Annual General Meeting of Shareholders held on December 6, 2019, for a term of three years which will expire at the end of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2022.

Changes planned in 2020-2021⁽¹⁾

The terms of office as Board Members of Sébastien VIDAL, Philippe BLATEYRON and Annick BRUNIER expire at the end of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2020. The Board of Directors proposes to the Annual General Meeting of Shareholders to be held on December 11, 2020 to renew the terms of office of Sébastien VIDAL, Philippe BLATEYRON (after ratification of his co-optation) and Annick BRUNIER as Board Members for a period of three years, i.e. until the end of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2023.

Moreover, Mary DUPONT-MADINIER's term of office as Board Member will also expire at the end of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2020. In accordance with the provisions of the by-laws relating to the age limit for Board Members, the Board of Directors proposes to the Annual General Meeting of Shareholders not to renew Mary DUPONT-MADINIER's term of office. The Board of Directors proposes that the next General Meeting of Shareholders' vote on the appointment of Séverine DARSONVILLE as a new Board Member for a three-year term, expiring at the close of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2023.

A Board Member of Limagrain since 2012, Séverine DARSONVILLE has held several mandates within the Group's different activities. Today, she is Member of the Board for the Vegetable Seeds activity of Vilmorin & Cie. Since June 2019, she has also been Chairwoman of Vegopolys Valley (representing Limagrain), the global competitiveness cluster for plants. She also represents the Group on the Board of Directors of Vetagro Sup and on the Supervisory Board of Révision Sud Est.

Finally, she represents Agricultural Cooperation on the Executive Committee of the HCCA (High Council for Agricultural Cooperation).

Moreover, the Board of Directors proposes to the Annual General Meeting of Shareholders to be held on December 11, 2020, to appoint Bpifrance Participations, represented by Benoist DE SAINT LAGER as Board Member, for a period of three years, i.e. until the end of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2023.

In addition, Vilmorin & Cie's Board of Directors will review the composition of the Specialized Committees at the end of the Annual General Meeting of Shareholders of December 11, 2020.

(1) Subject to the approval of the Annual General Meeting of December 11, 2020.

3.2.3. Presentation of Limagrain and the shareholding structure

The majority of the Board Members on Vilmorin & Cie's Board are also members of the Limagrain Board. As a result, they all benefit from specialist experience in agriculture and agronomy, along with expertise in seeds.

As the reference shareholder for the Company, Limagrain has always encouraged Vilmorin & Cie's development by providing regular and consistent investment support.

Founded and managed by French farmers, Limagrain is an agricultural cooperative and an international seed group. Its purpose is to cooperate for the progress of agriculture everywhere, for everyone.

As a creator and producer of plant and cereal varieties, Limagrain develops activities in vegetable seeds and field seeds – through Vilmorin & Cie – as well as agri-food products (ingredients and bakery products), notably through the Jacquet and Brossard brands.

Limagrain is the guarantor of Vilmorin & Cie's long-term growth strategy.

Limagrain is structured around a holding company, Groupe Limagrain Holding (GLH), a joint stock company in which the Société Coopérative Agricole Limagrain is the majority shareholder, with almost 1,500 farmer members.

Reflecting its culture of open-mindedness and an unprecedented approach to its governance, in 2010 Limagrain opened up its capital stock and the governance of its holding GLH to the Strategic Investment Fund (SIF), now part of Bpifrance, in order to contribute to its development. With the same objective, the Crédit Agricole banking group acquired a stake in the capital stock of GLH in June 2013.

As of October 14, 2020, Bpifrance Participations no longer holds a stake in GLH and has acquired a stake in Vilmorin & Cie. By repositioning itself at the level of Vilmorin & Cie, Bpifrance confirms its strategic commitment alongside Limagrain. This operation is the concrete expression of Bpifrance's desire to continue the partnership initiated ten years ago, in support of the deployment of Vilmorin & Cie's strategy.

Limagrain held 75.92% of Vilmorin & Cie's capital stock on June 30, 2020⁽¹⁾. Limagrain is willing to consider lowering this rate depending on market opportunities, and with the objective of encouraging the development of Vilmorin & Cie.

Vilmorin & Cie's Board is accountable to its majority shareholder in the same way it is accountable to all its other Shareholders, their common objectives and interests being to invest in a company that is both healthy and profitable with a long-term vision.

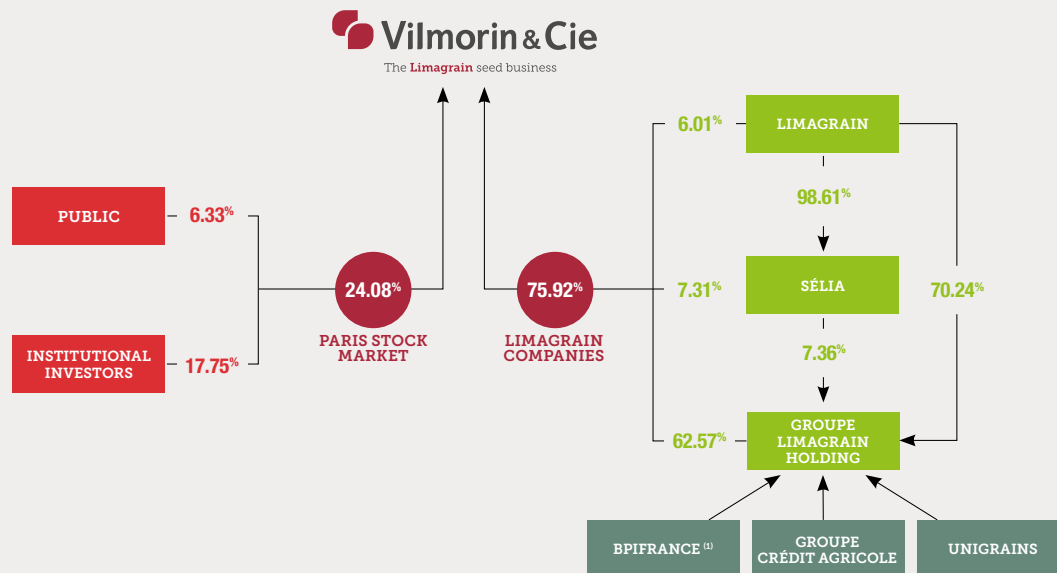
With majority representation on Vilmorin & Cie's Board, Limagrain is careful, through different decision-making processes required for its organization, management and governance, not to exert abusive control on strategic orientations and their operational applications. For this purpose, in 2010, Limagrain formally set up a Strategic Committee, for which there are no provisions in the by-laws, in which Vilmorin & Cie's Independent Board Members participate. This Committee regularly analyzes the Company's strategic orientations in relation to the development projects and opportunities proposed by the General Management and the Executive Committee.

In addition, Limagrain has long structured its various activities into specialized, dedicated divisions, thereby committing itself not to invest in business that would compete with Vilmorin & Cie outside the scope of the latter.

Vilmorin & Cie directly owns most of the significant companies included in the consolidation scope of its financial statements.

(1) With the exception of shares that benefit from the provisions laid down in the by-laws for double voting rights (registered and held for more than four years), Limagrain does not benefit from any special rights. On October 14, 2020, Limagrain held 70.18% of Vilmorin & Cie's capital stock.

Shareholding structure on June 30, 2020



(1) On October 14, 2020, Bpifrance Participations no longer held a stake in GLH and acquired a stake representing participation 5.71% of Vilmorin & Cie's capital stock and 3.40% of its voting rights. Bpifrance thus became Vilmorin & Cie's second largest shareholder, alongside Limagrain.

3.2.4. Internal Regulations and how the Board of Directors functions

3.2.4.1. Internal regulations

In accordance with the Middelnext Corporate Governance Code, Vilmorin & Cie's Board of Directors has adopted a set of Internal Regulations in order to comply with the recommendations made. These Internal Regulations in particular lay down the principles governing the functioning of the Board of Directors, as well as the ethical obligations of the members, in particular with regard to the declaration and management of conflicts of interest within the Board of Directors. It is posted on the Company's website www.vilmorincie.com.

3.2.4.2. Training and information for the Board Members

In addition to the individual and personalized training courses regularly attended by Vilmorin & Cie's Board Members, the Board of Directors holds an annual one-week seminar during which various topics directly related to the

Company's development strategy are covered. During fiscal year 2019-2020, exchanges focused on the mid-term plan for each activity, the strategic initiatives' deployment of Field Seeds, securing funding resources in an economic environment caused by the global health crisis, and a review of upstream research partnerships.

With regard to informing the members of the Board of Directors, it is specified in the Internal Regulations that all Board Members must of course have access to the same information.

The agenda for the Board of Directors' meetings is established by the Chairman. As stipulated in the Internal Regulations, it is sent to members in advance of each meeting and accompanied, as far as possible, by the necessary documents and information to enable them to prepare efficiently for the meetings. In addition, as stated in Vilmorin & Cie's Internal Regulations: *"Board Members are kept regularly informed, between meetings, of any events or operations that are significant for the life of the group"*.

3.2.4.3. How the Board of Directors functions

Vilmorin & Cie's Board of Directors meets regularly. Meetings are convened by written notice to attend from the Chairman, and are held at the Company's head office or any other place fixed in the notice.

During fiscal year 2019-2020, Vilmorin & Cie's Board of Directors met seven times in accordance with a schedule fixed at the beginning of the fiscal year. The attendance rate for the members of the Board of Directors was 98%. In addition to these scheduled meetings, the Board of Directors may also be convened for any other subject of significant importance that may arise, and members are subsequently kept aware of how the files progress.

Furthermore, regular discussions are held between the Board Members and the operational Executives to prepare for strategic decisions.

Vilmorin & Cie's Board Members are also given responsibilities on the Boards of Directors or equivalent bodies in its main subsidiaries.

Vilmorin & Cie's Statutory Auditors attend Board meetings twice a year to approve the interim and annual financial statements.

The work of the Board of Directors is structured through its missions of orientation and monitoring.

The role of the Board of Directors is therefore primarily to ensure that the management of all operational structures is optimized. For this purpose, it is more particularly required to define Vilmorin & Cie's global strategy, check the coherence of policies implemented, and ensure that the main risks are identified and properly controlled. The main topics discussed during the past fiscal year dealt with:

- an analysis and approval of the orientations presented by the Executive Committee for the mid-term plan,
- confirmation of the strategy and the orientations of the Vegetable and Field Seeds activities both in terms of international development and research investments,
- implementation of the Company's development plan and strategic partnerships, particularly in upstream technologies,
- implementation of the group's financial operations to reinforce the Company's mid- and long-term resources (global renewal of funding, long-term funding agreement with the European Investment Bank, partial buyback of the bond issue maturing in May 2021, etc.),
- implementation of regulatory changes (rotation of Statutory Auditors firms, etc.),
- operational action plans deployed to deal with the global Covid-19 health crisis,
- closing of the parent Company financial statements and consolidated financial statements for the first semester and fiscal year of 2019-2020,
- approval of the budget for fiscal year 2020-2021.

The Board of Directors approved Vilmorin & Cie's corporate and consolidated financial statements, along with all related reports, at its meeting of October 14, 2020.

In compliance with the Internal Regulations and the recommendation of the Middelnext Corporate Governance Code, the Board of Directors regularly ensures that a succession plan, respecting Vilmorin & Cie's specific characteristics, is in place for corporate officers and key individuals. The guidelines for the succession plan for corporate officers are drawn up, according to each case, either by Limagrain's Board of Directors for its direct representatives, or in consultation with the Strategic Committee for Independent Board Members. With regard to salaried Top Executives and key individuals, as part of its Human Resources function, Vilmorin & Cie has set up a Careers Committee to plan and organize the mobility and succession of Top Executives and Executive Managers.

For each meeting of the Board of Directors, minutes are drawn up summarizing the discussions, and validated by each Board Member. Each Board Member may request, at his or her initiative, a copy of the minutes of the meetings of the Board of Directors at a later date. Extracts of the minutes to be produced in court or elsewhere are certified by the Chairman of the Board of Directors or the Chief Executive Officer.

3.2.4.4. Evaluation of the Board's work and operations

In order to comply with the Middelnext Corporate Governance Code recommendation on establishing an evaluation of the Board's work and operations, Vilmorin & Cie's Board of Directors carries out an annual self-assessment of its operating mode, the organization of its work and its composition. Nevertheless, the Board of Directors has opted not to formally carry out this evaluation with the help of external consultants. Once every year the Chairman of the Board invites the members of the Board of Directors to express their opinion on the operations of the Board and its Committees, and on the preparation of future work. This item was on the agenda of the Board meeting held on June 30, 2020, and a questionnaire was distributed to all the Board Members, the results of which were presented to the Board of Directors' meeting held on October 14, 2020 to approve the financial statements for the fiscal year closing on June 30, 2020.

3.3. Specialized Committees

The Board of Directors consolidates its work through two specialized Committees: the Audit and Risk Management Committee and the Strategic Committee.

3.3.1. The Audit and Risk Management Committee

Composition on June 30, 2020

In 2010, Vilmorin & Cie's Board of Directors set up an Audit and Risk Management Committee, today chaired by Marie-Yvonne CHARLEMAGNE, an independent Board Member, and under the exclusive and collective responsibility of the members of the Board.

On June 30, 2020, Philippe BLATEYRON, Claude RAYNAUD and Pascal VIGUIER were also members of this Committee.

Sébastien VIDAL, Daniel JACQUEMOND, Vilmorin & Cie's Delegate CEO, and Vincent SUPIOT, Vilmorin & Cie's Chief Financial Officer (replaced in September 2020 by Olivier FALUT) also participate in the meetings of this Committee, and depending on the items on the agenda, the Company's Statutory Auditors and certain other colleagues, required for their expertise, also participate.

Missions

The Audit and Risk Management Committee has Internal Regulations which were adopted by the members of the Board of Directors at the Board meeting of February 23, 2010, and updated on May 4, 2017. These regulations lay down its organization and functioning as a complement to the provisions in Vilmorin & Cie's by-laws and to the decisions of its Board of Directors.

The Audit and Risk Management Committee is responsible in particular for:

- controlling the process of preparing financial information,
- ensuring the efficiency of all internal control and risk management,
- monitoring legal control of the financial statements by the Statutory Auditors and external auditors,
- proposing the designation of its Statutory Auditors, their remuneration, ensuring their independence and safeguarding that their missions are carried out correctly,
- approving the provision of services rendered by the Statutory Auditors other than the certification of the financial statements, in accordance with applicable regulations.

Main tasks in 2019-2020

The Audit and Risk Management Committee met four times during fiscal year 2019-2020, with an attendance rate of 100%. In particular, its work focused on:

- a review of the interim and annual financial statements,
- the internal audit plan and a half-yearly review of its implementation,
- presentation of the management of the Covid-19 health crisis and the different related action plans,
- an updated analysis of the Group's risk management,
- a summary of the measures taken with regard to compliance with regulations, and more specifically those concerning the rotation of the appointments and assignments of the Statutory Auditors.

3.3.2. The Strategic Committee

Composition on June 30, 2020

Set up in 2010, the Strategic Committee was composed of five Board members on June 30, 2020, and is currently chaired by Pascal VIGUIER.

Philippe BLATEYRON, Mary DUPONT-MADINIER, Claude RAYNAUD and Sébastien VIDAL are also members of this Committee.

Marie-Yvonne CHARLEMAGNE, Daniel JACQUEMOND, Vilmorin & Cie's Delegate CEO, and Vincent SUPIOT, Vilmorin & Cie's Chief Financial Officer (replaced in September 2020 by Olivier FALUT), also participate in this Committee.

Missions

The Strategic Committee, for which there is no provision in the by-laws, is responsible in particular for:

- reviewing strategic orientations, the prospective analysis of markets and changes in the competitive environment,
- proposing the designation of new Independent Board Members.

Its operation is governed by Internal Regulations adopted by the members of the Board of Directors on June 30, 2017.

Main tasks in 2019-2020

The Strategic Committee met only once during the course of fiscal year 2019-2020, with an attendance rate of 100%. Its work mainly focused on strategy in terms of upstream technologies related to new breeding techniques* (gene editing*, etc.).

Given the current choice to allocate Board Members' fees only to Independent Board Members and the specific organization of its General Management, in conjunction with its reference shareholder, Vilmorin & Cie does not currently have a formal Compensation Committee. The Board of Directors has therefore decided not to set up either a Nomination Committee or a Compensation Committee, but to deal directly with these issues in its plenary sessions.

3.4. Management bodies

3.4.1. The General Management

Vilmorin & Cie's General Management is the responsibility of the Chairman of the Board, Sébastien VIDAL. The Board of Directors has adopted the combination of the functions of Chairman and CEO.

3.4.1.1. The Delegate CEO

The Chairman of the Board is assisted in his mission by a Delegate CEO, more specifically in charge of operational functions. This function has been held by Daniel JACQUEMOND since December 8, 2017, and renewed in this function on December 6, 2019.



Daniel JACQUEMOND

Delegate CEO

Nationality: French — 62 years old

Terms of office

Commencement: 2017 — Expiry: 2020

Expertise and experience

A graduate of ESCP Europe, Daniel JACQUEMOND has experience of more than 30 years in the Group's main activities, and in particular has held various operational positions as CEO for subsidiaries in France and Germany. Then, from 2000 until 2017, Daniel JACQUEMOND was Vilmorin & Cie's Chief Financial Officer.

Ongoing mandates on June 30, 2020

Chairman and CEO:

Vilmorin USA Corp (United States)

Vice Chairman:

Vilmorin Garden Sp. zo.o. (Poland)

Delegate CEO:

Vilmorin Jardin SA (France)

Member of the Board:

Hengji Limagrain Seeds Co. Ltd (China), Limagrain (Beijing)
Agricultural Technical Services Co Ltd (China), Limagrain (Beijing)
Business Consulting Co Ltd (China), Seed Co International (Botswana),
Seed Co Limited (Zimbabwe), Vilmorin 2014 (Holdings) Limited
(United Kingdom), Vilmorin Hong Kong Limited (Hong Kong),
Vilmorin Singapore PTE. Ltd (Singapore), Vilmorin USA Corp
(United States)

Member of the Board, non-member of the Cooperative:

Société Coopérative Agricole Limagrain (France)

3.4.1.2. Limits to the powers granted to the CEO and the Delegate CEO

The Chief Executive Officer has the widest powers to act in all circumstances on behalf of the Company. He exercises these powers within the scope of the object of the Company and subject to the powers granted by the French law governing Shareholders' meetings and Boards of Directors.

The Delegate CEO has the same powers as those of the CEO with regard to third parties.

For purposes of the Company's internal organization, the powers of the CEO and the Delegate CEO have been partially limited by the Board of Directors, but these limits are not available against third parties.

These limits concern, in particular, the following points (according to financial limits defined by the Board of Directors):

- acquisition, contribution and disposal of participations in other companies or provision of security interests in such participations,
- signing off-balance sheet commitments,
- borrowing, with the exception of campaign funding over less than one year,
- decision to grant any sureties and constitute any mortgages or other guarantees on all the Company's assets.

3.4.2. The Executive Committee

Vilmorin & Cie's Executive Committee is led by Daniel JACQUEMOND. On September 30, 2020, it comprised:



Olivier FALUT
Chief Financial
Officer

Agnès MISTRETTA
VP for Human
Resources

Daniel JACQUEMOND
Delegate CEO

Régis FOURNIER
CEO Field Seeds
division

Franck BERGER
CEO Vegetable Seeds
division

.....

Olivier FALUT took over the position of Chief Financial Officer at the beginning of September 2020, following the departure of Vincent SUPIOT, Vilmorin & Cie's Chief Financial Officer since September 2017, who wished to pursue a different professional project after more than 20 years of a fully successful career within the Group. With a dual higher education in finance and business law, Olivier FALUT has built up solid experience in all areas of finance. He has held such positions at the highest level in various French companies of international dimension and notably in agri-food companies such as Bel and Lactalis, as well as within the Sodiale cooperative group. Before joining Vilmorin & Cie, Olivier FALUT was Corporate Chief Financial Officer at Segula Technologies.

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The Executive Committee meets on the basis of two meetings per month. Its vocation is:

- to propose strategic orientations to the Board and then to ensure their implementation,
- to arbitrate on budgetary proposals from the different Business Units and check regularly that budgetary decisions are respected,
- to analyze any opportunities for external growth, partnerships or divestments, to submit them to the Board, and then to make sure they are properly finalized,
- to define the main rules and operating procedures for Vilmorin & Cie,
- to establish projects to close the interim and annual consolidated and corporate accounts.

3.5. Agreements with corporate officers and interests of Management bodies

3.5.1. Stock options, stock purchasing, voting rights, conventions with corporate officers, agreements provided for in article L.225-37-4 2°, procedure for the assessment of current agreements

Vilmorin & Cie's Board Members do not hold any of Vilmorin & Cie's shares with the exception of Sébastien VIDAL, who benefits from a stock lending arrangement.

No operation or agreement has been agreed by the Company with its corporate officers.

No loan or guarantee has been granted or signed in their favor by the Company's banks. No service contract binding members of the Board of Directors or the General Management and granting benefits has been signed by Vilmorin & Cie or any of its subsidiaries.

In compliance with article L.225-37-4 of the French Commercial Code, no agreement has been made between any of the Company's subsidiaries within the meaning of article L.233-3 of the French Commercial Code and a corporate officer or a shareholder holding more than 10% of the Company's voting rights.

Pursuant to articles L.225-39 paragraph 2 and L.225-87 paragraph 2 of the French Commercial Code, the Board of Directors has set up a procedure for regularly assessing whether agreements relating to current operations and entered into under normal conditions meet these conditions. Persons directly or indirectly interested in one of these agreements do not take part in its assessment. This procedure is a reminder of the regulatory framework applicable to agreements that may be entered into. Its implementation is the responsibility of the Company's Legal Affairs Department.

In so far as Vilmorin & Cie is majority controlled by Limagrain, the decision process followed to determine the compensation policy for the Delegate CEO of Vilmorin & Cie results from specific deliberations of an *ad hoc* committee set up between the Chairman and CEO of Vilmorin & Cie, the Chairman of Limagrain and its CEO. The said compensation is reviewed annually by this committee.

3.5.2.1. Compensation and benefits of any nature received by corporate officers

In compliance with the recommendations of the Middelnext Corporate Governance Code, the principles for determining this compensation meet the criteria of comprehensiveness, balance, benchmark, consistency, clarity of the rules, measurement and transparency.

Mr. Sébastien VIDAL, Chairman and CEO, exercises his mandate without any compensation, neither for his function of Chairman nor of CEO. He does not receive any compensation either from Vilmorin & Cie, or from Limagrain. Indeed, it is an established management principle that Board Members representing Limagrain should not receive a salary or any other form of compensation for their mandates.

As part of the organization of the Limagrain General Management functions, Vilmorin & Cie's Delegate CEO has a permanent contract of employment with Groupe Limagrain Holding. Compensation is paid by Groupe Limagrain Holding and is re-invoiced to Vilmorin & Cie through management fees.

This contract defines in particular the different components of compensation, provisions regarding the non-competition clause and the conditions for terminating the contract.

The compensation of corporate officers who have a contract of employment comprises:

- fixed salary which is reviewed annually,
- a variable part which is defined each fiscal year exclusively in relation to the Company's financial performance, expressed "per thousand" of Vilmorin & Cie's consolidated net income. This quota calculation of the income is reviewed at the beginning of each fiscal year and is applied as such at the end of the fiscal year, once the consolidated financial statements have been definitively approved. The total variable part is capped at one year's fixed salary,

3.5.2. Fees or allowances paid to corporate officers and Board Members

In compliance with the provisions of article L.225-37-2 of the French Commercial Code, the Board of Directors submits, for the fiscal year ended June 30, 2020, for approval by the Annual General Meeting of Shareholders of December 11, 2020, the compensation policy for corporate officers, as defined in paragraphs 3.5.2.1 and 3.5.2.2.

In compliance with the provisions of article L.225-37-2 of the French Commercial Code, the compensation policy for corporate officers must correspond to the Company's corporate interest and contribute to its business strategy and sustainability.

- benefit in kind consisting of the provision of a company car,
- retirement benefits,
- and collective profit-sharing set up through an agreement in force at the Group level.

The total compensation paid for fiscal year 2019-2020 to Mr. Daniel JACQUEMOND, for his function of Delegate CEO, came to 318,900 euros, including a variable part of 77,900 euros. The total commitments concerning Daniel JACQUEMOND's retirement benefits on June 30, 2020 stood at 249,000 euros.

Contractual severance payment corresponds to one year's total remuneration, fixed and variable. The formula used to calculate this sum, which constitutes the upper limit, is based on one year's gross fixed salary, excluding any benefits in kind, to which is added a complementary payment corresponding to the annual average of the variable compensation for the previous three fiscal years closed.

It is specified that only termination of the contract of employment by the Company can generate this severance payment, which cannot be applied if the Delegate CEO leaves the Company at his or her own initiative.

At the end of fiscal year 2019-2020, the potential impact of the termination of the mandate of Vilmorin & Cie's Delegate CEO can be evaluated at 0.39 million euros.

As compensation for a non-competition obligation, the Delegate CEO benefits from a compensatory allowance corresponding to one year's gross fixed salary, excluding any benefits in kind, to which is added a complementary payment corresponding to the annual average of the variable compensation for the previous three fiscal years closed. At the end of fiscal year 2019-2020, this allowance can be evaluated at 0.39 million euros.

Finally, it is specified that the Delegate CEO does not receive any compensation for his/her corporate mandate, since all compensation is exclusively related to his/her contract of employment.

The allocation of stock options or stock purchasing and performance shares is not applicable to the corporate officers of Vilmorin & Cie.

In compliance with the provisions of article L.225-100 of the French Commercial Code, the Annual General Meeting of December 11, 2020, will deliberate on the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or attributable to Daniel JACQUEMOND, Delegate CEO for the fiscal year closing on June 30, 2020.

3.5.2.2. Fees and allowances of any nature received by Board Members (non-executive corporate officers)

The Board Members from Limagrain exercise their mandate without any compensation and do not receive any fees; moreover, they do not receive any corporate compensation with a direct or indirect legal link to Vilmorin & Cie, in compliance with the normal practices of Limagrain.

Independent Board Members receive compensation related to their activity on the Board of Directors and their participation in Committees, taking into account the time devoted to these functions.

Following the resolution approved by the Annual General Meeting held on December 6, 2019, the Board of Directors decided to allocate all the attendance fees for fiscal year 2018-2019 (45,900 euros), to Miriam MAES and Mary DUPONT-MADINIER, Independent Board Members.

It will be proposed to the Annual General Meeting deliberating on the financial statements closed on June 30, 2020 to fix the compensation related to the activity of the Independent Board Members for fiscal year 2019-2020 at 46,830 euros.

3.5.2.3. Summarized statements of compensation

The different compensation components of the executive corporate officers due or allocated for fiscal year 2019-2020, which will be submitted to the vote of the Shareholders during the Annual General Meeting of December 11, 2020, are shown in the following tables, completed in reference to the appendix of the Middlednext Corporate Governance Code.

Any entry not mentioned in these tables is deemed not to be applicable.

Table 1 - Summary table of compensation payable to each corporate officer

In thousands of euros	06.30.18		06.30.19		06.30.20	
	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid
Emmanuel ROUGIER, Delegate CEO⁽¹⁾						
Fixed compensation	127.1	127.1	-	-	-	-
Annual variable compensation	90.1	90.1	-	-	-	-
Compensation related to activity	-	-	-	-	-	-
Benefits in kind ⁽³⁾	2.5	2.5	-	-	-	-
Total	219.7	219.7	-	-	-	-
Daniel JACQUEMOND, Delegate CEO⁽²⁾						
Fixed compensation	126.1	126.1	230.4	230.4	234.7	234.7
Annual variable compensation	-	-	76.9	76.9	77.9	77.9
Compensation related to activity	-	-	-	-	-	-
Benefits in kind ⁽³⁾	3.0	3.0	6.4	6.4	6.4	6.4
Total	129.1	129.1	313.7	313.7	318.9	318.9

(1) Delegate CEO up until December 8, 2017.

(2) Delegate CEO as of December 8, 2017.

(3) Benefits in kind correspond to the use of a company car.

These provisions do not concern Sébastien VIDAL, who exercises his mandate without any compensation.

Table 2 - Table of compensation related to activity (and other compensation) received by non-executive corporate officers

In thousands of euros	06.30.18 Amounts paid out	06.30.19 Amounts paid out	06.30.20 Amounts paid out
Miriam MAES, Independent Board Member			
Compensation related to activity	30.0	30.6	-
Other compensation	-	-	-
Total	30.0	30.6	-
Mary DUPONT-MADINIER, Independent Board Member			
Compensation related to activity	15.0	15.3	15.6
Other compensation	-	-	-
Total	15.0	15.3	15.6
Marie-Yvonne CHARLEMAGNE, Independent Board Member			
Compensation related to activity			31.2
Other compensation			-
Total			31.2

These provisions do not concern Vilmorin & Cie's other Board Members, who exercise their mandate without any compensation.

It should be noted that the compensation related to the activity of Marie-Yvonne CHARLEMAGNE, is equally allocated on the one hand for her mandate as Board Member, including her participation in Committees, and on the other hand as Chairwoman of the Audit and Risk Management Committee.

Table 3 - Summary table of allowances or benefits concerning corporate officers

Corporate officers	Contract of employment		Supplementary pension scheme		Allowances or benefits due or liable to be due because of the termination or change of function		Allowances with regard to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Sébastien VIDAL, Chairman and CEO Commencement of term of office: 2016 Expiry of term of office: 2020		X		X		X		X
Daniel JACQUEMOND, Delegate CEO Commencement of term of office: 2017 Expiry of term of office: 2020	X			X	X		X	

3.5.3. Information mentioned in part I of article L.225-37-3 of the French Commercial Code

In compliance with the provisions of article L.225-100 II of the French Commercial Code, the Board of Directors submits the required information on the compensation of corporate officers paid during the fiscal year ended June 30, 2020 or allocated for the same fiscal year to the vote of the Shareholders' Annual General Meeting of December 11, 2020, which will be invited to vote on all the information set out in paragraphs 3.5.2.1. and 3.5.2.2. above.

3.5.4. Compensation of members of Management bodies

In 2019-2020, the sum of compensations and benefits in kind made to members of the Executive Committee came to 2 million euros. Moreover, the total amount funded to retirement benefits of members of the Executive Committee came to 0.9 million euros on June 30, 2020.

3.5.5. Equity ratio

In compliance with the provisions of article L.225-37-3 of the French Commercial Code, there is a presentation below of *"the level of compensation of the Chairman of the Board of Directors, the Chief Executive Officer and the Delegate Chief Executive Officer in relation to the average and median compensation on a full-time equivalent basis of the Company's employees other than corporate officers, as well as the evolution of this ratio over the last five fiscal years"*.

This presentation was made in order to comply with the transparency requirements for executive compensation. It may of course evolve in the light of any subsequent clarifications and official positions communicated to companies.

In thousands of euros	06.30.16	06.30.17	06.30.18	06.30.19	06.30.20
Compensation of the Delegate CEO	332.0	312.4	348.8	313.7	318.9
Average compensation on a full-time equivalent basis of the Company's employees ⁽¹⁾	67.3	66.4	68.3	66.7	69.1
Average compensation ratio	4.9	4.7	5.1	4.7	4.6
Median compensation on a full-time equivalent basis of the Company's employees ⁽¹⁾	46.1	46.9	49.7	48.0	49.8
Median compensation ratio	7.2	6.7	7.0	6.5	6.4

(1) These compensations concern employees of the structure Vilmorin & Cie SA.

It should be noted that the compensation considered in the table above presents all the components of the compensation, fixed and variable. As a result, as the compensation of certain employees does not include a variable part, the compensation structure between the Delegate CEO and the employees is different.

This table does not include the Chairman and CEO, Sébastien VIDAL, who exercises his mandate without any compensation.

3.5.6. Conflicts of interest

The Internal Regulations of Vilmorin & Cie in force include an article relating to the independence of Board Members and conflicts of interest. They provide for the obligation for each Board Member in such a situation to fully and immediately inform the Board of Directors of any real or potential conflict of interest that he/she may have in the course of his/her duties as a Board Member. In the event of a conflict of interest, he or she must abstain from taking part in the discussions and from voting on the deliberations concerned.

To the knowledge of the Company:

- no member of the Board or the Management has been convicted of fraud over the past five years,
- no member of the Board or the Management has been subject to bankruptcy, or has gone into receivership or liquidation or placing of companies under administration as a member of an administrative, management or supervisory body or as CEO over the past five years,
- no member of the Board or the Management has received an official public penalty or sanction pronounced by the statutory or regulatory authorities (including designated professional bodies) over the past five years,
- no member of the Board or the Management has been prevented by a court of justice from acting as a member of an administrative, management or supervisory corporate body, or from intervening in a management or executive capacity over the past five years,
- there is no current or potential conflict of interest between the duties held by any of the members of the Board or the Management with regard to the Company and private interests and/or other duties,
- there are no agreements or arrangements concluded with the main shareholders or with customers, suppliers or others that would have enabled a member of the Board of Directors, Executive Committee or Chief Executive Officer to be selected as a member of a Board of Directors, Executive Committee or General Management,
- there are no restrictions accepted by any member of the Board of Directors, Executive Committee or Chief Executive Officer regarding the sale of shares held in the Company.

3.6. Participation of the Shareholders in General Meetings

All provisions concerning notices to attend, and the holding of Shareholders' General Meetings, are defined in Heading V of Vilmorin & Cie's by-laws, with clauses concerning the attendance and representation of Shareholders appearing in articles 28 and 29.

3.7. Information liable to have an impact in the case of a takeover bid

In compliance with the law, any information concerned by article L.225-100-3 of the French Commercial Code is appropriately provided as required in the report referred to in article L.255-100 of the French Commercial Code.

This full report was discussed and approved by the Board of Directors at their meeting held on October 14, 2020.

Appendix

Summary table of the delegations of authority and powers granted by the Annual General Meeting of December 6, 2019 to the Board of Directors with regard to capital stock increases

Object of the delegation	Period of validity	Maximum nominal amount	Date and application by the Board of Directors
Delegation of authority with a view to increasing the capital stock immediately or at due date through the issue of ordinary shares and/or securities providing access to the stock or debt securities, with preemptive rights maintained	24 months	300 million euros	Not applied
Delegation of authority with a view to increasing the capital stock immediately or at due date through the issue of ordinary shares and/or securities providing access to the stock or debt securities, with preemptive rights cancelled	24 months	200 million euros	Not applied
Delegation of authority with a view to increasing the capital stock immediately or at due date through the issue of ordinary shares, and/or securities providing access to the capital stock by private placement as regulated by article L.411-2, II of the French Monetary and Financial Code	26 months	20% of the capital stock on the date of the decision by the Board of Directors	Not applied
Global ceiling for all the authorizations above	-	500 million euros	Not applied



4 MANAGEMENT REPORT

**Report of the Board of Directors to the
Joint Annual General Meeting (Ordinary
and Extraordinary) of December 11, 2020**

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Report of the Board of Directors to the Joint Annual General Meeting

(Ordinary and Extraordinary) of December 11, 2020

To the Shareholders,

As part of the Joint Annual General Meeting (Ordinary and Extraordinary) and in accordance with the provisions of the law and your Company's by-laws, the purpose of the present report is:

- to submit for your approval the annual financial statements for the fiscal year closing on June 30, 2020,
- to ratify the appointment of one Board Member, renew the term of office of several Board Members and appoint two new Board Members,
- to appoint a new co-Statutory Auditor and to note the non-replacement of the Substitute co-Statutory Auditor,
- and to delegate to your Board of Directors the necessary powers to proceed with the purchase of your Company's own shares and the issue of securities through a public issue with or without pre-emptive rights, according to the best possible market conditions.

Notice to attend has been sent to all of you, and all the documents and relevant information have been made available under the conditions and deadlines stipulated according to the law.

Activity for the fiscal year

Corporate financial statements

The corporate financial statements of Vilmorin & Cie have been set out in accordance with French regulations.

Within the framework of its development and innovation strategy, over fiscal year 2019-2020 Vilmorin & Cie consolidated the internationalization of its business, and furthered its partnerships in research and the development of new technologies.

Vilmorin & Cie sales reached 95.1 million euros in 2019-2020 as opposed to 84.2 million euros the previous fiscal year. These sales mainly correspond to services rendered by Vilmorin & Cie to its subsidiaries in the areas of general administration, human resource management, information systems and pooled upstream research programs.

These services are invoiced as management fees according to real expenditure and shared out proportionately between

the subsidiaries of Vilmorin & Cie according to allocation keys based on objective economic criteria.

Total operating charges came to 109.7 million euros, slightly down by 0.1% in relation to 2018-2019.

The operating income showed a loss of 13.1 million euros, down by 7.8 million euros compared to the previous fiscal year.

The financial result showed a net income of 43.7 million euros compared to 37.8 million euros in 2018-2019.

This figure takes into account the dividends received from the subsidiaries, with the total amount for fiscal year 2019-2020 of 54.3 million euros, compared with 94.6 million euros the previous fiscal year, which included an exceptional distribution of 27.9 million euros from the company Seed Co Ltd in the form of a dividend in kind with Seed Co International shares as underlying securities.

It also includes:

- a net write-back of provisions on shares of 9.8 million euros, the provision of 20.8 million euros for Limagrain Brasil securities existing on June 30, 2019 which were written back for the sale of these securities to the company Limagrain Nederland Holding, largely offsetting the provision of 11 million euros for Seed Co Ltd securities recorded for the fiscal year,
- and net currency exchange losses of 4.7 million euros.

Finally, this financial result also includes 12.6 million euros of net interest charges, as opposed to 10.4 million euros the previous fiscal year.

The extraordinary income showed a net charge of 30.4 million euros as opposed to a net charge of 2.6 million euros in 2018-2019. In particular, it includes a charge on capital transactions of 29.3 million euros related to the sale of Limagrain Brasil shares to Vilmorin Nederland Holding.

Income tax takes into account the impact of the fiscal integration system adopted by the Group on July 1, 2000. This fiscal group comprises Vilmorin & Cie, Vilmorin SA, HM.CLAUSE SA, Vilmorin Jardin SA and, since fiscal year 2012-2013, Limagrain Europe SA and Limagrain Central Europe SE; for fiscal year 2019-2020 a net income of 15.7 million euros was posted for this line, including tax relief for research of 4.5 million euros.

As a result of the above-mentioned considerations, the net corporate income came to 16 million euros on June 30, 2020 as opposed to 42.4 million euros for the previous fiscal year.

The capital stock stood at 349,488,703 euros on June 30, 2020, corresponding to 22,917,292 shares each with a nominal value of 15.25 euros.

On June 30, 2020, loans and financial debts showed a value of 992.3 million euros.

Net of cash and investment securities, and also current accounts granted to subsidiaries as part of the group's cash flow management system, net financial debts stood at 492 million euros.

Following its "Schuldschein" issues in 2013, 2017 and 2019, Vilmorin & Cie decided to diversify its financial resources once again by signing a long-term research funding agreement, in May 2020, with the European Investment Bank (EIB). This funding, for a total amount of 170 million euros, involves two maturity tranches, at 5 and 7 years.

Previously, in May 2019, Vilmorin & Cie had concluded the refinancing of its existing bank credit facility, which matured in May 2021. Structured in the form of a revolving credit facility for an initial amount of 300 million euros, it offers a maturity of 5 years (maturing in May 2024) and also includes two one-year extension options, as well as the possibility of asking the banks to increase the amount to 450 million euros. Concluded under favorable market conditions, this syndicated bank loan strengthens Vilmorin & Cie's financial flexibility. It is subject to a commitment to respect two consolidated financial ratios (net financial debt/EBITDA, EBITDA/net financial charges); at June 30, 2020, Vilmorin & Cie was in full compliance with this commitment.

Consolidated Financial Statements

Accounting standards, principles and methods

At the close of fiscal year 2019-2020, Vilmorin & Cie's consolidated financial statements were set out in accordance with the IFRS (International Financial Reporting Standards) reference as applied by the European Union on June 30, 2020.

The international accounting standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), along with their SIC (Standing Interpretation Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The accounting principles and methods used to prepare the consolidated financial statements for the year ending on June 30, 2020 have changed in relation to June 30, 2019 to account for:

- the first application of the standard IFRS 16 - "Leases",
- and the application of the interpretation IFRIC 23 - "Uncertainty over Income Tax Treatment".

Comparability of data

The impacts of changes due to the first application of IFRS 16 are included and presented in the form of restated data for fiscal year 2018-2019.

Furthermore, the evolution of data for fiscal year 2019-2020 is analyzed in current data and like-for-like data, and compared with the restated data.

Like-for-like data concern the data restated for the impact of changes to scope and currency rates; accordingly, the restated financial data for fiscal year 2018-2019 take into account:

- the impact of currency translation, by applying the average rates of fiscal year 2019-2020,
- the main changes in the consolidation scope resulting from the acquisition of stakes in the companies Sursem (Argentina) and Geneze (Brazil) finalized in December 2018. Indeed, the financial data for fiscal year 2018-2019, included 7 months of activity, from December 2018 until June 2019 for these two entities. They have been restated for the 5 months of activity from July 2019 until November 2019, so that comparisons can be made over a full year.

The evolution in consolidation scope also includes the disposal of the company Van Den Berg (Netherlands. Garden Products) in June 2019.

Activity and results for the fiscal year

Consolidated sales, corresponding to revenue from ordinary activities for fiscal year 2019-2020, came to 1,435.2 million euros, a significant increase of 3.2% with current data compared to the previous fiscal year.

After taking into account the cost of destruction and depreciation of inventory, the margin on the cost of goods stood at 49.8%, an increase of 1 percentage point compared with 2018-2019.

Net operating charges came to 604.4 million euros, as opposed to 564.1 million euros on June 30, 2019.

In compliance with its strategic orientations, Vilmorin & Cie continued its research programs in 2019-2020, both in terms of conventional plant breeding* and biotechnologies*.

Total research investment came to 260.2 million euros as opposed to 241.5 million euros in 2018-2019 and now represents 16.7% of seeds activity sales intended for the professional markets, integrating the activities of the North American company AgReliant, held 50%.

Consequently, the consolidated operating income stood at 109.8 million euros, slightly down compared to the 114.6 million euros of previous fiscal year, which included non-recurring items (capital gains from the reorganization of the company Biogemma, and the disposal of industrial plant devoted to corn seed production in Hungary). The resulting recorded operating margin was 7.7%, down 0.5 percentage points compared with the previous fiscal year.

Income from associated companies came to 17.9 million euros, including in particular AgReliant and the African companies Seed Co Ltd (Zimbabwe) and Seed Co International (Botswana).

The financial result showed a net charge of 53.3 million euros compared with 48.4 million euros in 2018-2019, a decrease of 4.9 million euros, including 3.4 million euros in funding costs, since the funding of the acquisition of the companies Geneze and Sursem had a full year's impact on fiscal year 2019-2020. The other financial income and charges, down by 1.5 million euros, account for net exchange losses of 20.2 million euros, an increase of 11.6 million euros; since the health crisis had an unfavorable effect on the group's hedging operations. This deterioration is partially offset, for a total of 8.6 million euros, by the recognition in 2019-2020 of a non-recurring income of 3.3 million euros in respect of the change in functional currency (from Argentine peso to US dollar) for the Argentinian companies, whereas the fiscal year 2018-2019 included a charge of 5.3 million euros for the restatement of hyperinflation in Argentina.

The net charge of income taxes came to 6.9 million euros as against 14.2 million euros in 2018-2019. This reflects a decrease in the net current tax charge, which amounted to 11 million euros compared with 22.7 million euros in the previous year.

Finally, the total net income came to 67.5 million euros, down 10.5 million euros compared with the previous fiscal year, which included extraordinary items (favorable impacts from the reorganizations of the Seed Co group and the company Biogemma, capital gains on the disposal of industrial plant devoted to seed corn production in Hungary); the Group share ("attributable to the controlling Company") stood at 66.2 million euros.

Compared with the previous fiscal year, the balance sheet structure on June 30, 2020 was marked by an increase of the net debt to equity ratio (gearing of 76%, as opposed to 69% on June 30, 2019); this increase was due in particular to a drop in equity of 91.4 million euros, because of the buyout of minority interests and an unfavorable change in translation reserves in a context of strong devaluation of certain currencies as at June 30, 2020.

Net of cash and cash equivalents (235.2 million euros), total net financial indebtedness came to 933.5 million euros on June 30, 2020 compared with 911.5 million euros on June 30, 2019. The share of non-current financial indebtedness stood at 600 million euros.

The Group's share ("attributable to the controlling Company") of equity stood at 1,214.8 million euros and minority interests ("attributable to the non-controlling minority") at 15 million euros.

Vegetable Seeds

On June 30, 2020, sales for Vegetable Seeds for the fiscal year stood at 705.5 million euros, an increase of 2.6% with current data, and 2.5% on a like-for-like basis compared with the previous year.

Business was particularly dynamic in Mexico and the United States, and in Turkey too. In Asia, the situation varied depending on the country, with significant progress in India, in an upbeat market, but the year was more difficult in China, where the market was under pressure as of January because of the health crisis, and in spite of a good quality fourth quarter.

With regard to the different crops, truly fine performances were recorded for several strategic world crops: tomato, for which Vilmorin & Cie gained market shares in several regions, particularly Europe and North America, sweet pepper, hot pepper, cauliflower and carrot, for which business progressed in all parts of the world. Furthermore, this growth was also marked for several crops grown for canning and freezing, such as sweet corn, bean and pea.

In spite of a context made uncertain by the global health crisis, the Vegetable Seeds business was not in fact significantly affected taking the fiscal year as a whole, thus showing its resilience. Moreover, Vilmorin & Cie managed to post marked business growth, and was therefore able to confirm, at the end of the fiscal year, its position as No. 1 worldwide for vegetable seeds.

Overall, the Vegetable Seeds activity posted an operating margin of 14.6% and a net contribution to the consolidated income of 69 million euros compared with 71.6 million euros for 2018-2019.

Field Seeds

Sales for the fiscal year for the Field Seeds activity on June 30, 2020 reached 677 million euros, an increase of 4.2% compared with fiscal year 2018-2019. On a like-for-like basis, growth stood at 2.9%, culminating in a solid performance over the fiscal year.

In Europe, Vilmorin & Cie achieved a satisfactory commercial campaign, posting an increase of 1% with current data and 0.9% on a like-for-like of its sales for the fiscal year (571.1 million euros). The increase in sales particularly concerned corn and rapeseed. For the latter, the fiscal year was of very high quality in a market temporarily experiencing a very sharp decrease, leading to complementary market share gains. On the other hand, sunflower sales fell back, above all in Ukraine.

In its development regions (South America, Asia and Africa), Vilmorin & Cie achieved sales of 105.9 million euros, with very marked growth of 15.5% on a like-for-like basis compared with the previous fiscal year.

South America posted a strong increase in activity (12.1% on a like-for-like basis), with solid performances both in corn and soybean, strengthening its commercial positions both in Brazil and Argentina. In Asia, growth was good, especially in India, with overall confirmation of a quality fiscal year, even though business was impacted by drought in certain countries.

Recording a significant business growth, the Field Seeds Division posted an operating margin of 2.9% and a profit contribution to the consolidated result of 26.1 million euros compared to 32.8 million euros the previous year which included extraordinary items (favorable impacts of the reorganizations of the group Seed Co and the company Biogemma, capital gains on the sale of industrial plant devoted to the production of corn seeds in Hungary).

Garden Products and Holdings

Sales for the Garden Products and Holdings activities came to 52.7 million euros on June 30, 2020, a like-for-like

increase of 1.7% compared with the previous fiscal year, as a result of the strong upturn in gardening in France following lockdown.

The operating contribution of these activities showed a total loss of 12.5 million euros, mainly due to costs in the holding structures, while the Garden Product activity returned to a balanced position; they made a negative contribution to the consolidated net income of 27.6 million euros.

Vilmorin & Cie's activity in fiscal year 2019-2020 once again covered different sectors of activity both on the professional and consumer markets, which means the nature of its business is highly seasonal, and that the high-tech products and processes used are extremely important.

Investments and real estate policy

Each fiscal year, as part of its budgetary procedures and mid-term plan, Vilmorin & Cie determines the total amount of investments shared out between the Business Units. These investments are mainly devoted to the modernization of its research centers and the development of its global research network. Vilmorin & Cie also invests in its industrial facilities to guarantee the high quality of its products.

For fiscal year 2019-2020, tangible investments came to 37.1 million euros. In line with the management guidelines for fiscal year 2019-2020, Vilmorin & Cie was vigilant with regard to its investment budget, giving priority to investments in research. For the investments managed, and depending on each case and each Business Unit concerned, funding is set up through a bank loan or by internal resources. More generally, Vilmorin & Cie's investment policy gives priority to assets directly linked to the business; consequently, the Company does not own much real estate which is not directly linked to operations. Finally, it should be emphasized that Vilmorin & Cie has not adopted a pluri-annual investment program of a significant sum in proportion to investments made in recent fiscal years.

Information on payment terms

In application of the provisions of articles L.441-6-1 and D.441-4 of the French Commercial Code, we indicate hereafter the number and amount, all taxes included, of invoices received and issued that had not been settled at the end of the fiscal year, and for which the due date had passed.

Article D.441 I.-1: Invoices received and not settled at the date of the end of the fiscal year and for which the due date had passed							Article D.441 I.-2: Invoices issued and not settled at the date of the end of the fiscal year and for which the due date had passed					
0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)		0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Overdue payment brackets												
Number of invoices concerned	761					139	99					104
Total amount of invoices concerned, VAT included, in euros	17,219,855.76	2,107,532.24	126,804.87	279,061.60	57,849.51	2,571,248.22	2,833,046.77	2,437,003.56	1,019,097.15	228,511.73	1,390,224.78	5,074,837.22
Percentage of the total amount of purchases, VAT included for the fiscal year	17.28%	2.11%	0.13%	0.28%	0.06%	2.58%						
Percentage of sales, VAT included, for the fiscal year							2.37%	2.04%	0.85%	0.19%	1.16%	4.24%
(B) Invoices excluded from (A) concerning contentious debts and receivables or not recorded in the accounts												
Number of invoices excluded	None						None					
Total amount of invoices excluded	None						None					
(C) Reference payment terms used (contractual or legal deadline – article L.441-6 or article L.443-1 of the French Commercial Code)												
Payment terms used to calculate late payment	Contractual deadlines: up to 45 days end of month; otherwise legal deadlines: 30 days net						Contractual deadlines: 30 days net					

Declaration of non-financial performance

Vilmorin & Cie has voluntarily included in its annual report the elements constituting a declaration of non-financial performance.

A concordance table (see page 179, paragraph 5.7) groups all these elements together and indicates their location in this annual report.

Events occurring after the closing of the accounts

As at October 14, 2020, the date of approval by the Board of Directors of the consolidated financial statements, Vilmorin & Cie is not aware of any subsequent events that require a change in the value of assets and liabilities or an additional indication in the notes to the consolidated financial statements.

Nevertheless, it should be noted that in October 2020, an agreement was signed between Vilmorin & Cie, Limagrain and its partner Bpifrance.

This operation has resulted in:

- the sales of Vilmorin & Cie shares by Limagrain, representing around 1.8% of its capital stock,
- the early conversion of redeemable bonds into Vilmorin & Cie shares held by Bpifrance, representing 3.9% of Vilmorin & Cie's capital stock.

After completion of the operation, Bpifrance will hold around 5.7% of Vilmorin & Cie's capital stock and will thus become its second-largest shareholder, alongside Limagrain.

No significant change in the group's financial performance has occurred between the closing date of fiscal year 2019-2020 and the publication date of this annual report.

Outlook for the future

Fiscal year 2019-2020 unfolded in an uncertain market environment, made even more complex by the global health crisis, both in Vegetable Seeds and Field Seeds. In this context, however, Vilmorin & Cie managed to post growth in all its activities, thus demonstrating the resilience of its model and its development potential.

In Vegetable Seeds, thanks to a fiscal year with marked growth, Vilmorin & Cie can confirm its position as No. 1 worldwide, illustrating the pertinence of its strategy, combining innovation and close proximity to markets. In Field Seeds, the fiscal year was marked by significant business progression, particularly in development regions.

Moreover, Vilmorin & Cie pursued the deployment of its strategic orientations, particularly in terms of investment in research and development throughout the world, on professional markets for agriculture and vegetable production.

Fiscal year 2020-2021 should allow Vilmorin & Cie to continue to strengthen its competitive positions in market conditions that will probably remain uncertain and lack visibility as a result of the probable continuation of the global health crisis. Vilmorin & Cie will continue to strengthen its investments in research and development, particularly in upstream technologies, while remaining on the look-out for any external growth opportunity that fits in with its strategic challenges.

Vilmorin & Cie's vocation is to build its development based on a certain number of fundamental strategic principles defined several years ago:

- strong investment in research both in upstream technologies and conventional plant breeding*,
- permanent international development of activities in the context of market globalization and consolidation,
- strengthening positions, or taking up new competitive positions, through perfectly targeted external growth operations,
- accepting or seeking research partnerships in sectors where technical expertise or a critical size can boost development for companies,
- maintaining an original organization and management model that encourages delegated management in each Business Unit and the fulfillment of synergy between them.

By adhering to this policy, Vilmorin & Cie will be able to confirm its position as the fourth largest seed player in the world, and offer sustainable perspectives for resilient development, both in the mid and long term.

Procedures for internal control and risk management set up by the Company

General provision for internal control

Vilmorin & Cie is in full agreement with the definition of internal control as proposed by the AMF (French Securities Regulator), and has adopted an approach that aims to implement its framework reference. This reference defines internal control as a provision implemented to ensure:

- compliance with laws and regulations,
- application of the instructions and orientations fixed by the General Management,
- efficient functioning of internal corporate processes, particularly those that have been implemented to protect its assets,
- the reliability of financial information,
- and more generally, contribute to maintaining control of its activities, and ensure the efficiency of its operations and use of its resources.

As with any control system, Vilmorin & Cie cannot provide an absolute guarantee that these risks are totally eliminated, and can only provide reasonable assurance with regard to the successful achievement of its objectives.

Internal control primarily concerns Vilmorin & Cie's different Business Units, and is applied to the Company and its subsidiaries as part of its central management functions.

As a holding structure, the company Vilmorin & Cie plays a central role in steering internal control. Besides ensuring the coherence of general policies, its role is to coordinate, advise and control its Business Units and subsidiaries. To this end, within the Corporate Finance Department, there is a financial control department which, at the beginning of 2019-2020, was completed by an internal financial control department.

During the course of fiscal year 2019-2020, as part of its structuring process, the internal financial control department took stock of the different accounting and financial internal control provisions in Vilmorin & Cie's Business Units, and deployed an internal control tool at the Company's French subsidiaries.

The internal control provisions implemented by the Finance Department are supplemented by internal auditing run by the Group Risk Management and Internal Audit Department (GRAIG) which is part of the Governance, Compliance and Risks Department (GRC).

Internal auditing assignments are presented in an internal auditing charter, based on the "Code of Ethics" and the "International Standards for the Professional Practice of Internal Auditing" of the IIA (Institute of Internal Auditors).

The annual audit plan is established by the Internal Audit Manager and validated by Vilmorin & Cie's Audit and Risk Management Committee. During the course of fiscal year 2019-2020, audits were conducted in direct association with Vilmorin & Cie's global risks map, and included reviews of internal control. These missions resulted in strict, regular follow-up on recommendations.

Risk management

Vilmorin & Cie has a global risk management organization based on a risk management network at Group and Business Unit level, and an Audit and Risk Management Committee whose missions and composition are set out in detail in the section "Specialized Committees" of the Annual Report.

Vilmorin & Cie has gradually developed an operational approach to managing its risks, which is described in the section "Risk factors" of the Annual Report. This is a process implemented by the Company and its Business Units and managed by the Corporate Risk Management and Internal Audit Department. The main missions of this department are to coordinate the various players in risk management, to ensure that the group method is properly deployed, and to report the results of evaluations to the Executive Committee and to Vilmorin & Cie's Audit and Risk Management Committee.

Over the course of fiscal year 2019-2020, Vilmorin & Cie's risk management network continued to develop and organize its structure with different roles defined within Vilmorin & Cie (risk owners, risk domain coordinators), with risk coordinators and risk processing managers in each Business Unit.

The GRC Department regularly reports to the Executive Committee and the Audit and Risk Management Committee on risk mapping and the major risks. Vilmorin & Cie's Executive Committee plays an essential role in risk management, and validates priorities and major orientations in terms of risk management.

The main risk factors

The risk management methodology as well as the main risk factors identified for Vilmorin & Cie are described in more detail in the section "Risk factors" of the Annual Report. As indicated above, risk mapping obviously contributes to the establishment of the internal audit program.

Financial risks related to the effects of climate change

For several years now, Vilmorin & Cie has been implementing various actions to measure and reduce its impact on climate change.

These actions are presented in the declaration of non-financial performance.

During fiscal year 2019-2020, work was carried out with all Business Units to define and implement a structured and objective environmental strategy. Climate change could eventually have an aggravating impact on certain risk factors already identified by Vilmorin & Cie and described in the section Risk factors of the Annual Report, in particular risks related to research and agronomic production. However, climate change did not emerge as a risk factor in its own right in Vilmorin & Cie's risk mapping, which was updated in 2019-2020.

In its strategy, Vilmorin & Cie already takes into account the future effects of climate change by adjusting its research on varieties adapted to the climate.

Procedures concerning the production of financial and accounting information

Vilmorin & Cie's consolidated financial statements are set out in accordance with the international accounting standards (IFRS standards) published by the International Accounting Standards Board (IASB) and with the interpretations of the IFRS published by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as applied by the European Union on June 30, 2020.

The scope of application for internal control concerning the production and processing of financial and accounting information includes the parent company and all the subsidiaries integrated 100% in the consolidated financial statements.

Organization

The production of financial and accounting information comes within an overall process that involves several phases:

The mid-term plan

A mid-term plan is the working reference that describes the main strategic orientations, and is set out in each Business Unit in conjunction with the management of its division. Every year it is updated and confirmed by the Board of Directors and the Executive Committee at the level of Vilmorin & Cie, and consolidated in accordance with a formal process.

The short-term financial budget

A short-term financial budget with detailed operations is set out every year by each Business Unit during the first semester. It is also validated by Vilmorin & Cie and consolidated in accordance with a formal process.

This budget is updated as a forecast at least once over the course of the fiscal year

Monthly reporting

Each company produces monthly performance indicators adapted to its business activity. These are compared to the budget, and any differences are analyzed to detect any significant discrepancies or deviations. Data from reporting is also reconciled with the general accounts.

Such monitoring generally concerns business (sales and commercial margins) and results, evolution of the headcount, cash flow and funding, and the investment plan.

The main indicators of this reporting are also consolidated every month in accordance with a formalized process. Detailed, non-audited quarterly financial statements complete this organization.

The half-yearly and annual financial statements

Preparation of the half-yearly and annual financial statements comes under the responsibility of the finance departments and General Management of each subsidiary. Procedures are defined locally to match the business of the different companies, but must respect a general schedule defined by Vilmorin & Cie.

Any decisions that need to be taken when the financial statements are established are confirmed by the Company before being definitively adopted by the respective Boards of Directors, and by Vilmorin & Cie's Board of Directors and Executive Committee.

Consolidation operations are carried out using consolidation files completed by each subsidiary in compliance with procedures and a specific schedule.

Information feedback is structured in such a way as to guarantee the permanence and homogeneity of the methods used to record transactions in accordance with Vilmorin & Cie's accounting principles:

- coherence of the accounting reference, methods and consolidation rules,
- standardization of presentation formats,
- use of a shared computing tool for information feedback and shared consolidation.

Internal control

The scope of application for the internal control procedures relating to the preparation and processing of accounting and financial information includes the parent company and all 100% consolidated subsidiaries.

All the data intended to be disclosed is controlled and analyzed with reference to the information collected and reported.

Instructions are given and controls made in order to guarantee a standard, homogeneous formalization process. Information is prepared under the responsibility of the Business Units and the subsidiaries.

The Corporate Finance Department co-ordinates closely with the Statutory Auditors and external auditors, who work with the subsidiaries and the Consolidation Department according to a schedule prepared together.

All the accounting and financial items prepared by the main consolidated subsidiaries are audited at least once by external auditors when the yearly accounts are closed. At this audit, the CEO and CFO of each subsidiary pledge together through a co-signed letter of confirmation that the financial information is of high quality, reliable and exhaustive.

Auditing missions in the different countries are entrusted in almost all cases to members of the network of the two Statutory Auditors who, after examining together all the financial statements and methods used to draw them up, certify Vilmorin & Cie's consolidated financial statements. They certify that the consolidated financial statements and parent company financial statements present a true, consistent and fair picture. They are given information prior to the elaboration of the financial statements and present a summary of their work to the financial and accounting managers in the Business Units for the six-month and yearly closing positions.

The consolidated financial statements are reviewed by the Executive Committee and the Audit and Risk Management Committee before they are approved by the Board of Directors.

Assessment of internal control

The internal financial control department reviews self-assessment questionnaires on accounting and financial internal control provisions. These questionnaires were created using the AMF (French Securities Regulator) model and reviewed in collaboration with the Statutory Auditors in order to adapt them more closely to the specificities of Vilmorin & Cie's businesses and environment.

The questionnaires were deployed in the Business Units and subsidiaries and were, in certain cases, checked through interviews conducted directly by the Statutory Auditors or internal auditors.

For fiscal year 2019-2020, no major anomaly was brought to light.

Subsidiaries, shareholdings and branches

We remind you that the table of subsidiaries and shareholdings is appended to this report in accordance with article L.233-15 of the French Commercial Code⁽¹⁾.

Vilmorin & Cie did not directly carry out any significant acquisition or disposal operation during fiscal year 2019-2020.

Pursuant to article L.233-6 and L.247-1 of the French Commercial Code, we inform you that our Company did not purchase or dispose of any stake in a French company during the past fiscal year.

In accordance with article L.232-1, II of the French Commercial Code, we hereby inform you that our Company has no branches.

Shareholders

Vilmorin & Cie's capital stock stands at 349,488,703 euros and comprises 22,917,292 shares, each with a nominal value of 15.25 euros.

On June 30, 2020 the majority of the capital stock, 62.57%, was held by Groupe Limagrain Holding, 6.01% by the company Coopérative Agricole Limagrain and 7.31% by Sélia, all three of these companies belonging to Limagrain.

Vilmorin & Cie's by-laws grant double voting rights to any shares held nominatively for a period of more than four years. On June 30, 2020, 16,875,811 shares benefitted from this right. Groupe Limagrain Holding, Coopérative Agricole Limagrain and Sélia were the main shareholders concerned, giving Limagrain voting rights control of 85.92%.

On June 30, 2020, Vilmorin & Cie held 6,423 treasury shares corresponding to less than 0.03% of its capital stock.

In compliance with the provisions of article L.225-102 of the French Commercial Code, we inform you that on June 30, 2020 no employee held a stake in the capital stock.

Appropriation of the profits

We propose to apply the profits of Vilmorin & Cie, and deduct the amount of 7,720,847.38 euros from the amount to carry forward as follows:

- Net profits on June 30, 2020:	15,996,257.49 euros
- Application to legal reserve:	799,812.87 euros
- Profits available on June 30, 2020:	15,196,444.62 euros
- Carried forward on June 30, 2020:	10,503,170.14 euros
- Deduction from the amount carried forward:	7,720,847.38 euros
- Dividends to distribute:	22,917,292.00 euros

After this application, the final amount to carry forward will be 2,782,322.76 euros.

The net dividend is set at 1 euro per share. As a proportion to the net profits for the Group, the sums distributed amount to 34.6%.

The total amount of dividends does not take into account any possible treasury shares held for control on the date the dividends are paid. Any dividends corresponding to these shares will be carried forward.

Moreover, we wish to inform you that for the last three fiscal years, dividends were distributed as follows:

Fiscal year	Income eligible for tax credit		Income not eligible for tax credit
	Dividends	Other revenue distributed	
2016-2017	33,334,243.20 € ⁽²⁾ i.e. 1.60 € per share	-	-
2017-2018	28,125,767.70 € ⁽²⁾ i.e. 1.35 € per share	-	-
2018-2019	30,938,344.20 € ⁽²⁾ i.e. 1.35 € per share	-	-

(1) Cf. consolidation scope on pages 253 to 257.

(2) Including the amount of unpaid dividend corresponding to treasury shares and carried forward.

Expenses that are not tax deductible

In compliance with the provisions of article 223 quater of the French Tax Code, we ask you to approve the expenses and charges concerned by article 39-4 of the same code, which came to a total of 165,077 euros.

In compliance with the provisions of article 223 quinquies of the French Tax Code, we present the global figures concerning the expenses concerned by article 39-5 of the same code.

Table of results of the Company over the past five years

In compliance with the provisions of article R.225-102 of the French Commercial Code, the following table shows the results of our Company over the past five years.

In thousands of euros	15-16	16-17	17-18	18-19	19-20
1. Capital stock at the end of the fiscal year					
Capital stock	317,717	317,717	317,717	349,489	349,489
Number of ordinary shares	20,833,902	20,833,902	20,833,902	22,917,292	22,917,292
2. Operations and results					
Total sales before tax	80,819	78,277	82,165	84,244	95,053
> of which France	55,235	51,959	55,738	57,941	65,852
> of which Export	25,584	26,317	26,427	26,303	29,201
> of which Services	70,075	67,360	70,897	72,533	88,636
Profit before income tax, profit-sharing, amortization, depreciation and provisions	36,306	22,986	55,186	73,777	3,145
Profit after income tax, profit-sharing, amortization, depreciation and provisions	32,700	26,253	30,828	42,382	15,996
Profits distributed	22,917	33,334	28,119	30,938	22,917
Profit per share (in euros)					
Profit after income tax, employee profit-sharing, but before amortization, depreciation and provisions	2.68	2.09	3.67	3.99	0.82
Profit after income tax, employee profit-sharing, amortization, depreciation and provisions	1.57	1.26	1.48	1.85	0.70
Dividend per share	1.10	1.60	1.35	1.35	1.00
3. Headcount					
Average staff ⁽¹⁾	257	264	295	277	302
Total payroll	16,735	18,266	18,321	19,725	20,818

(1) Number of people.

Inter company loans

We inform you that our Company has not granted any loans pursuant to articles L.511-6, 3bis and R.511-2-1-1 of the French Monetary and Financial Code.

Information to the Works Council

We inform you that, in compliance with the provisions of article L.2312-25 of the French Labor Code, the results of your Company have been sent to, and presented to, the Works Council before the Annual General Meeting.

Regulatory agreements

We inform you that no new agreement subject to the procedure for regulatory agreements governed by article L.225-38 of the French Commercial Code was signed during the course of the fiscal year from July 1, 2019 to June 30, 2020.

The agreements entered into and approved over previous fiscal years, and which continued to apply for the past fiscal year, were re-examined by our Company's Board of Directors.

These agreements have been brought to the attention of the Statutory Auditors for their report on regulated agreements and commitments.

Corporate Management System

On June 30, 2020, administration of your Company was entrusted to a Board of Directors comprising seven members.

On June 30, 2020, the Board of Directors was composed of the following members:

- Chairman and CEO: Sébastien VIDAL
- Members of the Board:
 - Philippe BLATEYRON
 - Annick BRUNIER
 - Marie-Yvonne CHARLEMAGNE,
Independent Board Member
 - Mary DUPONT-MADINIER,
Independent Board Member
 - Claude RAYNAUD
 - Pascal VIGUIER

On February 26, 2020, the Board of Directors acknowledged Philippe AYMARD's resignation from his mandate as Board Member and, while noting that the number of Board Members remaining in office exceeded the statutory minimum, decided to co-opt Philippe BLATEYRON to replace Philippe AYMARD for the remainder of the latter's term of office, i.e. until the end of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2020.

In compliance with legal provisions, the appointment of Philippe BLATEYRON will be subject to ratification by the Annual General Meeting of Shareholders to be held on December 11, 2020.

Furthermore, the terms of office as Board Members of Sébastien VIDAL, Annick BRUNIER and Philippe BLATEYRON expire at the end of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2020. The Board of Directors proposes to the Annual General Meeting of Shareholders to be held on December 11, 2020 to renew the terms of office of Sébastien VIDAL, Annick BRUNIER and Philippe BLATEYRON as Board Members for a period of three years, i.e. until the end of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2023.

Moreover, Mary DUPONT-MADINIER's term of office as Board Member will also expire at the end of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2020.

In accordance with the provisions of the by-laws relating to the age limit for Board Member, the Board of Directors proposes to the Annual General Meeting of Shareholders not to renew Mary DUPONT-MADINIER's term of office. The Board of Directors proposes that the next General Meeting of Shareholders vote on the appointment of Séverine DARSONVILLE for a three-year term, expiring at the close of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2023.

Finally, the Board of Directors proposes to the Annual General Meeting of Shareholders to be held on December 11, 2020, to appoint Bpifrance Participations, represented by Benoist DE SAINT LAGER, for a period of three years, i.e. until the end of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2023.

During the fiscal year 2019-2020, your Board of Directors met seven times.

Vilmorin & Cie's Board Members remain committed to their responsibilities on the Boards or other equivalent bodies of governance in the main subsidiaries.

Control bodies

Vilmorin & Cie's Statutory Auditors are KPMG Audit, Département de KPMG SA, and Visas 4 Commissariat.

Furthermore, services provided other than the certification of the financial statements provided by the Statutory Auditors during the year to our Company and the controlled entities were as follows:

- certificate missions carried out by KPMG SA,
- legal and tax services provided by members of the KPMG network.

The terms of office of KPMG Audit SA as incumbent co-Statutory Auditor and SALUSTRO REYDEL as Substitute co-Statutory Auditor will expire at the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2020.

In compliance with the provisions of decree No. 2016-315 of March 17, 2016 relating to Statutory Auditors, and following a call for tenders from January to June 2020 to meet the obligation of rotation of the Statutory Auditor, it is proposed to appoint for a period of six (6) fiscal years, i.e. until the end of the Annual General Meeting of Shareholders called to approve the financial statements for the fiscal year ending June 30, 2026, as Statutory Auditor:

GRANT THORNTON
29 rue du Pont à Neuilly-sur-Seine (92200)
Represented by Ms. Françoise MECHIN and Mr. Arnaud DEKEISTER

In accordance with the provisions of Article L.823-1 of the French Commercial Code, it is proposed not to appoint a Substitute co-Statutory Auditor.

Transactions with related parties

All transactions with related parties, mainly with Limagrain, are described in note 34 in the notes to the consolidated financial statements on June 30, 2020, and they were pursued during this fiscal year on the same basis as in fiscal year 2018-2019.

Program to buy back shares in accordance with article L.225-209 of the French Commercial Code

In compliance with the provisions of article L.225-211 of the French Commercial Code, we inform you that in order to stabilize our share value, and as part of the buy-back program approved by the Combined Ordinary and Extraordinary General Meeting of December 6, 2019, we carried out the following operations over the fiscal year:

- Number of shares purchased:	79,586
- Average purchasing price:	46.47 euros
- Number of shares sold:	79,452
- Average selling price:	46.82 euros

On June 30, 2020, our Company held 6,423 shares, corresponding to less than 0.03% of the capital stock, at a purchasing value of 296,100 euros, an average unit price of 46.09 euros.

On September 30, 2020, our Company held 5,099 treasury shares, corresponding to less than 0.03% of the capital stock.

In order to encourage the liquidity of transactions and a regular quotation for our shares, your Board of Directors proposes that once again you grant authorization, for a maximum duration of 18 months, to buy or sell the Company's own shares in compliance with the provisions of article L.225-209 et seq. of the French Commercial Code, in order to:

- ensure liquidity and manage the market for shares through a fully independent investment service provider, within the framework of a liquidity contract that complies with the AMAFI deontology charter as recognized by the *Autorité des marchés financiers* (French securities regulator),
- hand over shares when an investor exercises his or her rights with regard to securities that provide access by whatever means, immediately or when due, to Company shares,
- apply any other measures that might be authorized or recognized by law or by the *Autorité des marchés financiers*, or set any other objective that complies with regulations in force.

These operations will be conducted in accordance with regulations in force and the following conditions:

- the maximum purchasing price is fixed at 100 euros per share,
- the maximum quantity of shares liable to be purchased is fixed at one million shares, representing a maximum potential commitment of 100 million euros.

Authorization to make a public share issue

During the Combined Ordinary and Extraordinary General Meeting of December 6, 2019, a number of resolutions were passed authorizing the Board of Directors, if appropriate, to issue bonds or other assimilated debt securities, and also to increase the capital stock by issuing shares, various securities and/or stock purchase warrants with or without pre-emptive rights.

In order to remain attentive to the market and any opportunities that may come up with regard to Vilmorin & Cie's development projects, we propose to renew all these authorizations in accordance with the provisions set out below.

Issue of bonds or other assimilated debt securities

We request that you grant full powers to your Board of Directors, based solely on its deliberations, to take decisions to proceed in one or several operations, whether in France or another country and/or on international markets, in euros or any other currency or unit of account fixed in reference to several currencies, with the issue of bonds or other assimilated debt securities, with or without a public issue, up to the nominal value of 600 million euros or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies.

The Board of Directors may decide that the bonds, or other debt securities, will be of the perpetual floating or limited floating rate type, either for the capital stock and/or the interest accrued for these securities.

The Board of Directors may proceed with these issues in the limits fixed above, in compliance with legal provisions and with the bylaws, and may also:

- determine the period or periods of issue,
- determine the issue currency and the nominal value of the loan,
- fix the terms and conditions of the bonds and/or debt securities to issue, and in particular their nominal value, their issue price, their fixed and/or variable rates of interest, and the payment dates, their fixed or variable redemption price, with or without premium, and, according to market conditions, fix the duration and conditions of amortization for the loan,
- more generally sign any contract documents or agreements with any banks or institutes, make any provisions and fulfill any formalities concerning the issue, the quotation and the financial management of the aforementioned bonds and/or aforementioned debt securities, and constitute the body of bondholders in compliance with legal provisions, and in a general manner, do all that is required.

The Board of Directors will also have full powers to decide, where necessary, to attach a guarantee to the securities issued and, if this is the case, to define and grant this guarantee, and take any measures for this purpose.

Capital stock increase through the issue of shares, various securities and/or stock purchase warrants with or without pre-emptive rights

We request that you grant all powers to your Board of Directors, based solely on its deliberations, to deliberate and then to proceed, in one or several operations, with the issue of shares, various securities and/or stock purchase warrants with or without pre-emptive rights, with any such issue being subject, in particular, to the following conditions and provisions:

- each share issue for the Company will bear a maximum nominal value of 300 million euros, to which will be added, as relevant, the nominal amount of the shares for issue in order to preserve the rights of the bearers of securities that open up rights to shares, in compliance with the law,
- each issue of securities, other than shares, that provides access to the capital stock, cannot be greater than 300 million euros, or than the counter value of this sum in the case of an issue in a foreign currency, or in a monetary value fixed in reference to several currencies,
- in the event of the cancellation of the pre-emptive rights, the Board of Directors may grant shareholders, for the duration and according to the conditions that it will fix, a priority duration to subscribe for securities without creating negotiable and transferable rights.
- the issue price for warrants issued alone must, for each share to be created, be such that the sum of this price and the exercise price of each warrant is at least equal to the weighted average of the rate of former shares recorded over the previous three Paris stock market trading sessions before the price is fixed, in certain cases reduced by a maximum discount of 5%.

Moreover, in cases where one of the companies in which your Company holds, whether directly or indirectly, more than half the capital stock, issues securities providing access to your Company's capital stock, the Board of Directors may exercise the authorizations granted to proceed with the issue of these securities.

Issue of shares and other securities providing access immediately and/or when due to the capital stock by an offer as defined in the first paragraph of article L.411-2, II of the French Monetary and Financial Code

We also request that full powers be granted to your Board of Directors to proceed, at its discretion, in one or several operations, with the issue of ordinary shares or securities providing access immediately and/or when due to the Company's capital stock as governed by articles L.228-91 et seq. of the French Commercial Code, without preemptive subscription rights, by an offer as defined in the first paragraph of article L.411-2, II of the French Monetary and Financial Code. Such issues are subject, in particular, to the following modalities and conditions:

- the maximum nominal amount for the capital stock increases that may be issued immediately, or when due, is 20% of the capital stock on the day of the decision by the Board of Directors. This amount will be deducted from the total ceiling submitted to your Annual General Meeting in its twenty-second resolution or, where relevant, from the total amount of ceilings provided for in resolutions of the same nature which might possibly follow these resolutions during the validity of the present delegation. The nominal amount of shares that are liable to be issued in the case of new financial operations will be added to these ceilings, to preserve the rights of bearers of securities that provide access to the capital stock. In all cases, issues of securities by virtue of the present delegation are legally limited to 20% of the capital stock every year.
- the price for the subscription of shares and/or securities issued will be determined in compliance with the provisions of articles L.225-136 and R.225-119 of the French Commercial Code.

Moreover, in cases where one of the companies in which your Company holds, whether directly or indirectly, more than half the capital stock issues securities providing access to your Company's capital stock, the Board of Directors may exercise the authorizations granted to proceed with the issue of these securities.

It is hereby specified that any capital stock increases that may result from the use of the nineteenth thru twenty-first resolutions may not exceed a total nominal amount of 500 million euros or than the counter value of this sum in the case of an issue in a foreign currency, or in a monetary value fixed in reference to several currencies, to which shall be added, where applicable at the time of the aforementioned capital stock increases, the nominal value of the additional shares to be issued in order to protect, in accordance with legal and regulatory provisions, the interests of the holders of securities giving access to the capital stock.

All the conditions of these delegations are set out in the ordinary and extraordinary draft resolutions (fourteenth resolution and nineteenth thru twenty second resolutions) submitted for your approval, and also in the Statutory Auditors' special report.

Capital stock increase reserved for employees

We wish to inform you, in compliance with article L.225-129-6 of the French Commercial Code, that when any decision is made to increase the capital stock, we are obliged to present you with a draft resolution to proceed with a capital stock increase reserved for employees as part of a company or group savings scheme.

This project is the subject of the twenty-third resolution as submitted for your vote.

Since the provisions laid down by this legislation do not, in our opinion, appear to be suited to the specific situation of our Company or our Group, on this particular occasion your Board of Directors will not be making any voting recommendations, and each shareholder will freely assess its relevance.

General provisions

The rules adopted to establish the financial documents respect legislation in force, and take into account the provisions resulting from the IFRS accounting and evaluation principles for consolidated financial statements as they were applied by the European Union on June 30, 2020.

In their reports your Statutory Auditors confirm that they have accomplished their mission.

With the exception of the twenty-third resolution, for which no voting recommendation is made as indicated above, your Board of Directors invites you to adopt the ordinary and extraordinary resolutions which it is submitting for your approval.



5 CORPORATE SOCIAL RESPONSIBILITY AND NON-FINANCIAL PERFORMANCE

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5.1. A Corporate Social Responsibility (CSR) program anchored in Vilmorin & Cie's DNA

Vilmorin & Cie has had a Corporate Social Responsibility (CSR) program, since 2012, truly anchored in the Company's DNA. Updated in 2019, this program structures, within a CSR framework, the challenges that Vilmorin & Cie addresses every day in its business as a seed company, its practices in terms of research, production and marketing, and the relations it maintains with its stakeholders. It is consistent with the standard ISO 26000, particularly its specific application to the agri-food sector, and the ten principles of the Global Compact. It is also based on that of Limagrain, its reference shareholder, with whom the Company shares the values of progress, perseverance and cooperation.

Furthermore, each Business Unit can develop a CSR program that is specific to its own issues. Nevertheless, the Corporate CSR department ensures that the programs developed by the Business Units are coherent with that of the group.

5.1.1. The methodology and prioritization of the stakes

To define and prioritize its challenges of the CSR program which was approved in 2019, the group CSR Department has taken into consideration several types of internal and external factors:

- the CSR program defined by Limagrain over the course of fiscal year 2018-2019 in the context of its new Project,
- an analysis of the non-financial risks to which Vilmorin & Cie is exposed,
- the most recent legal requirements but also foreseeable changes with regard to compliance,
- and finally, the expectations of the stakeholders. These expectations were identified through the materiality analysis carried out by Limagrain in 2016 and completed by audits and evaluations by external stakeholders, such as clients, funding structures, rating agencies or NGOs.

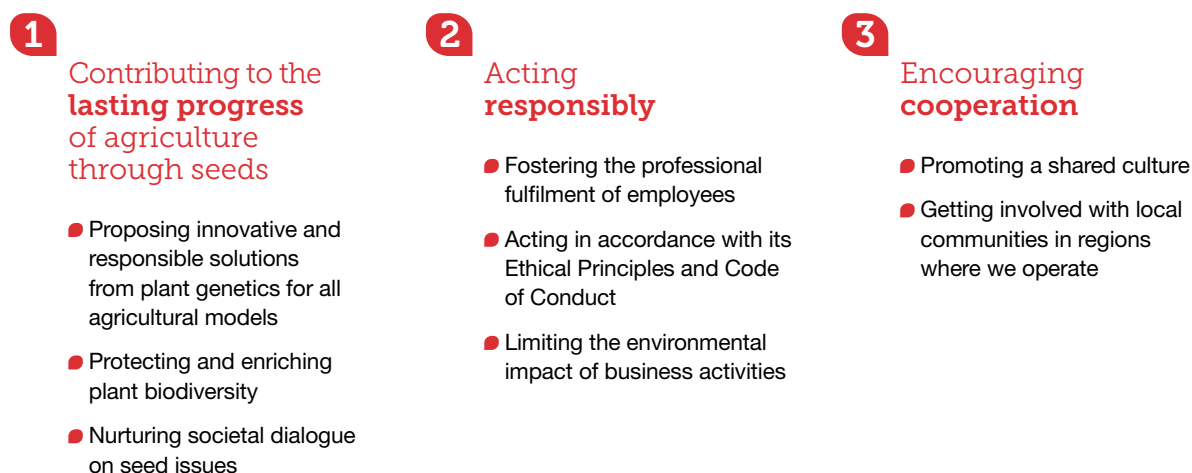
To ensure the management and continuous improvement of the CSR policy, a structured and standardized non-financial reporting process, accompanied by a glossary of CSR indicators common to the Company, was implemented in 2013-2014. The results must demonstrate proof not only of the Company's commitment, but also of the relevance and efficiency of the actions undertaken.

As part of the update of the CSR program, the Company's indicator framework was reworked to select the most appropriate indicators from those recognized by the Global Reporting Initiative (GRI) and rating agencies to describe the new challenges adopted. The repository also includes indicators designed to ensure the internal management of specific Human Resources programs. The 2018-2019 reporting is based on the repository adopted in 2019. In terms of data collection and analysis, the Metrix tool from software publisher Enablon was used for the first time this year. Its internal deployment and its adaptation to the Vilmorin & Cie context was the subject of an 8-month project involving the Information Systems, Human Resources and CSR Departments, enabling the data collection to be launched on June 15, 2020. As of this first campaign, this specific tool, dedicated to these functions, demonstrated its relevance, its adaptation and the ease of use both for the collection and use of data. Yearly comparison with the previous campaign was guaranteed by the inclusion of data from fiscal year 2018-2019 (see page 177, paragraph 5.6. "Methodological note").

In view of these changes, and indeed changes in the consolidation scope, restatements of certain data for fiscal year 2018-2019 were necessary to ensure their comparability. In order not to hinder the clarity of the information presented in this section, a comparison of the values published in 2019 and restated this year is presented on page 173 in paragraph 5.5. "Vilmorin & Cie's non-financial performance in figures".

5.1.2. The three CSR priorities

As a result of the process described above, Vilmorin & Cie's CSR program, which was formalized during the previous fiscal year, is structured around three CSR priorities and eight issues listed below.



1. Contributing to the lasting progress of agriculture through seeds

This priority is inseparable from Vilmorin & Cie's seed business. Unlike its main competitors, Vilmorin & Cie, has no activity other than seed production, and so can pursue its ambition to create new varieties that provide efficient and sustainable solutions for all types of agriculture. As the first priority of Vilmorin & Cie's CSR program, it brings together the issues related to the Company's activity, whether in its product creation dimension, in its contribution to plant biodiversity, the source of plant breeding, or in its participation in social discussions related to seed.

2. Acting responsibly

Vilmorin & Cie has chosen responsible and ethical business practices to build lasting and effective relationships on

the markets where it operates. For Vilmorin & Cie, acting responsibly also means caring for the well-being of its employees, working to limit the use of natural resources and focusing on the creation and preservation of value in the short, medium and long term. In this way the Company aims to develop activities, while optimizing the management of environmental, social and societal risks in varied and evolving business contexts.

3. Encouraging cooperation

One of Vilmorin & Cie's three values is that of cooperation, a key priority. It is applied in the broadest sense with its stakeholders, to build up new partnerships for example, but above all cooperation constitutes a mode of internal or external relationship in which listening, exchange and dialogue are encouraged and constitute sources of shared value creation. Cooperation also manifests itself through solidarity initiatives in the territories where Vilmorin & Cie is established.

Gaïa Index⁽¹⁾ confirms the continuous improvement of Vilmorin & Cie's CSE performances.

In 2016, the Company joined the Gaïa Index⁽²⁾ which, every year, includes the 70 top players of the Gaïa Index panel, and informs investors on the transparency and CSR performance of Small and Mid Caps (SMID) listed on Euronext Paris. The Company obtained the following ratings in 2019:

- 23/230 in the general rating,
- 20/86 in the category "Sales > 500 million euros", with an overall score of 81/100.

These ratings confirm Vilmorin & Cie's regular improvement in the rankings since 2016 and bear witness to the group's progress in terms of non-financial performance.

Year	General rating	Rating Sales > 500 M€	General score
2016	56 ex-aequo/230	37/87	64
2017	45/230	34/87	73
2018	36/230	27/85	79/100
2019	23/230	20/86	81/100

(1) The Gaïa Index is a subsidiary of Ethifinance specializing in the analysis and CSR rating of European Small and Midcaps.

(2) The Gaïa Index comprises 230 Small and Midcaps listed on the Paris Stock Market that respect two of the three following criteria: sales < 5 billion euros, capitalization < 5 billion euros, headcount < 5,000, and whose securities are sufficiently liquid.

5.1.3. Operational organization

CSR management is based on a continuous improvement approach deployed throughout Limagrain, Vilmorin & Cie's reference shareholder, and on a dedicated organization. The CSR Department, composed of two and a half permanent staff, coordinates Corporate Social Responsibility actions at group level. For the past six years, the CSR Department has relied on the expertise of a CSR Committee, made up of CSR correspondents from the various Business Units and representing different business lines.

The reporting line of the CSR Department to a member of the group Executive Committee is a strong sign of the importance of CSR in the corporate strategy. It also has an impact on the governance of CSR. Indeed, the group Executive Committee, acting as the Strategic CSR Committee, now guides, validates and controls the CSR program, which the CSR Department is responsible for leading and monitoring. As such, it reports every six months on the progress of the program.

The CSR Department is not alone in deploying the CSR program. From now on, depending on the challenges of the program (see page 129, paragraph 5.1.2.), some Corporate Departments are responsible for their management and will be able to rely on their business networks to formalize and implement the actions.

This governance mode makes it possible to disseminate the issues and actions related to all the group's activities and to involve both the Business Units and Corporate Departments more strongly in their achievements.

5.1.4. Non-Financial Performance Statement

Vilmorin & Cie is subject, for its fiscal year 2019-2020, to the requirements of articles L.225-102-1 and R225-104 to R225-105-2 of the French Commercial Code, transposing into French law European Directive 2014/95/EU of October 22, 2014 on the disclosure of non-financial information, and giving rise to the Non-financial Performance Statement (NFPS) (Ordinance No. 2017-1180 of July 19, 2017 for the disclosure of non-financial information by certain large companies and corporate groups and its implementation decree No. 2017-1265 of August 9, 2017).

With Limagrain as its reference shareholder, itself subject to the requirements relating to the NFPS, Vilmorin & Cie could have benefited from an exemption (subsidiaries included in a consolidation scope are not subject to the obligation to carry out a NFPS if the parent company publishes a consolidated NFPS) and decide not to establish its own NFPS, referring to that published by Limagrain.

Concerned about the quality and exhaustiveness of the non-financial information transmitted to its stakeholders, Vilmorin & Cie has chosen to provide them with all the useful explanations they require. The document is based on the information required by the decree of August 9, 2017, and this Annual Report includes all the NFPS components set out in the chapters and sections where they best contribute to the reader's understanding. Thus, Vilmorin & Cie's NFPS is formalized by a concordance table (see page 179, paragraph 5.7.) containing the constituent elements and their locations in this Annual Report.

During the fiscal year, the group Risk Management and Internal Audit Department and the group CSR Department conducted joint work, based on the risk mapping updated in 2020, with the aim of identifying, analyzing and defining non-financial risks.

Six non-financial risks are described in part 2, Risk Factors. The identification and management of each of these risks are presented in specific paragraphs:

- 2.2.2.1. Risks related to cybersecurity,
- 2.2.2.2. Risks related to product quality,
- 2.2.2.3. Risks related to the safety of persons and property,
- 2.2.2.3. Risks related to the security of persons and property,
- 2.2.2.5. Risks of damage to Vilmorin & Cie's reputation or image,
- 2.2.2.6. Risks related to intellectual property.

Four other non-financial risks, not described in Part 2. Risk Factors, have also been adopted. Their identification and management are set out with the policy implemented, performance indicators and the measures undertaken, in the following paragraphs:

- 5.3.1.5. Risks related to attracting and retaining talents,
- 5.3.1.6. Risks related to managing mobility, careers and skills,
- 5.3.2. Risks related to the compliance of its practices with regard to the Ethical Principles and anti corruption laws,
- 5.3.3. Risks of pollution and environmental non-compliance.

However, other important topics with regard to Vilmorin & Cie's liability or stakeholders' expectations need to be presented, in spite of their absence from the risk mapping. These are therefore treated as non-financial opportunities:

- 5.2.2.2. Preserving and enriching cultivated biodiversity,
- 5.3.1.7. Commitment to diversity in Human Resources,
- 5.3.2.2. Respect for Human Rights and Rights of the Child,
- 5.3.2.3. A responsible purchasing policy to consolidate relations with suppliers,
- 5.3.3.1. Greenhouse gas emissions and air pollution,
- 5.3.3.2. Management of water quality and its effluents,
- 5.3.3.3. Managing and recovering waste,
- 5.3.3.4. Preserving biodiversity at sites.

In addition, and in accordance with the new legislative provisions of 2018 resulting from the law on the freedom to choose one's professional future (law No. 2018-771 of September 5, 2018) on the one hand, and the law on the fight against fraud (law No. 2018-898 of October 23, 2018) on the other hand, Vilmorin & Cie is also dealing with measures taken in favor of disabled persons (cf. page 150, paragraph 5.3.1.7.) as well as those relating to the fight against tax fraud (cf. page 157, paragraph 5.3.2.6.).

Moreover, the law of October 30, 2018, for the balance of trade relations in the agricultural and food sector and healthy, sustainable and accessible food for all, known as the *EGAlim law*, provides in its article 55 that the NFPS must include information on the Company's societal commitments to combat food insecurity, respect for animal welfare and responsible, equitable and sustainable food. Vilmorin & Cie, as a seed company, is not directly concerned by this information.

5.1.5. Contribution to the Sustainable Development Objectives

4th largest seed company in the world and world No. 1 in vegetable seeds, Vilmorin & Cie, through its activity that links seeds, agriculture and food, has a decisive impact on the living conditions of the world's population. On the strength of this major responsibility and already committed, through its reference shareholder Limagrain, to the Global Compact, Vilmorin & Cie contributes directly through its daily achievements to these Sustainable Development Objectives (SDGs) as defined by the United Nations (UN):



5.1.6. Focus on the Covid-19 health crisis

Fiscal year 2019-2020 was marked by the Covid-19 global health crisis, which prompted the authorities in many countries to enact exceptional measures, often large-scale lockdown.

Since this crisis began in Asia, Vilmorin & Cie has set up all the necessary health and organizational measures recommended by the government authorities in each of the countries in which it is directly established, with the first priority being to ensure the health and safety of its employees, customers and stakeholders.

As a seed company, Vilmorin & Cie is one of the structures whose activity is considered strategic because of the obvious link between seed and food. In this context, the Company's priority has also been to ensure business continuity. Vilmorin & Cie has managed to adapt and secure its operational organization quickly and efficiently, and almost all of the industrial sites and research centers have

therefore been able to continue operations. The social and societal impacts of this crisis are specified in each of the parts concerned.

In terms of health, Vilmorin & Cie's international presence, particularly in Asia, made it possible to assess the crisis very early on. In the first few weeks following the announcement of the crisis, at the end of January 2020, travel restrictions to China were first decided on. The spread of the epidemic led Vilmorin & Cie to start building up a supply of protective equipment and decontamination products. At no time has the Company suffered a business interruption due to a lack of means of protection against the epidemic. At the end of the lockdown period, the Company gradually reduced the use of teleworking and implemented drastic health and safety protocols to prevent the occurrence of contamination (protocols for moving about in the premises, wearing masks, hygiene, treatment of any positive cases, etc.).

Since the beginning of the health crisis, Vilmorin & Cie has been closely monitoring and supervising the international travel of its employees.

5.2. Contributing to the lasting progress of agriculture through seeds

Agriculture faces many challenges, foremost among which is meeting the food needs of a growing world population. Today, the world's population stands at 7.7 billion people, of whom 820 million⁽¹⁾ suffer from hunger and more than two billion⁽¹⁾ from malnutrition. More than a third of the world's population is undernourished. At the same time, 378 million children and adolescents and more than two billion⁽¹⁾ adults (over 18 years of age) are overweight, largely due to an unbalanced diet and overeating, resulting in four million deaths per year.

Tomorrow, it will be necessary to feed an ever-increasing world population - nearly ten billion people in 2050 (8.3 billion by 2030⁽¹⁾) - and to support the nutritional transition while ensuring that culinary traditions and food balances are respected.

To rise to this challenge, agricultural production must increase by 60% by 2050⁽¹⁾, in quantity, but also in quality and diversity in a context of increasing scarcity of resources (available arable land, water, energy). It is therefore essential to increase yields, optimize land use and enhance the value of sustainable agricultural chains.

Vilmorin & Cie, whose sole business is that of seed, is convinced that plant breeding is a concentrate of solutions to help meet these challenges. Seed innovation and genetic progress must enable farmers to grow varieties with improved performances, and to produce more in a context of limited resources, but also to provide solutions for all types of agriculture, allowing them to coexist in a balanced and diversified combination.

Moreover, in December 2019, the European Commission presented its "European Green Deal". This is a roadmap whose aim is to *"make the EU's economy sustainable by turning climate and environmental challenges into opportunities in all policy areas, and making the transition just and inclusive for all."*

The Green Deal provides *"a roadmap with actions to boost the efficient use of resources by moving to a clean, circular economy and stop climate change, revert biodiversity loss and cut pollution."* All areas of the economy are concerned, especially agriculture. In addition to carbon neutrality by 2050, the Green Deal also intends to act on biodiversity; two areas where Vilmorin & Cie, as a seed company, can make a significant contribution.

Carbon neutrality targeted for 2050 by the Green Deal is intended to curb climate change, a major challenge facing agriculture. Global warming, water scarcity, devastating weather phenomena, etc.; all these developments have a strong impact on agriculture and must be taken into account. But agriculture can also contribute to slowing down the phenomenon through its major role in the natural capture of carbon. Photosynthesis, a natural mechanism of plant development, enabling the capture of carbon and fixing it in the plant. In addition to its role as a food source, agriculture is increasingly recognized for its major societal role as a carbon trap, therefore limiting its effects on the climate.

5.2.1. Proposing innovative and responsible solutions from plant genetics for all agricultural models

Scientific progress, particularly in the field of genetics, has led to rapid and useful advances in plant improvement. Every day, the breeding* teams strive to create varieties that meet the expectations of farmers and vegetable producers, regardless of their production system, their difficulties and their geographical area. They thus select varieties that are more productive, better adapted to the climates and specificities of the different regions, more resistant and with improved nutritional qualities. These new varieties, which provide solutions for producers, contribute to improving the economic performance of farms.

Investment in research is therefore a constant aspect of Vilmorin & Cie's strategy. In 2019-2020, Vilmorin & Cie devoted 16.7%⁽²⁾ of its sales to research, which accounted for 29% of the group's headcount. For Vilmorin & Cie, innovation primarily concerns the creation of high performance varieties in 55 vegetable and field crops.

Vilmorin & Cie also integrates new agricultural practices linked to new technologies, particularly those resulting from digital technology, into its research process. Precision farming, which makes it possible to complete the farmer's viewpoint and experience in order to model them in the form of data, is an important area of work. Soil knowledge and protection or the use of biological control* techniques are also the subject of research.

(1) Source: FAO. Food report 2019. IFPRI 2018.

(2) Data calculated on the basis of the sales of seeds intended for professional markets and integrating 50% of the activities of AgReliant (North America. Field Seeds).

By helping agriculture to become both more productive and more environmentally friendly, Vilmorin & Cie will contribute to the development of sustainable and competitive agricultural models that can contribute to meeting food challenges. The specific features of Vilmorin & Cie's development model and research are presented in detail in Section 1 starting on page 47.

5.2.1.1. Supporting the evolution of different agricultural models for better farm performance and a more sustainable world

Agriculture is multifaceted. It does not follow a single model, but covers a multitude of local situations depending on soil and climate conditions, the ability to access modern production factors (mechanization, seeds, fertilizers, plant health products), the use of agricultural production, etc. All these factors combine to create different production systems that individually contribute to meeting global food needs. Vilmorin & Cie's objective is to best meet the needs of its farmer and vegetable grower customers, regardless of their geographical location and production system. All forms of agriculture must be able to find seeds adapted to their needs in Vilmorin & Cie's line-ups. With research programs on 55 crops, both vegetable and field seeds, the Company contributes to the diversity of production. Vilmorin & Cie targets large farms in Eastern Europe, North and South America, as well as smaller structures in Africa, Asia and the green belts of European cities. Vilmorin & Cie thus endorses the vision of the International Seed Federation (ISF) and pursues the objective of creating, *"a world in which all farmers have access to high-quality seeds, in order to contribute to sustainable agriculture and food security"*.

Vilmorin & Cie considers that genetic improvement and plant breeding are the foundations of sustainable agricultural performance aimed at producing more with fewer inputs* (energy, plant treatment products, fertilizers, water, etc.). Indeed, genetic improvement, borne by the seed, combines a high return on investment for producers, with a low impact on the environment.

Seed innovations also have a direct or indirect impact on the evolution of agricultural production systems and their sustainability. These developments must be analyzed in a comprehensive and systematic way. Thus, as part of its new CSR program, Vilmorin & Cie has chosen to launch two initiatives in the field of innovation.

- The first idea is to evaluate the impact of its innovations on production systems. Indeed, responding to market needs and satisfying the demands of its customers have always been the guiding principles of Vilmorin & Cie's research programs; in this respect, its leading positions in several markets prove the effectiveness of its responses. However, satisfying market needs does not always mean meeting them sustainably. This is why Vilmorin & Cie will now evaluate its research programs and new solutions in terms of their impact on the evolution of the production system concerned, in social, environmental and societal terms. An Evaluation Committee will be responsible for analyzing, throughout the process of creating varieties or innovative technologies, the impacts that they could have if they were made available to farmers and vegetable growers. In addition, this evaluation will make it possible to characterize research and development activities according to the objectives selected and to show in a factual way how much a seed company's activity contributes, not only to the increase in food production it generates, but also to the sustainability of agricultural activities.
- Vilmorin & Cie will also explore new avenues of innovation that can have a beneficial impact on the development of production systems, the environment and society. Meeting market needs sometimes results in projects and ideas being overlooked because they are too vague, do not immediately respond to a market need or because the envisaged market appears very limited. However, the impact of these innovation opportunities could be very positive. It will therefore be up to a Prospective Committee to study how these abandoned leads could make a positive contribution, or what new leads could be studied.

Through these new initiatives, Vilmorin & Cie aims to broaden its approach to markets by taking the positive impacts of its products on production systems into account. Beyond simply responding to market demand, Vilmorin & Cie intends to assess the impact of its products, no longer in isolation, but in the more global context of the production system, and to consider areas of work that have hitherto been neglected, in view of the potential benefits for some types of agriculture little taken into account until now.

5.2.1.2. Developing plant solutions with improved agronomic and environmental performances

As a seed company, Vilmorin & Cie's major contribution is to improve the adaptability of crops to their environment. Thus, the work of the Company's breeders* aims to adjust the varieties grown with the utmost responsiveness, to changes in agricultural ecosystems and their constraints (climate, soil quality, etc.). They therefore create varieties that must meet the needs of agronomic performance, which is a guarantee of the economic viability of farms, but also improve the environmental performance of their crops.

In 2019-2020, Vilmorin & Cie launched 337 new varieties on the market, including 252 in vegetable seeds and 85 in field seeds. Overall, Vilmorin & Cie distributes almost 6,000 varieties throughout the world, and runs research programs on 55 plant species.

Examples of Vilmorin & Cie contribution in vegetable seeds and field seeds

On the strength of its historical product line-ups and recent specialized acquisitions, notably the acquisition of the Danish company AdvanSeed in 2018, Vilmorin-Mikado is Vilmorin & Cie's "Leafy" specialist, i.e. crops whose leaves are eaten, preferably raw and in salads. This includes lettuce, young shoots or greens, spinach and endives. As production and consumption patterns change, plant breeding* must also focus on new research areas, such as meeting the needs for greens or those of urban agriculture or hydroponics. Vilmorin-Mikado is the only seed company in the world with a breeding program* dedicated to greens and has formed strategic partnerships with specialists in urban agriculture such as Chiba University in Japan.

After the strong development of TuYV virus resistant rapeseed varieties such as LG Architect (the most cultivated variety in Europe in 2019 and 2020), the Business Unit Limagrain Europe has developed new varieties called N-Flex.

Nitrogen fertilization of rapeseed is difficult to manage for the success of the crop because it depends on the pedoclimatic conditions, the real needs and regulations.

Varieties incorporating the N-Flex trait* have the genetic capacity to optimize the nitrogen available during their vegetative cycle; thus, they better tolerate occasional shortfalls in soil nitrogen supply.

Indeed, the crop is less penalized in the case of deferred inputs or inputs in dry conditions. More nitrogen-efficient, these varieties optimize the use of fertilization aids and contribute to the reduction of greenhouse gas (GHG) emissions.

In addition to the high yield potential, TuYV virus resistance and pod-shattering resistance, the N-Flex trait* is a new lever for yield consistency and more sustainable production.

LG Aviron and LG Ambassador are the first two varieties marketed with the N-Flex trait* in France and Europe.

5.2.1.3. Satisfying the expectations of each customer throughout the world and promoting access to quality seeds

Seed, which is Vilmorin & Cie's core business, is the basis of all plant food production. It is therefore legitimate for the Company to strive, day after day, to adapt to the diverse food needs of consumers around the world. At the same time, offering safe and quality products is one of the Vilmorin & Cie's priority objectives.

In order to offer varieties adapted to the expectations of its customers, Vilmorin & Cie integrates the needs of producers and the entire agri-food chain from the very beginning of its research programs, thanks to very close and permanent links between breeders* and local teams dedicated to product development or sales. For Vilmorin & Cie, close proximity to markets is essential; it is reflected in particular in its organization in Business Units.

Vilmorin & Cie is thus developing its presence as close as possible to markets through a network of local structures, either through the acquisition of seed companies already established or through the creation of new entities. For example, Vilmorin & Cie has invested over the past five years in:

- the acquisition of Tropdicorp (Vietnam, Vegetable Seeds), Genica Research (United States, Vegetable Seeds), AdvanSeed (Denmark, Vegetable Seeds), Sursem (Argentina, Field Seeds), and Geneze (Brazil, Field Seeds),
- the purchase of stakes in Canterra Seeds (Canada, Field Seeds) and Carthage Génétique (Tunisia, Vegetable Seeds), and the creation of new joint ventures through Prime Seed Co (East Africa, Vegetable Seeds), Limagrain Cereals Research Canada (Canada, Field Seeds), Hengji Limagrain Seeds (China, Field Seeds), Innolea (France, Field Seeds) and Limagrain Zaad South Africa (South Africa, Field Seeds),
- the creation of new facilities in Kenya, Jordan, El Salvador and Ethiopia.

In turn, agronomic innovation aims to improve agricultural practices through the development of efficient and pragmatic solutions that are easy for farmers to use. By putting innovation at the service of farmers, agriculture will be more environmentally friendly, more productive and in line with society's expectations. Vilmorin & Cie's close relationship with its customers enables it to be attentive to the needs of producers, farmers and vegetable growers. In addition to high performance products, it provides them with agronomic expertise, innovative tools and tailor-made support to enhance the full genetic potential of the seed.

For Vilmorin & Cie, the complementarity of all forms of agriculture is the only way to meet agricultural challenges and the accessibility of quality seeds for all farmers is a guarantee of improved food supply, especially in subsistence farming. This is why access to seeds by small producers is crucial.

In 2019, the NGO Access to Seeds published the results of its seed accessibility index for small producers in South America, Africa and Asia. Vilmorin & Cie, through its

reference shareholder Limagrain, is ranked 6th out of the thirteen seed companies operating in all the regions studied.

Vilmorin & Cie is particularly noted for its positions in the field of intellectual property and genetic resources*. Moreover, as proof of Vilmorin & Cie's close proximity to markets, it is particularly its research and development capacity on a large number of local crops that is appreciated. Vilmorin & Cie promotes the complementarity of the various types of agriculture, and aims to respond to the diversity of needs and markets through its products.

In the regions studied, the share of smallholders is very high and represents 81% of the Company's customers, or about 1.6 million small farmers. This is particularly true in South and South-East Asia, where the percentage of field crops is 97%. Vilmorin & Cie therefore adapts its marketing and sales offer according to the typology of its customers.

5.2.2. Protecting and enriching plant biodiversity

Plant breeding* is at the crossroads of improving the competitiveness of agriculture and global environmental issues such as climate change, the increasing scarcity of resources such as arable land and water, food security, societal expectations for input* reduction (fertilizers, plant healthcare products, etc.). To meet these challenges, solutions will be found in existing biodiversity, which offers, through its crossbreeding, the ability to create new varieties with improved performance. The greater the genetic diversity, the greater the possibilities. Protecting, and enriching biodiversity are therefore essential missions for any seed company, in order to maintain its ability to offer new varieties adapted to the diversity of markets.

5.2.2.1. Preserving an environment favorable to plant breeding

Plant breeding requires time and technologies that are constantly evolving. It takes an average of seven to ten years to develop a new variety. Vilmorin & Cie therefore pays particular attention to the right balance between free access to sources of genetic variability and the protection of the rights of the creators of new varieties, an essential source of research funding. Research is an essential vector of innovation for the pursuit of genetic progress and plant improvement. At the same time, access to the widest possible genetic variability is also a necessary condition for the overall advancement of varietal progress and diversification in line with market expectations. The risks related to intellectual property protection, in particular with regard to plant breeding*, are described in detail on page 82, paragraph 2.2.2.6.

In this particular context, Vilmorin & Cie, while taking care to protect its legitimate interests as a breeder, contributes to the biodiversity of cultivated varieties through the availability of its commercial varieties as a basis for research and plant breeding* according to the principle of the breeder's exemption*. This is contained in the *sui generis* system of intellectual property protection specific to seeds, the Plant Variety Protection Certificate (PVPC), as implemented under the terms of the International Union for the Protection of New Varieties of Plants (UPOV) Convention. With the same objective, when the competitive, legal and economic context in a country imposes the need to protect its commercial varieties by patent, Vilmorin & Cie respects its founding principles by always being ready to grant licenses to use its varieties as a source of genetic variability. This case exists practically only in the United States.

5.2.2.2. Preserving and enriching cultivated biodiversity

The genetic diversity of plants, contained in what are commonly referred to as genetic resources*, has always been at the root of any improvement process since the domestication of agricultural species and their maintenance by local communities. The improvement work subsequently undertaken by scientists is based on this diversity. Vilmorin & Cie's researchers therefore need these genetic resources* to continue to improve food production in terms of quality and quantity. Biodiversity is one of the most important resources on the planet to meet the needs of agriculture and food. It expresses the variability necessary for the adaptation and survival of living organisms to the evolution of their environment: ecosystem diversity, species diversity and, less visibly, gene and gene-assembly diversity.

Vilmorin & Cie attaches particular importance to respecting the rules governing this access to genetic resources*, in application of the Convention on Biological Diversity (CBD) and the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA).

The group's work on genetic resources* and biodiversity thus contributes to food security and nutritional diversification - that is, the availability of a diverse and adapted food mix - essential for health.

There are two main sources of biodiversity for this plant breeding* work: the pool of genetic variability of the cultivated species (i.e. all the varieties of a species) and the genetic resources* of related wild species. In order to constantly enrich the range of varieties available to farmers all over the world, Vilmorin & Cie invests considerably in prebreeding, i.e. identifying the traits* of interest present in wild genetic resources* and then introducing these traits into its commercial varieties. The effort to characterize genetic resources* is mainly carried out in collaboration with gene banks around the world. In this way, Vilmorin & Cie contributes to identifying, for the benefit of all, traits of interest, such as disease resistance, in the wild genetic* resources of gene banks and thus to enabling the effective use of these resources in breeding*.

For Vilmorin & Cie's Field Seeds activity alone, the annual budget for characterizing genetic resources* is around 350,000 euros, often through participation in collaborative projects with gene banks, research institutes and other seed companies. Vilmorin & Cie then introduces in-house the new traits from these genetic resources* into its varieties by cross-breeding. They are therefore enriched by this new genetic diversity that corresponds to societal issues and/or the needs of the players in the value chain from farmer to consumer. In this way, each new variety on the market brings an improvement and can be distinguished from those already sold, thus contributing to the expansion of biodiversity. By launching several hundred new varieties on the market every year and maintaining several thousand, Vilmorin & Cie actively participates in the conservation and development of the biodiversity of a large number of plant species.

Key figures

55 species

of field crops and vegetables are worked on as part of Vilmorin & Cie's research programs

Almost **6,000** varieties resulting from Vilmorin & Cie's breeding are marketed worldwide, themselves forming a repository of plant biodiversity

5.2.2.3. Vilmorin & Cie, a partner in cross-cutting initiatives

To protect this source of diversity, Vilmorin & Cie invests in the preservation of plant biodiversity by contributing to the activities of gene banks. Its contribution is primarily non-financial: it concerns the provision of germplasm through certain national collections and by collaborating in the maintenance of the collections. Vilmorin & Cie also contributes financially to the activity of some of these banks, by co-financing collections *in situ*.

Furthermore, Vilmorin & Cie has played a decisive role in the initiatives run by the professional federations, Euroseeds and the International Seed Federation (ISF), to contribute to the development of the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA) and the Multilateral System (MLS) that complements it. It supports the extension of the Treaty to all plant genetic resources for food and agriculture.

Finally, Vilmorin & Cie has many partnerships related to the preservation of biodiversity with technical institutes throughout the world such as: Embrapa (Brazil), Kasetsart University (Thailand), CAAS (China), INRAE (France), Tomato Genetics Resource Center (United States), ARO (Israel), Center for Genetic Resources (Netherlands).

5.2.3. Nurturing societal dialogue on seed issues

Developments in science and agriculture are now the subject of debate, amplified by social media. The questioning of the progress made in recent decades by many organizations affects all areas of these disciplines. Seeds, at the crossroads between science and agriculture, but also between food and nature, are the subject of many debates and controversies. It is particularly in developed countries, especially France, Vilmorin & Cie's country of origin, that contestations are the most heated. They concern a multitude of subjects (intellectual property, product quality, biodiversity, breeding techniques*, etc.), and take a wide variety of forms. In this respect, the risks related to communication and image are described in detail on page 81, in paragraph 2.2.2.5.

5.2.3.1. Contributing to the public debate on seed issues

Vilmorin & Cie has been, and continues to be, at the forefront of debates related to intellectual property for plants. Vilmorin & Cie believes in the need to protect intellectual property without confiscating the use of the invention for the development of other innovations. As far as plants are concerned, creating new varieties cannot be achieved without having access to already existing plant varieties: so it is essential for breeders* to have access to the genetic resources* of all varieties, old and new. In this respect Vilmorin & Cie made a decisive contribution to two legal decisions of major importance: the recognition of the breeder's exemption* in European patent law and the non-patentability of essentially biological processes.

Many initiatives have also been undertaken by the Business Units. Most of them have developed a constructive dialogue with the stakeholders in the regions where they work.

5.2.3.2. Contributing to representation of the profession

In all activities, professional associations and inter-professional organizations have a decisive role as intermediaries between the stakeholders of their profession, whether they are states and their administrations, regulators, political authorities, the media or non-governmental organizations (NGOs). They are called upon to summarize the opinions of their members and to defend these points of view in all debates related to their professions.

In this context, Vilmorin & Cie is very involved in interprofessional structures and professional unions, both at national level – with the *Groupement National Interprofessionnel des Semences et Plants* (GNIS) and the *Union Française des Semenciers* (UFS), and at European level – via Euroseeds – or international – through the International Seed Federation (ISF). As such, it actively

participates in debates on agriculture and more specifically on its profession as a seed company: protection of living organisms, access to genetic resources* and the use of plant biotechnologies* in the field of scientific research in particular.

Given the diversity of Vilmorin & Cie's activities and its presence in many countries, employee participation in the work of local professional organizations requires monitoring and coordination. In order to improve its ability to influence, the Regulatory Affairs Department ensures that stakeholders around the world are kept informed and that the various contributions are consistent. It has currently identified more than 250 employees involved in more than 170 organizations on all continents.

5.2.4. Product quality and food safety

To ensure a reliable level of traceability, from research to production and distribution, Vilmorin & Cie sets up quality management systems in compliance with the highest European and international standards. These tools are part of a continuous improvement process, the implementation and scope of which progress each year towards operational excellence.

5.2.4.1. Quality management

The notion of "certified seeds" guarantees the quality of the seeds in terms of varietal purity and germination rate to the farmer or vegetable producer who buys them. It is the internal management systems and external certifications that guarantee the quality of the seeds sold by Vilmorin & Cie. In 2019-2020, 97.3% of the sales of companies with an industrial site were covered by a quality management system and, within the same scope, 89.1% of sales benefited from quality certification such as ISO 9001, GSPP, NAL, etc.

With regard to Genetically Modified Organisms* (GMOs), an additional specific approach is implemented by Vilmorin & Cie as part of its commitment to "Excellence Through Stewardship (ETS)" certification. This commitment requires all its Business Units working with genetically modified material to implement quality management and stewardship systems, from research to distribution. In this context, official audits of quality management systems are conducted every three years by independent auditors on a selection of sites and activities. After obtaining the ETS certificate in 2015, Vilmorin & Cie received its new ETS certificate in 2018, following the second audit cycle. This is proof of its ability to manage the coexistence of GMO* activities with those related to the conventional sector.

The risks related to product quality are described in detail on page 76, in paragraph 2.2.2.2.

Key figure

89.1% of sales
of companies with an industrial site
benefited from quality certification.

5.2.4.2. Food security

Seed is the first factor of production for all farmers. It contains their promise of agricultural production, which will either be directly consumed or processed, for example into ingredients. With the exception of crops grown for energy production or soil protection/regeneration – which remain limited globally – seed therefore plays a decisive role in food, in which it is the first link.

It is therefore crucial to ensure food security today and especially tomorrow. The Covid-19 health crisis has highlighted the strategic character of the seed business. Everywhere it was imperative that the activity of seed companies could continue, in order to ensure the availability of seeds for sowing and thus the next harvests.

Vilmorin & Cie's research aims to contribute to the improvement of food production, in quality and quantity, through the creation of varieties with improved characteristics. To achieve this objective, biodiversity, through genetic resources*, provides material for an infinite number of possible combinations. It is one of the most important resources on the planet to meet the needs of agriculture and food.

5.2.4.3. The fight against food waste

Vilmorin & Cie, as a seed company, does not market food products. The Company is therefore not directly concerned by questions of food waste and has therefore not implemented any specific actions concerning this issue.

5.3. Acting responsibly

To develop in France and internationally, Vilmorin & Cie operates responsibly, respecting all the players in its environment, including the men and women of its organization, its shareholders, its customers, its suppliers, not to mention associations, politicians, as well as end consumers and civil society. The values of progress, perseverance and cooperation guide the behavior of employees and guide decisions in a long-term perspective. The group's know-how, innovative spirit, international development, multiculturalism, emblematic brands and the commitment of all its employees drive it towards enlightened development.

At the same time, Vilmorin & Cie ensures it develops the talents of all those who want to be part of this adventure, to anticipate and meet human resources needs, in line with the group's values and strategic orientations.

The group is aware of the environmental challenges in a context of limited arable land and natural resources. To help meet these challenges, the teams work every day to strive for operational excellence to leave a positive footprint on the activities in the areas where Vilmorin & Cie operates, thanks to its efforts in research and plant breeding, and targeted actions that aim to reduce the impact of its business on the environment.

At the same time, the fundamental themes of the Global Compact - Human Rights, International Labor Standards, Environment and Anti-Corruption - are at the heart of human resources policy, corporate ethics and environmental protection commitments.

All these themes are dealt with in the "Ethical Principles and Code of Conduct" of Limagrain, the reference shareholder of Vilmorin & Cie. This document defines the commitments and rules of conduct that the group aspires to respect in this area in all its activities and on all its territories.

5.3.1. Fostering the professional fulfilment of employees

Developing human capital is key to motivating the employees who make up the Company, essential to ensure the continuity of activities over time and crucial for the enrichment of skills more broadly in society. It is this human capital that Vilmorin & Cie is committed to developing in order to enable each of its employees to contribute to the development of the Company and to flourish in their work.

Fiscal year 2019-2020 was marked by the Covid-19 global health crisis. Vilmorin & Cie was keen to find a harmonized social response to this pandemic. Therefore, a "Group Social Approach" was defined in order to support all employees through advantageous social measures during the period of acute crisis. Certain ambitions have been curbed, such as the number of trainees received, for example, or the number of hours of training carried out by Limagrain Academy. Nevertheless, it was possible to run 80 internal mobility projects over the year, and in the autumn of 2019 a new work/study/trainee induction program in France was organized and highly appreciated. Limagrain Academy nevertheless deployed its services internationally with 34% of participants outside France in its training programs.

Particular attention is paid to the fairness of the social policy around the world and to the provision of equitable remuneration. All the Company's employees also have a share in the profits of the group and their respective Business Units, as part of a global incentive program. This incentive program is available in all countries where the group operates, and was renegotiated in fiscal year 2019-2020.

Finally, Vilmorin & Cie continued to deploy its new employer brand, for the pride of its employees but also for the sake of attractiveness. A major effort was made to improve the recruitment portal and other innovative initiatives were launched to provide an optimal applicant experience.

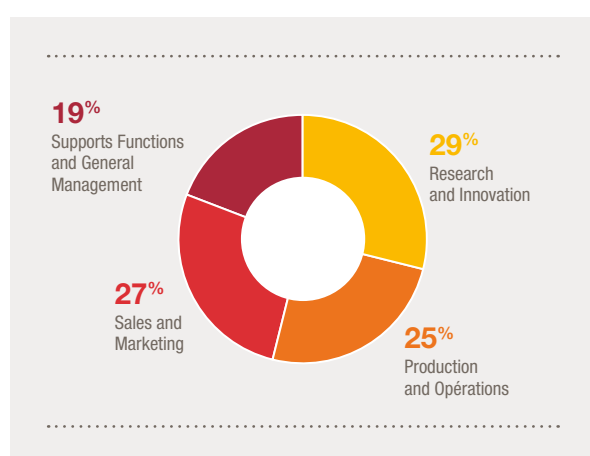
5.3.1.1. Vilmorin & Cie's employees

Permanent headcount

With a permanent headcount of 7,054 up 2.98% compared with the previous fiscal year, Vilmorin & Cie enjoys a wealth of 72 different nationalities.

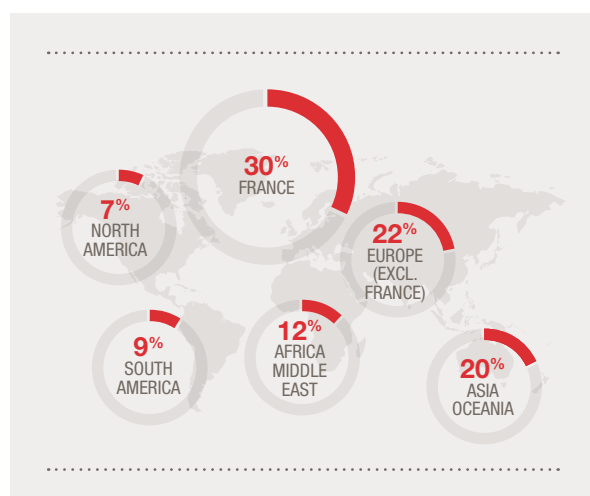
Evolution of the permanent headcount by professional profile

The evolution of the permanent workforce by business profile compared to 2018-2019 was fairly stable overall. With 29% and 27% respectively, research, and sales and marketing are the two most represented business lines within Vilmorin & Cie.



Distribution of the permanent headcount per region

The distribution of the workforce over 2019-2020 is more or less the same as last year, with the workforce still predominantly located in Europe. In France, the workforce represents 30%, or 2,145 people, while the proportion of employees in Europe outside France is 22%.



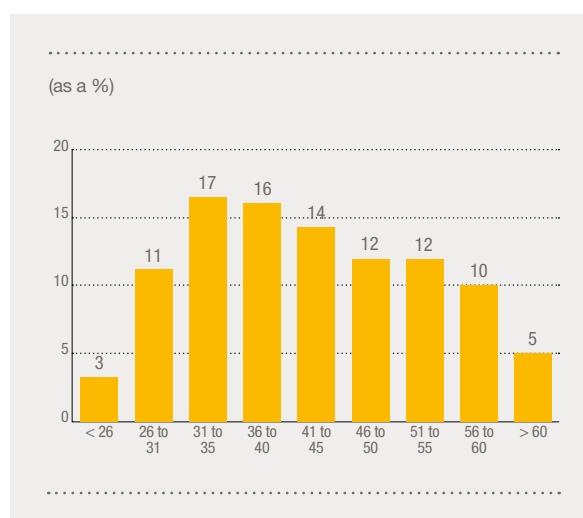
Recruitments/Departures: key figures

Over fiscal year 2019-2020, 589 people were hired, compared with 815 in 2018-2019, including 187 temporary positions made permanent. Out of the total number of new hires excluding such positions, 202 managers (i.e. 34.30% of new hires) were recruited by Vilmorin & Cie during fiscal year 2019-2020. Of these new hires (excluding permanent positions), 4.07% were young people under 26 years of age with no previous professional experience (a decrease of 10 points). Overall, fewer new recruitments were made. In the context of the global health crisis, measures were taken during the year to control operating expenses, which led to some delays in recruitment.

Furthermore, 687 employees left Vilmorin & Cie during the course of fiscal year 2019-2020 compared to 794 the previous year. This decrease can be explained on the one hand by a drop in the number of retirements (62 vs. 118) and, on the other hand, by the closure last year of sites in Asia, which resulted in an exceptional number of departures.

Age pyramid

In 2019-2020, the average age of employees at Vilmorin & Cie was 42.4, not very different compared with the previous year. The age period is overall balanced but it should be noted that the 36-40 age group is almost at the same level as the 31-35 age group. This is therefore an important pool for succession plans for older employees. Vilmorin & Cie aims to increase the proportion of young people under 26 in the Company.



Interns

The number of interns dropped considerably with 303 interns as opposed to 341. The health crisis had a negative impact on the number of interns, since the situation meant it was not possible to take them on in satisfactory and safe conditions.

The distribution of interns per business line evolved significantly in favor of R&D functions, where the number of interns doubled compared to the previous year. 60.4% of the interns were in R&D (up almost 20% points compared to 2018-2019), 16.17% in support functions, 7.92% in sales and marketing, and 15.51% in production and operations.

In 2019-2020, most of the interns were located in Europe, which, with a percentage of 59.21%, corresponds to a drop of almost 15% points. There was a substantial increase in the Africa/Middle East region (26.71%; +22.3% points). In the other regions the decrease was very limited: North America (4.34%; -2.38% points), South America (8.66%; -2.13% points), Asia/Oceania (1.08%; 2.71% points).

5.3.1.2. The quality of life at work

The performance and motivation of an employee depends in particular on a satisfactory organization and quality of life at work. Management of this quality of life at work is built upon several pillars: a safe working environment to operate and facilitate professional activities, organization that allows for the reconciliation of work and private life, and finally, the practice of constructive social dialogue between employees and employers, or staff representatives and employers. These aspects are developed in paragraphs 5.3.1.2., 5.3.1.3. and 5.3.1.4.

Working environment

Vilmorin & Cie regularly makes investments in the premises where employees work. Vilmorin & Cie attaches great importance to the development of quality premises, in which pleasant workspaces are preserved to encourage collaboration. Fiscal year 2018-2019 was marked by the launch of the rehabilitation of a building at the Chappes Research Center (France). The aim is to bring together IT teams that are currently spread across three separate sites in the Auvergne region of France.

Reconciling professional and private life: organization of working times

In 2012, and then in 2017, in France, the group signed a Professional Equality agreement including a specific section on creating a good balance between professional life and private life. In order to accompany the employee better when family-related leave is taken, pre- and post-leave interviews have been set up. Different measures have also been adopted to reorganize working times, with a particular effort made to take into account employees who are going through a difficult family situation.

The latest agreement has added new rights, such as 100% salary maintained for employees on paternity leave and the "Donation of rest days", offering each employee in France the possibility of supporting another employee who needs time to look after a relative for example, by donating days off.

On account of the different geographical locations of Vilmorin & Cie, the effective working times in its subsidiaries can vary, depending on the country, making it difficult to calculate overall working times. On June 30, 2020, out of a total headcount of 2,145 employees in France, 172 employees were working part time, a total of 8.02% of all the personnel.

Flexible organization of working times and in certain Business Units, services on offer (day nursery, canteen, sports activities) make it easier to reconcile professional life and private life, thus meeting the growing expectations of employees in terms of physical well-being, balanced times and management of their family responsibilities.

In France, teleworking is continuing to develop. Over the course of fiscal year 2019-2020, 17 agreements were signed to deal with the organization of working times involving several of Vilmorin & Cie's companies. They allow employees to do their jobs – if compatible with their function – outside the premises of their employer, and using information and communication technologies. Teleworking can contribute to creating a good balance between private life and professional life. It is now an integral part of the provisions implemented through the group's Professional Equality agreement. During fiscal year 2019-2020, the health crisis led to mandatory teleworking for approximately 45% of the group's employees worldwide. This period has enabled us to test in real time the business lines compatible with this type of organization, as well as the limits of teleworking over a long period. The Human Resources Departments have initiated an analysis on this subject, which will be completed in 2020-2021.

Working better together

In an increasingly international environment, it is essential for Vilmorin & Cie to address the issue of "working together better" in order to achieve its objectives. Working together better means knowing each other better, understanding each other and coming together. To achieve this, regular or ad hoc actions allow for smooth working relationships on a daily basis:

- Team coaching to facilitate interactions within the same team and promote collaborative work has been deployed in several Business Units and at Vilmorin & Cie's head office.
- Internal communication actions have been implemented, in particular through internal newsletters, which enable employees to better understand the different activities of their colleagues, whether in the Company itself and/or in other group companies.

- The organization of virtual meetings is facilitated and made more fluid by using the ever-increasing deployment of video conferencing with Skype.
- Annual events bring employees from different countries together (meetings involving different business lines or management meetings).
- New knowledge bases have been established, which allow access to useful knowledge for a greater number of people and thus facilitate daily work and a broader understanding of one's working environment.
- In fiscal year 2017-2018, a corporate social network, Yammer, was launched globally in order to facilitate collaborative work and foster exchanges between teams throughout the world.
- During fiscal year 2018-2019, the deployment of the Teams IT solution was a big step forward in collaboration and exchanges between employees. This deployment was accelerated and totally completed over the course of fiscal year 2019-2020 with the record increase in teleworking because of the Covid-19 health crisis.

Social climate

Surveys on the quality of life at work are conducted regularly within the scope of Vilmorin & Cie; they help to identify possible areas of progress and thus to build appropriate action plans for the well-being of employees.

The quality of labor relations was also checked in the management of the health crisis, where dialogue between management and employee representative bodies was rich, constructive and essential for resolving day-to-day problems.

5.3.1.3. An ambitious safety policy

The safety at work policy

Vilmorin & Cie is convinced that there can be no sustainable successful performance without safety. On top of the prevention policy deployed for a number of years, Vilmorin & Cie launched a safety at work policy during fiscal year 2014-2015. Based on strong involvement from the management, its objective is to act both on organizational and behavioral shortcomings, the main causes of accidents, in order to prevent them efficiently. Beyond the fact everyone is responsible for their own safety and that of their colleagues, strong involvement from the management chain is also expected.

A Group Safety Committee oversees the running of this policy, relayed by the action of a safety coordinator.

The Business Units are also responsible for running this policy internally, involving closely all heads of departments and safety experts, passing on information through internal communication, stimulating managerial involvement and motivating all levels of line management, training all the employees, assessing risks and defining the norms and standards that reduce them, following the indicators used to steer the safety policy, analyzing accidents whatever their severity, and drawing all conclusions from each failure in this matter.

The indicators below show the evolution of the results of Vilmorin & Cie's safety approach⁽¹⁾:

	17-18	18-19 ⁽²⁾	19-20
FR1	6.66	6.16	4.44
FR2	12.22	10.09	8.45
SR	0.13	0.14	0.13

FR1 represents the frequency rate of accidents with lost time, i.e. the number of accidents with lost time reported per million hours worked. FR2 represents the frequency rate of accidents with and without stoppage time, or the total number of reported accidents per million hours worked. SR represents the accident severity rate, or the number of days of work stoppage reported following a work accident per thousand hours worked.

In 2015 Vilmorin & Cie set itself the ambitious objective of halving the frequency rate of accidents with lost time within three years. To manage the safety policy, Vilmorin & Cie monitors the frequency rate of accidents with lost time (FR1), accidents with and without lost time (FR2) and the severity rate (SR). While FR1 was first used as the benchmark indicator, Vilmorin & Cie chose to refer to FR2 as from fiscal year 2018-2019. The latter, which also takes into account accidents without lost time, reflects a more exhaustive view of the situation and the impacts of the safety policy put in place. The FR2 - sliding over 12 months - stood at 17.50 in August 2016. By June 30, 2019, it had been reduced to 10.09. We can therefore consider that the objective has almost been achieved. As a result, a new objective has been set: to halve the FR2 once again, i.e. to reach 5 by 2021. On June 30, 2020, the FR2 stood at 8.45, continuing its downward trend.

The safety policy is now fully deployed in all Vilmorin & Cie's Business Units. Only recently acquired new companies are being adapted and a post-acquisition process is underway to this effect.

Occupational diseases

In order to fight against the risks of occupational diseases, in a certain number of countries Vilmorin & Cie requires that when its employees are recruited, they should have a medical examination, and strives to improve working conditions notably through managerial safety visits.

(1) Safety reporting covers all employees who have direct employment contracts (permanent contracts, fixed-term contracts, seasonal contracts, trainee contracts, apprenticeship contracts) with subsidiaries in which Vilmorin & Cie holds more than 50% of the capital stock. Temporary workers and service providers are therefore excluded from this reporting.

(2) Data disclosed for 2018-2019: FR1: 6.04; FR2: 9.88; SR: 0.13. The post-closure requalification of certain work accidents by social security agencies may impact the data and explain the differences with previously published data.

In France, employees who are exposed to particular risks such as noise, handling heavy loads, exposure to hazardous chemical products, etc. have a compulsory annual medical. Other employees also have a medical every two years. The aim of this medical examination is to ensure that employees are apt for their job health-wise.

In fiscal year 2019-2020, two employees were recognized as suffering from an occupational disease in France. The group is working to improve on this subject following the recent publication of regulations on tracking arduous working conditions in positions presenting risks.

Review of health and safety efforts

Investment in training devoted to health and safety remained stable in 2019-2020, at 25.78% of total Vilmorin & Cie training hours compared to 25.97%.

Absenteeism

Absenteeism is defined as being all the working days where staff are absent for reasons other than paid holidays, time in lieu, training courses, and union representation. In 2019-2020, the global absenteeism rate was 5.21%. It was 2.96% for managers and 7.45% for non-managers.

Risks related to safety are presented in detail on page 77, paragraph 2.2.2.3.

5.3.1.4. Encouraging social dialogue and internal communication

Vilmorin & Cie has chosen constructive social dialogue with its social partners and favors collective bargaining for the process of implementing working life rules. Group agreements promote a common policy between the Business Units.

During the course of 2019-2020, a new agreement concerning the group's profit-sharing system was signed, and negotiations to set up harmonized health coverage for employees within the French scope of consolidation have been opened and will be continued during fiscal year 2020-2021.

As a follow-up to group agreements, Company agreements are also negotiated that take into account the specific characteristics and needs of each company, with partners directly involved in monitoring the policy defined in their own entity. The main topics discussed this year were working hours and the right to disconnect.

Moreover, in the very specific context of the health crisis, all measures and organizational methods were discussed beforehand with social partners at all levels of the organization.

The European Works Council (EWC)

The European Works Council (EWC), representing the different companies in the group, meets twice per year with the objective of providing information to the employees and establishing constructive dialogue with the employee representatives of the European companies. It deals with economic, financial and social questions which are of global interest, going beyond the context of a particular country.

It comprises 30 employee representatives from ten countries of the European Union.

In order to assume their role more efficiently on this council, training in finance was proposed and delivered to the EWC members who were interested.

5.3.1.5. Attracting and retaining talents

Key figures

9.42 %

Staff turnover rate

47.1 applications
per job offer published

Vilmorin & Cie's sustainability is dependent upon its level of performance, particularly in terms of innovation, and is reliant on certain professions, particularly those related to research activities, which require specific expertise. It also runs its business

in an extremely competitive and international environment that is conducive, in the context of competition between players, to career opportunities for positions that are specific to the sector. Finally, the location of its operations, which are rarely to be found in major urban centers, can hinder recruitment.

Vilmorin & Cie's capacity to attract and retain talents is a major challenge related to the risks of a lack of alignment between skills and operational needs.

In liaison with its reference shareholder Limagrain, Vilmorin & Cie is continuing to develop its employer brand in order to increase its visibility and appeal. The Company also strives to ensure that the interactions it has with employees and applicants are of high quality in order to maintain a relationship of trust. The deployment of the HR Information System is aimed at achieving this objective.

Finally, Vilmorin & Cie maintains a diversified global compensation package. This includes the redistribution of income with a profit-sharing scheme applicable to all employees, and an employee savings plan for employees of French companies. At the same time, Vilmorin & Cie wants all employees throughout the world to benefit from a homogenous social protection program for health, welfare and retirement.

The measures taken and their results are described in detail in the paragraphs of this chapter.

Development of the group's employer brand

Over fiscal year 2018-2019, the Human Resources teams in the Business Units and at Corporate level worked together on making the group's employer brand more dynamic, and more globally on the notion of appeal, with the objectives of boosting the group's global brand awareness as an employer and attracting and retaining talents. The subject of appeal is now an aspect of the HR strategy in its own right.

In order to meet the needs of the recruitment market better, a new employer branding pitch was launched in the fall of 2019. To boost awareness of the employer brand and create enthusiasm, it was decided to highlight the group's strengths, potential, culture and human values. The pitch for the group's employer brand is articulated and grouped around four pillars: origins, love of the Earth, of all lands; culture based on a sense of effort and humility; vision around collective intelligence and the mission of acting at source to create sustainable food. These interdependent pillars interact and enrich each other. The new version of the employer brand is gradually being rolled out to all HR resources and through various actions, started in the fall of 2019: new career space on the website, social media, job boards, school forums, etc. The new look of the group's employer brand is designed to better express the rich scope and success of the Business Units, tell the story and reveal the group's soul, and promote the professions, career paths and their diversity. It takes the form of new photographic visuals with the launch of a collection of seven forward-looking employee portraits. It also includes video testimonials from employees/ambassadors, accompanying texts with a Human Resources tone and descriptions of the various professions, assignments and actions carried out within the group.

The employer brand is multifaceted. It is aimed at potential applicants, students, social partners, those living in employment areas, school and university teams and group employees. It tells the story of the experience of employees, applicants, the working environment, Human Resources and management practices, etc.

Through this approach, in 2019-2020, new actions have been taken: integration of a conversational platform for applicants and employees/ambassadors on the group's career site; redefinition of the architecture and content of the entire "Careers" menu on the group's website, a press campaign from the employer brand standpoint, redefinition of the School Relations strategy through work with the Business Units' HR Directors and the group Executive Committee, reboosting of the Campus Ambassadors network, production of videos and job descriptions, etc.

Actions in favor of recruitment

In order to accompany its development, Vilmorin & Cie needs young talents. To strengthen its action with schools and universities, the Company relies on its Campus Management program. 30 volunteer employees and various training courses help HR teams to promote the group in their former schools through their business expertise and their testimony in terms of career paths. Through this network of Campus ambassadors and privileged partnerships with targeted higher education institutions, Vilmorin & Cie is increasing its visibility.

Campus ambassadors are a privileged contact in schools and universities to showcase career opportunities and promote the wide diversity of Vilmorin & Cie's business lines. They are an essential part of the recruitment process and play a key role in the early stages of the process, supporting the recruitment team and thus helping to identify the talent the group needs. In 2019-2020, Vilmorin & Cie ran 22 actions, less than last year because of the health crisis, costing 29,200 euros, in France and the Netherlands: participation in business forums, representation in governance, round tables, organization of visits to companies in the group, sitting on juries, etc. To this sum should be added financial support of 43,000 euros to higher education school targets.

Improvement of the applicant and employee experience

People requesting information about Vilmorin & Cie, active or passive applicants, former and current employees alike, all have "interactions" with the group. In today's world of work, the experience that results from these interactions has become essential to engage, develop and maintain a long-lasting, constructive and positive relationship between individuals and companies. A good experience as an applicant/employee facilitates the recruitment of individuals, their retention, their commitment, and develops a positive image of the employer brand. Projects were initiated several years ago to improve the experience of applicants and employees by simplifying processes and streamlining HR practices.

The implementation in 2010 of the "B-SMART" Human Resources Career and Recruitment Information System has enabled the group to develop a tool to provide an employee/manager HR portal, and dematerialize the management of the annual appraisal process, recruitment and internal mobility.

This tool initially simplified the preparation and completion of annual performance and development reviews, allowing employees and managers to spend more time on content than on form. Through access to a portal, managers have been able to retrieve their past appraisals easily, their objectives, their internal CV and other HR information. B-SMART has also made it possible to give greater visibility to internal recruitment offers in order to develop intra-group mobility opportunities.

The group sees multiple opportunities with B-SMART:

- support the employer brand with a single HR portal in the group's colors,
- help managers to oversee the development of their team by providing them with adequate HR tools,
- reinforce the employee as "actor of his or her career" by simplifying the implementation of HR processes for career/recruitment and the provision of HR repositories,
- improve the measurement and analysis of the group's HR career/recruitment processes and better monitor employee development using data from B-SMART,
- reduce certain repetitive and non-value-added tasks by automating HR actions related to career and recruitment processes.

The deployment of B-SMART continued in 2019-2020 with a focus on improving the user and applicant experience. The objective was to remove certain obstacles:

- The recruitment portal has been further improved and simplifies the candidate's path, especially for external candidates. The portal is more user-friendly, providing quicker access to career information, a better understanding of the group, and the ability to find the right job offer more quickly.
- A system of resume submission by the candidate has been installed. Thanks to artificial intelligence, it allows for a semantic analysis of the key words in the candidate's resume to instantly propose the online offers on B-SMART that best correspond to him/her. For the HR teams, the system feeds into the talent pool and enables them to receive more qualified applications.
- The unsolicited application process was subject to an internal audit. The results and recommendations will make it possible to implement a new process during fiscal year 2020-2021 in order to obtain better information processing by the group's HR teams.

Compensation policy

Vilmorin & Cie is concerned to develop a fair and motivating compensation system for all its employees, which is seen as attractive and competitive. Compensation is both approached in a global way for equity of treatment, and adapted to the context of local employment in order to be as close as possible to the employees' expectations.

Compensation

In 2019-2020, the total amount of gross compensation paid by Vilmorin & Cie stood at 321.9 million euros, an increase of 5.6% compared with the previous fiscal year. This compensation includes benefits packages, as well as profit-sharing, and an attractive system for employee savings in France. Certain employment contexts also involve the payment of public transport, meals and even accommodation costs.

External compensation surveys enable Vilmorin & Cie's compensation to be compared to market compensation, with a view to fairness and attractiveness.

Benefits

As in previous years, during fiscal year 2019-2020, informative letters for employees were regularly published to explain health guarantees and promote the scheme.

Profit-sharing

The group's profit-sharing scheme illustrates its desire to associate each employee with the results of his or her Business Unit and the group's performance, and thus to reward collective performance.

Profit-sharing, originating in France, has now been purposefully extended to companies in other countries. The group's profit-sharing agreement now involves all of Vilmorin & Cie's subsidiaries, including those that have recently joined the scope, and for which Vilmorin & Cie holds more than 50% of their capital stock. It comprises a company proportion calculated on the basis of the Business Unit's performances and a group proportion. The calculation is mainly based on a redistribution of the economic income.

In 2016-2017, a new group profit-sharing scheme was introduced with the objective of a better redistribution of profits to all employees. It is characterized by a significant increase in the group's share and greater consistency in the amounts distributed between each company. This new system was also designed to give a better match between the amounts distributed and the group's results.

In 2019-2020, a new group profit-sharing agreement was signed.

The structure of the scheme remains identical in terms of the method used to calculate the overall amounts to be distributed, but ensures a better distribution of the sums paid out among employees in order to recognize all individual contributions as a factor in the group's success.

Evolution of collective profit-sharing

In thousands of euros	Profit-sharing
2017-2018	11,013
2018-2019	10,533
2019-2020	10,841

Employee savings

A Group Savings Plan (GSP), the operating costs of which are fully borne by Vilmorin & Cie, is available to French employees. It is made up of three funds – two of which are exclusively reserved for them – that involve investment profiles which combine security and performance, with the common goal of offering a return higher than that of the market.

Among these funds is a solidarity fund, labeled socially responsible by specialized reference organizations (Finansol and CIES). This fund is partly invested in solidarity-based companies that act in the areas of social and vocational integration (ADIE, Initiative France, Groupe La Varappe), mobility (Wimooov) and access to accommodation (SNL-Prologues, Foncière Habitat & Humanisme).

A Collective Pensions Savings Plan (PERCO), involving an employer's contribution to accompany employees in their efforts to save for retirement, was implemented in 2011-2012. In France, the entry rights and management fees for this plan, which is interesting from a tax standpoint, are also covered by Vilmorin & Cie.

In 2019-2020, informational meetings were organized at most sites in France to promote the system to employees and answer their questions.

Internationalization of the group Health and Providence program

Social protection of its employees is a major objective for Vilmorin & Cie. It plays a high-profile role in attracting and retaining employees, and must also facilitate mobility between the Business Units.

Vilmorin & Cie aims to cover all its employees in health and providence. The objective is to benefit from homogeneous cover in each country and for all employees, whatever Business Unit they belong to.

In fiscal year 2014-2015, an audit was carried out in all non-French companies in order to assess the level of cover in each company.

Results of the audit show that 67% of non-French employees have health cover and 72% providence scheme cover. The study was also used to set a target for standards in each country.

The objective is that each employee at Vilmorin & Cie will benefit from:

- a health program at the level of market standards,
- a providence program proposing at least one year's compensation in the event of death.

Since this study was carried out, cover has already been extended for the benefit of 1,000 employees. Discussions are in progress for several other regions, in partnership with the different Business Units.

Results in terms of attractiveness and retaining talents

Attractiveness: evolution of applications

478 vacant positions were published in 2019-2020 on the group's Intranet site, 285 published externally for permanent positions and 100 offers and internships and sandwich courses. In 2019-2020, 19,704 applications (excluding unsolicited applications) were received on the website. On average, 47.1 applications were submitted per published offer.

Attractiveness: Presence on social media

Since September 2016, the group has communicated on its employer brand on the social media LinkedIn and Facebook. Every week, several articles are published on presentations of the Business Units, life in the Company, portraits of employees presenting their activity, agricultural innovation, vacant positions, etc.

Audience on these social media has increased sharply, particularly on LinkedIn, with 14,422 more followers over the fiscal year. Measurement of the average engagement rate⁽¹⁾ gave a result of 2.67% for LinkedIn.

Retention: evolution of staff turnover

In 2019-2020, staff turnover dropped to 9.42 a reduction of 2.32% points compared to 2018-2019.

Last year, staff turnover was higher due to the relocation of sites in Asia, which led to departures that were not fully offset during the year by new hires at the new sites. 2019-2020 is therefore a more representative year, although the health crisis may also have slowed departures.

(1) The engagement rate is the ratio between the number of people who have seen the publication and those who interact (Like, Share).

5.3.1.6. Managing mobility, careers and skills

The performance of Vilmorin & Cie's business is based in particular on its capacities for innovation, international development and management in a multicultural environment. For Vilmorin & Cie, mobility, career management and training are therefore a challenge related to the risk of a mismatch between business needs and available skills. They are at the heart of Human Resources issues and provide employees with opportunities for development.

Developing expertise or skills among employees is a challenge to which Vilmorin & Cie's proactive training policy and Limagrain Academy, a Corporate training system based on four pillars of skills: cultural, managerial, leadership and business, respond.

The actions and their results are described in detail in the paragraphs of this chapter.

Key figures

104,306

hours of training followed in 2019-2020

79.6%

accessibility rate to training in 2019-2020

Mobility

Vilmorin & Cie has made internal mobility, whether in terms of geography or function, one of the structuring orientations of its Human Resources policy. Accordingly, Vilmorin & Cie has established the rule of publishing all vacancies internally among its employees. Vilmorin & Cie offers a particularly favorable framework for career development: the diversity of business sectors and professions, along with geographical presence in 51 countries, means that staff can follow individual professional pathways, and Business Units can benefit from a wealth of new skills, experience and know-how.

There is a platform for the consultation of internal job offers on the Intranet available to all the group's employees, so that they can play an active role in their own mobility/evolution. 285 offers with a permanent contract were published this past fiscal year. This platform is also accessible to all trainees, apprentices and employees on fixed term contracts, giving them the possibility to take up opportunities for permanent contracts, but also for internships, sandwich courses or fixed term contracts to supplement their training and their experience. 100 offers of internships and sandwich courses were disseminated, along with 22 offers of fixed term contracts for young graduates.

In terms of results, 79 employees experienced internal mobility within Vilmorin & Cie in 2019-2020. Vilmorin & Cie also fosters internal promotion by encouraging employees to acquire new skills through training leading to new qualifications or diplomas.

Similarly, as a consequence of Vilmorin & Cie's growing international development, international mobility is a major factor. To encourage mobility, several international mobility policies (long-term, short-term, "Local+") have been defined for all the group, with advantageous conditions and incentives for employees, and which pay particular attention to promoting integration in the host country and the return of employees to their country of origin.

A new international mobility policy was deployed in 2016, in order to better take new mobility practices into account. For example, in order to facilitate the clarity of mobility abroad in the long term or for short-term assignments, documents have been created and disseminated so that employees can prepare better for this experience. On June 30, 2020, the Company had a total of 84 employees working abroad, a number that has evolved throughout the year with the beginning and end of expatriation periods. In addition, to supplement international mobility opportunities and allow a larger number of employees to experience this opportunity, short-term missions abroad (less than 6 months) are also offered.

The different measures of accompaniment for long-term mobilities include intercultural and language training for the employee and his or her family, payment of removal expenses, schooling for the children, return trips and rent, tax assistance, a commitment to reintegrate the employee in the sending country at the end of the expatriation period, and a mobility bonus.

Career and skills management

Employee development is a strong component of the group's Human Resources policy. Given the group's specific organization in Business Units, Corporate Human Resources has a mission to promote the sharing of knowledge through a cross-cutting approach to development, and to identify talents in order to prepare for the future.

An annual talents review is organized at group level under the responsibility of Corporate Human Resources. This review mobilizes all Vilmorin & Cie's Business Units with the aim of detecting internal talents, encouraging internal mobility and promotion, and identifying pools of potential managers for key positions. Each Business Unit runs its own careers committee and more than 80 people are mobilized on these subjects. Information from the careers committees in the Business Units are then consolidated and shared during a careers committee meeting of all the group's Human Resources Managers and Corporate Human Resources.

An annual review of Human Resources talents by this body is also organized. Finally, the group careers committee focuses on Top Executives, Executive Managers and high potentials.

During fiscal year 2019-2020, the group Career Committee was asked to study and validate 80 mobility requests for the population of Executive Managers and Top Executives. 18% of these employees had the opportunity to change job category and 35% of them moved to a new Business Unit.

Moreover, employability at Vilmorin & Cie is based on several levers:

- appraisals throughout employee careers,
- systematic internal dissemination of job offers, in particular via a digital platform,
- training offers customized to the populations concerned, deployed by Limagrain Academy,
- development pathways,
- opportunities to work in another country, including an incentive policy for short stays (between 1 and 6 months) abroad.

Appraisals throughout employee careers

The annual appraisal (the campaign runs every year from June to September; the interview is conducted by the manager): the interview consists in assessing the activities achieved and skills mobilized over the past year. It is also an opportunity to assess the employee's training needs and wishes, and to review his or her professional evolution. Training in the form of e-learning, webinars and information organized on the group Intranet have been deployed to allow those involved to prepare their appraisals in the best possible conditions. The information provided allows Human Resources to build up the training plan, to implement development plans and to prepare career committees to review promising employees and decide on promotions, mobility opportunities and accompaniments. Over fiscal year 2019-2020, 84.77% of employees benefited from a development appraisal with the same rate for Executive Managers, representing an increase of 3% compared to the previous year for the latter.

The biannual professional interview: these interviews are initiated by Human Resources every two years. They are conducted by the manager, and are an opportunity to analyze perspectives for professional evolution in terms of qualification and employment.

The career review: initiated in France, in 2015, these reviews are organized every six years before the age of 45, then every five years after the age of 45. They are set up and run by Human Resources, and prepared with the manager beforehand. Their objective is to prepare a summary of the employee's professional career.

The interview to prepare the end of a career (as of the age of 57): these interviews are part of the group's Generation Contract and are organized and run by Human Resources for French personnel; they are set up to prepare the final career period, to initiate the procedures necessary to prepare pension files and to organize succession plans.

Departure and return-to work interviews: after a long absence (maternity or adoption leave, childcare leave, etc.): these interviews are initiated by Human Resources. They are set up for successful transitions before and after these absences, to prepare the return to work, to keep in contact, and to avoid any breakdown in the relationship.

Career paths

Deployment of the benchmark job repository, which was finalized in 2016-2017, is continuing within the Business Units. Thus, mobility wishes are now expressed on the benchmark jobs resulting from this shared repository, allowing a more precise analysis of possible career paths.

This implementation is continuing in the Business Units and in the organization, in line with the updating of the group's business repository. Three Business Units and two cross-functional organizations (the Information Systems Department and Field Seeds Research) use their business repository for the mobility and career paths of their employees. Furthermore, two additional Business Units are involved in the project, either as part of an update of their current repository, or to build their own.

Moreover, Vilmorin & Cie has decided to provide even more in-depth support to Executive Managers and Top Executives in successful take-up of their positions. In addition, 2019-2020 led to the definition of 53 development paths that will enable Executive Managers and Top Executives to benefit from optimal conditions for taking on new responsibilities. The courses are designed by combining different learning methods such as blended learning, pedagogical work situations, regular feedback with stakeholders and the development of information intelligence accessible in digital mode. These courses will be gradually enriched in the coming years.

Training, a tool to develop skills and preserve know-how

Vilmorin & Cie is actively committed to training in order to preserve the precious know-how related to the technical and scientific heritage developed by generations of agronomists and other experts. This is why Limagrain Academy, over and beyond programs run to disseminate the group's culture, has set up a "*breeding academy*" to retain know-how on plant breeding*. In addition, Vilmorin & Cie invests in external training so that its employees benefit from the most up-to-date knowledge for their development. Finally, Vilmorin & Cie is convinced that its future depends on the wealth of young talent that must be encouraged today. With the same objective, Vilmorin & Cie encourages apprenticeship and sandwich courses, so that young people can gain easier access to employment, whatever their profession.

Evolution of the total number of training hours

	Training hours
2017-2018	125,959
2018-2019	128,163
2019-2020	104,306

In 2019-2020, 104,306 training hours were run in the group, for 5,615 employees, representing 79.6% of Vilmorin & Cie's headcount.

During the course of the year, Vilmorin & Cie devoted 2.11 million euros on training for its employees, including the budget for Limagrain Academy.

Most of the training hours were split between the improvement of professional skills (30.26%), learning foreign languages (20.85%) and health and safety (25.78%). Management training represented 8.30% of the training hours.

	17-18	18-19	19-20
% Payroll	1.00	0.98	0.66
Average training cost for each employee trained (in euros)	597	593	376
% of employees trained	72.94	73.34	79.6
Total number of hours training	125,959	128,163	104,306
Average number of training days per employee trained ⁽¹⁾	3.71	3.64	2.65

(1) On the basis of seven hours training per day.

Limagrain Academy: the Corporate organization for skills development

Limagrain Academy, founded in 2013, has reviewed its purpose over the course of this past fiscal year. It is now structured around four pillars which each targets different populations:

- A cultural pillar whose objectives are to spread the group's culture, develop a sense of belonging, illustrate values and create links between populations. As such, the training module presenting Vilmorin & Cie has been redesigned and internalized to take into account all the specific approaches of the group (CSR, safety, etc.). It is used in particular in the group and Business Unit induction programs. This pillar is intended for all employees.
- A managerial pillar to deploy a shared managerial culture, define a common language and guarantee a certain level of understanding of the international environment. This pillar targets managers.
- A leadership pillar integrating development programs adapted and personalized for the status of Executive Managers and Top Executives.
- A business line pillar whose vocation is to develop information sharing and co-development reflexes on topics specific to Vilmorin & Cie, and to create a shared expertise base on key business lines in the organization. Business experts are particularly concerned by this pillar.

These courses, the scope of which covers an audience across the various Business Units, depending on the pillars, complement the development programs carried out in the Business Units. They make it possible to cross-reference information specific to the various activities with more global information about the group and to initiate networks for sharing skills.

In spite of the difficulties related to the Covid-19 health crisis, Limagrain Academy has maintained its international efforts with 21% of the face-to-face sessions in English and 14% of participants from outside France. A total of 14 training sessions were organized for group employees.

5.3.1.7. Committing to diversity

The diversity of populations within Vilmorin & Cie is an integral part of the Company's ambition. *"The group is committed to treating its employees fairly and with an open mind, respecting their dignity and their physical and moral integrity. The group's employees are therefore recruited without discrimination in terms of gender, age, origin, religion, sexual orientation, physical appearance, health condition, handicap, trade union membership or political opinions."*

This commitment on respecting persons and their private life is an extract from the Code of Conduct, which was enriched over fiscal year 2018-2019.

The Code of Conduct, now referred to as the Ethical Principles and Code of Conduct, is part of the scope of several international texts of which the group shares the principles, in particular the core conventions of the International Labor Organization concerning combating child labor and forced labor, health and safety of workers, combating discrimination, freedom of association, the right to organize and the right to collective bargaining. Similarly, collective agreements have been negotiated in favor of gender equality and intergenerational balance. Actions to reduce wage inequalities between women and men have also been deployed.

Finally, strong measures have been taken towards employing and integrating the disabled in several of Vilmorin & Cie's Business Units.

Moreover, commitments have been made for the recruitment process to integrate non-discriminatory practices.

Measures taken to support gender equality

Women represent 36.19% of Vilmorin & Cie's headcount. This proportion varies depending on activity sectors and professions.

Professional equality represents a primary focus in human resources management in the Company. In this context, an agreement was signed in 2012-2013, which was also in response to a new legal obligation in France. Renewed in 2017, this agreement, which involves French companies, concerns objectives and measures in favor of equality between women and men throughout their professional careers. Recruitment, professional promotion, compensation, balance between professional and personal life: these four areas for action have been adopted, with concrete commitments and measures to promote diversity and professional equality. These objectives and measures are accompanied by indicators calculated in each subsidiary, and then consolidated and tracked at group

level. Finally, a project manager was appointed at the end of fiscal year 2018-2019 to work on gender equality and, in the first instance, on women's access to management positions. An action plan was approved in 2019-2020 and will be launched in 2020-2021.

Breakdown by gender of the group's executives

	Total	% Women	% Men
Top Executives	26	23	77
Executive Managers	166	26	74
Global headcount	7,054	36	64

Measures taken to support intergenerational balance

In order to encourage the sharing of values, communication between organizations and generations, and also creativity, a mentoring program was set up in 2016-2017, and reviewed in 2019-2020, to enable young employees in the group to be accompanied for six months by a mentor from a different Business Unit and a different function from their own. This program highlights and takes advantage of the experience of "senior" employees.

This initiative exists at Corporate level but also in the Business Units.

The mentoring campaign led by the group over fiscal year 2019-2020 resulted in the launch of 10 cross-functional mentor/mentee pairs in five Business Units, with the support of the Human Resources departments concerned. This approach was also deployed in the Business Unit HM.CLAUSE based on feedback from the group initiative.

38.40% of Vilmorin & Cie employees are over 45 years old. In order to guarantee better employability for employees in the second half of their career, and taking into account the fact that careers are getting longer, Vilmorin & Cie has for several years applied a specific agreement regarding employees working in the group's French companies. The object is to accompany all employees more actively in the second half of their professional lives, and encourage the transmission of their know-how and experience to the following generation as they approach retirement.

The rate of keeping "seniors" in France (those 57 years old and above) in their jobs stands at 96.64%, slightly higher compared to 2018-2019 and well above the goal of 90%. Worldwide, the rate stood at 96.35 %.

Tutoring is also deployed to ensure that skills are transmitted when "junior" employees are hired or move into a new position to succeed seniors.

Mid-career and end-of-career interviews are also proposed to employees in order to anticipate career changes and promote the transition from paid employment to retirement.

In France, employees over 57 years of age can also benefit, under certain conditions, from a reduction in their working time with the maintenance of full pension contributions.

Applicable in France, the agreement was also communicated, on Vilmorin & Cie's initiative, to non-French subsidiaries with the aim of encouraging them, in the long term, to adopt some of the provisions set up. The provisions of this agreement, renegotiated in 2012-2013, were adopted in 2014 in a group agreement on a Generation Contract. The latter was renegotiated in 2017 for a period of three years.

Measures taken towards employing and integrating disabled persons

Different measures have been taken to encourage the employment and integration of disabled workers in order to advance the low rate of disabled workers employed (2.47% of employees) in the French scope. To this end, during fiscal year 2012-2013, a partnership was formed in France with ESATs (centers providing care through employment, enabling disabled persons to work in a protected environment) and with the AGEFIPH (an association that manages funds for the professional integration of the disabled) for the dissemination of job offers on a dedicated platform. Disabled persons receive regular temporary assignments to assist Vilmorin & Cie's support services in several operational and administrative functions.

Following the annual negotiation of 2015, a handicap policy was launched within Vilmorin & Cie, with the first results being the implementation of a partnership with the association Handischool. Through this partnership, several awareness actions on handicaps have been conducted at a number of Vilmorin & Cie's sites.

In February 2017, a group agreement on Professional Equality and Solidarity was signed for French companies. It provides for actions in favor of:

- the recognition of the designation of handicapped worker,
- the recruitment, integration and retention of disabled workers,
- the communication and awareness of disability.

5.3.2. Acting in accordance with the Ethical Principles and Code of Conduct

Given their limited criticality*, risks related to the compliance of practices with ethical principles and anti corruption laws are no longer set out in part 2. "Risk factors" but in this non-financial Chapter.

At Vilmorin & Cie, business ethics have been materialized over the past six years by the application of the Code of Conduct, formalized by its reference shareholder, Limagrain. Accompanied by e-learning available on the Intranet, it provides employees with ethical references and the rules they must comply with. More broadly, the Code of Conduct was designed to address ethics in a broad sense and within the scope of all activities. Updated in 2019 and now named the Ethical Principles and Code of Conduct, it is part of the scope of several international texts whose principles the group shares:

- the Universal Declaration of Human Rights,
- the core conventions of the International Labor Organization, in particular conventions 29, 105, 138 and 182 (child labor and forced labor), 155 (health and safety of workers), 111 (combating discrimination), 100 (remuneration), 87 and 98 (freedom of association, the right to organize and the right to collective bargaining),
- the United Nations Convention on the Rights of the Child,
- the OECD guidelines for the intention of multinational companies,
- the transposition into French law of the European directive of 22/10/2014, known as "CSR".

Moreover Limagrain, Vilmorin & Cie's reference shareholder, signed the United Nations Global Compact in December 2013, and has committed to promoting and respecting its principles governing Human Rights in its teams and sphere of influence, and not to be part in any way of their violation. In this respect, the Ethical Principles and Code of Conduct is a binding document for all group entities worldwide.

The complexity of the seed production and distribution circuits, the multiplicity of private and public players on the market, the development strategy on all continents and Vilmorin & Cie's model of strong delegation, make it particularly critical that the Company be vigilant in ensuring that its practices comply with the principles of business ethics and the laws on anti corruption, human rights, international labor standards, health and safety and respect for the environment.

Vilmorin & Cie's organization, built on strong delegation granted to local decision-makers based in a multitude of countries with different cultures, confronted with multiple local regulations, but also with the increasing development of extraterritorial laws, multiplies the risk of acting contrary to business ethics.

However, ethics is not a duality between good and evil. Ethical cases rarely occur identically and vary widely depending on the culture, country, profession or stakeholder concerned.

To respond to ethical issues, the group has implemented an approach and tools to promote employees' tendency to question. The aim is to foster a spirit of individual responsibility and to rely on collective intelligence to learn how to handle ambiguity and complexity, and interpret rules with discernment in all situations.

During the course of 2019-2020, the implementation of the BE&AB (Business Ethics & Anti-Bribery) project, aimed in particular at complying with the requirements of the French Sapin II law, continued. The Ethical Principles and Code of Conduct, along with topic worksheets, a description of the whistleblower system and a video of the Executive Committee's commitment, were posted on the Intranet in July 2019. The due diligence procedures and additional accounting controls in this area have reinforced the system.

At the same time, the deployment plan in the Business Units was formalized, defining the roles and assignments of each player, as well as a provisional timetable. The plan was presented to the Business Unit teams during the second semester of 2019 and quarterly reporting on the progress of the deployment has been in place since the first quarter of 2020.

The Covid-19 health crisis has had a limited impact on ethical risks. However, one impact has been the slowdown of the BE&AB project deployment. Indeed, the crisis occurred at a time when the Business Units were beginning to deploy certain components of the BE&AB project. Priorities were then redefined and the deployment of the project was postponed until fiscal year 2020-2021.

The measures taken to implement these principles and rules are described in the following paragraphs.

The Ethical Principles and Code of Conduct

The Ethical Principles and Code of Conduct specify the various rules and regulations in force with which Vilmorin & Cie's employees must comply, while inviting them to adopt an individual approach to questioning situations. They comprise:

- Seven ethical commitments to internal and external stakeholders:
 - respect shareholders,
 - respect employees,
 - preserve the environment,
 - adopt loyal behavior towards competitors,
 - ensure customers and consumer satisfaction,
 - establish loyal, balanced relations with suppliers and partners,
 - adopt responsible conduct in the countries and regions where it operates.
- Five rules of conduct, designed to guide employees by providing them with useful ethical references in the exercise of their profession and the control of related risks:
 - preserve the image and reputation of the Company,
 - respect and protect the Company's assets,
 - act with integrity and avoid any conflicts of interest,
 - prevent the dissemination of non-public financial information and insider trading,
 - make sure intellectual property rights are protected.

Translated into sixteen languages, the document is available to employees on the group Intranet and to external stakeholders on the website.

Discerning unethical acts and preventing behavioral errors are concerns that are in line with the search for excellence. For Vilmorin & Cie, which is present in many countries in the world, with cultures and legislation that can be very different, the Ethical Principles and Code of Conduct mark its identity through clear benchmarks that can be shared by everyone. This is a *sine qua non* condition to ensure its reputation and legitimacy.

5.3.2.1. Fighting corruption

The group strives to enforce the statutory and legal provisions in fighting corruption and money laundering (notably the OECD convention of 1997), and, in the conduct of its commercial and financial relations, to take account of the significant recommendations of national and international organizations such as OFAC concerning economic sanctions. Vilmorin & Cie's compliance with the French Sapin II law is a major project that was pursued over the past fiscal year.

This project, called "BE&AB" for Business Ethics & Anti-Bribery, is being run by Vilmorin & Cie's reference shareholder, Limagrain, and goes beyond compliance with the Sapin II law by also addressing the issues of insider trading and interest representatives. The BE&AB project is co-led by the Governance Risks and Compliance department (GRC) and the CSR department, with the group's VP for Human Resources and CSR as sponsors. The Project Steering Committee met nine times during the fiscal year to monitor the progress of the projects and choose certain tools and deployment options.

Mapping of group corruption risks, updating of the Code of Conduct, accounting control measures and definition of

the group whistleblowing system were achieved during fiscal year 2018-2019, and posted on the Intranet at the beginning of fiscal year 2019-2020. The accompanying e-learning was made available during the fiscal year. In view of the new completed version of the e-learning, the monitoring indicator for this training program was reset to zero and will be monitored again as of fiscal year 2020-2021. There was no feedback from the whistleblowing system during the fiscal year.

As part of their training program, in March 2019 several Vilmorin & Cie Board Members participated in an anti corruption awareness session led by Transparency International France.

During fiscal year 2019-2020, certain tools designed to combat the risks of corruption were the subject of work aimed at formalizing processes in order to deploy them in the Business Units. This is the case of the third-party evaluation, whose three-step process has been refined:

- 1/ Pre-evaluation carried out internally through a few descriptive questions about the third party and its activity. Depending on the answers, this mechanism available on the Intranet assesses the risk and authorizes the relationship or refers to a second evaluation in the Business Unit.

2/ An evaluation taking into account the economic and legal information databases via the portal of a specialized service provider. If this evaluation is unfavorable, but the Business Unit nevertheless wishes to enter into a relationship, the request will be processed at Corporate level.

3/ A detailed and personalized evaluation may be requested from a provider, in order to remove the blockages of the first levels. As a last resort, it will be up to the group Executive Committee to decide.

Traceability of all these evaluations has been integrated into the process, so as to know why and by whom choices were made. The Business Units Limagrain Asia Pacific, Limagrain South America and Vilmorin Jardin have been particularly active in evaluating their third parties and their feedback has helped in improving and validating the process.

In order to ensure that the consequences of internal corruption cases are assessed in a consistent manner across all Vilmorin & Cie's companies, the Human Resources Department has worked with the Business Units on systematic disciplinary sanction mechanisms. The objective is to ensure that appropriate disciplinary measures are in place throughout the group for the various types of corruption, and that they are known and recognized by employees and their representative bodies, where they exist.

As for the deployment of the process, it is the Legal Network that has been entrusted with the task of implementing these tools, and if necessary adapting them, in each Business Unit. During the fiscal year, a deployment plan was drawn up, including the roles and duties of each participant and a schedule was formalized. In order to monitor the progress of the project in the Business Units, the Steering Committee set up quarterly reporting. Certain elements of the program have been adapted and deployed by some of the Business Units. However, the Covid-19 health crisis has modified the priorities and deadlines initially planned for deployment in the Business Units: they have been rescheduled for fiscal year 2020-2021.

5.3.2.2. Respect for Human Rights and the Rights of the Child

Respect for Human Rights and the Rights of the Child is an aspect of business ethics that needs to be presented in detail because it is a specific issue for Vilmorin & Cie.

Vilmorin & Cie's development strategy on all continents and its involvement in agricultural seed production activities carried out by the Company's own structures or through the use of sub-contractors, require particular vigilance with regard to respect for fundamental rights such as human rights and those of children.

Agricultural activities in many countries by nature require seasonal labor. This temporary dimension can put pressure on the working conditions offered to an often-dependent workforce. In addition, because of their mobility and the temporary nature of their employment, it can be difficult to ensure their working conditions.

In the area of child labor, varying laws in different countries set different age limits.

To guard against unethical practices, purchasing contracts include ethical compliance clauses and have, in their digital version, a link to the document "Ethical Principles and Code of Conduct" whose commitments are explicit: *"The Group ensures that it works with suppliers who do not make use of illegal child labor or forced labor. The Group is careful to ensure its suppliers and customers respect the core conventions of the International Labor Organization on fundamental social rights."*

In addition, some companies have implemented specific actions. In Israel, the Business Unit Hazera periodically audits its suppliers, including respect for Human Rights as one of its criteria. The Business Unit Vilmorin Jardin uses a questionnaire to better understand its suppliers' CSR practices and map its key suppliers.

In India, Vilmorin & Cie's subsidiaries Limagrain India and HM.CLAUSE India have taken numerous measures to improve working conditions and to eradicate child labor. At the same time, and with the support of the Company, HM.CLAUSE India actively participated in the drafting of the APSA (Asia & Pacific Seed Association) position on the subject.

Respect for the Rights of the Child

The group is fully aware of the reality of child labor in certain geographical regions and for certain activities related to seed production. It is particularly in India that the subject is significant, both for the Field Seeds and Vegetable Seeds activities.

With regard to Field Seeds, the Human Resources Department of Limagrain India has revised its internal regulations to define recruitment and personnel management procedures in order to combat child labor and ensure strict compliance with local regulations. In addition, each temporary worker at the production sites is also subject to systematic entry controls. An identity card is created proving the age of the worker. Dedicated notices denouncing child labor, present at all sites, complete the procedure. Subcontractors are regularly audited, using a rotation plan, to ensure compliance with the prohibition of child labor. In addition, strict social clauses are included in all contracts with suppliers and concern in particular the prohibition of child labor or the risk of suspension of the contract.

In Vegetable Seeds, HM.CLAUSE India has been fighting child labor in seed production activities, contracted out since the beginning of its multiplication activities in 2012. Since then, the Company has multiplied its actions in a continuous improvement process and has created a CSR department directly reporting to the General Management.

As part of its specific CSR program, HM.CLAUSE India has deployed a comprehensive procedure to abolish child labor in India, called the Child Labor Awareness Program (CLAP). Its first commitment is to set the minimum working age at 16 years, while legislation defines the threshold at 14 years of age. HM.CLAUSE therefore refrains from hiring any young person under 16 years of age in its activities and prohibits this from its producers and subcontractors via contractual clauses. The Company has also defined disciplinary sanctions for producers who do not comply with HM.CLAUSE India's commitments, including suspension of the subcontracting agreement.

Under the Company Act⁽¹⁾, a CSR committee was set up and two social program managers, based in Karnataka (the Company's main production region), were hired to carry out internal audits on the 700 farmers under annual contract. 100% of producers were audited at least once during the sensitive pollination and harvest periods. Since the summer of 2018, an external audit company has been strengthening HM.CLAUSE India's teams to carry out additional audits to ensure more accurate monitoring.

Seed production can also be managed by specialized companies that organize production with farmers. The same standards are required by HM.CLAUSE India from them, and the main one has its producers audited by SGS, a worldwide recognized group in the field of audits and certification.

HM.CLAUSE India has set up a training program for the network of production technicians, and awareness sessions open to subcontracting farmers. Since 2015, every year, between 150 and 350 farmers and production supervisors have been trained in the fight against child labor. 100% of the producers monitored by the company have been trained over the past two fiscal years.

In addition, HM.CLAUSE India collaborates with many stakeholders from various backgrounds: government and local authorities, other locally active seed companies and their federation, and NGOs such as Unicef or Arisa, etc. HM.CLAUSE India is an active member and one of the main contributors to the organization ECHO (Enabling Child and Human Rights with Seeds Organizations) launched in 2018 in India to address this issue.

Arisa, which stands for Advocating Rights in South Asia (ex ICN - India Committee of the Netherlands), is an NGO with which HM.CLAUSE India has been collaborating for years, notably through its participation in the "Child Care Program". In the spring of 2020 it published its report⁽²⁾ on the situation of child labor in the seed production sector in India and described in this document the actions undertaken, inter alia, by HM.CLAUSE India. It also notes the considerable efforts made by certain seed companies, including HM.CLAUSE India, to eradicate this scourge.

Similarly, HM.CLAUSE's "employment policy" in the United States follows the guidelines of existing national policies against discrimination and child labor, and meets all recruitment and employment requirements. At Mikado Kyowa Seed in Japan, article 16 of the "working rules" manual stipulates restrictions for the employment of workers under 18 years of age, in compliance with national and international laws. Vilmorin SA includes a specific "Code of Conduct" clause in its outsourced production contracts outside France, forbidding the employment of children under 16 years of age. Finally, the companies in the Business Unit Limagrain South America forbid the employment of children by their subcontractors.

Improving living and education conditions

Since working and living conditions are closely linked, some subsidiaries are also active in providing equipment to improve the lives of local populations and promote children's access to education.

HM.CLAUSE India's CSR program focuses on the eradication of child labor, education, access to safe drinking water (watershed management, desalination, etc.) and sanitation. Measures taken concern the supply of school supplies, the construction or renovation of educational facilities, and water management in the seed production zones.

Moreover, during the course of fiscal year 2019-2020, the Business Unit HM.CLAUSE contributed to the installation of air-conditioning in a library in Mexico, and the building of a library in Brazil.

(1) Since 2013, the Company Act (articles 134, paragraph 3 and 135) has enshrined the obligation of corporate social responsibility in Indian law, requiring companies to participate at their own level in the development and modernization of the country through an obligation of governance, reporting and CSR action plan.

(2) *Sowing hope: Child labour and non-payment of minimum wages in hybrid cottonseed and vegetable seed production in India – ARISA – June 2020.*

5.3.2.3. A responsible purchasing policy to consolidate relations with suppliers

Key figures

54 %

of the 213 purchasing files handled by Purchasing Coordination stipulated CSR certification

2

supplier audits

In terms of supplier relations, Vilmorin & Cie strictly monitors the criterion of economic non-dependence and coordinates a significant proportion of its procurement and purchasing conditions through a dedicated internal organization, the group Purchasing Coordination, which brings together representatives from the various Business Units structured into Steering Committees by major product or service category.

Convinced that supplier relations are an important lever for creating value, the group's Purchasing Coordination has been developing its processes to integrate socio-environmental criteria based on its own responsible purchasing guidelines. In this context, the group's buyers signed the "Responsible Supplier Relations" charter and were trained in the practice of responsible purchasing by AFNOR.

In order to ensure that suppliers respect Human Rights, in particular labor legislation, the Purchasing process requires the provision of vigilance clearance certificates. The department has also set up a Request For Information (RFI) system for all its active suppliers in order to better understand them and identify any inherent risks. The RFI provides information on the organization, strategy, financial data, quality policy, risk management, CSR, progress plans, supply chain organization and motivation to develop partnerships with the group.

In order to evaluate the relevance of the offers in terms of sustainable development, a first analysis of the suppliers' CSR policy is used to classify them according to five levels of commitment (without quality approach / with quality approach / ISO Certification / CSR approach / Signatory of the Global Compact). Since January 2017, questions have been asked about CSR commitments with specific weighting in the event of an effective commitment.

The results for 2019-2020 show that out of 213 purchasing files processed, 80.4% (76.3% in 2018-2019) stipulate that the supplier is engaged in a CSR approach. 64.3% mention ISO Quality certification and 54% CSR certification. In fiscal year 2019-2020, two supplier audits were carried out to make sure the best practices of the supply chain were applied.

An RFI also identifies innovations and evolutions in supplier production capacity that can reduce costs. In a contract, the supplier commits to submitting a progress plan within 6 months of the contract's start. An annual review of progress plans is presented to the Steering Committee.

At the same time, in November 2012, the group signed the CMAP Mediation Charter (*Centre de Médiation et d'Arbitrage de Paris*) and has thus chosen to engage in the prevention of disputes and the amicable resolution of litigation by resorting to mediation whenever appropriate. Vilmorin & Cie wishes to encourage the amicable resolution of disputes whenever possible and in the long-term interest of the parties.

Finally, by the very nature of their activity, buyers represent a population particularly exposed to the risk of corruption. A Purchasing Ethics Charter has therefore been formulated to formalize an individual commitment not to succumb to corruption and other unethical practices. To take into account changes in the Ethical Principles and Code of Conduct, the Responsible Purchasing Charter was updated during the year and signed by all buyers involved in Purchasing Coordination activities. By extension, purchasers of IT equipment and services have also signed it.

Given Vilmorin & Cie's organization, which is present in many countries through a multitude of sites and is characterized by strong operational delegation, other employees, whether or not identified as buyers, are in a position to make purchases on behalf of a site, a company or a Business Unit. Starting from a threshold set per country, these buyers/procurement agents will follow training intended for so-called "exposed" employees and will have to sign the Purchasing Ethics Charter in the same way that buyers do.

5.3.2.4. Loyal commercial practices and complying with the rules of competition law

Vilmorin & Cie focuses on the use of responsible products and services, and respect in its purchases and partnerships. Particular attention is paid to respecting the principles of fair trade and to the promotion of corporate responsibility in the value chain.

The Ethical Principles and Code of Conduct reassert the group's commitment to comply with the legal and regulatory, national and international provisions related to the rules of competition law. These rules fight against the prevention, restriction or distortion of competition in the marketplace. Legal Network lawyers are mobilized within the framework of their action plans to provide information, prevention and training on competition and merger law issues.

5.3.2.5. Protecting and respecting personal data

Vilmorin & Cie attaches the greatest importance to respect for its employees, partners and all its other stakeholders. Various paragraphs of the Ethical Principles and Code of Conduct formalize this commitment, foremost among which is respect for personal data.

Vilmorin & Cie collects and processes many personal data, and although data processing is not at the heart of its activity, the group's operating needs require the collection, processing and cross-referencing of personal data.

At the same time, the exponential digitalization of tools is now generating more and more sharing of this data and thus increasing the risk of personal data breaches (defined as the destruction, loss, alteration, unauthorized disclosure of, or unauthorized access to, personal data transmitted, stored or processed in any other way).

Many regulations now govern the protection of personal data, including the General Data Protection Regulations (GDPR).

At the end of 2018 the group appointed a Data Protection Officer (DPO), who reports to the Governance, Compliance and Risk Department, and relies on a network of correspondents in the Business Units to ensure European and international compliance. The Data Protection Department's mission is to ensure the permanent compliance of all personal data-processing carried out within the group. It analyzes risks and carries out compliance checks in terms of data protection. It disseminates a data protection culture within the group, in particular by providing advice, information and awareness to the Business Units.

To this end, and during fiscal year 2019-2020, a "personal data protection" manual was drawn up and shared within the group. Its purpose is to assist and support group entities in complying with the processing of personal data for professional purposes. It also seeks to harmonize practices within the group. Finally, tools and procedures have been developed to meet regulatory requirements.

All these actions are coordinated by the group Safety/Security/Data/Archives/Crisis Manager.

5.3.2.6. Fighting tax evasion and money laundering

Due to the diversity of its activities and countries where it operates, Vilmorin & Cie and its subsidiaries are subject to a wide range of tax environments, the management of which is carried out by the subsidiaries in coordination with the group's Tax Department. Vilmorin & Cie strives to comply with applicable tax laws and regulations in all its activities. It is committed to maintaining good relations with the tax authorities of its host countries, relying on collaboration and integrity.

It ensures that its tax positions are well-founded and that its tax strategy is in line with the Company's strategy. Vilmorin & Cie therefore undertakes to use tax benefits and reductions that have the effect of reducing its tax burden on its activities only after making sure in advance that their use is not for purposes contrary to those of the laws from which they originate.

The fight against money laundering, just like corruption, is a real concern of Vilmorin & Cie. In accordance with the principle of "Acting with integrity and avoiding any conflict of interest" based on the Ethical Principles and Code of Conduct, the group naturally undertakes to comply with the laws and regulations relating in particular to the fight against money laundering.

In order to promote a clear understanding of banned practices, the inclusion in the glossary of the term "money laundering" is a means of defining its contours and raising awareness among all employees on this issue.

5.3.3. Limiting the environmental impact of business activities

Given their limited criticality*, risks of pollution and environmental non-compliance are no longer set out in part 2. "Risk factors" but in this non-financial Chapter.

In the context of its activities, Vilmorin & Cie is subject to numerous environmental regulations. These regulations are complex, constantly changing and increasingly strict, and their application can prove costly and even limit the Company's ability to carry out or develop its activities. They relate in particular to the quantitative and qualitative management of water, air, greenhouse gas emissions, soil pollution, the use of natural resources, the preservation of biodiversity, and noise, dust and waste⁽¹⁾. In addition, particularly in the most developed countries, environmental aspects are playing a growing role in the choices made by consumers and distributors, often reinforced by the actions of Non-Governmental Organizations (NGOs), particularly in the areas of greenhouse gas emissions, the fight against climate change, soil protection and the preservation of water resources.

The impact of Vilmorin & Cie's activities on the environment is a concern managed as closely as possible to the field, by each Business Unit, in a determined and responsible approach. In addition, Vilmorin & Cie also integrates environmental risk prevention into its risk management policy, with the implementation of standards applicable to all of its sites worldwide.

This commitment also involves controlling (measuring, optimizing, innovating) the use of natural resources and developing the circular economy, particularly by paying close attention to improving the quantifying and recycling of waste.

Vilmorin & Cie's environmental risk management policy focuses on:

- Understanding and respecting Vilmorin & Cie's external obligations (legal requirements, requests from the authorities), developing a culture of continuous improvement and operational excellence by training employees, reporting and analyzing incidents and sharing learning experiences.
- Providing quality solutions that meet the needs of customers and distributors, in particular through the creation of seed varieties adapted to the diversity of environments and the dissemination of responsible and reasoned agricultural practices to farmers and partners throughout the territories.

- Optimizing agricultural, agronomic and industrial processes to guarantee the quality and food safety of products.

- Preventing and reducing, whenever possible, the negative impacts, direct and indirect, of the Company's activities on the environment and on communities directly related to its territories.

At the same time, the Group's Ethical Principles and Code of Conduct and the membership, through its reference shareholder Limagrain, of the United Nations Global Compact since 2013 are a reminder of Vilmorin & Cie's commitment to make a significant contribution to respect for the environment.

In order to ensure its compliance with current environmental regulations, Vilmorin & Cie has implemented organizations, procedures and tools: international environmental watch accessible from the group Intranet and organized by theme and by country, adapted management of sites declared ICPE (facilities classified for environmental protection), in a water stress zone or in an area which is adjacent and/or protected for its biodiversity.

The group's LEIA ("*Limit the Environmental Impact of our Activities*") program, launched in 2018, has formalized a commitment framework to limit the environmental impact of its facilities. Based on compliance with the standards and legislation in force in all countries where the group operates, this environmental program sets out an action plan and quantified objectives for four key environmental themes: energy and greenhouse gases, water, biodiversity and waste. Resulting from collaborative work carried out by several CSR Committees bringing together the group's Business Units and Corporate Departments (risk management, legal affairs, HR, etc.), these pragmatic and realistic commitments demonstrate Vilmorin & Cie's desire to operate with greater knowledge and efficiency in terms of environmental impact.

Key figure

2,769,681 €
invested over the fiscal year
in improving environmental impacts

(1) The regulations concerned include the following:

- Directive 2012/27/EU of the European Parliament and of the Council of October 25, 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC. Text with EEA relevance: <http://eur-lex.europa.eu/legal-content/FR/TXT/?uri=celex%3A32012L0027>
- Article L181-2 of the Environmental Code created by Ordinance no. 2017-80 of January 26, 2017 - art. 1 <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000033926976&categorieLien=id>.
- LAW No. 2016-1087 of August 8, 2016 for the recovery of biodiversity, nature and landscapes: <https://www.legifrance.gouv.fr/eli/loi/2016/8/8/2016-1087/jo/texte>.

Initiating the implementation of a group environmental management system

The LEIA program is based on the implementation of an environmental management system applicable to all sites and on compliance with the environmental laws, regulations and requirements worldwide. Four themes have been selected for this program and are the subject of specific measures and objectives, namely:

Theme	Challenge	Objective
Energy	Reduce energy consumption and greenhouse gases	<ul style="list-style-type: none"> ● Reduce energy consumption by 10% by 2022 (vs 2015-2016) ● Encourage and deploy solutions to lower the impact of transport related to business ● Develop renewable energies in the energy mix
Water	Ensure effluent quality and optimize water consumptions	<ul style="list-style-type: none"> ● Reduce mains water consumption by 5% by 2022 (vs 2016-2017)
Biodiversity	Protect the ecosystems present on the sites	<ul style="list-style-type: none"> ● Identify, monitor and preserve biotopes and protected species present on sites near a protected area
Waste	Ensure the recovery of waste	<ul style="list-style-type: none"> ● Ensure reliable reporting on waste and ensure its treatment by 2020 ● Recover 85% of waste for recycling by 2022

For each of these four themes, Vilmorin & Cie's sites around the world are implementing a multitude of actions of very diverse nature and scope. Taking environmental impacts into account is a reality when making choices to invest in new equipment or in maintenance operations. Daily practices, whether related to the manufacturing process or to lifestyle habits in the workplace, are also largely reexamined in the light of these objectives.

Soil usage

Soil represents Vilmorin & Cie's primary production resource. Whether production takes place in the field, in tunnels or greenhouses, soil is always used as a support for the plants from which the seeds distributed by Vilmorin & Cie will be produced. However, impact on soils remains limited, as Vilmorin & Cie's global seed production requires approximately 48,000 hectares, equivalent to 0.3% of French arable land. Nevertheless, there is great heterogeneity between the different crops. Indeed, 83% of this area is used for field seeds, including almost half for seed corn.

Consumption of raw materials

Dependence on raw materials is limited by the very nature of the business. Vilmorin & Cie, as a seed producer, is primarily involved in creating renewable raw materials.

In the area of seed packaging, initiatives are being taken to increase the re-use of packaging, mainly large flexible containers called big bags. Both in field seeds in Limagrain Europe's Turkish company and vegetable seeds at Vilmorin-Mikado in France, the reuse of big bags is increasing. Limagrain Europe in Turkey estimates that it can reuse them for three years and Vilmorin-Mikado plans to save more than 30 tonnes of waste.

Other potential sources of pollution

Vilmorin & Cie develops numerous protected seeds. Seed protection is vital in the fight against diseases and the protection of crops, particularly in their early stages. It means input* can be used more sparingly, and by targeting needs, more efficiently. This technique minimizes environmental impacts. Protected seeds have very limited contact with the soil. The risk of dispersion in the environment is therefore reduced – particularly the risk with regard to non-targeted insects, including pollinators such as bees. And any reduction in the number of tractor passes in the field means a better carbon footprint.

- **Air:** Dust generated during seed processing is the main source of any possible pollution. To limit such releases into the air, some of Vilmorin & Cie's companies have deployed means to prevent this environmental risk, and have installed systems to filter and capture this dust.
- **Noise pollution:** Most of Vilmorin & Cie's sites do not present particularly high noise levels, and in any case are not located in urban areas. Nonetheless, noise levels are regularly monitored at the sites. Vilmorin & Cie recommends to all of its subsidiaries that, where noise levels exceed 85 decibels, they should adjust their machinery to ensure a reduction and make it mandatory for individuals to wear individual protective equipment, even if it is not mandatory under national legislation. Vilmorin & Cie is also concerned not to disturb its neighbors because of its industrial activities. For example, at the request of a local resident, the Business Unit Vilmorin-Mikado moved certain fans at its site in La Ménittré (France), in order to reduce pollution.

The construction or renovation of facilities is an opportunity to treat noise pollution either by separating noisy activities or by adding equipment that reduces the noise level. During work at the Rosenthal (Germany) research center, the Business Unit Limagrain Europe reorganized the layout of its noisy equipment by installing all of it in a dedicated area. This means that only employees using these machines are now exposed to noise pollution, whereas previously many employees were affected by the mere presence of their workstation close to this equipment.

- **Light pollution:** Light pollution is increasingly taken into account by its impacts on the neighborhood and on ecosystems. Vilmorin & Cie is taking preventive measures in its industrial sites or research centers that very often have greenhouses.

In Almeria (Spain) and La Bohalle (France), the lighting time at HM.CLAUSE's sites has been reduced. Installing screens on greenhouses is also a way of reducing light pollution used by the Business Unit Vilmorin-Mikado in La Ménitré (France) and in Denmark at AdvanSeed.

Provisions and guarantees for environmental risks

Vilmorin & Cie did not register any provisions or guarantees for environmental risks for fiscal year 2019-2020.

Restating data disclosed for fiscal year 2018-2019

In terms of figures, certain values published for fiscal year 2018-2019 required restatements to ensure comparability with those for fiscal year 2019-2020. An analysis of these restatements is described in Section 5.5. "Vilmorin & Cie's non-financial performance in figures". The changes take into account evolutions in the consolidation scope and, for greenhouse gas (GHG) emissions, changes in the emission factors used. The solicitation of sites for environmental reporting for fiscal year 2018-2019 marked a major step towards improving the reliability of the data collected. Environmental reporting for fiscal year 2019-2020 shows the wisdom of the choice to be as close as possible to consumption to collect data, but also shows that errors have crept into the data provided. Although not significant for Vilmorin & Cie (less than 1.5%), in agreement with the independent third-party organization and for the sake of precision, the errors identified have been taken into account in the restated data for fiscal year 2018-2019. The changes indicated in this section 5.3.3. are based solely on the restated data.

5.3.3.1. Energy and greenhouse gases

Key figures

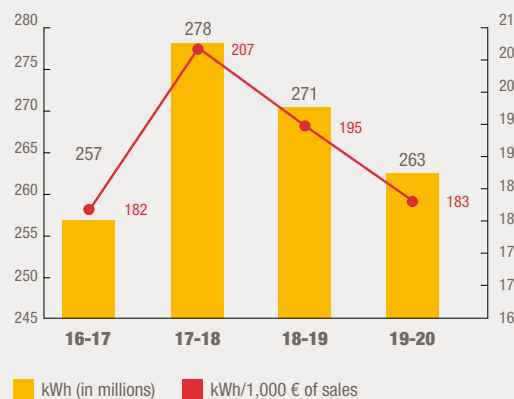
262.5 GWh
of energy consumed

including **13.6 %**
of renewable energies

58,167 tCO₂e
emitted

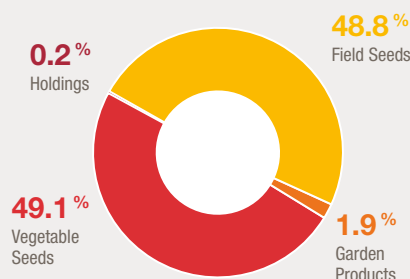
Vilmorin & Cie's total energy consumption amounted to 262.5 million kWh in 2019-2020, down 3% compared to 2018-2019. This decrease is mainly the result of the drop in the consumption of mains gas (-7 GWh), a drop in biomass due to lower production in Brazil (-7 GWh) and growth due to the entry of sites into the consolidation scope (+7 GWh).

Evolution of energy consumption (in millions of kWh and kWh/1,000€ of sales)



The energy consumed by Vilmorin & Cie is mainly used for drying seeds, heating greenhouses and business travel for its employees.

Breakdown of energy consumption in 2019-2020 by activity



Vilmorin & Cie's total greenhouse gas emissions (GHG scope 1 and 2 excluding refrigerants) amounted to 55,210 tCO₂e in 2019-2020, up 1.7% compared to the proforma data for 2018-2019. This growth can be explained first of all by the evolution in scope, amplified by a drop in the use of biomass. Nevertheless, the decrease in the consumption of mains gas contributed to a reduction of GHG emissions.

Fiscal year 2019-2020 is the second year of reporting for refrigerants. Refrigerant emissions have grown significantly, reaching 2,956 tCO₂e.

Source	Energy consumption (kWh) 2018-2019 restated	Energy consumption (kWh) 2019-2020	% 2019-2020	Emissions of greenhouse gases (kgCO ₂ e) 2018-2019 restated	Emissions of greenhouse gases (kgCO ₂ e) 2019-2020	% 2019-2020
Electricity	72,819,741	78,184,095	29.8 %	19,721,247	21,631,079	37.2 %
Mains gas	51,922,169	44,540,170	17.0 %	9,103,024	7,783,421	13.4 %
Diesel for mobile sources	41,769,436	42,232,987	16.1 %	10,609,437	10,727,179	18.4 %
Renewable energies	42,203,135	35,079,536	13.4 %	0	0	0.0 %
Gasoline for mobile sources	14,920,359	15,288,766	5.8 %	3,774,851	3,868,058	6.6 %
Other gas consumption	25,312,686	29,243,116	11.1 %	5,768,772	6,664,625	11.5 %
Other oil consumption	12,039,603	11,825,142	4.5 %	3,106,127	3,061,832	5.3 %
Others	9,558,251	6,141,159	2.3 %	2,216,494	1,474,117	2.5 %
Total Energy	270,545,380	262,534,971	100.0 %	54,299,952	55,210,311	94.9 %
Refrigerants	N/A	N/A		1,279,889	2,956,241	5.1 %
Total Scope 1 and 2 with refrigerants				55,579,841	58,166,552	100.0 %

Regarding Vilmorin & Cie's greenhouse gas emissions related to seed production from its seed multiplication farmer* partners, estimates have been made based on the latest available data from Ecolnvent⁽¹⁾. The uncertainty factor is too high to give a precise figure. However, these estimates made it possible to identify that, among the crops worked by Vilmorin & Cie, some are more carbon-emitting during their cultivation (tomatoes, peppers, squash, corn, etc.) and others more carbon-captive (beans, wheat, carrots, etc.). When considering the distribution of the areas used per crop, the overall carbon footprint of seed production by Vilmorin & Cie's seed multiplication farmer* partners appears to be close to zero, with emitting and captive crops offsetting their emission impacts.

Reducing energy consumption and greenhouse gas emissions is a major objective of the LEIA program, resulting in various measures taken in all the Business Units. Over fiscal year 2019-2020, about 100 measures were identified for an investment of more than 1.8 million euros.

In application of European Directive 2012/27/EU, a campaign of energy audits was carried out by an independent third party during 2019 on twelve of Vilmorin & Cie's European sites, which represented 26.6% of the Company's overall consumption (base 2018-2019). The recommendations made at the end of these audits were analyzed and 25 measures (corresponding to an expenditure of 317,000 euros) taken in fiscal year 2019-2020 resulted from these audits.

For fiscal year 2019-2020, although energy consumption is properly identified and documented, the installation of specific meters in certain facilities aims to provide more detailed information on the location of the most significant levels of consumption. This is the case on Limagrain Europe's site at Verneuil l'Étang (France), which is carrying out a program to install meters to manage the different installations with greater precision.

(1) The Ecolnvent database provides well-documented process data for thousands of products regarding their environmental impact.

In terms of equipment, the replacement of conventional lighting with new LED devices is a way of reducing consumption, and was implemented by 21 sites around the world, for an investment of more than 110,000 euros.

Particular attention is also paid to the management of cold and heat, first of all through insulation work. In addition, when installing new air conditioning, cooling or heating equipment, their energy performance is taken into account. Sixteen such installations were made during the fiscal year, with a cost of 275,000 euros.

Another source of reduction in consumption is the adaptation of the flow rate of certain equipment to requirements. Indeed, a pump, compressor, dryer or vacuum cleaner does not need to be operated at full power at all times. The installation of electronic speed variators helps adapt the equipment to the needs and thus to consume only the energy required.

Working on the conditions of freight transport is also an area of focus for reducing energy consumption. Limagrain Europe is committed to optimizing its loads to maximize the filling of transport units, whether containers or trucks. For the latter, the company states, in its specifications for carriers, that it prefers vehicles that meet Euro 5 and 6 environmental standards.

Individual practices and actions, combined by more than 7,000 Vilmorin & Cie employees, can also have a positive impact on reducing consumption.

At the sites, reductions in energy consumption come primarily from simple individual gestures, changes in habits and repeated reminders. Particular attention is paid to the implementation of procedures for switching off lighting, presence detection, etc.

The promotion of new ways of working, often linked to the capabilities of digital tools, also contributes to this objective. Thus, the possibilities offered by Skype in terms of video conferencing and the development of teleworking make it possible to reduce travel. Commuting is also transformed by individual carpooling, (Limagrain Türkiye in Turkey), the organization of public transport to reach the workplace from home or the station (Vilmorin-Mikado at La Ménitrie in France), as well as through the policies deployed to promote bicycle use.

As business travel is one of the major energy consumption items, changes in travel policy have a substantial impact on Vilmorin & Cie's reduction in energy consumption. Promoting traveling by train instead of by plane over medium distances, choosing company vehicles according to a threshold of CO₂ emissions (less than 120 gCO₂/km), are measures that contribute to this objective.

5.3.3.2. Management of water quality and effluents

Vilmorin & Cie addresses the issue of water from two perspectives: effluent quality and consumption.

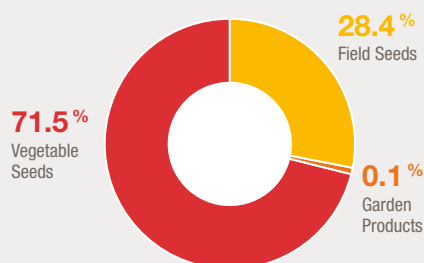
Key figure

2,790,309 m³
of water consumed

The Company's risk management guidelines cover an analysis of all Vilmorin & Cie's water discharges and their treatment if necessary. Most of Vilmorin & Cie's sites are equipped with appropriate equipment to minimize the risk of pollution, particularly through the use of retention facilities for polluted water, the existence of reprocessing basins and a sludge management process. The measures taken in the field of water management aim to identify and reduce Vilmorin & Cie's consumption and to develop recycling. Of the 66 measures implemented during the year, 47 concern water consumption and 10 concern the prevention of water pollution or the management of aqueous waste. Nearly 700,000 euros were invested in these measures in 2019-2020 (2/3 for consumption and 1/3 for the prevention and treatment of hazardous water, for example sludge from the treatment of effluents containing hazardous substances, chemical effluents, firefighting water and water from the recovery of accidental spills). The prevention of the risk of water pollution is the subject of measures described in the paragraph "Measures for the prevention, recycling and disposal of waste" on page 164.

In terms of consumption, water is mainly used for irrigation in greenhouses, plots with crops and for domestic use (sanitation). Given the specific nature of their activities, the group's companies use water from the urban distribution network (11.2%), borehole water (68.1%), surface water (17%) and collected rainwater (3.7%).

Analysis of water consumption in 2019-2020 by activity



Over fiscal year 2019-2020, Vilmorin & Cie's water consumption is estimated at 2,790,309 m³ an increase of 8.6% compared to 2018-2019.

Climatic variations are very important factors in the evolution of Vilmorin & Cie's water consumption. However, in an effort to control consumption, 65 measures were taken during the fiscal year for an investment of 450,000 euros.

In order to be able to influence and optimize water use, measurement of water consumption must be possible. Several initiatives are therefore aimed at installing meters to measure and objectify future efforts. This is the case for the greenhouses at the Chappes Research Center (France) or the research center of Shouguang in China.

Empirically or in a controlled manner, the desire to reduce and optimize water use is one of the objectives of the measures put in place. The first lever to reduce consumption is the maintenance and upkeep of supply systems to avoid leaks and waste.

The second lever is the choice of efficient irrigation systems. As such, the use of drip irrigation systems continues to grow in the Company. They allow water to flow directly to the plant's root system. Today, it is the most water-efficient technique. Drip irrigation also makes it easier to apply fertilizer directly to the plant. Here again, this technique limits the consumption of inputs* to a strict minimum. 17 measures were taken in different research centers during the course of the fiscal year for a total investment of nearly 150,000 euros.

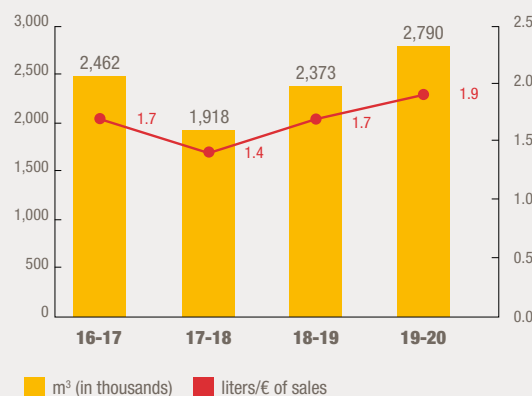
Furthermore, most of Vilmorin & Cie's companies have set up irrigation systems that are also more economical in order to control and limit quantities of water used:

- soilless crops,
- open field mulching,
- a layer of sand for greenhouse crops to avoid evaporation.

Finally, the use of irrigation management software is a reduction method that allows irrigation to be adjusted to groundwater reserves, plant needs and weather conditions and forecasts.

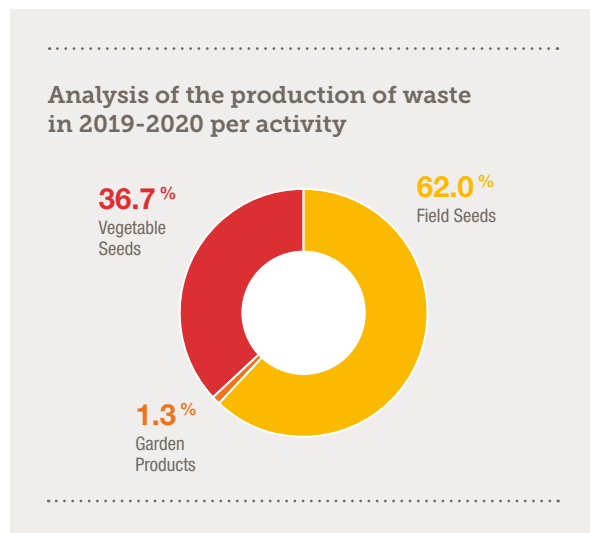
Evolution of water consumption since 2016-2017

(in thousands of m³ and liters/€ of sales)



In addition, the support and training of producers are key factors in reducing water consumption with Vilmorin & Cie's partners. In this respect, the Business Unit Limagrain Europe provides a panel of corn seed producers in the Angevin area (France) with a digital irrigation management tool. Based on a hydrological assessment method combined with a geolocalized meteorological forecast, the software monitors the forecast water requirement for each plot. Seed multiplication farmers* enter their irrigation information and share the information with Limagrain Europe's agronomic teams.

5.3.3.3. Managing and recovering waste



Measures for the prevention, recycling and disposal of waste



The quantity of waste generated by Vilmorin & Cie is estimated to be 34,911 tonnes (excluding co-products) in 2019-2020, including 7,618 tonnes of ordinary waste (21.8%), 20,504 tonnes of organic waste (58.7%), 3,978 tonnes of hazardous waste (11.4%) and 2,811 tonnes of hazardous sewage water (8.1%).

In terms of recovery, 73.7% of non-aqueous waste is recovered. This recovery is carried out through two types of channel: material use (87.7%) and energy (12.3%).

Compared to fiscal year 2018-2019, the amount of waste increased by 8.5%. This increase is very largely due to a change in scope whose impact was 5,279 tonnes of additional waste. This disguises a reduction of 7.9% in waste with constant scope, partially due to the reclassification of certain waste as co-products.

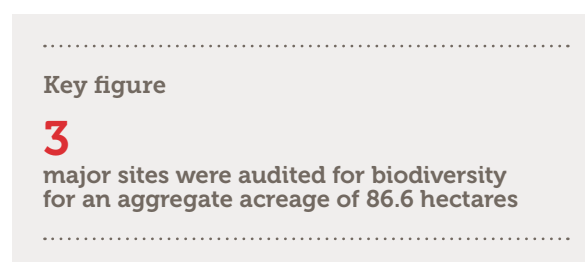
In terms of waste management in France, fiscal year 2019-2020 was marked by the difficulties encountered in implementing a common system on all of Vilmorin & Cie's French sites. The objective was to rethink needs and treatment channels, pool resources and harmonize waste management and treatment in France. Nevertheless, the waste treatment sector remains complicated and the implementation of the choices made proved more difficult than anticipated, both operationally and in terms of the regulatory traceability that it had to provide. Faced with these difficulties, the decision was made to return to local treatment channels without calling into question the principles adopted for waste management.

At the same time, many investments related to waste were made during the year. 93 measures were taken over the fiscal year, for an investment of more than 130,000 euros, aiming to:

- reduce volumes, either through the evolution of processes leading to less waste or by increasing recovery,
- prevent risks from hazardous waste, mainly related to chemicals,
- improve waste management and the Company's practices,
- improve behavior through training and communication.

5.3.3.4. Preserving biodiversity at sites

Biodiversity at Vilmorin & Cie's major site



Thanks to the links established with the LPO (League for the Protection of Birds) and the *Conservatoire des Espaces Naturels d'Auvergne* (Conservatory of Natural Spaces in Auvergne) (cf. page 168, paragraph 5.4.2.2.), Vilmorin & Cie asked these two NGOs to carry out a biodiversity diagnosis of its Saint-Beauzire (France) site in the summer of 2018. On the basis of the conclusions and recommendations, measures have been taken to protect the threatened species present on this 10-hectare site, and encourage the development of biodiversity, for example the implementation of staggered mowing, the installation of about ten nesting boxes, including one for a kestrel, wood piles to shelter insects, and small reservoirs at the bottom of ditches to encourage the development of wetlands.

The results can only be evaluated in the medium to long term. To this end, a new diagnosis will be carried out in 2021-2022.

During the fiscal year, a similar diagnosis was undertaken about ten kilometers away, at the Ennezat site. Located on more than 70 hectares, it brings together various industrial activities, including the factory processing of a high proportion of the field seeds distributed by the Limagrain Europe Business Unit. The results are presented below:

Species	Plants	Animals					
		Birds	Butterflies	Orthoptera	Mantoptera	Reptiles	Mammals
Présence	209	36	5	10	1	1	3
Species presumes threatened	1	2	0	0	0	0	0
	Cretan Hound's Tongue (<i>Cynoglossum creticum</i>) (LRR – VU)	Common linnet (<i>Carduelis cannabina</i>) and Goldfinch (<i>Carduelis carduelis</i>) (VU France - NT Auvergne)					

LRR: Regional Red List (CR: critically endangered, EN: endangered, VU: vulnerable, NT: near threatened)

As on the Saint-Beauzire site, actions in favor of the biodiversity present on the site will be implemented during fiscal year 2020-2021. At the same time, a new diagnosis is being carried out on the Saint-Mathurin site (Maine-et-Loire, France) where Limagrain Europe's seed factory is located over 8.6 hectares.

Finally, other measures to protect the biodiversity present on Vilmorin & Cie's sites can also be taken, such as the choice of tree species and forestry practices that aim to make them less vulnerable to storms and fire, or the creation of fallow corridors to allow species to migrate.

5.3.3.5. Adapting to the consequences of climate change

The international location of production areas and research centers makes it possible to spread and limit the risks related to climate change and weather uncertainty.

The diversified location of production basins located all over the world, in both the northern and southern hemispheres, ensure seed production; research work is carried out at more than 100 sites in close proximity to markets.

Adaptation to climate change is also reflected in anticipating changes in growing conditions and the choice of adapted species. The Business Unit Vilmorin-Mikado is a unique specialist in the selection* of tree seeds and forestry is particularly concerned because of the decades that elapse between planting and harvesting the wood.

Vilmorin-Mikado is carrying out numerous projects, in collaboration with specialized technical institutes (INRAE⁽¹⁾, FCBA⁽²⁾) and the ONF⁽³⁾, to adapt French forests to the climatic conditions that will prevail in 50, 100 or 150 years. This results in the selection* of species and varieties whose resilience to changing growing conditions (heat, drought, disease, insects) is the strongest, while improving their processing characteristics (straightness of the trunk, reduced number of branches, wood quality and knot size).

Climate change is also taken into account in an assisted migration approach. Under the control of the authorities, this involves planting new species in forest areas where they were not present, but where conditions are expected to become favorable due to climate change. For example, outside high-altitude areas, spruces, which are currently suffering from drought, could be replaced by more suitable larch or Douglas pine trees; cedar is in full development because it is more resistant to summer drought; downy oak could replace sessile and pedunculate oaks.

In this context, to satisfy the demand for future seedlings, the establishment of seed orchards with improved varieties must be anticipated. In collaboration with the NFB, FCBA, INRAE and forestry cooperatives, Vilmorin-Mikado has already set up several tens of hectares of orchards for maritime pine and Douglas pine.

(1) French National Research Institute for Agriculture, Food and Environment.

(2) French Institute of Technology for Forest-based and Furniture Sectors.

(3) National Forest Office (France).

5.4. Encouraging cooperation

Vilmorin & Cie favors dialogue with its stakeholders and the development of a partnership approach. In-depth knowledge of the agricultural world on the one hand, and of suppliers and customers on the other hand, guarantee that Vilmorin & Cie can offer products and solutions that are in line with the needs of the markets. To best prepare for the future, the development of activities is based on the collaborative work of teams and the exchange of best practices between Business Units, as well as on multiple partnerships with private and public laboratories and research organizations in France and internationally, and with companies that are at the forefront in their sectors of activity.

It is thanks to these close and long-standing ties with the players in its ecosystem that the Company is able to continuously improve its performance.

Certain partnerships are also intended to enable Vilmorin & Cie to make a commitment to society, as close as possible to the regions in which the Company is present. The Company and its subsidiaries are developing or partnering in numerous social and educational initiatives. It is a way for Business Units to participate in local life, to express their social utility while contributing to a better understanding and appreciation of the agricultural world and food issues around the world.

Finally, digitalization increases the opportunities for interaction with stakeholders. Faced with this transformation, Vilmorin & Cie is committed to developing its practices with awareness and discernment between the new possibilities offered by digital tools and permanent attention to possible abuses in their use.

5.4.1. Promoting a shared culture

5.4.1.1. Uniting around the Corporate project

The motivation of employees depends on the ability of the Company and its managers to give meaning and visibility to the Company's ambitions, missions and vision. Vilmorin & Cie's mission, which is to contribute to meeting the world's food challenges, gives meaning to employee engagement.

Meetings bringing together Top Executives and Executive Managers are organized, and provide opportunities to re-explain the group's strategy and missions. They also shed light on the year's priorities that will allow progress to be made towards achieving the ambitions set. The Covid-19 health crisis did not allow these meetings to take place in person this year. Nevertheless, keeping the link was essential: telephone and videoconference meetings were organized on a regular basis during this period. The newsletter *Info+*, intended for the Executive Managers, has become an essential internal communication tool. It was published quarterly during fiscal year 2019-2020.

In each Business Unit, staff meetings and sales conventions are held in each country where the group operates, enabling managers to present and comment on the group's mission and to explain how the Business Unit contributes to it. Most Business Units send out newsletters in print or electronic form, which are the ideal media for communicating the Company's strategy and promoting the actions that underpin this strategy.

Other meetings demonstrate the desire to work together on common projects to foster innovation and bring together expert communities.

The ACL, or Association of Limagrain Researchers, is a three-day meeting that brings together nearly 300 researchers each year from Vilmorin & Cie and Limagrain, its reference shareholder. The program includes plenary presentations and workshops on a theme that changes each year.

5.4.1.2. Induction programs

Key figures

358

people

followed a Business Unit induction program

54

people

followed a group induction program

Further induction programs were run over the course of the fiscal year. Most of them are organized in Business Units for their employees, as close as possible to their operational reality. 358 employees followed one of these programs in 2019-2020 and certain target populations benefit from an induction program organized by the group.

In order to facilitate the integration of new managers from all over the world, group induction programs have been run since 2010-2011. Intended for managers who recently joined the group, they are run for confirmed employees in their position, and with up to five years of seniority in the company, with higher education of five years, or with equivalent experience.

These programs involve a meeting with members from the Executive Committee and Board of Directors, exchanges with employees who have benefitted from mobility experiences, a game around the history, values and activities of the group as well as site visits and meetings with farmer-members of the Limagrain Cooperative.

During this fiscal year, due to the global health crisis, only two sessions could be held following the suspension of national and international travel in the spring of 2020. In July 2019, the group program brought together 26 participants and in October 2019, 28, for a total of 54 participants from all the Group's Business Units worldwide.

The objective is to facilitate the integration of these new managers in the group, both in terms of how they understand its activities and its strategy, and familiarity with the resources available in each Business Unit (human resources development policy, communication tools, etc.). During the induction program, the group's CSR commitments with regard to fighting corruption, and its Ethical Principles and Code of Conduct, are also explained.

An Auvergne induction program was set up by the group, bringing together over the course of the fiscal year 60 participants from five different Business Units. This program makes it possible to pool the induction programs of the Business Units located in Auvergne, for all populations combined, with a common core promoting the understanding and global knowledge of the group, and a more operational part, specific to each Business Unit. This helps to facilitate exchanges between Business Units in the same region and ultimately develop mobility within the group.

In France, a group program dedicated to work-study programs and long-term interns (minimum 6 months) was initiated during fiscal year 2019-2020. It was attended by 56 participants over a one-day period. The young talents discover the group through true experiences and dynamic activities: treasure hunt, bread-making workshops, quizzes, etc. It was a real success because the satisfaction rate for this first session was 4.4/5.

5.4.1.3. Bridging cultures through Limagrain Academy

As part of its cultural cornerstone, the objectives of which were redefined during fiscal year 2018-2019 (this information is presented in detail on page 148, paragraph 5.3.1.6.), Limagrain Academy aims to disseminate the group's culture, develop a sense of belonging, illustrate values and create a link between populations. As such, the "Limagrain Game" was redesigned and internalized to take into account all the group's specific approaches (CSR, safety, etc.) but also to enable the Business Units to adapt their own content.

This digital game, developed in 2016, enables employees to further their knowledge of the group, particularly on its structure, history, governance and values. This game is used in Business Unit induction programs and at certain staff meetings.

As recognition for the quality and intercultural nature of its programs, Limagrain Academy received the Award for Internationalization at the second edition of U-Spring, "Printemps des universités d'entreprise", which was held in Paris in March 2017. Building on this success, Limagrain Academy is continuing to deliver quality training for all the group's nationalities. Today, training programs are delivered in six languages.

5.4.2. Getting involved with local communities in regions where we operate

Vilmorin & Cie has chosen local management structures based on close proximity to its markets, and is therefore very much involved in the regions in which it operates. A structure divided into ten Business Units is a way of combining respect for the strategic choices made by Vilmorin & Cie and the ability to account for the culture and specific features of each local area.

This very specific organization model, which underpins Vilmorin & Cie's performance, allows it to work very closely with the relevant people and markets, and to listen carefully to its clients regardless of their geographical location.

By building on its capacity for innovation and its ability to listen to its clients on an ongoing basis, Vilmorin & Cie is in a position to provide farmers and growers all around the world with seeds that are adapted to the different regions, and to changes in soil and climate.

5.4.2.1. In employment and regional development

Throughout its development and external growth operations, Vilmorin & Cie has provided impetus to local employment in the regions where it has locations, and has deployed a progressive integration model that respects existing cultures, and preserves the identity of companies acquired, building on the know-how of staff teams already in place.

Furthermore, the human and cultural references associated with the farming world, emanating from its reference shareholder, Limagrain, a French agricultural cooperative, form part of Vilmorin & Cie's values, leading to the development of close ties within the various regions in which it operates.

With regard to seed production, the choice of locations, apart from its historical roots, is largely based on highly technical considerations. The aim is to find the appropriate agronomic conditions to ensure production that meets the highest quality standards and to spread the risks inherent in agricultural production (climate, diseases, pests, etc.). Vilmorin & Cie favors, where technically possible, the production of seeds in the areas where they will be sold. Through the diversity of production areas, it contributes to the activity of farms and to maintaining local employment. Production contracts with local farmers are therefore an important component of Vilmorin & Cie's territorial impact.

Vilmorin & Cie's business is highly seasonal, requiring the use of temporary workers at peak periods, particularly at harvest time. Most of this seasonal workforce is recruited locally at Vilmorin & Cie's sites in France and other countries. The total number of seasonal workers employed over fiscal year 2019-2020, represented the equivalent of 1,183 full-time jobs.

5.4.2.2. In philanthropy and sponsoring

Key figures

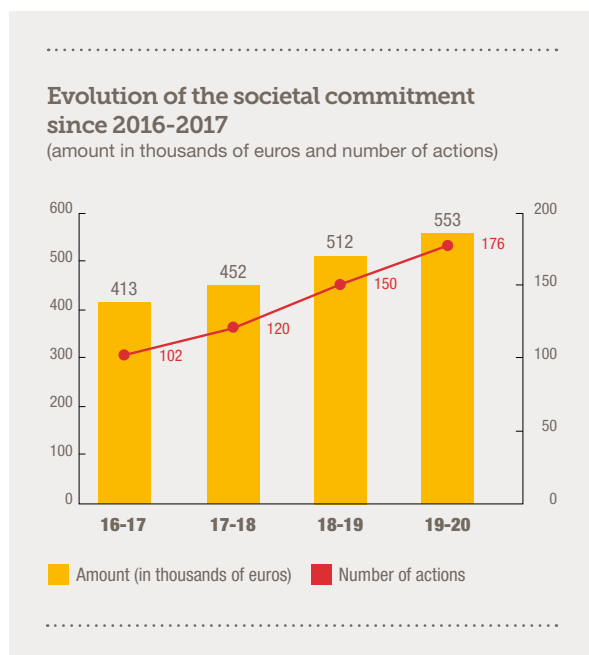
In 2019-2020

176 initiatives and **552,734** euros were devoted to societal actions

75 % of the actions involved financial support

25 % of the actions involved the donation of products

Vilmorin & Cie aims to contribute to the development of its environment, and to this end, either directly or through its subsidiaries, and is actively involved in various social, societal and humanitarian projects. Four years ago, the Group adopted the framework for a societal commitment to encourage access for as many people as possible to high quality agriculture and food, through the development of sustainable, efficient chains that respect the environment and human rights. The rules associated to this commitment make it possible, to objectively validate, or not, the different initiatives undertaken through the Group's societal commitment. Vilmorin & Cie's commitment towards communities is based on an approach that favors awareness development, dialogue, cooperation and shared progress. The ambition is to build up new ways of working together and creating value with local stakeholders involved in the Group's activities. This framework for societal commitment is planned to be coherent with the business lines and their challenges, as shared by all the Business Units, and a way of uniting employees around progress and innovation.



In addition to the discussions conducted with stakeholders to develop materiality analyses, the group is building a genuine dialogue with them, particularly with the two main environmental NGOs in the region of its administrative headquarters in Auvergne (France). For the past six years, the group and the *Ligue de Protection des Oiseaux* (League for the Protection of Birds) in Auvergne have been running a program, with the voluntary help of farmers and employees, aimed at preserving the Montagu's harrier, a protected species considered vulnerable in Auvergne and France. At the same time, the Group has also been involved with the *Conservatoire d'Espaces Naturels d'Auvergne* (Auvergne Conservatory of Natural Spaces). The main purpose of this partnership is to protect the Coeur marshes, which are located close to Vilmorin & Cie's site in Saint-Beauzire. This area, composed of continental, salty meadowlands, classified as a *Natura 2000* zone, represents a very rare natural environment in France.

In terms of societal commitment, the group's companies share certain causes: promoting access to education and gardening, developing pedagogy around seeds and plants, or explaining the virtues of plants used for food.

For example, Vilmorin Jardin is a partner in France for "48 hours of urban agriculture" and distributes around 20,000 packets of seeds for this project. In addition, the Business Unit continues its support for the *Jardins du Cœur*, workshops and integration projects of the *Restos du Cœur*. At the same time, many initiatives have been taken to develop vegetable gardens in schools in Nairobi (HM.CLAUSE Kenya), Beijing (Limagrains China), Toké and Otaki in Japan (Vilmorin-Mikado).

Support for education also takes various forms such as study grants (HM.CLAUSE Iberica), the financing of equipment such as the renovation of a school library (Limagrains Brasil) and the air conditioning of another (HM.CLAUSE Mexico).

Seeds can also be used to promote international solidarity. For example, Vilmorin-Mikado donates seeds to a school in Haiti that produces and offers the young plants to farmers for their own use.

In terms of sponsorship, many of Vilmorin & Cie's companies make financial commitments to structures linked to their communities and that are active in sport, culture, heritage enhancement or local traditions. They thus contribute to their integration in the territories and echo one of the challenges of Vilmorin & Cie's CSR program.

In the specific context of the Covid-19 health crisis, many companies have taken initiatives in favor of local communities. First of all, the priority was to provide health protection materials to healthcare staff. In addition, Limagrains Europe in France and Hazera in Israel each offered an analysis robot to healthcare services. To complete this, depending on local needs, donations of food products and equipment or financial contributions were made to local NGOs. For example, in India, HM.CLAUSE India offered more than 8 tons of food to local communities.

5.4.3. Partnerships, equity investments and joint ventures

Over the years, Vilmorin & Cie has established numerous scientific agreements with public and private research laboratories all over the world. These partnerships are set out in detail on page 53, in paragraph 1.8.1.3.

In addition to these partnerships, equity investments are sometimes made or joint ventures formed.

In the domain of field seed research, the Franco-German joint venture Genective was created with the seed company KWS to develop GM* corn traits*. Vilmorin & Cie participated in the creation of Innolea, a research company specialized in sunflower and rapeseed. In vegetable seeds, the Company participates in Keygene (Netherlands) in the field of plant biotechnology*.

To deploy its presence on markets worldwide, Vilmorin & Cie has also created joint ventures and acquired minority, but significant, interests throughout the world that open up new avenues for breeding*, production and marketing of field seeds: AgReliant and Canterra Seeds in North America, Seed Co in Africa, Hengji Limagrain Seeds in China, AGT in Australia, Soltis in France.

5.4.4. Making stakeholder dialogue a source of wealth

Dialogue with stakeholders is a fundamental component of the Group's CSR approach. It allows us to progress in understanding the challenges and motivations of others. Even difficult topics can be addressed in a direct and transparent way. The objective is to promote innovation and creativity, mobilize employees, strengthen the Group's image and reputation, and prevent and manage risks.

5.4.4.1. Relations with individuals and organizations with an interest in the Company's activity

There are many stakeholders interested in the Company's activity and the forms of action to reach them are diversified.

Employees' families

The main stakeholders interested in the Company's activity are the families of employees, who share the Company's daily life, but only in the form of narratives, without really knowing what the Company and its activities cover. The organization of events dedicated to employees' families and the possibility for each of these employees to present their company and work environment to their loved ones are sources of pride, and foster a sense of belonging, even within families. Such open days were organized during the fiscal year at HM.CLAUSE in Chile, India and the United States, and at Vilmorin-Mikado in Brazil, for example.

Customers

As part of Vilmorin & Cie's strategy of establishing a presence as close as possible to markets, there is a strong relationship, often long-term, with customers, because of commercial relations based on professionalism and mutual respect. To showcase their products, all the group's companies organize commercial displays, which allow visitors to discover the varieties under growing conditions. These meetings, which are an essential part of the field seeds and vegetable seeds activities, are an opportunity to discuss products, markets and research areas with those who will relay them to users.

Besides these product-related meetings, numerous customer visits are organized to allow them to discover Vilmorin & Cie's facilities, whether in research or production.

The scientific community

A major player in plant breeding*, Vilmorin & Cie is very involved in the scientific community and participates in a multitude of partnerships with public and private research laboratories on all continents. It supports numerous international conferences related to the species or technologies it is concerned with, and its research teams actively participate in them.

The Covid-19 health crisis had a strong impact on these activities in the first semester of 2020. The lockdown imposed in many countries, followed by the implementation of strict health protocols, had the effect of strongly reducing the usual meeting points. Faced with this situation, it took a great deal of creativity to reach the same objectives of sharing with the stakeholders, without physical meetings, but by taking advantage of the capacities offered by digital tools.

5.4.4.2. Developing the knowledge and sharing of best CSR practices

In order to promote a better knowledge of CSR, Vilmorin & Cie is convinced of the need to develop pedagogy, training, interaction and cooperation at different levels of the Company. The involvement of various Corporate Departments in leading the CSR program plays a substantial role in the dissemination of CSR throughout the Company, not only to the employees of these Departments, but also to the networks of representatives of the Business Units they lead. This helps to ensure CSR is seen as a fully-fledged dimension of day-to-day business activities and not merely as a tool for regulatory compliance or communication and reporting.

Providing the Executive Committees of the various Business Units with an analysis of their non-financial reporting also contributes to the onboarding of the subject in the Business Units and to the recognition of the work of the CSR teams in each Business Unit.

Finally, raising employee awareness is a decisive factor. The current update of the CSR section of the Group Intranet will contribute to this objective, complemented by the possibility of regularly disseminating messages on eco-friendly gestures, aimed at making each employee an active CSR player.

5.4.5. The challenge of digital transformation

Digital transformation has an impact on the seed industry through its development of the capacity to collect, analyze, process and exploit large amounts of data, apparently without limits. This decisive change requires Vilmorin & Cie to constantly adapt to take into account the changes brought about by the development of digital farming and to have the digital tools capable of adapting securely.

5.4.5.1. Cybersecurity

The multiplication of data, processing and access points provides many possibilities for malicious digital acts aimed at destabilizing the organization, taking advantage of private information or extorting the Company.

Risks related to cybersecurity are presented in detail on page 75, paragraph 2.2.2.1.

Vilmorin & Cie has implemented an ambitious program for the security of information systems. It is based first of all on the skills of the employees recruited to carry out this project, which combines technical systems, internal procedures and controls, supervision and processing. These actions are complemented by the essential awareness of cybersecurity raised among employees, first and foremost those in the Information Systems department.

Cybersecurity is above all based on tools to protect access to infrastructure itself and to data. The presence on each workstation of a malware detection and response agent (antivirus), a solution for detecting and blocking harmful web communications (proxy), combined with a secure remote access facility (VPN), is a first step. In addition, regular monitoring of vulnerabilities for both software and infrastructure is carried out on an ongoing basis.

Because the risk can be both internal and external, the organization must also be configured to ensure the secure application of the tools. First, the processes for creating an account and assigning “privileges” on the IT infrastructure follow strict procedures. These are described in a Group cybersecurity policy based on the highest standards (NIST CSF standard⁽¹⁾, ANSSI IT hygiene guide⁽²⁾).

The rules on “privileges” and management of workstation and server operating systems have been strengthened. Finally, inactive accounts are analyzed monthly and all attempted attacks and security incidents are systematically processed.

(1) CyberSecurity Framework of the National Institute of Standards and Technology, an agency of the Department of Commerce in the United States.

(2) Agence nationale de la sécurité des systèmes d'information (National Agency for the Security of Information Systems (France)).

But cybersecurity is above all a concern for everyone and depends to a large extent on the individual behavior of employees. New employees are therefore made aware of the risks during induction programs. Information and outreach tools on key elements (password, mobility, email, etc.) have been developed and disseminated, as well as more advanced tools for expert populations in the Information Systems department and the Group's Top Executives.

5.4.5.2. Digital farming

Close to its customers and users of its products and services, Vilmorin & Cie is participating in the digital transformation of farming. Although its applications and scope may vary from one region of the world to another, digital technology impacts all forms of agriculture wherever they are conducted and is embodied in three dimensions: massive data collection, precision farming and disintermediation.

Satellite imagery and sensors, whose use is becoming more widespread in connection with a significant drop in prices, are multiplying data sources and making it possible to describe agricultural activity in all its dimensions more and more accurately. This is prompting a change of approach. In the past, agriculture progressed through the accumulation of local knowledge as crops were harvested, and therefore over time. From now on, through the ability to access multi-local data from various conditions, it is the analysis of simultaneous experiences over various geographical areas that is becoming a source of major progress.

This data, collected and analyzed, becomes the source of precision farming, whose objective is to optimize production conditions in order to enhance the best possible use of production factors, such as soil, agricultural equipment, fertilizers, seeds and plant protection products. The investment and training required to use precision farming can be a barrier to its use in areas where farms are generally small. In this case, agricultural contractors can play an intermediary prescription role. In terms of seed, seeding rate modulation, prediction of sowing or harvest dates, or assistance in the choice of varieties are some examples of such applications. In this respect, Vilmorin & Cie has developed a platform of digital tools providing services to farmers, called Agrility. This information is presented in detail on page 36.

Digital technology also means, for agriculture, as for other market sectors, an increase in disintermediation. To buy, sell or be advised, farmers now have new ways of working and new contacts. It can also be an opportunity for Vilmorin & Cie to get in touch with its end customers more effectively.

The possibilities offered by the Internet, messaging and social media open up new avenues for commercial relations, advice and communication, amplified by the development of mobile tools and increasingly efficient mobile networks. This trend allows a greater proximity between producers and users, questions distribution as such, and opens up new possibilities for loyalty and advice. All over the world, although the applications and uses are different, the exchange of information and advice between farmers and seed companies is growing. And if the seed company does not have all the skills, the organization of platforms combining product and relational skills will need to be developed. Vilmorin & Cie is particularly attentive to these developments.

5.4.5.3. The architecture of information systems

Creating a variety means being able to identify, from the broadest possible mix of available genetic bases, the combination that will best meet the criteria required. Consequently, digital technology, through its capabilities of description and analysis, provides valuable assistance to breeders*. Genotyping (decoding the plant's genome*) and phenotyping (describing its physical characteristics) have greatly benefited from the development of digital technology and are two major contributors to the exponential growth in data volume. Digital technology also allows for the real-time availability of collected data anywhere in the world. There can therefore be no plant breeding* today without mastering information systems: infrastructure, databases, applications, security, etc. Given its strategic nature, Vilmorin & Cie's Research and Development IT is managed on a global basis.

But information systems are just as essential for the other activities of each company in the group: production, marketing and sales, support activities, etc. Network, servers and applications must be operational at all times. A failure risk analysis has been conducted for each link to determine the strategy to be implemented and the related costs. Mirrored servers, data backup, application reconstruction capacity are all measures that contribute to the permanent capacity of information systems.

The choice of a data-oriented architecture, aligned with the new principles of enterprise architecture, integrates all the capabilities of a modern data platform, to allow the progressive use of new technologies such as Big Data, the Internet of Things (IOT) and Artificial Intelligence. In this context, Vilmorin & Cie's infrastructures integrate the use of Cloud platforms, to improve data accessibility and the level of flexibility required in terms of memory capacity.

5.5. Vilmorin & Cie's non-financial performance in figures

5.5.1. Vilmorin & Cie's social data

Analysis of permanent staff by activity (number of persons)

	Field Seeds	Vegetable Seeds	Garden Products	Holdings	Total
2017-2018	2,413	3,714	258	268	6,653
2018-2019	2,478	3,812	265	295	6,850
2019-2020	2,491	4,032	243	288	7,054

Analysis of permanent staff by business line (as a %)

	Research and Innovation	Sales and Marketing	Production and Operations	Support functions and General Management
Employees	29.1	26.8	25.3	18.8

Analysis of permanent staff by geographical region (as a %)

	Europe	(incl. France)	Americas	Africa/Middle East	Asia/Oceania
Employees	52.4	(30.4)	16.1	11.5	20.0

Analysis of permanent staff by gender and by category

	Gender		Category	
	Male	Female	Manager ⁽¹⁾	Non-manager
Number	4,501	2,553	2,555	4,499
%	63.8	36.2	36.2	63.8

(1) According to the definition adopted by Vilmorin & Cie, a manager is a supervisor or expert with more than 5 years of higher education or the equivalent acquired through experience.

Number of persons recruited

Recruited	Tenure	% with tenure
589	187	31.7 %
Recruited without tenure	Managers	Young people of - 26 years without professional experience
402	34.3 %	4.07 %

Departures

Departures (number of persons)	Retirement	Resignation	Dismissal	Others
687	9.0 %	49.6 %	22.6 %	18.8 %

5.5.2. Vilmorin & Cie's environmental impacts

Energy and greenhouse gases (GES)

Source	Energy consumption (kWh) 2019-2020	%	Greenhouse gas emissions (kgCO ₂ e) 2019-2020	%	% with refrigerants
Electricity	78,184,095	29.8 %	21,631,079	39.2 %	37.2
Mains gas	44,540,170	17.0 %	7,783,421	14.1 %	13.4
Diesel for mobile sources	42,232,987	16.1 %	10,727,179	19.4 %	18.4
Renewable energies	35,079,536	13.4 %	0	0.0 %	0.0
Gasoline for mobile sources	15,288,766	5.8 %	3,868,058	7.0 %	6.6
Other gas consumption	29,243,116	11.1 %	6,664,625	12.1 %	11.5
Other oil consumption	11,825,142	4.5 %	3,061,832	5.5 %	5.3
Others	6,141,159	2.3 %	1,474,117	2.7 %	2.5
Total Energy	262,534,971	100.0 %	55,210,311	100.0 %	94.9
Refrigerants	N/A		2,956,241		5.1
Total Scope 1 and 2 with refrigerants			58,166,552		100.0 %

Water (consumption/origin)

Origin	Borehole	Surface	Collected rainwater	Urban network	Total
Consumption in m ³	1,901,524	473,495	101,941	313,349	2,790,309
%	68.1	17.0	3.7	11.2	100

Waste (tonnage/nature)

Type of waste	Organic	Ordinary	Hazardous	Hazardous aqueous	Total
Tonnage	20,504	7,618	3,978	2,811	34,911
%	58.7	21.8	11.4	8.1	100

Management of non-aqueous waste (tonnage/treatment)

Type of treatment	Energy use	Material use	Landfill	Total
Tonnage	2,916	20,750	8,434	32,100
%	9.1	64.6	26.3	100

Analysis by activity

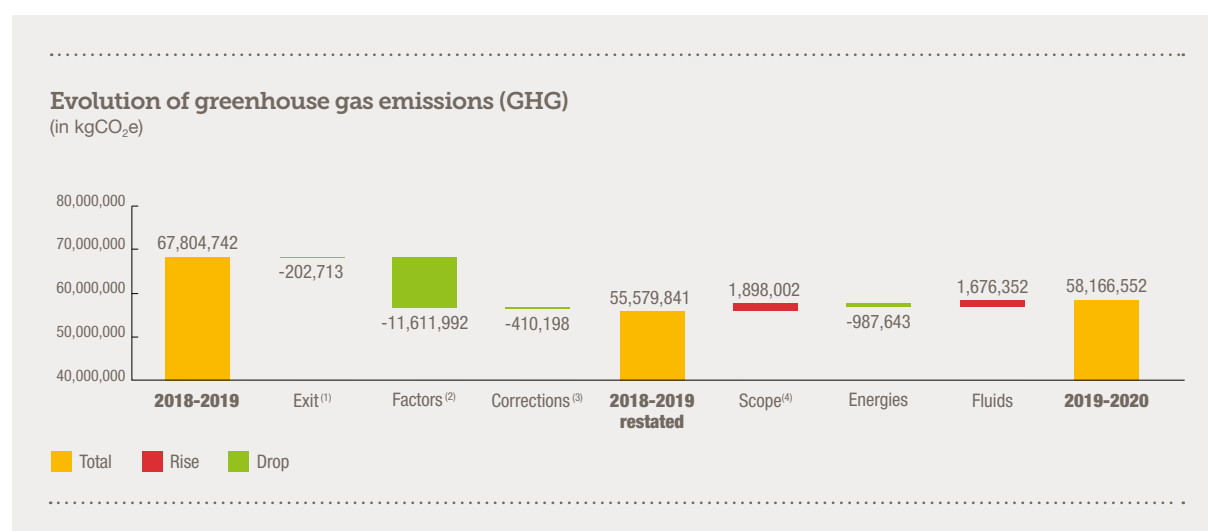
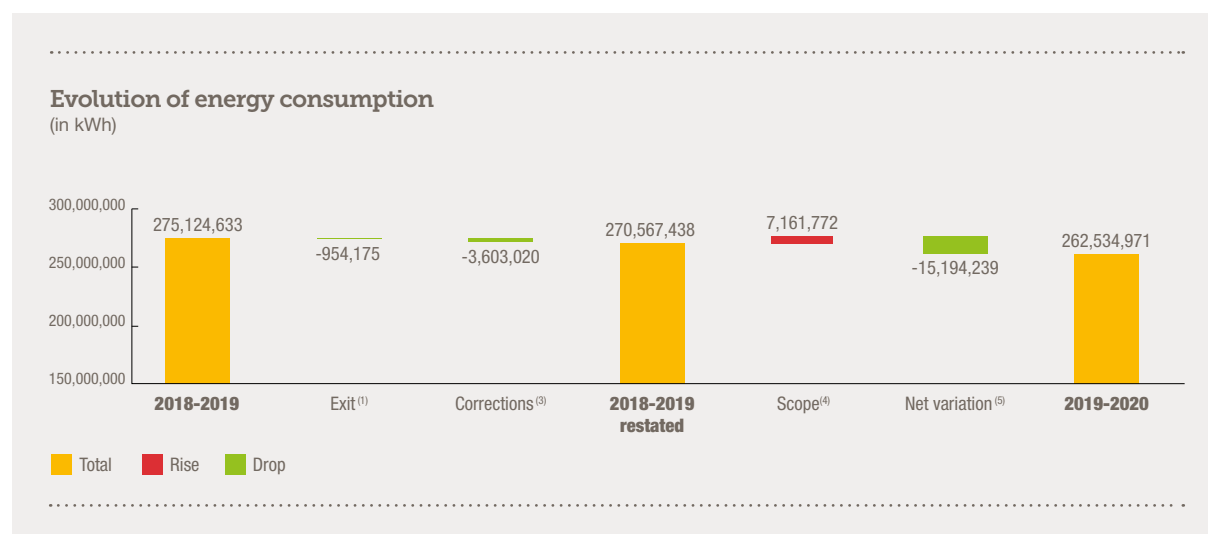
	Field Seeds	Vegetable Seeds	Garden Products	Holdings
Energy consumption	48.8 %	49.1 %	1.9 %	0.2 %
Water consumption	28.4 %	71.5 %	0.1 %	0.0 %
Waste production	62.0 %	36.7 %	1.3 %	0.0 %

Reminder:

	Energy (GWh)	GHG (t CO ₂ e) ⁽¹⁾	GHG (t CO ₂ e)	Water (m ³)	Waste (t)
2017-2018	278.3	71,124	-	1,917,807	47,885
2018-2019 disclosed	275.1	66,525	67,805	2,372,972	33,674
2018-2019 restated	270.6	54,300	55,580	2,567,717	32,174
2019-2020	262.5	55,210	58,167	2,790,309	34,911

(1) Excluding refrigerants.

Analysis of the restatement of data for fiscal year 2018-2019 and evolution of data for fiscal year 2019-2020 (disclosed/restated)



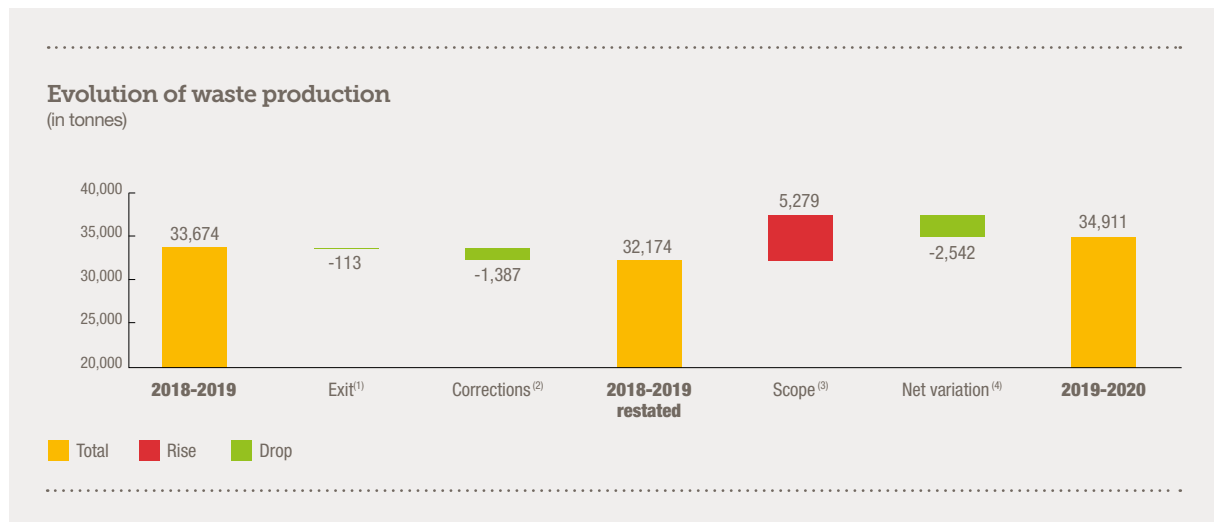
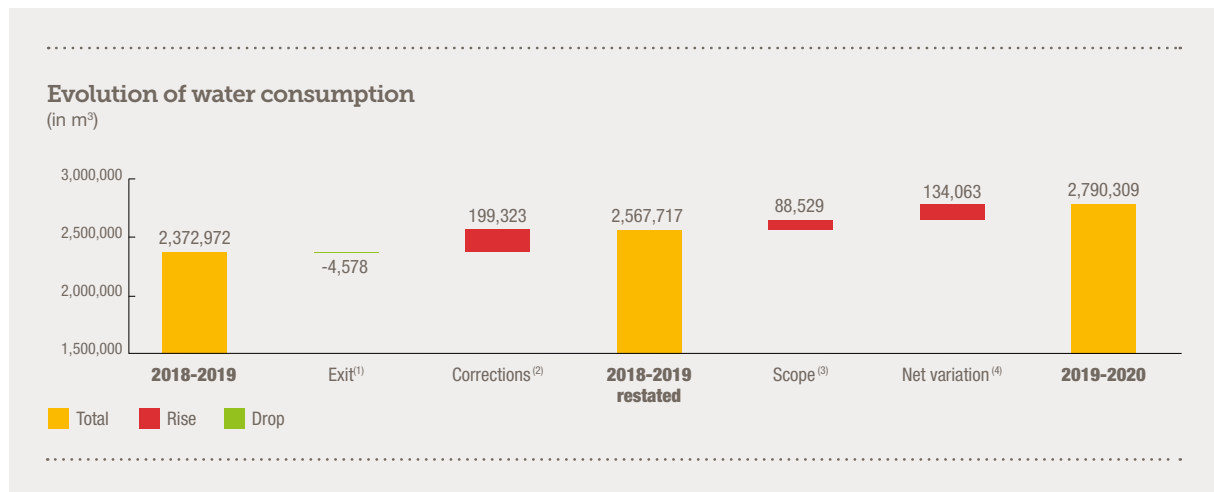
(1) Exit: impact of the withdrawal of data from fiscal year 2018-2019 for companies exiting Vilmorin & Cie's scope during fiscal year 2019-2020.

(2) Factors: impact related to the change of emission factors in the calculation of greenhouse gas (GHG) emissions.

(3) Corrections: impact from the modification of certain values for fiscal year 2018-2019, which turned out to be incorrect when checking figures for fiscal year 2019-2020.

(4) Scope: impact of companies entering Vilmorin & Cie's scope during the course of 2019-2020.

(5) Net variation: evolution on a like-for-like basis.



(1) Exit: impact of the withdrawal of data from fiscal year 2018-2019 for companies exiting Vilmorin & Cie's scope during fiscal year 2019-2020.

(2) Corrections: impact from the modification of certain values for fiscal year 2018-2019, which turned out to be incorrect when checking figures for fiscal year 2019-2020.

(3) Scope: impact of companies entering Vilmorin & Cie's scope during the course of 2019-2020.

(4) Net variation: evolution on a like-for-like basis.

5.5.3. Societal data

	Societal investment (in €)	Proportion of sales (as ‰)
2017-2018	451,889	0.34 ‰
2018-2019	511,637	0.36 ‰
2019-2020	552,734	0.38 ‰

5.6. Methodology note

Vilmorin & Cie's social, societal and environmental reporting approach is based on:

- regulatory provisions resulting from article R.225-105-1 of the French Commercial Code,
- the principles and recommendations of the standard ISO 26000 which have enabled the Company to define its main issues with regard to corporate social responsibility in order to meet all its economic, environmental, social and societal objectives, and the expectations of its stakeholders,
- the guidelines for sustainable development reporting in the G4 framework of the Global Reporting Initiative,
- the ten principles of the United Nations Global Compact.

The reporting period coincides with the fiscal year (from July 1 to June 30).

5.6.1. Scope

The objective of the reporting scope is to be representative of Vilmorin & Cie's business activities. For fiscal year 2019-2020, the cover rate for reporting stood at:

	% of cover of Vilmorin & Cie's consolidated sales for 2019-2020	% of cover of sales for companies with an industrial site ⁽¹⁾
Social reporting	100.0	100.0
Societal and environmental reporting	98.6	100.0

However, the lack of follow-up in certain subsidiaries means Vilmorin & Cie has to calculate certain environmental data from a reduced scope, as follows:

	% of cover of Vilmorin & Cie's consolidated sales for 2019-2020	% of cover of sales for companies with an industrial site ⁽¹⁾
Reporting on Energies	99.7	100.0
Reporting on Water	81.6	98.5
Reporting on Waste	79.5	97.9

For each indicator disclosed for a restricted scope, this scope is given in accordance with the disclosed data. For the scopes concerned, non-financial consolidation rules are the same as financial consolidation rules.

Variations in scope

In order to calculate variations in data between each fiscal year, calculations have been made to measure the impact of scope.

5.6.2. Methodological procedures

Company procedures comprise:

- a written procedure including a reverse schedule, definition of the scope, and a description of the reporting tool and the control and validation procedures. This procedure is available for consultation in the SharePoint space devoted to data collection and in the Company's document management tool.
- a reporting tool (Web platform) including consistency tests on data entry and data entry help (definitions) directly under each question,
- a glossary,
- help on information related to waste,
- an energy calculator available on SharePoint and on a Yammer group devoted to data collection,
- a tutorial on a Yammer group devoted to data collection.

(1) A list of companies concerned is available upon request from the group CSR department.

5.6.3. Pertinence and choice of indicators

The methodologies used for certain social and environmental indicators may be limited, because of:

- differences between definitions used in France and other countries,
- the specificities of social laws in certain countries,
- changes in definitions that might affect their comparability,
- variation in the scope of activity from one year to the next,
- the difficulty in obtaining information from subcontractors and/or from companies held in conjunction with external partners,
- the modalities of information collection and entry.

Moreover, certain indicators are subject to a specific calculation.

- (A) Staff turnover was calculated using the formula:

$$\frac{\text{Number of entries} + \text{Number of departures}}{2} / \text{Total headcount}.$$
- (B) The senior retention rate was calculated using the formula:

$$\frac{\text{Number of employees over 57 years of age}}{\text{Number of employees over 57 years of age} + \text{Number of departures of employees over 57 years of age (excluding retirements)}}.$$
- (C) Absenteeism was calculated using the formula:

$$\frac{\text{Number of days of absenteeism}}{200 \times \text{Total headcount}}.$$

5.6.4. Consolidation and internal verification

Each site, each company and each Business Unit is responsible for the data they provide, just as the Management is responsible for consolidating the indicator disclosed.

Organization of the non-financial reporting is based on:

- Group CSR which coordinates the Business Units, consolidates all the non-financial data and makes sure the societal and environmental data is coherent,
- Corporate Human Resources which consolidates the data on headcounts and ensures the social data is coherent,
- a network of "Business Unit coordinators" who manage the reporting of subsidiaries and validate their data,
- "company contact points", designated by the Business Unit coordinators, who validate data from the sites, transfer the data for their company and provide the supporting documents,
- "site contact points", designated by the Business Unit coordinators, who transfer the data from their site and provide supporting documents.

The verification and consolidation of this data is carried out in two stages:

- First stage: each entity (Vilmorin & Cie and its subsidiaries) consolidates the data within its scope. During consolidation, data consistency verifications are carried out. The consolidated and verified data at each entity is then made available to Corporate CSR which sends the social data to Corporate Human Resources.
- Second stage: the Corporate Human Resources and Corporate CSR Departments consolidate the data for the entire scope and verify their consistency.

External verifications

For fiscal year 2019-2020, reporting procedures for non-financial indicators were audited externally by Grant Thornton. At the same time, site audits were carried out, based on a selection of social, environmental and societal indicators, at six companies from four Business Units that are representative of the Company's activities, in order to validate the quality and global credibility of the reporting system:

- HM.CLAUSE Inc (United States, Vegetable Seeds),
- HM.CLAUSE Mexicana (Mexico, Vegetable Seeds),
- Limagrain Brasil SA (Brazil, Field Seeds),
- Limagrain Russia (Russian Federation, Field Seeds),
- Limagrain (Thailand) Co Ltd (Thailand, Field Seeds),
- Limagrain Tohum Islah Ve Uretim Sanayi Ticaret AS (Turkey, Field Seeds).

The health conditions related to the Covid-19 crisis and the travel restrictions set by the authorities or companies involved in carrying out these audits did not allow on-site audits to be carried out as in previous years.

The glossary of indicators is available upon request.

5.7. NFPS concordance tables

The concordance table below can be used to locate all the elements of the Non-Financial Performance Statement (NFPS) set out in this Annual Report:

NFPS categories	Sections
Strategy and business model	1.3. Challenges facing the seed segment 1.4. The seed market 1.6. Business model 1.7. Development model 1.8. Strategy and objectives
Identification and description of the main non-financial risks related to the business	2. Risk factors 5.1.4. The Non-Financial Performance Declaration (NFPS)
Description of the policies, results and performance indicators	5.2. Contributing to the lasting progress of agriculture through seeds 5.3. Acting responsibly 5.4. Encouraging cooperation

The table below provides a summary presentation of all the risks, challenges and opportunities:

Topics	Risks identified as material	Challenges related to risks and opportunities	Risk analysis – Section 2
Information systems	Information systems 5.4.5.1./3. Cybersecurity/ The architecture of information systems		2.2.2.1. Risks related to cybersecurity
Communication	Communication 5.2.3. Nurturing societal dialogue on seed issues		2.2.2.8. Risks of damage to Vilmorin & Cie's reputation or image
Quality	Product quality 5.2.4. Product quality and food safety	Food safety 5.2.4. Product quality and food safety Partnership and innovation with customers 5.4.3. Partnerships, equity investments and joint ventures	2.2.2.2. Risks related to product quality
Intellectual property	Intellectual property 5.2.2.1. Preserving an environment that is favorable to plant breeding		2.2.2.6. Risks related to intellectual property
Environment	Pollution and environmental non-compliance on the sites 5.3.3. Limiting the environmental impact of business activities	GHG emissions and air pollution 5.3.3. Limiting the environmental impact of business activities Management and quality of water and effluents 5.3.3. Limiting the environmental impact of business activities Preservation of biodiversity 5.2.2. Protecting and enriching plant biodiversity	

Topics	Risks identified as material	Challenges related to risks and opportunities	Risk analysis – Section 2
Ethics and legal affairs	Ethics 5.3.2. Acting in accordance with the Ethical Principles and Code of Conduct	Responsible purchasing policy 5.3.2.3. A responsible purchasing policy to consolidate relations with suppliers	
Human resources	Safety and Health 5.3.1.3. An ambitious safety policy Attractiveness and talent management 5.3.1.5. Attracting and retaining talents Managing skills 5.3.1.6. Managing mobility, careers and skills	Diversity and equal opportunities 5.3.1.7. Committing to diversity Social dialogue and participative management 5.3.1.4. Encouraging social dialogue and internal communication	2.2.2.3. Risks related to safety and security
Societal		Support to communities and corporate patronage 5.4.2. Getting involved with local communities in regions where we operate	
Governance		Respect for human rights 5.3.2.2. Respect for Human Rights and Rights of the Child Relations with stakeholders and participation in public debate 5.4.4. Making stakeholder dialogue a source of wealth	



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6.1. Consolidated financial statements

6.1.1. Consolidated income statement

In millions of euros	Note	19-20	18-19	
			Restated ⁽¹⁾	Published
Revenue from ordinary activities	5	1,435.2	1,390.7	1,390.7
Cost of goods sold		-721.0	-712.0	-712.0
Marketing and sales costs		-201.0	-199.0	-199.0
Research and development costs	8	-216.2	-199.5	-199.5
Administrative and general costs		-192.8	-189.2	-189.2
Other operating income and charges	9	5.6	23.6	20.0
Operating income		109.8	114.6	111.0
Profit from associated companies	19	17.9	26.0	26.0
Interest costs	10	-33.7	-30.3	-30.4
Other financial income and charges	11	-19.6	-18.1	-14.6
Income taxes	12	-6.9	-14.2	-14.1
Profit from continuing operations		67.5	78.0	77.9
Profit from discontinued operations		-	-	-
Net income for the period		67.5	78.0	77.9
> Attributable to controlling company		66.2	74.0	73.9
> Attributable to non-controlling minority		1.3	4.0	4.0
Earnings from continuing operations per share – attributable to controlling company	13	2.89	3.23	3.23
Earnings from discontinued operations per share – attributable to controlling company	13	-	-	-
Earnings for the period per share – attributable to controlling company	13	2.89	3.23	3.23
Diluted earnings from continuing operations per share – attributable to controlling company	13	2.89	3.05	3.05
Diluted earnings from discontinued operations per share – attributable to controlling company	13	-	-	-
Diluted earnings for the period per share – attributable to controlling company	13	2.89	3.05	3.05

Details of the gains and losses for the fiscal year

In millions of euros	19-20	18-19	
		Restated ⁽¹⁾	Published
Income for the period	67.5	78.0	77.9
Variation in currency translations	-39.0	-20.3	-20.3
Variation in the fair value of assets available for sale	-	-	-
Variation in the fair value of forward cover instruments	-1.4	-2.3	-2.3
Change in method	-	-	-
Impact of taxes	0.4	0.5	0.5
Items that might be reclassified to profit or loss	-40.0	-22.1	-22.1
Variation in the fair value of financial instruments	-1.8	1.8	1.8
Actuarial losses and gains	-8.5	-3.9	-3.9
Impact of taxes	3.2	-0.4	-0.4
Items not to be reclassified to profit or loss	-7.1	-2.5	-2.5
Other items in the total gains and losses for the period net of taxes	-47.1	-24.6	-24.6
Total gains and losses for the period	20.4	53.4	53.3
> of which attributable to controlling company	20.5	50.8	50.7
> of which attributable to non-controlling minority	-0.1	2.6	2.6

(1) Concerns the application of standard IFRS 16. Cf. Note 2 paragraph 1.

6.1.2. Financial progress report

Assets

In millions of euros	Note	06.30.20	06.30.19	
			Restated ⁽¹⁾	Published
Goodwill	14	434.9	434.8	434.8
Other intangible fixed assets	15	737.7	739.5	739.5
Tangible fixed assets	16	288.9	292.4	292.8
Right-of-use leased assets ⁽¹⁾	17	63.2	68.7	
Non-current financial fixed assets	18	34.5	29.9	29.9
Equity shares	19	349.9	349.1	349.1
Deferred taxes	26	24.9	25.0	23.8
Total non-current assets		1,934.0	1,939.4	1,869.9
Inventories	20	528.7	533.7	533.7
Trade receivables and other receivables	21	494.1	526.7	526.7
Cash and cash equivalents	22	235.2	248.7	248.7
Total current assets		1,258.0	1,309.1	1,309.1
Total assets		3,192.0	3,248.5	3,179.0

Liabilities

In millions of euros	Note	06.30.20	06.30.19	
			Restated ⁽¹⁾	Published
Share capital	23	349.5	349.5	349.5
Reserves and income	23	865.3	883.8	886.4
Equity – controlling company	23	1,214.8	1,233.3	1,235.9
Equity – non-controlling minority	24	15.0	87.9	88.0
Consolidated equity		1,229.8	1,321.2	1,323.9
Provisions for employee benefits	25	69.1	61.7	61.7
Non-current financial debts	28	600.0	964.0	964.4
Non-current lease obligations ⁽¹⁾	29	46.2	52.1	
Deferred income taxes	26	93.1	99.3	99.1
Total non-current liabilities		808.4	1,177.1	1,125.2
Other provisions	27	18.3	15.2	15.2
Accounts payable	30	513.1	489.4	489.4
Deferred income	31	29.3	29.0	29.0
Current financial debts	28	572.9	196.2	196.3
Current lease obligations ⁽¹⁾	29	20.2	20.4	
Total current liabilities		1,153.8	750.2	729.9
Total liabilities		3,192.0	3,248.5	3,179.0

(1) Concerns the application of standard IFRS 16. Cf. Note 2 paragraph 1.

6.1.3. Consolidated cash flow statement

In millions of euros	Note	06.30.20	06.30.19	
			Restated ⁽¹⁾	Published
1 – Trading operations				
Income for the year		67.5	78.0	77.9
Results of companies consolidated under equity method after dividends	19	-12.6	-19.0	-19.0
Depreciation, amortization and impairments	7	238.1	232.7	210.8
Net non-current provisions		1.1	6.9	6.9
Variation in deferred taxes	12	-4.1	-8.6	-8.6
Income from capital operations		-9.2	-29.9	-29.9
Surplus of the share in interest of the acquirer in the fair value of the assets and liabilities acquired on the cost, directly recorded in the income (negative goodwill)		-	-	-
Non-cash financial charges		-	-0.6	-0.6
Fair value losses and gains for financial fixed assets available for sale		-0.5	-	-
Cash flow		280.3	259.5	237.5
Dividends received on equity securities		-0.1	-	-
Variation in working capital needs with comparable scope				
> Inventories	20	-11.5	-39.7	-39.7
> Trade debts	21	11.4	1.1	1.1
> Short-term debts		58.7	28.7	28.7
Cash from operating activities		338.8	249.6	227.6
2 – Investment operations				
Disposal of fixed assets		5.8	33.2	33.2
Acquisition of fixed assets				
> Intangible fixed assets	14/15	-190.8	-179.9	-179.9
> Tangible fixed assets	16	-37.1	-42.1	-42.1
> Right-of-use leased assets	17	-20.4	-18.2	
Variation in other financial fixed assets	18	-5.3	-15.3	-15.3
Cash flow acquired through scope entries		-	-124.0	-124.0
Cash flow conceded through cash exits		1.5	-0.1	-0.1
Net impact of the disposal of assets and liabilities		-	-	-
Net increase/decrease in cash and cash equivalents		-4.5	9.2	9.2
Cash flows from investing activities		-250.8	-337.2	-319.0
3 – Cash flows from financing activities				
Increase/decrease in equity		0.7	-2.2	-2.2
Transactions with non-controlling interests ⁽²⁾		-67.9	-3.2	-3.2
Increase/decrease in financial liabilities ⁽³⁾	28	18.3	178.7	178.3
Variation in leasing obligations	29	-4.2	-4.2	
Dividends received on unconsolidated participations		0.1	-	-
Dividends paid out		-31.7	-30.7	-30.7
Cash flows from financing operations		-84.7	138.4	142.2
4 – Net effect of currency translation		-16.8	1.2	1.2
5 – Net increase/decrease in cash and cash equivalents		-13.5	52.0	52.0
6 – Cash and cash equivalents at beginning of period	22	248.7	196.7	196.7
7 – Cash and cash equivalents at end of period	22	235.2	248.7	248.7

(1) Concerns the application of standard IFRS 16. cf. Note 2 paragraph 1.

(2) Application of the amended standard IAS 27: restatement of "Transactions with non-controlling interests." This line includes acquisition of the following securities:

	06.30.20	06.30.19	
		Restated	Published
Biogemma		0.8	0.8
Limagrain Europe	-67.9		
Seed Co Botswana		-4.0	-4.0
Transactions with non-controlling participations	-67.9	-3.2	-3.2

(3) Increase/decrease in financial liabilities:

In millions of euros	06.30.19 published	Impact IFRS 16	06.30.19 restated	Variations Cash		Variations non-cash				06.30.20
				Increase	Decrease	Variations in scope	Currency translation	Reclassifications	Restatements	
Financial instruments	0.8	-	0.8	-	-	-	-	-	1.3	2.1
Financial liabilities excl. financial instruments	963.6	-0.4	963.2	115.5	-7.9	-	-1.3	-471.7	0.1	597.9
Total non-current financial liabilities	964.4	-0.4	964.0	115.5	-7.9	-	-1.3	-471.7	1.4	600.0
Financial instruments	0.5	-	0.5	-	-	-	-	-	-0.5	-
Financial liabilities excl. financial instruments	195.8	-0.1	195.7	-	-85.2	-	-9.3	471.7	-	572.9
Total current financial liabilities	196.3	-0.1	196.2	-	-85.2	-	-9.3	471.7	-0.5	572.9
Other non-current financial assets	-	-	-	4.2	-	-	-	-	-	4.2
Total financial liabilities net of non-current assets	1,160.7	-0.5	1,160.2	111.3	-93.1	-	-10.6	-	0.9	1,168.7

6.1.4. Variation in consolidated equity

In millions of euros	Attributable to controlling company					Attributable to non-controlling company	Total
	Capital	Premiums	Income and other reserves	Currency translation reserves	Total		
07.01.18	317.7	332.4	596.7	-51.8	1,195.0	109.7	1,304.7
Impacts application IFRS16	-	-	-2.9	0.1	-2.7	-0.1	-2.8
07.01.18 restated	317.7	332.4	593.8	-51.7	1,192.2	109.6	1,301.8
Other items of the comprehensive income net of taxes	-	-	-4.2	-19.0	-23.2	-1.4	-24.6
Net income	-	-	74.0	-	74.0	4.0	78.0
Comprehensive income for the fiscal year	-	-	69.8	-19.0	50.8	2.6	53.4
Variation in treasury shares	-	-	0.1	-	0.1	-	0.1
Dividends paid out	-	-	-28.0	-	-28.0	-2.6	-30.6
Variations in scope	-	-	-1.1	-	-1.1	-	-1.1
Variation in the capital stock of the parent company	31.8	-31.8	-	-	-	-	-
Variation in the capital stock of the subsidiaries	-	-	-4.4	-	-4.4	0.1	-4.3
Variation in minority interest shares	-	-	5.2	8.4	13.6	-21.9	-8.3
Bonds redeemable as shares ⁽¹⁾	-	-	-	-	-	-	-
Impact of hyperinflationary currency adjustments	-	-	11.2	-	11.2	0.1	11.3
Reclassifications	-	-	-3.5	3.5	-	-	-
Others	-	-	-1.1	-	-1.1	-	-1.1
06.30.19 restated	349.5	300.6	642.0	-58.8	1,233.3	87.9	1,321.2
Other items in the comprehensive income net of taxes	-	-	-8.1	-37.6	-45.7	-1.4	-47.1
Net income	-	-	66.2	-	66.2	1.3	67.5
Comprehensive income for the fiscal year	-	-	58.1	-37.6	20.5	-0.1	20.4
Variation in treasury shares	-	-	-	-	-	-	-
Dividends paid out	-	-	-31.0	-	-31.0	-1.1	-32.1
Variations in scope	-	-	-	-	-	-	-
Variation in the capital stock of the parent company	-	-	-	-	-	-	-
Variation in the capital stock of the subsidiaries	-	-	-3.9	-	-3.9	0.7	-3.2
Variation in ownership interests	-	-	3.4	-	3.3	-72.3	-69.0
Bonds redeemable as shares ⁽¹⁾	-	-	-	-	-	-	-
Impact of hyperinflationary currency adjustments	-	-	2.3	-	2.3	-	2.3
Impact of adjustments related to the change in functional currency	-	-	-9.6	-	-9.6	-0.1	-9.7
Reclassifications	-	-	0.3	-0.3	-	-	-
Others	-	-	-0.1	-	-0.1	-	-0.1
06.30.20	349.5	300.6	661.4	-96.7	1,214.8	15.0	1,229.8

(1) Cf. Note 24.

6.1.5. Notes to the consolidated financial statements

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Note 1: Accounting methods and principles in IFRS standards

1 - General context and declaration of compliance

Declaration of compliance

These financial statements present the consolidated financial statements in accordance with the international accounting standards (IFRS standards) published by the International Accounting Standards Board (IASB) and with the interpretations of the IFRS published by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as applied by the European Union on June 30, 2020 (website: <http://ec.europa.eu>).

The consolidated financial statements were approved by the Board of Directors on October 14, 2020 and will be submitted for approval to the Annual General Meeting of December 11, 2020.

Change in functional currency in Argentina

The functional currency of the group's Argentinian subsidiaries has always been considered to be the local currency, the Argentine peso (ARS). Since Argentina has been experiencing hyperinflation, as of July 1, 2018, the group conducted an analysis to consider the adoption of the US dollar as the functional currency of its Argentinian subsidiaries within the interpretation of the standard IAS 21.

From these analyses, the Group concluded that the US dollar could be considered as the functional currency of its Argentinian subsidiaries, for both the Field Seeds and Vegetable Seeds activities.

As a result, the group changed the functional currency of its Argentinian subsidiaries on July 1, 2019, generating non-significant impacts of 2.1 million euros on its net income and -9.7 million euros on its total equity.

2 - Basis of evaluation used to establish the consolidated financial statements

The consolidated financial statements have been established using the historical cost convention, with the exception of certain categories of assets and liabilities, in compliance with IFRS rules. The categories concerned are mentioned in the following Notes.

3 - The use of estimates

In order to establish its financial statements, the Executive Committee of Vilmorin & Cie must carry out a number of estimates and hypotheses that affect the book value of the assets and liabilities, the revenue and the charges, and also the information provided in the Notes.

The Executive Committee of Vilmorin & Cie carries out these estimates and assessments on an ongoing basis, taking into account its experience and various other factors deemed to be reasonable that form the basis of these assessments.

The figures appearing in future financial statements are liable to differ from these estimates, depending on the evolution of these hypotheses or different conditions.

The main significant estimates made by the Executive Committee of Vilmorin & Cie in particular concern the evolution of commitments to employees, goodwill, other intangible fixed assets and provisions.

4 - Accounting treatment adopted and significant changes to accounting methods

4.1 - Accounting of put options granted to certain minority shareholders

Vilmorin & Cie may grant, to minority shareholders of certain of its subsidiaries consolidated by global integration, commitments to buy back their minority stakes. These commitments may take the form of a put option or a firm commitment to buy the stakes at a pre-fixed date.

In IFRS standards, until there is a specific IFRIC interpretation or IFRS standard, Vilmorin & Cie has decided to apply provisionally the following accounting treatment, referred to as "accelerated vesting":

- At initial recording in the accounts, the commitment to buy back a minority stake is recorded as a financial debt at the discounted value of the price of the option or firm commitment to buy back the stake, in return for the derecognition of minority interests, and for the balance, in return for the goodwill.
- Any ultimate variation in the value of the commitment is recorded in the income statement for any transactions occurring after the application of the revised standard IFRS 3.
- Where necessary, when the commitment and its subsequent variations are first recorded in the accounts, the anticipated loss on the acquisition cost is recorded in "Variation in commitments to buy back minority stakes."
- When the commitment reaches maturity, if there is no acquisition, previous recordings are cancelled. If the acquisition materializes, the amount recorded as a financial debt is cancelled out by the disbursement for the acquisition of the minority stake.

4.2 - Application and interpretation of standards and regulations

4.2.1. The new standards, interpretations and amendments to existing standards, adopted by the European Union and applicable to fiscal periods as of July 1, 2019 did not have any significant impact on the group's financial statements:

- IFRIC 23 “Uncertainty over Income Tax Treatments”.
- Amendment to IFRS 9 “Prepayment Features with Negative Compensation”.
- Amendment to IAS 28 “Long-Term Investments in Associates and Joint Ventures”.
- Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”.
- Annual improvements (2015-2017 cycle) which includes an amendment to:
 - IAS 12 “Income Taxes” prescribing the accounting treatment of the fiscal consequences related to dividends,
 - IAS 23 “Borrowing Costs” clarifying how to determine the amount of borrowing costs to be capitalized at the asset cost when an entity borrows funds and uses them with a view to obtaining a qualifying asset.
 - IFRS 3 “Business Combinations” stipulating that a transaction should be dealt with as an acquisition in stages when, for the purpose of this transaction, a party to this partnership (as defined in IFRS 11 “Joint Arrangements”) gains control of an enterprise that is a joint venture, and when immediately before its acquisition, it held rights over the assets, and obligations for the liabilities, of this joint venture.
 - IFRS 11 “Joint Arrangements” specifying that an entity does not reassess the interests previously held in a joint venture when it obtains joint control of this joint arrangement whose activity constitutes a business.

First application of IFRS 16 – Leases

The standard IFRS 16 “Leases” replaces IAS 17 “Leases” and the following interpretations: IFRIC 4 “Determining whether an Arrangement Contains a Lease,” SIC-15 “Operating Leases – Incentives,” and SIC-27 “Evaluating the Substance of Transactions in the Legal Form of a Lease.” It is mandatory for fiscal periods beginning on or after January 1, 2019, which for the group means as of July 1, 2019.

As a lessee

IFRS 16 introduces a single lessee accounting model for leases on the balance sheet. Indeed, the standard eliminates the distinction between operating leases and finance leases, as stipulated in IAS 17 “Leases”.

On the balance sheet, the group therefore recognizes:

- a “right-of-use” asset that represents its right to use the leased asset during the term of the lease,
- a lease liability that materializes its obligations to make current and non-current lease payments.

On the income statement, the following impacts are presented in consideration of the cancellation of the lease expense:

- Depreciation of the right-of-use in the operating income and,

- Financial interests on the lease obligations in the financial result.

The amounts of finance lease assets and liabilities previously classified as tangible fixed assets and financial liabilities have been reclassified as rights-of-use leased assets and lease obligations respectively. Deferred tax has been recognized on the difference between rights-of-use and lease obligations falling within the scope of the standard IFRS 16.

The standard allows for exemptions for short-term contracts (less than 1 year) or those for low-value items (less than 5,000 USD or currency equivalent). The latter are expensed in operating income.

The transition method adopted by the group is full retrospective restatement. Vilmorin & Cie has therefore restated its comparative financial statements and recognized the impact of first-time application in the opening equity of the first reported comparative fiscal year, i.e. July 1, 2018 (cf. Note 2 paragraph 1).

The group has applied the simplification measure which allows the previous definition of a lease to be retained at the time of transition. As a result, IFRS 16 has been applied to all contracts entered into before July 1, 2019 and identified as leases within the meaning of IAS 17 and IFRIC 4.

The accounting methods relating to leases have been updated and are set out in paragraph 12 of this Note.

IFRIC 23

This interpretation applies to fiscal years beginning on or after January 1, 2019, which for the group means as of July 1, 2019. It deals with risks that may arise in the event of uncertainty over the interpretation of a tax treatment adopted by the group and which might be challenged in the event of a tax contestation in the event of a tax inspection.

Application of the interpretation IFRIC 23 had no impact on the group's financial statements on July 1, 2019.

4.2.2. The new standards, interpretations and amendments to existing standards, adopted by the European Union and applicable to fiscal periods opened as of July 1, 2020 have not been adopted in advance by Vilmorin & Cie:

- Amendments of references to the Conceptual Framework in IFRS standards.
- Amendment to IFRS 3 “Business Combinations” on the definition of an activity.
- Amendment to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors,” on the definition of “Material”.
- Amendment to IFRS 9 and IAS 39 “Financial Instruments,” IFRS 7 “Financial Instruments – Disclosures” related to the Interest Rate Benchmark Reform.

4.2.3. No new standard, interpretation or amendment of standards, adopted by the European Union, is mandatory for the group as of July 1, 2020.

5 - Consolidation methods (IFRS 10, IFRS 11, IAS 27, IAS 28)

The financial statements of subsidiaries:

- are included in the consolidated financial statements as of the date on which control is obtained right up until the date when control ceases,
- are prepared in accordance with the revised standard IAS 27 "Separate financial statements."

The following rules have been applied:

- Subsidiaries in an entity controlled directly or indirectly by the group are consolidated by global integration. In accordance with the standard IFRS 10 "Consolidated financial statements", control is defined using the single model based on three cumulative conditions. An investor holds power over an investee when it controls this investee, when it has exposure, or rights, to variable returns from involvement with the investee, and when it has the ability to use its power over the investee to affect the amount of the investor's returns.
- The standard IFRS 11 eliminated the method of proportional integration and henceforth two types of joint arrangement are distinguished:
 - Joint arrangements qualified as "joint operations" whereby the parties have rights to the assets and obligations for the liabilities, relating to the arrangement. They are recorded in the accounts according to the proportion of assets, liabilities, income and charges controlled by the group. A joint operation may be structured through a distinct vehicle or not.
 - Joint arrangements qualified as "joint ventures" whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. They are consolidated by the group using the equity method.
- All internal transactions are eliminated in consolidation, particularly:
 - reciprocal transactions and accounts,
 - dividends paid out between consolidated companies,
 - provisions and write-back of amortization on consolidated securities,
 - internal margins on inventory,
 - capital gains or losses on internal disposals.

6 - Business combinations (revised IFRS 3)

Business combinations are recorded by applying the acquisition method on the acquisition date, which is the date on which control is transferred to Vilmorin & Cie.

The revised standard IFRS 3 is applicable to all take-overs as of July 1, 2009.

Vilmorin & Cie values goodwill:

- at the fair value of the consideration transferred,
- plus the recognized amount of any non-controlling interest rate in the acquiree,
- plus, if the business combination is carried out in stages, the fair value of any participation previously held in the acquiree,
- minus the net recognized amount (usually the fair value) of the identifiable assets acquired and liabilities assumed on the acquisition date.

If the difference above is negative, the resulting gain is recognized as a bargain purchase in profit or loss.

The consideration transferred includes the fair values of the transferred assets, Vilmorin & Cie's liabilities to the previous owners of the acquiree, and the participating interests issued by Vilmorin & Cie. The consideration transferred also includes the fair value of any consideration and payment rights based on the shares of the acquired company which must be replaced in the business combination (see below). If pre-existing relationships between Vilmorin & Cie and the acquiree are terminated as a result of the business combination, the lower of the two values, between the termination value (cited in the contract) and the value of the non-marketable portion, is deducted from the consideration transferred and is recognized as other costs.

When rights to share-based payments that are replaced by rights (replacement rights) owned by employees at the acquiree (the acquiree's rights) relate to past services, part of the market-based assessment of the replacement right is included in the consideration transferred. Insofar as services are also necessary in the future, the difference between the amount included in the consideration transferred and the market-based assessment of the value of the replacement rights is treated as a replacement cost after the business combination.

A contingent liability of the acquiree is only taken into consideration in the business combination when the liability represents a current commitment and derives from past events, and if its fair value can be reliably measured.

Vilmorin & Cie values non-controlling interests pro rata at the date of acquisition, either at their fair value or according to their interests in the acquiree's identifiable assets.

Transaction costs incurred by Vilmorin & Cie arising in connection with a business combination (brokerage costs, judicial costs, due diligence costs, costs of consultants and experts, etc.) are recognized immediately as they occur.

Acquisitions of participations which do not transfer control are recorded as transactions with the owners and consequently no goodwill results from such transactions. Adjustments of the non-controlling interests for transactions which do not lead to losses of control are determined on the basis of the share of the subsidiary's net assets.

7 - Operating segments

The IFRS standard 8 "Operating segments" defines an operating segment as the component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses,
- whose operating results are reviewed regularly by the entity's "chief operating decision-maker" to make decisions about resources to be allocated to the segment and assess its performance and,
- for which discrete financial information is available.

8 - Converting statements expressed in foreign currencies (IAS 21)

Vilmorin & Cie's financial statements are presented in euros.

Balance sheets of companies whose functional currency is not the euro are converted into euros at the exchange rate in force at close, and their income and cash flow statements by applying the exchange rate in force at the date of the transactions.

Resulting translation differences are recorded in the equity on the line "Currency translations" for the share of the controlling company, and on the line "Minority interests" for the minorities' share.

Goodwill and adjustments in fair value originating in the acquisition of a foreign entity are considered as the assets and liabilities of the foreign entity. They are therefore expressed in the functional currency of the entity and translated at the closing rate for the year.

At the end of the fiscal year, monetary assets and liabilities expressed in foreign currencies are translated at the exchange rate in force at the closing date for the year. The resulting exchange differences are recorded in the income statement (in "Other financial profits and costs").

Translation differences for financial instruments expressed in foreign currencies and corresponding to net forward investment in a foreign subsidiary are recorded in equity in the line "Currency translation." They are recorded in the income statement when the activity is taken out of the foreign country.

9 - Intangible fixed assets (IAS 38)

Intangible fixed assets are recorded at acquisition cost, and other intangible fixed assets created internally are recorded at cost value.

When their duration of use is defined, intangible assets are amortized over their expected duration of use by Vilmorin & Cie. This duration is determined for each individual case depending on the nature of the items included in this line.

When their duration of use is undefined, intangible fixed assets are not amortized, but they are submitted to systematic annual value loss tests.

Consequently, intangible fixed assets with a defined duration of use are valued at cost price less the aggregate of amortizations and any value loss, whereas intangible fixed assets with an undefined duration of use are valued at cost price less the aggregate of value losses.

The main categories of other intangible fixed assets at Vilmorin & Cie are as follows:

9.1 - Development costs

Development costs, net of any associated tax relief on research, are recorded as intangible fixed assets when their activation meets all five of the following conditions:

- The projects are clearly identified and the costs concerned are treated individually and are evaluated in a reliable manner.
- Technical feasibility of the projects is shown.
- There is both an intention and capacity to see the projects through to the end, and use or sell any products that result from these projects.
- There is a potential market for the production generated by these projects, or their internal utility has been demonstrated.
- The resources necessary to run the projects right up to their conclusion are available.

Vilmorin & Cie considers that it is capable of satisfying these conditions as described above. As a consequence, its development projects are recorded as fixed assets in the following conditions:

- projects recorded as fixed assets correspond to work leading to the development of new products, or to industrial processes relative to Vilmorin & Cie's business.
- the business field concerned is that of Vilmorin & Cie's seed activities.

Work taken into account when costing development projects recorded as fixed assets includes, in particular:

- Plant improvement as such, and particularly conventional breeding*, genome* analysis work on species the company does research into, molecular marking* and routine laboratory work used by breeders.

- Trials, tests and experiments, the production of seeds at a pilot stage, registration fees, homologation fees or fees to maintain rights on products being launched.
- The development of new technologies that aim to improve the performance of seeds such as: coating, pelleting, priming, etc.
- Intellectual property activities connected to the registration of patents, Soleau envelopes, Proprietary Variety Protection Certificates, freedom to operate studies, etc.
- The development of new processes or industrial pilots for the transformation of plant-based raw materials or more elaborate products, including food and ingredients.

Work done before the above-described process is not taken into account in the definition of development costs (for example: transgenesis*, or the search for new genetic resources*).

Moreover, only the charges that can be directly allocated to the programs concerned can be included in the calculation of the cost of projects recorded as fixed assets.

Development programs recorded as fixed assets are amortized using the straight-line method over a five-year period as of the first year.

9.2 - Goodwill

Goodwill represents the difference between the acquisition cost of consolidated securities and the share of Vilmorin & Cie in the fair value of their assets, liabilities and any potential liabilities that can be identified on the date of acquisition of control.

Goodwill is subject to a value loss test at least once every year. The methodology adopted is described hereafter in Note 1 paragraph 11. Any impairment recorded is irreversible.

Goodwill concerning companies consolidated under the equity method is recorded in "Equity shares." In compliance with the standard IAS 28, the group applies the provisions of the standard IAS 39 to determine whether it is necessary to conduct an impairment test on the basis of a value loss indicator, determined according to the rules defined by the standard IAS 36. If, at a later date, the recoverable value increases, a value loss write-back is recorded.

9.3 - Brands, patents, licenses

The cost of these assets corresponds to:

- The purchasing price plus any cost that can be directly shown to be due to the preparation of the asset for its planned use, for assets acquired separately.
- The fair price, at acquisition date, for any assets acquired through business combinations.

Any amortization should be linear over their estimated duration of use.

9.3.1. Brands

Their economic life span is considered to be indefinite and consequently brands are not amortized.

The classification of a brand as an asset with an unlimited life results, in particular, from the following indicators:

- positioning of the brand on its market in terms of volume of business and image,
- long-term perspectives for profitability,
- risk factor with regard to one-off accidents,
- major event occurring in the business sector, likely to leave its mark on the future of the brand,
- age of the brand,
- regular expenses on advertising and promotion.

They are regularly assessed and tested using defined Cash Generating Units (CGUs).

9.3.2. Patents

The duration of use of patents corresponds to their legal duration of protection.

9.3.3. Licenses

The duration of use of licenses corresponds to the period during which they can be used by contract.

9.3.4. Software

Depending on the field of application of the software, and taking technological obsolescence into account, the economic life varies from three to seven years.

For certain specific needs, Vilmorin & Cie sometimes develops its own software applications. In such cases, the costs considered for recording them as fixed assets include:

- the costs of materials and services used,
- salaries and other labor costs directly involved in the production of these assets.

9.4 - Germplasm

Germplasm comprises all the plant material used to breed new varieties of seeds, the prerequisite of which is a collection of plants that is as wide and diversified as possible.

Generally acquired by Vilmorin & Cie at a fair price and through business combinations, it is systematically worked on with a view to enriching, characterizing and maintaining it to preserve its quality and ensure it is available to the different research teams.

These research teams constantly sift through this plant library to make use of the primary resources that are required for the creation of new products.

Built up over the years, this genetic material has been improved as seed companies and breeding* programs have been acquired, and research partnerships have been set up.

Bearing in mind that it needs to be kept permanently in good condition, regularly maintained and continually used in the process of plant breeding, Vilmorin & Cie considers that its economic life is indefinite. Consequently, these assets are not amortized.

In compliance with the standard IAS 36, an impairment test is conducted on germplasm to compare its recoverable value to its book value; such a test is conducted every year and each time there is any indication of value loss. Since this germplasm does not produce any independent cash flows, it is tested in the Cash Generating Unit (CGU) to which it belongs during the annual goodwill impairment test (cf. Note 1 paragraph 9.2).

10 - Tangible fixed assets (IAS 16)

Tangible fixed assets are recorded at their acquisition cost or, where appropriate, their production cost less depreciation and losses of value.

10.1 - Loan interests

In compliance with the standards IAS 16 and IAS 23R, interests on loans taken out for purposes of construction and the acquisition of tangible assets are incorporated into the cost of the assets unless they fail to meet the criteria listed in paragraph 12 of the standard IAS 23R.

10.2 - Components approach

The different components of a tangible fixed asset are recorded separately when their estimated duration of use, and therefore their impairment durations, are significantly different.

10.3 - Depreciation

10.3.1. Basis for depreciation

Bearing in mind their specific nature, most of Vilmorin & Cie's industrial assets are intended to be used until the end of their life span, and as a general rule, it is not envisaged that they should be sold, which justifies the fact that there is no residual value for these fixed assets.

10.3.2. Depreciation method

Tangible fixed assets are depreciated using the straight-line method in the income statement over the estimated duration of use for each component.

10.3.3. Duration of depreciation

Depreciation is calculated according to the estimated durations of use for the following assets, reviewed every year:

- Land: not depreciated.
- Landscaping: 10 to 20 years.
- Constructions: 10 to 40 years⁽¹⁾.
- Specialized complex installations: 5 to 10 years.
- Machines, industrial equipment: 3 to 10 years.
- Office equipment: 3 to 10 years.
- Other tangible fixed assets: 3 to 10 years.

(1) 10 to 20 years for light constructions, 20 to 40 years for more robust constructions.

10.3.4. Presentation in the income statement

Amortization, depreciation and impairment are recorded in the income statement in accordance with the purpose of the fixed asset (cost of sales, commercial expenses, research costs, overheads and administrative costs, etc.).

10.4 - Impairment tests

As part of the Cash Generating Units (CGU), tangible fixed assets are liable to be tested for impairment as soon as any indication of impairment has been identified.

A CGU is the smallest identifiable group of assets that generates cash entries clearly independent of cash entries generated by other assets or groups of assets.

This test has been implemented at Vilmorin & Cie, and is carried out in accordance with the rule explained in Note 1 paragraph 11 hereafter.

10.5 - Reassessment

During the transition period to IFRS standards, Vilmorin & Cie decided to apply the fair value principle as the presumed cost to certain specific assets. The fixed assets to which this procedure was applied are generally land and factory buildings valued historically without representing economic reality.

The assessments adopted are the result of independent expert assessors.

11 - Impairment of intangible and tangible assets

The book values of Vilmorin & Cie's intangible and tangible assets are examined at the close of each fiscal year in order to assess whether there is any indication that an asset has lost value. If there are any such indications, the recoverable amount of the asset is assessed using the method described hereafter.

For goodwill, intangible fixed assets with an undefined useful life, or intangible fixed assets which are not yet ready to be put into service, the recoverable amount is assessed at least once per year.

Impairment is recorded if the book value of an asset or its Cash Generating Unit is higher than its recoverable amount. Impairments are recorded in the income statement.

Impairment recorded for a Cash Generating Unit is first of all recorded as a reduction in the book value of all the goodwill allocated to the Cash Generating Unit (or group of units), and then to a reduction in the book value of the other assets of the unit (or group of units) in proportion to the book value of each asset in the unit (or group of units).

11.1 - Calculation of the recoverable amount

The recoverable amount of intangible and tangible fixed assets is the highest amount between their fair value less selling costs and their going concern value. In order to assess the going concern value, estimated future cash flows are adjusted to a pre-tax rate that reflects the market's current appreciation of the time value of money and specific asset risks. For an asset which does not generate independent cash entries, the recoverable amount is determined by the Cash Generating Unit to which the asset belongs.

11.2 - Write-back of impairments

Impairments recorded as goodwill cannot be written back. Impairments recorded for another asset are written back if there has been a change in the estimates used to determine the recoverable amount.

The book value of an asset which has been increased because of the write-back of impairment cannot be greater than the book value that would have been determined, net of amortizations, if no impairment had been recorded.

12 - Leases (IFRS 16)

Vilmorin & Cie determines whether a contract is a lease contract or whether it contains a lease contract.

Leases are recognized in the Financial progress report in which the group records an asset in "Right-of-use leased assets", and a lease in "Lease obligations" on the date of the beginning of the lease.

The "Right-of-use leased assets" asset is initially assessed at its cost, which includes the amount of the initial lease obligation, the initial direct costs, and the obligation to renovate the asset if the lease so stipulates. It is then depreciated on a straight-line basis up until the reasonably certain end of lease date, and where necessary adjusted for any impairment.

The lease obligation is initially assessed at the discounted values of the rent due and as yet unpaid at the date of the beginning of the lease. The discount rate used corresponds to the implicit interest rate in the lease, and if this is not easy to determine, at the incremental borrowing rate. It is the incremental borrowing rate that is used by the group.

The reasonably certain duration of leases is determined by the local teams, taking each contract in turn, and is reviewed for each fiscal period. Lease duration corresponds to its non-terminable period, plus any periods covered by lease renewal options which are reasonably certain to be respected, and periods covered by termination options that the lessee is reasonably certain not to apply.

There are specific discount rates for each country, determined by the risk in the country, the credit risk of the lessee entity, and financial conditions outside the group.

In the income statement, the right-of-use depreciation charge is recorded in "Other operating income and charges", and the interest charges in "Other financial income and charges."

The fiscal impact of this treatment results in the recording of deferred taxes depending on the fiscal legislation of the countries where the leases are recorded.

Rents from leases corresponding to assets of low unit value, short duration or involving variable rents are recorded directly in operating charges.

On the balance sheet, the group distinctly presents non-current right-of-use assets. Current and non-current lease obligations are presented on a distinct line and are not included in the group's net financial indebtedness.

13 - Inventories and production in progress

Inventories and production in progress are evaluated at their lowest cost and their net realizable value.

Costs are generally calculated according to the method of weighted average cost; they include an appropriate proportion of indirect production overheads based on the normal production capacity, but excluding financial charges and any costs of a drop in activity.

The net realizable value is the estimated selling price in the normal course of business less the estimated costs necessary to achieve the sale.

Where relevant, impairment is recorded, and is generally intended to cover the following risks:

- realizable value lower than market price,
- adjustment according to sales perspectives,
- poor product quality (mainly poor germination and problems of sanitary quality).

In this respect, the line "Cost of goods sold" in the income statement includes the notion of a cost of obsolescence comprising the net change in inventory depreciation plus the cost of products destroyed during the fiscal year.

14 - Trade receivables

Receivables are valued at their fair value at their initial evaluation, and then at their amortized cost after any later evaluations. Impairment is recorded when the recoverable amount is lower than the book value.

15 - Treasury shares

Treasury shares are recorded at their cost of acquisition less equity. Income from the sale of these shares is recorded directly as equity, and does not contribute to the profit for the fiscal year.

16 - Employee benefits (Revised IAS 19)

In accordance with the laws and practices of each country in which it operates, Vilmorin & Cie participates in various pension, early retirement and post-employment benefit schemes.

16.1 - Post-employment benefit schemes

Two types of post-employment benefit schemes are distinguished:

16.1.1. Defined contribution plans

A defined contribution plan is a scheme involving benefits paid out after termination of the work contract, for which an entity pays defined contributions to a distinct entity and has no legal or implicit obligation to pay any further contributions if the fund does not have sufficient assets to pay benefits to the beneficiaries for present or previous fiscal years.

For basic plans and other plans with defined contributions, the contributions payable are recorded as charges for the fiscal year in which they are due, and no provision is made, since Vilmorin & Cie is only committed within the limit of the contributions paid.

These plans are applied in most of the countries where Vilmorin & Cie is present (Europe, North and Central America, Asia).

16.1.2. Defined benefit plans

A defined benefit plan is any scheme other than a defined contribution plan. These plans are characterized by an obligation of the employer towards his employees. If they are not entirely funded in advance, they must be recorded as provisions.

This type of plan is either funded:

- directly by the group, which records provisions for the charges on an actuarial basis. These defined benefit plans mainly comprise lump sums paid at retirement (principally France) or,
- through a pension fund that the group pays into in accordance with the rules and regulations in force (North America, United Kingdom, etc.). For these plans, the provision reflects the balance between the amount currently due and the value of the assets, assessed at fair value.

For these plans, Vilmorin & Cie records provisions that are determined as follows:

- Commitments are assessed using the method known as “projected credit units” which stipulates that each period of service generates a unit of benefit entitlement. Each of these units is assessed separately to obtain the final amount due.

Calculations involve hypotheses for mortality, staff turnover and projections on future salaries. An adjustment rate linked to the average duration of this commitment is

applied. These assessments are carried out for all the plans by independent actuaries.

- The actuarial gains and losses resulting from changes in assumptions or experience adjustments (difference between the projected figure and the actual figure) on the commitments or the financial assets of the plan are entirely recorded as other items in the comprehensive income for the fiscal year when they are generated, along with the corresponding fiscal impact. They cannot be reclassified in the income statement in subsequent fiscal years.
- The costs of services rendered, past services, and fund administration costs for the period are all recorded as operating charges for the fiscal year.
- Liquidations and/or reductions of defined benefit plans are also recorded as operating charges for the fiscal year.
- Net interests on liabilities (or net assets), valued at the adjustment rate, are recorded as other income and financial charges.

16.2 - Other long-term subsequent benefits

Provisions are made for certain other long-term benefits which are determined using an actuarial calculation that is comparable to that used for defined contribution schemes.

For Vilmorin & Cie, these benefits mainly correspond to bonuses that accompany “work medals” for long service, and concern almost exclusively French companies. The costs of services rendered are recorded as operating charges and the financial interests as other income and financial charges.

17 - Provisions (IAS 37)

17.1 - General principle

The standard IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” defines the rules applicable to provisions.

It is mandatory to record a provision in cases where:

- it is intended to meet a current, legal or implicit obligation,
- this obligation exists at the date of the close of the fiscal year,
- it is probable or certain that settlement will lead to an outflow of resources to a third party,
- a reliable evaluation of the provision can be made.

These provisions are estimated taking into account the most probable hypotheses at the closing date of the accounts.

17.2 - Application to Vilmorin & Cie

Within the normal conditions of its business Vilmorin & Cie is subject to various risks (commercial litigation, reorganization, fiscal litigation, social litigation, etc.). It applies the following rules:

17.2.1. Provisions for reorganization

Provisions for the cost of reorganization programs are made in full during the fiscal year in which an irreversible obligation for Vilmorin & Cie arises with regard to third parties. This obligation is the result of a decision taken by the invested management authority and materialized before the end of the closing date by informing the third parties concerned, or their representatives.

The amount of the provision mainly includes the following costs:

- severance pay,
- notice not worked,
- training of employees laid off,
- other costs linked to the closing of sites.

Disposal of fixed assets, impairment of inventories and other assets that are the direct result of reorganization measures are also recorded in the reorganization costs.

17.2.2. Provisions for litigations

Litigations (commercial, fiscal, intellectual property, etc.) are assessed individually and/or on the basis of a statistical estimate of the litigations observed for similar cases bearing in mind what is known at the end of the fiscal year.

17.2.3. Presentation in the financial statements

Except in particular justified cases, provisions are presented in the balance sheet in the current liabilities.

Assets and liabilities of deferred taxes are assessed at the tax rate expected for the period during which the asset is recovered and the liability is settled, using the tax rates that have been enacted by the balance sheet date.

The balance sheet approach to the variable carry forward method is applied and the effects of taxable rate modifications are recorded in the income for the fiscal year during which the change in rate is fixed, as long as these tax modifications have no effect on the deferred taxes that had been recorded directly in equity.

Deferred tax assets are recorded in the balance sheet to the extent that it is probable that they can be recovered in later years. Assessment of the capacity of Vilmorin & Cie to recover these assets in particular depends on the following criteria:

- future forecasts of fiscal results,
- the share of exceptional charges must not be renewed in the future and included in past losses,
- the net liabilities position can, in certain circumstances, be reduced in accordance with tax deficits carried forward reasonably recordable in consideration, on the basis of subleasing agreements.

In compliance with the standard IAS 12, deferred tax assets and liabilities are not readjusted. Depending on the case, they are presented in the balance sheet as non-current assets or liabilities.

18 - Government grants (IAS 20)

In compliance with the standard IAS 20, Vilmorin & Cie records government grants in the balance sheet on the line "Deferred income" and includes them in the income for the useful life of the assets for which they were received.

Government grants received for fixed assets that cannot be depreciated (land) are directly recorded in income for the fiscal year, when they cannot be linked to a fixed asset that is depreciated. If they can be linked to a depreciated fixed asset, they are depreciated at the same rhythm as this asset.

19 - Deferred taxes (IAS 12)

In compliance with the standard IAS 12, deferred taxes are calculated for all temporal differences between the tax base and the book value of the assets and liabilities. The main items taken into account for this purpose concern:

- consolidation restatement showing a divergence between book value and tax base (special tax exemption, lease agreements, margins on inventory, income from sales of intra-group fixed assets, retirement benefits, etc.),
- recognized evaluation differences in the case of business combinations to the extent they concern clearly identified and controlled assets,
- the differences between the book value and the tax base for certain assets based on favorable fiscal systems such as the provisions for mergers in France.

20 - Accounts payable

Debts that concern the normal operating cycle are recorded on the line "Accounts payable" for their fair value fixed at the initial assessment, and then adjusted for the cost of depreciation/amortization for subsequent evaluations.

21 - Financial instruments (IAS 32, IAS 39 and IFRS 9)

A financial instrument is a contract that gives rise to a financial asset for one party and a financial liability or equity instrument for the other party.

Financial instruments comprise:

- financial assets which include other non-current assets, trade receivables, loans, securities portfolio, other current assets, cash management assets and cash and cash equivalents,
- financial liabilities which include equity instruments, short and long-term financial debts, bank overdrafts, supplier payables and other current and non-current liabilities,
- derivative instruments.

21.1 - Recording of financial assets

21.1.1. Classification and measurement

For classification and the measurement method for financial assets, the standard stipulates that two criteria should be used:

- The group's business model to manage financial assets. There are two models that involve:
 - either collecting the contractual cash flows until maturity: "Held To Collect" (HTC),
 - or collecting the contractual cash flows and selling the asset: "Held to Collect and Sell" (HTCS).

- The characteristics of the financial asset based on whether or not there are contractual terms that result in cash flows solely related to principal repayments and interest payments ("SPPI" test: Solely Payment of Principal and Interests).

Depending on these two criteria, a financial instrument is classified as having been measured:

- at amortized cost,
 - at fair value through "Other comprehensive income",
 - at fair value through profit and loss,
- on initial recognition.

Financial assets are not subsequently reclassified unless there is a change in business model.

Financial instruments	Subsequent measurement
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Profits, exchange losses and impairments are recognized in profit or loss. Gains and losses resulting from derecognition are recognized in profit or loss.
Financial assets at fair value through profit and loss	These assets are subsequently measured at fair value through profit or loss. Net profits and losses, including interest or dividends received, are recognized in profit or loss.
Debt instruments at fair value through "Other comprehensive income"	These assets are subsequently measured at fair value under "Other comprehensive income." Interest income, foreign exchange gains and losses, impairment losses are recorded in the profit or loss. Other net gains and losses are recorded in "Other comprehensive income". Upon derecognition, cumulative gains and losses in "Other comprehensive income" are reclassified to profit or loss.
Equity instruments at fair value through "Other comprehensive income"	These assets are subsequently measured at fair value through "Other comprehensive income". Dividends are recorded as income in profit or loss, unless the dividend clearly represents the recovery of part of the cost of the investment. Upon derecognition, other gains and losses are recorded in "Other comprehensive income" and are not recyclable in profit or loss.

21.1.2. Derecognition of a financial asset

The total or partial disposal of a financial asset is carried out in accordance with the successive application of the following three criteria:

- the expiry of contractual rights to the cash flows of the instrument or transfer of rights to receive the same flows to a third party,
- the transfer of substantially all the risks and benefits of the instrument,
- the transfer of control of this instrument.

21.1.3. Unconsolidated equity securities and other non-current financial assets

Unconsolidated investments are recorded:

- either at fair value through profit or loss,
- or, for instruments not held for trading, at fair value through "Other comprehensive income", at the irrevocable option of the group, on initial recognition.

The choice is made each time lots of shares are purchased.

Unconsolidated shares acquired before June 30, 2018 have been classified at fair value through "Other comprehensive income".

For listed securities, fair value corresponds to the market price in an active market.

For other securities whose fair value in general cannot be determined reliably, the securities are recorded at cost price less any impairments.

Variations in fair value are recorded directly in equity, and cannot be recycled in profit or loss.

Loans are recorded at amortized cost price. They can be amortized if there is an objective indication of any impairment. Any impairment corresponding to the difference between the book value and the recoverable amount is recorded as profit or loss, and is reversible if evolution is favorable in the future.

In cases where loans, advance payments or other mid- or long-term receivables do not receive interest, or if the interest rate is lower than market rates, the assets are adjusted in accordance with the real interest rate.

At each close, an examination of the other financial assets is made in order to assess the objective indications of impairment of these assets. Where necessary, any impairment is recorded in the accounts.

21.1.4. Accounts receivable

Customer receivables

Customer receivables are recorded in the consolidated balance sheet at amortized cost.

Mid- or long-term receivables that do not receive interest are adjusted in the conditions described above in Note 1 paragraph 21.1.3.

21.2 - Recording financial liabilities and derivative instruments

21.2.1. Initial and subsequent measurement

Financial liabilities are classified as measured at amortized cost or fair value through profit or loss.

A liability is measured at fair value through profit or loss when it is classified as held for trading, whether it is a derivative or designated as such on initial recognition.

Financial instruments	Subsequent measurement
Financial liability at amortized cost	These are subsequently measured at amortized cost. Interest charges and foreign exchange gains or losses are recorded in profit or loss.
Financial liabilities at fair value through profit or loss	These liabilities are subsequently measured at fair value. Net gains and losses, including interest charges, are recorded as profit or loss.

21.2.2. Derecognition of a financial liability

The group derecognizes a financial liability:

- when its contractual obligations are discharged, cancelled or expire or,
- when its terms are amended and the flows of the amended liability are substantially different, in which case a new financial liability is recorded at fair value under the new terms.

When a financial liability is derecognized, the difference between the book value allocated to the derecognized portion and the consideration paid is recorded in profit or loss.

21.2.3. Derivative instruments

Vilmorin & Cie uses derivatives to cover its exposure to risks in the variation of interest rates, currency exchange rates and in the prices of raw materials, resulting from its current activity and its funding. Derivatives are initially assessed at their fair value.

For a derivative to be eligible for hedge accounting (cash flow or fair value), the hedging relationship must be formally designated and documented, and its life-long effectiveness must be demonstrated. A fair value hedge is a hedge of the exposure to changes in fair value of assets, liabilities or firm commitments. A cash flow hedge is a hedge of the exposure to variability in cash flows (sales generated by the company's assets, for example).

In compliance with the provisions of the standard IAS 39, variations in the fair value of these instruments are recorded as follows:

- Variations in the fair value of instruments eligible for cash flow hedging are recognized directly in equity for their effective part of the cover, and in financial profit and loss for their ineffective part.

- Variations in the fair value of instruments eligible for fair value hedging are recorded in profit and loss where they compensate for the variations in fair value of the assets, liabilities or firm commitments covered.

Forward cover of the prices of the raw materials used by Vilmorin & Cie mainly concerns futures negotiated on an organized market. Vilmorin & Cie also implements strategies that combine futures with options which are also negotiated on an organized market.

21.2.4. Conditional advance payments

Conditional advance payments appear in accordance with IFRS principles on the line "Deferred income." They are included in the income if the funded programs concerned fail.

21.2.5. Loan issue costs

Costs incurred by the issue of loans are recorded at the book value of the loans concerned since they are recorded at amortized cost.

These costs are recorded as charges for the full duration of the loan using the effective interest rate method.

21.3 - Measurement of fair values

Financial instruments at fair value are classified according to the following hierarchy level:

- level 1 (listed prices): financial instruments that are listed on the active market,
- level 2 (observable data): financial instruments whose measurement uses valuation techniques based on observable parameters,
- level 3 (internal model): financial instruments whose measurement uses valuation techniques based in whole, or in part, on unobservable parameters.

21.4 - Financial debts – compound instruments

Certain financial instruments include both a financial debt component and an equity component.

In compliance with the standard IAS 32, the different components of these instruments are recorded in equity and financial debts in respective proportions.

The component classified as financial debts is measured on date of issue. It corresponds to the future agreed cash flow value adjusted to the market rate of a similar instrument with the same conditions, but without an option of conversion or redemption as shares.

21.5 - Accounts payable

Accounts payable are recorded at amortized cost.

In cases of deferred interest-free payment greater than one year, rules for adjustment are applied in compliance with the principles presented above in Note 1 paragraph 21.1.3.

22 - Cash and cash equivalents – investment securities

22.1 - Cash and cash equivalents

In accordance with the standard IAS 7 “Cash flow statement,” the line “Cash and cash equivalents” appearing in the balance sheet includes:

- cash and bank in hand,
- short-term investments that are liquid and easily convertible into a determinable amount of cash with negligible risk and variation in value,
- current accounts recoverable at short notice.

Investments at more than three months without the possibility of an anticipated exit, and bank accounts carrying restrictions (blocked accounts) are excluded from cash flow. Overdrafts assimilated to funding instruments are also excluded from cash flow.

22.2 - Investment securities

In compliance with the standard IFRS 9 “Financial instruments,” investment securities are assessed at their fair value. No investment is analyzed as being held until its due date. The manner in which investment securities are recorded in accounts depends on the aim of the operations:

- For investments held for purposes of transaction, variations in fair value are systematically recorded in income.
- For investments available for sale, variations in fair value are recorded directly in the equity, or in the income where there is an objective indication of impairment that is greater than the temporary impairment of the security concerned.

23 - Breakdown of assets and liabilities into current / non-current

23.1 - General principle

The standard IAS 1 states that assets and liabilities must be classified as either “current” or “non-current”.

23.2 - Application to Vilmorin & Cie

Vilmorin & Cie has adopted the following rules to classify the main aggregate amounts of the balance sheet:

- Assets and liabilities that form part of the working capital needs of a normal business operating cycle are classified:
 - as “current” if the realization of the assets or the liquidation of the liabilities is expected to occur within one year following the closing date or if they are held for the purposes of trading.
 - as “non-current” in all other cases.

- Fixed assets are classified as “non-current.”
- Provisions that are part of the normal operating cycle are classified as “current.”
- Provisions for employee benefits are classified as “non-current” bearing in mind the long-term horizon of such commitments.
- Financial debts are classified as “current” and “non-current” depending on whether their due dates fall in less than one year or more than one year after the closing date.
- Deferred taxes are all presented as “non-current” assets or liabilities.

24 - Revenue from ordinary activities resulting from customer contracts (IFRS 15)

24.1 - General principle

Revenue from ordinary activities comprises the sale of products, goods and services produced as part of Vilmorin & Cie’s main business activities, and also income from royalties and operating licenses.

24.2 - Application to Vilmorin & Cie

Revenue is recorded as sales when the commitments (or performance obligations) arising from contracts with customers have been fulfilled, i.e. when customers have obtained control of the asset(s) sold.

Control is defined as the current ability to decide on the use of the asset and to obtain substantially all of the potential cash flows resulting from the use, consumption, resale, exchange or pledging of the asset. It also includes the ability to prohibit others from directing the use of the asset and to access substantially all the benefits of the asset.

Performance obligations can be met either:

- on an ongoing basis; the revenue is then recognized on a percentage-of-completion basis,
- on a given date; the income is then recognized on that date.

The transfer of control generally corresponds:

- For sold goods and products to the date they are made available to the customers.
- For services: revenue is taken into account according to the stage of completion of the transaction at the closing date, on a pro rata temporis basis.
- For royalties:
 - either on a given date for royalties on so-called “static” licenses (licenses that confer a right to use intellectual property as it exists on the date of signature of the contract),
 - or on an ongoing basis for royalties whose calculation is based on sales made or quantities sold by the licensor or for so-called “dynamic” licenses (licenses granting a

right of access to intellectual property which will evolve over the duration of the license). Royalties based on sales made usually correspond to the remuneration of plant variety concessions or parental lines.

Revenue from ordinary operations includes:

- sales of products,
- sales of services,
- royalties received from commercial activities, which are taken into account for the net amount of variable considerations (discounts, rebates, return rights, performance bonuses, etc.). Variable return considerations are taken into account to the extent that it is highly probable that their subsequent settlement will not result in a significant downward adjustment to the cumulative revenue recognized.

The payment terms applied are those in force in each country and are in most cases less than 12 months. Customer contracts do not include sales with a significant financing component.

The guarantees granted in the contracts provide the customer with assurance that the product complies with the contractual specifications: they are therefore “insurance” type guarantees that fall under IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

Estimated costs are recognized in provisions when the company recognizes the revenue.

Simplification measures applied

Vilmorin & Cie applies the simplification measure of paragraph 121 of IFRS 15 on the disclosure of unfulfilled performance obligations because the initial term of contracts with customers does not exceed one year.

In terms of significant procurement or execution costs, as Vilmorin & Cie has contracts with a duration of less than one year, it applies the simplification measure of recognizing these costs as expenses.

25 - Earnings per share

The basic earnings per share are calculated on the basis of the weighted average number of shares in circulation over the fiscal year.

The average number of shares in circulation is calculated on the basis of the different valuations of the share capital, corrected, where appropriate, for Vilmorin & Cie's treasury shares.

The diluted earnings per share are calculated by dividing Vilmorin & Cie's share of the income by the number of ordinary shares in circulation to which are added all the potentially dilutive ordinary shares.

Note 2: Events occurring during the fiscal year

1 - Impacts of the change in method due to the application of the standard IFRS 16 "Leases"

The following tables summarize the significant impacts as a result of the changes to the accounting methods on the consolidated income statement, details of the gains and losses for the fiscal year, and the financial progress report.

Consolidated income statement

In millions of euros	06.30.19		
	Published	Impacts	Restated
Revenue from ordinary activities	1,390.7	-	1,390.7
Cost of goods sold	-712.0	-	-712.0
Marketing and sales costs	-199.0	-	-199.0
Research and development costs	-199.5	-	-199.5
Administrative and general costs	-189.2	-	-189.2
Other operating income and charges	20.0	3.6	23.6
Operating income	111.0	3.6	114.6
Profit from associated companies	26.0	-	26.0
Interest costs	-30.4	0.1	-30.3
Other financial income and charges	-14.6	-3.5	-18.1
Income taxes	-14.1	-0.1	-14.2
Profit from continuing operations	77.9	0.1	78.0
Profit from discontinued operations	-	-	-
Net income for the period	77.9	0.1	78.0
> Attributable to controlling company	73.9	0.1	74.0
> Attributable to non-controlling minority	4.0	-	4.0

Summarized details of the income statement and other items of the total gains and losses

In millions of euros	06.30.19		
	Published	Impacts IFRS 16	Restated IFRS 16
Income for the period	77.9	0.1	78.0
Items that might be reclassified to profit or loss	-22.1	-	-22.1
Items not to be reclassified to profit or loss	-2.5	-	-2.5
Other items in the total gains and losses for the period net of taxes	-24.6	-	-24.6
Total gains and losses for the period	53.3	0.1	53.4
> of which attributable to controlling company	50.7	0.1	50.8
> of which attributable to non-controlling minority	2.6	-	2.6

Summarized financial progress report

Assets

In millions of euros	06.30.19			07.01.18		
	Published	Impacts IFRS 16	Restated IFRS 16	Published	Impacts IFRS 16	Restated IFRS 16
Goodwill	434.8	-	434.8	368.9	-	368.9
Other intangible fixed assets	739.5	-	739.5	692.7	-	692.7
Tangible fixed assets	292.8	-0.4	292.4	290.2	-0.5	289.7
Right-of-use leased assets	-	68.7	68.7	-	72.9	72.9
Financial fixed assets	29.9	-	29.9	14.4	-	14.4
Equity shares	349.1	-	349.1	321.9	-	321.9
Deferred taxes	23.8	1.2	25.0	22.3	1.3	23.6
Total non-current assets	1,869.9	69.5	1,939.4	1,710.4	73.7	1,784.1
Inventories	533.7	-	533.7	474.0	-	474.0
Trade receivables and other receivables	526.7	-	526.7	514.5	-	514.5
Cash and cash equivalents	248.7	-	248.7	196.7	-	196.7
Total current assets	1,309.1	-	1,309.1	1,185.2	-	1,185.2
Total assets	3,179.0	69.5	3,248.5	2,895.6	73.7	2,969.3

Liabilities

In millions of euros	06.30.19			07.01.18		
	Published	Impacts IFRS 16	Restated IFRS 16	Published	Impacts IFRS 16	Restated IFRS 16
Equity – controlling company	1,235.9	-2.6	1,233.3	1,195.0	-2.8	1,192.2
Equity – non-controlling minority	88.0	-0.1	87.9	109.7	-0.1	109.6
Consolidated equity	1,323.9	-2.7	1,321.2	1,304.7	-2.9	1,301.8
Provisions for employee benefits	61.7	-	61.7	57.4	-	57.4
Non-current financial debts	964.4	-0.4	964.0	758.3	-0.6	757.7
Non-current lease obligations	-	52.1	52.1	-	56.4	56.4
Deferred income taxes	99.1	0.2	99.3	97.1	0.2	97.3
Total non-current liabilities	1,125.2	51.9	1,177.1	912.8	56.0	968.8
Other current provisions	15.2	-	15.2	15.5	0.1	15.6
Accounts payable	489.4	-	489.4	428.7	-	428.7
Deferred income	29.0	-	29.0	29.6	-	29.6
Current financial debts	196.3	-0.1	196.2	204.3	-0.2	204.1
Current lease obligations	-	20.4	20.4	-	20.7	20.7
Total current liabilities	729.9	20.3	750.2	678.1	20.6	698.7
Total liabilities	3,179.0	69.5	3,248.5	2,895.6	73.7	2,969.3

2 - Main operations occurring during the fiscal year

The main operations occurring during the course of the fiscal year were as follows:

● **Vilmorin & Cie increases its stake in Limagrain Europe**

In June 2020, Vilmorin & Cie strengthened its stake in its subsidiary Limagrain Europe SAS, by acquiring minority interests representing 4.2% of the capital stock. As of June 30, 2020, the group holds 99.47% of Limagrain Europe SAS.

3 - Impacts of the Covid-19 health crisis

Since the emergence of the health crisis, during the second semester of fiscal year 2019-2020, Vilmorin & Cie has implemented all the necessary health and organizational measures recommended by government authorities. Playing a fundamental role in the specific context of this crisis due to its seed business, the group's priority was twofold:

- to ensure the health and safety of all its employees, customers and stakeholders,
- and to ensure business continuity.

Vilmorin & Cie quickly adapted and secured its organization to ensure business continuity, contributing to securing food production. Almost all of the industrial sites and research centers have continued to function.

At the same time, Vilmorin & Cie has taken measures to control its operating charges and industrial investments in order to amortize the additional costs related to the crisis.

Given this context, Vilmorin & Cie therefore incurred additional costs during fiscal year 2019-2020 to ensure the safety of its employees as a priority; these costs amounted to 0.6 million euros.

In addition, the group decided to pay exceptional bonuses, representing a charge of 2.9 million euros. At the same time, the savings in operating expenses directly related to the restrictions imposed by the international community or resulting from the measures implemented by the group to anticipate a possible drop in business, which in the end was not the case, made it possible overall to offset the additional costs generated by the management of this health crisis.

Note 3: Consolidation scope

1 - Evolution of the consolidation scope

1.1 - On June 30, 2020, Vilmorin & Cie consolidated 110 companies in accordance with the rules set out in Note 1 paragraph 5 of the "Accounting methods and principles in IFRS standards"

	19-20	18-19
By global integration	93	98
By the equity method	17	17
Total	110	115

1.2 - Variations in scope occurring during the course of fiscal year 2019-2020 were as follows:

1.2.1. Entries to the consolidation scope

There were no entries to the consolidation scope during the fiscal year.

1.2.2. Exits from the consolidation scope

- Liquidation
 - GIE Semences de Brie
- By deconsolidation
 - Vilmorin Jardin Turquie
- Following reorganizations, the following mergers occurred:

Absorbing companies	Absorbed companies
Limagrain Brasil SA	Geneze Sementes SA
Henderson Seed Group PTY LTD Trading As HM.CLAUSE Pacific	HM.CLAUSE Pacific PTY. Ltd.
Hazera Poland Sp.z.o.o.	HM.CLAUSE Polska Sp.Zo.o.

1.2.3. Changes in name

The following changes in name occurred during the fiscal year:

Former names	New names
Bisco Bio Sciences Private Ltd	Limagrain India Private Limited
Hazera Agriculture Technology & Services (Beijing) Co Ltd	Hazera Qiming Seeds (Beijing) Co Ltd
Seed Asia Cambodia Limited	Limagrain (Cambodia) Co Ltd
Seed Asia Co Limited	Limagrain (Thailand) Co Ltd

1.2.4. Changes in consolidation method

In October 2019, through its subsidiary Hazera Israel, Vilmorin & Cie lost exclusive control of Hazera China after selling 30% of its shares outside the group. This loss of control resulted in a change in the consolidation method for Hazera China. It is no longer consolidated by global integration, but using the "equity" method.

2 - Information concerning variations in consolidation scope

No significant variations in consolidation scope were noted over the course of the fiscal year.

Note 4: Operating segments

1 - General principles

The rules applicable to the presentation of operating segments are defined in Note 1 paragraph 7 of the “Accounting methods and principles in IFRS standards”.

2 - Information according to business segment

The internal information made available to Vilmorin & Cie’s Executive Committee, “Chief Operating Decision-Maker”, corresponds to the managerial organization of the company which is based on segmentation according to activity. Consequently, the operating segments, as defined by

standard IFRS 8, are the business segments on which Vilmorin & Cie operates.

Existing operating segments on June 30, 2020 were as follows:

- Vegetable Seeds
- Field Seeds

The Vegetable Seeds segment involves a group of several Cash Generating Units (CGUs).

Each of the columns in the tables presented below contains the figures for each segment. The figures shown represent the contributions with regard to Vilmorin & Cie which implicitly ignore inter-segment operations since they are not considered to be very significant.

2.1 - Information concerning fiscal year 2019-2020

In millions of euros	Vegetable Seeds	Field Seeds	Garden Products & Holdings	Unallocated	Total
Revenue from ordinary activities	705.5	677.0	52.7	-	1,435.2
Operating income	102.8	19.5	-12.5	-	109.8
Income from continuing operations	69.0	26.1	-27.6	-	67.5
Income from discontinued operations	-	-	-	-	-
Total consolidated net income	69.0	26.1	-27.6	-	67.5
Non-current assets	671.1	1,063.8	199.1	-	1,934.0
> Including investments for the period	126.1	119.4	29.0	-	274.5
Current assets	650.2	461.2	146.6	-	1,258.0
Total assets	1,321.3	1,525.0	345.7		3,192.0
Equity ⁽¹⁾	-	-	-	1,229.8	1,229.8
Non-current liabilities	115.0	122.5	570.9	-	808.4
Current liabilities	240.7	280.4	632.7	-	1,153.8
Total liabilities	355.7	402.9	1,203.6	1,229.8	3,192.0

(1) The line “Equity” for all Vilmorin & Cie’s companies is not broken down per business segment.

2.2 - Information concerning fiscal year 2018-2019

2.2.1. Fiscal year 2018-2019 restated*

In millions of euros	Vegetable Seeds	Field Seeds	Garden Products & Holdings	Unallocated	Total
Revenue from ordinary activities	687.5	649.9	53.3	-	1,390.7
Operating income	104.3	28.9	-18.6	-	114.6
Income from continuing operations	71.6	32.8	-26.4	-	78.0
Income from discontinued operations	-	-	-	-	-
Total consolidated net income	71.6	32.8	-26.4	-	78.0
Non-current assets	656.3	1,092.5	190.6	-	1,939.4
> Including investments for the period	130.1	107.0	194.9	-	432.0
Current assets	654.2	540.0	114.9	-	1,309.1
Total assets	1,310.5	1,632.5	305.5	-	3,248.5
Equity ⁽¹⁾	-	-	-	1,321.2	1,321.2
Non-current liabilities	118.2	135.1	923.8	-	1,177.1
Current liabilities	235.0	327.3	187.9	-	750.2
Total liabilities	353.2	462.4	1,111.7	1,321.2	3,248.5

* For the 1st application of IFRS 16, the group has applied the full retrospective approach. It therefore records "right-of-use" assets and lease liabilities which are included in the different operating segments on June 30, 2019.

(1) The line "Equity" for all Vilmorin & Cie's companies is not broken down per business segment.

2.2.2. Fiscal year 2018-2019 published

In millions of euros	Vegetable Seeds	Field Seeds	Garden Products & Holdings	Unallocated	Total
Revenue from ordinary activities	687.5	649.9	53.3	-	1,390.7
Operating income	102.7	27.4	-19.1	-	111.0
Income from continuing operations	71.7	32.8	-26.6	-	77.9
Income from discontinued operations	-	-	-	-	-
Total consolidated net income	71.7	32.8	-26.6	-	77.9
Non-current assets	622.6	1,065.9	181.4	-	1,869.9
> Including investments for the period	119.0	101.2	193.6	-	413.8
Current assets	654.2	540.0	114.9	-	1,309.1
Total assets	1,276.8	1,605.9	296.3	-	3,179.0
Equity ⁽¹⁾	-	-	-	1,323.9	1,323.9
Non-current liabilities	93.3	115.4	916.5	-	1,125.2
Current liabilities	225.1	319.4	185.4	-	729.9
Total liabilities	318.4	434.8	1,101.9	1,323.9	3,179.0

(1) The line "Equity" for all Vilmorin & Cie's companies is not broken down per business segment.

Note 5: Revenue from ordinary activities

1 - Analysis by nature

In millions of euros	Variation %	19-20	18-19
Sales of goods	+2.8%	1,372.7	1,335.1
Sales of services	-2.7%	8.2	8.3
Royalties received	+14.9%	54.3	47.3
Total	+3.2%	1,435.2	1,390.7

The rules applied for the recording and evaluation of revenue from ordinary activities appear in Note 1 paragraph 24 of the "Accounting methods and principles in IFRS standards".

2 - Analysis by geographical area

The geographical analysis of sales of goods and finished products is as follows:

In millions of euros	Variation %	19-20	18-19
Europe	+0.5%	806.2	802.3
> including France	+5.5%	202.0	196.5
Americas	+8.1%	302.4	279.7
Asia and Oceania	+5.4%	125.9	119.4
Africa and Middle East	+3.4%	138.2	133.7
Total	+2.8%	1,372.7	1,335.1

3 - Analysis by product

Analysis by product families sold is as follows:

In millions of euros	Variation %	19-20	18-19
Vegetable and flower seeds	+3.0%	684.3	664.2
Field seeds	+3.1%	624.0	605.4
Garden products	-1.9%	58.0	59.1
Other products	-	6.4	6.4
Total	+2.8%	1,372.7	1,335.1

On June 30, 2020, the group did not have any long-term contracts.

Sales made in fiscal year 2019-2020 with the group's top ten customers represent 10.9% of its total sales.

Note 6: Personnel costs

1 - Evolution of personnel costs

In millions of euros	19-20	18-19
Gross salaries	321.9	304.8
Social charges	104.9	100.0
Profit-sharing schemes	10.8	10.6
Total	437.6	415.4

2 - Further information

Bearing in mind the seasonal nature of its business, Vilmorin & Cie discloses information on its permanent headcount and its average annual headcount.

2.1 - Average annual headcount

2.1.1. Analysis France/Non-France

	19-20	18-19
France	2,537	2,516
Non-France	6,273	5,005
Total	8,810	7,521

2.1.2. Analysis by employee status

	19-20	18-19
Management	2,692	2,179
Non-management	6,118	5,342
Total	8,810	7,521

2.2 - Permanent headcount at the end of the fiscal year

2.2.1. Analysis France/Non-France

	19-20	18-19
France	2,145	2,133
Non-France	4,909	4,717
Total	7,054	6,850

2.2.2. Analysis by employee status

	19-20	18-19
Management	2,555	2,316
Non-management	4,499	4,534
Total	7,054	6,850

2.2.3. Analysis by function

	19-20	18-19
Research & Innovation	2,050	1,997
Production & Operations	1,787	1,651
Support Functions & General Management	1,330	1,276
Sales and marketing	1,887	1,926
Total	7,054	6,850

Note 7: Provisions for the depreciation, amortization and impairment of tangible and intangible fixed assets, and right-of-use leased assets

In millions of euros	19-20	18-19	
		Restated	Published
Provisions for the amortization and impairment of intangible fixed assets			
> Development programs ⁽¹⁾	-171.2	-162.6	-162.6
> Other intangible fixed assets	-12.9	-16.0	-16.0
Sub-total	-184.1	-178.6	-178.6
Provisions for the depreciation and impairment of tangible fixed assets	-32.7	-31.3	-31.4
Provisions for the depreciation of right-of-use leased assets	-21.3	-22.0	
Sub-total	-54.0	-53.3	-31.4
Total	-238.1	-231.9	-210.0

(1) The increase in provisions concerning development costs is an indication of the intensification of investment in research by the group over several fiscal years.

Note 8: Research and development costs

1 - Evolution of costs

In millions of euros	19-20	18-19
Development programs activated during the fiscal period	182.2	171.1
Provisions for the amortization of development programs recorded as fixed assets	-171.2	-162.6
Total research and development costs	-260.2	-241.5
Tax relief for research	33.0	33.5
Net costs for the year	-216.2	-199.5

Vilmorin & Cie records the cost of its development programs in the conditions set out in Note 1 paragraph 9 of the "Accounting methods and principles in IFRS standards".

Research and development costs which fail to meet these conditions are recorded directly as charges for the fiscal year.

2 - Further information

2.1 - Net increase in activated research and development costs

In millions of euros	19-20	18-19
Costs identified and recorded as intangible fixed assets (cf. Note 15)	182.2	171.1
Provisions for amortization	-171.2	-162.6
Net increase in activated research and development costs	11.0	8.5

It is important to note that out of a total investment in research and development of 260.2 million euros, only 182.2 million euros met the criteria set out in Note 1 paragraph 9 of the "Accounting methods and principles in IFRS standards." There was a slight overall increase in research and development costs of 18.7 million euros.

The increase in activated costs is due to the intensification of development programs.

2.2 - Effect of activation on the cash flow statement

In millions of euros	19-20	18-19
Effect on the income for the period	11.0	8.5
Effect on amortization and depreciation	171.2	162.6
Effect on the cash flow	182.2	171.1
Effect on the investment flows	-182.2	-171.1
Total	-	-

3 - Treatment of French tax relief on research

Since the implementation of the French system for tax relief on research (CIR) based only on a volume percentage of eligible research expenses made, this tax relief is assimilated to a public subsidy since it is used to fund part of the capitalized development expenses, and its accounting treatment comes within the scope of standard IAS 20.

Therefore, this tax relief should be allocated between the part concerning development costs which, in application of the standard IAS 38, have been recorded as assets, and the part concerning other expenditure, recorded in the income statement.

In terms of presentation, this tax relief on research, recorded as a subsidy and deducted from the research costs in the income statement, must be recorded as immediate income, as far as the part concerning expenses recorded in the charges is concerned; the part concerning capitalized expenses must be recorded as deferred income that is to be amortized at the same rhythm as the amortization of the related assets.

Note 9: Other operating income and charges

1 - Evolution

In millions of euros	19-20	18-19	
		Restated	Published
Litigation	-6.3	-3.2	-3.2
Income from the sale of fixed assets	4.1	4.4	4.4
Income from the sale of consolidated securities ⁽¹⁾	5.1	25.3	25.3
Government subsidies	0.8	2.3	2.3
Reorganization costs	-1.8	-3.5	-3.5
Impairment on fixed assets	-0.3	-1.8	-1.8
Other charges and income	4.0	0.1	-3.5
Total	5.6	23.6	20.0

(1) For fiscal year 2019-2020:

- the change in the consolidation method of Hazera China	4.6
- the deconsolidation of the Vilmorin Jardin Turquie securities	0.5

For fiscal year 2018-2019:

- the reorganization of Biogemma's oilseed business	11.2
- the disposal of Limagrain Hungary's isolated assets	14.2
- the disposal of the Van den Berg business	-0.1

2 - Further information

2.1 - On operations for fiscal year 2019-2020

2.1.1. Reorganization costs

These mainly concern:

In millions of euros	Amount
Biogemma	0.1
Limagrain Belgium	-1.0
Limagrain Europe	-0.5
Sursem	-0.2
Vilmorin Jardin	0.2
Miscellaneous	-0.4
Total	-1.8

2.1.2. Impairment of fixed assets

These mainly concern:

In millions of euros	Amount
Biogemma	-0.3
Total	-0.3

2.2 - On operations for fiscal year 2018-2019

2.2.1. Reorganization costs

These mainly concern:

In millions of euros	Amount
Biogemma	-1.5
Geneze	-0.2
Limagrain Brasil	-0.2
Limagrain Europe	-0.6
Vilmorin Jardin	-0.8
Miscellaneous	-0.2
Total	-3.5

2.2.2. Impairment of fixed assets

These mainly concern:

In millions of euros	Amount
Biogemma	-2.3
HM.CLAUSE Polska	0.5
Total	-1.8

Note 10: Interest costs

1 - Evolution

In millions of euros	19-20	18-19	
		Restated	Published
Interests on loans and bank overdrafts ⁽¹⁾	-34.2	-30.6	-30.6
Interest on financial leasing agreements	-	-	-0.1
Losses and gains of fair value on hedging instruments	-	-	-
Losses and gains on the disposal of hedging instruments	-	-	-
Cash income	2.5	2.8	2.8
Miscellaneous ⁽²⁾	-2.0	-2.5	-2.5
Total	-33.7	-30.3	-30.4

(1) The increase in interest charges is mainly due to the impact of a full year of the acquisition of the companies Geneze and Sursem in December 2018.

(2) This line mainly concerns commission paid out on Vilmorin & Cie's syndicated credit, and also commission on financial operations.

2 - Further information

The total funding costs can be broken down as follows:

In millions of euros	19-20	18-19	
		Restated	Published
Interest charges	-36.2	-33.0	-33.1
Interest income	2.5	2.7	2.7
Total	-33.7	-30.3	-30.4

Note 11: Other financial income and charges

1 - Evolution

In millions of euros	19-20	18-19	
		Restated	Published
Gains or losses on the sales of unconsolidated securities, profits and losses from winding up business, income from consolidation exits	-	-	-
Interest income	3.0	2.2	2.2
Interest charges	-1.1	-1.8	-1.8
Interest charges on lease obligations	-3.1	-3.5	-
Provisions for the impairment of securities and other financial assets	-0.2	-	-
Provisions for risks and other financial charges	-0.2	0.1	0.1
Gains or losses on currency translation	-20.2	-8.6	-8.5
Impact of adjustments in hyperinflationary currency	-	-5.3	-5.4
Impact of adjustments related to the change in functional currency	3.3	-	-
Net charges on commitments for personnel benefits	-1.2	-1.2	-1.2
Other financial gains and losses	0.1	-	-
Total	-19.6	-18.1	-14.6

2 - Further information

2.1 - On operations for fiscal year 2019-2020

No particular operation occurred during fiscal year 2019-2020.

2.2 - On operations for fiscal year 2018-2019

No particular operation occurred during fiscal year 2018-2019.

Note 12: Income taxes

1 - Evolution

In millions of euros	19-20	18-19	
		Restated	Published
Current taxes	-11.0	-22.7	-22.7
Deferred taxes	4.1	8.5	8.6
Total	-6.9	-14.2	-14.1

The rules applied for the recording of deferred taxes are described in Note 1 paragraph 19 of the "Accounting methods and principles in IFRS standards".

Sources of deferred taxes are the result both of temporal differences between the tax base and the book value of assets and liabilities, and the recording of deferred tax assets dependent on forecasts of future tax results and on the net liabilities position.

2 - Further information

2.1 - Evolution of income taxes

The difference between the parent company's statutory tax rate and the effective tax rate on June 30, 2020 is mainly due to the effect of tax regimes set up in certain countries because of COVID-19 (above all the fiscal loss carry-back generated for the fiscal year), tax savings generated by the use of tax credits and group tax regimes ("tax integration"), the fiscal impact of the change in functional currency in one country and variations in taxation rates.

2.2 - Fiscal integration operations

The fiscal integration scopes set up in the group (article 223 A et seq. of the French tax code) between the different French companies were as follows on June 30, 2020:

Integrating company	Member companies	Effective date
Vilmorin & Cie	HM.CLAUSE SA	July 1, 2000
	Vilmorin Jardin	July 1, 2000
	Vilmorin	July 1, 2010
	Limagrain Europe	July 1, 2012
	Limagrain Central Europe	July 1, 2012

Fiscal integration has also been established in the United States:

Integrating company	Member companies
Vilmorin USA Corp	HM.CLAUSE USA
	Limagrain Sunflowers
	Shamrock USA

2.3 - Current taxes

The charge of current taxes corresponds to the total taxes on profits owed to the tax authorities for the fiscal year in accordance with the rules and taxation rates in force in different countries.

2.4 - Tax rate applicable

The basic rate for income (corporation) tax in France is 33.33% to which an additional contribution must be added (article 235 ter ZC of the French Tax Code).

A comparison between the recorded income tax charge and the theoretical income tax charge is as follows:

As a %	19-20	18-19
Theoretical tax rate in France	34.43	34.43
Impact of partnerships (using the equity method)	-3.98	-0.51
Differences between the tax rates applied in France and other countries	-6.12	-5.55
Permanent differences	22.85	-3.03
Impact of dividend distributions	2.35	8.42
Adjustments of taxes and taxes with no base	-28.07	-20.0
Unrecognized losses	31.33	20.67
Temporal differences	-11.48	-2.46
Impact of capital gains and losses from disposals and asset value losses	-29.15	-3.50
Impact from the variations in deferred taxes rate	3.35	-7.50
Impact from adjustments related to the change of functional currency	-4.68	
Effective tax rate	10.82	20.97

2.5 - Details of tax receivables and debts due

In millions of euros	19-20	18-19
Tax receivables due	61.1	55.1
Tax debts due	-9.3	-13.1
Total net	51.8	42.0

2.6 - Information on tax losses

On June 30, 2020, Vilmorin & Cie held a total of 256.1 million euros of tax losses.

The group is required to recognize deferred tax assets on usable losses to be carried forward, bearing in mind their recoverability, on the basis of the outlook for its results.

On June 30, 2020, the amount of tax losses activated on losses carried forward amounted to 69.9 million euros, representing deferred tax assets of 18.7 million euros.

Note 13: Earnings per share

- Earnings per share attributable to the controlling company are calculated on the basis of the weighted average number of Vilmorin & Cie shares in circulation during the fiscal year.

The evolution of the earnings per share is as follows:

- Earnings per share:

In euros	19-20	18-19	
		Restated	Published
Attributable to the controlling company in continuing operations	66,180,125	74,036,409	73,915,046
Attributable to the controlling company in discontinued operations	-	-	-
Attributable to the controlling company in the consolidated income	66,180,125	74,036,409	73,915,046
Number of Vilmorin & Cie shares apart from treasury shares	22,910,869	22,911,003	22,911,003
Earnings from continuing operations for one share	2.89	3.23	3.23
Earnings from discontinued operations for one share	-	-	-
Earnings per share	2.89	3.23	3.23

- Diluted earnings per share:

The earnings used for this calculation take into account savings on financial charges net of taxes which would be made by Vilmorin & Cie if ORA bonds (redeemable as shares) were converted, and the ensuing change in the number of shares.

In euros	19-20	18-19	
		Restated	Published
Income attributable to the controlling company in continuing operations before conversion	66,180,125	74,036,409	73,915,046
Impact on the income attributable to the controlling company of the conversion of ORA bonds	15,651	-4,070,311	-4,068,833
Income attributable to the controlling company in continuing operations after conversion	66,195,776	69,966,098	69,846,213
Income attributable to the controlling company in discontinued operations after conversion	-	-	-
Income attributable to the controlling company in the consolidated income after conversion	66,195,776	69,966,098	69,846,213
Number of shares held by Vilmorin & Cie before conversion excluding treasury shares	22,910,869	22,911,003	22,911,003
Creation of new shares after conversion of ORA bonds	-	-	-
Number of shares held by Vilmorin & Cie after conversion of ORA bonds excluding treasury shares	22,910,869	22,911,003	22,911,003
Earnings from continuing operations per share	2.89	3.05	3.05
Earnings from discontinued operations per share	-	-	-
Diluted earnings per share	2.89	3.05	3.05

- Dividends paid out per share

	Dividends distributed in December 2019	Dividends distributed in December 2018
Amount distributed	€30,938,344.20	€28,125,767.70
Details	€1.35 x 22,917,292 shares	€1.35 x 20,833,902 shares

Note 14: Goodwill

1 - Principles of evaluation and impairment of goodwill

1.1 - Evaluation of goodwill

In compliance with the standard IFRS 3, the assessment of the fair value of the identifiable assets and liabilities acquired as a result of business combinations can be modified for a period of twelve months following the acquisition date.

The goodwill generated by the acquisitions of the company AdvanSeed, on July 31, 2018, and the Mars Holding group, on December 3, 2018, have been adjusted for the purchase price allocation mechanism.

1.2 - Goodwill impairment test

Vilmorin & Cie carried out impairment tests on its goodwill on June 30, 2020 for all the Cash Generating Units (CGUs) to which goodwill is allocated.

As stated in Note 1 paragraph 11, these tests consist in comparing the net book value of the assets of the Cash Generating Units with their recoverable value as assessed using the method of provisional discounted cash flows (value in use).

CGUs comprise groups of legal entities forming units with centralized management. Each operating segment thus comprises one or several CGUs running their business autonomously with regard to each other.

For all the CGUs, with the exception of the Field Seeds CGU, the following hypotheses, considered to be key, have been used to calculate the discounted value of the provisional cash flow for the CGUs:

- Number of years of provisional data: 5 years.
- Growth rate: 2%, with the exception of the Garden Products CGU, for which the adopted growth rate has been scaled down to 1.1% in order to account for more moderate growth perspectives on the French market.
- Discount rate after taxes: different rates have been adopted for each CGU in accordance with market data; they vary from 4.6% to 5.0% depending on zones.

With regard to the operating segment of Field Seeds, the fact that activities are managed centrally means that they are analyzed in a single CGU which encompasses all the processes of research, production and distribution run on the different continents. As of fiscal year 2016-2017, the impairment test for this CGU has been conducted on the basis of provisional cash flows projected over a period of eight years instead of five years, in order to take account of longer economic cycles, in particular because of long-term investments such as the Syngenta license acquired in October 2015. This test projected over eight years was prepared by Corporate Finance, in conjunction with the Field Seeds division management, on the basis of a discount rate of 5.0% and a perpetual growth rate of 2%. It also takes account of the following:

- integration of the effects of the Syngenta license into the Business Unit Limagrain South America,
- neutralization of the research costs invoiced by the Business Unit AgReliant to the Business Unit Limagrain Europe, since the cash flows of the joint venture AgReliant are not included in the provisional cash flows of the CGU, as it is integrated using the equity method.

These tests did not show up any impairment.

The sensitivity analyses carried out show that the use of discount rates higher by one percentage point, or growth rates for the normative year lower by one percentage point than those shown above, or half a point in the particular case of the Garden Products CGU, would not have led to any identified need for impairment, since the recoverable value of the CGUs remains in all cases higher than the net book value of their assets.

Similarly, margin sensitivity analyses were performed for the Field Seeds CGU, based on a margin on cost of sales that is one percentage point lower; they do not call into question the results of the impairment test.

Moreover, the seed market demonstrated strong resilience in the context of the Covid-19 health crisis, due to its strategic and long-term nature, so the Management considered that this crisis was not likely to jeopardize the medium-term plan and the related expected flows on which the impairment tests are based.

2 - Evolution of net book values

2.1 - Gross values

In millions of euros	
07.01.18	382.2
Acquisitions and increases	-
Impact of minority redemption commitments	-
Exits	-
Allocation of goodwill	-
Variations in scope	62.0
Reclassifications	1.1
Currency translations	4.0
06.30.19	449.3
Acquisitions and increases	-
Impact of minority redemption commitments	-
Exits	-
Allocation of goodwill	5.0
Variations in scope	0.7
Reclassifications	-
Currency translations	-5.5
06.30.20	449.5

2.2 - Impairments

In millions of euros	
07.01.18	13.3
Exits	-
Impairments	-
Variations in scope	-
Reclassifications	1.1
Currency translation	0.1
06.30.19	14.5
Exits	-
Impairments	-
Variations in scope	-
Reclassifications	-
Currency translation	0.1
06.30.20	14.6

2.3 - Net values

In millions of euros	
07.01.18	368.9
06.30.19	434.8
06.30.20	434.9

3 - Further information

3.1 - Analysis by CGU

In millions of euros	06.30.20	06.30.19
CGU Vilmorin-Mikado	15.9	17.6
CGU HM.CLAUSE	87.0	86.8
CGU Hazera	4.5	4.5
CGU Field Seeds	324.2	323.2
CGU Garden Products and Holdings	3.3	2.7
Total net of impairments	434.9	434.8

3.2 - Variations in scope

Variations in scope concern the following operations:

In millions of euros	Total
FISCAL YEAR 19-20⁽¹⁾	
Vilmorin Jardin Turquie	0.7
Total	0.7
FISCAL YEAR 18-19⁽¹⁾	
AdvanSeed	3.4
Ensemble Mars Holding	60.9
- Geneze	4.3
- Mars Holding	56.6
Biogemma/Innolea	-2.2
Van den Berg	-0.1
Total	62.0

(1) It should be noted that the allocation of goodwill is provisional until the end of a twelve-month period, in compliance with IFRS 3.

3.3 - Impact of minority redemption commitments

There was no ongoing minority redemption operation on June 30, 2020.

Note 15: Other intangible fixed assets**1 - Evolution of net book values****1.1 - Gross values**

In millions of euros	Research costs	Development costs	Germplasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
07.01.18	-	1,786.0	270.5	97.8	70.5	34.7	11.7	4.0	2,275.2
Acquisitions and increases	-	171.1	-	0.4	0.1	0.3	-	8.0	179.9
Exits	-	-	-	-0.3	-1.3	-	-	-0.1	-1.7
Variations in scope	-	4.3	22.8	0.3	-0.2	0.1	8.2	2.7	38.2
Currency translations	-	14.1	0.8	0.3	0.2	0.1	-0.7	0.1	14.9
Restatement for hyperinflation	-	1.4	4.5	0.1	0.4	-	1.7	-	8.1
Reclassifications	-	-	-	5.1	0.4	1.4	-	-5.2	1.7
06.30.19	-	1,976.9	298.6	103.7	70.1	36.6	20.9	9.5	2,516.3
Acquisitions and increases	-	182.2	-	0.4	0.2	-	-	8.0	190.8
Exits	-	-	-	-0.6	-	-	-	-	-0.6
Variations in scope	-	-	-	-	-	-	-	-	-
Currency translations	-	8.0	0.6	0.1	-0.2	0.1	0.1	-0.5	8.2
Change of functional currency	-	-1.0	-2.5	-	-0.4	-	-0.9	-0.6	-5.4
Reclassifications	-	-	-4.0	2.7	1.1	-	0.4	-6.9	-6.7
06.30.20	-	2,166.1	292.7	106.3	70.8	36.7	20.5	9.5	2,702.6

1.2 - Amortization and impairments

In millions of euros	Research costs	Development costs	Germplasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
07.01.18	-	1,459.5	1.9	63.6	45.2	6.9	5.4	-	1,582.5
Provisions / Impairments	-	162.6	-	10.1	4.7	-	1.2	-	178.6
Exits	-	-	-	-0.3	-1.1	-	-	-	-1.4
Variations in scope	-	1.8	-	0.3	-0.1	0.1	0.2	-	2.3
Currency translations	-	11.2	0.1	0.2	0.1	-	-	-	11.6
Restatement for hyperinflation	-	1.1	-	0.1	0.4	-	0.2	-	1.8
Reclassifications	-	-	-	-	-	1.4	-	-	1.4
06.30.19	-	1,636.2	2.0	74.0	49.2	8.4	7.0	-	1,776.8
Acquisitions and increases	-	171.2	-	8.6	2.3	-	2.0	-	184.1
Exits	-	-	-	-0.6	-	-	-	-	-0.6
Variations in scope	-	-	-	-	-	-	-	-	-
Currency translations	-	7.0	-	0.1	-0.2	-	-	-	6.9
Change of functional currency	-	-0.9	-	-	-0.4	-	-0.1	-	-1.4
Reclassifications	-	-0.8	-	-0.1	-	-	-	-	-0.9
06.30.20	-	1,812.7	2.0	82.0	50.9	8.4	8.9	-	1,964.9

1.3 - Net values

In millions of euros	Research costs	Development costs	Germplasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
07.01.18	-	326.5	268.6	34.2	25.3	27.8	6.3	4.0	692.7
06.30.19	-	340.7	296.6	29.7	20.9	28.2	13.9	9.5	739.5
06.30.20	-	353.4	290.7	24.3	19.9	28.3	11.6	9.5	737.7

2 - Further information

2.1 - Internally generated fixed assets

In addition to development programs whose evolution is tracked above and in Note 8, movements concerning internally generated fixed assets are as follows:

In millions of euros	Patents and licenses	Software	Other intangible fixed assets	Total
07.01.18 (net value)	0.8	-	-	0.8
New fixed assets	0.1	-	-	0.1
Fixed assets taken out	-	-	-	-
Variations in scope	-0.1	-	0.2	0.1
Currency translations	-	-	-	-
Reclassifications	0.2	-	-	0.2
Provisions for amortization	-0.1	-	-	-0.1
06.30.19 (net value)	0.9	-	0.2	1.1
New fixed assets	0.1	-	-	0.1
Fixed assets taken out	-	-	-	-
Variations in scope	-	-	-	-
Currency translations	-	-	-	-
Reclassifications	0.1	-	-0.1	-
Provisions for amortization	-0.1	-	-	-0.1
06.30.20 (net value)	1.0	-	0.1	1.1

2.2 - Impairment

An impairment test was conducted in accordance with the methodology described in Note 1 paragraph 11 of "Accounting methods and principles in IFRS standards." The evolution is as follows:

In millions of euros	Software	Patents and licenses	Germplasm	Brands	Other intangible fixed assets	Total
07.01.18	0.9	5.7	0.4	8.3	-	15.3
Fiscal year 18-19	-	2.5	-	-	-	2.5
06.30.19	0.9	8.2	0.4	8.3	-	17.8
Fiscal year 19-20	-	-0.1	-	-	-	-0.1
06.30.20	0.9	8.1	0.4	8.3	-	17.7

As stipulated in Note 1 paragraph 9.4 of "Accounting methods and principles in IFRS standards," germplasm is tested in the CGU to which it belongs in the case of goodwill impairment tests. Consequently, hypotheses are set out in detail in Note 14.

2.3 - Variations in scope

Variations in scope concern the following operations (net of amortization):

In millions of euros	Total
FISCAL YEAR 19-20	
None	-
Total	-
FISCAL YEAR 18-19	
Mars Holding group	36.0
- Geneze	10.2
- Sursem	25.8
Biogemma/Innolea	-0.1
Total	35.9

2.4 - Analysis of germplasm per business segment

In millions of euros	06.30.20	06.30.19
Vegetable Seeds	104.5	100.2
Field Seeds	186.2	196.4
Garden Products and Holdings	-	-
Total net impairments	290.7	296.6

Most of the germplasm related to the Field Seeds activities is held by the company Limagrain Europe. With regard to Vegetable Seeds, it is spread out between the main subsidiaries working in this operating segment.

Note 16: Tangible fixed assets

1 - Evolution of net book values

1.1 - Gross values

In millions of euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Current fixed assets	Total
07.01.18 published	31.1	261.8	100.3	194.4	15.5	62.4	17.1	682.6
Impacts application IFRS 16		-0.2	-1.5	-0.1	-0.8	-0.4		-3.0
07.01.18 restated	31.1	261.6	98.8	194.3	14.7	62.0	17.1	679.6
Acquisitions and increases	0.1	4.1	2.7	8.7	0.7	3.1	22.7	42.1
Exits	-1.6	-11.9	-0.6	-3.6	-0.4	-13.4	-0.3	-31.9
Variations in scope	0.4	2.0	1.5	4.7	0.2	-0.4	0.0	8.4
Currency translations	0.4	3.8	-0.1	1.4	0.1	0.3	0.1	6.0
Restatement for hyperinflation	0.0	0.1	0.3	1.8	0.4	0.2	0.0	2.8
Reclassifications	0.7	4.9	2.3	3.3	0.6	3.3	-15.3	-0.6
06.30.19 restated	31.1	264.6	104.9	210.6	16.3	55.1	24.3	706.9
Acquisitions and increases	0.2	4.2	1.6	6.3	0.9	3.7	20.2	37.1
Exits	-0.9	-2.7	-0.5	-2.4	-0.9	-1.8	-	-9.2
Variations in scope	-	-	-	-1.2	-	-	-	-1.2
Currency translations	-0.4	-1.3	-1.0	-3.8	-0.5	-0.9	-0.8	-8.7
Change of functional currency	-	-	-0.1	-1.3	-0.3	-0.1	-	-1.8
Reclassifications	0.5	13.0	1.5	1.3	0.3	2.1	-21.5	-2.8
06.30.20	30.5	277.8	106.4	209.5	15.8	58.1	22.2	720.3

1.2 - Depreciation and value losses

In millions of euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Current fixed assets	Total
07.01.18 published	3.3	128.1	67.9	137.4	12.2	43.5	-	392.4
Impacts application IFRS 16		0.0	-1.5	-0.1	-0.6	-0.3	-	-2.5
07.01.18 restated	3.3	128.1	66.4	137.3	11.6	43.2	0.0	389.9
Acquisitions and increases	-0.4	10.5	5.2	10.1	1.1	4.8	-	31.3
Exits		-5.0	-0.6	-3.0	-0.5	-7.1	-	-16.2
Variations in scope		0.6	1.0	3.7	0.2	-0.7	-	4.8
Currency translations		1.4	-0.1	0.5	0.0	0.2	-	2.0
Restatement for hyperinflation		0.0	0.3	1.5	0.3	0.1	-	2.2
Reclassifications		-0.2	0.4	-0.1	0.5	-0.1	-	0.5
06.30.19 restated	2.9	135.4	72.6	150.0	13.2	40.4	-	414.5
Acquisitions and increases	0.2	11.2	5.3	10.8	1.1	4.1	-	32.7
Exits	-	-2.4	-0.4	-2.1	-0.8	-1.6	-	-7.3
Variations in scope	-	-	-	-0.3	-	-	-	-0.3
Currency translations	-	-	-0.3	-1.6	-0.3	-0.5	-	-2.7
Change of functional currency	-	-	-0.1	-1.2	-0.3	-0.1	-	-1.7
Reclassifications	-	-0.8	-0.7	-1.8	-0.1	-0.4	-	-3.8
06.30.20	3.1	143.4	76.4	153.8	12.8	41.9	0.0	431.4

1.3 - Net values

In millions of euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Current fixed assets	Total
07.01.18 restated	27.8	133.5	32.4	57.0	3.1	18.8	17.1	289.7
06.30.19 restated	28.2	129.2	32.3	60.6	3.1	14.7	24.3	292.4
06.30.20	27.4	134.4	30.0	55.7	3.0	16.2	22.2	288.9

2 - Further information

2.1 - Impairment

An impairment test was conducted in accordance with the methodology described in Note 1 paragraph 11 of "Accounting methods and principles in IFRS standards". The evolution is as follows:

In millions of euros	Land	Constructions	Installations, equipment and others	Total
07.01.18 published	0.5	0.3	-	0.8
Impacts application IFRS 16	-	-	-	-
07.01.18 restated	0.5	0.3	-	0.8
Fiscal year 18-19 restated	-0.5	-	-	-0.5
06.30.19 restated	-	0.3	-	0.3
Fiscal year 19-20	-	-	-	-
06.30.20	-	0.3	-	-

2.2 - Variations in scope

Variations in scope concern the following operations (net of amortization):

In millions of euros	Total
FISCAL YEAR 19-20	
Hazera China	-0.9
Total	-0.9
FISCAL YEAR 18-19 published / restated	
Mars Holding group	3.7
- Agrofun	1.2
- Geneze	1.9
- Sursem	0.6
Biogemma/Innolea	-0.1
Total	3.6

Note 17: Right-of-use leased assets

1 - Evolution of net book values

1.1 - Gross values

In millions of euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Total
07.01.18 published	-	-	-	-	-	-	-
Impacts application IFRS 16	5.6	81.8	1.5	5.0	1.6	39.3	134.8
07.01.18 restated	5.6	81.8	1.5	5.0	1.6	39.3	134.8
Acquisitions and increases	2.3	4.9	-	1.0	0.9	9.1	18.2
Exits	-0.6	-1.5	-	-1.1	-0.4	-7.3	-10.9
Variations in scope	-	-	-	-	-	-	-
Currency translations	-	0.1	-	0.1	-	0.6	0.8
Restatement for hyperinflation	-	0.2	-	-	-	-	0.2
Reclassifications	-	-	-	-0.1	-0.4	-	-0.5
06.30.19 restated	7.3	85.5	1.5	4.9	1.7	41.7	142.6
Acquisitions and increases	2.9	7.3	-	0.6	0.0	9.6	20.4
Exits	-	-5.0	-	-0.4	-0.2	-1.1	-6.7
Variations in scope	-2.4	-0.6	-	0.0	-	-0.3	-3.3
Currency translations	-0.4	-1.5	-	-0.2	0.0	-1.3	-3.4
Restatement for hyperinflation	-	-	-	-	-	-	-
Reclassifications	0.3	0.7	-	0.3	0.1	-8.4	-7.0
06.30.20	7.7	86.4	1.5	5.2	1.6	40.2	142.6

1.2 - Depreciation and value losses

In millions of euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Total
07.01.18 published	-	-	-	-	-	-	-
Impacts application IFRS 16	0.4	37.9	1.5	3.0	1.1	18.0	61.9
07.01.18 restated	0.4	37.9	1.5	3.0	1.1	18.0	61.9
Acquisitions and increases	0.1	8.8	-	1.2	0.3	11.6	22.0
Exits	-	-1.4	-	-1.1	-0.2	-6.9	-9.6
Variations in scope	-	-	-	-	-	-	-
Currency translations	-	-0.1	-	-	-	0.3	0.2
Restatement for hyperinflation	-	0.1	-	-	-	-	0.1
Reclassifications	-	-	-	-0.1	-0.5	-0.1	-0.7
06.30.19 restated	0.5	45.3	1.5	3.0	0.7	22.9	73.9
Acquisitions and increases	0.2	9.4	-	1.2	0.4	10.1	21.3
Exits	-	-3.3	-	-0.9	-0.2	-0.4	-4.8
Variations in scope	-	-0.6	-	0.0	-	0.0	-0.6
Currency translations	0.0	-1.1	-	-0.1	0.0	-0.5	-1.7
Restatement for hyperinflation	-	-	-	-	-	-	-
Reclassifications	0.1	0.2	-	0.2	0.0	-9.2	-8.7
06.30.20	0.8	49.9	1.5	3.4	0.9	22.9	79.4

1.3 - Net values

In millions of euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Total
07.01.18 restated	5.2	43.9	-	2.0	0.5	21.3	72.9
06.30.19 restated	6.8	40.2	-	1.9	1.0	18.8	68.7
06.30.20	6.9	36.5	-	1.8	0.7	17.3	63.2

2 - Further information

2.1 - Impairment

An impairment test was conducted in accordance with the methodology described in Note 1 paragraph 11 of "Accounting methods and principles in IFRS standards."

No impairment was noted on right-of-use leased assets on June 30, 2020.

2.2 - Variations in scope

Variations in scope concern the following operations (net of amortization):

In millions of euros	Total
FISCAL YEAR 19-20	
Hazera China	-2.7
Vilmorin Jardin Turquie	0.0
Total	-2.7
FISCAL YEAR 18-19 restated	
None	-
Total	-

Note 18: Non-current financial fixed assets**1 - Evolution of net book values****1.1 - Gross values**

In millions of euros	Financial assets available for sale	Other financial fixed assets	Loans and other receivables	Sub-Total financial fixed assets	Other non-current financial assets (including derivatives)	Total non-current financial assets
07.01.18	7.6	3.6	8.5	19.7	-	19.7
Increases	5.3	15.4	0.6	21.3	-	21.3
Decreases	-	-3.1	-2.7	-5.8	-	-5.8
Variations in scope	-	-	-	-	-	-
Currency translations	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
06.30.19	12.9	15.9	6.4	35.2	-	35.2
Increases	-	5.5	5.2	10.7	4.2	14.9
Decreases	-	-5.1	-0.3	-5.4	-	-5.4
Variations in scope	3.5	-	-	3.5	-	3.5
Currency translations	0.1	-	-0.1	0.0	-	0.0
Reclassifications	-	-4.9	-	-4.9	-	-4.9
06.30.20	16.5	11.4	11.2	39.1	4.2	43.3

1.2 - Provisions

In millions of euros	Financial assets available for sale	Other financial fixed assets	Loans and other receivables	Sub-Total financial fixed assets	Other non-current financial assets (including derivatives)	Total non-current financial assets
07.01.18	5.3	-	-	5.3	-	5.3
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Variations in scope	-	-	-	-	-	-
Currency translations	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
06.30.19	5.3	-	-	5.3	-	5.3
Increases	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Variations in scope	3.5	-	-	3.5	-	3.5
Currency translations	0.1	-	-	0.1	-	0.1
Reclassifications	-	-	-	-	-	-
06.30.20	8.9	-	-	8.9	-	8.9

1.3 - Net values

In millions of euros	Financial assets available for sale	Other financial fixed assets	Loans and other receivables	Sub-Total financial fixed assets	Other non-current financial assets (including derivatives)	Total non-current financial assets
06.30.19	7.6	15.9	6.4	29.9	-	29.9
06.30.20	7.6	11.4	11.2	30.2	4.2	34.4

2 - Further information

2.1 - Analysis of financial assets by category

In millions of euros	06.30.20	06.30.19
Financial assets available for sale	7.6	7.6
Other non-current financial assets	-	-
Total of financial assets at fair value	7.6	7.6
Other financial fixed assets	11.4	15.9
Loans and other receivables	11.2	6.4
Other non-current financial assets	4.2	-
Total financial assets at amortized cost	26.8	22.3

2.2 - Financial assets at fair value

Unconsolidated equity interests appear on this line. They are assessed in compliance with the rules described in Note 1 paragraph 21.1.3 of the “Accounting methods and principles in IFRS standards”.

All securities are classified in fair value by “Other items in the comprehensive income” with the exception of the FUL securities acquired in December 2018 which have been allocated in fair value by income.

The contents of the line “Other financial assets available for sale” are set out below:

Companies	06.30.20		06.30.19		Financial data in last known balance sheet	
	% held	Net (in M€)	% held	Net (in M€)	Equity (in M€)	Income (in M€)
Boreal Finland	6.54	0.6	6.54	0.6	7.9	0.3
Avesthagen	4.14	-	4.14	-	-14.5	-2.2
Exotic Systems	20.23	0.9	20.23	0.9	-0.1	-0.7
FUL	5.78	0.3	5.78	0.3	-0.3	-1.0
PSL Innovation	7.65	5.0	7.65	5.0		
Miscellaneous		0.8		0.8		
Total		7.6		7.6		

2.3 - Variations in scope

Variations in scope correspond to the following operations (net of provisions):

In millions of euros	Total
FISCAL YEAR 19-20	
None	-
Total	-
FISCAL YEAR 18-19	
None	-
Total	-

Note 19: Equity shares

1 - Details of equity shares are as follows

In millions of euros	06.30.20	06.30.19
AgReliant Genetics Inc.	6.4	6.2
AgReliant Genetics LLC	179.2	172.5
Australian Grain Technologies (AGT)	24.9	24.4
Bio Seeds	7.5	5.1
Canterra Seeds	5.0	5.1
Carthage Génétique	0.4	0.4
DLF France	1.9	1.8
Genective	9.8	9.6
Genoplante-Valor		-
GIE Semences de Brie	-	-
Hazera China	3.8	
Hengji Limagrain	4.7	3.7
Innolea	5.4	5.5
Prime Seed Co Botswana	1.0	1.4
Prime Seed Co Zimbabwe	1.2	0.8
Seed Co Zimbabwe	33.5	46.2
Seed Co Botswana	45.6	48.1
Soltis	19.6	18.1
Unisigma	0.0	0.2
Total	349.9	349.1
Variation for the fiscal year	0.8	27.2

2 - Further information

2.1 - Analysis of variations over the fiscal year

Variation for the fiscal year corresponds to the items below:

In millions of euros	19-20	18-19
Proportion of income for the fiscal year	17.9	26.0
> AgReliant Genetics Inc.	0.6	0.9
> AgReliant Genetics LLC	7.4	1.0
> Australian Grain Technologies (AGT)	1.3	2.0
> Bio Seeds	4.2	-0.4
> Canterra Seeds	0.1	-0.2
> Carthage Génétique	0.1	0.1
> DLF France	-	0.1
> Genective	0.2	-
> Genoplante-Valor	-	-
> GIE Semences de Brie	0.1	-
> Hazera China	-0.5	-
> Hengji Limagrain	1.0	0.3
> Innolea	-0.1	-
> Prime Seed Co Botswana	-0.4	-
> Prime Seed Co Zimbabwe	0.4	0.5
> Seed Co Zimbabwe	1.7	18.3
> Seed Co Botswana	-0.6	1.0
> Soltis	2.6	2.5
> Unisigma	-0.2	-0.1
Variation in scope, variation in percentages of interest and others ⁽¹⁾	2.2	64.1
Distributions	-5.3	-38.7
Impact of hyperinflationary currency adjustments	2.6	-
Impact of adjustments related to the change in functional currency	-0.1	-
Currency translation	-16.5	-24.2
Total	0.8	27.2

(1) For fiscal year 2019-2020:

- the change in consolidation method of Hazera China	3.7
- the increase in the capital stock of Hazera China	0.7
- the restatement at fair value of the unconsolidated securities held by Bioseeds	-1.8
- variation in our interest rate at Seed Co Zimbabwe	-0.3
- variation in our interest rate at Seed Co Botswana	-0.1

For fiscal year 2018-2019:

- the reorganization of the Seed Co group	7.8
- the entry of Seed Co Botswana into the consolidation scope	51.1
- the entry of Innolea into the consolidation scope	5.5
- the exit of Genovalor from the scope	-1.5
- the increase in the capital stock of Prime Seed Co Botswana	0.6
- the restatement at fair value of the unconsolidated securities held by Bioseeds	1.8
- impact of the standard IFRS 9 on the impairment of the Seed Co Zimbabwe receivables	-0.2
- impact of the standard IFRS 9 on the impairment of the Seed Co Botswana receivables	-1.3
- others	0.3

2.2 - Financial information concerning the main equity shares

2.2.1. For fiscal year 2019-2020

In millions of euros	AgReliant Genetics	Seed Co Zimbabwe ⁽¹⁾	Seed Co Botswana ⁽¹⁾
Sales	486.0	16.7	64.6
Net income	12.7	-1.9	5.5
Other comprehensive income	-	7.2	-13.7
Comprehensive income	12.7	5.3	-8.2
Non-current assets	284.8	23.5	40.0
Current assets	243.8	13.9	74.1
> Including Cash and cash equivalents	34.7	0.5	9.8
Non-current liabilities (excluding equity)	42.8	5.7	3.9
Current liabilities	251.6	2.8	44.9
Net financial indebtedness	32.6	0.5	25.1
Dividends paid out by associated company	5.9	0.4	1.2
Total assets	528.6	37.4	114.1
Total liabilities (excluding equity)	294.4	8.5	48.8

(1) Accounts closed on March 31, 2020.

2.2.2. For fiscal year 2018-2019

In millions of euros	AgReliant Genetics	Seed Co Zimbabwe ⁽¹⁾	Seed Co Botswana ⁽¹⁾
Sales	488.6	64.3	52.7
Net income	11.9	79.5	3.3
Other comprehensive income	-	-68.2	-13.0
Comprehensive income	11.9	11.3	-9.7
Non-current assets	287.9	72.4	35.7
Current assets	325.1	24.2	82.1
> Including Cash and cash equivalents	31.7	3.7	21.5
Non-current liabilities (excluding equity)	42.0	5.5	3.7
Current liabilities	346.4	7.5	41.4
Net financial indebtedness	61.2	-3.7	9.8
Dividends paid out by associated company	12.3	117.4	-
Total assets	613.0	96.6	117.8
Total liabilities (excluding equity)	388.4	13.0	45.1

(1) Accounts closed on March 31, 2019.

2.3 - Financial information concerning other associated companies consolidated using the equity method

2.3.1. For fiscal year 2019-2020

In millions of euros	Australian Grain Technologies (AGT) ⁽¹⁾	Bioseeds ⁽²⁾	Canterra Seeds ⁽¹⁾	Carthage Génétique ⁽³⁾	DLF ⁽⁴⁾	Genective	GIE Semences de Brie
Sales	21.3	21.7	17.5	0.5	27.8	-	-
Net income	6.1	-	-0.9	0.2	0.2	0.2	0.1
Assets	72.4	24.3	12.8	1.2	8.5	28.6	-
Liabilities (excluding equity)	11.9	5.4	4.1	0.5	3.0	20.1	-

In millions of euros	Hazera China	Hengji Limagrain	Innolea	Prime Seed Co Botswana ⁽⁵⁾	Prime Seed Co Zimbabwe ⁽⁵⁾	Soltis	Unisigma
Sales	3.0	16.2	-	3.6	1.8	20.2	2.3
Net income	-0.4	2.3	-0.1	-0.9	0.8	4.6	-0.5
Assets	6.1	21.5	23.5	5.6	2.6	45.2	1.9
Liabilities (excluding equity)	2.9	11.1	1.6	3.6	0.6	17.8	1.8

(1) Accounts closed on September 30, 2019.

(2) Accounts closed on December 31, 2019.

(3) Interim close on June 30, 2020.

(4) Accounts closed on June 30, 2020.

(5) Accounts closed on March 31, 2020.

2.3.2. For fiscal year 2018-2019

In millions of euros	Australian Grain Technologies (AGT) ⁽¹⁾	Bioseeds ⁽²⁾	Canterra Seeds ⁽¹⁾	Carthage Génétique ⁽³⁾	DLF ⁽⁴⁾	Genective	GIE Semences de Brie
Sales	23.9	20.4	20.7	0.5	27.6	-	-
Net income	8.3	-1.8	0.1	0.2	0.3	0.1	-
Assets	70.2	22.9	18.2	1.2	8.1	13.7	0.7
Liabilities (excluding equity)	13.2	5.3	8.3	0.4	2.7	5.3	0.6

In millions of euros	Hengji Limagrain	Innolea	Prime Seed Co Botswana ⁽⁵⁾	Prime Seed Co Zimbabwe ⁽⁵⁾	Soltis	Unisigma
Sales	10.4	-	1.3	2.9	19.7	2.5
Net income	0.6	0.1	-0.1	0.2	4.2	-0.1
Assets	18.8	23.3	3.6	3.4	43.2	2.4
Liabilities (excluding equity)	10.6	1.2	1.9	1.9	18.4	1.9

(1) Accounts closed on September 30, 2018.

(2) Accounts closed on December 31, 2018.

(3) Interim close on June 30, 2019.

(4) Accounts closed on June 30, 2019.

(5) Accounts closed on March 31, 2019.

Note 20: Inventories

1 - Evolution of net book values

In millions of euros	06.30.20			06.30.19		
	Gross value	Provision	Net value	Gross value	Provision	Net value
Raw materials and other supplies	150.7	-11.7	139.0	158.6	-9.4	149.2
Production in progress	197.6	-20.1	177.5	186.9	-20.0	166.9
Goods	70.8	-9.7	61.1	77.2	-7.9	69.3
Finished products	180.8	-29.7	151.1	172.3	-24.0	148.3
Total	599.9	-71.2	528.7	595.0	-61.3	533.7
Variation for the fiscal year			-5.0			59.7

2 - Further information

2.1 - Variations for the fiscal year correspond to the following items:

In millions of euros	19-20	18-19
Variations in scope (net of provisions)	-	17.7
Variations in gross values	21.2	34.6
Variations in provisions including:	-9.7	5.0
- <i>New provisions</i>	-43.7	-41.8
- <i>Provisions used</i>	31.3	42.9
- <i>Provisions written back</i>	2.7	3.9
Reclassifications	-1.8	-
Currency translations	-14.7	2.4
Total	-5.0	59.7

2.2 - Variations in scope concern:

In millions of euros	Total
FISCAL YEAR 19-20	
None	-
Total	-
FISCAL YEAR 18-19	
AdvanSeed	0.7
Ensemble Mars Holding	17.0
- <i>Geneze</i>	7.2
- <i>Sursem</i>	9.8
Total	17.7

2.3 - Provisions are made in accordance with the methods described in Note 1 paragraph 13 of the "Accounting methods and principles in IFRS standards"

Their evolution, as a percentage of the gross value of inventory, was as follows:

● On June 30, 2019: 10.3%

● On June 30, 2020: 11.9%

Note 21: Trade receivables

1 - Evolution of net book values

In millions of euros	06.30.20	06.30.19
Customer receivables	361.3	386.9
Advance payment to suppliers	17.9	26.2
Personnel and social security	1.4	1.3
State, income taxes	61.1	55.1
Other tax receivables	43.7	51.0
Other operating receivables	18.3	16.6
Prepayments	18.0	16.2
Gross total	521.7	553.3
Customer receivables	-27.0	-26.0
Advance payments to suppliers	-	-
Other operating receivables	-0.6	-0.6
Total provisions	-27.6	-26.6
Net book values	494.1	526.7
Variation for the fiscal year	-32.6	12.2

2 - Further information

2.1 - Variations for the fiscal year comprise the following main items:

In millions of euros	19-20	18-19
Variations in scope (net of provisions)	-0.4	19.7
Variations in provisions including	-3.0	-4.2
- <i>New provisions</i>	-8.5	-7.0
- <i>Provisions used</i>	1.7	2.0
- <i>Provisions written back</i>	3.8	0.8
Other gross variations	-6.9	2.8
Reclassifications and others	0.1	-
Currency translations	-22.4	-6.1
Total	-32.6	12.2

2.2 - Variations in scope concern:

In millions of euros	Total
FISCAL YEAR 19-20	
Hazera China	-0.3
Vilmorin Jardin Turquie	-0.1
Total	-0.4
FISCAL YEAR 18-19	
AdvanSeed	0.6
Mars Holding group	21.3
- <i>Agrofun</i>	0.6
- <i>Geneze</i>	5.0
- <i>Relmo</i>	0.7
- <i>Sursem</i>	14.9
Biogemma/Innolea	-2.1
Total	19.7

Note 22: Cash and cash equivalents

1 - Evolution of fair values

In millions of euros	06.30.20	06.30.19
Financial current accounts	2.9	2.8
Placement securities held for purposes of transaction	15.9	21.7
Cash and bank in hand	216.4	224.2
Total	235.2	248.7
Variation for the fiscal year	-13.5	52.0

The evaluation rules applicable for this line are described in Note 1 paragraph 22 of the "Accounting methods and principles in IFRS standards".

2 - Further information

2.1 - Analysis of the variations for the fiscal year:

In millions of euros	Total
FISCAL YEAR 19-20	
Variations in scope	-0.3
Variation in gross values	-0.7
Currency translations	-12.5
New provisions	-
Reclassifications and others	-
Total	-13.5
FISCAL YEAR 18-19	
Variations in scope	2.1
Variation in gross values	47.9
Currency translations	2.0
New provisions	-
Reclassifications and others	-
Total	52.0

2.2 - Variations in scope concern:

In millions of euros	Total
FISCAL YEAR 19-20	
Hazera China	-0.2
Vilmorin Jardin Turquie	-0.1
Total	-0.3
FISCAL YEAR 18-19	
AdvanSeed	0.7
Mars Holding group	1.5
- Geneze	0.6
- Relmo	0.5
- Sursem	0.4
Van den Berg	-0.1
Total	2.1

Note 23: Shareholders' equity - attributable to controlling company

1 - Composition of the shareholders' equity

In millions of euros	06.30.20	06.30.19	
		Restated	Published
Parent capital stock	349.5	349.5	349.5
Issue premium	300.6	300.6	300.6
Parent legal reserve	28.0	25.9	25.9
Other parent reserves	7.9	-1.4	-1.4
Consolidation reserves and others	559.3	543.5	546.3
Currency translation reserves	-96.7	-58.8	-58.9
Income for the fiscal year	66.2	74.0	73.9
Total	1,214.8	1,233.3	1,235.9
Variation for the fiscal year	-18.5		

Variations for the fiscal year are analyzed in the table "Variations in consolidated equity".

2 - Further information

Vilmorin & Cie's capital stock:

Vilmorin & Cie's capital stock comprises 22,917,292 shares, each with a nominal value of 15.25 euros. There was no change to the capital stock over the fiscal year.

The company's by-laws stipulate that for the purpose of General Meetings, without prejudice to restrictions resulting from any laws and decrees in force, each member of the General Meeting may cast as many votes as the number of shares he or she owns or represents, without any limits.

Nevertheless, double voting rights compared to other shares, considering the share capital quota they represent, are granted to any shares fully paid up for which it can be shown that they have been registered in the name of the same shareholder for a period of at least four years.

This right is also granted in the case of any increase in capital stock through incorporation of reserves, profits or types of issue and as soon as they are issued, for any nominative shares granted without cost to any shareholder who holds former shares that benefit from this right.

Note 24: Shareholders' equity– attributable to non-controlling minorities**1 - Composition of the shareholders' equity – attributable to non-controlling minorities**

In millions of euros	06.30.20	06.30.19	
		Restated	Published
Consolidation reserve and others	27.1	97.5	97.5
Currency translation reserve	-13.4	-13.6	-13.5
Income for the fiscal year	1.3	4.0	4.0
Total	15.0	87.9	88.0
Variation for the fiscal year	-72.9		

Variations for the fiscal year are analyzed in the table "Variations in consolidated equity".

2 - Further information

● Characteristics of the bonds redeemable as shares (ORA) issued by Limagrain Europe:

Issuing company	Limagrain Europe
Date of entitlement	June 28, 2012
Number of securities issued	86,128
Issue premium	€647
Total income from the issue	€55.7M
Interest rate	1% ⁽¹⁾
Due date	June 28, 2020
Normal redemption conditions	1 Limagrain Europe share for 1 bond

(1) The exact remuneration is 1% plus the amount of any dividend paid out per Limagrain Europe share for the last closed fiscal year. All the "ORA" bonds were redeemed as Limagrain Europe shares on June 28, 2020.

● The impact on equity of the bonds redeemable as shares (ORA) is as follows:

In millions of euros	Gross total of ORA bonds	Impact on the balance sheet		
		Debt component	Deferred taxes assets	Equity component
07.01.18	55.7	1.0	-0.3	55.0
Restatement of the interest on the debt component	-	-0.5	0.1	0.4
06.30.19	55.7	0.5	-0.2	55.4
Restatement of the interest on the debt component	-	-0.5	0.2	0.3
Restatement of the equity component	-55.7	-	-	-55.7
06.30.20	-	-	-	-

Note 25: Provisions for employee benefits

Provisions for employee benefits are analyzed as follows:

In millions of euros	06.30.20	06.30.19
Provisions for lump sums paid at retirement	22.9	21.4
Commitments for "work medal" bonuses and other benefits	1.2	1.1
Pension schemes	45.0	39.2
Provisions for employee benefits	69.1	61.7
Financial assets	-	-
Net recorded commitment	69.1	61.7

The evaluation rules applied to this line are described in Note 1 paragraph 16 of the "Accounting methods and principles in IFRS standards".

In accordance with the laws and practices of each country in which it operates, Vilmorin & Cie has obligations with regard to employee benefits:

- Unfunded pension and other post-retirement benefit obligations mainly concern French companies.
- Commitments for "work medal" bonuses and other benefits also mainly concern French companies.
- Commitments with regard to pension plans and similar schemes are the responsibility of the non-French subsidiaries.

Taking Vilmorin & Cie as a whole, three countries represent around 90% of the commitments: the United Kingdom, the United States and France.

In the United Kingdom there are two types of defined benefit pension plans representing 48% of the group's commitments. These plans provide for the payment of a lifetime pension as of when the employee retires, the amount of which depends on the seniority and the salary. The plans are funded by the group and managed by a Board of Directors. These plans are no longer available to new employees, and the acquisition of rights has been frozen.

In the United States, there is a defined benefit pension plan representing 28% of the group's commitments. This plan provides for the payment of a lifetime pension as of when the employee retires, the amount of which depends on the seniority and the salary. The plan is funded by the group. This plan was closed off to new employees in 2012. A defined contributions plan also forms part of the provisions.

In France, the plan comprising lump sums paid at retirement represents 15% of the group's commitments. This plan provides for the payment of a lump sum, the

amount of which depends on the seniority, the salary and any rights set down in the collective bargaining agreement at the date when retirement is taken.

Vilmorin & Cie's commitments are assessed by independent actuaries.

1 - Evolution over the course of the fiscal year

The evolution of the current value of obligations with regard to defined contribution schemes and other long-term benefits is as follows:

In millions of euros	19-20	18-19
Current value of obligations at opening of the fiscal year	227.7	217.0
Cost of services rendered for the year (net of contributions)	4.1	3.9
Financial cost	5.5	5.9
Participants' contributions	-	-
Welfare services paid out	-10.5	-12.5
Cost of past services recorded	-0.1	0.7
Effect of liquidation / reduction of future services	-1.0	-
Currency translations and others	-1.1	0.4
Variations in scope	-0.1	-
Revaluations	18.8	12.3
- Changes in demographic hypotheses	-2.0	-0.3
- Changes in financial hypotheses	21.4	12.7
- Adjustments linked to experience	-0.6	-0.1
Current value of obligations at close of the fiscal year (a)	243.3	227.7

Evolution of the fair value of the assets of defined contribution schemes is as follows:

In millions of euros	19-20	18-19
Fair value of forward assets at opening of the fiscal year	166.0	159.6
Financial charges	4.3	4.7
Expected returns on forward assets	10.2	8.3
Employers' contributions	3.9	3.3
Participants' contributions	-	-
Welfare services paid out	-9.4	-10.2
Effect of liquidation / reduction of future services	-	-
Variations in scope	-	-
Currency translations and others	-0.8	0.3
Fair value of forward assets at close of the fiscal year (b)	174.2	166.0

Reconciliation of balance sheet data with the actuarial obligation concerning defined contribution schemes and other long-term benefits can be analyzed as follows on June 30, 2020:

In millions of euros	06.30.20	06.30.19
Adjusted value of the commitment	243.3	227.7
Fair value of assets of schemes	-174.2	-166.0
Provisions for employee benefits (a - b)	69.1	61.7

2 - Impacts on the comprehensive income

The total recorded charge for defined contribution schemes and other long-term benefits are analyzed as follows:

In millions of euros	19-20	18-19
Cost of services rendered	4.1	3.9
Cost of past services recorded	-0.1	0.7
Net financial cost	1.2	1.2
Recognized actuarial losses or gains	-	0.1
Effect of liquidations / reductions	-1.0	-
Other charges	-	-
Recorded charge	4.2	5.9

Other items in the comprehensive income

Revaluations are recorded in the other items of the comprehensive income, and can be analyzed as follows:

In millions of euros	19-20	18-19
Returns on forward assets	-10.2	-8.3
Actuarial losses or gains	18.7	12.2
- <i>Changes in demographic hypotheses</i>	-2.1	-0.3
- <i>Changes in financial hypotheses</i>	21.4	12.6
- <i>Adjustments linked to experience</i>	-0.6	-0.1
Statement of the capping of assets	-	-
Items recognized in the statement of the comprehensive income during the fiscal year	8.5	3.9

3 - Actuarial hypotheses

The main actuarial hypotheses used to estimate the group's obligations are as follows:

● Europe

As a %		Europe (except United Kingdom)		United Kingdom	
		2020	2019	2020	2019
Average duration of the plan	years	13.8	13.8	16.6	17.0
Discount rate		0.85	1.05	1.50	2.40
Salaries progression rate	%	2.52	2.52	Not available	Not available
Inflation rate		1.80	1.80	3.20	3.40

● Americas

As a %		2020	2019
Average duration of the plan	years	13.6	13.1
Discount rate		2.90	3.55
Salaries progression rate	%	3.00	3.00
Inflation rate		Not available	Not available

● Middle East and Asia

As a %		2020	2019
Average duration of the plan	years	7.6	8.4
Discount rate		2.24	2.28
Salaries progression rate	%	2.46	2.62
Inflation rate		1.45	1.60

The rates presented above are average rates weighted by the commitment at the date when the accounts were closed.

The adjustment rates in the United Kingdom, the United States and in the euro zone are determined using bond yield curves, built up on the basis of a high-quality basket of corporate bonds (rated AA) whose maturity correspond to the weighted average duration (by commitment) of the plans being assessed.

The inflation rates used correspond to the long-term objectives of the central banks in the above-mentioned monetary zones.

Assessment of the group's commitments is subject to the volatility of discount rates. A 25 percentage-point increase in the discount rate cuts the value of the commitment by 3.53%, which is 8.5 million euros. A 25 percentage-point drop in the discount rate increases the value of the commitment by 3.71%, which is 8.9 million euros.

4 - Nature of the assets of the schemes

The assets for the schemes are invested in the following:

In millions of euros	06.30.20	06.30.19
Listed assets	171.2	163.3
Shares	87.0	88.1
Government bonds	1.4	1.5
Corporate bonds	23.2	20.5
Other bonds	37.3	31.4
Cash and cash equivalents	2.4	2.1
Other listed securities	0.5	0.5
Real estate	2.3	2.8
Insurance contracts	17.1	16.4
Unlisted assets	3.0	2.7
Real estate	-	-
Insurance contracts	3.0	2.7
Total	174.2	166.0

The assets for the schemes do not include land or premises occupied by the group's companies or other assets used or issued by the group.

5 - Projected cash flows

In millions of euros	06.30.20	06.30.19
Estimate of the benefits to be paid out		
< 1 year	2.0	1.7
From 2 to 5 years	8.5	8.7
From 6 to 10 years	13.6	12.7
Employer contributions planned for N+1	3.6	3.3

Note 26: Deferred taxes**1 - Evolution of book values**

In millions of euros	Deferred taxes assets	Deferred taxes liabilities	Impact on the income	Impact on the reserves
07.01.18 published	22.3	97.1	7.5	-4.8
Impacts application IFRS 16	1.3	0.2	-	1.1
07.01.18 restated	23.6	97.3	7.5	-3.7
Variations in scope	0.2	8.2		
Variations impacting income	1.1	-7.5	8.6	
Variations impacting reserves	0.1	1.3		-1.2
Reclassifications	0.1	0.1		
Currency translations	-0.1	-0.1		
06.30.19 restated	25.0	99.3	8.6	-1.2
Variations in scope	-0.4	-		
Variations impacting income	3.9	-0.1	4.0	
Variations impacting reserves	5.1	0.1		5.0
Reclassifications	-6.4	-6.4		
Currency translations	-2.3	0.2		
06.30.20	24.9	93.1	4.0	5.0

The rules applied with regard to deferred taxes are described in Note 1 paragraph 19 of the "Accounting methods and principles in IFRS standards".

2 - Further information**2.1 - Variations in scope**

Variations in scope concern:

In millions of euros	Deferred taxes assets	Deferred taxes liabilities
FISCAL YEAR 19-20		
Hazera China	-0.4	-
Total	-0.4	-
FISCAL YEAR 18-19 published / restated		
Mars Holding group	0.2	8.2
- Agrofun	0.2	0.2
- Geneze		1.6
- Sursem		6.4
Total	0.2	8.2

2.2 - Variations impacting reserves

In millions of euros	Deferred taxes assets	Deferred taxes liabilities	Net deferred taxes
FISCAL YEAR 19-20			
Hedges	0.4	-	0.4
Restatement of pension commitments - IAS 19R	3.3	0.1	3.2
Impact of adjustments in hyperinflationary currency	-	-	-
Variations in scope and miscellaneous	1.4	-	1.4
Total	5.1	0.1	5.0
FISCAL YEAR 18-19 published / restated			
Hedges	0.5	-	0.5
Restatement of pension commitments - IAS 19R	-0.4	-	-0.4
Impact of adjustments in hyperinflationary currency	-	1.3	-1.3
Variations in scope and miscellaneous	-	-	-
Total	0.1	1.3	-1.2

Note 27: Other current provisions

1 - Evolution of book values

In millions of euros	06.30.20	06.30.19
Commercial litigation	2.9	2.2
Other risks and litigation	14.4	10.4
Reorganization costs	1.0	2.6
Employee benefits	-	-
Total	18.3	15.2
Variation for the fiscal year	3.1	-0.3

The rules applied with regard to setting up provisions are described in Note 1 paragraph 17 of the "Accounting methods and principles in IFRS standards".

2 - Further information

2.1 - Variations for the fiscal year include the following items:

In millions of euros	
FISCAL YEAR 19-20	
Variations in scope	-
Variations in provisions	3.2
- Provisions for the fiscal year	15.7
- Write-back used	-11.1
- Write-back not used	-1.4
Reclassifications	-
Currency fluctuations	-0.1
Total	3.1
FISCAL YEAR 18-19	
Variations in scope	0.1
Variations in provisions	-0.4
- Provisions for the fiscal year	11.9
- Write-back used	-11.5
- Write-back not used	-0.8
Reclassifications	-
Currency fluctuations	-
Total	-0.3

2.2 - Variations in scope concern the following operations:

In millions of euros	Total
FISCAL YEAR 19-20	
None	-
Total	-
FISCAL YEAR 18-19	
Mars Holding group	0.1
- Geneze	0.1
Total	0.1

Note 28: Current and non-current financial debts

1 - Composition of the financial debts

1.1 - Non-current financial debts

In millions of euros	06.30.20	06.30.19	
		Restated	Published
Debt component of the bonds redeemable as shares (ORA) ⁽¹⁾	-	-	-
Bank loans	227.6	143.0	143.0
Minority redemption commitments	-	-	-
Financial lease debts	-	-	0.4
Derivatives ⁽²⁾	2.1	0.8	0.8
Other financial debts	370.3	820.2	820.2
Total	600.0	964.0	964.4
Variation for the fiscal year	-364.0		

(1) Cf. Note 24.

(2) Cf. Note 32.

1.2 - Current financial debts

In millions of euros	06.30.20	06.30.19	
		Restated	Published
Bonds	450.0	-	-
Debt component of the bonds redeemable as shares (ORA) ⁽¹⁾	-	0.5	0.5
Bank loans	118.4	140.8	140.8
Financial lease debts	-	-	0.1
Derivatives ⁽²⁾	-	-	-
Current accounts	-	4.7	4.7
Interest incurred	3.7	5.1	5.1
Other financial debts	0.8	45.1	45.1
Total	572.9	196.2	196.3
Variation for the fiscal year	376.7		

(1) Cf. Note 24.

(2) Cf. Note 32.

1.3 - Net financial indebtedness

Financial indebtedness, net of cash and cash equivalents, evolved as follows:

In millions of euros	06.30.20	06.30.19	
		Restated	Published
Non-current financial debts	600.0	964.0	964.4
Current financial debts	572.9	196.2	196.3
Cash and cash equivalents (Cf. Note 22)	-235.2	-248.7	-248.7
Other non-current financial assets (Cf. Note 18)	-4.2	-	-
Net financial debts	933.5	911.5	912.0
Variation for the fiscal year	-22.0		

The rules applied for recording financial debts are described in Note 1 paragraphs 21.2, 21.3, 21.4 and 23 of the "Accounting methods and principles in IFRS standards".

2 - Further information

2.1 - Analysis of the evolution of the financial debt

2.1.1. The main variations in financial indebtedness are as follows:

In millions of euros	Non-current financial debts	Current financial debts	Total
07.01.18	758.3	204.3	962.6
Impact application IFRS 16	-0.6	-0.2	-0.8
07.01.18 restated	757.7	204.1	961.8
Increase	265.8	-	265.8
Decrease	-7.3	-79.9	-87.2
Variations in scope	-	13.1	13.1
Currency translations	3.6	1.3	4.9
Reclassifications	-57.6	57.6	-
Restatement of the shares redeemable as shares (ORA) ⁽¹⁾	-0.5	-	-0.5
Restatement of derivatives	2.3	-	2.3
Minority redemption commitment	-	-	-
06.30.19 restated	964.0	196.2	1 160.2
Increase	115.6	-	115.6
Decrease	-7.9	-85.2	-93.1
Variations in scope	-	-	-
Currency translations	-1.3	-9.3	-10.6
Reclassifications	-471.7	471.7	-
Restatement of the shares redeemable as shares (ORA) ⁽¹⁾	-	-0.5	-0.5
Restatement of derivatives	1.3	-	1.3
Minority redemption commitment	-	-	-
06.30.20	600.0	572.9	1 172.9

(1) Cf. Note 24.

2.1.2. Variations in scope concern:

In millions of euros	Non-current financial debts	Current financial debts	Total
FISCAL YEAR 19-20			
None	-	-	-
Total	-	-	-
FISCAL YEAR 18-19 published / restated			
Mars Holding group	-	13.1	13.1
- Geneze	-	4.2	4.2
- Mars Holding	-	1.6	1.6
- Sursem	-	7.3	7.3
Total	-	13.1	13.1

2.2 - Information on bond loans

These loans have the following characteristics:

Issuer	Vilmorin & Cie	Vilmorin & Cie
Date of issue	May 26, 2014	March 11, 2015
Amount involved	€300M	€150M
Due date (bullet amortization)	May 26, 2021	May 26, 2021
Possibility of early redemption	-	-
Interest rate	2.375% ⁽¹⁾	2.375% ⁽¹⁾

(1) Coupon rate paid out; excluding issue premium.

2.3 - Information on bank loans

The main mid- and long-term bank loans have been granted, in the form of syndicated loan agreements, by a banking syndicate.

The last syndicated credit agreement of 2014 has been repaid and a new loan was taken out in May 2019 for a total of 300 million euros over an initial five-year period with an extension clause of two years, and the possibility of an increase to 450 million euros with the prior agreement of the banks.

In June 2019, Vilmorin & Cie initiated a new Schuldschein issue for a total of 250 million euros with maturities of 5, 7 and 10 years, taking the outstanding amount of Schuldschein loans up to 415 million euros.

Furthermore, in December 2019, Vilmorin & Cie signed a funding agreement with the European Investment Bank for a total of 170 million euros involving a maturity tranche of 100 million euros at 7 years, and another of 70 million euros at 5 years, for which 100 million euros were set up at the end of May 2020.

In May 2017, Vilmorin USA Corp renewed in advance its syndicated loan agreement with a total increase to 120 million US dollars over a duration of 5 years.

The different loans involve default clauses concerning the respect of certain ratios tested every year that, in certain conditions, are liable to lead to their being payable earlier than planned.

The characteristics are as follows:

Original amount of the loan	€300M	€130M	€100M	€250M	USD120M	€170M
Company to which the loan was granted	Vilmorin & Cie ⁽¹⁾	Vilmorin & Cie ⁽²⁾	Vilmorin & Cie ⁽³⁾	Vilmorin & Cie ⁽³⁾	Vilmorin USA ⁽⁴⁾	Vilmorin & Cie ⁽⁶⁾
Outstanding						
- 06.30.19	-	€65M	€100M	€250M	USD120M	
- 06.30.20	-	€20M	€100M	€250M	USD120M	€100M
Rate	Euribor + margin	Fixed and variable	Fixed and variable	Fixed and variable	Libor + margin	Fixed and variable
Collateral granted	No	No	No	No	Yes	No
Existence of "covenants" ⁽⁵⁾	Yes	Yes	Yes	Yes	Yes	Yes

(1) Vilmorin & Cie: no collateral has been granted. The authorized and confirmed credit line stands at 300 million euros, and had not been used on June 30, 2020. There are covenants based on Vilmorin & Cie's consolidated financial statements:

- Financial debts over EBITDA,
- EBITDA over financial costs.

(2) Vilmorin & Cie: no collateral has been granted. The covenants are identical to those of the 2014 syndicated loan agreement.

(3) Vilmorin & Cie: no collateral has been granted. The covenants are identical to those of the 2019 syndicated loan agreement.

(4) Vilmorin USA: this loan benefits from collateral granted by Vilmorin & Cie. There is a covenant based on the ratio equity / indebtedness from the figures in the corporate accounts of Vilmorin USA.

(5) The above-mentioned covenants were respected for fiscal year 2019-2020.

(6) Vilmorin & Cie: no collateral has been granted. The covenants are identical to those of the 2019 syndicated loan agreement.

2.4 - Analysis of loans by nature of rates

Analysis of the financial debts by nature of rates before cover is as follows:

In millions of euros	Non-current financial debts	Current financial debts	Total
06.30.20			
Financial debts with fixed rate	244.2	492.0	736.2
Financial debts with variable rate	355.8	80.9	436.7
Total	600.0	572.9	1,172.9
06.30.19 restated			
Financial debts with fixed rate	625.5	137.4	762.9
Financial debts with variable rate	338.5	58.8	397.3
Total	964.0	196.2	1,160.2
06.30.19 published			
Financial debts with fixed rate	625.7	137.5	763.2
Financial debts with variable rate	338.7	58.8	397.5
Total	964.4	196.3	1,160.7

Taking hedge rates into account, financial debts with variable rate were covered up to 71.4 million euros at the end of June 2020.

Note 29: Current and non-current lease obligations

1 - Composition of the lease obligations

In millions of euros	06.30.20	06.30.19 restated
Non-current lease obligations	46.2	52.1
Current lease obligations	20.2	20.4
Total	66.4	72.5
Variation for the fiscal year	-6.1	

The lease debt previously recorded as financial lease debts is included in lease obligations.

2 - Further information

2.1 – The main variations in lease obligations are as follows:

In millions of euros	Non-current lease obligations	Current lease obligations	Total
07.01.18 published	-	-	-
Impact application IFRS 16	56.4	20.7	77.1
07.01.18 restated	56.4	20.7	77.1
Increase	14.4	-	14.4
Decrease	-0.5	-19.1	-19.6
Variations in scope	-	-	-
Currency translations	0.4	0.2	0.6
Reclassifications	-18.6	18.6	-
06.30.19 restated	52.1	20.4	72.5
Increase	18.1	-	18.1
Decrease	-1.0	-21.3	-22.3
Variations in scope	-2.5	-0.1	-2.6
Currency translations	-1.2	-0.5	-1.7
Reclassifications	-19.3	21.7	2.4
06.30.20	46.2	20.2	66.4

2.2 - Variations in scope concern:

In millions of euros	Non-current financial debts	Current financial debts	Total
FISCAL YEAR 19-20			
Hazera China	-2.5	-0.1	-2.6
Total	-2.5	-0.1	-2.6
FISCAL YEAR 18-19 restated			
None	-	-	-
Total	-	-	-

2.3 - Maturity profile for lease obligations

In millions of euros	Due dates for payment			Total (balance sheet)
	< 1 year	1 to 5 years	> 5 years	
06.30.19 restated	20.3	39.4	12.8	72.5
06.30.20	20.2	34.0	12.2	66.4

2.4 - Other information

Variable leases, leaseback operations and revenues from sub-leasing contracts are not significant.

Information on right-of-use leased assets is presented in Note 17, on off balance sheet commitments for leases in Note 33, provisions for rights-of-use in Note 7, and interests on lease obligations in Note 11.

Note 30: Accounts payable

1 - Evolution of the book values

In millions of euros	06.30.20	06.30.19
Suppliers and other accounts payable	227.4	255.8
Debts on the acquisition of fixed assets	22.3	28.5
Advance payments received from customers	12.7	14.8
Social security	88.6	82.1
Taxes	24.1	27.8
Other operating debts	62.8	73.0
Other non-operating debts	75.2	7.4
Total	513.1	489.4
Variation for the fiscal year	23.7	60.7

The rules applied for recording accounts payable are described in Note 1 paragraph 20 of the "Accounting methods and principles in IFRS standards".

2 - Further information

Variation for the fiscal year includes the following main items:

In millions of euros	19-20	18-19
Variations in scope	-1.2	22.9
Other variations	53.9	39.9
Currency translations	-29.0	-2.1
Total	23.7	60.7

Variations in scope concern:

In millions of euros	Total
FISCAL YEAR 19-20	
Hazera China	-0.2
Vilmorin Jardin Turquie	-1.0
Total	-1.2
FISCAL YEAR 18-19	
AdvanSeed	0.7
Mars Holding group	17.4
- Agrofut	0.8
- Geneze	6.8
- Relmo	0.1
- Sursem	9.7
Biogemma/Innolea	4.9
Van den berg	-0.1
Total	22.9

Almost all the debts for suppliers and accounts payable are due within one year.

The other operating debts mainly include balances to pay to customers concerning the close of operations at the end of the campaign (inventory returns, end of year discount).

Note 31: Deferred income

1 - Evolution of book values

In millions of euros	06.30.20	06.30.19
Total amount	29.3	29.0
Variation for the fiscal year	0.3	-0.6

The rules applicable are described in Note 1 paragraph 18 of the "Accounting methods and principles in IFRS standards".

This line concerns almost exclusively investment and operating subsidies.

2 - Further information

Movements for the fiscal year involve the following items:

In millions of euros	19-20	18-19
Subsidies written back into the income	-0.1	-0.1
Restatement of tax relief for research for the fiscal year	0.8	0.5
Variations in scope	-	-0.1
Others	-0.4	-0.9
Total	0.3	-0.6

Variations in scope concern:

In millions of euros	Total
FISCAL YEAR 19-20	
None	-
Total	-
FISCAL YEAR 18-19	
Biogemma/Innolea	-0.1
Total	-0.1

Note 32: Financial instruments**1 - Financial instruments by category****1.1 - Analysis by category of instrument****1.1.1. On June 30, 2020**

In millions of euros	Assets at fair value through OCI	Assets at fair value through income	Assets at amortized cost	Liabilities at amortized cost	Fair value of hedging derivatives	Total
Financial assets evaluated at their fair value						
> Financial assets	7.6	-	-	-	-	7.6
> Derivatives – assets	-	-	-	-	-	-
> Cash and cash equivalents	-	15.9	-	-	-	15.9
Financial assets not evaluated at their fair value						
> Financial assets	-	-	26.9	-	-	26.9
> Customers and other receivables	-	-	476.1	-	-	476.1
> Cash and cash equivalents	-	-	219.3	-	-	219.3
Financial assets on 06.30.20	7.6	15.9	722.3	-	-	745.8
Financial liabilities evaluated at their fair value						
> Financial liabilities	-	-	-	-	-	-
> Derivatives – liabilities	-	-	-	-	2.1	2.1
Financial liabilities not evaluated at their fair value						
> Financial liabilities	-	-	-	1,170.8	-	1,170.8
> Suppliers and other payables	-	-	-	513.1	-	513.1
Financial liabilities on 06.30.20	-	-	-	1,683.9	2.1	1,686.0

1.1.2. On June 30, 2019 restated

In millions of euros	Assets at fair value through OCI	Assets at fair value through income	Assets at amortized cost	Liabilities at amortized cost	Fair value of hedging derivatives	Total
Financial assets evaluated at their fair value						
> Financial assets	7.7	-	-	-	-	7.7
> Derivatives – assets	-	-	-	-	-	-
> Cash and cash equivalents	-	21.7	-	-	-	21.7
Financial assets not evaluated at their fair value						
> Financial assets	-	-	22.2	-	-	22.2
> Customers and other receivables	-	-	510.5	-	-	510.5
> Cash and cash equivalents	-	-	227.0	-	-	227.0
Financial assets on 06.30.19 restated	7.7	21.7	759.7	-	-	789.1
Financial liabilities evaluated at their fair value						
> Financial liabilities	-	-	-	-	-	-
> Derivatives – liabilities	-	-	-	-	0.8	0.8
Financial liabilities not evaluated at their fair value						
> Financial liabilities	-	-	-	1,159.4	-	1,159.4
> Suppliers and other payables	-	-	-	489.4	-	489.4
Financial liabilities on 06.30.19 restated	-	-	-	1,648.8	0.8	1,649.6

1.1.3. On June 30, 2019 published

In millions of euros	Assets at fair value through OCI	Assets at fair value through income	Assets at amortized cost	Liabilities at amortized cost	Fair value of hedging derivatives	Total
Financial assets evaluated at their fair value						
> Financial assets	7.7	-	-	-	-	7.7
> Derivatives – assets	-	-	-	-	-	-
> Cash and cash equivalents	-	21.7	-	-	-	21.7
Financial assets not evaluated at their fair value						
> Financial assets	-	-	22.2	-	-	22.2
> Customers and other receivables	-	-	510.5	-	-	510.5
> Cash and cash equivalents	-	-	227.0	-	-	227.0
Financial assets on 06.30.19 published	7.7	21.7	759.7	-	-	789.1
Financial liabilities evaluated at their fair value						
> Financial liabilities	-	-	-	-	-	-
> Derivatives – liabilities	-	-	-	-	0.8	0.8
Financial liabilities not evaluated at their fair value						
> Financial liabilities	-	-	-	1,159.9	-	1,159.9
> Suppliers and other payables	-	-	-	489.4	-	489.4
Financial liabilities on 06.30.19 published	-	-	-	1,649.3	0.8	1,650.1

1.2 - Analysis by level of the fair value hierarchy

The table below shows the level of fair value of the financial assets and liabilities, with the exception of financial assets and liabilities not evaluated at their fair value, excluding financial liabilities, and whose book value is close to the fair value.

1.2.1. On June 30, 2020

In millions of euros (fair value)	Level 1	Level 2	Level 3	Total
Financial assets evaluated at their fair value				
> Financial assets	-	-	7.6	7.6
> Derivatives – assets	-	-	-	-
> Cash and cash equivalents	15.9	-	-	15.9
Financial liabilities evaluated at their fair value				
> Financial liabilities	-	-	-	-
> Derivatives – liabilities	-	2.1	-	2.1
Financial liabilities not evaluated at their fair value				
> Financial liabilities	-	1,255.2	-	1,255.2

1.2.2. On June 30, 2019 restated

In millions of euros (fair value)	Level 1	Level 2	Level 3	Total
Financial assets evaluated at their fair value				
> Financial assets	-	-	7.7	7.7
> Derivatives – assets	-	-	-	-
> Cash and cash equivalents	21.7	-	-	21.7
Financial liabilities evaluated at their fair value				
> Financial liabilities	-	-	-	-
> Derivatives – liabilities	-	0.8	-	0.8
Financial liabilities not evaluated at their fair value				
> Financial liabilities	-	1,144.0	-	1,144.0

1.2.3. On June 30, 2019 published

In millions of euros (fair value)	Level 1	Level 2	Level 3	TOTAL
Financial assets evaluated at their fair value				
> Financial assets	-	-	7.7	7.7
> Derivatives – assets	-	-	-	-
> Cash and cash equivalents	21.7	-	-	21.7
Financial liabilities evaluated at their fair value				
> Financial liabilities	-	-	-	-
> Derivatives – liabilities	-	0.8	-	0.8
Financial liabilities not evaluated at their fair value				
> Financial liabilities	-	1,144.5	-	1,144.5

2 - Management of financial risks

Vilmorin & Cie has set up a dedicated organization based on financial risk management policies that have been approved by the Executive Committee, with centralized management of risks to which it is exposed regarding currency exchange, raw materials, interest rates and cash.

On June 30, 2020, the derived financial instruments set up by Vilmorin & Cie to manage its risks can be analyzed as follows:

2.1 - Information regarding currency exchange risks

2.1.1. Objectives

Vilmorin & Cie manages its currency positions with the objective of hedging the risks of fluctuation of relative parities, mainly in relation to its industrial and commercial operations. Indeed, Vilmorin & Cie sets up forward contracts exclusively in order to hedge currency exchange risks linked to provisional flows.

For this purpose, a procedure to manage currency exchange risks collectively has been set up in Vilmorin & Cie. This position mainly consists in taking out contracts with a fixed term.

2.1.2. Assets and liabilities analyzed according to the main foreign currencies

In millions of euros	Euro zone	US dollar	Canadian dollar	GB pound	Australian dollar	Yen	Shekel	Turkish lira	Other currencies	Total
06.30.20										
Assets ⁽¹⁾	1,062.8	468.4	17.5	40.3	29.7	48.2	108.6	41.1	368.9	2,185.5
Liabilities ⁽¹⁾	1,343.2	174.7	-2.6	10.7	2.7	22.5	56.5	5.3	139.4	1,752.4
Differential	-280.4	293.7	20.1	29.6	27.0	25.7	52.1	35.8	229.5	433.1
06.30.19 restated										
Assets ⁽¹⁾	1,062.2	516.8	17.1	41.2	28.3	50.7	97.3	41.9	383.3	2,238.8
Liabilities ⁽¹⁾	1,250.3	201.3	0.6	14.9	2.2	21.2	53.0	5.7	172.9	1,722.1
Differential	-188.1	315.5	16.5	26.3	26.1	29.5	44.3	36.2	210.4	516.7
06.30.19 published										
Assets ⁽¹⁾	1,029.2	507.2	16.9	37.8	27.8	50.4	92.7	41.3	367.2	2,170.5
Liabilities ⁽¹⁾	1,215.0	190.1	0.4	11.4	1.6	21.0	48.3	4.9	157.4	1,650.1
Differential	-185.8	317.1	16.5	26.4	26.2	29.4	44.4	36.4	209.8	520.4

(1) This concerns all items on the balance sheet that are exposed to foreign currency risks, except goodwill, inventories, deferred taxes, reserves, provisions, and deferred charges and income.

2.1.3. Information on the nominal value of instruments set up to hedge currency exchange

In millions of euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.20				
Forward exchange contracts	51.5	51.5	-	-
Exchange options	-	-	-	-
Total	51.5	51.5	-	-
06.30.19				
Forward exchange contracts	30.3	30.3	-	-
Exchange options	-	-	-	-
Total	30.3	30.3	-	-

2.1.4. Information on the value of instruments set up to hedge currency exchange

In millions of euros	Total
06.30.20	
Contracts on commercial transactions	
- <i>Cash flow hedge⁽¹⁾</i>	-
Contracts on financial transactions	
- <i>Fair value hedge</i>	NS
06.30.19	
Contracts on commercial transactions	
- <i>Cash flow hedge⁽²⁾</i>	-
Contracts on financial transactions	
- <i>Fair value hedge</i>	NS

(1) The intrinsic value of contracts on June 30, 2020 is not significant (NS).

(2) The intrinsic value of contracts on June 30, 2019 is not significant (NS).

2.1.5. Information on risk exposure to instruments set up to hedge currency exchange

Vilmorin & Cie's net exposure for notional amounts mainly concerns the following currencies (excluding entities' functional currencies):

In millions for each currency	US dollar	GB pound	Australian dollar	New Zealand dollar	Canadian dollar	Yen	South African rand
Net position before management	26.4	5.1	5.4	0.2	0.1	81.7	54.7
Forward purchasing	-	-	-	-	-	-	-
Forward selling	-26.4	-	-2.0	-	-0.1	-	-
Net position after management	-	5.1	3.4	0.2	-	81.7	54.7

In millions for each currency	Turkish lira	Hungarian forint	Polish zloty	Russian ruble	Chinese renminbi yuan	Czech crown	Israeli shekel
Net position before management	96.2	1,307.7	34.8	1,911.5	44.6	178.0	-108.5
Forward purchasing	-	-	-	898.0	-	-	43.5
Forward selling	-66.4	-	-	-	-4.2	-3.6	-
Net position after management	29.8	1,307.7	34.8	2,809.5	40.4	174.4	-65.0

On June 30, 2020, exchange rates for one euro were: 1.1198 US dollar, 0.91243 GB pound, 1.6344 Australian dollar, 1.748 New Zealand dollar, 1.5324 Canadian dollar, 120.66 yen, 19.4425 South African rand, 7.6761 Turkish lira, 356.58 Hungarian forint, 4.456 Polish zloty, 79.63 Russian ruble, 7.9219 Chinese renminbi yuan, 26.74 Czech crown and 3.8821 Israeli shekel.

On June 30, 2020, sensitivity on net positions after management was analyzed as follows:

In millions of euros	US dollar	GB pound	Australian dollar	New Zealand dollar	Canadian dollar	Yen	South African rand
Hypothesis of euro variation against the currency (as a %)	-10%	-10%	-10%	-10%	-10%	-10%	-10%
Impact on income	-	0.6	0.2	-	-	0.1	0.3
Hypothesis of euro variation against the currency (as a %)	10%	10%	10%	10%	10%	10%	10%
Impact on income	-	-0.5	-0.2	-	-	-0.1	-0.2

In millions of euros	Turkish lira	Hungarian forint	Polish zloty	Russian ruble	Chinese renminbi yuan	Czech crown	Israeli shekel
Hypothesis of euro variation against the currency (as a %)	-10%	-10%	-10%	-10%	-10%	-10%	-10%
Impact on income	0.4	0.4	0.9	3.9	0.6	0.7	-1.8
Hypothesis of euro variation against the currency (as a %)	10%	10%	10%	10%	10%	10%	10%
Impact on income	-0.4	-0.3	-0.7	-3.2	-0.5	-0.6	1.5

A drop of 10% in the euro rate against other currencies would have a positive impact of 6.3 million euros on the financial income. An increase of 10% in the euro rate against other currencies would have a negative impact of 5.2 million euros on the financial income.

2.2 - Information concerning interest rate risks

2.2.1. Objectives

Interest rate risks are mainly managed at the level of Vilmorin & Cie which (apart from specific cases or regulatory constraints) centralizes the current, stable cash flow requirements or surpluses of the subsidiaries, and sets up centralized external funding facilities as necessary.

2.2.2. Assets and liabilities subject to interest rate risks

In millions of euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.20				
Assets	29.5	23.7	5.3	0.5
Liabilities	1,172.9	572.9	387.8	212.2
Differential	-1,143.4	-549.2	-371.4	-211.7
06.30.19 restated				
Assets	24.8	9.9	14.0	0.9
Liabilities	1,160.2	196.2	851.8	148.2
Differential	-1,135.4	-186.3	-801.8	-147.3
06.30.19 published				
Assets	24.8	9.9	14.0	0.9
Liabilities	1,160.7	196.3	816.1	148.3
Differential	-1,135.9	-186.4	-802.1	-147.4

2.2.3. Information on the nominal value of instruments to hedge interest rates

In order to manage the interest rate risks of its financial debts, Vilmorin & Cie uses derived instruments for which the notional outstanding sums are as follows:

In millions of euros	Nominal	Due dates					Market value
		2021	2022	2023	2024	> 2024	
Cash flow hedge operations	71.4	-	71.4	-	-	-	
Interest rate swap							-2.1
Fair value operations through profit and loss⁽¹⁾	-	-	-	-	-	-	
Interest rate swap							-
Total	71.4	-	71.4	-	-	-	-2.1

(1) Operations ineligible for hedge accounting as determined by the standard IAS 39.

Contractual cash flows associated with interest rate swap are paid at the same time as the contractual cash flows for loans with variable rates. The deferred amount in equity concerning hedge instruments is shown in the income statement for the period where the interest cash flow for the debt has an impact on the income.

The inefficient part of hedge instruments was not significant on June 30, 2020.

2.2.4. Information on exposure to interest rates risks

On the basis of net financial indebtedness on June 30, 2020, a variation of $\pm 1\%$ in interest rates after forward cover instruments would represent an extra financial charge or income limited to 1.1 million euros.

2.3 - Information concerning risks for shares and treasury shares

Listed shares held by Vilmorin & Cie are subject to the risk of volatility characteristic of financial markets.

Apart from consolidated securities, they can be divided up into three categories:

- securities in companies consolidated using the equity method: these concern for the most part the group Seed Co Limited (Zimbabwe), the group Seed Co Botswana (Botswana), the company Australian Grain Technologies (AGT) (Australia), the company Bio Seeds (Netherlands), the company Hengji Limagrain (China) and the company Canterra Seeds (Canada) (cf. Note 19),
- shares that are included in the portfolio "Unconsolidated securities" (cf. Note 18).
- other non-current financial assets.

The risk concerning shares included in the portfolio "Unconsolidated securities" is mainly represented by a line of listed shares.

There is a liquidity contract for Vilmorin & Cie treasury shares. On June 30, 2020, Vilmorin & Cie held 6,423 shares with a book value of 0.3 million euros.

2.4 - Information concerning liquidity risks

Vilmorin & Cie's Corporate Finance department manages liquidity risks by making short- or long-term funding available to subsidiaries as required.

Optimization of liquidity is based on centralized management of Vilmorin & Cie's subsidiaries' cash surpluses and requirements.

These operations are handled by Vilmorin & Cie's Corporate Finance department mainly using cash-pooling conventions and intra-group loans on condition that this is authorized by local legislation.

External funding is also set up in a centralized manner by the Corporate Finance department in order to optimize the cost of funding and access to the banking market.

In 2020, the main resources implemented by Vilmorin & Cie comprised:

- a bond loan of 450 million euros maturing in May, 2021,
- three mid-term Schuldschein loans for the amount respectively of:
 - 20 million euros, set up by Vilmorin & Cie in March 2013, maturing in March 2023,
 - 100 million euros set up on March 31, 2017, of which 15 million euros mature in July 2022, 50 million euros in March 2024, and 35 million euros in March 2027,
 - and 250 million euros set up in June 2019, of which 138 million euros mature in June 2024, 82 million euros in June 2026, and 30 million euros in June 2029.
- a syndicated loan agreement of 300 million euros set up for Vilmorin & Cie, maturing in May 2024, and which was not used on June 30, 2019.
- Mid-term funding of 170 million euros subscribed with the European Investment Bank in December 2019, with a tranche of 100 million euros at seven years, and another of 70 million euros at five years. On June 30, 2020 the credit used stood at 100 million euros.

Vilmorin USA benefits from a syndicated loan agreement for a total of 120 million US dollars, maturing in May 2022.

The schedule for financial debts is as follows:

	Due dates			Total
In millions of euros	< 1 year	1 to 5 years	> 5 years	
06.30.20				
Non-current financial debts				
> Debt components of the bonds redeemable as shares (ORA)		-	-	-
> Bank loans		162.7	64.9	227.6
> Commitments to purchase minority shares		-	-	-
> Derivatives		2.1	-	2.1
> Other financial debts		223.0	147.3	370.3
Total non-current debts		387.8	212.2	600.0
Current financial debts	572.9			572.9
Total	572.9	387.8	212.2	1,172.9
Future interest on loans and other liabilities	16.3	22.0	5.2	43.5
06.30.19 restated				
Non-current financial debts				
> Debt components of the bonds redeemable as shares (ORA)		-	-	-
> Bank loans		142.0	1.0	143.0
> Commitments to purchase minority shares		-	-	-
> Derivatives		0.8	-	0.8
> Other financial debts		673.0	147.2	820.2
Total non-current financial debts		815.8	148.2	964.0
Current financial debts	196.2			196.2
Total	196.2	815.8	148.2	1,160.2
Future interest on loans and other liabilities	17.6	31.1	7.0	55.7
06.30.19 published				
Non-current financial debts				
> Debt components of the bonds redeemable as shares (ORA)		-	-	-
> Bank loans		142.0	1.0	143.0
> Commitments to purchase minority shares		-	-	-
> Financial lease liabilities		0.3	0.1	0.4
> Derivatives		0.8	-	0.8
> Other financial debts		673.0	147.2	820.2
Total non-current financial debts		816.1	148.3	964.4
Current financial debts	196.3			196.3
Total	196.3	816.1	148.3	1,160.7
Future interest on loans and other liabilities	17.6	31.1	7.0	55.7

2.5 - Information concerning credit risk

In order to prevent any problems recovering debts from its customers, Vilmorin & Cie has set up individual credit limits which are regularly updated depending both on the financial situation of each customer, along with the customer's track record with regard to payment.

Finally, through certain subsidiaries, Vilmorin & Cie has taken out an insurance policy to cover customer credit risks. On June 30, 2020, Vilmorin & Cie had not identified any significant risk.

At close, the chronological breakdown of customer receivables was as follows:

In millions of euros	06.30.20	06.30.19
Receivables not yet due	245.5	289.4
Receivables due:		
> delay of 0 to 3 months	45.6	50.9
> delay of 3 to 6 months	20.1	9.2
> delay of 6 to 12 months	18.2	7.7
> delay greater than 1 year	31.9	29.7
Gross customer and other receivables	361.3	386.9

Note 33: Off balance sheet commitments

For its current operations, Vilmorin & Cie made commitments at the close of the fiscal period for the following amounts:

1 - Guarantees received

In millions of euros	06.30.20	06.30.19
Endorsements, sureties, guarantees	4.5	8.3
Other commitments	0.6	0.4
Total	5.1	8.7

2 - Guarantees given

In millions of euros	06.30.20	06.30.19
Endorsements, sureties, guarantees	1.0	1.1
Other commitments	11.3	-
Total	12.3	1.1

3 - Reciprocal commitments

In millions of euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.20				
Lease agreements ⁽¹⁾	6.2	5.1	1.1	-
Forward purchase of currency (cf. Note 32)	51.5	51.5	-	-
Forward interest rate cover (cf. Note 32)	71.4	-	71.4	-
Interest to pay on mid- and long-term debts	43.5	16.3	22.0	5.2
Mid- and long-term research contracts	0.2	0.1	0.1	-
Other commitments	24.8	10.7	14.1	-
Total	197.6	83.7	108.7	5.2
06.30.19 restated				
Lease agreements ⁽¹⁾	6.0	2.0	3.2	0.8
Forward purchase of currency (cf. Note 32)	30.3	30.3	-	-
Forward interest rate cover (cf. Note 32)	70.3	-	70.3	-
Interest to pay on mid- and long-term debts	55.7	17.6	31.1	7.0
Mid- and long-term research contracts	0.1	0.1	-	-
Other commitments	25.6	11.4	14.2	-
Total	188.0	61.4	118.8	7.8
30.06.19 published				
Financial leases	4.4	1.9	2.4	0.1
Simple rental agreements	47.4	14.8	25.0	7.6
Forward purchase of currency (cf. Note 32)	30.3	30.3	-	-
Forward interest rate cover (cf. Note 32)	70.3	-	70.3	-
Interest to pay on mid- and long-term debts	55.7	17.6	31.1	7.0
Mid- and long-term research contracts	0.1	0.1	-	-
Other commitments	25.6	11.4	14.2	-
Total	233.8	76.1	143.0	14.7

(1) Lease agreements over a short period of time, of low value or not yet begun.

Forward cover of interest rates concerns the following operations:

3.1 - On June 30, 2020

Mid-term bank loans (and other amounts)	€71.4M	Fixed and semi-fixed rate over variable rate at 3 months
Bonds redeemable as shares (ORA)	-	Fixed rate over variable rate at 6 months
Short-term loan	-	Fixed and semi-fixed rate over variable rate at 3 months

3.2 - On June 30, 2019

Mid-term bank loans (and other amounts)	€70.3M	Fixed and semi-fixed rate over variable rate at 3 months
Bonds redeemable as shares (ORA)	-	Fixed rate over variable rate at 6 months
Short-term loan	-	Fixed and semi-fixed rate over variable rate at 3 months

4 - Debts with real sureties

In millions of euros	Debts guaranteed	Total amount of sureties granted	Book value of the assets provided as a guarantee
06.30.19 ⁽¹⁾	6.6	10.3	10.1
06.30.20⁽¹⁾	4.6	7.4	7.2

(1) Concerns various collateral on industrial equipment and mortgages to guarantee mid-term debts on Brazilian businesses.

5 - Other commitments

In order to ensure a good supply of markets and control over inventory levels for future fiscal years, Vilmorin & Cie sets up purchasing or production contracts for seeds from grower networks.

Within the context of its operations to dispose of the companies Flora Frey and Carl Sperling, sold on June 30, 2008, and then Suttons on June 30, 2015, provisions were set up as a result of the commitments made for these disposals. The remaining sum of these provisions on June 30, 2020 stood at 2 million euros.

Note 34: Transactions between related parties

1 - Associated companies

These are companies in which Vilmorin & Cie exerts significant influence and which are consolidated using the equity method.

Transactions with associated companies are carried out on the basis of a market price.

The debts and receivables with regard to companies consolidated using the equity method are not significant. The main figures for companies consolidated using the equity method are provided in Note 19.

2 - Related parties with a significant influence on Vilmorin & Cie

Vilmorin & Cie is held by its majority shareholder Limagrain. The economic relationships developed with the companies in this Group are summarized in the following table:

2.1 - Receivables and debts on June 30, 2020

In millions of euros	Assets	Liabilities
Operating debts and receivables	3.1	31.3
Financial debts and receivables	0.0	0.0
Total	3.1	31.3

2.2 - Charges and income for fiscal year 2019-2020

In millions of euros	Charges	Income
Purchases and sales of goods	-60.9	4.7
Intra-group services	-8.2	6.1
Other operating charges and income	-23.4	2.6
Financial charges and income	-0.2	0.0
Total	-92.7	13.4

3 - Remuneration of the top executives

In millions of euros	06.30.20	06.30.19
Global amount of remunerations and benefits paid to the Executive Committee:		
> Short-term benefits	1.5	1.4
> Benefits paid out after employment	-	-
> Other long-term benefits	-	-
> Severance pay	0.5	1.1
> Payment through shares	-	-
> Directors' fees paid to the Executive Committee	-	-

The Executive Committee comprised five members during fiscal year 2019-2020, as in 2018-2019.

On average, the contractual benefits due when the mandate of a top executive is terminated correspond to two years of total remuneration.

Benefits paid out after employment in favor of members of the Executive Committee

The total amount of benefits funded for lump sum retirement benefits for the Executive Committee stood at 0.9 million euros on June 30, 2020, including employer's welfare contributions.

This commitment is assessed by actuaries in order to determine the amount of provisions for lump sum retirement benefits.

Provisions for the lump sum retirement benefits of the Executive Committee are included in the provisions for severance pay set out in Note 25.

4 - Further information

4.1 - Limagrain intra-group services

Intra-group services are invoiced by Groupe Limagrain Holding to the subsidiaries of Vilmorin & Cie and to the subsidiaries of Limagrain on a proportional basis of budgeted expenses. The amount invoiced came to 10 million euros.

In order to invoice intra-group services, the nature of the services provided are accounted for using four keys:

- An "activity" key (revenue from ordinary activities and margin on cost of sales),
- An "information systems" key (number of licenses),
- A "research" key (research and development costs),
- A "human resources" key (payroll).

4.2 - Vilmorin & Cie intra-group services

In the same way, Vilmorin & Cie invoices intra-group services to all its subsidiaries and to the subsidiaries of Limagrain according to the same criteria as the Limagrain intra-group services mentioned above. The total invoiced came to 53.9 million euros.

4.3 - Allocation of the seed research program costs

Moreover, Vilmorin & Cie also invoices for services of a scientific nature for the seed companies in the Vilmorin & Cie group (Field Seeds and Vegetable Seeds divisions) that work on the professional market. The aggregate amount invoiced to the subsidiaries came to 19.6 million euros. The criteria applied homogeneously throughout Vilmorin & Cie to calculate these allocations for services of a scientific nature take into account research and development costs.

4.4 - Cash flow agreements and pooling of exchange risks

Companies have signed agreements with Vilmorin & Cie in order to optimize the management of their cash flow under conditions that provide lenders with a financial margin of 0.20% over the average monthly EONIA rate.

Moreover, Vilmorin & Cie centralizes its foreign currency risk hedges for its subsidiaries. The main currencies hedged are the US dollar, the GB pound, the yen and the Australian dollar (cf. Note 32 paragraph 2.1).

4.5 - Other operations

Other operations correspond to current commercial transactions made on the basis of market prices.

Note 35: Potential liabilities

As they run their businesses, Vilmorin & Cie's operating companies are exposed to claims on the products they have sold, and such claims are generally covered by their insurance policies.

Note 36: Events occurring after the closing of the accounts

Bpifrance agreement

In October 2020, an agreement was signed between Vilmorin & Cie, Limagrain and its partner Bpifrance.

This operation has resulted in:

- the sale of Vilmorin & Cie shares by Limagrain, representing around 1.8% of its capital stock,
- the early conversion of redeemable bonds into Vilmorin & Cie shares held by Bpifrance, representing 3.9% of Vilmorin & Cie's capital stock.

After completion of the operation, Bpifrance will hold around 5.7% of Vilmorin & Cie's capital stock and will thus become its second-largest shareholder, alongside Limagrain.

Appendix 1: Consolidation scope 2020

Commercial companies (consolidated) of very low significance are not included in the list below for reasons of confidentiality.

Name	Country	Head Office	% Voting rights	% Interest	Consolidation method	
VEGETABLE SEEDS						
Bio Seeds BV	Netherlands	Agro Business Park 90 3808 PW Wageningen	24.95	24.95	EM	
Limagrain (Beijing) Agricultural Technical Service Co Ltd	China	Room 1102, N°44 Building, Block 2 Of Tiantongzhongyuan Changping District 102218 Beijing	100.00	100.00	GI	
1 - HM.CLAUSE						
HM.CLAUSE ARGENTINA S.A.	Argentina	Pavon 1478 - Capital Federal CP 1151 Buenos Aires	100.00	100.00	GI	
Clause Maghreb EURL	Algeria	Coopérative Amel 2, Lotissement n°15 (Rez-de-Chaussée) Kheraicia – Alger	100.00	99.98	GI	
HM.CLAUSE S.A.S	France	Rue Louis Saillant – ZI La Motte 26800 Portes-lès-Valence	435 480 546	99.98	99.98	GI
HM.CLAUSE (Thailand) Co, Ltd	Thailand	Unit 1801, 18 th Floor, Empire Tower, 1 South Sathom Road, Yannawa, Sathom, 10120 Sathom, Bangkok	100.00	99.98	GI	
HM.CLAUSE Brasil Comercio de Sementes Ltda	Brazil	Rue Guapuruvu, 177 – Térreo Condomínio Alphaville Empresarial, CEP 13098-322 Campinas, Sao Paulo	100.00	99.98	GI	
HM.CLAUSE Chile S.A.	Chile	Boulevard Aeropuerto Sur 9632, Oficina 1, Parque Industrial Enea/Pudahuel, Santiago	100.00	100.00	GI	
HM.CLAUSE Guatemala. S.A.	Guatemala	Condominio Empresarial Cortijo III Bodega 913, 20 Calle 25-55, Zona 12, Guatemala City	100.00	99.98	GI	
HM.CLAUSE Iberica, SA	Spain	Paraje La Reserva s/n Apdo Correos n°17, La Mojonera Almeria 04745	100.00	99.98	GI	
HM.CLAUSE, Inc.	United States	260 Cousteau Place, Suite 210, 95618 Davis (Californie)	100.00	100.00	GI	
HM.CLAUSE India Private Limited	India	6-98/4 Sy No. 563/Part, Gowdavelli Village, Medchal Mandal, Ranga Reddy District, 501401 Telangana State, Hyderabad	100.00	99.98	GI	
HM.CLAUSE Italia S.P.A.	Italy	Via Emilia 11 – 10078 Venaria Real – Torino	100.00	99.98	GI	
HM.CLAUSE Kenya Limited	Kenya	Land Reference No. 6338/7, Turaco Farm, PO Box 854 10400 Nanyuki	100.00	99.98	GI	
HM.CLAUSE Mexico, S.A. de C.V.	Mexico	Ave. Manuel Gomez Morin 3881 3 ^{er} piso, Col. Centro Sur, 76090 Queretaro	100.00	100.00	GI	
HM.CLAUSE Peru S.A.C.	Peru	Fundo Santa Rosa S/N Distrito La Tinguña Ica	100.00	100.00	GI	
HM.CLAUSE Tohumculuk Tarim Sanayi ve Ticaret Anonim Sirketi	Turkey	Tarim Mah. Aspendos Bulvari, No: 106/B Kurt İşhanı, Muratpaşa, 07200 Antalya	100.00	99.98	GI	
Prime Seed Co (Private) Limited	Zimbabwe	1 st Floor, S.A.Z. Building, Northend Park, Borrowdale - Harare	48.92	48.92	EM	
HM.CLAUSE Pacific PTY. Ltd.	Australia	165, Templestowe Road – Templestowe Lower VIC 3107	100.00	99.98	GI	
Prime Seed Co International (Proprietary) Limited	Botswana	Plot 42800 Phakalane, P.O.Box 47143 Phakalane, Gaborone	49.00	49.00	EM	
PT Clause Indonesia LLC	Indonesia	Ruko Grand Viko 2 No. B.1, Jl. Sukarno hatta Magelang, Kelurahan Tidar Utara, Kecamatan Magelang Selatan, Kota Magelang, 56172 Jawa Tengah	100.00	99.98	GI	
Tropical Development and Investment Company Limited	Vietnam	Agriculture High-Tech Park of Ho Chi Minh City, Pham Van Coi Ward, Cu Chi District, Ho Chi Minh City	100.00	99.98	GI	

Name	Country	Head Office	% Voting rights	% Interest	Consolidation method	
2 - HAZERA						
Hazera Qiming Seeds (Beijing) Co. Ltd.	China	Room 601-602, Tower D, Java Millenium Place No, 18 Jianguomenwai Dajie, Chaoyang District, 100022 - Beijing	60.02	60.02	EM	
Hazera España 90 SA	Spain	Paseo de la Castellana 259 B 28046 Madrid	100.00	100.00	GI	
Hazera Holding International BV	Netherlands	Koningslaan, 34 1075AD Amsterdam Pays-Bas	100.00	100.00	GI	
Hazera Poland SP.Z.o.o.	Poland	Ul. Marywilska 34 I – 03-228 – Warszawa	100.00	100.00	GI	
Hazera Seeds BV	Netherlands	Schanseind 27 – 4921 Pm Made	100.00	100.00	GI	
Hazera Seeds Ltd	Israel	Brurim MP Shikmim – 79837 Shikmim	100.00	100.00	GI	
Hazera Seeds Ethiopia Ltd	Ethiopia	Selma City mall Bole sub city, Woreda-03, Floor n°4, Office n°405, Addis Ababa	100.00	100.00	GI	
Hazera Seeds Germany GmbH	Germany	2 Am Griewenkamp – D31234 Edemissen	100.00	100.00	GI	
Hazera Seeds Hellas Commercial SA	Greece	64 Lisikratous str. & Kekropos, Municipality of Kallithea, 17674 Athens	100.00	100.00	GI	
Hazera Seeds Mexico SA	Mexico	Montecito 38, Piso 23, Oficina 15 Napoles, Distrito Federal – 03810 Mexico	100.00	100.00	GI	
Hazera Seeds SA Ltd	South Africa	Unit 7 – Honeydew Business Park 1503 Citrus Street – 0181 Honeydew 2170	100.00	100.00	GI	
Hazera Seeds Uk Ltd	United Kingdom	Joseph Nickerson Research Centre, Market Rasen LN7 6DT Rothwell Lincolnshire	100.00	100.00	GI	
Hazera Seeds USA Inc	United States	32 Loockerman Sq, Suite L 100 Dover – Delaware	100.00	100.00	GI	
Hazera Tohumculuk Ve Ticaret AS (SA)	Turkey	Hüsrev Gerede Cd. Ömer Rüştü Paşa Sk, No.12 Şişli – İstanbul	100.00	100.00	GI	
Hazera Ukraine LLC	Ukraine	Office # 101 – Strategichne shose 16 Str 03680 - Kiev	100.00	100.00	GI	
3 - VILMORIN-MIKADO						
AdvanSeed APS	Denmark	Dahlsvej – 43 5260 Odense	100.00	99.98	GI	
Anadolu Tohum Uretim Ve Pazarlama Anonim Sirketi	Turkey	Güzelyali. Bati Sahili, Ciftlik Sok. No.9 Pendik İstanbul 34903	100.00	99.98	GI	
Carthage Génétique	Tunisia	Zone Industrielle El Afrane 1009 – El Ouardia Tunis	50.00	49.99	EM	
Dalian Mikado International Seed Co	China	Room 2702 – Liangjiu International Building 150-0036 Dalian	80.00	77.09	GI	
Korea Mikado Kyowa Seed Co Ltd	South Korea	West 1401, Hansin Inter Valley 24 Bldg, 322 Teheran-co – Gangnam-gu – Séoul	100.00	96.36	GI	
Mikado Kyowa K.K.	Japan	1-4-11 Ohnodai – Midori-ku 267-0056 Chiba City, Chiba Pref.	100.00	96.36	GI	
Semillas Shamrock Internacional	Mexico	Calle Liderazgo n°105, Fraccionamiento El Puente 38110 Guanajuato Celaya	100.00	100.00	GI	
Shamrock Seed Company	United States	3 Harris Place, 93901-4593 Salinas – California	100.00	100.00	GI	
Vilmorin Atlas SARL	Morocco	Route de l'Oasis, rue n°3 – n°6, Bureaux n°B108, B109 & M02 Oasis Sud, Quartier Oasis 20410 Casablanca	70.00	69.98	GI	
Vilmorin do Brasil Comercio de Sementes Ltda	Brazil	Avenida Alexander Graham Bell, n° 200 Unidade A3, Bairro Techno Park, CEP 13.069-310 Campinas, SP	100.00	99.98	GI	
Vilmorin Iberica SA	Spain	Calle Joaquim Orozco 17 03006 Alicante	99.91	99.89	GI	
Vilmorin Italia SRL	Italy	Centergross Blocco CP 97 – 22 Via dei Notai 123 – 40050 Funo (BO)	100.00	99.98	GI	
Vilmorin OOO	Russia	Building 3, – 3/10 Elektricheskiy Lane 123557, Moscow	100.00	99.98	GI	
Vilmorin SA	France	Route du Manoir – 49250 La Ménitré	562 050 864	99.98	99.98	GI
Vilmorin-Mikado El Salvador S.A DE C.V	El Salvador	Zapotitan-Calle el Charco, Caserio Belen Canton Sitio El Niño Departamento de la Libertad, San Juan Opico	100.00	99.98	GI	

Name	Country	Head Office		% Voting rights	% Interest	Consolidation method
FIELD SEEDS						
Biogemma SAS	France	Route d'Ennezat, Lieudit La Garenne 63720 Chappes	412 514 366	100.00	100.00	GI
Biogemma USA Corp	United States	2331 230 th Street 50014 AMES IA		100.00	100.00	GI
Innolea	France	Domaine Sandreau – 31700 Mondonville	843 228 636	25.00	25.00	EM
4 - LIMAGRAIN EUROPE						
Limagrain A/S	Denmark	Erhvervvej 13 – 8700 Horsens		100.00	99.47	GI
Limagrain Central Europe Cereals Sro	Czech Republic	Praha 9 – Podedvorska 755/5 19800 – Kyje		100.00	99.47	GI
Limagrain Central Europe SE	France	Biopôle Clermont-Limagne – Rue Henri Mondor 63360 Saint-Beauzire	438 205 320	100.00	99.47	GI
Limagrain Belgium NV	Belgium	5 rue du Quai – 8581 Avelgem-Kerkhove		100.00	99.47	GI
Limagrain d.o.o Beograd	Serbia	Vojvode Misica 2 – Novi Sad 21000		100.00	99.47	GI
Limagrain Europe SAS	France	Biopôle Clermont-Limagne – Rue Henri Mondor 63360 Saint-Beauzire	542 009 824	99.47	99.47	GI
Limagrain GmbH	Germany	Am Griewenkamp 2 Edemissen – D 31234		100.00	99.47	GI
Limagrain Iberica SA	Spain	Centra Pamplona – Huesca Km 12 Elorz (Navarra) 31470		100.00	99.47	GI
Limagrain Italia SPA	Italy	Via Dante Corradini 3 – 43036 Fidenza		100.00	99.47	GI
Limagrain Moldova srl	Moldova	Strada Sfaturi Tarii 59 MD 2004 Municipiu Chisinau		100.00	99.47	GI
Limagrain Nederland BV	Netherlands	Van der Haveweg 2 – 4411 RB Rilland		100.00	99.47	GI
Limagrain RU	Russia	Mitrofana Sedina str.,159 – 350015 Krasnodar		100.00	99.47	GI
Limagrain Sunflowers INC.	United States	71 West Kentucky Avenue Woodland, CA 95695		100.00	100.00	GI
Limagrain Tohum Islah ve Üretim Sanayi Ticaret AS	Turkey	Hüdavendigar Mh. Karaosmanlar Kume Evleri n°2, Limagrain – Sitesi 16700 KARACABEY/ bursa		67.00	66.65	GI
Limagrain UK Limited	United Kingdom	Market Rasen, LN7 6DT Rothwell – Lincolnshire		100.00	99.47	GI
Limagrain Ukraine LLC	Ukraine	55 Turgenevska str. 2 nd floor 04053 Kyiv		100.00	99.47	GI
Soltis SAS	France	Domaine de Sandreau 31700 Mondonville-Blagnac	420 327 231	50.00	49.74	EM
Unisigma GIE	France	2 rue Petit Sorri – 60480 Froissy	317 760 668	46.00	45.76	EM
5 - AGRELIANT						
AgReliant Genetics LLC	United States	P.O. Box 44220 – IN 46244 INDIANAPOLIS – Indiana		50.00	50.00	EM
AgReliant Genetics Inc	Canada	6836 Pain Court Line RR1 – Ontario NOP 1Z0		50.00	50.00	EM
6 - LIMAGRAIN CEREAL SEEDS						
Canterra Seeds Holding, Ltd.	Canada	201-1475 Chevrier Blvd R3T 1Y7 Winnipeg Manitoba		30.00	30.00	EM
Limagrain Cereals Research Canada	Canada	843 - 58 th Street East - S7K 6X5 Saskatoon Saskatchewan		70.00	70.00	GI
Limagrain Cereal Seeds LLC	United States	Corporation service Company 2711 Centerville Road, Suite 400 Wilmington 19808 – Delaware		100.00	100.00	GI

Name	Country	Head Office	% Voting rights	% Interest	Consolidation method	
7 - LIMAGRAIN SOUTH AMERICA						
Agrofun SA	Argentina	Avda Santa Fe 931 Piso 4 – Buenos Aires	100.00	100.00	GI	
Limagrain Argentina SA	Argentina	Av. Pdte. Quintana 529, Piso 5 – Buenos Aires	96.54	96.54	GI	
Limagrain Brasil SA	Brazil	Rua Pasteur, N°463, 7° Andar Conjunto 701, Sala C- Bairro Água Verde, Estado do Paraná CEP 80250-104 Curitiba	100.00	100.00	GI	
Limagrain Chile Limitada	Chile	Rosas – 1190 Santiago de Chile	100.00	100.00	GI	
Limagrain Peru SAC	Peru	Altura CDRA. Av. San Martin, 208, 01 Avenida Saenz Pena Barranco – 1501 Lima	100.00	100.00	GI	
Relmo Sociedad Anónima	Argentina	Paraguay 777, Piso 9°, Rosario, Prov. de Santa Fe	100.00	100.00	GI	
Sursem SA	Argentina	Ruta 32, Km 2 Pergamino, Provincia de Buenos Aires	100.00	100.00	GI	
8 - LIMAGRAIN ASIA-PACIFIC						
Australian Grain Technologies Pty Ltd	Australia	20 Leitch Road – 5371 Roseworthy South Australia	32.77	32.77	EM	
Limagrain India Private Limited	India	411 Apollo Square, 7/2 Racecourse Road Indore 452001 Madhya Pradesh	99.99	99.99	GI	
Hengji Limagrains Seeds Co Ltd	China	N°9 Xianfu Street Zhangye City Gansu Province	45.05	45.05	EM	
Limagrain Myanmar Limited	Myanmar	Room#608, 6 th Floor, Lapyay Wun Plaza, No-37, Alanpya Pagoda Road, Dagon Township 11191 Yangon	100.00	100.00	GI	
Shanxi Limagrains Special Crops R&D Company Limited	China	Room 501, Crop Research Institute, Shanxi Academy of Agriculture and Science, No.81, Longcheng street – 030006 Taiyuan City	77.50	77.50	GI	
Limagrain (Cambodia) Co., Ltd.	Cambodia	Camma Building No, 101A, Second floor, Room No, 02, Street 289, Sangkat Boeung Kak I, Khan Toul Kak – Phnom Penh	100.00	100.00	GI	
Seed Asia International Limited	Hong Kong	Suite 2303, 23 rd Floor, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong-Kong	100.00	100.00	GI	
Limagrain (Thailand) Co Ltd	Thailand	161/1 SG Tower, 15 th Floor, Soi Mahadlekluang 3, Rajdamri Rd., Lumpini, Pathumwan 10330 Bangkok	100.00	100.00	GI	
9 - LIMAGRAIN AFRICA						
Link Seed Proprietary Limited	South Africa	15 Dr Gordon Street Kwazulu-Natal, 3250 Greytown	100.00	100.00	GI	
Seed Co International Limited	Botswana	Plot 43178 Phakalane – P.O.Box 47143 Phakalane Gaborone	30.86	30.86	EM	
Seed Co Limited	Zimbabwe	1 st Floor, S.A.Z. Building, Northend Park, Borrowdale – Harare	29.17	29.17	EM	
GARDEN PRODUCTS AND HOLDINGS						
DLF France SAS	France	ZA Les Pains Les Alleuds 49320 Brissac Quince	432 004 679	33.33	33.33	EM
10 - VILMORIN JARDIN						
Vilmorin Garden Sp. zo.o.	Poland	ul. Ks,P. Wawrzyniaka 2 62-052 Komorniki	100.00	100.00	GI	
Vilmorin Jardin SA	France	ZI De Tharabie – Parc des Chesnes, 65, rue de Luzais – 38070 St-Quentin-Fallavier	959 503 111	100.00	100.00	GI

Name	Country	Head Office		% Voting rights	% Interest	Consolidation method
HOLDINGS & BIOTECHNOLOGIES						
Genective SA	France	Biopôle Clermont-Limagne, Rue Henri Mondor 63360 Saint-Beauzire	513 533 612	50.00	50.00	EM
Limagrain (Beijing) Business Consulting Co Ltd	China	Room 1102, Block 2 of Tiantongzhongyuan, Changping District – Beijing		100.00	100.00	GI
Vilmorin Nederland Holding BV	Netherlands	Van der Haveweg 2 – 4411 RB Rilland		100.00	100.00	GI
Latam Seed Holdings S.L.U	Spain	Calle Serrano número 41, planta 4 28001 Madrid		100.00	100.00	GI
Mars Holding BV	Netherlands	Van der Haveweg 2 4411 RB Rilland		100.00	100.00	GI
Mikado Seed Holding K.K.	Japan	1-4-11 Ohnodai, Midori-ku 267-0056 Chiba-shi		85.45	85.45	GI
Vilmorin & Cie SA	France	4 Quai de la Mégisserie 75001 Paris	377 913 728	100.00	100.00	GI
Vilmorin Hong Kong Ltd	China	Level 54, Hopewell Centre 183 Queen's Road East – Hong Kong		100.00	100.00	GI
Vilmorin 2014 (Holdings) Ltd	United Kingdom	Joseph Nickerson Research Centre, Rothwell Market Rasen – LN7 6DT Lincolnshire		100.00	100.00	GI
Vilmorin USA Corp	United States	Corporation Service Company – 251 Little Falls Drive 19808 Wilmington – Delaware		100.00	100.00	GI
Vilmorin Singapore PTE Ltd	Singapore	80 Raffles Place – #32-01 UOB Plaza 048624 Singapore		100.00	100.00	GI

Consolidation method: GI: global integration EM: equity method

**Appendix 2 : Fees paid to the Statutory Auditors
and to members of their network**

On June 30, 2020:

In euros	06.30.20		
	KPMG	Visas 4	Total
Certification and limited half-yearly review of the individual and consolidated financial statements			
> Vilmorin & Cie	178,134	45,270	223,404
> Globally integrated subsidiaries	871,413	21,498	892,911
Services other than certification of the financial statements			
> Vilmorin & Cie	42,006	-	42,006
> Globally integrated subsidiaries	60,235	-	60,235
Total	1,151,787	66,768	1,218,555

On June 30, 2019:

In euros	06.30.19		
	KPMG	Visas 4	Total
Certification and limited half-yearly review of the individual and consolidated financial statements			
> Vilmorin & Cie	172,642	43,260	215,902
> Globally integrated subsidiaries	821,173	21,027	842,200
Services other than certification of the financial statements			
> Vilmorin & Cie	45,274	1,726	47,000
> Globally integrated subsidiaries	67,554	1,576	69,130
Total	1,106,643	67,589	1,174,232

6.2. Statutory Auditors' report on the consolidated financial statements

Fiscal year closing on June 30, 2020

To the Shareholders of Vilmorin & Cie S.A.,

Opinion

In compliance with the assignment entrusted to us by your Shareholders' Annual General Meetings, we have conducted the audit of the consolidated financial statements of the company Vilmorin & Cie S.A. concerning the fiscal year closing on June 30, 2020 as they are appended to this report.

These financial statements were approved by the Board of Directors on October 14, 2020 on the basis of the information available at that date in the uncertain context of the Covid-19 crisis and difficulties in understanding its impact and future prospects.

We certify that the consolidated financial statements give a true and fair view of the results of operations for the year ended June 30, 2020 and of the financial position and assets and liabilities at the end of the fiscal year of the persons and entities included in the consolidation, in accordance with IFRS standards as adopted by the European Union.

The opinion expressed above is consistent with the content of our report to the Audit and Risk Management Committee.

Basis of the opinion

Audit standards

We have conducted our audit in accordance with the professional standards applicable in France. We believe that the information we have gathered is sufficient and appropriate to form our opinion.

Our responsibilities under these standards are set out in the "Statutory Auditors' Responsibilities relating to the audit of the consolidated financial statements" section of this report.

Independence

We have carried out our audit mission in compliance with the independence rules applicable to us, over the period from July 1, 2019 to the date of issue of our report, and in particular we have not provided services prohibited by article 5, paragraph 1, of regulation (EU) No. 537/2014 or by the code of ethics of the auditing profession.

Observation

Without qualifying the opinion expressed above, we draw your attention to Note 1.4.2 "Application and interpretation of standards and regulations" to the consolidated financial statements, which sets out the first application as at July 1, 2019 of the standard IFRS 16 "Leases" and the interpretation IFRIC 23 "Uncertainty over Income Tax Treatments."

Justification of assessments – Key audit points

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the fiscal year, as well as the answers that we have provided with regard to these risks.

These assessments were made in the context of the audit of the consolidated financial statements taken as a whole, drawn up in accordance with the conditions set out above and the formation of our opinion expressed above. We do not express an opinion on individual items in these consolidated financial statements.

Evaluation of goodwill and germplasm

Notes 1.3, 1.9, 1.11, 14 and 15 to the consolidated financial statements

Risk identified

On June 30, 2020, the values of goodwill and germplasm for the group stood respectively at 434.9 million euros and 290.7 million euros within the total balance sheet of 3,192 million euros.

Bearing in mind that germplasm needs to be kept permanently in good condition, regularly maintained and continually used in the process of plant breeding, the Management considers that its economic life is indefinite.

These intangible assets with an indefinite economic life were recognized during external growth operations, and were allocated to Cash Generating Units (CGUs) for the activities in which the acquired companies were integrated. In particular, germplasm, measured at fair value through business combinations, consists of all plant resources acquired.

As stipulated in Notes 1.9.2 and 1.9.4, every fiscal year the goodwill and germplasm are tested to ensure that their book value is not higher than their recoverable value, and that there is no risk of impairment.

We considered that the value of these intangible assets is a key point of the audit due to its significant importance in the group's financial statements and the method of determining their recoverable amount, most often based on discounted cash flow forecasts, which require the use of assumptions, estimates or assessments by Management, as indicated in Notes 1.3 and 1.11 to the consolidated financial statements.

The methods used to test for impairment are described in Note 1.11 and the details of the assumptions used are presented in Notes 14 and 15.

Audit procedures implemented to address identified risks

We have examined the methods used to implement these impairment tests. In particular, among the goodwill and germplasm recognized by the group, we paid special attention to the Cash Generating Unit "Field Seeds" due to past achievements and expected growth prospects.

We assessed the reasonable nature of key estimates, including cash flow forecasts, long-term growth rates and discount rates used. We also analyzed the consistency of cash flow forecasts with past performances, market prospects and the forecast data presented to the Company's Board of Directors, and reviewed the sensitivity analyses on impairment tests.

Finally, we also verified the appropriateness of the information provided in the notes to the consolidated financial statements.

Specific verifications

We also performed the specific verifications, required by law and in accordance with professional standards applicable in France, of information relating to the group, as provided for in the Board of Directors' management report approved on October 14, 2020.

We have no comments as to its fair presentation and conformity with the consolidated financial statements.

We certify that the consolidated statement of non-financial performance provided for in article L.225-102-1 of the French Commercial Code is included in the information relating to the group given in the management report. However, in accordance with the provisions of Article L.823-10 of this Code, we have not verified the information contained in this declaration as to its fair presentation or consistency with the consolidated financial statements. This must be the subject of a report by an independent third party.

Information resulting from other legal and regulatory obligations

Designation of the Statutory Auditors

We were appointed Statutory Auditors for the Company Vilmorin & Cie, representing KPMG S.A., by the General Meeting of Shareholders of March 2, 1990, and representing Visas 4 Commissariat by the General Meeting of Shareholders of February 21, 1995.

On June 30, 2020, KPMG S.A. was in its 30th uninterrupted year of mission, and Visas 4 Commissariat in its 26th year, and respectively the 27th and 26th year since the shares of the Company were admitted for trading on a regulated market.

Responsibilities of Management and those charged with governance relating to the consolidated financial statements

It is the responsibility of Management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS standards as adopted by the European Union, and to establish such internal control as it deems necessary for the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, for disclosing in these financial statements, if applicable, the necessary information relating to the going concern and for applying the going concern accounting policy, unless it is planned to liquidate the Company or cease operations.

The Audit and Risk Management Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems, as well as, where applicable, internal audit, with respect to the procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements were closed by the Board of Directors.

Statutory Auditors' Responsibilities relating to the audit of the consolidated financial statements

Audit objective and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free from material misstatement.

Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with professional practice standards will always detect any significant material misstatement. Such misstatements may be fraudulent or error-related and are considered material when they can reasonably be expected to influence, either individually or cumulatively, the economic decisions that account users make based on them.

As specified by article L.823-10-1 of the French Commercial Code, our certification mission of the financial statements is not to guarantee the viability or quality of your Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, Statutory Auditors exercise their professional judgment throughout this audit. In addition:

- They identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, define and implement audit procedures to address these risks, and collect information that they consider sufficient and appropriate to form their opinion. The risk of undetected material misstatement arising from fraud is greater than the risk of undetected material misstatement resulting from an error, as fraud may involve collusion, forgery, willful omission, misrepresentation or circumvention of internal control.
- They take note of the internal control relevant to the audit in order to define appropriate audit procedures in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control.
- They assess the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by Management, as well as the information concerning these estimates provided in the consolidated financial statements.
- They assess the appropriateness of Management's application of the going concern accounting policy and, depending on the information collected, whether or not there is any significant uncertainty related to events or circumstances that could jeopardize the Company's ability to continue as a going concern. This assessment is based on the information collected up to the date of their report, although it should be borne in mind that future circumstances or events could jeopardize the Company's ability to continue as a going concern.

If they conclude that there is significant uncertainty, they draw the attention of the readers of their report to the information provided in the consolidated financial statements about that uncertainty or, if that information is not provided or is not relevant, they issue a qualified certification or a refusal to certify

- They assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view.
- With regard to the financial information of the persons or entities included in the consolidation scope, they collect information that they consider sufficient and appropriate to express an opinion on the consolidated financial statements. They are responsible for the management, supervision and audit of the consolidated financial statements and for the opinion expressed therein.

Report to the Audit and Risk Management Committee

We submit a report to the Audit and Risk Management Committee, which includes the scope of the audit work and the work program implemented, as well as the conclusions resulting from our work. We also bring to its attention, where appropriate, any material weaknesses in the internal control procedures that we have identified with regard to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Audit and Risk Management Committee are the risks of material misstatement that we believe to have been the most significant for the audit of the consolidated financial statements for the fiscal year and which are therefore the key points of the audit. These points are described in this report.

We also provide the Audit and Risk Management Committee with the declaration required by article 6 of regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of ethics of the auditing profession. If necessary, we meet with the Audit and Risk Management Committee to discuss our independence and the safeguards applied.

The Statutory Auditors
Paris-La-Défense and Clermont-Ferrand, October 14, 2020

KPMG Audit
Département de KPMG S.A.
Catherine Porta, *Partner*

Visas 4
Commissariat
Emily Strickland, *Partner*

6.3. Corporate financial statements

6.3.1. Income statement

In thousands of euros	19-20	18-19
Sales	95,053	84,244
Purchases	-315	-420
Gross margin	94,738	83,824
Other operating income	1,888	20,657
Operating resources	96,626	104,480
Other purchases and external charges	-67,301	-67,188
Taxes	-1,758	-1,882
Personnel charges	-30,921	-29,281
Depreciation and amortization	-9,753	-11,456
Operating charges	-109,733	-109,807
Operating income	-13,108	-5,327
Shares in income from joint operations	6	-5,273
Financial income	43,726	37,786
Extraordinary income	-30,357	-2,578
Income taxes	15,730	17,774
Net income for the fiscal year	15,996	42,382

6.3.2. Balance sheet Assets

In thousands of euros	Gross 06.30.20	Depreciation & provisions	Net 06.30.20	Net 06.30.19
Intangible fixed assets	106,116	-56,423	49,693	51,483
Tangible fixed assets	3,213	-2,572	642	808
Financial fixed assets	1,365,177	-118,167	1,247,010	1,059,197
Fixed assets	1,474,507	-177,162	1,297,345	1,111,487
Inventories	161	0	161	172
Accounts receivable	9,777	0	9,777	12,169
Other receivables	485,955	0	485,955	612,677
Cash and bank in hand	57,032		57,032	27,392
Current assets	552,925	0	552,925	652,410
Accruals	10,260		10,260	8,535
Total assets	2,037,692	-177,162	1,860,530	1,772,432

6.3.3. Balance sheet Liabilities

In thousands of euros	Net 06.30.20	Net 06.30.19
Capital stock	349,489	349,489
Issue premiums	300,602	300,602
Reserves	28,016	25,897
Carried forward	10,503	1,168
Income for the fiscal year	15,996	42,382
Investment subsidies		
Regulated provisions		
Equity	704,606	719,538
Other shareholders' funds	617	600
Provisions for liabilities and charges	11,420	8,357
Loans and financial debts	992,303	948,201
Accounts payable	18,821	21,561
Other debts	132,748	74,162
Current liabilities	1,143,871	1,043,924
Accruals	15	14
Total liabilities	1,860,530	1,772,432

6.4. Statutory Auditors' report on the annual corporate financial statements

Fiscal year closing on June 30, 2020

To the Shareholders of the Company Vilmorin & Cie S.A.,

Opinion

In compliance with the assignment entrusted to us by your Shareholders' Annual General Meetings, we have conducted the audit of the annual corporate financial statements of the Company Vilmorin & Cie S.A. concerning the fiscal year closing on June 30, 2020 as they are appended to this report.

These financial statements were approved by the Board of Directors on October 14, 2020 on the basis of the information available at that date in the uncertain context of the Covid-19 crisis and difficulties in understanding its impact and future prospects.

We certify that the annual financial statements give a true and fair view of the results of operations for the past fiscal year and of the financial position and assets and liabilities at the end of the fiscal year, with respect to French accounting rules and principles.

The opinion expressed above is consistent with the content of our report to the Audit and Risk Management Committee.

Basis of opinion

Audit standards

We have conducted our audit in accordance with the professional standards applicable in France. We believe that the information we have gathered is sufficient and appropriate to form our opinion.

Our responsibilities under these standards are set out in the "Statutory Auditors' Responsibilities relating to the audit of the annual financial statements" section of this report.

Independence

We have carried out our audit mission in compliance with the independence rules applicable to us, over the period from July 1, 2019 to the date of issue of our report, and in particular we have not provided services prohibited by article 5, paragraph 1, of regulation (EU) No. 537/2014 or by the code of ethics of the auditing profession.

Justification of assessments - Key audit points

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, in our professional judgment, were the most significant for the audit of the annual financial statements for the fiscal year, as well as the answers that we have provided with regard to these risks.

These assessments were made in the context of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on individual items in these annual financial statements.

Valuation of equity shares

Risk identified

Equity shares, shown in the balance sheet on June 30, 2020 for a net amount of 1,228 million euros when considering the balance sheet total of 1,861 million euros, represent one of the most important items of the assets. They are recorded on their date of entry at acquisition cost, and amortized on the basis of their value in use, representing what the Company would agree to pay for them if it had to acquire them.

As indicated in Note 2 to the annual financial statements, at each close of the fiscal year, the Company estimates the value in use of each of its equity investments to determine whether this value in use is less than the net book value.

This analysis is based on a multi-criteria approach taking into account:

- first the contribution of each subsidiary to the consolidated financial statements of the group,
- then, where applicable, the economic value determined by reference to future cash flows, taking into account the activity developed and the outlook for the future.

In this context and in view of the uncertainties inherent in certain elements, and in particular the likelihood that forecasts will be achieved, we considered the correct valuation of equity shares to be a key point of the audit.

Audit procedures implemented to address identified risks

In order to assess the reasonable nature of the estimate of the value in use of equity shares, based on the information provided to us, our work consisted mainly in verifying that the estimate of these values determined by Management is based on an appropriate justification of the valuation method and the figures used and, depending on the securities concerned, to:

For assessments based on historical items:

- verify that the shareholders' equity adopted is consistent with the financial statements of the entities audited or subject to analytical procedures and that any adjustments made to the shareholders' equity are based on supporting documentation.

For assessments based on forecast items:

- obtain the cash flow and operating forecasts of the activities of the entities concerned prepared by their operating departments and assess their consistency with the forecast data prepared under the supervision of their General Management for each of these activities,
- verify that the assumptions used are consistent with the economic environment at the date of close and preparation of the financial statements,
- verify that the value resulting from cash flow forecasts has been adjusted by the amount of the indebtedness of the entity under consideration.

Specific verifications

We have also performed the specific verifications required by law, and in accordance with professional standards applicable in France.

Information given in the management report and in the other documents provided to the shareholders on the financial position and the annual financial statements

We have nothing to report on the fairness and consistency with the annual financial statements of the information given in the Board of Directors' management report, approved on October 14, 2020, and in the other documents sent to Shareholders on the financial position and the annual financial statements.

We certify that the information relating to payment periods mentioned in article D. 441-4 of the French Commercial Code is true and fair, and consistent with the annual financial statements.

Report on the corporate governance

We attest to the existence, in the Board of Directors' management report on corporate governance, of the information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning information provided pursuant to the provisions of article L.225-37-3 of the French Commercial Code on compensation and benefits paid to corporate officers and commitments granted to them, we have verified their consistency with the financial statements or with the data used in the preparation of these financial statements and, where applicable, with the information collected by your Company from companies controlled by your Company and included in the consolidation scope. On the basis of this work, we certify the accuracy and fairness of this information.

Other information

In accordance with the law, we have verified that the various disclosures relating to the identity of holders of share capital or voting rights have been disclosed to you in the management report.

Information resulting from other legal and regulatory obligations**Designation of Statutory Auditors**

We were appointed Statutory Auditors for the Company Vilmorin & Cie, representing KPMG S.A., by the General Meeting of Shareholders of March 2, 1990, and representing Visas 4 Commissariat by that of February 21, 1995.

On June 30, 2020, KPMG S.A. was in its 30th uninterrupted year of mission, and Visas 4 Commissariat in its 26th year, and respectively the 27th and 26th year since the shares of the Company were admitted for trading on a regulated market.

Responsibilities of Management and those charged with corporate governance relating to the annual financial statements

It is the responsibility of Management to prepare annual financial statements that present a true and fair view in accordance with French accounting rules and principles, and to establish such internal control as it deems necessary for the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, for disclosing in these financial statements, if applicable, the necessary information relating to the going concern and for applying the going concern accounting policy, unless it is planned to liquidate the Company or cease operations.

The Audit and Risk Management Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems, as well as, where applicable, internal audit, with respect to the procedures relating to the preparation and processing of accounting and financial information.

The annual financial statements were closed by the Board of Directors.

Statutory Auditors' Responsibilities relating to the audit of the annual financial statements

Audit objective and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole are free from significant material misstatement. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with professional practice standards will always detect any significant material misstatement. Such misstatements may be fraudulent or error-related and are considered material when they can reasonably be expected to influence, either individually or cumulatively, the economic decisions that account users make based on them.

As specified by article L.823-10-1 of the French Commercial Code, our mission to certify the financial statements is not to guarantee the viability or quality of your Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, Statutory Auditors exercise their professional judgment throughout this audit. In addition:

- They identify and assess the risks of significant material misstatement in the annual financial statements, whether due to fraud or error, define and implement audit procedures to address these risks, and collect information that they consider sufficient and appropriate to form their opinion. The risk of undetected material misstatement arising from fraud is greater than the risk of undetected material misstatement resulting from an error, as fraud may involve collusion, forgery, willful omission, misrepresentation or circumvention of internal control.
- They take note of the internal control relevant to the audit in order to define appropriate audit procedures in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of internal control.
- They assess the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by Management, as well as the information concerning these estimates provided in the annual financial statements.
- They assess the appropriateness of Management's application of the going concern accounting policy and, depending on the information collected, whether or not there is any significant uncertainty related to events or circumstances that could jeopardize the Company's ability to continue as a going concern. This assessment is based on the information collected up to the date of their report, although it should be borne in mind that future circumstances or events could jeopardize the Company's ability to continue as a going concern. If they conclude that there is significant uncertainty, they draw the attention of the readers of their report to the information provided in the annual financial statements about that uncertainty or, if that information is not provided or is not relevant, they issue a qualified certification or a refusal to certify.
- They assess the overall presentation of the annual financial statements and assess whether the annual financial statements reflect the underlying transactions and events in such a way as to give a true and fair view.

Report to The Audit and Risk Management Committee

We submit a report to the Audit and Risk Management Committee, which includes the scope of the audit work and the work program implemented, as well as the conclusions resulting from our work. We also bring to its attention, where appropriate, any material weaknesses in the internal control procedures that we have identified with regard to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Audit and Risk Management Committee are the risks of material misstatement that we believe to have been the most significant for the audit of the annual financial statements for the fiscal year and which are therefore the key points of the audit. These points are described in this report.

We also provide the Audit and Risk Management Committee with the declaration required by article 6 of regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of ethics of the auditing profession. If necessary, we meet with the Audit and Risk Management Committee to discuss our independence and the safeguards applied.

The Statutory Auditors

Paris-La-Défense and Clermont-Ferrand, October 14, 2020

KPMG Audit
Département de KPMG S.A.
Catherine Porta, *Partner*

Visas 4
Commissariat
Emily Strickland, *Partner*



7 VILMORIN & CIE AND ITS SHAREHOLDERS

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7.1. Information on the Company

7.1.1. Name, head office and administrative office

- Name: Vilmorin & Cie.
- Head office: 4 quai de la Mégisserie - 75001 Paris - France.
- Administrative office: CS 20001 Saint Beauzire - F-63360 Gerzat.
- Jurisdiction: French jurisdiction.

7.1.2. Legal status

Vilmorin & Cie is a “Société Anonyme” (limited liability company), with a Board of Directors, governed by the provisions of Book II of the French Commercial Code.

7.1.3. Date of creation and duration of the Company

The Company was created on March 2, 1990 under the name of SSBP (Société de Services de la Branche Potagères & Fleurs); this name has been since changed as follows:

- modification of name to Ceres (EGM June 27, 1990),
- modification of name to Vilmorin & Cie (EGM June 29, 1993),
- modification of name to Vilmorin Clause & Cie (EGM December 9, 1997),
- modification of name to Vilmorin & Cie (EGM July 3, 2006).

Various modifications to the by-laws have been adopted, and in particular the following:

- modification of management system (EGM March 16, 1998), to adopt the system of Board of Directors, replacing the Board of Management and Board of Trustees,
- modification of the by-laws in compliance with the French law of January 15, 2001 governing new economic regulations (EGM December 3, 2002),
- update of the by-laws (EGM December 11, 2008),
- update of the by-laws (EGM December 9, 2016 and decisions taken by the Chairman and CEO on January 11, 2019).

The duration of the Company is 99 years, unless it is extended or cut short by an Extraordinary General Meeting of the Shareholders

The by-laws may be consulted on the Company's website www.vilmorincie.com.

7.1.4. Object of the Company

Under the terms of article 2 of the by-laws, the object of Vilmorin & Cie is:

- to acquire a stake, and to participate in any company in which it thinks it may have an interest,
- to make profitable and rational use of the resources pooled by its subsidiaries and to take any civil or commercial measures for this purpose,
- to co-ordinate and develop the activity of its subsidiaries by setting up missions to provide them with monitoring and control,
- to provide its subsidiaries, or any other persons, with the means to improve their management, reduce their overheads and facilitate the distribution of their products,
- to carry out research on the subject of plants and all processes that can be applied to plant improvement and the development of new varieties,
- to exploit and sell any knowledge thus acquired, any patents, and any new plant varieties, in whatever form, directly or indirectly, or by granting a license for use or any other form,
- to acquire stakes in whatever form, interest and participation in any company, group or enterprise, whether French or of another nationality, which has a similar object or that is liable to help it develop its own business.

In order to attain these corporate objectives, the Company may:

- create, acquire/sell, exchange, rent or let out, with or without a promise of sale, manage and run, directly or indirectly, any industrial or commercial establishment, any factory, any site or premises whatsoever, any furniture or equipment,
- obtain or acquire any patent, license, process and trademark, exploit them, create or contribute or grant any license to manufacture or produce in any country,
- and generally, carry out any operation of a commercial, industrial, financial nature, or regarding moving or fixed assets, that may be useful, whether directly or indirectly, to the corporate object, or contribute to its achievement.

It may act, directly or indirectly, on its own behalf or on behalf of a third party, and either alone or in association, as a Shareholder, or as a company, with any other company, or physical or moral entity, and proceed with operations that comply with its object, either directly or indirectly, whether in France or in another country, and in whatever form.

7.1.5. Company Trade Register

The Company is registered on the Paris Company Trade Register under number 377 913 728.

No. SIRET: 377 913 728 00020

No. SIREN: 377 913 728

No. APE: 7010 Z (Activity of head offices)

No. LEI: 969500TQ4OAZZXSUPZ18

7.1.6. Fiscal year

The fiscal year is for twelve months, running from July 1 until June 30 of the following year.

7.1.7. Consultation of legal documents

The legal documents concerning Vilmorin & Cie (by-laws, minutes of General Meetings, Statutory Auditors' reports and any documents available to Shareholders) can be consulted at the head office of the Company: 4, quai de la Mégisserie – F-75001 Paris. Moreover, this information and certain historical financial information concerning regulatory information is available on the Vilmorin & Cie website (www.vilmorincie.com) in the section Publications.

7.1.8. Tribunals for referral of litigation

Tribunal de Commerce de Paris.

7.1.9. General Meetings

7.1.9.1. Notice to attend General Meetings

General Meetings are convened in compliance with legal provisions. Meetings are held at the place stipulated in the notice to attend.

Convening registered Shareholders

Shareholders who have held registered shares for at least one month at the date the meeting is published, or of the notice to attend, are convened to any General Meeting by ordinary letter, or for any Shareholder who so wishes, by registered letter at his or her expense.

Notice to attend can also be sent by electronic mail if the Shareholder has opted for this form of communication, in accordance with conditions laid down in article R.225-63 of the French Commercial Code.

7.1.9.2. Conditions of attendance

Any Shareholder can attend General Meetings, whether personally or by proxy, in the conditions laid down by law, upon justification of his or her identity and ownership of the shares:

- either by nominative registration,
- or by registration of an ownership certificate issued thereby, in accordance with regulations in force, attached to a posted ballot, a voting proxy form or a request for admittance card prepared in the name of the Shareholder or the Shareholder's nominee. The period during which these formalities must be accomplished expires on the second working day before the date of the General Meeting at midnight, Paris time.

The General Meeting can be attended by all the Shareholders whatever the number of shares they hold, on condition they are fully paid up.

Any Shareholder can also participate in General Meetings by any means of telecommunications fixed by laws and regulations, and which are stipulated in the notice to attend the General Meeting.

7.1.9.3. Voting rights accompanying the shares

In all the Meetings, provided all laws and decrees in force are respected, each member attending the Meeting has the same number of votes as the number of shares he or she holds or represents, without any limits. Nevertheless, double voting rights compared to other shares, in proportion to the stock they represent, are granted to any shares fully paid up and held nominatively for four years at least with the same Shareholder's name (decision of the General Meeting of July 22, 1993).

This right is also granted, as soon as they are issued in the case of an increase in stock through incorporation of the reserves, profits or issue premiums, to nominative shares allotted free of charge to a Shareholder by virtue of former shares which provide this right.

7.1.9.4. Rules for representation and placing items of draft resolutions on the agenda

Rules for representation

Shareholders may be represented not only by another Shareholder, spouse or civil partner, but also by any other person (physical person or legal entity) of his or her choice (Article L.225-106, I-al 2). This freedom to choose one's representative is accompanied by the need for the representative to obtain all necessary information to avoid any conflict of interest that might arise between the representative and his or her mandator.

Adding items or draft resolutions to the agenda of the General Meeting by Shareholders and written questions

The possibility of Shareholders to include draft resolutions or any item not linked to a draft resolution is subject to their possession of a certain percentage of the capital stock. The Shareholder must accompany his or her request with justification of possession of the percentage of capital stock required, along with a certificate of registration for the corresponding shares, either in the nominative share accounts kept by the Company or in the bearer share accounts held by an authorized intermediary.

Moreover, any examination of the item or the resolution by the General Meeting is conditional on the transmission by the relevant party of another certificate of securities registration for the same accounts on the second working day (midnight, Paris time) prior to the General Meeting.

The request for the inclusion of any agenda items or draft resolutions must be sent to the head office by registered letter with a request for acknowledgement of receipt, or by e-mail, and must reach the Company at least 25 days before the date of the General Meeting, but no later than 20 days after the date of the notice to attend the meeting.

All requests to include draft resolutions must be accompanied by:

- the text of the draft resolutions,
- where relevant, a brief presentation of the motives,
- a certificate of registered shares justifying that the required capital stock is held.

Any request for the inclusion of an item on the agenda must be accompanied by the motives and a certificate of registered shares justifying that the required capital stock is held.

The Chairman of the Board must acknowledge receipt of the request for agenda items or draft resolutions, by registered letter, or by e-mail, within five days of receiving this request. If draft resolutions are submitted by Shareholders, the Members of the Board must meet in order to determine if they should recommend to the General Meeting that these draft resolutions should be adopted or rejected.

Each Shareholder may send to the Board of Directors, which will respond during the meeting, any written questions he or she chooses. The questions must be sent by registered letter with a request for acknowledgment of receipt, or by an electronic message sent to the addresses indicated in the notice to attend, at the latest on the fourth working day before the date of the General Meeting, and be accompanied by a certificate of registration for the corresponding shares, either in the nominative share accounts kept by the Company or in the bearer share accounts held by the authorized intermediary.

7.2. Capital stock and Shareholders

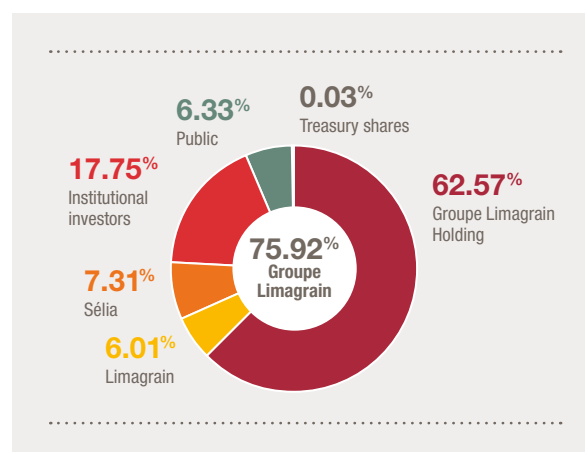
7.2.1. Capital stock

The capital stock on June 30, 2020, stood at 349,488,703 euros divided into 22,917,292 shares each with a nominal value of 15.25 euros, fully paid up.

Vilmorin & Cie's reference Shareholder, Limagrain (cf. page 97) directly or indirectly holds 75.92% of its capital stock.

Almost 18% of the capital stock is held by institutional investors, more than half of whom are based outside France (United States, Belgium, United Kingdom, Singapore, Germany, Switzerland, etc.). Almost 10,000 individual Vilmorin & Cie Shareholders, owning either registered or bearer shares, hold 6.33% of the capital stock.

7.2.1.1. Analysis of capital stock on June 30, 2020



On October 14, 2020, Bpifrance Participations entered Vilmorin & Cie's capital stock and holds 5.71%, thus becoming Vilmorin & Cie's second largest shareholder, alongside Limagrain.

Bpifrance is now a shareholder at the level of Vilmorin & Cie, after acquiring a stake in the capital of Limagrain in March 2010⁽¹⁾. The operation, finalized on October 14, 2020, was materialized through the early conversion of redeemable bonds as Vilmorin & Cie shares held by Bpifrance, representing 3.9% of Vilmorin & Cie's capital stock, as well as through the additional sale, by Limagrain, of Vilmorin & Cie shares, representing 1.81% of its capital stock.

Following this operation, Limagrain now holds a total of 70.18% of Vilmorin & Cie's capital stock.

7.2.1.2. Analysis of the capital stock and voting rights on June 30, 2020

	Single vote shares	Double vote shares	% of capital stock	Total number of votes ⁽¹⁾	% of total number of votes ⁽¹⁾
Groupe Limagrain Holding	16,516	14,322,955	62.57%	28,662,426	72.04%
Limagrain	56,094	1,320,506	6.01%	2,697,106	6.78%
Sélia	527,683	1,147,990	7.31%	2,823,663	7.10%
Treasury shares ⁽²⁾	6,423	-	0.03%	-	-
Groupe Limagrain	606,716	16,791,451	75.92%	34,183,195	85.92%
Public	5,434,765	84,360	24.08%	5,603,485	14.08%
Total	6,041,481	16,875,811	100.00%	39,786,680	100.00%

(1) The difference between theoretical voting rights and votes that may be exercised in General Meetings is not significant.

(2) At nominal value.

(1) Operation carried out by the FSI - Fonds Stratégique d'Investissement, now Bpifrance Participations. It should be recalled that this investment was made through a capital stock increase by Groupe Limagrain Holding (GLH) - Limagrain's head holding company - and the issue by GLH of bonds redeemable as Vilmorin & Cie shares. In 2016, Bpifrance extended this partnership.

- Capital stock and voting rights held by the different administrative and management structures: not significant.
- Capital stock and voting rights held by the employees, directly or indirectly: not significant. In fact, Vilmorin & Cie has not set up an employee stock ownership plan (even though employees can be Shareholders on an individual basis) and does not wish to do so, particularly to avoid creating a potential difference in status between the employees of Vilmorin & Cie and the other employees working for its reference Shareholder Limagrain.
- Declaration of transactions entered into by executives: Groupe Limagrain Holding (GLH) filed a declaration by executives with the AMF in respect of the redemption of bonds redeemable as existing shares of Vilmorin & Cie issued on March 16, 2010 (the terms and conditions of which were amended on December 13, 2016), which took place on October 14, 2020. Sélia made a declaration by executives to the AMF in respect of the transfer of Vilmorin & Cie shares to Bpifrance Participations.
- Declaration of Shareholders' agreement: the Shareholders' agreement signed in 2010 between Bpifrance Participations⁽¹⁾, Groupe Limagrain Holding (GLH) and Coopérative Limagrain, amended by a first rider on December 13, 2016, was amended by a second rider on October 14, 2020. The purpose of this second amendment is to reflect the fact that Bpifrance Participations no longer holds an interest in GLH and has acquired a stake representing 5.71% of the capital stock and 3.40% of the voting rights of Vilmorin & Cie. The stipulations relating to the holding of GLH shares have been removed and those relating to the holding of Vilmorin & Cie shares have been maintained. This amendment was the subject of a notice to be published by the AMF⁽²⁾.

Following the operations that took place on October 14, 2020, the concert made up of Coopérative Limagrain, GLH, Sélia and Bpifrance Participations held 75.89% of the capital stock and 85.42% of the voting rights of Vilmorin & Cie, while the presumed concert between Coopérative Limagrain, GLH and Sélia held 70.18% of the capital stock and 82.02% of the voting rights of Vilmorin & Cie.

- Collective commitments to preserve shares: two collective commitments to preserve the Company's shares were recorded on October 15 and 22, 2009 in compliance with article 885 I bis of the French Tax Code. These two commitments were signed for an initial duration of two years and are renewable by tacit agreement for an indefinite duration. On the date they were signed, the commitments concerned 2,715,003 shares, representing 20.3% of the financial rights and 28.7% of the voting rights.

Two riders to these commitments were written on October 22, 2010, and duly registered, in order to take account of the increase in the capital stock made on April 15, 2010: the commitments concerned 3,540,003 shares. On December 20, 2016, a new collective commitment to preserve the Company's shares was recorded in compliance with article 885 I bis of the French Tax Code. This commitment was signed for an initial duration of 2 years renewable by tacit agreement for an indefinite duration. On the day it was signed, the commitment concerned 7,194,503 shares, representing at least 20% of the financial rights and the voting rights.

- Non-issued authorized capital stock: none, as no commitment to raise the stock had been made.
- Shares non-representative of the capital: none.
- Stock-options: none.

(1) Operation carried out by the FSI - Fonds Stratégique d'Investissement, now Bpifrance Participations.

(2) This notice can be consulted on the AMF website: www.amf-france.org.

7.2.1.3. Evolution of the capital stock

Decision and date	Nature of the capital stock increase	Nominal amount and premium per share	Capital stock raised to	Total number of shares
03.02.90	Creation of the Company. 2,500 shares issued	FRF 100	FRF 250,000	2,500
06.29.93	3,820,000 shares issued to pay for a partial contribution of assets from Groupe Limagrain Holding	FRF 100	FRF 382,250,000	3,822,500
06.29.93	Equivalent of 1,817,500 shares issued in cash reserved for Groupe Limagrain Holding	FRF 100	FRF 564,000,000	5,640,000
10.04.93	Conversion of shares at nominal price of FRF 100 to shares at FRF 300	FRF 300	FRF 564,000,000	1,880,000
12.17.93	166,700 shares issued reserved for Crédit Lyonnais bank	FRF 300 + Premium of FRF 6	FRF 614,010,000	2,046,700
11.26.96	921,015 shares issued with stock warrants	FRF 300 + Premium of FRF 170	FRF 890,314,500	2,967,715
11.96 to 06.30.97	177 warrants exchanged corresponding to 59 shares	FRF 300 + Premium of FRF 180	FRF 890,332,200	2,967,774
07.97 to 06.30.98	93 warrants exchanged corresponding to 31 shares	FRF 300 + Premium of FRF 180	FRF 890,341,500	2,967,805
07.98 to 06.30.99	927 warrants exchanged corresponding to 309 shares	FRF 300 + Premium of FRF 180	FRF 890,434,200	2,968,114
07.99 to 06.30.00	336 warrants exchanged corresponding to 112 shares	FRF 300 + Premium of FRF 180	FRF 890,467,800	2,968,226
07.00 to 06.30.01	662,301 warrants exchanged corresponding to 220,767 shares	FRF 300	FRF 956,697,900	3,188,993
	Conversion of the nominal unit value to €45.75 using FRF 319,944 of the legal reserves	+ Premium of FRF 180	€145,896,429.75	3,188,993
01.18.06	Division by 3 of the nominal value of the share from €45.75 to €15.25	€15.25	No modification	9,566,979
07.03.06	3,824,878 shares issued to remunerate partial contribution of assets made by the company Limagrain Agro-Industrie	€15.25	€204,225,819.25	13,391,857
04.13.10	3,826,244 new shares issued with pre-emptive Shareholder rights	€15.25	€262,576,040.25	17,218,101
01.21.13	Creation of 1,721,810 shares by the allotment of free shares	€15.25	€288,833,642.75	18,939,911
01.19.15	Creation of 1,893,991 shares by the allotment of free shares	€15.25	€317,717,005.50	20,833,902
01.21.19	Creation of 2,083,390 shares by the allotment of free shares	€15.25	€349,488,703	22,917,292

On the date of the opening and closing of fiscal year 2019-2020 (on July 1, 2019 and June 30, 2020 respectively), Vilmorin & Cie's capital stock stood at 349,488,703 euros divided up into 22,917,292 shares.

7.2.1.4. Modifications occurring in the breakdown of the capital stock over the last three fiscal years

	06.30.18			06.30.19			06.30.20		
	Number of shares	% of capital	% of total number of voting rights	Number of shares	% of capital	% of total number of voting rights	Number of shares	% of capital	% of total number of voting rights
Groupe Limagrain Holding	13,035,883	62.57	71.92	14,339,471	62.57	72.04	14,339,471	62.57	72.04
Limagrain	1,251,455	6.01	6.81	1,376,600	6.01	6.78	1,376,600	6.01	6.78
Sélia	1,081,550	5.19	5.91	1,240,315	5.41	6.00	1,675,673	7.31	7.10
Treasury shares	5,877	0.03	-	6,289	0.03	-	6,423	0.03	-
Groupe Limagrain	15,374,765	73.80	84.64	16,962,675	74.02	84.82	17,398,167	75.92	85.92
Public and various	5,459,137	26.20	15.36	5,954,617	25.98	15.18	5,519,125	24.08	14.08
Total	20,833,902	100.00	100.00	22,917,292	100.00	100.00	22,917,292	100.00	100.00

7.2.2. Notification of crossing the threshold

Any physical or moral person, acting alone or with others, who goes above, or back under, the threshold of 3% of the capital stock or voting rights or any multiple of this percentage, is required to inform the Company (decision of the General Meeting of July 22, 1993). The conditions under which the Company should be informed are laid down in article 12 of the by-laws.

If such conditions are not respected, any shares above this threshold and which should have been declared, are deprived of voting rights under conditions laid down by the law, if one or several holders of shares to the value of 5% or more of the capital stock so request in the minutes of the General Meeting.

At the same time, and with the aim of monitoring the composition of its Shareholders, the Company is authorized to make full use of legal recommendations for the identification of holders of shares which grant immediate or subsequent voting rights in its own Shareholders' meetings.

On September 4, 2019, the Caisse des Dépôts et Consignations declared that it had crossed under the statutory threshold of 6% of the capital stock and held directly and indirectly through CDC Croissance and Bpifrance Participations, 1,374,190 shares and voting rights, which is 5.99% of the Company's capital stock, and 3.45% of its voting rights.

On October 14, 2020, Groupe Limagrain Holding declared that it had crossed under the statutory threshold of 60% of the capital stock and 72% of the voting rights, and held 13,450,186 shares representing 58.69% of the capital stock, and 69.86% of the voting rights.

On October 14, 2020, Sélia declared that it had crossed under the statutory threshold of 6% of the capital stock and 6% of the voting rights, and held 1,256,054 shares representing 5.48% of the capital stock, and 5.16% of the voting rights.

Moreover, on October 14, 2020, the concert formed by the companies Société Coopérative Agricole Limagrain, Groupe Limagrain Holding and Sélia, declared that it had crossed under the statutory threshold of 75% and 72% of the capital stock, and 84% of the voting rights vote, and held 16,082,840 shares, representing 70.18% of the capital stock, and 82.02% of the voting rights.

On October 14, 2020, EPIC Bpifrance, indirectly through Bpifrance Participations, declared that it had crossed above the legal threshold of 5% of the capital stock and the statutory threshold of 3% of the voting rights, and held 1,308,904 shares representing 5.71% of the capital stock and 3.40% of the voting rights.

On October 14, 2020, the Caisse des Dépôts et Consignations (CDC), indirectly through CDC Croissance and Bpifrance Participations, declared that it had crossed above the legal threshold of 5% of the capital stock and the statutory thresholds of 3% and 6% of the capital stock, and also the statutory threshold of 3% of the voting rights, and declared that it held, indirectly through CDC Croissance and Bpifrance Participations, 1,707,708 shares and voting rights representing 7.45% of the capital stock and 4.40% of the voting rights.

No further declaration has been brought to the attention of Vilmorin & Cie.

7.2.3. Financial authorizations granted by the Annual General Meeting of December 6, 2019

In order to provide Vilmorin & Cie with the necessary means to ensure its future development, particularly internationally, the Annual General Meeting of December 6, 2019 authorized the Board of Directors:

- to issue bonds or other assimilated debt securities (ninth resolution),
- to issue, with or without pre-emptive subscription rights, shares and/or securities providing access immediately and/or when due, to Company shares or to shares in a company in which it directly or indirectly holds more than half of the capital stock, or debt securities (thirteenth and fourteenth resolutions).

The Annual General Meeting of December 6, 2019 also authorized the Board of Directors to issue, without pre-emptive subscription rights, ordinary shares and/or securities providing access immediately and/or when due, to Company shares or shares in a company in which it directly or indirectly holds more than half of the capital stock, by private placement (fifteenth resolution).

The total nominal amount of these issues may not exceed 500 million euros, as presented in the sixteenth resolution.

7.3. Vilmorin & Cie's shares

7.3.1. Share data sheet

- Date of introduction to the second market of the Paris stock exchange: November 3, 1993.
- Listing market: Euronext Paris. Compartment A. Eligible for Deferred Settlement Order since February 26, 2008.
- ISIN code: FR 0000052516 (RIN).
- Indices: CAC Small, CAC Mid & Small and CAC All-Tradable.
- Eligible for PEA (share savings plan).
- ICB nomenclature sector: "Farming, Fishing, Ranching and Plantations".
- Number of shares: 22,917,292.
- Close of the fiscal year on June 30.

7.3.2. Management and liquidity of the shares

Natixis Oddo BHF is responsible for running Vilmorin & Cie's liquidity contract.

This contract complies with the AMAFI deontology charter approved by the AMF (French Securities Regulator) on March 8, 2011.

Assets that appear on the liquidity account are:

- At the beginning of the contract:
 - number of shares: 5,660
 - cash: 367,063.20 euros
- On June 30, 2020:
 - number of shares: 6,423
 - cash: 339,647.70 euros
- Over the period from January 2, 2020 until June 30, 2020 there were:
 - 592 purchasing transactions,
 - 667 sales transactions.
- Over this same period, volumes exchanged represented:
 - 33,972 shares purchased for 1,464,261.20 euros,
 - 36,464 shares sold for 1,575,582.50 euros.

7.3.3. Performance of the shares

In recent years, Vilmorin & Cie's share price has undergone contrasting trends.

Despite the unprecedented health crisis that has led to greater volatility on financial markets since the beginning of 2020, Vilmorin & Cie's share price has not been significantly impacted. In fact, the seed market was relatively unaffected by the health crisis due to its strategic nature, as seed is the first link in the food chain and therefore contributes to ensuring food security. Solidly positioned in this sector, Vilmorin & Cie has demonstrated the robustness of its development model (presented in detail on page 47), to offer resilient development prospects, whether in the short, medium or long term.

In this context, over the last six months of the fiscal year, Vilmorin & Cie's shares fell by 2.9% whereas the CAC 40 and the SBF 120 both fell by 18.3% (Source Euronext).

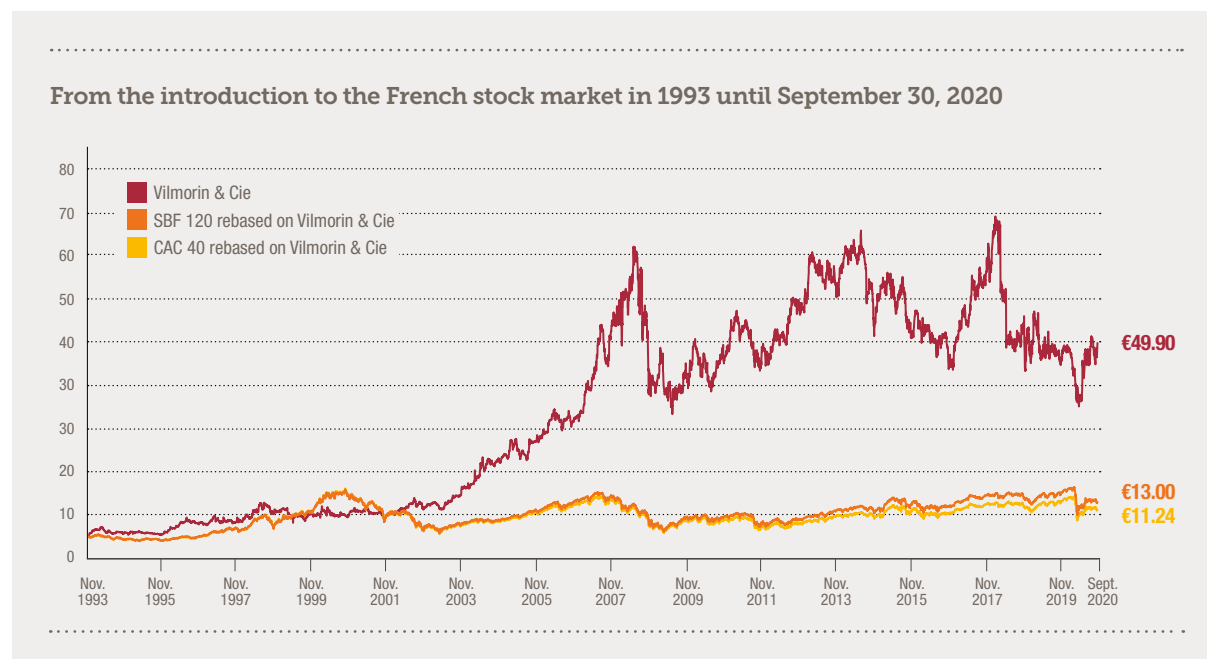
Over fiscal year 2019-2020, Vilmorin & Cie's share price fell by 6.8%, reaching a high of 51.10 euros and a low of 35.20 euros. Over the same period, the CAC 40 and SBF 120 fell 11.3% and 11.5% respectively (Source Euronext). The average number of Vilmorin & Cie shares traded per session was 8,763, down compared to the previous fiscal year (10,127 shares in 2018-2019).

Concerning the stock market performance of the Vilmorin & Cie share over the fiscal year, i.e. the rate of return on invested capital or Total Shareholder Return* (TSR); it was -4.3%⁽¹⁾. As short-term variations do not always reflect the group's fundamentals, the evolution of Vilmorin & Cie's share price must be assessed over the long term. Thus, the rate of return on the Vilmorin & Cie share over 10 years is +12.6%⁽¹⁾.

In terms of total profitability (including the reinvestment in Vilmorin & Cie shares of the amount of dividends received and taking into account the free share allotments made by the Company), a Vilmorin & Cie Shareholder who invested 1,000 euros on June 30, 2005 would have a capital of 2,000 euros on June 30, 2020.

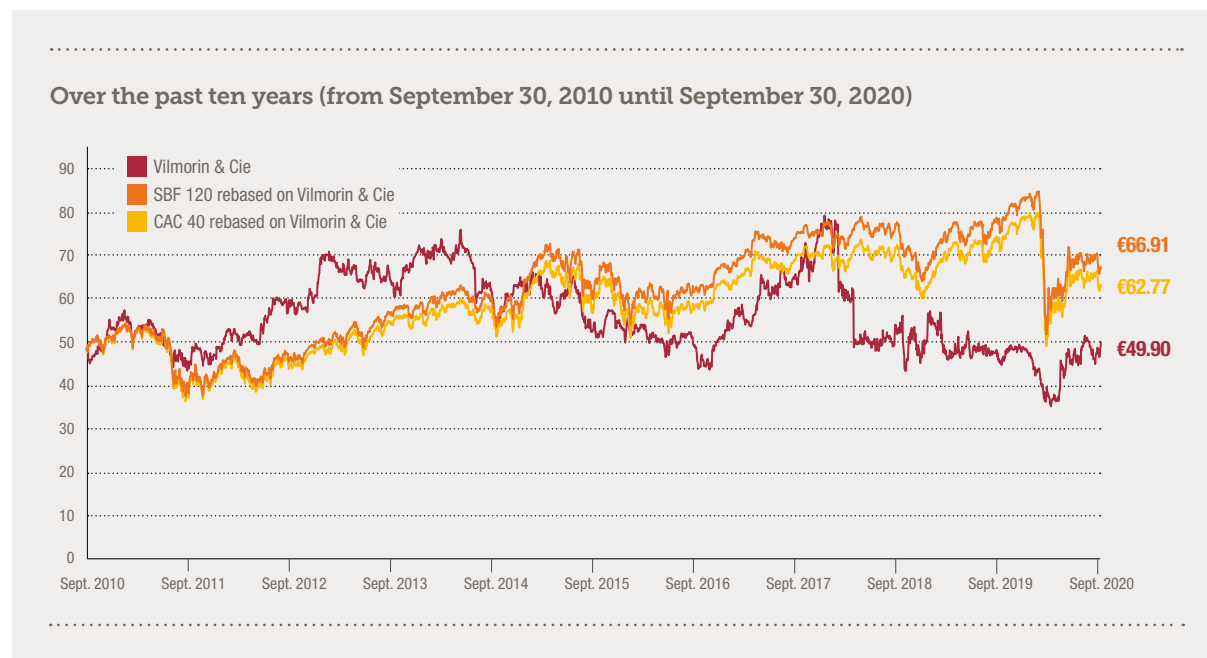
⁽¹⁾ Evolutions at June 30, 2020, calculated on the basis of a reinvestment in shares of dividends received and taking into account the free allotments of shares made by the Company. Source: internal.

7.3.3.1. Evolution of the quoted price of Vilmorin & Cie's shares in relation to the CAC 40 and SBF 120 indices



● TSR⁽¹⁾ over 15 years: +84.04%

● TSR⁽¹⁾ over 1 year: +9.65%



● TSR⁽¹⁾ over 10 years: +2.65%

(1) Evolutions on September 30, 2020, calculated on the basis of a reinvestment in shares of dividends received, and taking into account the free allotments of shares made by the Company. Sources: Natixis and internal.

7.3.3.2. Share scorecard⁽¹⁾

	17-18	18-19	19-20
Daily average of transactions			
> number of shares	13,887	10,127	8,763
> thousands of euros	1,036.06	560.36	385.69
Maxima and minima⁽²⁾			
> highest rate	91.70	65.00	51.10
> lowest rate	56.40	47.20	35.20
Closing rate of the fiscal year in euros⁽²⁾	57.80	50.30	47.15
Yield per share as a %⁽³⁾	2.34%	2.68%	2.12%
PER⁽⁴⁾	16.2	15.6	16.3

(1) Historical data (not restated for free allotments of shares).

(2) Closing rates.

(3) Amount of dividend distributed in fiscal year N, in proportion to the final rate for fiscal year N.

(4) PER (Price Earning Ratio): ratio of the final rate for the fiscal year to the earnings per share.

7.3.3.3. Quantities exchanged and evolution of rates over the last 18 months⁽¹⁾

Date	Number of shares exchanged	Capital stock exchanged (M€)	Highest recorded rate (€) ⁽²⁾	Lowest recorded rate (€) ⁽²⁾
2019				
April	148,473	7.259	51.00	47.50
May	114,891	5.725	52.70	47.65
June	290,837	14.197	54.00	47.50
July	95,452	4.765	51.10	49.05
August	121,502	6.002	50.80	48.10
September	116,608	5.642	49.60	46.75
October	210,375	10.049	49.80	46.00
November	173,005	8.629	50.70	49.30
December	155,897	7.656	50.30	47.75
2020				
January	164,115	7.720	48.55	43.70
February	188,516	8.042	44.30	40.15
March	569,059	21.520	40.35	35.90
April	170,370	6.241	37.95	35.20
May	159,502	6.905	47.50	38.50
June	118,991	5.567	48.50	44.75
July	142,185	6.719	50.00	44.70
August	77,621	3.863	51.50	47.05
September	112,309	5.314	49.90	44.95

(1) Historical data (not restated for free allotments of shares).

(2) Closing rates (in euros).

Source: Euronext.

An increase in the capital stock by the free allotment of shares at a rate of one new share for ten existing shares held was launched in January 2013. The share price was mechanically divided by 1.10 as of this date.

A second capital stock increase through the free allotment of shares at the rate of one new share for ten existing shares was made in January 2015. The share price was thus divided by 1.10 as of this date.

A third capital stock increase through the free allotment of shares at the rate of one new share for ten existing shares was made in January 2019. The share price was thus divided by 1.10 as of this date.

7.3.3.4. Interventions of the Company with regard to its treasury shares

The Annual General Meeting of December 6, 2019, in compliance with the provisions of articles L.225-209 et seq. of the French Commercial Code, of Title IV of Book II of the General Regulations of the Autorité des marchés financiers, as well as European Regulation No. 596/2014 of April 16, 2014, supplemented by the Commission's Delegated Regulation (EU) of March 8, 2016, granted the Board of Directors, in the eighth resolution, the powers to intervene by purchasing or selling its own treasury shares on the stock market at a maximum price of 100 euros per share, with the number of shares thus acquired being limited to a ceiling of one million shares, representing a maximum potential commitment of 100 million euros. This purchasing program is authorized for a maximum period of 18 months.

During fiscal year ending on June 30, 2020, the Company conducted, either directly or indirectly, the following operations:

- number of shares purchased: 79,586,
- average purchasing price: 46.47 euros,
- number of shares sold: 79,452,
- average selling price: 46.82 euros,
- number of treasury shares held on June 30, 2020: 6,423 corresponding to less than 0.03% of the capital stock, at a purchasing price of 296,066.39 euros, which is an average unit price of 46.09 euros.

It is proposed to the Annual General Meeting of December 11, 2020 to authorize the Board of Directors, for a maximum period of 18 months, to buy treasury shares in compliance with the provisions of article L225-209 et seq. of the French Commercial Code, with the aim of:

- ensuring the liquidity of transactions and managing the share market through an investment service provider acting independently through a liquidity contract in accordance with the AMAFI deontology charter approved by the AMF (French Securities Regulator),
- handing over shares when rights are exercised to convert securities that give access in any way, either immediately or at a future date, to Company shares,
- exercising any other practice which might be accepted or recognized legally or by the Autorité des marchés financiers or any other objective that complies with regulations in force.

These operations will be carried out in compliance with regulations in force and in the following conditions:

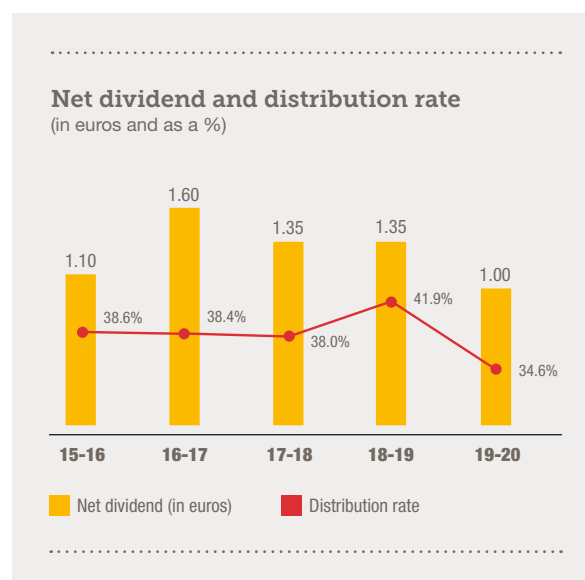
- the maximum purchasing price is fixed at 100 euros per share,
- the maximum quantity of shares liable to be purchased is fixed at one million shares representing a maximum potential commitment of 100 million euros.

7.3.4. Dividends

7.3.4.1. Dividends over the last five fiscal years and distribution policy ⁽¹⁾

The dividend distribution policy, defined by the Board of Directors, is based on an analysis that takes into account, in particular, the Company's dividend history, financial position and results. The net dividend per share proposed to the General Meeting of December 11, 2020 is 1 euro per share. Even though this is lower in nominal value than the previous fiscal year, this dividend confirms Vilmorin & Cie's intention to pursue its policy to distribute profits, bearing in mind the resilience of its activity as demonstrated in the context of the global health crisis. This dividend corresponds to a pay-out rate of 34.6%, compared to 42% in 2019.

If this dividend is approved, it will be detached from the share on December 14, 2020 and will be paid on December 16, 2020.



	15-16	16-17	17-18	18-19	19-20
Number of shares receiving dividend	20,833,462	20,833,079	20,829,136	22,909,261	22,917,292 ⁽²⁾

(2) The number of treasury shares held at the date the dividend is detached should be deducted from this figure.

(1) Historical data not restated for allotments of free shares (three capital stock increases through the allotment of free shares with one new share for every ten existing shares took place in January 2013, January 2015 and January 2019. The share price was mechanically and successively divided by 1.10 as of these three dates).

7.3.4.2. Tax regulations (on September 14, 2020)

Dividends claim limit

The legal limit is five years from the date when the dividend payment claimant is informed, or should have been informed, of the facts enabling him or her to make the claim. After this date, unclaimed dividends are paid to the State by the Company.

French residents

Dividends received by individuals who are tax residents of France are automatically subject to the single flat-rate withholding tax at a rate of 12.8% and to social security contributions at a rate of 17.2%, i.e. an overall tax rate of 30%.

At the taxpayer's request, dividends may be subject to the progressive income tax scale after application of a 40% allowance, if applicable. In addition, dividends will be subject to social security contributions at a rate of 17.2%.

Tax is carried out in two stages.

When dividends are paid out, the following are deducted at source:

- an income tax prepayment of 12.8%,
- social security contributions.

The following year, when income is declared, dividends are submitted to the single flat-rate or the income tax scale and the amounts withheld when the dividends are paid are deducted from the tax due or refunded in the event of an excess.

By way of exception, and at the taxpayer's request, individuals belonging to a tax household whose reference tax income for the penultimate year is less than 50,000 euros (for single, widowed or divorced persons) or 75,000 euros (for persons subject to joint taxation) may be exempt from the income tax prepayment.

Non-French residents

Dividends received by individual non-French resident shareholders have tax withheld at source, the rate of which varies as follows:

- 12.8% for dividends received by individuals who are not tax residents in Non-Cooperative States or Territories (NCSTs)
- 75% for dividends received by individuals who are tax residents in Non-Cooperative States or Territories.

This withholding of tax is definitive in France and is usable in principle for a tax credit in the country of residence of the person receiving the distributed revenues.

Nevertheless, in cases where an international convention is applicable, the amount withheld may be reduced, or even not applied at all.

7.3.5. Servicing of the shares

Vilmorin & Cie mandated BNP Paribas Securities Services for its financial servicing. For the servicing of the shares, please contact:

BNP Paribas Securities Services
Les Grands Moulins de Pantin
CTS – Service relations actionnaires
9, rue du Débarcadère
F-93761 Pantin Cedex

Tel:

- from France: 0 826 109 119
(0.15 €/min + price of the call)
- from other countries: +33 155 774 057

Fax: +33 155 773 417

This service is available every working day from 8.45 am until 6 pm.

www.planetshares.bnpparibas.com

The website has a contact form for holders of registered shares.

7.4. Relations with Shareholders

7.4.1. Keeping in touch

Since its introduction to the stock market in 1993, Vilmorin & Cie has done all it can to be as precise, reliable and transparent as possible on its strategy and development perspectives, taking the expectations of its different financial partners into consideration.

7.4.1.1. Information available to all the financial community

Every year Vilmorin & Cie produces several tools for the purpose of the Company's Shareholders and the financial community in general.

Annual report

This annual report is available both in French and in abridged form in English on Vilmorin & Cie's website. It is updated, at least once, at the time of the disclosure of the half-yearly financial statements.

The website

All the information published by Vilmorin & Cie is available at **www.vilmorincie.com**. The website, available in English and French, allows you to stay connected to the Company's news. It aims to inform the financial community about Vilmorin & Cie's financial performances, but also about its business, strategy, prospects and current events. In addition to regulatory financial information and with the aim of always better meeting the expectations of each audience, the site offers content dedicated to journalists, analysts and institutional investors or individual shareholders.

These include, for example, presentations by the Company, the evolution of Vilmorin & Cie's share price, financial presentations, press kits, letters to shareholders, and videos illustrating activities, etc. The site also offers the opportunity to listen, on a deferred basis, to the commented presentations of sales figures.

It also offers the possibility, from the home page, to subscribe to receive the Company's publications by email.

Finally, anyone interested in the life of the Company can subscribe to receive free news releases and disclosures by e-mail. This alert system is accessible from the home page of the website by filling out a registration form.

7.4.1.2. Relations with analysts, institutional investors and the press

In 2019-2020, eight financial analyst companies followed the share price: CM-CIC Market Solutions, Kepler Cheuvreux, Exane BNP Paribas, Gilbert Dupont, Midcap Partners, Oddo BHF Corporates & Markets, Portzamparc and Société Générale.

Informational meetings and site visits

Four informational meetings held for investors, analysts and journalists were organized in 2019-2020 concurrently with the disclosure of the results for the fiscal year and the first semester.

Due to the measures implemented because of the Covid-19 health crisis, Vilmorin & Cie was unable to maintain a visit to its facilities, usually organized in France or abroad for analysts and journalists.

Telephone conferences

Vilmorin & Cie organized three telephone conferences and presentations in 2019-2020 at the same time as the disclosure of its quarterly sales. Recorded, commented presentations can be consulted on the Vilmorin & Cie website.

Meetings with investors

During the course of fiscal year 2019-2020 Vilmorin & Cie participated in ten meetings with investors and analysts in the form of conferences, roadshows and lunches, including several outside France (London, New York, Geneva, etc.)

In particular, Vilmorin & Cie took part in an event devoted to Socially Responsible Investment (SRI). These meetings are part of the Company's CSR approach presented in Chapter 5 - Corporate Social Responsibility and non-financial performance - of this annual report.

Press kit

The press kit for journalists is sent out at the time of the Company's main financial disclosures.

Membership of CLIFF

Vilmorin & Cie has been a member of CLIFF, the French professional association of investor relations, since 2015.

7.4.1.3. Relations with individual Shareholders

Vilmorin & Cie is concerned to maintain a healthy balance between private and institutional Shareholders. For this purpose, the Company takes specific action in favor of individual Shareholders. On June 30, 2020, the total number of individual Shareholders of either nominative or bearer shares stood at almost 10,000.

Publications

Letters to the shareholders

The Letter to the shareholders is printed in French in several thousand copies. Three letters were published during the past fiscal year, providing information on financial results, development perspectives, news files and information on the stock market. Since November 2014, the letters have also included a thematic dossier providing insights into Vilmorin & Cie's strategy. After presenting the theme of innovation until June 2017, with a particular focus on plant biotechnologies* and on major strategic crops such as tomato and wheat, the November 2017 letter marked the beginning of a new collection whose theme is the internationalization of Vilmorin & Cie's activities. There were focuses on Vilmorin & Cie's presence in North America, Africa and South America, and for fiscal year 2019-2020, on Asia. Because the health crisis repositioned the strategic character of seeds, the last issue published this year devoted a central dossier to the presentation of the seed sector and the specific way in which Vilmorin & Cie approaches it.

Vilmorin & Cie takes advantage of its annual presence at the Actionaria Fair to distribute its letter to Shareholders present on the stand. And finally, every January, Vilmorin & Cie publishes a special letter on the Annual General Meeting looking back on the highlights of this event.

The Shareholder's Guide

Every year Vilmorin & Cie publishes a Shareholder's Guide in French, the content of which is more concise than the annual report. Apart from a presentation of the Company's activity and strategy and the evolution of the share on the stock market, it presents five good reasons for becoming a Vilmorin & Cie Shareholder. The Shareholder's Guide is sent out by letter to almost 1,000 individual Shareholders and is also available on request from the Company's finance department.

"L'Essentiel"

This summary document provides a brief overview in French of Vilmorin & Cie's business activity, its development model and track record on the Paris stock market. It is handed out at the Actionaria Fair and shareholders' meetings.

Meetings

Shareholders' meetings

In 2019-2020, Vilmorin & Cie met its Shareholders at a meeting held in Toulouse. The Company will continue these privileged moments of exchange during fiscal year 2020-2021. They are an opportunity to present the Company, its activities, its business and strategy, and to answer many questions.

The Actionaria Fair

Vilmorin & Cie, a faithful participant in the Actionaria Fair in Paris for fifteen years, was present at this event in November 2019, with very positive results once again. It is an important event in the Company's communication strategy with regard to its individual Shareholders, and this edition was marked by the highlighting of product innovations. The LG Architect variety oilseed rape, the "Connected Garden" and the tree seed activity presented on the stand aroused the curiosity of many visitors. Vilmorin & Cie also took part in the "Innovation" debate and on the podium "10 minutes to convince". Visitors expressed a strong interest in the products presented and asked many questions to the Company's management, the financial communication team and the members of the Consultative Committee for Shareholders present on the stand. The theme of innovation was an opportunity to discuss strategy and research topics.

The Actionaria Fair is also an opportunity for moments of exchange between Vilmorin & Cie's Shareholders and the Company's management, present at the stand, prior to the Annual General Meeting.

Annual General Meeting

Vilmorin & Cie's Annual General Meeting, a highlight in its relations with its Shareholders, is a time of listening and exchanging, shared with the Board of Directors. The Shareholders can thus participate actively in the group's important decisions by voting, whatever the number of shares held.

Shareholders have the possibility of voting on the Internet, before the Annual General Meeting, on the secure voting platform VOTACCESS. Shareholders who so wish can also benefit from an electronic notification, i.e. to receive their invitation to attend the Annual General Meeting by e-mail.

The Annual General Meeting deliberating on the annual financial statements for 2019-2020 will take place on December 11, 2020. Detailed information concerning the Annual General Meeting is presented on page 271.

The Consultative Committee for Shareholders

The Consultative Committee for Shareholders (CCS) was formed in the spring of 2010 with the objective of contributing to the development strategy for individual Shareholders. It makes proposals to Vilmorin & Cie on the expectations of individual Shareholders and thus on improving financial communication.

The duration of the mandate for individual Shareholder members on the Committee is two years, and they may be re-elected twice.

For the partial renewal of its Committee, Vilmorin & Cie welcomed two new individual Shareholders during fiscal year 2019-2020. Recruitment was based on applications received following the call for candidates published in the letters to shareholders in November 2019 and January 2020, and also on the Company's website. The Board Members who are members of the CCS and the financial communication team then made the selection.

On June 30, 2020, the Committee comprised:

- six individual Shareholders representing all Shareholders:
 - Claire CHARMETTE (Île-de-France – 92),
 - Pascale DEVERAUX (Auvergne-Rhône-Alpes – 69),
 - Olivier GEOFFRAY (Île-de-France – 78),
 - Michel GUÉRILLOT (Normandy – 61),
 - Pierre-Yves PELISSIER (Île-de-France – 95),
 - Jean-Claude PETIT (Hauts-de-France – 59).
- two Board Members from Limagrain:
 - Sébastien BRIFFOND,
 - Pierre-Antoine RIGAUD.

It is managed by:

- Vilmorin & Cie's Chief Financial Officer: Olivier FALUT,
- the financial communication team: Valérie MONSÉRAT, Head of Financial Communication and Investor Relations, Rose MOREIRA, Financial Communication and Individual Shareholder Relations Officer, and Camille CUGNET, Financial Communication Officer.

During fiscal year 2019-2020, because of the health measures related to the Covid-19 crisis, the Committee was unable to meet in person. The three meetings scheduled were nevertheless held by videoconference.

As every year, the Committee's work has helped to make recommendations on communications devoted to individual Shareholders (communication materials, Actionaria Fair, Annual General Meeting, digital communication for individual Shareholders, etc.) and exchange on topics concerning the group's strategy and perspectives.

Membership of the Individual Investors' Federation and Investment Clubs (F2IC)

Vilmorin & Cie has been an active member of the Individual Investors' Federation and Investment Clubs (F2IC) since 2005. It participates in shareholder meetings organized by the Federation, and also distributes its letters to shareholder investment clubs.

7.4.2. Documents accessible

The historical financial information, previous Annual Reports, Letters to the shareholders (in French), the documents of the General Shareholders' Meeting (notice to attend, minutes of the Annual General Meeting of Shareholders) and the documents concerned by "regulated information" within the scope of Article 221-1 of the General Regulations of the Autorité des marchés financiers (in particular press releases, half-yearly and annual information) may be consulted on the Vilmorin & Cie website: www.vilmorincie.com, in the section Publications. The Company's by-laws are also available on Vilmorin & Cie's website, in the section Publications.

7.4.3. Scheduled agenda for 2020-2021

The dates are provided as an indication and are subject to modification

November 2, 2020	Disclosure of sales at the end of the 1 st quarter 2020-2021 ⁽¹⁾
December 11, 2020	Annual General Meeting of Shareholders
December 14, 2020	Detachment of the dividends
December 16, 2020	Payment of the dividends
March 3, 2021	Disclosure of sales and results for the 1 st semester ⁽¹⁾
May 6, 2021	Disclosure of sales at the end of the 3 rd quarter ⁽¹⁾
August 2, 2021	Disclosure of sales for the fiscal year ⁽¹⁾
October 13, 2021	Disclosure of results for the fiscal year ⁽¹⁾

(1) Disclosure after trading on the Paris stock market.

7.4.4. Contacts

- Olivier FALUT, Chief Financial Officer
olivier.falut@vilmorincie.com
- Valérie MONSÉRAT, Head of Financial Communication and Investor Relations
valerie.monserat@vilmorincie.com
- Camille CUGNET, Financial Communication Officer
camille.cugnet@vilmorincie.com
- Rose MOREIRA, Financial Communication and Individual Shareholder Relations Officer
rose.moreira@vilmorincie.com

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8 JOINT ANNUAL GENERAL MEETING OF DECEMBER 11, 2020

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8.1. Agenda

Draft resolutions of an ordinary nature

First resolution

Approval of the annual corporate financial statements and full discharge to the Board of Directors – approval of costs and expenses that are non deductible fiscally

Second resolution

Regulatory agreements

Third resolution

Application of the profits and distribution of the sums deducted from the amount to carry forward

Fourth resolution

Approval of the annual consolidated financial statements and full discharge to the Board of Directors

Fifth resolution

Fixing the compensation related to the activity of the Board Members for fiscal year 2019-2020

Sixth resolution

Approval of the provisional appointment of a Board Member

Seventh resolution

Renewal of the term of office of a Board Member

Eighth resolution

Renewal of the term of office of a Board Member

Ninth resolution

Renewal of the term of office of a Board Member

Tenth resolution

Appointment of a new Board Member

Eleventh resolution

Appointment of a new Board Member

Twelfth resolution

Appointment of a new Statutory Auditor

Thirteenth resolution

Authorization given to the Board of Directors to allow the Company to buy back treasury shares within the framework of article L.225-209 of the French Commercial Code

Fourteenth resolution

Issue of bonds and other assimilated debt securities

Fifteenth resolution

Decision on the components of the remuneration granted for fiscal year 2019-2020 to the Chairman and CEO

Sixteenth resolution

Approval of the compensation policy applicable to corporate officers

Seventeenth resolution

Approval of information concerning the compensation of corporate officers as mentioned in I of article L.225-37-3 of the French Commercial Code

Eighteenth résolution

Approval of the fixed and variable components of total compensation and benefits of any kind paid or allocated in respect of the fiscal year ended June 30, 2020 to Mr. Daniel JACQUEMOND, Delegate CEO

Draft resolutions of an extraordinary nature

Nineteenth resolution

Delegation of authority to issue, with pre-emptive subscription rights, of ordinary shares and/or securities providing access, immediately or when due, to Company shares or shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities in particular such as bonds with an option of conversion and/or exchange for new or existing shares

Twenty-first resolution

Delegation of authority to issue, without pre-emptive subscription rights, of ordinary shares and/or securities providing access immediately or when due, to Company shares or shares in a company in which it directly or indirectly holds more than half the capital stock, for an offer as defined in the first paragraph of article L.411-2, II of the French Monetary and Financial Code

Twentieth resolution

Delegation of authority to issue, without pre-emptive subscription rights by public offer, of ordinary shares and/or securities providing access immediately or when due, to Company shares or shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities in particular such as bonds with an option of conversion and/or exchange for new or existing shares

Twenty-second resolution

Global limit of the total amount to be issued

Twenty-third resolution

Delegation of authority given to the Board of Directors to increase the capital stock by issuing ordinary shares and/or securities providing access to the capital stock, without pre-emptive rights, to participants in the Company savings plan, pursuant to articles L.3332-18 et seq. of the French Labor Code

Draft resolution of an ordinary nature

Twenty-fourth resolution

Delegation of powers to carry out corporate formalities

8.2. Draft resolutions of an ordinary nature

First resolution

Approval of the annual corporate financial statements and full discharge to the Board of Directors — approval of costs and expenses that are non-deductible fiscally

After hearing the reports of the Board of Directors and the Statutory Auditors on the annual financial statements, the Annual General Meeting of Shareholders (AGM) approves the corporate financial statements for the fiscal year closing on June 30, 2020 as presented to the meeting, and the general running of the Company as described in the above-mentioned financial statements and reports, and also approves the non-deductible expenses for income taxes governed by article 39-4 of the French Tax Code.

Second resolution

Regulatory agreements

The AGM acknowledges the presentation of the special report of the Statutory Auditors on operations governed by article L.225-38 of the French Commercial Code mentioning the absence of any new agreements of the kind governed by this article.

Third resolution

Application of the profits and distribution of the sums deducted from the amount to carry forward

The AGM, following the proposal of the members of the Board of Directors, decides to apply the profits of 15,996,257.49 euros in the following manner and to deduct the sum of 7,720,847.38 euros from the amount to carry forward:

- Application to legal reserve	799,812.87 euros
- Deduction from the amount to carry forward	7,720,847.38 euros
- Dividends to distribute	22,917,292.00 euros

After this application, the amount to carry forward will be 2,782,322.76 euros.

The Company does not benefit from the distribution of dividends on any treasury shares it holds. Any dividends corresponding to these shares will be added to the amount to carry forward.

The dividend is fixed at 1 euro per share.

The AGM decides that the dividends will be detached on December 14, 2020 and will be paid on December 16, 2020.

In compliance with the provisions of article 243 bis of the French General Tax Code, the AGM notes that it has been reminded that for the last three financial years, dividends and income were distributed as follows:

Fiscal year	Income eligible for tax credit		Income not eligible for tax credit
	Dividends	Other distributed revenue	
2016-2017	€33,334,243.20 ⁽¹⁾ i.e. €1.60 per share	-	-
2017-2018	€28,125,767.70 ⁽¹⁾ i.e. €1.35 per share	-	-
2018-2019	€30,938,344.20 ⁽¹⁾ i.e. €1.35 per share	-	-

(1) Including the amount of unpaid dividend corresponding to treasury shares and carried forward.

Fourth resolution

Approval of the annual consolidated financial statements and full discharge to the Board of Directors

After hearing the reports of the Board of Directors and the Statutory Auditors on the consolidated financial statements, the AGM approves the consolidated financial statements for the fiscal year closing on June 30, 2020 as presented to the meeting, and the general running of the group of consolidated companies as described in the above-mentioned financial statements and reports.

As a result, it gives full discharge to the members of the Board of Directors for their management for fiscal year 2019-2020.

Fifth resolution

Fixing the compensation related to the activity of the Board Members for fiscal year 2019-2020

After acknowledging the report of the Board of Directors, the AGM decides, in compliance with article 23 of the by-laws, to fix the compensation related to the activity of the Board Members for fiscal year 2019-2020 at 46,830 euros.

Sixth resolution

Approval of the provisional appointment of a Board Member

After hearing the report of the Board of Directors, the AGM decides to approve the appointment, made provisionally by the Board of Directors at its meeting of February 26, 2020 as Board Member, of Philippe BLATEYRON, co-opted to replace Philippe AYMARD, appointed as Board Member for the remainder of his predecessor's term of office, i.e. until the end of the Shareholders' Meeting called to deliberate on the financial statements for the fiscal year closing on June 30, 2020.

Seventh resolution

Renewal of the term of office of a Board Member

After hearing the report of the Board of Directors, the AGM, decides to renew the term of office as Board Member, of Philippe BLATEYRON, for the duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30, 2023.

Eighth resolution

Renewal of the term of office of a Board Member

After hearing the report of the Board of Directors, the AGM, decides to renew the term of office as Board Member, of Annick BRUNIER, for the duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30, 2023.

Ninth resolution

Renewal of the term of office of a Board Member

After hearing the report of the Board of Directors, the AGM, decides to renew the term of office as Board Member of

Sébastien VIDAL, for the duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30, 2023.

Tenth resolution

Appointment of a new Board Member

After hearing the report of the Board of Directors, the AGM, decides to appoint as Board Member Séverine DARSONVILLE for the duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30, 2023.

Eleventh resolution

Appointment of a new Board Member

After hearing the report of the Board of Directors, the AGM, decides to appoint as Board Member Bpifrance Participations, represented by Benoist DE SAINT LAGER, for the duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30, 2023.

Twelfth resolution

Appointment of a new Statutory Auditor

After hearing the report of the Board of Directors, the AGM, decides to appoint GRANT THORNTON, whose head office is located at 29 rue du Pont, Neuilly-sur-Seine (F-92200), represented by Ms. Françoise MECHIN and Mr. Arnaud DEKEISTER, as joint incumbent Statutory Auditor for the duration of six (6) years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30, 2026.

Thirteenth resolution

Authorization given to the Board of Directors to allow the Company to buy back treasury shares within the framework of article L.225-209 of the French Commercial Code

After acknowledging the report of the Board of Directors, the AGM gives authorization to the Board of Directors, with the faculty of sub-delegation, in compliance with the provisions of article L.225-209 et seq. of the French Commercial Code, of Title IV, Book II of the General Regulation of the Autorité des marchés financiers (French Securities Regulator) and the European Regulation No. 596/2014 of April 16, 2014, complemented by delegated regulation (EU) No. 2016-1052 of the commission of March 8, 2016, to purchase or delegate the purchase of the Company's shares with the aim of:

- ensuring liquidity and managing the market for shares through a fully independent investment service provider, with whom a liquidity contract has been signed in compliance with the Charter of Ethics of the AMAFI, recognized by the Autorité des marchés financiers,
- handing over shares when rights are exercised with regard to securities that provide access by whatever means, immediately or when due, to Company shares,
- following any other practice that is authorized or recognized by law or by the Autorité des marchés financiers or any other objective compliant with regulations in force.

The AGM fixes the maximum purchasing price at 100 euros per share, and fixes the maximum number of shares liable to be purchased at one million shares, representing a maximum potential sum of 100 million euros, on condition legal limits are also respected.

Shares may be acquired, sold or transferred at any moment, except during periods of public issue of the Company's capital stock, and by any means, on the regulated market, outside the market, by multilateral trading facilities, by private agreement, including through blocks of securities or bids, optional mechanisms, derivatives, call options or securities, respecting applicable regulatory conditions.

This authorization is granted for a period of 18 months commencing as of the date of this AGM, replacing the authorization granted by the AGM of December 6, 2019 regarding the unused proportion on this date.

The AGM grants full powers to the Board of Directors, with the faculty to delegate, to apply the present authorization, place an order on the stock market, sign any agreements, carry out any formalities and declarations with any organizations, and in more general terms, to do all that is required to implement the decisions it has taken with regard to the present authorization.

The Board of Directors shall inform the AGM of any operations carried out, in compliance with applicable regulations.

Fourteenth resolution

Issue of bonds and other assimilated debt securities

After acknowledging the report of the Board of Directors, the AGM delegates full authority to the Board of Directors to take decisions to proceed in one or several operations, at its own discretion, whether in France or another country and/or on international markets, in euros or any other currency or unit of account fixed in reference to several currencies, with the issue of bonds or other assimilated debt securities, with or without a public issue, up to the nominal value of 600 million euros or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies, subject to the overall limit fixed in the twenty-second resolution.

The Board of Directors may decide that the bonds, or other debt securities, will be of the perpetual floating or limited floating rate type, either for the stock and/or the interest accrued for these securities.

Full authority is granted to the Board of Directors to proceed with these issues in the limits fixed above, in compliance with legal provisions and with the by-laws, and in particular to:

- determine the period or periods of issue,
- determine the issue currency and the nominal value of the loan, within the limits authorized above,
- fix the terms and conditions of the bonds and/or debt securities to issue, and in particular their nominal value, their issue price, their fixed and/or variable rates of interest, and the payment dates, their fixed or variable redemption price, with or without premium,
- fix, according to market conditions, the duration and conditions of amortization for the loan,
- more generally sign any contract documents or agreements with any banks or institutes, make any provisions and fulfill any formalities concerning the issue, the quotation and the financial management of the aforementioned bonds and/or aforementioned debt securities, and constitute the body of bondholders in compliance with legal provisions, and in a general manner, do all that is required.

The Board of Directors will also have full powers to decide, where necessary, to attach a guarantee to the securities issued and, if this is the case, to define and grant this guarantee, and take any measures for this purpose.

Within the framework of this resolution, the Board of Directors may, in application of article L.228-40 of the French Commercial Code, delegate to its CEO, or with his agreement, to one or several Delegate CEOs, or to one of its members, the powers that it has received for the purpose of the present authorization.

The present authorization is given for a maximum duration of eighteen months. It supersedes the authorization previously granted by the AGM of December 6, 2019.

Fifteenth resolution**Decision on the components of the remuneration granted for fiscal year 2019-2020 to the Chairman and CEO**

After acknowledging the report of the Board of Directors, which states that the Chairman and CEO exercises his functions without any compensation, the AGM approves the absence of compensation granted for fiscal year 2019-2020 to the Chairman and CEO.

Sixteenth resolution**Approval of the compensation policy applicable to corporate officers**

The Annual General Meeting, deliberating in compliance with conditions of quorum and majority required for Ordinary General Meetings of Shareholders, after hearing the report of the Board of Directors on corporate governance, pursuant to Article L.225-37-2 of the French Commercial Code, approves the compensation policy applicable to corporate officers as presented in the Company's annual report for 2019-2020 in Chapter 3 Report on corporate governance in the section "Fees or allowances paid to corporate officers and Board Members".

Seventeenth resolution**Approval of information concerning the compensation of corporate officers as mentioned in I of article L.225-37-3 of the French Commercial Code**

The Annual General Meeting, deliberating in compliance with conditions of quorum and majority required for Ordinary General Meetings of Shareholders approves, pursuant to article L.225-100 II of the French Commercial Code, the information referred to in I of article L.225-37-3 of the same Code which is included in the report of the Board of Directors on corporate governance as presented in the Company's annual report for 2019-2020 in Chapter 3 Report on corporate governance in the section "Fees or allowances paid to corporate officers and Board Members".

Eighteenth resolution**Approval of the fixed and variable components of total compensation and benefits of any kind paid or allocated in respect of the fiscal year ended June 30, 2020 to Mr. Daniel JACQUEMOND, Delegate CEO**

The Annual General Meeting, deliberating in compliance with conditions of quorum and majority required for Ordinary General Meetings of Shareholders, after hearing the report of the Board of Directors on corporate governance, pursuant to Article L.225-100 of the French Commercial Code, approves the fixed and variable components making up the total compensation and benefits of all kinds attributable to Mr. Daniel JACQUEMOND, Delegate CEO for the fiscal year ending June 30, 2020, as presented in the Company's annual report for 2019-2020 in Chapter 3 Report on corporate governance in the section "Fees or allowances paid to corporate officers and Directors," and on which the Annual General Meeting of December 11, 2020 is called to vote.

8.3. Draft resolutions of an extraordinary nature

Nineteenth resolution

Delegation of authority to issue, with pre-emptive subscription rights, of ordinary shares and/or securities providing access, immediately or when due, to Company shares or shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities in particular such as bonds with an option of conversion and/or exchange for new or existing shares

After acknowledging the report of the Board of Directors and the special report of the Statutory Auditors, and in compliance with the provisions of articles L.225-129 et seq. of the French Commercial Code, and in particular articles L.225-129-2, L.228-91 to L.228-93, the AGM, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of Shareholders:

- Declegates to the Board of Directors, for the duration of 24 months, commencing as of the date of this AGM, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed - whether through a public issue or not, in one or several operations, in the proportion and at the time it deems most opportune, whether in France or another country, in euros or any other currency or unit of account fixed in reference to several currencies, with pre-emptive Shareholder subscription rights - with the issue of ordinary shares and/or securities providing access immediately or when due, to Company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or to securities that give the right to the allotment of debt securities, and which may be subscribed to either in cash, or by compensation of receivables. The present delegation can be used for one or several issues in application of article L.228-93 of the French Commercial Code.
Any preferential share and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.
- Decides that the nominal amount for any increases in the capital stock that are immediate and/or at a due date, and that are liable to result from the present delegation cannot be greater than 300 million euros, to which may be added, where appropriate, and in compliance with applicable regulatory and legislative provisions, and with any contractual stipulations allowing for other cases of adjustment, the nominal amount of extra shares issued

to preserve the rights of the bearers of securities that grant rights to the Company's shares, on condition that the global limit fixed in the twenty-second resolution be respected.

- Decides that the securities issued providing access to ordinary shares in the Company may, in particular, consist in debt securities, or be associated to the issue of such securities.

In particular they may take the form of perpetual or non-perpetual floating rate notes, and be issued either in euros, or any other currency or unit of account fixed in reference to several currencies.

The nominal amount for any such issued debt securities shall not exceed 300 million euros or the equivalent of this sum if issued in a foreign currency at the date of the decision to issue.

- Decides that in the conditions stipulated by law, the Shareholders may exercise their pre-emptive right to subscription, without reduction. Moreover, the Board of Directors may institute, for the benefit of the Shareholders, a pre-emptive subscription right with reduction which may be exercised proportionately to their rights and within the limit of the number requested.
If subscriptions without reduction, or where appropriate with reduction, have not absorbed all the issue of shares or securities providing access to the capital stock as defined above, the Board of Directors may, in any order it may consider to be efficient, make use of the faculties offered by article L.225-134 of the French Commercial Code, and in particular the faculty of proposing to the public all or part of the unsubscribed shares or securities.
- Decides that the Board of Directors may not, without prior authorization from the General Meeting of Shareholders, make use of this delegation of authority from the filing by a third party of a proposed takeover bid for the Company's shares until the end of the offer period.
- Acknowledges that the present delegation gives full preference to bearers of securities issued that provide access to the Company's capital stock, if the Shareholders renounce their pre-emptive right to subscribe the ordinary shares to which these securities otherwise give the right.
- Decides that stock purchase warrants in the Company may be issued either by subscription offers, or by free allotment to those who already hold shares.
Where autonomous stock subscription warrants are allocated free, the Board of Directors will be entitled to stipulate that any odd lots of allotment rights are not negotiable, and that the corresponding securities may be sold.

- Grants full powers to the Board of Directors to implement this delegation, with the faculty of sub delegation, and in compliance with legislation, and in particular with the possibility of determining the dates and methods of issues, and the forms and characteristics of the securities to be created, to decide on the prices and conditions of the issues, to fix the amount to issue and the date of entitlement, albeit retroactive, of the securities to be issued, to determine how the ordinary shares or other issued securities are to be paid up, and the conditions in which these securities procure the right to ordinary shares in the Company, and to determine how, where relevant, they can be bought back on the stock market, how they can be cancelled and the possibility of suspending the exercise of rights to allocate ordinary shares associated to securities to be issued, and determine how to protect the interests of the holders of securities that, upon maturity, provide access to the capital stock, in compliance with legislative and regulatory provisions.
- Decides, furthermore, that when securities for issue consist in, or are associated to, debt securities, the Board of Directors will also have full powers, with the faculty of sub-delegation, to decide whether they are perpetual or not, their remuneration, and, where relevant, mandatory or optional cases of suspension or non-payment of interest, their duration, the possibility of reducing or increasing the nominal value of the securities and other methods of issue and amortization.
- Decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase, and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to ensure the successful conclusion of the issues envisaged, and to record any capital increases that result from any issue made through this delegation, and modify the by-laws accordingly.
- Finally, decides that this delegation supersedes any previous delegation with the same object, for any unused sums.

If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Ordinary General Meeting of Shareholders on how it has used the authorizations granted in this resolution.

Twentieth resolution

Delegation of authority to issue, without pre-emptive subscription rights by public offer, of ordinary shares and/or securities providing access immediately or when due, to Company shares or shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities in particular such as bonds with an option of conversion and/or exchange for new or existing shares

After acknowledging the report of the Board of Directors and the special report of the Statutory Auditors, and in compliance with the provisions of article L.225-129 et seq. of the French Commercial Code, and in particular articles L.225-129-2, L.225-135, L.225-136, L.228-91 to L.228-93, the AGM, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of Shareholders:

- Delegates to the Board of Directors, for the duration of 24 months, commencing as of the date of this AGM, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed - whether through a public issue or not, in one or several operations, in the proportion and at the time it deems most opportune, whether in France or another country, in euros or any other currency or unit of account fixed in reference to several currencies, without pre-emptive Shareholder subscription rights - with the issue of ordinary shares and securities providing access immediately or when due, to Company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or to securities that give the right to the allotment of debt securities, and which may be subscribed to either in cash, or by compensation of receivables. The present delegation can be used for one or several issues in application of article L.228-93 of the French Commercial Code.
Any preferential shares and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.
- Decides that the nominal amount for any increases in the capital stock that are immediate and/or at a due date, and that are liable to result from the present delegation, cannot be greater than 200 million euros, to which may be added, where appropriate, and in compliance with applicable regulatory and legislative provisions, and with any contractual stipulations allowing for other cases of adjustment, the nominal amount of extra shares issued to preserve the rights of the bearers of securities that

grant rights to the Company's shares, on condition that the global limit fixed in the twenty-second resolution be respected.

- Decides that the securities issued providing access to ordinary shares in the Company may, in particular, consist in debt securities, or be associated to the issue of such securities. In particular they may take the form of limited floating securities or not, perpetual or non-perpetual floating rate notes, and be issued either in euros, or any other currency or unit of account fixed in reference to several currencies.
The nominal amount for any such issued debt securities shall not exceed 200 million euros or the equivalent of this sum if issued in a foreign currency at the date of the decision to issue.
- Acknowledges that the present delegation gives full preference to others if the Shareholders renounce their pre-emptive right to subscribe the ordinary shares in the Company to which these securities, on the basis of this delegation, otherwise give the right.
- Decides to cancel pre-emptive subscription rights of Shareholders to securities concerned by this resolution, while granting the Board of Directors the powers to institute, for the benefit of the Shareholders, a pre-emptive subscription right with or without deduction which does not grant the right to the creation of negotiable rights.
- Decides that the issue price of the new shares issued will at least be equal to the minimum set in regulatory provisions applied on the date of issue, which today is the weighted average of the quoted price of the Company's shares for the last three sessions of the Euronext Paris stock market preceding the date this price is fixed, reduced where necessary by the maximum discount of 5% stipulated by legislation in force.
- Decides that the Board of Directors will be responsible, with the faculty of sub-delegation, for fixing the issue price of ordinary shares or securities granting the right to the Company's capital stock.
- Decides that if the subscriptions of Shareholders and the public have not absorbed all the issue of shares or securities as defined above, the Board of Directors may, in any order it may consider to be efficient, make use of the faculties offered by article L.225-134 of the French Commercial Code, and in particular the faculty of proposing to the public all or part of the unsubscribed shares or securities.
- Decides that the Board of Directors may not, without prior authorization from the General Meeting of Shareholders, make use of this delegation of authority from the filing by a third party of a proposed takeover bid for the Company's shares until the end of the offer period.
- Grants full powers to the Board of Directors to implement this delegation, with the faculty of sub-delegation, and in compliance with legislation, and in particular with the possibility of determining the dates and methods of issues, and the forms and characteristics of the securities

to be created, to decide on the prices and conditions of the issues, to fix the amount to issue and the date of entitlement, albeit retroactive, of the securities to be issued, to determine how the ordinary shares or other issued securities are to be paid up, and the conditions in which these securities procure the right to ordinary shares in the Company, and to determine how, where relevant, they can be bought back on the Paris stock market, how they can be cancelled and the possibility of suspending the exercise of rights to allot ordinary shares associated to securities to be issued, and determine how to protect the interests of the holders of securities that, upon maturity, provide access to the capital stock, in compliance with legislative and regulatory provisions.

- Decides, furthermore, that when securities for issue consist in, or are associated to debt securities, the Board of Directors will have full powers, with the faculty of sub-delegation, to decide whether they are perpetual or not, their remuneration, and, where relevant, mandatory or facultative cases of suspension or non-payment of interest, their duration, the possibility of reducing or increasing the nominal value of the securities and other methods of issue and amortization.
When securities for issue consist in, or are associated, to debt securities, the Board of Directors will decide whether they are subordinated or not, will fix their rate of interest and how this interest is to be paid, whether they are perpetual floating or not, their fixed or variable price of redemption, with or without premium, the possibility of reducing or increasing the par value of the securities, and all other methods of issue and amortization according, in particular, to market conditions and the conditions in which these securities grant the right to shares in the Company.
Where appropriate, the securities to be issued may be associated with warrants granting the right to the allotment, acquisition or subscription of bonds or other debt securities, or may stipulate that the Company may issue debt securities, whether fungible treasury bonds or not, to pay for interest that has been suspended by the Company, or take the form of complex bonds as defined by the stock market authorities.
- The Board of Directors may decide, during the life cycle of the securities concerned, to modify the provisions presented above, on condition that applicable formalities are respected.
- Decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase, and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to ensure the successful conclusion of the issues envisaged and to record any capital increases that result from any issue made through this delegation and modify the by-laws accordingly.
 - Finally, decides that this delegation supersedes any previous delegation with the same object, for any unused sums.

If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Ordinary General Meeting of Shareholders on how it has used the authorizations granted in this resolution.

Twenty-first resolution

Delegation of authority to issue, without pre-emptive subscription rights, of ordinary shares and/or securities providing access immediately or when due, to Company shares or shares in a company in which it directly or indirectly holds more than half the capital stock, for an offer as defined in the first paragraph of article L.411-2, II of the French Monetary and Financial Code

After acknowledging the report of the Board of Directors and special report of the Statutory Auditors and in compliance with provisions of article L.225-129 et seq. of the French Commercial Code, and in particular articles L.225-129-2, L.225-135, L.225-136, and L.228-91 et seq., the AGM, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of Shareholders:

- Delegates to the Board of Directors, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed with an increase in capital stock, in one or several operations, in the proportion and at the time it deems most opportune, respecting the provisions of article L.233-32 of the French Commercial Code, whether in France or another country, for an offer as defined in the first paragraph of article L.411-2, II of the French Monetary and Financial Code, in euros or any other currency or unit of account fixed in reference to several currencies, through the issue of ordinary shares or securities providing access immediately and/or when due to the Company's capital stock, as governed by articles L.228-91 et seq. of the French Commercial Code and which may be subscribed to either in cash, or by compensation of receivables.
Any preferential shares and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.
- Delegates to the Board of Directors, with the faculty of sub-delegation, in conditions fixed by the law, its authority to proceed with the issue of securities providing access immediately and/or when due to existing or new ordinary shares and/or debt securities of a company in which the Company directly or indirectly holds more than half the capital stock, or which directly or indirectly holds more than half the capital stock of the Company, on condition that the issues of securities have been approved by the company in which the rights are exercised.
- Decides that the maximum nominal amount for capital stock increases that may be made immediately or

when due by virtue of this delegation is 20% of the capital stock on the day of the decision by the Board of Directors. This amount will be included in the amount of the total ceiling provided for in the twenty-second resolution, or, where relevant, in the total amount of ceilings provided for in resolutions of the same nature which might possibly follow these resolutions during the validity of the present delegation. The nominal amount of shares that are liable to be issued in the case of new financial operations will be added to these ceilings, to preserve the rights of bearers of securities that provide access to the capital stock. In all cases, issues of securities by virtue of the present delegation are legally limited to 20% of the capital stock every year.

- Fixes the duration of the validity of the delegation of authority concerned by the present resolution to twenty-six (26) months, starting from the day of this AGM.
- Decides to cancel the Shareholders' preferential subscription rights to the shares covered by this resolution.
- Acknowledges that if subscriptions have not absorbed the entire issue, the Board of Directors will be able to limit the amount of the operation to the amount of subscriptions received, on condition that this amount reaches at least three-quarters of the issue initially declared.
- Acknowledges that the present delegation gives full preference to bearers of securities issued that provide access to the Company's capital stock, if the Shareholders renounce their pre-emptive right to subscribe the shares to which these securities otherwise give the right.
- Decides that the price for the subscription of shares and/or securities issued by virtue of the present delegation will be determined in compliance with the provisions of articles L.225-136 and R.225-119 of the French Commercial Code.
- Decides that the Board of Directors, with the faculty of sub-delegation, and in compliance with legislative provisions, will have full powers to exercise the present delegation, in particular to determine the issue dates and conditions, and the form and characteristics of the securities to be created, to fix the issue prices and conditions, to fix the amounts to be issued, to fix the date of entitlement, albeit retroactive, for the securities to be issued, to determine how the issued ordinary shares or other securities should be paid up, and the conditions in which these securities will grant a right to the Company's ordinary shares, to set the conditions where appropriate, for their buyback on the Paris stock market and their possible cancellation, to anticipate the possibility to suspend the exercise of share allotment rights attached to the securities to be issued and to fix the mechanism for the protection of the interests of holders of securities providing future access to the share capital, in compliance with all legal and regulatory provisions.

- Decides, moreover, that when the securities to be issued comprise, or are associated with, debt securities, the Board of Directors will also have full powers, with the faculty of sub-delegation, to determine whether they are perpetual floating or not, their remuneration and, where applicable, the compulsory or optional events of suspension or non-payment of interest, their duration and the possibility of a reduction or increase in the nominal value of the securities, and the other issue and amortization methods.
- Decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase, and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to ensure the successful conclusion of the issues envisaged, and to record any capital increases that result from any issue made through this delegation and modify the by-laws accordingly.
- Decides that the Board of Directors may also, with the faculty of sub-delegation, acknowledge the completion of each capital stock increase and make any related amendments, and generally enter into any agreement in particular to successfully complete the proposed issues envisaged, taking all steps necessary to carry out any formalities for the issue, the quotation, and for the financial servicing of securities issued pursuant to this delegation and for the exercise of the rights attached thereto.
- Finally decides that this delegation cancels and replaces the unused portion of any earlier delegations to the same effect.

If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Ordinary General Meeting of Shareholders on how it has used the authorizations granted in this resolution.

Twenty-second resolution

Global limit of the total amount to be issued

After acknowledging the report of the Board of Directors, the AGM decides that any capital increases resulting from the use of delegations involving the authorization to issue shares and other securities granted in the nineteenth, twentieth and twenty-first resolutions above, whether immediate, deferred or potential, and also any issue of securities according to the provisions of the fourteenth resolution above, shall not globally exceed the total nominal value of 500 million euros, or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies; to this sum may be added, where relevant for capital stock increases as described above, the nominal amount of extra shares issued in order to protect the interests of the holders of securities that provide access to the capital stock, in accordance with legal and regulatory provisions.

Twenty-third resolution

Delegation of authority given to the Board of Directors to increase the capital stock by issuing ordinary shares and/or securities providing access to the capital stock, without pre-emptive rights, to participants in the Company savings plan, pursuant to articles L.3332-18 et seq. of the French Labor Code

After hearing the reports of the Board of Directors and the Statutory Auditors, the AGM, deliberating within the framework of article L.225-129-6 of the French Commercial Code, decides to increase the capital stock reserved for employees participating in a company or group savings plan.

The AGM delegates to the Board of Directors the powers necessary to take decisions to proceed with the increase in the capital stock, in one or several operations, in the proportion and at the time it deems most opportune, through the issue of shares in the capital stock or securities providing access to the Company's capital stock, without pre-emptive rights to the subscription of shares; the capital increase is reserved for the Company's employees still under contract, or those with work contracts in companies that are associated according to the definition of L.225-180 of the French Commercial Code, that participate in the Company or group savings plan, and that satisfy any conditions that are laid down by the Board of Directors.

The amount of increase in the capital stock liable to be made through the delegation presented above may not exceed ten million euros in nominal value; to this sum may be added, where relevant, the nominal amount of extra shares issued in order to protect the interests of the holders of securities that provide access to these shares, in accordance with legal provisions in force.

The issue price for new shares, to be fixed by the Board of Directors, cannot be lower by more than 20% than the average rate recorded for the Company's shares on

the Paris stock market during the legal period and in the conditions laid down by the law in force at the date considered; current legislation states this period to be the twenty days the Paris stock market is open preceding the day of the decision taken by the Board of Directors to fix the date when subscriptions are open.

The Board of Directors is granted full powers, in conditions fixed by the law, to implement this present delegation, or postpone this implementation to a later date, within the limits and methods that it fixes in advance, to:

- determine the companies whose employees may benefit from the issue subscription offer, for the purposes of the present delegation,
- fix the conditions of seniority in particular necessary to benefit from these subscription offers,
- determine the issue dates and methods adopted,
- fix the issue prices and conditions,
- fix the amounts to be issued,
- fix the date of entitlement, albeit retroactive, for the securities to be issued,
- determine how the shares should be paid up and the time granted to the beneficiaries to pay up their subscription,
- decide whether the subscriptions can be made directly and/or indirectly through mutual funds,
- fix, for security issues covered by the present delegation, the methods and conditions of participation in a company or group savings plan, determine their regulations or, for pre-existing plans, modify their regulations.

Finally, the Board of Directors may, where appropriate, deduct any charges from the premium or premiums associated to capital increases, in particular any costs generated by security issues, and more generally take any useful measures to reach agreements in order to succeed with such issues, record any stock capital increases resulting from an issue made within the framework of the present delegation, and modify the by-laws accordingly.

The present authorization is granted for the maximum duration of 24 months. It supersedes the authorization previously granted by the AGM of December 6, 2019.

8.4. Draft resolution of an ordinary nature

Twenty-fourth resolution

Delegation of powers to carry out corporate formalities

The AGM grants full powers to the bearer of a copy or extracts of the minutes recording the present deliberations with the aim of completing all legal and administrative formalities as required.



9 FURTHER INFORMATION

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9.1. Statutory Auditors

9.1.1. Control bodies

9.1.1.1. Incumbent Statutory Auditors

KPMG AUDIT, DÉPARTEMENT DE KPMG SA

2, avenue Gambetta - Tour Eqho - CS 60055

F-92066 Paris-La Défense Cedex

Represented by Ms. Catherine PORTA

Date of renewal: 2014

Date of expiry of term of office: 2020 (Annual General Meeting deliberating on the financial statements closing on June 30, 2020)

VISAS 4 COMMISSARIAT

56, boulevard Gustave Flaubert - F-63010 Clermont-Ferrand

Represented by Ms. Emily STRICKLAND

Date of renewal: 2017

Date of expiry of term of office: 2023 (Annual General Meeting deliberating on the financial statements closing on June 30, 2023)

9.1.1.2. Substitute Statutory Auditors

SALUSTRO REYDEL

2, avenue Gambetta - Tour Eqho - CS 60055

F-92066 Paris-La Défense Cedex

Date of appointment: 2014

Date of expiry of term of office: 2020 (Annual General Meeting deliberating on the financial statements closing on June 30, 2020)

9.1.2. Fees of the Statutory Auditors and members of their network

This information is presented in Appendix 2 of Chapter 6, Consolidated Financial Statements, page 258 of this Annual Report.

9.2. Historical financial information incorporated by reference

Pursuant to article 19 of regulation (EU) 2017/1129 of the European parliament and the Council of June 14, 2017, the following information is incorporated by reference in this annual report for 2019-2020:

- The activity report, Vilmorin & Cie's consolidated financial statements and the report of the Statutory Auditors on the consolidated financial statements for fiscal year 2018-2019 as presented on pages 102 thru 114 and 166 thru 239 of the "*document de référence*" filed with the Autorité des marchés financiers on October 28, 2019 under the reference D.19-0915.

- The activity report, Vilmorin & Cie's consolidated financial statements and the report of the Statutory Auditors on the consolidated financial statements for fiscal year 2017-2018 as presented on pages 88 thru 100 and 146 thru 215 of the "*document de référence*" filed with the Autorité des marchés financiers on October 29, 2018 under the reference No. D.18-0895.

The information included in these documents, other than those referred to above, have, where necessary, been replaced and/or updated by information included in this annual report. The documents referred to above are available on the Vilmorin & Cie website, **www.vilmorincie.com**, and that of the Autorité des marchés financiers, www.amf-france.org.

9.3. Technical glossary

B

Biological fight: The fight against crop pathogens using their natural predators.

Biotechnology: All methods and techniques that use living organisms or their components to manufacture or modify products, to improve plants, or to develop micro-organisms for specific applications.

Breeder: The breeder - a company or a professional - is in charge of creating new seed varieties from the existing diversity, the main tasks being to define selection objectives, manage selection programs and ensure relations with internal and external partners.

C

Character: Item of the description of the phenotype of a living organism or a species.

Criticality: Cumulative effect of the probability of a risk occurring and the seriousness of the damage it would cause.

G

Genetic resources (or genetic heritage): Group of genes from various plant species.

Genetically Modified Organism (GMO): Organism (plant or micro-organism) whose genome has been voluntarily modified by man using a technique, transgenesis, combining in vitro culture and genetic engineering.

Genome: All the genes or hereditary heritage contained in each cell of any living organism.

Genomics: All techniques and research related to the study of the genome.

Germplasm: Genetic heritage.

H

Hybrid: Refers to a plant resulting from a cross between clearly different parents, belonging to the same species or to related species.

I

Inputs: Agricultural inputs involve the different products provided to the soil and crops, including in particular, fertilizers, amendments, chemical products, seeds, etc.

M

Molecular marking: Following the presence or absence of a particular trait in a plant by studying its genome (without the need to grow the plant to check whether the trait is present or absent).

P

Plant breeding: Among a plant population that one wishes to improve, the choice of individuals with the best phenotypic characteristics as breeding sources. By extension: all varietal improvement techniques.

R

Royalties: The seed company enters into licensing agreements (for Europe mainly with cooperatives) to delegate the production and sale of its certified seed. In return, it receives royalties. The royalties collected by Vilmorin & Cie mainly concern wheat and barley.

S

Sales from proprietary varieties: Sales made on varieties coming out of the research programs of Vilmorin & Cie.

Seed multiplication farmer: A farmer specializing in seed multiplication, i.e. the production of seeds on a large scale, with the aim of selling them.

Stacking: Combination of characters - a process consisting of associating several genes of interest within the same plant.

T

Traits: The gene or genes that give the plant a desired characteristic (resistance to various insect pest attacks, tolerance to herbicides, etc.).

Transgenesis: A technique for the transfer and integration of one or more genes into the genetic heritage of a living organism.

Sources:

> www.gnis-pedagogie.org

> www.larousse.fr

> Wikipedia

> Internal. Vilmorin & Cie.

9.4. Financial and stock market glossary

C

Current data: Current data are the data expressed with the historical currency exchange rates for the period, and not adjusting for changes in the consolidation scope.

Current operating margin: The current operating margin is defined as the accounting operating margin restated for impairments and reorganization costs.

E

Earnings per share group share or **EPS:** EPS corresponds to the group's share of net income for the year divided by the number of shares comprising the capital. It can also be referred to as "profit per share" or "income per share."

EBITDA: The EBITDA is defined as the operating result to which are added any provisions for depreciation, amortization and impairment.

G

Gearing : Gearing is defined as the ratio comparing the net financial debt⁽¹⁾ to equity⁽²⁾.

L

Leverage: Leverage is defined as the ratio comparing the net financial debt⁽¹⁾ to the EBITDA.

Like-for-like data: Like-for-like data concern data that are restated for constant consolidation scope and currency exchange rates.

P

Price Earning Ratio: The PER per share is equal to the ratio of the share price to earnings per share (EPS).

R

Rebased (REB) price: Calculation technique that relates the base of one price to the reference value of another price. The price is then said to be rebased in order to be able to compare the variations of the two prices, on a graph in particular.

Research investment: Research investment corresponds to gross research expenditure before recording any research costs and tax relief as fixed assets.

Return on the share: The return on the share corresponds to the amount of the dividend per share distributed relative to the share price. In this document, the return on the share for fiscal year N refers to the last trading price of fiscal year N.

(1) Net financial debt is equal to net financial indebtedness.

(2) Shareholders' equity corresponds to the line "Consolidated equity", represented in the Financial Progress Report.



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www.vilmorincie.com