

# CSR 2013

## Report on Socially Responsible and Sustainable Business



**DELTA HOLDING**

# Table of Contents:

<b>FOREWORD</b>	02
<b>ABOUT THE COMPANY</b>	09
<b>ABOUT THE MEMBERS</b>	27
<b>MARKET RESPONSIBILITY</b>	53
<b>EMPLOYEES</b>	61
<b>ECOLOGY</b>	77
<b>DELTA FOUNDATION</b>	89
<b>APPLICATION OF REPORTING PRINCIPLES</b>	105
<b>INDEPENDENT AUDITOR'S REPORT</b>	109
<b>LIST OF GRI INDICATORS</b>	113



# ABOUT THE REPORT

In continual pursuit of the balance between society needs and business results within an economically changeable surrounding that has marked the year 2013 the Company has succeeded in achieving its plans and contributing to the development of the social community. Given that a transparent sustainable business is of the utmost importance to the exchange of innovative ideas and providing examples of good business practice, Delta Holding continues to report on its operations using the internationally acclaimed Global Reporting Initiative (GRI) methodology.

In this manner all interested parties gain insight into Company operations while being given the opportunity to offer their own opinion with the aim of improving business processes in accordance with modern principles of sustainable development.

At Delta Holding during 2013 we have:

- Adopted the social responsibility strategy and pro bono policy
- Opened the Crowne Plaza Belgrade hotel
- Hired 459 new colleagues
- Received 113,529 hours, that is 4,730 days, of training
- Introduced a new reporting system on energy and water consumption
- Organized 533 charity events granting aid to 98,072 Serbian residents
- Received the Virtus award for contribution to the social inclusion

This is the fifth annual report on Delta Holding's sustainable operations, third in compliance with the GRI methodology. Like the previous one, the 2013 annual report meets reporting level B+ and is verified by KPMG Serbia. Also, this report contains all the relevant information and data required for the Advanced Level of UN Global Compact Communication on Progress.

# FOREWORD BY THE PRESIDENT OF THE COMPANY



Even after 22 years in business Delta Holding managed to stay both a global and a local Company. Global for its quality and manner of operations, local for its adaptability to the market and care for the community in which it operates.

## **GLOBALLY**

We are consistent in the application of the highest international standards in sustainable operations. Like the previous one, this Report is fashioned according to the GRI criteria and is verified by a prestigious Auditor. We received an important recognition by Dirk Olin, an acclaimed world CSR expert, who compared Delta Holding's manner of reporting and sustainable operations with the brightest examples of American business practice. We are still members of the Global Compact and we uphold its 10 principles.

## **LOCALLY**

We have continued our policy of bringing leading brands and technologies into Serbia and implementing them into our market. Thus we not only enhanced our own performance but have set an example to other entrepreneurs, small and medium businesses and individual producers, offering up knowledge and possibilities for cooperation in technologically advanced businesses. One such example is our orchard in Čelarevo, the largest orchard in Southeast Europe, and the hub of our cooperation in apple production and export.

In 2013 we have built the new Crowne Plaza Belgrade hotel. Not only did we bring this brand into Serbia, we also realized the biggest investment in our country, worth EUR 40 million. Most importantly, we opened up 300 new work posts.

Our other activities are also organized in line with the particularities of the Serbian community, that is, are focused around answering major problems in Serbian economy: unemployment, brain-drain, poverty, the collapse of the Serbian village... This Report offers detailed insight into projects such as Young Leaders, cooperation in fruit production, philanthropic activities, and others.

## **AND IN THE FUTURE**

In 2014 we will continue to conduct Social Responsibility Strategy of Delta Holding. Our goal is to develop current, but also launch new businesses. Both will result in the arrival of a new business practice in Serbia.

Our investments will bring new employments, which we hold as one of our top priorities. We are especially attentive to the young college educated individuals, through our Young Leaders program.

We will be even more transparent in our operations. On one hand, we are raising our reporting standard on sustainable operations; on the other, we plan to achieve a higher level of presence on social networks, allowing for an even more open dialogue with all the social groups with whom we work.

Finally, in 2014 we plan to build a second endowment.

We are confident that our future endeavors will serve all of us here at the Company proud.

Miroslav Mišković  
**President**



# FOREWORD BY GENERAL MANAGER OF DELTA FOUNDATION



Owing to the corporate culture with deep-rooted ethical and socially responsible principles, during 22 years in business we have created a sustainable system that contributes to the development of the community in which it operates.

Our employees are the building blocks of our sustainability. By hiring young talents and constantly developing staff through numerous trainings and lectures, we entice innovation and creative approach to business challenges.

We are aware that creating brands, products and services that people need and in which they trust calls for long-term planning and awareness of the changes within the surrounding. This is why we continually assess the needs of our clients and consumers, paying heed to their opinion in the decision-making process of

business development. We believe that healthy top quality products, created in observance of ecological principles, are not only beneficial to the consumers, but to the Company as well, being the foundation of sustainable development.

Delta Holding is a longstanding member of the socially responsible organizations United Nations Global Compact and International Labour Organization, given that as a responsible Company it respects labor standards as well as human rights, environmental protection and anti-corruption principles.

In compliance with the social responsibility strategy, we have paid special attention to the children without parental care and persons with disabilities. We have aided educational institutions in realizing additional activities, and young talents in continuing their schooling.

In 2013 Delta Foundation realized 533 activities, granting aid to 98,072 residents.

It is with great pleasure that I announce the building of the second endowment of Delta Holding – Center for Sport and Rehabilitation of Persons with Disabilities in Kragujevac.

We believe that our contributions will make us good ancestors to future generations.

Ivana Mišković Karić

**General Manager of Delta Foundation**

A handwritten signature in black ink, appearing to read 'I. Mišković Karić', written in a cursive style.

**DELTA HOLDING**

**Ja trčím  
za  
decu leptire**

**DELTA HOLDING**

**Ja trčím  
za  
decu leptire**



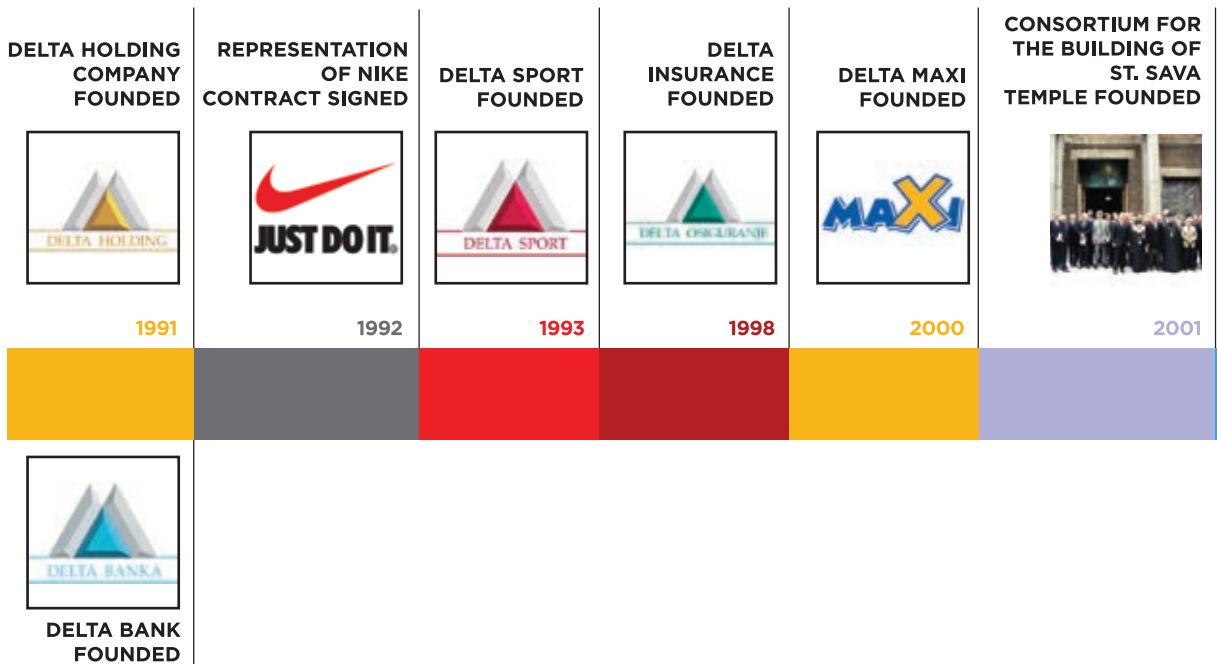


# ABOUT THE COMPANY

Delta Holding Ltd. was established on February 4, 1991. Company headquarters are located in Milentija Popovića 7b in Belgrade. Company business is conducted through five organizational units which operate within various sectors, while sharing a unique corporate philosophy, value system and the ambition to expand and develop their respective businesses. Two non-profit organizations also conduct their business under the Company umbrella, Delta Foundation and the packaging waste management organization Delta Pak.

Delta Holding members are involved in agribusiness, food processing, retail, export, import, foreign company representation, wholesale, distribution, automobile business, real estate development and insurance. Business is for the better part conducted in Serbia but also in the region (Montenegro, Bosnia and Herzegovina, Croatia and FYROM) as well as in the Russian Federation.

# DELTA HOLDING TIMELINE



**DELTA BANK FIRST BANK  
IN YUGOSLAVIA ISSUE  
EUROCARD/MASTERCARD  
AND MAESTRO CREDIT CARDS**



**DIFASHION  
LAUNCHES  
NEW LOCAL  
DESIGNER FASHION  
BRAND EXCEPTION**

**2002**

**NEW DELTA  
HOLDING OFFICE  
BUILDING  
CONSTRUCTED  
IN NOVI BEOGRAD**



**DELTA BANK FIRST  
BALKAN BANK TO  
ISSUE VISA CHIP CARD**

**2003**

**DELTA REAL ESTATE  
FOUNDED**



**NEW DELTA SPORT OFFICE  
BUILDING OPENED  
IN NOVI BEOGRAD**

**2004**

**DELTA AUTO CENTER  
OPENED IN NOVI BEOGRAD**

**FIRST MASTERCARD  
ATM MACHINE  
IN SERBIA AT DELTA BANK**

**PROTOCOL OF COOPERATION  
FOR THE SUPPORT  
OF 50 STUDENTS SIGNED  
BETWEEN DELTA BANK  
AND FACULTIES OF ECONOMY, LAW  
AND ORGANIZATIONAL SCIENCES**

**DELTA MAXI RECEIVES BELGRADE  
CHAMBER OF COMMERCE  
AWARD FOR RESULTS IN 2002  
AND EXCEPTIONAL CONTRIBUTION  
TO ECONOMY GROWTH AND  
DEVELOPMENT IN  
BELGRADE AND SERBIA**



**SINCE DECEMBER 2004  
YUHOR FACTORY  
BECOMES A PART  
OF DELTA AGRAR**

**TEMPO  
CASH&CARRY  
CENTER OPENED  
IN VILINE VODE  
IN BELGRADE**



**DELTA BANK RECEIVES  
BEST MEDIUM SIZED BANK  
IN SOUTHEAST EUROPE AWARD  
COMPETING AGAINST  
100 REGIONAL BANKS**

# DELTA HOLDING TIMELINE

CONTRACT FOR EXCLUSIVE IMPORT AND DISTRIBUTION OF HONDA VEHICLES ON THE TERRITORY OF SERBIA AND MONTENEGRO SIGNED BETWEEN DELTA M AND HONDA



2005

HONDA AUTO CENTER OPENED IN BELGRADE



CONTRACT BETWEEN DELTA HOLDING AND GENERALI GROUP FOR PURCHASE OF 50%+1 OF DELTA INSURANCE SHARES SIGNED

DELTA AUTOMOTO FOUNDED

DELTA AGRAR FOUNDED

2006

BUSINESS EXPANSION INTO THE REGION



DELTA AGRAR FARMS 16.000 ha OF AGRICULTURAL LAND



2007



BANK INTESA PURCHASES 90% OF DELTA BANK SHARE CAPITAL

DELTA SPORT OFFICIALLY OPENS THE FIRST INDITEX - ZARA STORE IN BELGRADE

DELTA HOLDING LAUNCHES SUPPORT PROGRAM FOR CHILDREN WITHOUT PARENTAL CARE ENTITLED "FUND FOR THE FUTURE"

DELTA DMD FOUNDED



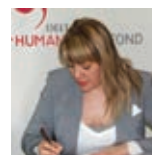
DELTA GENERALI FIRST INSURANCE COMPANY IN SERBIA TO BE GIVEN LICENSE FOR VOLUNTARY PENSION FUND MANAGEMENT

DELTA CITY SHOPPING MALL OPENS IN BELGRADE



DELTA HOLDING ADMITTED TO CSR EUROPE ORGANIZATION AS FIRST MEMBER EASTERN EUROPE

DELTA HUMANITARIAN FUND



**DELTA MOTORS DECLARED  
BEST BMW PARTNER  
IN THE REGION**



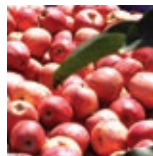
**SPECIALIZED RETAIL  
CHAIN ENTITLED  
AGRO PHARMACY OPENS**

**DELTA TAKES OVER  
THE MANAGEMENT  
OF CONTINENTAL  
HOTEL, BELGRADE**



2008

**DELTA AGRAR  
COMPANY OPENS  
DISTRIBUTION CENTER  
FOR DISTRIBUTION  
OF AGRICULTURAL  
PRODUCTS ON  
THE RUSSIAN MARKET**



2009

**DELTA AGRAR  
GROUP OPENS  
STATE-OF-THE-  
ART ULO COLD  
CHAMBER IN  
ČELAREVO - THE  
MOST MODERN IN  
ENTIRE REGION**



2010

**“20th”  
ANNIVERSARY OF  
DELTA HOLDING  
CELEBRATED**



**DELTA AGRAR  
PRODUCES FIRST  
CLONALLY  
PROPAGATED  
APPLE**



2011

**DELTA HOLDING  
WINS  
INTERNATIONAL  
AWARD FOR  
REHABILITATION  
OF PERSONS  
WITH DISABILITIES**



**FIRST  
ENDOWMENT  
AFTER 70 YEARS  
DONATED TO  
THE CITY OF  
BELGRADE BY  
DELTA HOLDING  
YOUNG LEADERS  
PROGRAM  
LAUNCHED**



2012

**BELVILLE APARTMENT  
COMPLEX BUILT**



**DELTA CITY OPENS  
IN PODGORICA**



**DELTA CITY NAMED  
BEST EUROPEAN  
SHOPPING MALL IN  
NEW MEDIUM SIZED  
MALL CATEGORY. THIS  
MOST SIGNIFICANT  
ACHIEVEMENT IN  
COMMERCIAL REAL  
ESTATE AWARDED BY  
THE INTERNATIONAL  
COUNCIL OF  
SHOPPING CENTERS  
(ICSC)**

**DELTA GENERALI  
INSURANCE  
OPENS HEALTH  
CLINIC “JEDRO”**

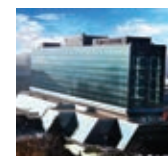


**YUHOR FACTORY  
RECEIVES LICENSE  
TO EXPORT MEAT  
AND MEAT  
PROCESSING  
PRODUCTS ON  
RUSSIAN MARKET**

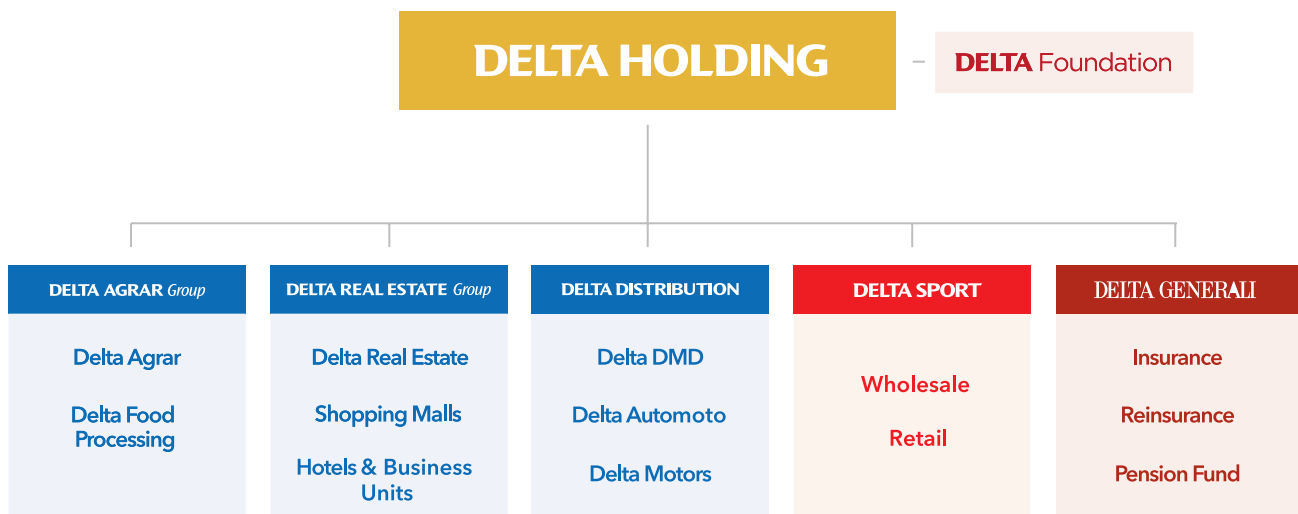


**DELTA MAXI  
GROUP OFFICIALLY  
SOLD TO  
DELHAIZE GROUP**

**2013  
CROWNE PLAZA  
BELGRADE HOTEL  
OPENED AS  
PART OF DELTA  
REAL ESTATE**



## Company organization chart





## VISION

Our vision is to be a strong global company in the eyes of our clients, partners and employees, recognizable for the **VALUES** we uphold:

- EXCELLENCE makes us the best
- INNOVATION is how we change the world
- INTEGRITY is deeply-rooted in everything we do
- We always strive for the highest **ACHIEVEMENTS**
- **CARE FOR PEOPLE** is the foundation of our success

## MISSION

It is with passion that we create companies that improve the society in which we live and work.

From its very foundation Delta Holding has endeavored through the activities of its members to remain at the forefront of ushering in a positive market climate, characterized by the satisfaction of consumers, business partners, company employees, as well as the social community on the whole.



# CORPORATE MANAGEMENT – STRATEGIC APPROACH

The entirety of Delta Holding's business operations are founded on the implementation of leading world corporations' knowledge and experience, as well as keeping pace with the changeable market conditions in Serbia and the region. At Delta Holding executive decisions are made and the know-how of successful companies adopted with speed and efficiency, while the accent is placed on continual application of modern technologies in all business aspects.

The Board of Directors is comprised of 19 experts from the spheres of economy, agribusiness, real estate management, finance and communication. Inspired by market and community needs, driven by results and innovative approaches, they steer the employees toward the achievement of Delta Holding's vision.

At quarterly level the Board of Directors exchanges information pertaining to different corporate segments, while at annual level it assesses the risks in view of internal and external conditions.

In 2013 the Board of Directors revised the corporate strategy based on an analysis of economic, ecological and social growth indicators. Aiming to optimize corporate conduct and sustainable development, all business operations and procedures underwent a detailed analysis.

Following the corporate vision, Delta Holding will direct its future activities toward such fields where it can attain a leading market role with the optimal use of resources, forsaking businesses that fail to sufficiently contribute to Company development.

At the annual Board meeting the employees were acquainted with the changes in organizational structure and corporate strategy, short and long term plans, as well as the results achieved in 2013.

In the next five years agribusiness and real estate development are to remain core businesses, while important projects have been announced:

- The building of a new cold chamber in the orchard in Čelarevo
- The building of a new processing center in Stara Pazova
- The building of a new distributional center
- The renovation of business suites
- The building of a new endowment – Center for Sport and Rehabilitation of Persons with Disabilities
- The sale of certain businesses from the HoReCa and fashion brand retail segments to foreign companies

## BOARD OF DIRECTORS



**Miroslav Mišković**  
President



**Dejan Jeremić**  
Executive Vice  
President, Operations



**Marija Desivojević  
Cvetković**  
Vice president, Strategy  
and Development



**Milka Vojvodić**  
Executive Vice  
President, Finance and  
Economy



**Jelena Krstović**  
Vice President



**Milorad Sredanović**  
Vice President,  
Agriculture



**Goran Karić**  
Vice President,  
International Business



**Ivana Mišković Karić**  
General Manager,  
Delta Foundation



**Ivan Kostić**  
CEO,  
Delta Agrar Group



**Milica Glavaš**  
Director, Legal and  
Corporate Affairs



**Radmila Spasić**  
Director,  
Delta Real Estate



**Mira Cvijetić**  
Director, Finance  
and Accounting



**Jasminka Kiselčić**  
Director, Plan and  
Analysis



**Milica Pejnović**  
Director, Internal  
Audit



**Ivan Vasić**  
Director, IT



**Nemanja Lazić**  
CEO,  
Delta Auto



**Ana Dišić**  
CEO, Shopping Malls  
Delta Real Estate



**Živorad Vasić**  
CEO, Hotels and  
Business Units  
Delta Real Estate



**Aleksandar Čamparević**  
CEO, Delta DMD  
Acting CEO,  
Delta Sport

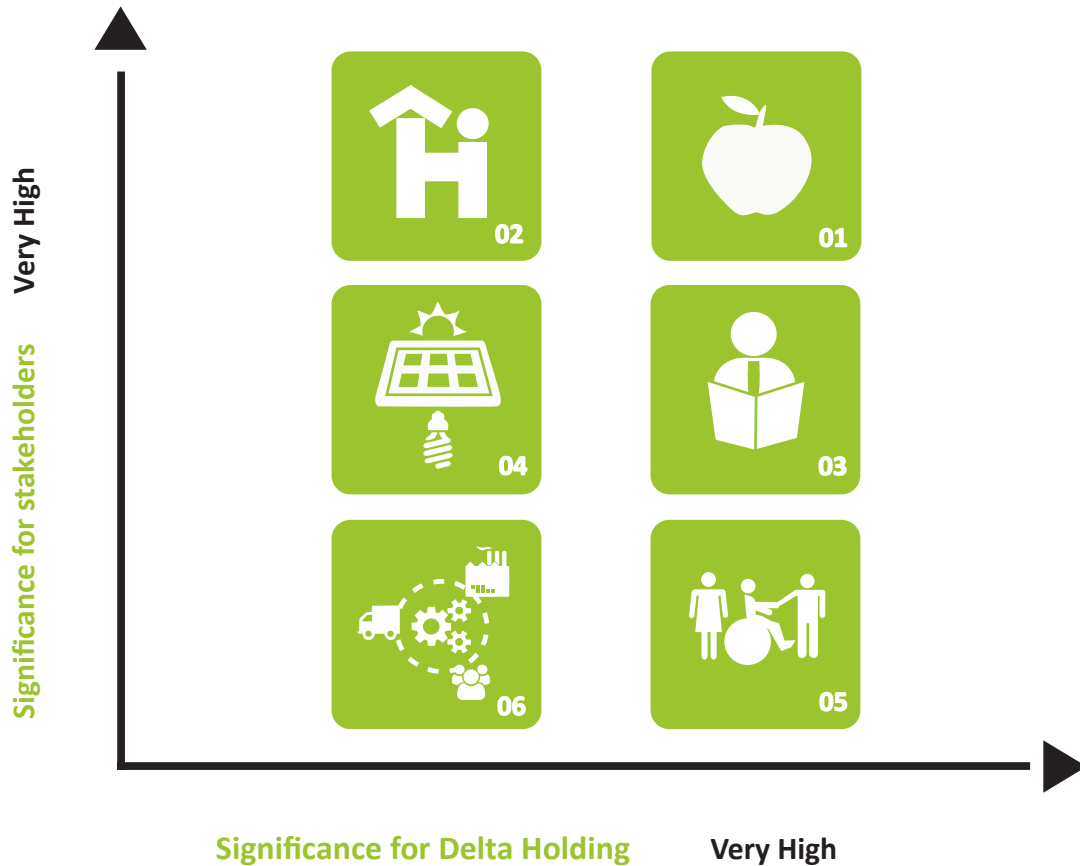
# KEY STAKEHOLDERS

Delta Holding advocates the creation of a positive and enticing economic setting that fosters a balance between company interest and that of the key stakeholders: employees, consumers, suppliers, investors, citizens, local communities, non-governmental organizations, media and other interested parties.

From the viewpoint of Delta Holding the most important stakeholders are the employees, whose skills and knowledge are the building blocks of a sustainable system, competitive in the international market. A loyal and devoted team of employees is the result of being sensitive to needs, inclusion in all relevant processes and constant pursuit of skill development. Satisfied and motivated employees build trust and integrity based partnerships with all interested parties, above all with the business partners who to a large extent determine the market position of the Company.

Business partner satisfaction is continually monitored and evaluated via direct contact or prearranged interviews and surveys, while their opinion is integrated into day-to-day decisions. All of the members, in accordance with their respective business activities, contribute to the preservation of environment. Also, the Company pays special attention to the society members in need of assistance and through the work of Delta Foundation, in cooperation with institutions of social care system and civil society organizations, launches projects that enhance their life quality.

The Company enables insight into its business dealings to all the interested parties by means of social responsibility reports, websites, social networks and communication with the media.



1. Healthy high-quality products
2. Community development through support of education and cooperation with individual agro-manufacturers
3. Employee improvement
4. Energy efficiency, renewable energy sources, recycling, harmful gas emission reduction, water conservation
5. Aid to sensitive groups
6. Chain of value

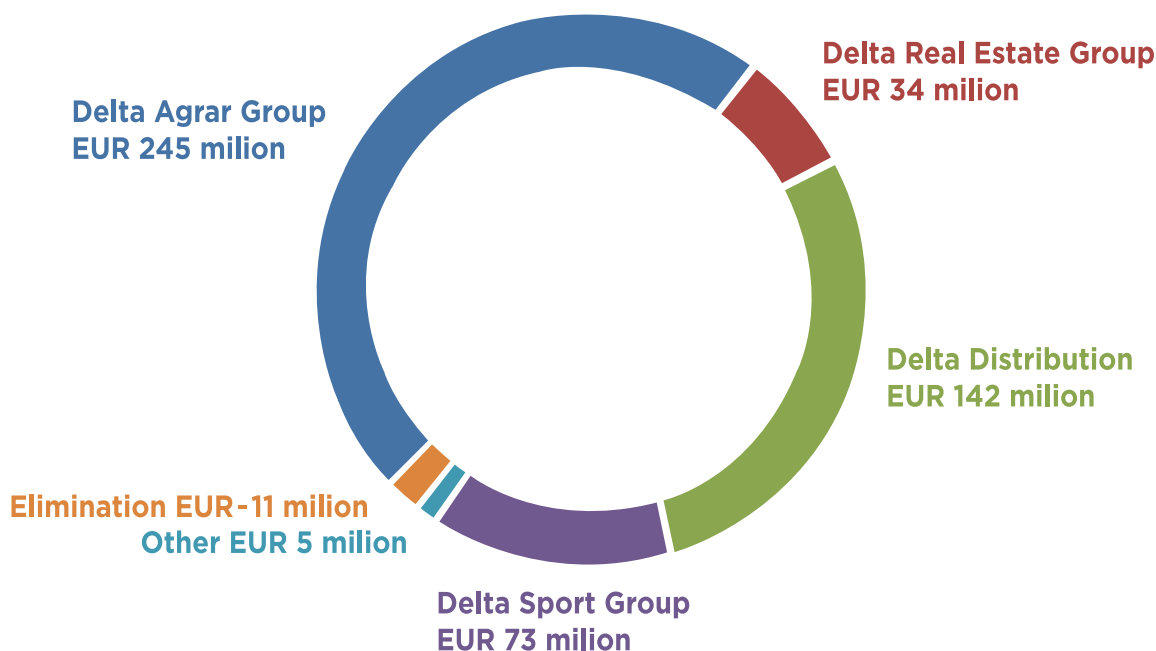
# BUSINESS RESULTS

Positive economic results achieved by Delta Holding in 2013 stem from the continual business and strategic approach optimization done in compliance with sustainable development and growth of the Company.

As in the previous years, the Company has funded operations from its own resources and via loans granted by banks and other financial institutions. In the course of business activity conduct, reliefs and subsidies were used as prescribed by local legislation and made available to all business entities.

In accordance with sustainable development principles and the adopted social responsibility strategy, the Company has invested a share of its profit into socially beneficial and responsible projects relevant to the community in which it operates.

Total revenues of Delta Holding in 2013 amount to EUR 488 million<sup>1</sup>. This figure excludes Delta Generali insurance premiums in the amount of EUR 110.56 million and Delta MC income in the amount of EUR 3.1 million.



In 2013 Delta Holding has paid EUR 87.09 million in taxes into the budget of the Republic of Serbia.

For philanthropic activities designed to improve life quality of marginalized social groups, support of culture and education development within the social community, socially responsible sponsorships and employee support, the Company has allocated EUR 31,533,260 between 2007 and 2013.

**INCOME AND PAYROLL  
TAX EUR 16,970,000**

**VAT  
EUR 70,120,000**

**TOTAL AMOUNT  
EUR 87,090,000**

**FOR HUMANITARIAN ACTIVITIES AND PROJECTS (2007-2013)  
EUR 31,533,260**

<sup>1</sup> Total income is expressed according to the consolidated Company financial report

STANDARD	DESCRIPTION	MEMBERS
ISO9001	Sets out the criteria for quality management systems in a business organization. Its application ensures consistency and quality of products and services, thus contributing to business enhancement.	Delta Agrar Group (Seme Sombor, Yuhor), Delta Distribution (Delta DMD, DTS, Delta Auto, Delta Motors)
ISO14001	International standard for effective and efficient environmental management system development, applicable to all industry sectors.	Delta Agrar Group (Yuhor)
ISO 22000	Food safety management – system requirements for any organization in the food chain.	Delta Agrar Group (Florida Bel, Mioni, Danubius, Yuhor)
GLOBAL GAP	Standard covering the pre-production processes designed by leading food retailers with the aim of offering product safety guarantee to consumers.	Delta Agrar Group (Podunavlje, Jedinstvo, Napredak, Topola, Kozara)
ISCC	Standard that defines the use of biomass produced under sustainable production and given biomass production process conditions.	Delta Agrar Group (Kozara, Jedinstvo, Napredak, Topola, Podunavlje)
IFS logistic	International retail chain standard encompassing internationally acclaimed quality standards with the aim of enhancing product safety.	Delta DMD, DTS
HACCP	Food safety system that implies analysis of biological, chemical and physical hazard control points ranging from raw material procurement and handling across production, distribution and storing all the way to final product placement.	Delta Agrar Group (Kozara, Jedinstvo, Napredak, Topola, Podunavlje, Florida Bel, Mioni, Danubius, Yuhor), Delta DMD
HALAL	System of rules and guidelines for food production in accordance with the customs of the Islamic religious community.	Delta Agrar Group (Yuhor)
NSF	NSF (National Sanitation Foundation) is an American standard recognized by GFSI (Global Food Safety Initiative) and represents a highly esteemed certificate program for quality and health safety evaluation for production and storing of bottled water.	Delta Agrar Group (Mioni)
ISO 27001	International standard specifying requirements that define information security management systems.	Delta Generali Insurance

# MEMBERSHIPS

- **United Nations Global Compact** – a voluntary initiative for businesses that are committed to aligning their operations and strategies with ten universal principles of socially responsible business operations in the area of human rights, labor, environment and anti-corruption.

Delta Holding has been a member since 2008, active in working groups for social inclusion, environmental protection and development of corporate social responsibility in Serbia.

- **ILO (International Labour Organization)** – an international organization responsible for formulating and monitoring implementation of international labor standards. It is a unique “tripartite” UN organization which brings together representatives of governments, employers and workers to shape policies and programs that promote decent work for all. Delta Holding has been a member of the Business group for the Employment of People with Disabilities since 2010.



NAME OF THE AWARD	WINNER	ORGANIZATION GIVING THE AWARD	AWARD DESCRIPTION
Virtus	Delta Holding	Trag Foundation	Award for the contribution to social inclusion for the adaptation of the local Inclusive Center „Mesto susreta“
Superbrands Serbia	Delta Agrar	Superbrands	Award in the field of agribusiness for brand recognition and reputability, long-term business consistency and corporate responsibility.
Superbrands Serbia	Delta Real Estate	Superbrands	Award in the field of real estate management for brand recognition and reputability, long-term business consistency and corporate responsibility.
Saint-Gobain Rigips Trophy Serbia 2013	Delta Real Estate	Saint-Gobain	The Crowne Plaza Belgrade hotel claims first prize in the best interior design category for special facilities – hospitals, hotels, schools and faculty buildings.
Silver cup of the Agricultural Fair in Novi Sad	Delta Agrar	Agricultural Fair in Novi Sad	Award for the producers of breeding material at the international Agricultural Fair in Novi Sad.
Five individual cups	Delta Agrar	Agricultural Fair in Novi Sad	Award for quality of the exhibited gilts, breeding boars and sows with piglets.
Captain Miša Anastasijević	Jedinstvo Apatin	Agency Media invent in cooperation with Novi Sad and Belgrade Universities and Serbian Chambers of Commerce	Award in the new modern agribusiness category.
Beating the competition	Delta DMD	DIAGEO	Award for substantial increase of market participation in all sales channels, as well as for successful realization of commercial and marketing plans.
Award for the succesful exhibition program	Delta Automoto	Association for Market Communications of Serbia	Award for the exhibition program Honda at 51st International Car Fair in Belgrade.



## **VIRTUS 13**

Nagrada za doprinos socijalnom uključivanju  
Delta Holding d.o.o.

# GROUPS



**DELTA AGRAR GROUP**



**DELTA REAL ESTATE GROUP**



**DELTA DISTRIBUTION**



**DELTA SPORT GROUP**



**DELTA MC**



**DELTA GENERALI GROUP**



**DELTA FOUNDATION**



# DELTA AGRAR GROUP

Delta Agrar Group has been in the agribusiness since 1993. Among its partners are some of the leading world companies: Pioneer, Bayer CropScience, Syngenta, BASF, Nufarm, Biesterfeld, DanBred, Deutz-Fahr, Amazone, Kuhn, De Laval, Summit Agro International, Arysta Life and others.

Employs 1,425 workers. In 2013 generated EUR 245 million in revenue.  
Total exports in 2013 amounted to EUR 30.51 million.

**The operations of Delta Agrar Group are divided into following organizational segments:**

**Primary Production**, which includes:

- **Crop Production** - raising wheat, maize, soy, sunflower, oil rape and sugar-beet.
- **Fruit Production** – in an orchard in Čelarevo, on a surface area of 350 ha, world-famous varieties of apples are grown: Gala, Breaburn Marriri Red, Golden Delicious, Red Delicious, Granny Smith and Gold Rush, including clonally propagated varieties Modi and Kiku.
- **Vegetable Production** – takes place on about 1,000 ha of company’s own land, in open-air, and in cooperation, while some of the mostly produced vegetable cultures are peas, string beans, potato, onion, pepper, celery, cabbage, cauliflower and broccoli.
- **Stockbreeding** – pig breeding on five farms with an annual output exceeding 105,000 pigs and cattle breeding with an annual output of about 5,000 heads of beef cattle. On two dairy farms within Delta Agrar 6 million liters of milk is produced annually. Most of the output is purchased by local retailers while a portion is exported to the EU markets.

**Cooperation and Buy-Up** – buy-up of fruits and vegetables, meet and cattle, retail and long-term subcontracting to primary producers of crop, fruit and vegetable cultures facilitated by five buy-up centers that dispose of overall 20,000 t capacity, thus allowing full respect of the so-called “cold chain” in fruit and vegetable distribution. To its associates Delta Agrar facilitates:

- Procurement of seedlings, seeds, fertilizers and pesticides at lower rates;
- Expert oversight of crop and cattle raising technologies;
- Secure product placement;
- Buy-up of all market surpluses;
- Service-based storage.



**Agrotrade and Distribution** – distribution of pesticides, seeds and agricultural machinery in cooperation with leading global manufacturers. The Company also trades in food grains, oil crops and mineral fertilizers.

#### **Food Processing:**

**Danubius** – Factory with a tradition since 1918 that produces 300 tons of high-quality all-purpose flour per day and 7,000 tons of various pastas per year.

**Florida Bel** – Factory that produces and packs muesli and snacks under Fun&Fit and JUMBO brands and supplies the market with a group of products under the ABC brand which involves packages of powdery and granular products and dried fruits.

**Yuhor** – Fresh meat and meat processing factory, the largest meat industry in Serbia, present on the market since 1902, and the first domestic company of its kind to receive export license.

**Mioni** – Water production factory that bottles still mineral water Aqua Gala gathered from a spring at 200 m near Mionica around Valjevo.

**Business ventures in 2013 were marked by eco-driven investments, employee improvement and manufacture of new high-nutritive value products.**

#### **Primary Production**

- 690,000 apple seedlings planted on 33 ha of tree-nursery in Apatin
- 26 ha of newly-planted crops
- 14,600 t of apples produced (60 t/ha)
- First harvest of the clonally propagated apple Modi
- Planting of clonally propagated apple Kiku
- Record-breaking crop yield (average yield of mercantile cultures produced in Delta Agrar exceeds the yield in Serbia and region)
- 105,637 fatlings raised

#### **Agrotrade and Distribution**

- Fruit export to Italy and Denmark
- Fruit export increased by 96% compared to 2012
- First commercial sale of soy seed in Italy
- Leading European manufacturer of maize seed bags/ha
- Local market leader in maize seed sales for 2013

#### **Food Processing**

- Two new types of graham flour and ray bread mixture
- Danubius market leader in pasta sales (20% market share)
- Florida Bel market leader in cereal sales
- Meat processing products sales growth compared to 2012





# DELTA REAL ESTATE GROUP

The operations of Delta Real Estate Group include strategic planning and project development, engineering and construction management, real estate management, control and market placement of facilities. The Group delivers high-quality projects in line with international requirements and endeavors to introduce new standards into the real estate industry of Serbia and region, creating a unique combination of retail, office, residential and hotel buildings.

Employs 456 people and generates EUR 34 million in revenue.

**The operations of Delta Real Estate Group are divided into following organizational segments:**

### **Shopping Mall and Retail Park Management**

- **Delta City Belgrade** – the first shopping mall in Serbia developed according to international standards<sup>2</sup> and opened in 2007. Its distinguishing features are modern design and absorbing mixture of famous brands and entertainment content. International Council of Shopping Centers (ICSC) presented Delta City shopping mall with the Best European Shopping Mall Award in Barcelona, 2009.
- **Delta City Podgorica** – the first shopping mall in Montenegro developed according to international standards and opened in 2008.
- **Delta Park Kragujevac** – new retail building concept in Serbia operational since 2010.

### **Hotel Management**

- The **Crowne Plaza Belgrade** – opened on December 30, 2013, the hotel holds 416 rooms (94 luxuriously furnished 'club-level' rooms), 32 suites, two presidential suites, 14 congress halls and two restaurants. It also houses a spa-center, four massage parlors, a bar, a lounge and the largest hotel swimming-pool in Belgrade.
- The **Hotel Park Beograd** – the hotel that has been part of the Delta Real Estate Group since 2008 holds 124 rooms and 3 suites, a modern banquet hall, restaurant, café and fitness area.
- **Hotel Nacional** – the hotel that has been part of the Delta Real Estate Group since 2009 holds 65 rooms and 125 beds while its main advantage is its proximity to an international customs terminal and large number of sport terrains.

## Business Unit Management

NBGP (Apartmani, Mala Kula, Impuls Hol) – Business complex located in the city business zone near the highway and in close proximity of the Crowne Plaza Belgrade hotel consists of two buildings with a shared underground garage. Leasing premises cover the space of 20,384 m<sup>2</sup>. Among the contractors leasing the Apartmani and Mala Kula units are embassies and international organizations, trade representatives, law offices and business representational centers of famous foreign and domestic companies.

## Strategic Planning and Project Development

Delta Real Estate realizes high quality projects and introduces new business standards in the real estate sector, primarily in the areas of retail, hospitality and business facilities.

### Delta Real Estate Group in 2013:

**Delta Real Estate**, as the general engineering and construction coordinator for the Crowne Plaza Belgrade hotel, is the winner of the prestigious award Saint-Gobain Rigips Trophy Serbia 2013, in the best interior design category for special facilities – hospitals, hotels, schools and faculty buildings.

### Hotels:

- Complete refurbishment of the Continental Hotel and the opening of the Crowne Plaza Belgrade hotel
- 250 new colleagues
- New identity for the Park Hotel



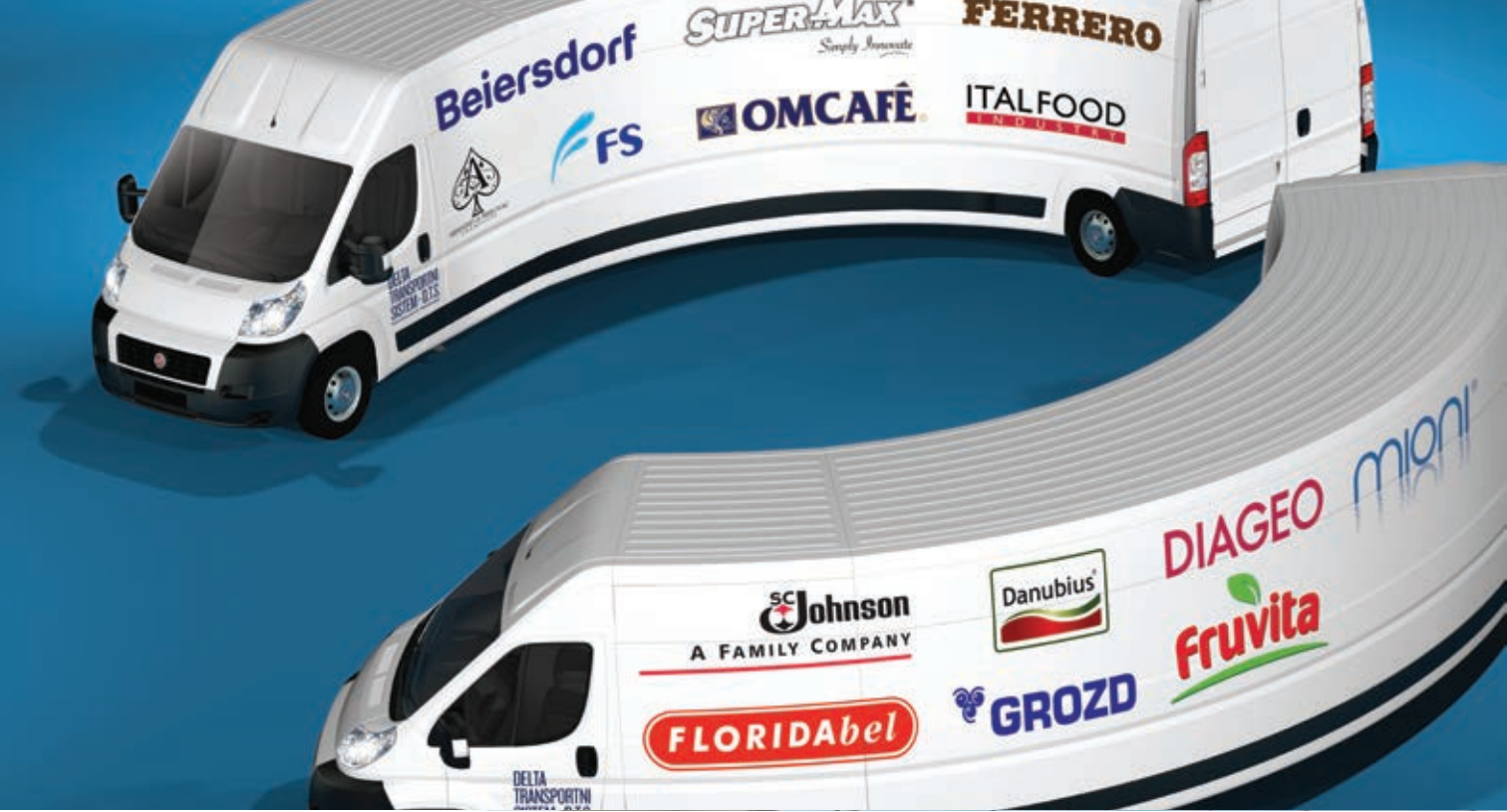
### Delta City Shopping Mall Belgrade:

- 19 new contractors
- 9.3 million visitors
- 63 charity activities
- A 7% increase in circulation compared to 2008 when the Mall had no competition

### Business Unit Management:

- Capacity of NBGP suites utilized to 80%
- Capacity of Mala Kula utilized to 93%
- Additional content design: conference and banquet halls, restaurants „À la carte” and „Self service”, bakery, bulletin board, car wash, dry cleaning

<sup>2</sup>Project management and development in line with FIDIC (International Federation of Consulting Engineers)



# DELTA DISTRIBUTION

Delta Distribution unifies four companies that deal in import, sale and transport of consumer goods and cars: Delta DMD, Delta Transportation System, Delta Motors and Delta Automoto.

Delta Distribution employs 709 people and generates EUR 142 million in revenue.

## Delta DMD

One of the leading domestic companies in the field of consumer goods distribution, Delta DMD was founded in 1997. It operates through five regional centers in Serbia and Montenegro: Belgrade, Novi Sad, Čačak, Niš and Podgorica, while its core activities are distribution, logistics and warehousing of consumer goods.



## Delta Transportation System

Logistics and transportation services are performed by Delta Transportation System (DTS) which disposes of a fleet consisting of over 500 ecologically efficient low-carbon emission vehicles with individual cargo capacity ranging from two to 25 tons.

### Delta DMD and DTS in 2013:

- Numerical distribution improvement for all brands
- Weighted distribution improvement
- Introduction of new and upgrade of current software
- Merchandizing service efficiency improvement
- Introduction of new brands into the portfolio
- International transport introduced since the beginning of the year
- Mercantile goods distribution introduced since June 2013
- Growth of inland transport of goods

## Delta Motors

The company Delta Motors was founded in 2007 and is the general and exclusive representative of BMW and MINI car brands for Serbia and Montenegro. Exclusive contract with the BMW Group entails import, sale and distribution of new and used cars and motorcycles as well as import, sale and distribution of spare parts and technical service providing for BMW and MINI vehicles.

### Delta Motors in 2013:

- Semifinal placement for the world's best BMW dealership
- In the BMW business standard assessment for the used vehicle sector a 100% efficiency result achieved
- New car and motorcycle sales growth
- BMW vehicle sales in Serbia increased by 11% in comparison to 2012
- Used and BPS vehicle sales increase by 70%
- First mobile application launched in our BMW region



## Delta Automoto

The company Delta Automoto was founded in 2007 and is the exclusive importer and distributor of Honda passenger vehicles and spare parts. In 2011 it also began distributing Honda motorcycles.

### Delta Automoto in 2013:

- New Honda vehicle (cars and motorcycles) sales growth by 29% compared to 2012
- New Honda car sales growth by 24% compared to 2012
- Redesign of Honda's interactive website and start of mobile application development
- Awards:
  - Daily paper *Privredni pregled* declare **Honda's 1.6 diesel** engine best car engine
  - **Best Program Award** at Belgrade Car Fair





# DELTA SPORT GROUP

Modern and dynamic company that draws on brand representation to represent lifestyle, Delta Sport has endeavored throughout 2013 to offer consumers high-quality products and unique service, operating in line with global eco-trends.

Delta Sport Group employs 721 people and generates EUR 73 million in revenue.

#### **Delta Sport Group in 2013:**

- **NIKE** – market leader position
- **Nike Company declared Delta Sport's #RUNFREE race** the best campaign in the whole CEE region
- **WE RUN BELGRADE** – city race with 7,500 participants including persons with disabilities





# DELTA MC

The company Delta MC was founded in 1991. While operating from its Belgrade business facilities Delta MC's business network also covers Kruševac, Novi Sad, Futog and Subotica.

Delta MC employs 40 people and generates EUR 3.1 million in revenue.

Delta MC's business activities include manufacturing, servicing, wholesale and retail, export and import, in cooperation with foreign and domestic companies. Delta MC is the representative for Maximal forklifts and warehouse vehicles of various types, authorized distributor of Pirelli and Petlas tires as well as Banner batteries for all types of scooters, motorcycles, passenger and commercial vehicles. Next to Shell and FAM oils and lubricants, the wide range of products includes all types of traction batteries for forklifts, warehouse vehicles and UPS devices, as well as Glysantin® antifreeze produced and distributed by Delta MC in association with B.A.S.F.

Within the scope of the company is also Delta Bike, manufacturer of modern bicycles for children and adults. A large number of models, developed in cooperation with engineering partners from Italy and Far East, are also available on the markets of Bosnia and Herzegovina, Montenegro and FYROM.





BULEVAR  
DELTA GENERALI  
Osiguranja

BULEVAR  
DELTA GENERALI  
Osiguranja

TSKA

EUROJIZI



# DELTA GENERALI GROUP

Delta Generali Insurance was established when in 2006 Generali Group acquired 50% + 1 company shares of Delta Insurance originally founded in 1998. This successful partnership resulted in Delta Generali becoming a market leader in life insurance, voluntary health and international travel insurance and positioning itself at the top of field when it comes to insuring property, motor vehicles and against accidents.

Delta Generali Group employs 2,397 people and generates EUR 110.56 million in premiums. In 2013 the company secured its position as the first most profitable and second largest insurance provider on the local market.

Distributional network in three regional centers across Serbia is comprised of 56 offices serving more than 1,720,000 clients. Delta Generali Insurance annually processes and pays over 120,000 claims.

Delta Generali Insurance is the founder of Delta Generali Voluntary Pension Fund, first of its kind in Serbia, Delta Generali Reinsurance as well as the company Blutek Auto and a company for non-life insurance in Montenegro.

### **Delta Generali Voluntary Pension Fund**

Delta Generali Voluntary Pension Fund Management Company was the first company to be granted an operating license by the National Bank of Serbia for voluntary pension fund management.

Delta Generali Voluntary Pension Fund and Delta Generali Voluntary Pension Fund Management Company celebrated their six-year existence in 2012 with 27% market share and about 50,000 members.

All assets lodged with the fund are entirely separated from the assets of the management company and are the exclusive property of fund members, proportionate to their contributions.

Voluntary Pension Fund invests assets with the aim of overall revenue increase, to the benefit of voluntary fund members.

## Delta Generali Reinsurance

Delta Generali Reinsurance conducts reinsurance activities in the country and abroad and represents the link between the parent company Delta Generali Insurance a.d.o. Belgrade and Delta Generali Insurance a.d. Podgorica with the chosen reinsurers from the world market. Major points of consideration are limit levels of responsibility, conceivable consequences of potential catastrophic damages which could endanger local reinsurance market dealings and the required safety level in liability risks.



Delta Generali Reinsurance cooperates with leading foreign reinsurers striving to introduce European standards into this segment of the local market.

### Delta Generali Group in 2013:

- Life insurance leader
- Health insurance leader
- Travel insurance leader
- Second place in auto liability insurance



BUHLER

# MARKET RESPONSIBILITY

In order to satisfy the needs of various groups who use the products and services of Delta Holding on a daily basis, the Company has made significant efforts to develop new and enhance the quality of existing products and services. Operating in line with international standards and cooperating with prestigious global companies from various spheres, Delta Holding contributes to local market development.

In the orchard of **Delta Agrar** covering an area of 350 ha famous varieties of apples are vigorously produced: Gala, Breaburn Marriri Red, Golden Delicious, Red Delicious and Granny Smith.

Delta Agrar is the sole producer of clonally propagated varieties Modi and Kiku in this part of Europe.

Product quality is additionally secured by the antifrost, irrigation, fertigation and antihail systems, making Delta Agrar's orchard one of the most advanced and largest orchards of its kind in Europe.

State-of-the-art cold chamber enables the entire yield to be preserved even up to 300 days without any chemical treatment.

In Delta Agrar's tree nursery stretching 33 ha at the Jedinstvo estate in Apatin, biennial apple seedlings were produced using Italian technology.

The market was offered 250,000 biennial apple seedlings of Gala, Breaburn, Golden Delicious, Red Delicious and Granny Smith varieties, while the nursery can hold 750,000 seedlings to full capacity. Delta Agrar enables local manufacturers to obtain quality seedlings at a price lower than that in Italy. Given that they are manufactured in Serbia, the seedlings are already accustomed to local climate.

Delta Agrar's plan is to increase seedling production to 500,000 pieces per year with the aim of ranking the company among the 10 largest apple seedling manufacturers in Europe.

The entire production of apples and other cultures in Delta Agrar's product range is carried out in accordance with the GLOBAL GAP system, thus securing export quality.

In addition to the independently produced varieties, Delta Agrar supplies the market with apple varieties Idared, Granny Smith, Golden Delicious, Red Delicious, Jonagold, Jonagored, Cadel and Mucu which are produced through cooperation.

The company continually invests in existing brands, seeking to support and strengthen the link between consumers and products. Company growth enhancement is likewise achieved through constant assessment of consumer needs and habits and consequent development of products that meet consumer preferences.

In order to adapt to current market conditions marked by reduced consumer purchasing power, Delta Agrar plants present the market with lower-priced products of unspoiled quality. Product quality is also assured by the application of HACCP system in all plants, additionally improving product safety management all the way to the end product users.

In its operations **Yuhor** applies ISO 9001, ISO 14001, ISO 22000 and HALAL standards as well.

Realizing changes in consumer needs, in 2013 Yuhor offered the following top quality products:

- Vita Frankfurter (100g chicken frankfurter, intended mainly for children)
- Vienna Sausage (new product in boiled sausages category)
- Yuhor Plus – five new products in boiled sausages category at reduced prices compared to regular assortment. Purchaser gifts accompanied sales and due to large interest and positive reaction Yuhor Plus became part of regular assortment.

**Florida Bel** and **Danubius**, in addition to the HACCP system also apply the ISO22000 standard.

Based on market research results, in 2013 Florida Bel offered its consumers new products and flavors:

- Jumbo Peanuts Wasabi (new flavor)
- Jumbo Peanuts Orient (new flavor)
- Fun&Fit Letters and Numbers (muesli for kids)
- Fun&Fit Colorful Mix (muesli for kids)
- Choco Multigrain (new flavor)

In 2013 Danubius launched:

- Special-purpose wholemeal flour – contains 80 to 90% of the grain. This flour of high nutritive value is rich in proteins, vitamins, minerals and dietary fibers.



**Delta Real Estate** continually improves visitor satisfaction in its business facilities enabling guests and occupants to reside in ecologically safe and healthy environment adapted to various needs.

**The Crowne Plaza Belgrade hotel**, first hotel of this prestigious chain in Serbia and region officially opened its doors on December 30, 2013.

The newly opened hotel, born out of complete refurbishment of the former Hotel Continental, offers its guests an abundance of selections that enable a pleasant stay. The menus in three restaurants are tailored to suit different tastes and needs: aside from conventional dishes guests can opt for vegan, gluten-free or HALAL standardized meals. Food quality is inspected at monthly level by the Center for Food Safety (CIV) and annually by the IHG Corporation (International Hotels Group). Cleaning and maintenance is done in compliance with IHG's *I Clean* program.

The hotel is entirely made available to persons with disabilities. Part of the reception desk is specially designed to accommodate wheelchair users. Hotel lobby and toilettes are also adapted for persons with disabilities. Elevator markings are provided in Braille alphabet and numbers and the keyboard is placed vertically. In rooms specially designed for persons with disabilities, located on the first floor, all power plugs and card readers are lowered to 88 cm. Four of such rooms have wardrobe hangers lowered to 1.2 m in order to be accessible to wheelchair users and persons of short stature. Parking area is marked accordingly and all curbs are levelled. All three restaurants have menus in Braille alphabet.

Website [www.booking.com](http://www.booking.com) ranks the quality of service at Crowne Plaza Belgrade with a high grade of 9.4. Visitor satisfaction is also surveyed by sending questionnaires to randomly selected guests. The questionnaire contains questions about the quality of service in all hotel sectors and segments. According to the results of these surveys, Crowne Plaza Belgrade hotel is ranked third among all IHG hotels in Central Europe.

**The Park Hotel** which has been completely renovated in 2012 has been ranked by visitors at [www.booking.com](http://www.booking.com) with a grade 8. The largest proportion of visitors listed staff kindness and hotel hygiene as the most distinguishing features. Testifying to the staff's endeavors to make the guests' stay as pleasant as possible is the escalation of the review grade compared to the previous year.

At **Delta City** Belgrade Shopping Mall the quality of service is continually increasing. In order to satisfy new consumer needs, Delta City broadened its offer in 2013 by introducing 13 new brands. Various entertainment, educational and charity events were organized, aiming to amuse the visitors, acquaint them with the work of different organizations and allow them to provide aid to those in need. A testimony to the boost in the quality of service is an increase in the number of visitors compared to 2012. During 2013 Delta City was visited by 9.3 million people which is a leap even in comparison to 2008 when the Mall operated without competitors.

Hotels and shopping malls continually keep track of visitor satisfaction through the Impression book as well. Hygiene level on the premises and food quality in restaurants is subject to constant monitoring.

Members of **Delta Distribution** are representatives, importers and distributors of famous international brands.

Company **Delta DMD** continually develops its business with the aim of fueling the satisfaction of its principals and consumers. ISO 9001 standard and food safety system HACCP were applied in 2013 as well, with the addition of the IFS Logistics 2 standard which ensures transported or stored goods quality.

Regular survey of key buyer satisfaction was conducted in April 2013 based on an internally devised questionnaire. Received grade of 4.19 is lower than in 2012.

Test results of key customers		
Year	2012	2013
Average grade	4.34	4.19

The questionnaire is comprised of seven groups of questions: General, programs and product range; Promotional activities; Communication and staff professionalism; Delivery of goods; Administration; Complaints; Elements of service.

This is how clients ranked the criteria that form their impression on the quality of service (1 – least important, 6 – most important).

Criteria	Grade 2012	Grade 2013	Ranging 2013
General, program and product range	4.13	4.14	6
Delivery	3.4	4.07	5
Communication and professionalism	3	3.43	4
Promotion	3.86	3.21	3
Administration	3.06	3.21	2
Complaints	4	2.93	1

While those criteria considered most important received a higher grade than in 2012, Delta DMD took measures to improve buyer satisfaction even regarding criteria of lesser importance: promotions and complaints. To that effect, it was recommended to principals to approve additional funds for promotional activity. Also, at the start of 2014 Delta DMD will form a customer care team to handle complaints and related information. The goal is to make the process of complaint solving more efficient and prolific to buyers and final users.

Merchandizing service activities were also enhanced in 2013 in order to make the products more readily available to consumers.

Merchandizing service efficiency improvement		
Activity	2012	2013
Facility coverage at monthly level	905	996
Frequency of outlet tours at monthly level	8,692	9,616
Number of operatives	122	124

In 2013 Delta DMD’s portfolio was supplemented with personal hygiene products for men and women Super-Max, Armando be Brignac bubbly wine and Grozd wine.

In addition to ISO 9001 standard, company **Delta Motors** applies BMW group’s internal standard Quality Management Assurance (QMA). Since 2013 the principles of this standard are also applied in **Delta Auto**.

Buyer and service user opinion is regularly surveyed at Delta Motors through comprehensive questionnaires. Surveys are conducted by telephone and cover questions ranging from business initiation to final satisfaction with provided service and purchased vehicle. Since July 2013 the survey is also conducted at Delta Automoto.

Survey results for buyer and service user satisfaction	DELTA MOTORS (BMW and MINI)	DELTA AUTOMOTO (HONDA)
Overall satisfaction of service users	82%	89%
Overall satisfaction of sales clients	96%	93%
Percentage of service-related complaints (total number of complaints divided by total number of service users)	2.3%	0.9%
Percentage of sales-related complaints (total number of complaints divided by total number of buyers)	1.1%	1.2%

Survey results are used to enhance service and sales. After a number of clients had complained about the waiting period for the car wash after servicing, steps were taken to improve performance. Results of following surveys showed an increase in client satisfaction. Similarly, at client recommendation that vehicle check-up scheduling should be prompted, another person was hired at Delta Automoto Call center.

With the aim of improving road safety and accident prevention, Delta Motors introduced a new approach to final vehicle check-up during servicing. Every vehicle's safety devices are tested before the client claims the vehicle, regardless of the reason why the vehicle arrived for servicing. This procedure is performed at Delta Automoto as well.

Products of all Delta Holding members are adequately labeled and contain all relevant information pertaining to the origin and quantity of the components they contain. During 2013 there were no complaints regarding the effect of any company products or services on the health and safety of consumers. Likewise, there were no complaints regarding the accuracy and precision of information used in advertising campaigns or the breach of client privilege.



# **EMPLOYEES: the Foundation of our Success**

Constant investment in knowledge, teamwork development and exchange of energy and ideas creates an enticing working atmosphere where positive changes are part of daily experience and good business results are inevitable.

In 2013 Delta Holding engaged 7,429 people of which 5,929 are employed with the company - 5,548 in Serbia and 381 in the region. Based on different contract types 1,500 more people were hired.

→ Number of Employees

Members	Employees Serbia		Employees Region		TOTAL	
	2012	2013	2012	2013	2012	2013
Delta Agrar Group	1,404	1,418	7	7	1,411	1,425
Delta Real Estate Group	307	451	6	5	313	456
Delta Distribution	647	638	71	71	718	709
Delta Sport Group	748	550	276	171	1,024	721
Delta MC	49	40	0	0	49	40
Delta Generali Group	2,176	2,270	115	127	2,291	2,397
Common departments	171	181	0	0	171	181
<b>TOTAL</b>	<b>5,502</b>	<b>5,548</b>	<b>475</b>	<b>381</b>	<b>5,977</b>	<b>5,929</b>

Human Resources department at Delta Holding persistently works at finding adequate staff, their stay and development at the company. The HR department is organized into three segments: recruitment and selection, education and development and labor legislation.

The most significant recruitment call in 2013 was announced for the opening of the Crowne Plaza Belgrade hotel. Total of 2,880 candidates applied for 250 positions.

As reasons for applying to Delta Holding, the candidates mostly stated:

- Leading market position
- Security and stability of company development
- Job perspective
- Care for employees

In case of prequalification and change of status employees are provided with an official offer containing a detailed list of terms, legally proscribed declaration deadline and an Annex to the Employment Contract.

Company hires local populace for managerial and operative positions whenever possible.

→ Qualification Structure

Members	PhD	Magistrate	University degree	College	Highly-qualified	Secondary school	Qualified	Semi-qualified	Non-qualified
Delta Agrar Group	3	3	288	60	13	416	365	22	255
Delta Real Estate Group	0	1	126	49	9	186	56	1	28
Delta Distribution	0	0	167	82	9	333	106	3	9
Delta Sport Group	0	0	95	40	4	461	103	3	15
Delta MC	0	0	8	6	0	23	0	0	3
Delta Generali Group	1	4	725	277	0	1,137	192	12	49
Common departments	0	3	91	29	1	51	5	1	0
<b>TOTAL</b>	<b>4</b>	<b>11</b>	<b>1,500</b>	<b>543</b>	<b>36</b>	<b>2,607</b>	<b>827</b>	<b>42</b>	<b>359</b>



## Education

Human Resources department conducts activities that guide corporate culture orientation toward development and learning. Development plans based on analyses of Company and individual needs alike entice employees to advance their skills and knowledge.

In 2012 Delta Holding launched the “Young Leaders” program, providing faculty educated candidates with an opportunity to obtain employment, broaden their horizons, gain new knowledge and acquire significant experience. In the final selection round a day-long case study was organized, giving candidates an opportunity to display their resourcefulness in group setting, communication skills and problem-solving abilities. Twenty motivated young people were selected to spend a year-long period in four different company sectors, three months in each sector. At the end of the program fourteen Young Leaders were employed with the Company. More information about the project at: <http://mladilideri.rs/>.



In 2013 a second generation of Young Leaders was enrolled.

*“In Serbia, and in the region, it is often said that a person is young until they turn 35, and that they are old after reaching 40. This leaves one with a five-year span to achieve success. Success is not necessarily tied to experience. You are now ready to absorb knowledge and before you stands a company ready to offer you the possibility to do so. I beg of you to use that possibility and I oblige my associates to help you in the process!”*

*the President of Delta Holding Miroslav Mišković said in his address to Young Leaders.*

During 2013 the HR department analyzed hierarchic management levels of Company members and initiated a balancing out strategy. A systematized hierarchic structure will be the foundation for all future developmental processes.

The program “Delta Holding Talent Pool” whose aim is to identify company “potentials” at various hierarchic levels was launched in 2013. The program is directed toward retaining and developing talents within the Company.

The conducting of annual Performance Appraisals was continued, oriented toward all management levels. During 2013 at Delta Agrar Group 58 employees (4.09%) underwent Performance Appraisal. Employees at the agribusiness holdings were also trained to conduct the appraisals with the goal of including as many employees as possible in 2014.

In 2013 an internal assessment of needs, strengths and areas of improvement for managers from different parts of the system was conducted using the 360° (degrees) methodology.

For years Delta Holding has been successfully cooperating with faculties and vocational schools through a program of specialized internships. Interns spend two months with the Company working in different departments, which is the best way to gain relevant practical experience.

During 2013 a series of open lectures was organized for the employees, covering topics such as leadership, emotional intelligence, stress channeling, successful team building, business and art etc. The lectures given by celebrities and experts in the given areas were open to all Company employees and this channel of education will continue in 2014 as well.

Number of trainings hours	Number of trainings participants	Women	Men
113,529 h	3,433	1,907	1,526

## Salary Setting

Motivated employees, adequately rewarded for their work and personal investment, are the prerequisite for Company development. All the employees are paid in accordance with the regulations of the Serbian Labor Law. Salary is set according to work post requirements. This implies that any given labor which calls for equal level of expertise, responsibility, working, intellectual and physical capability is equally valued, regardless of gender or any other personal property of the employee.

Wages on the day Nov 30, 2013	Minimal gross wages		Average gross wages	
	Delta Holding	Official statistics	Delta Holding	Official statistics
Beograd	34,346.99	27,303.86	101,742.89	74,737.00
Novi Sad	39,893.00	27,303.87	71,663.74	68,116.00
Čačak	36,622.75	27,303.88	67,547.81	48,778.00
Jagodina	34,502.09	27,303.89	64,567.34	49,884.00
Niš	36,622.81	27,303.90	66,093.12	51,827.00

## Benefits and Solidarity Allowance

All the employees at Delta Holding, regardless of whether they are hired full or part time, definitely or indefinitely, are paid solidarity allowance in case of birth of a child, illness of an employee, illness of an employee's immediate family member, death of an employee or death of an employee's immediate family member. To the children of the deceased employee who are regularly schooled, monthly allowance is paid until they graduate from high-school.

Every year Delta Holding gives Christmas and New Year's presents to employees' children under the age of 8.

All the employees at Delta Holding are supplied with additional collective health insurance in case of serious illness or surgical intervention as well as collective insurance against accidents (24h coverage).

## **Employee Satisfaction and Internal Communication**

Human Resource department uses various activities in order to increase employee satisfaction, in the understanding that this is a highly significant prerequisite to the successful business of the Company. In cooperation with an external agency a detailed and comprehensive survey of employee satisfaction and internal communication quality was prepared – “Your opinion matters”. The survey will be conducted at the beginning of 2014, and the results there obtained will serve as the basis for the creation of activity plans intended to additionally strengthen the bond with the workforce.

Internal communication is achieved directly at meetings and councils, via e-mail, through the internal portal and by way of the Delta Foundation newsletter. Other than enabling access to all relevant information, the portal allows the employees to offer suggestions and raise objections which are all taken into consideration in the activity planning process.

## **Code of Ethics, Social Responsibility Policy and Pro Bono Work**

Code of ethics, social responsibility and pro bono policy are made available to all employees at the internal portal. In this manner the Company clearly states that respect of ethical and socially responsible principles is required in all operational segments.

Under the rules of corporate ethics, among other stipulations, it is considered unacceptable to offer, give or receive money, items, rights, services and gifts exceeding the value of promotional products ( EUR 50) or to exert any influence over the persons with a business relationship to the Company. Inviting or being invited to lunch, giving and receiving presents of lesser value is deemed acceptable only under the condition that it is part of generally accepted business practice and cannot influence the reaching of a business-related decision.

Upholding the ten principles of the United Nations Global Compact and ISO 26000 standards, the Company is committed to the protection of human and labor rights, reducing corruption, protection of the environment and social community aid. As stipulated by the Code of Ethics, managers, employees, and outsourced employees are responsible to act in a manner that does not subordinate personal interests to the interests of the Company, while performing their tasks conscientiously and in good faith (*bona fides*).

At the invitation of educational institutions and organizations the employees volunteer to give free lectures and speeches to students and other interested individuals in their respective fields. The Company adopted the Pro Bono policy in 2013.

In accordance with these policies, Delta Holding lends its support to the “Professional Orientation in Serbia” program, conducted by the German Agency for International Cooperation (GIZ) in collaboration with the Ministry of Education, Science and Technological Development and the Ministry of Youth and Sports of the Republic of Serbia. Project goal is the establishment of a sustainable and functional professional orientation system in all elementary schools and local youth offices in Serbia in the period between 2011 and 2015. Delta Holding participates by organizing “actual encounters” between students and Company representatives, helping the young to recognize their talents and discover potential affinity toward vocations and career choices which they possibly would not have had the chance to come across otherwise. Students have thus far visited Yuhor, Danubius, Florida Bel and Mioni factories, Podunavlje and Napredak holdings as well as Delta Agrar’s work units Delta Seme in Sombor and Delta Mehanizacija in Bački Jarak. <http://profesionalnaorijentacija.org/>

## **Non-Discrimination Principles**

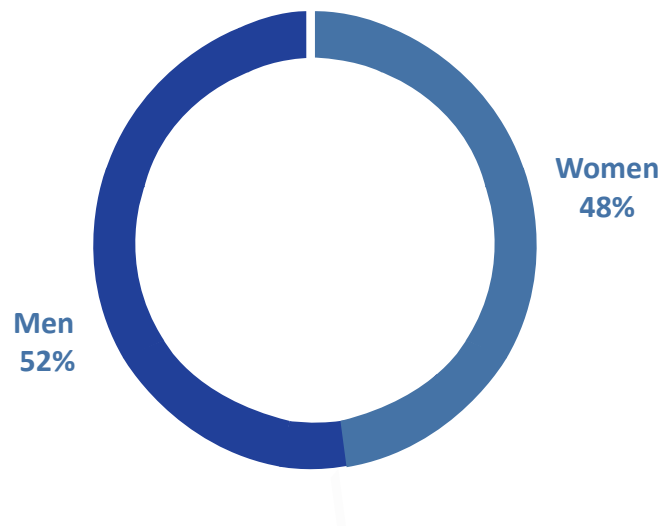
The Anti-Discrimination Law defines discrimination as any unwarranted discrimination or unequal treatment in relation to individuals or groups, as well as members of their families or persons close to them, be it overt or covert. The Company is exclusive in its treatment of any form of discrimination, and it is to that effect that each new job vacancy announcement in the Company contains the following non-discrimination statement: *All candidates who are in the process of selection for a position with Delta Holding will be treated equally. Persons seeking employment will not be indirectly or directly discriminated in terms of gender, language, race, colour of skin, age, pregnancy, health condition, nationality, religion, marital status, family obligations, sexual orientation, political or other beliefs, social background, financial standing, membership in political organisations, trade unions or any other personal feature. The rule is for any candidate to be at least 18 years old when being employed.*

The purpose of selection is to allow the Company to opt for a candidate whose qualifications, knowledge and skills are best-suitable to the requirements of the given position. Managers decide on education and promotions of their associates or the termination of employment contracts without bias or prejudice.

In an effort to promote and uphold traditional family values, women employed with the Company are encouraged to start families. Once they are certain their positions will await them upon returning from maternity leave, women are more likely to opt for the expanding of their families.

In communication with business partners, clients, consumers and suppliers, all of the employees at Delta Holding are obliged to respect potential differences.

## Top Management Gender Structure



→ Employee Gender Structure

Members	Employees Serbia		Employees Region		Total	
	Women	Men	Women	Men	Women	Men
Delta Agrar Group	393	1,025	1	6	394	1,031
Delta Real Estate Group	196	255	3	2	199	257
Delta Distribution	239	399	21	50	260	449
Delta Sport Group	319	231	133	38	452	269
Delta MC	12	28	0	0	12	28
Delta Generali Group	1,378	892	53	74	1,431	966
Common departments	126	55	0	0	126	55
<b>TOTAL</b>	<b>2,663</b>	<b>2,885</b>	<b>211</b>	<b>170</b>	<b>2,874</b>	<b>3,055</b>

→ Employee Age Structure

Members	Age 18-29	Age 30-50	Over 50
Delta Agrar Group	126	917	382
Delta Real Estate Group	127	260	69
Delta Distribution	162	518	29
Delta Sport Group	183	524	14
Delta MC	2	28	10
Delta Generali Group	562	1,573	262
Common departments	19	136	26
<b>TOTAL</b>	<b>1,181</b>	<b>3,956</b>	<b>792</b>

At Delta Holding any form of intimidation and harassment is strictly forbidden, including sexual harassment as well as the abuse of the right on protection against harassment. When being given their Employment Contracts all employees are also provided with a notification on the rights and responsibilities with regard to mobbing and harassment prohibition at work. In order to help prevent and recognize harassment, the Company has designated a support person to whom all employees can turn for advice and assistance.

In 2013 there were no reports of intimidation or harassment on whatever grounds, no court procedures were initiated, no persons under the age of 18 were hired, there was no forced labor, nor were there any human rights breaches of sensitive social groups (national minorities or persons with disabilities).

The Delta Holding Company approves and supports its employees' joining or organizing into labor unions. Employees are thus allowed to represent, present, promote and protect their professional, labor and other individual or collective interests. There are six active labor unions within the Delta Agrar Group and one active union within the Delta Real Estate Group.

	Total number of employees	Employees under collective agreement
Delta Holding	5,929	1,042 (17.57%)

	Total number of employees	Labour union members
Delta Holding	5,929	732 (12.35%)



## **Hiring Persons with Disabilities**

In line with the adopted non-discrimination business policy, persons with disabilities (PWD) are treated equally in the hiring process at Delta Holding. Business and technical cooperation with the non-governmental organization Youth with Disabilities Forum, based on awareness-raising and education of Company employees as well as finding ways for the Company to hire as many persons with disabilities as possible, was initiated in 2008 and will continue in 2014.

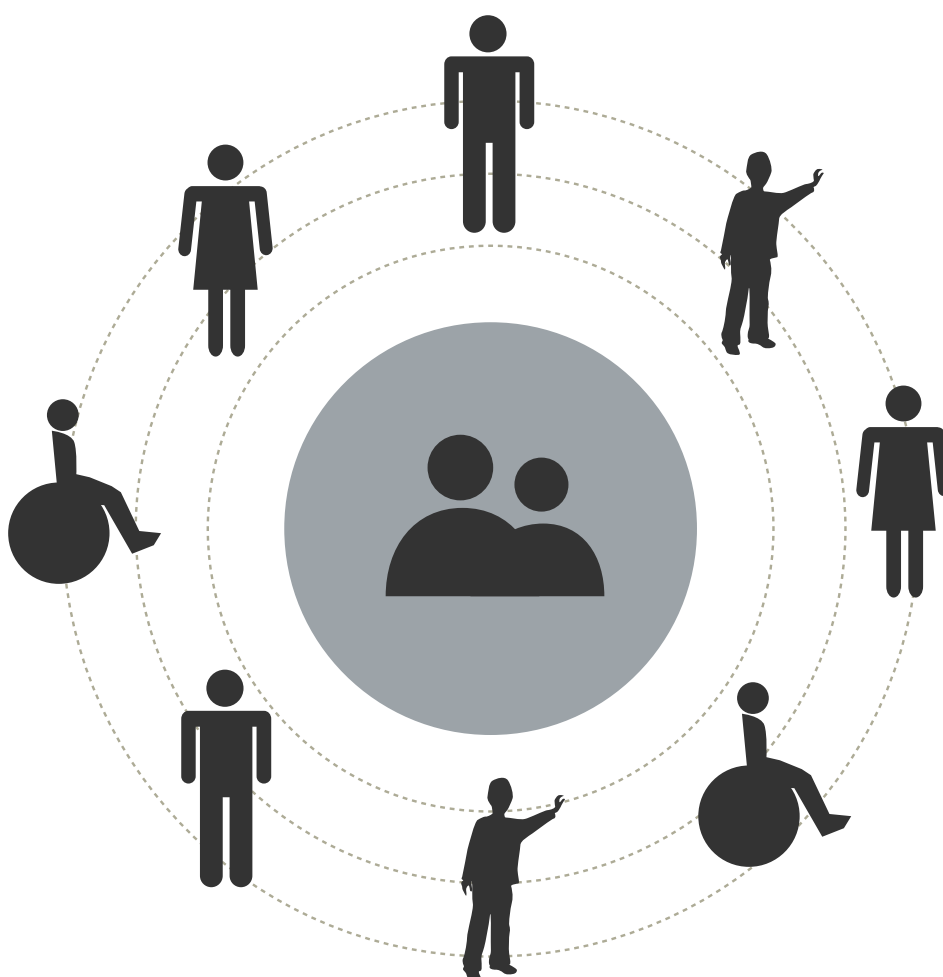
The goal of this cooperation is to entice persons with disabilities to become more actively engaged in job seeking activities, educate the Company employees on the capacities of persons with disabilities and eliminate prejudice. The Youth with Disabilities Forum also acted as a counseling body in the process of Company facility adjustment.

All activities concerning hiring persons with disabilities were initiated prior to the enactment of the current Law on Professional Rehabilitation and Employment of Persons with Disabilities in Serbia, when a legal obligation was forced on business entities including the introduction of the quota system regarding the number of employed persons with disabilities in any given company, liable to penal code.

Perceivable results that Delta Holding achieved in hiring persons with disabilities were presented at numerous local and international business assemblies. The last presentation of results was held at the regional meeting of ILO Global business and disability network in Istanbul in September 2013.

On the day December 31, 2013, the Company employed 53 persons with disabilities.

**Because everyone  
deserves an opportunity**



## Workplace Health and Safety

At Delta Holding all aspects of workplace health and safety are defined by Law and are strictly observed.

Applying state-of-the-art technologies and operational health and safety control and prevention measures, conditions for a healthy and safe working environment are met, allowing employees to use primary and auxiliary facilities without harm. Additionally, the Company continually and thoroughly examines chemical, physical and biological workplace parameters, microclimate and lighting.

Employees attend courses in fire and safety training including emergency and disaster response (technical, technological or natural hazards). Moreover, they are obliged to use personal protection equipment in working environments of increased risk.

Throughout member companies periodic medical exams are provided for all employees working in increased risk environments while in 2013 all employees who use the computer at least four hours per day underwent eye examination.

The largest number of work-related injuries in 2013 occurred in the Delta Agrar Group. Mapping critical points in the work process and investing in employee health and safety training brought about a decrease in work-related injuries compared to 2012. In the meat-processing company Yuhor where a large number of different sharp objects is used in the production, there were 31 light injuries and no heavy injuries.

Delta Agrar Group	Total number of injuries	Number of heavy injuries	Number of light injuries
Year 2012	67	6	61
Year 2013	54	2	52

In certain organizational segments of the Delta Agrar Group, in accordance with specific needs, next to the ISO 9001 and ISO 14001 standards, the standard BS OHSAS 18001 was also introduced, thus enhancing structure and control of operational health and safety measures.

During the reconstruction of the Continental hotel, Operational Health and Safety (BZR) Team monitored the implementation of workplace health and safety measures. Contracted by the investor, the BZR coordinator for the construction stage and the manager of BZR monitoring eliminated obstacles at daily level. During the construction phase one work-related injury occurred.

Members	Number of light injuries	Number of heavy injuries	Total number of injuries	Number of lost working days
Delta Agrar Group	52	2	54	1,882
Delta Real Estate Group	4	1	4	197
Delta Distribution	6	1	7	163
Delta Sport Group	2	1	3	60
Delta MC	0	0	0	0
Delta Generali Group	2	5	7	370
Common departments	0	1	1	126
<b>TOTAL</b>	<b>66</b>	<b>11</b>	<b>76</b>	<b>2,798 /22,384 h</b>

**IR Rate<sup>3</sup> = 6.14**  
**ODR Rate<sup>4</sup> = 0.23**  
**LDR Rate<sup>5</sup> = 1.81**

**Total number of working hours**  
**12,379,752 h**

<sup>3</sup>IR rate - Total number of injuries / Total number of working hours x 1,000,000

<sup>4</sup>ODR rate - Total number of lost days / Total number of working hours x 1,000

<sup>5</sup>LDR rate - Sick leave due to injuries at work / Total number of working hours x 1,000



# ECOLOGY

Abiding by the values and principles of environmental protection and sustainable business operations, while being one of the largest domestic companies, Delta Holding boldly takes on challenges like harmful gas emission reduction, waste selection and management, energy and water efficiency and alternative power source usage.

In 2013, throughout the business facilities of all Company members, affirmative posters and stickers were put up advocating electric power, paper and water conservation, thus raising eco-awareness of the employees and enhancing energy efficiency of the facilities.

Notwithstanding collective initiatives, each member company applies its own specific set of measures in line with the business characteristics of its sector.

Within **Delta Agrar** in the field of environmental protection in 2013 numerous projects were executed in accordance with the adopted Environmental Protection policy:

### **Cleaner Production Project**

Delta Agrar Group successfully executed the Cleaner Production project in five companies.

Cleaner Production project was implemented with the help of the expert team from the Cleaner Production Centre of Serbia (CPCS) which is hosted at the Faculty of Technology and Metallurgy, University of Belgrade and operates as an active member of the UN Organization for Industrial Development (UNIDO), under the patronage of the Government of Republic of Austria and the Ministry of Energy, Development and Environmental Protection of Republic of Serbia.

Cleaner production in manufacturing processes entails rational use of raw materials, energy and water, exchange of volatile materials with energetically acceptable materials, reduction of amounts and toxicity levels of emissions and waste flow into water, air and soil. When it comes to products, the strategic goal is to reduce all negative effects on humans and the environment for the full duration of a product's life span, from the obtaining of raw materials to the final disposal of the expired or used up products.

The project encompassed 16 production units in five members of Delta Agrar Group (Jedinstvo, Napredak, Kozara, Podunavlje, DA pig farm Vladimirovac and DA pig farm and stockbreeding farm Zaječar). For the duration of the project four workshops were held, hosting lecturers from the Cleaner Production Centre of Serbia, Faculty of Technology and Metallurgy of the University of Belgrade, Faculty of Mechanical Engineering of the University of Belgrade, Ministry of Energy, Development and Environmental Protection of Republic of Serbia and Ministry of Natural Resources, Mining and Spatial Planning of Republic of Serbia. Twelve domestic and international experts on cleaner production, energy efficiency and efficient use of resources took part in the project.

Seventy options for cleaner production and efficient use of resources were identified, and it was estimated that with an investment of EUR 1,250,000 and 3.8 year return period, in all 16 production units it would be possible to save:

Annual savings projection	
Electric power	1,730,433 kWh
Gas	265,425 m <sup>3</sup>
Water	102,350 m <sup>3</sup>
Coal	105 t
Irrigation water	4,000,000 m <sup>3</sup>

These options influence the reduction of greenhouse gas emission:

Annual greenhouse gas emission reduction	
CO <sub>2</sub> emission reduction	2,428 t
CO emission reduction	4,313 kg
NO <sub>2</sub> emission reduction	226,398 kg

Financial benefits from the implementation of these options amount to EUR 326,612 annually.

After this program, work is continued on implementing cleaner production methodology, tracking the applied and discovery of new improvement options.

## TEAMS Software Application

TEAMS software used in the companies of Delta Agrar Group helps compile data on energy and raw material consumption and harmful gas emission, which greatly facilitates data processing and creation of different types of reports. Reporting expedience allows for immediate reactions to all indicators in the effort to reduce resource consumption and environmental pollution. The software has thus far been introduced to five holdings of the company Delta Agrar and to the factory Florida Bel. In the following period it will also be introduced to Yuhor and Danubius factories.

## Low Carbon Project

The farms of Delta Agrar Group (pig farm Halovo in Zaječar and cattle farm in Napredak) are to be included in 2014 into the new UNIDO project Low Carbon. The goal of this project is to enhance measurement and economic analysis of energy flow processes in order to reduce carbon emission and fossil fuel consumption allowing for greater use of renewable energy sources.



## Nature Reserve – Fish Pond in Svilojevo

The fish pond in Svilojevo, owned by Jedinstvo Ltd, part of a lake of about 150 ha adjoining the village, holds a number of scattered river islands covering the surface of 50 ha, fully overgrown with reeds, where a colony of endangered birds found its home. This natural habitat within the fish pond, home to flocks of swans during wintertime, was declared a nature reserve by the Serbian Environmental Inspectorate in 2011.

Preparations for the building of a new sluice have begun in order to provide the lake with more fresh water in the period when dissolved oxygen quickly dissipates, since quality testing of surface waters had shown the amount of oxygen in the water from the current irrigation channel to be insufficient. The project will also be highly beneficial to the watering of field crop cultures at the Jedinstvo holdings which could then draw water from the lake instead of the irrigation channel. It was estimated that on a five-month level this would save EUR 4,000 in electric power consumption.

## Renewable Energy Sources

At two pig farms Napredak Inc. Stara Pazova instead of natural gas soy straw is used as heating fuel. This not only reduces carbon emission but saves EUR 305,244 annually. Soy straw is also used for heating in the machine shop at Jedinstvo Ltd.

Delta Agrar's operational unit Delta Seme, Sombor uses maize cobs as biomass in the process of drying the hybrid maize Pioneer®.

Due to the use of biomass which is a by-product of the main production, Delta Seme saves between EUR 120,000 and EUR 135,000 per season. The exchange of fossil fuels for renewable energy sources is invaluable for harmful effect and environmental degradation reduction.



At **Delta Real Estate Group** attention is also paid to energy consumption: heating, cooling and lighting systems are constantly being upgraded to reduce the use of conventional energy sources.

The **Crowne Plaza Belgrade hotel** was designed in line with the European Directive on Energy Performance of Buildings (2002/91/EC). The directive, as well as standing domestic legislation on energy efficiency, is also met by the latest generation glass façade.

As part of the IHG hotel chain, Crowne Plaza Belgrade is included in the internal project Green Engage whose main tasks are to reduce the negative effect of hotels on the environment, improve energy performance of hotels and ensure efficiency of all types.

The temperature on hotel premises is optimized automatically. Magnet sensors on the windows ensure that heating or cooling is automatically switched off when the window is opened. Heating and cooling are reduced to a minimum when the room is vacant and ventilation automatically switches on every 15 minutes to ensure air freshness. In the rooms and in some of the restaurants and conference halls *fancoil* machines for local heating/cooling are used.

Main heat supply for the facilities comes from the Power Station at NBGP Properties via two heating supply systems: one used for heating the hotel and the other for heating utility and swimming-pool water. The water at the Power station is heated by energy efficient gas condensing boilers. A portion of the waste heat created during operation of cooling aggregates is used as the first degree of heating utility water and for pre-heating. Use of cooling gas for aggregates is in compliance with Montreal Protocol and European rulebook.

In order to minimize negative effects on the environment, kitchen thermal blocks use liquid oil gas as fuel which does not create any harmful waste materials.

Natural lighting at the Crowne Plaza Belgrade hotel is used to full capacity. Most of the lighting is LED and energy efficient fluorescent lighting saving even up to 80% of the energy in comparison to regular lighting.

Next year's plans include renovation of business units at Mala Kula and NBGP Apartmani, when isolation and ventilation systems are to be renewed thus greatly contributing to the reduction of gas consumption used for heating and cooling of the facilities. Additionally, gas emission from the Power station chimneys will be reduced.

At **Delta City** shopping mall electricity is used for cooling and ventilation, while natural gas is used for heating. The natural gas is periodically tested to ensure quality. Special sensors spread out across the entire shopping mall measure the presence of natural lighting, automatically regulating operation of the lighting system. Sensors also regulate the quantity of accumulated air in relation to the number of visitors, automatically adjusting temperature which also contributes to natural gas and electric energy efficiency.

Aside from distributing consumer goods, **Delta DMD** also provides transportation and storing services. Given that the larger scope of operations also implies greater responsibility toward the environment, goods are transported by modernized vehicles which have lower fuel consumption and engines with reduced emission of harmful gases. In 2013 the fleet was renewed with 17 new vehicles – 11 passenger and 6 commercial. Every vehicle is equipped with GPS satellite tracking system which enables route control and thus indirectly contributes to the reduction in fuel consumption and carbon emission.

Delta DMD continues to apply the *Cross Docking* practice, which entails immediate transport of goods to its destination without storing. In this way stocks are reduced to minimum which contributes to substantial saving of electric energy.

In **Delta Automoto** and **Delta Motors** regular measures of energy saving are implemented by the service for technical maintenance and security of the buildings (closing doors and windows, turning off heating systems on weekends, turning off lights etc.), raising the level of energy efficiency of the facilities. Regular servicing and maintenance of the natural gas boiler room and monitoring of harmful combustion by-products greatly reduces the danger of air contamination. Results of the measurements conducted by an authorized laboratory in 2013 were within allowed and ecologically acceptable limits.

Aside from applying collective energy and resource efficiency measures in its retail outlets, **Delta Sport** contributes to the raising of consumer awareness of environmental protection by placing its products in biodegradable containers. Main entrances to all Delta Sport retail facilities located in shopping malls are furnished with special air curtains reducing the loss of thermal energy.

Members	Direct non-renewable energy sources		
	Coal consumption per kg	Natural gas consumption per m <sup>3</sup>	Fuel consumption per l
Delta Agrar Group	350,000	344,934	25,877
Delta Real Estate Group	0	592,158	20,400
Delta Distribution	0	54,452	947,380
Delta Sport Group	0	0	1,031

Total energy consumption by member	Conventional energy sources			Renewable energy sources
	Electric energy kwh	Thermal energy kwh	Thermal waters m <sup>3</sup>	Biomass t
Delta Agrar Group	2,029,786,400	1,100,000	109,410	2,949
Delta Real Estate Group	17,362,701	0	0	0
Delta Distribution	1,883,520	0	0	0
Delta Sport Group	2,308,329	0	0	0

Members	Well water	Lake water	Surface water	City plumbing water	Total	Amount of water recycled in m <sup>3</sup>
	<i>Water abstracted in m<sup>3</sup></i>					
Delta Agrar Group	450,471	346,971	26,301,740	371,234	27,470,416	39,652
Delta Real Estate Group	0	0	0	103,277	103,277	0
Delta Distribution	0	0	0	17,117	17,117	0
Delta Sport Group	0	0	0	28,001	28,001	0

## Waste Management

In 2013 significant attention was paid to additional improvement of the previously implemented integrated and sustainable waste management system. The system is founded in adherence to legislation and waste prevention and minimization.

The authorized operator for waste management Delta Pak equipped offices and buildings of Delta Holding with special containers for separation of paper and plastic waste.

By paying commissions to **Delta Pak**, the member companies effectively invest into the development of Public Utility Companies, with whom this non-profit organization has a contract, thus helping the fulfilment of national objectives of Republic of Serbia in compliance with the European Directive on Packaging and Packaging Waste (94/62/EU). Delta Pak closely observes the fulfilment of recycling plan with respect to legislation as well as any amendments to the field.

The cooperation with the Public Utility Company Belgrade City Markets, which was begun in 2011, continues through the Volunteer Center PUC Belgrade City Markets project. Fourth generation of volunteers – students at Faculty of Agriculture, Faculty of Law and Faculty of Economy, underwent diverse training: packaging and packaging waste management, legislation, theories, practices and social responsibility.

In 2013 Delta Pak enabled clients to communicate through a web portal. In this manner the procedures of submitting, evidencing and filing reports were simplified while the negative effect on the environment was significantly reduced, given that paper administration was eliminated. Total quantities of packaging waste generated and packaging waste recycled are filed with the unified electronic archive at Delta Pak, easily accessible to clients.

Delta Pak facilitated the fulfilment of national objectives – as many as 75 in 2013, due to the outstanding cooperation with 40 waste collectors throughout state lines.

The total amount of 9,803.65 tons of packaging waste was generated, out of which 29.07% (2,850 tons) was recycled. For the sake of comparison, it should be emphasized that the general national objective was 19% for recycling, 23% for recovery, while 4% of waste could be re-used.

TYPE OF PACKAGING WASTE	QUANTITIES OF NON - RETURNABLE PACKAGING (t)				QUANTITIES OF RETURNABLE PACKAGING (t)			
	Produced and sold	Imported non - returnable packaging	Exported non - returnable packaging	Sold to the market in total	Produced and sold	Imported non - returnable packaging	Exported non - returnable packaging	Sold to the market in total
	(t)	(t)	(t)	(t)	(t)	(t)	(t)	(t)
PET	1,598.91	36.83	315.41	1,320.33	68.29	18.82	0.00	87.11
Other kind of plastics	2,241.87	659.93	1,312.93	1,588.87	439.77	76.48	5.65	510.60
Plastics in total	3,840.78	696.76	1,628.34	2,909.20	508.06	95.30	5.65	597.71
Glass in total	4.62	762.16	0.41	766.37	0.00	0.00	0.00	0.00
Iron	353.92	128.61	141.96	340.57	0.00	268.91	286.91	0.00
Aluminium	14.45	42.94	1.51	55.88	0.00	0.00	0.00	0.00
Metal in total	368.37	171.55	143.47	396.45	0.00	268.91	286.91	0.00
Papir and carton in total	3,320.82	2,675.81	2,777.49	3,201.14	167.24	0.00	0.00	167.24
Pallets	6,731.67	534.57	5,018.23	2,248.01	3,836.35	209.41	375.65	3,670.11
Other (panels, cork...)	333.28	242.08	295.44	279.92	22.55	269.49	122.13	169.91
Wood in total	7,064.95	776.65	5,313.67	2,527.93	3,858.90	478.90	497.78	3,840.02
Textile in total	0.00	0.00	0.00	0.00	0.00	3.50	3.50	0.00
Ceramics in total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other types of packaging in total	3.95	0.11	1.50	2.56	0.00	0.00	0.00	0.00
<b>Total</b>	<b>14,603.49</b>	<b>5,065.04</b>	<b>9,864.88</b>	<b>9,803.65</b>	<b>4,534.20</b>	<b>864.61</b>	<b>793.84</b>	<b>4,604.97</b>

TYPE OF PACKAGING WASTE	TOTAL RECYCLED (t)	OBJECTIVE ACHIEVEMENT (%)
Plastics	368.80	12.67%
Glass	89.00	11.61%
Metal	99.30	25.04%
Paper and cardboard	1,724.10	36.61%
Wood	568.90	22.50%
Total	2,850.10	29.07%



In the previous year Delta Pak handled the largest quantity of pesticide, artificial fertilizer and seed packaging waste from the estates of Delta Agrar Group since its foundation. With the assistance of collectors, the entire packaging quantity amounting to 25 tons was grounded and co-incinerated at the cement processing factory. The factory issued a certified confirmation on energy recovery, displayed in the national objective fulfilment table.

Every member company, depending on the type of its respective business, organizes sorting and collecting of waste created in the process of production and service providing, not including packaging waste. Waste management process is conducted in cooperation with authorized collectors and recyclers. All collection services are evidenced in the waste collection report.

Companies **Delta Automoto** and **Delta Motors** take special care of waste waters and both toxic and non-toxic waste generated in the servicing process (motor oil, oil filters, dye filters, car batteries, metal, etc.) By using the system for fully controlled intake of oiled atmospheric water from all surfaces, as well as the oil/water separator in which oiled water is treated before being released into the recipient, the danger of soil and water contamination is reduced. Quarterly laboratory analyses of waste waters are performed by the authorized laboratory (GZZZ) even though this is not within the scope of legal obligations of the company. All the parameters of the analysis have been within allowed and ecologically acceptable limits.

The sections reserved for food preparation at the **Crowne Plaza Belgrade hotel** and **Delta City** shopping mall organize the process of sorting out communal waste, waste edible oil and organic waste. Water from restaurant kitchens is disposed of through specially designed separating sewer directly reducing the pollution of waterways, while waste edible oil is collected in special containers made exclusively for this sort of waste. There is a special refrigerator for collecting organic waste from the restaurants, which prevents the process of decomposition during night.

Company **Delta DMD** collects waste in a so-called Eco-yard, where the entire waste generated in the work process (paper, plastics, electronic waste, car batteries, metal etc.) is sorted and placed into separate containers.

In 2013 **Delta Sport** continued its cooperation with the specialized organization for waste collection SWIFT, aiming at social mobilization and inclusion of unofficial collectors of waste. Delta Sport and SWIFT have also signed a contract for recycling and transporting of electronic and electrical waste.

Members	Harmless waste generated in 2013	Harmless waste generated on the day Jan 1, 2013	Harmless waste generated on the day Dec 12, 2013	Harmful waste generated in 2013	Harmful waste generated on the day Jan 1, 2013	Harmful waste generated on the day Dec 12, 2013	Managed quantity of harmless waste	Managed quantity of harmful waste
<i>Quantity expressed in tons</i>								
Delta Agrar Group	388.04	37.19	51.64	21.82	17.32	14.63	373.58	24.51
Delta Real Estate Group	191.84	0	0	44.52	0	0	191.84	44.52
Delta Distribution	163.49	1.30	132.09	16.9	4.30	2.81	32.70	18.39
Delta Sport Group	6.2	0	6.20	0	0	0	6.20	0

The member companies of Delta Holding do not operate in those industries which affect the change in soil to the extent of calling for remediation or soil recovery. It can also be confirmed that in 2013 there were no major leaks into the environment.

Delta Holding fully supports Principle 15 of the Rio Declaration and within its means applies prevention measures for environmental protection. This implies that if there is a threat of irreparable damage, the lack of scientific evidence should not be the reason for neglecting measures of environmental degradation reduction, whereas the given measures must be more efficient from the aspect of costs.







# DELTA FOUNDATION



Investing into community development and fostering good relations with all interested parties are the prerequisites of successful business in any modern company. In this manner a positive and enticing climate is created, based on principles of mutual trust and respect. Any initiative that strives to contribute to the social community, without being a legal obligation, opens new possibilities for advancement of the company and its employees on one hand, and of the society as a whole on the other.

Through Delta Foundation, the company Delta Holding launches and executes various humanitarian projects aimed at sensitive social groups and the improvement of education and culture. With the intention of making a lasting contribution to the community, the Foundation opted for the erection of structures which would serve the greater good, thus renewing the ancient tradition of endowment in Serbia which has been forgotten for 70 years.

Between 2007 and 2013 Delta Foundation hosted 2,133 activities in which 392,472 Serbian residents received aid.

Delta Foundation approaches philanthropic activities strategically, carefully setting priorities according to detailed analysis of requirements within its operational segments. Both Company and social community experts are involved in the decision making process regarding types of support and method of project implementation.

533 activities were realized during 2013 granting EUR 1.7 million in aid to 98,072 Serbian residents. The most significant of these projects are presented in the Report.

## Endowment

*Responsibility toward social community is rooted in the understanding of the importance of the legacy we leave to our descendants.*

One year after presenting the City of Belgrade with an endowment building, Delta Foundation is still actively involved in the work of the Accommodation and Daycare Center for Children and Youth with Disabilities “Sun” endeavoring to enrich the daily activities of its users with additional content.



As part of creative therapy workshops held in three specially designed areas, the users of the “Sun” Center fashion objects from clay and wood. In cooperation with Delta Foundation these sculptures are exhibited at Delta City shopping mall, promoting the skills of persons with disabilities. In 2013 these were displayed at the Valentine Day exhibition and at the “Mini Expo” featuring a mini-exhibition of works by children with disabilities.

For the second time the Foundation organized the New Year’s celebration at the “Sun” Center. A show including a theatre-play, a Christmas tree and present packages brought great joy to Center users.

Delta Holding company reached a decision to create a new endowment in the City of Kragujevac – Center for Sport and Rehabilitation of Persons with Disabilities. This sports center, one of its kind in Serbia, will provide persons with disabilities with all the necessary conditions for holiday, recreation and rehabilitation, while also employing a certain number of these individuals.

The previously announced decision that the new endowment will be built in 2016 was revised after it was observed that not a single facility of this kind exists in Serbia, although sport is of great significance to both mental and physical health of persons with disabilities.

<http://www.deltafondacija.rs/code/navigate.php?Id=60>

## Education and Culture

*Bearing in mind that education is the basis of any progress, since 2012 the Foundation implements a special support program for young talents for studying in the country and abroad, music education and sport.*

### Talents

Ever since its foundation, the Company has been helping young talented people to acquire education and develop their professional skills. A special support program for young graduates and postgraduates in Serbia and abroad was initiated in 2012. The goal of the program is to allow talented students to hone their skills and achieve their potentials, but also to transfer the knowledge they have gained into Serbia, either through employment or by giving lectures. During 2013 one student finished her studies and two new talents were granted financial support for further development.

NAME AND SURNAME	TYPE OF STUDY	YEAR	UNIVERSITY	DEPARTMENT	COUNTRY
Ivana Stradner	PhD	1. of 3	UC Berkeley - Law	Law	USA
Aleksandar Pavlović	Undergraduate	2. of 4	Royal College of Music	Piano	UK
Ivana Seccareccia	PhD	3. of 3	Friedrich Shiller University, Jena	Biology	Germany
Milan Marković	PhD	3. of 3	University of Graz	Law	Austria
Saša Marjanović	master	1. of 1	Faculty of Tehnical Scinences	Microelectronics	Serbia
Ivana Lisica	master	graduated	University of Amsterdam	Business Studies	Netherlands
Azra Obuća	master	1. of 1	Faculty of Tehnical Scinences	Electronics and Telecommunicatuons	Serbia
Branko Mičić	master	2. of 2.5	Florida International University	Interior Architecture	USA
Dunja Tanasković	master	2. of 2	University of Stuttgart	Hydraulic Engineering and Water Resources Management	Germany
Uroš Matić	PhD	2. of 3	University of Münster	Archeology	Germany
Nikola Stajić	Undergraduate	3. of 4	Berklee College of Music, Boston	Jazz	USA

Ivana Lisica is the first grant recipient to graduate with a master's degree. She has decided to stay in Munich and she will hold the first lectures on marketing at the Faculty of Organizational Sciences in Belgrade in 2014. <http://www.deltafondacija.rs/code/navigate.php?Id=70>

## **Educational Institutions**

Owing to the financial grants provided by Delta Foundation, the students of the Faculty of Organizational Sciences of the University of Belgrade took part in the academic 2012/2013 in numerous international competitions in case study solving.

Previous outstanding results are the reason why Delta Foundation decided to lend its support this year as well to the Faculty of Organizational Sciences and the international case study solving competition BBICC. The first global BBICC competition in South-east Europe was held April 2-7, 2013 and was organized by the Faculty of Organizational Sciences and Center for the Promotion of Science, while the next competition will be held in Belgrade April 1-6, 2014.

<http://www.bbicc.org/news/strategic-partner-delta-holding>

At the call for applications announced by the Company in 2012, the Faculty of Architecture, University of Belgrade won the financial grant for the organization of Architecture Summer School at the Research Station in Petnica. As a result of the School's work in 2012 a specific guide through architecture was published – "Manual for the Manual", representing significant contribution to education and creative thinking and team work development.

[http://issuu.com/arhupetnici/docs/priru\\_nik](http://issuu.com/arhupetnici/docs/priru_nik)

## **Belgrade Philharmonic Orchestra**

With continual financial aid the Company supports the Belgrade Philharmonic Orchestra in promoting social and cultural values. After presenting this institution of culture with wooden wind instruments, Delta Foundation donated funds for the first tour of the Belgrade Philharmonic Orchestra across America. During the tour, the Orchestra will be gathering funds for the construction of a new concert hall in Belgrade.

<http://www.deltafondacija.rs/code/navigate.php?Id=70&GroupId=41&ActionId=317>

## **Youth Philharmonic Orchestra "Naissus" from Niš**

By means of financial donation Delta Foundation supported the XVII annual New Year's concert of the Youth Philharmonic Orchestra "Naissus" from Niš. Members of the orchestra are young individuals between the ages of 15 and 26, students of lower, middle, and higher music schools from seven different cities throughout Serbia.

<http://www.deltafondacija.rs/code/navigate.php?Id=70&GroupId=41&ActionId=436>

## **Delta – The Third Parent – Support to Children without Parental Care**

*The basis of the development of any society is a healthy, functional family. This is why children who grow up in non-functional biological families or in social welfare institutions need special care and attention.*

### **Fund for the Future**

Fund for the Future is a unique program aiming to offer support to children without parental care in becoming independent and finding employment upon leaving the social welfare institutions. The program was launched in 2006 and is directed at senior year high-school students and faculty undergraduates.

Program lasts for two years and is realized throughout the following stages:

- Call for application and selection of scholarship recipients
- Scholarship grant including business and internship training
- Organization of recreational learning summer camps
- Certificate award
- Employment or further study – faculty

Every September at social welfare institutions a call for application of new scholarship recipients is announced. The selection of recipients is made by the committee comprised of social welfare workers and representatives of the Delta Foundation. The amount of the monthly scholarship awarded to students for the duration of two calendar years is based on the results achieved in regular schooling and the Fund program. In order to acquaint these young scholars with potential work posts, a key segment of the Fund for the Future program is internship, during which managers and the employees at Delta Holding companies introduce the students to business units and teach them about the manner of doing business.

In 2013 the scholars visited DMD's distribution centers in Niš, Belgrade and Novi Sad, meat and meat processing factory Yuhor in Jagodina, water factory Mioni in Mionica near Valjevo, chocolate factory Art Ival in Belgrade, Delta Generali's outposts in Belgrade, Novi Sad and Kraljevo and the cafeteria Costa Coffee.

At DMD the students got acquainted with import, brand management, marketing and famous brand distribution, and at Yuhor they learned the general rules of workplace safety, application of HACCP and OHSAS standards and the method of business organization in a factory. The goal of the visit to the Mioni water factory was to familiarize them with the technological process of bottling water. At the chocolate factory Art Ival the students heard an interesting lecture about how chocolate is made and about the very process of chocolate product making.

As part of the theoretical training the students learned about proper choice of career, active job searching, fitting into the organizational structure, work durability, successful communication, presentational skills, team work and computer work.

They recapitulated the acquired knowledge during the Summer Camp which in 2013 was held on Zlatibor. Besides the organized creative-educational workshops, scholars had the opportunity to visit the Monastery Nikolje, Stopića cave, Sirogojno, Drvengrad, Šargan and enjoy the walking tours to the border post.

If the young included in the program display affinity toward further schooling, Delta Foundation continues to support them throughout their studies.



Scholar Mihajlo Pavić Bogosavljević, about the program:

*„Participation in the Fund for the Future program has helped me recognize my ambition and encouraged me to continue schooling. The people at delta Foundation have given me special support and the motive to always give my best when it comes to achieving my dreams. General Manager Ivana Mišković-Karić told me once that “having a goal is the best pointer in life”. I often recall her words, especially today, when I am a student at the Faculty for Culture and Media studying journalism and the challenges are becoming more and more serious. My plans for the future are no longer as vague and undefined as they were five years ago when I became the protégé of the Delta Foundation. I now have a dream when it comes to my career, and that is to become a TV journalist and give my own contribution to our society. Delta Foundation has taught me that, and they continue to support me today.”*

Fund For The Future	2006 - 2013	2013	
		High school children	Students
Number of scholars	249	39	15
Budget	354,751.83 €	58,377.85 €	
Number of employed scholars	28		



## **Strengthening the Family**

Based on donor cooperation protocol with the Children's Village "Dr Milorad Pavlović" from Sremska Kamenica, Delta Foundation supported the realization of the "Strengthening the family" project, with the aim of helping children at risk of allocation from their biological families to remain with their parents. Working with families and local community, the social worker helps strengthen the parents in order to allow them to care for their children on their own.

Families included in the "Strengthening the family" project gain psychosocial, health, financial and legal aid and are educated on how to empower themselves in a sustainable, long-term and economic manner. The social worker establishes a network between family members and other relevant parties from the social community, including entrepreneurs, health care workers and pedagogues.

In the "Strengthening the family" project Delta Foundation took part in the financing of the social worker during 2013, but has also donated goods, hygiene products and life provisions. The project will be continued next year as well. <http://www.youtube.com/watch?v=ZwAxa2vgSXC>

## **Jumbo Biker Adventure**

Celebrating the International Children's Day on June 1, 2013 Delta Foundation and Florida Bel in cooperation with the bikers club "Dream Riders" from Inđija organized the first humanitarian action "Jumbo Biker Adventure" for children at the Children's Village in Sremska Kamenica. In September, a caravan of 30 bikers also visited children at the SOS Children's Village in Kraljevo.

Bikers, together with the representatives of the Delta Foundation, Florida Bel and Young Leaders, spent a few hours having fun with the children, who were most delighted by a panda mascot sharing Jumbo present packages.

Project aims at socializing children, road safety education and team spirit building. <http://www.deltafondacija.rs/code/navigate.php?Id=50&GroupId=57&ActionId=400>

## **Continual Donations in Goods**

Delta Foundation continually donates food, wardrobe and hygiene products to social welfare institutions endeavoring to assist in their work. During 2013 donations in goods were delivered to seven facilities within the Institute for Education of Children and Youth in Belgrade, larger homes for persons with disabilities, Special Institute for Children and Youth „Dr. Nikola Šumenković“ from Starnica, Home for Children and Youth with Disabilities in Sremčica, Home in Veternik and Home for Adults in Kulina.

In this manner the present needs of institutions caring for a large number of users were met.  
<http://www.deltafondacija.rs/code/navigate.php?Id=51&GroupId=63&ActionId=418>  
<http://www.deltafondacija.rs/code/navigate.php?Id=50&GroupId=57&ActionId=401>

## Supporting Persons with Disabilities

*Equal chances for all means raising awareness levels regarding the potentials of persons with disabilities (PWD) and providing opportunities for them to actively participate in everyday activities, study and work.*

### Help with the Heart



The idea for the “Help with the Heart” project was initiated on the occasion of anniversary of the Foundation in 2008. Activities began at retail outlets of Delta Sport Group where a portion of daily revenue was set aside as humanitarian aid, and grew into revenue portions being set aside at Delta Sport and Delta Maxi Group throughout the year.

During 2013 Delta Foundation furnished the Day Care Center for Children with Disabilities in Sečanj (donation in the amount of EUR 4,705) and the Maternal Home in Belgrade (donation in the amount of EUR 4,844). To the users of the Day Care in Sečanj the Foundation donated exercise equipment, electric devices and educative material. To the Maternal Home in Zvečanska Street, a refuge for young mothers and pregnant women devoid of family support, funds were donated for the refurbishing of the multifunctional area with Montessori furniture and technical appliances. In this manner the quality of day care

service for persons with disabilities is improved, and their integration into society is enhanced.

Eight day care facilities in Serbia have been furnished thus far – three in Belgrade and one each in Niš, Trstenik, Kruševac, Smederevo and Sečanj. Donations were used for repair of plumbing and sanitation, purchase of furniture, educational material, sports equipment, computer and other work related equipment.

The total value of donations for day cares amounts to EUR 50,219.

<http://www.deltafondacija.rs/code/navigate.php?Id=51&GroupId=61>

## **Virtus Award for Adaptation of the Local Inclusive Centre “Meeting Place”**

Delta Foundation joined in on the initiative of the Serbian Philanthropic Forum to celebrate the first National Giving Day by renovating the Inclusive Center “Meeting Place” in Zemun Polje. In cooperation with the companies Exing, Beo vrt and subcontractors, the Foundation contributed to the new identity of the center, turning it into a regular meeting place that children with disabilities and their parents frequently visit.

The Inclusive Center for Children with Disabilities “Meeting Place” was officially opened on the National Giving Day on October 5, 2013. On the occasion Delta Foundation employees donated and planted in the garden of the Center 12 apple trees from the range of Delta Agrar, symbolically ending the months-long renovation of the local Inclusive Center in Zemun Polje.

For this project Delta Holding received the “Virtus” award for Contribution to Social Inclusion.

The Virtus Award for Corporate Philanthropy is awarded by the Trag Foundation in cooperation with the European Commission and the Team for Social Inclusion and Reduction of Poverty of the Government of the Republic of Serbia. The objective of this prestigious award is to acknowledge and publicly recognize the companies which set the best examples and thereby establish a pattern for the business world to follow.

<http://www.evoruka.org/PrviNacionalniDanDavanja>

<http://www.tragfondacija.org/pages/virtus-sr/dobitnici-nagrada.php>



### **Education about the Echolocation, Daniel Kish**

Blind American O&M Instructor Daniel Kish responded to the invitation of Delta Foundation to share his experience and knowledge with visually impaired and blind children, their teachers and parents during three-day training and workshops in school for primary and secondary education “Milan Petrović” in Novi Sad.

Kish based his technique on the human ability to locate the position of objects by means of high frequency sound transmission. He came up with the idea when he realized that when using tongue-clicks a high frequency sound is emitted enabling a three-dimensional image of the environment. Because long tongue clicking can be very exhausting, Kish has created a box that simulates tongue clicks. Though blind from childhood, Daniel Kish rides a bicycle, hikes and moves about on his own, thanks to his technique of tongue clicking.

Born in California, Kish has studied developmental psychology and special pedagogy. He is the first blind person mobility instructor in America. In 2000 he established the “World Access for the Blind” Foundation. Since then Daniel has taught more than 5,000 students in 18 countries around the world. <http://www.worldaccessfortheblind.org/node/206>

## **Educational Brochures on Autism**

For the realization of the support project to persons with autism and their families in Serbia, Delta Foundation financed the printing of 12 information brochures: Siblings of Children with Autism, School Brochure, A Parent’s Guide for Children with Autism, Modification of Unacceptable Behavior of Persons with Autism, Transition from Preschool to Kindergarten, Applied Behavioral Analysis, Puberty in Persons with Autism, Sexuality and Persons with Autism, Toilet Training for Persons with Autism, Treatment of Adults and Elderly People with Autism, Introduction to Behavioral Health Treatment and Haircut Instructions.

Distribution of the brochures will be part of the project coordinated by the UN Office in Serbia, in cooperation with the Association for Persons with Autism of the Republic of Serbia who is in charge of brochure distribution. The brochures are intended for parents of persons with autism, associations and professionals working with persons with autism. Original materials by the organization Autism Speaks were used in the brochures.

<http://autizam.org.rs/http://www.autismspeaks.org/>

## **Soundbeam**

Delta Foundation donated a special music device “Soundbeam” to the School for Primary and Secondary Education “Milan Petrović” from Novi Sad. The modern device is intended for music workshops for persons with disabilities. Users actively participate by using physical movements even of the slightest intensity that interrupt the sound beam created between two sound probes, thus creating a sound coming from the synthesizer integrated into the device software. By interrupting the beam tones and music are created on any chosen instrument with a musical matrix. The device is donated in order to enable the children and young with disabilities to develop musical skills and express the creative side of their personality.

With the help of this device music therapy is conducted – a therapeutic approach based on the notion that sounds can bring about positive changes in behavior and emotional tranquility. Music therapy can help persons of all age groups suffering from various illnesses, including autism, cerebral paralysis, learning disabilities, dementia, cancer, traumas and mental illnesses, but above all, those who have communication difficulties. This modern device is the first of its kind in Serbia. <http://www.soundbeam.co.uk/>

## **International Children's Day**

With the support of Delta Foundation, the Center for the Welfare of Infants, Children and Adolescents from Belgrade and the Association „We Live Together“ celebrated the International Children's Day on November 20, date recommended by the UN.

The event gathered children with residential care in welfare institutions, children without parental care and children with disabilities, and was supported by the Delta Foundation for the third consecutive year. The event was an opportunity for the children to spend one day with their parents, or otherwise, outside of the institution where they reside. The participants in 2013 were the children choir from the elementary school „Laza Kostić“, children songs composer Minja Subota and the karate club „Nippon“.

<http://www.deltafondacija.rs/code/navigate.php?Id=51&GroupId=65&ActionId=424>

## **Support to the Association for the Blind „Homer“**

Since 2005 the Association for the Blind „Homer“ realizes the project of adaptation and voice synchronization of movies for the blind and the visually impaired. Delta Foundation has been a supporter of the project for many years. Unlike music and literature, the unique experience of the seventh art is for the better part withheld from the blind. The goal of the Association is to use this project for enabling the blind and the visually impaired individuals to experience some of the greatest achievements of cinematographic art.

Movies adapted for the blind are aired at the Association and on the second channel of the National Television of Serbia (RTS 2).

## **There is Always Place for Good Things and Good People**

Since 2010 Delta Foundation in cooperation with the meat industry Yuhor realizes the project „There is Always Place for Good Things and Good People“ with the aim of introducing the idea of proper nutrition to children in special schools. The children are visited by the mime artist Marko Stojanović who introduces them to healthy nutrition in a fun way, through play, drawing and making sandwiches, giving out present packages with Yuhor products.

The project has thus far been realized in 12 schools and during 2013 also in the School and Home for Hearing Impaired Children in Kragujevac, in cooperation with the Department of Children and Youth from Belgrade.

<http://www.deltafondacija.rs/code/navigate.php?Id=51&GroupId=59&ActionId=425>

## Support to Paralympic Academy

As part of the longstanding cooperation between Delta Holding and the Paralympic Academy “Junior” and on the occasion of celebrating the International Day of the Blind, Delta Foundation, on behalf of Delta Sport company, donated sport equipment to the Paralympic Academy “Junior” members.

Paralympic Academy “Junior” is a unique sport and educational organization which promotes inclusion of persons with disabilities into sport activities, of recreational or competitive type.

<http://www.deltafondacija.rs/code/navigate.php?Id=51&GroupId=63&ActionId=407>

## Care for the Community

*Every social community, regardless of its level of development, holds a certain number of residents who are in need of extra care and assistance. Care for the impoverished and for those suffering from rare diseases is of special significance within the Serbian setting.*

## Flour Donation for Soup Kitchens



At a time when supply was hindered, Delta Foundation and flour and pastry factory Danubius donated to Soup Kitchens in Paraćin, Kruševac and Trstenik 18.6 tons of flour and 786 kg of pastry, satisfying a monthly need for these provisions.

The value of the donation amounted to RSD 973,000. In December 2013, Soup Kitchens in Serbia were used by approximately 50,000 people. Through flour donations Delta Foundation secured bread for 1,550 people in 2013.

Delta Foundation and Danubius thus continue their successful triennial cooperation with the Red Cross of Serbia with a common goal – to secure a safer and more dignified daily existence for the endangered members of our community. <http://www.redcross.org.rs>

<http://www.deltafondacija.rs/code/navigate.php?Id=71&GroupId=69>

## Delta Holding Employees Run for “Butterfly Children”

More than 400 employees of Delta Holding took part in a charity action to raise funds for the children suffering from epidermolysis bullosa, by running in the Pleasure race of the Belgrade marathon under the slogan “We Run for Butterfly Children”.

Epidermolysis bullosa is an incurable disease which manifests through extreme sensitivity of the skin, causing severe burn-like wounds in case of any pressure or even the slightest touch, thus making the patients` lives increasingly difficult. Funds raised by Delta Holding employees will be used for the procurement of special plasters that reduce pain and protect the skin and are virtually their only aid.

From contributions of employees RSD 214,425 was collected and Delta Holding doubled that amount through the Delta Foundation. The aid of RSD 428,850 was given to the Association “Debra”, which gathers persons suffering from epidermolysis bullosa. <http://www.debra.org.rs>



## **Support for the Foundation of the First Center for Inclusion, Innovation and Integration – In Center**

Delta Foundation financially supported the adaptation of the facilities at the In Center – Center for Inclusion, Innovation and Integration. The aim of the Center is to improve social entrepreneurship and increase hiring practices of persons with disabilities, modelling developed European countries.

Innovative platform for social entrepreneurship is focused around five segments: shared work space, virtual office, trainings, event organizing facilities and social business incubator.

Together with other donors Delta Foundation, as a partner, has the possibility to create and realize different socially responsible activities in cooperation with the Center.

<http://incentar.org/>

## **Pet Food Donation**

Delta Foundation, on behalf of Delta DMD company, donated 900 kg of pet food to a Veterinary Institution “Veterina Beograd”. Pet food was delivered to the animal shelter in Rakovica, to be distributed to other city shelters in accordance with the needs.

As part of the Veterinary Institution “Veterina Beograd”, there are five animal shelters accommodating more than 3,000 dogs.





# **APPLICATION OF REPORTING PRINCIPLES**

In order for the report on Delta Holding's sustainable operation to be of use to all stakeholders ranging from employees, business partners to the wider social community, the Company was guided by the GRI standards (G3.1) in the Report compilation. The accuracy of indicated data and harmonization of the report with the B+ parameters have been verified by the auditing company KPMG d.o.o. Beograd in Serbia.

## **Materiality**

The vision of Delta Holding is for it to be in the eyes of its clients, partners and staff a strong global company recognisable for its values, and its operation is accordingly aimed at satisfying the needs of all interested parties. In this respect, the CSR Report focuses on information which may be of interest to all parties which are in direct or indirect contact with the Company.

## **Inclusion**

The Report states in all of its chapters the manner in which the Company promotes relations with interested parties, surveys their satisfaction levels and defines plans for further development. In this regard, the Company welcomes feedback on the content and quality of this Report and will duly take them into consideration for the purpose of preparing subsequent reports. Contact details for the provision of feedback are available at the end of this Report.

## **Sustainability**

The significance of the Company for further development of Serbia and the region is conditional upon continuous development of operations in line with sustainability principles. Memberships in international organisations and active participation in international conferences, fairs and seminars confirm that the Company strives to bring to Serbia the best international experiences. The five-year operating strategy clearly defines each segment of activity, also taking into account prospective changes in the region and the occurrence of other circumstances which may affect further growth and sustainability of operation.

## **Completeness**

The Report contains information and data as at 31st December 2013 which, where applicable, was compared to the 2012 data. Financial and economic indicators were taken from the report compiled for the annual Company meeting.

## **Balance**

The Report contains information on all areas included in the presented GRI indicators, which are of relevance to all interested parties. Achieved results are presented, as well as challenges that the Company faces in its operation. Thus, insight into segments that require improvement is given.

## **Comparability**

Stakeholder will be able to compare the Report with the similar reports published by other companies. This is enabled by the application of GRI standards and indicators used for definition of GRI reporting levels. Data for the reporting period are also included; the same measurement methods were used throughout the report, were applicable. Application of different methodology, the reasons and effects of the aberration are also listed.

## **Accuracy**

The Report contains qualitative and quantitative data, listed with the highest possible precision and accuracy. In absence of the original data, separate calculations were made and listed together with a detailed explanation of the methodology behind them. Financial and economic data are in the Company's financial statements.

## **Timeliness**

The report data will allow the stakeholders to reach timely and informed decisions on cooperation with Delta Holding based on data from Report.

## **Clarity**

Principles of clarity and simplicity were observed and the wording of the Report is clear and simple. Explanation of certain terms and abbreviations is in the footnotes.

## **Reliability**

According to the reporting principles adopted by the Company, independent evaluation is necessary for ensuring information and data reliability. Accordingly, independent verification of this report was performed by the auditing firm *KPMG d.o.o. Beograd*.



# **INDEPENDENT AUDITOR'S REPORT**



KPMG d.o.o. Beograd  
Kraljice Natalije 11  
11000 Belgrade  
Serbia

Telephone: +381 11 20 50 500  
Fax: +381 11 20 50 550  
E-mail: info@kpmg.rs  
Internet: www.kpmg.rs

## TRANSLATION

### **Limited assurance report on the Sustainable and Responsible Business**

TO THE OWNERS

DELTA HOLDING D.O.O., BEOGRAD

### **Scope and Responsibility**

We have reviewed the Report on Socially Responsible and Sustainable Business (“the Report”) of Delta Holding d.o.o., Beograd (the “Company”). Management is responsible for the preparation of the Report in accordance with the G3.1 Global Reporting Initiative Guidelines (GRI), as set out in the “Application of Reporting principles” section. Management is also responsible for determining the Company’s objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived. Our responsibility is to issue this report based on our review.

### **Procedures performed**

We carried out our work in accordance with the criteria established for review engagements by “International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000)”, issued by the International Auditing and Assurance Standards Board (IAASB). That Standard requires that we comply with applicable ethical requirements (the Code of Ethics for Professional Accountants issued by the International Federation of Accountants, IFAC), including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement. A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate.

These procedures included:

- comparison of information and data presented in the “Company Revenues” section of the Report to the corresponding information and data included in the Company’s unaudited consolidated financial statements as at and for the year ended 31 December 2013.
- analysis of key processes for generating, recording and managing quantitative data presented in the Report. In particular we performed the following procedures:
  - interviews and discussions with management of the Company to gather information on the IT, accounting and reporting systems used in preparing the Report, and on the processes and internal control procedures used to gather, combine, process and transmit data and information to the office that prepares the Report;

## **TRANSLATION**

*Delta Holding d.o.o.  
Limited assurance report on the  
Sustainable and Responsible Business  
31 December 2013*

- sample based analysis of related documents used in preparing the Report serves the purpose of confirming process effectiveness, their adequacy with respect to described goals, as well as that the internal control system is properly managing data and information included in the Report;
- analysis of reconciliation of qualitative information included in the Report, with guidelines noted under Scope and Responsibility, as well as general consistency, especially in the sense of strategy and policy of sustainable development and assignment of material issues for each category of interested parties;
- analysis of the process of involvement of interested parties in terms of methods used and completeness of participants, based on review of minutes from meetings or through all other available information on identified key factors;
- receipt of representation letter from the Company's legal representative on compliance with guidelines set out under Scope and Responsibility, as well as reliability and completeness of information and data presented therein.

The extent of evidence gathering procedures performed in a limited assurance engagement is compliant with ISAE 3000 and provides a lower level of assurance in that we would potentially have identified significant issues and events in an audit.

### **Opinion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Report of the Company is not prepared, in all material respects, in accordance with the G3.1 GRI - Global Reporting Initiative Guidelines, as set out in the "Application of Reporting principles" section.

As indicated by the management in the "Application of Reporting principles" section of the Report, the Company intends to continue to extend the reporting scope of the Report through further standardisation of the existing information and data gathering procedures.

Belgrade, 14 July 2014

KPMG d.o.o. Beograd

(L.S.)

James Thornley  
Partner

*This is a translation of the original Limited Assurance Report issued in the Serbian language.  
All due care has been taken to produce a translation that is as faithful as possible to the original. However, if any questions arise related to interpretation of the information contained in the translation, the Serbian version of the document shall prevail.*

Belgrade, 14 July 2014



KPMG d.o.o. Beograd

James Thornley  
Partner





# **LIST OF GRI INDICATORS**

	GRI Index	Page
<b>1</b>	<b>STRATEGY AND ANALYSIS</b>	
<b>1.1.</b>	Statement from the most senior decision-maker of the organization	<b>4, 5, 6</b>
<b>1.2.</b>	Description of key impacts, risks, and opportunities	<b>4, 5, 6, 16</b>
<b>2</b>	<b>ORGANIZATIONAL PROFILE</b>	
<b>2.1.</b>	Name of the organization	<b>14</b>
<b>2.2.</b>	Primary brands, products, and/or services	<b>26 - 51</b>
<b>2.3.</b>	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	<b>14, 16, 17</b>
<b>2.4.</b>	Location of organization's headquarters	<b>9</b>
<b>2.5.</b>	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	<b>9</b>
<b>2.6.</b>	Nature of ownership and legal form	<b>9</b>
<b>2.7.</b>	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	<b>9</b>
<b>2.8.</b>	Scale of the reporting organization	<b>9, 20 - 21, 26 - 51</b>
<b>2.9.</b>	Significant changes during the reporting period regarding size, structure, or ownership	<b>3</b>
<b>2.10.</b>	Awards received in the reporting period	<b>24</b>

3	REPORT PARAMETERS	
3.1.	Reporting period (e.g., fiscal/calendar year) for information provided	3
3.2.	Date of most recent previous report (if any)	3
3.3.	Reporting cycle (annual, biennial, etc.)	3
3.4.	Contact point for questions	3
3.5.	Process for defining report content	103, 104, 105
3.6.	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance	3
3.7.	State any specific limitations on the scope or boundary of the report (see completeness Principle for explanation of scope)	3
3.8.	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	9
3.9.	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	104, 105
3.10.	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	n/a
3.11.	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	n/a
3.12.	Table identifying the location of the Standard Disclosures in the report	110, 111, 112
3.13	Policy and current practice with regard to seeking external assurance for the report	108, 109

<b>4</b>	<b>GOVERNANCE, COMMITMENTS AND ENGAGEMENT</b>	
<b>GOVERNANCE</b>		
<b>4.1</b>	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	<b>16, 17</b>
<b>4.2.</b>	Indicate whether the Chair of the highest governance body is also an executive officer	<b>16</b>
<b>4.3.</b>	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	<b>70, 71</b>
<b>4.4.</b>	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	<b>18, 19</b>
<b>4.5.</b>	Linkage between compensation for members of the highest governance body, senior managers, and executives	<b>65</b>
<b>4.6.</b>	Processes in place for the highest governance body to ensure conflicts of interest are avoided	<b>67</b>
<b>4.7.</b>	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	<b>16</b>
<b>4.8.</b>	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	<b>15</b>
<b>4.9.</b>	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles	<b>16</b>
<b>4.10</b>	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	<b>16</b>

COMMITMENTS TO EXTERNAL INITIATIVES		
4.11.	Explanation of whether and how the precautionary approach or principle is addressed by the organization	4, 5, 16
4.12.	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	n/a
4.13.	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	23
STAKEHOLDER ENGAGEMENT		
4.14	List of stakeholder groups engaged by the organization	3, 18, 26 - 51
4.15	Basis for identification and selection of stakeholders with whom to engage	3, 18, 19
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	3, 18, 19
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	3, 18, 54 - 59
5	PERFORMANCE INDICATORS	
EC	ECONOMIC	
EC 3	Coverage of the organization's defined benefit plan obligations	69
EC 5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	66
EC 7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	62
EC 8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	21

EN	ECOLOGY	
EN 3	Direct energy consumption by primary energy source	82
EN 4	Indirect energy consumption by primary source	82
EN 6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	78, 79, 80, 81, 82
EN 8	Total water withdrawal by source	83
EN 9	Water sources significantly affected by withdrawal of water	83
EN 10	Percentage and total volume of water recycled and reused	83
EN 11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	80
EN 13	Habitats protected or restored	80
EN 20	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight	79
EN 21	Total water discharge by quality and destination	83
EN 22	Total weight of waste by type and disposal method	87
EN 23	Total number and volume of significant spills	87

LA	LABOR PRACTICES AND DECENT WORK	
LA 1	Total workforce by employment type, employment contract and region broken down by gender	62
LA 3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	66
LA 4	Percentage of employees covered by collective bargaining agreements	71
LA 5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	63
LA 7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and gender	75
LA 8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	65
LA 10	Average hours of training per year per employee by gender and by employee category	65
LA 12	Percentage of employees receiving regular performance and career development reviews by gender	65
LA 13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	17, 69
LA 14	Ratio of basic salary of men to women by employee category	66



<b>HR</b>	<b>HUMAN RIGHTS</b>	
<b>HR 4</b>	Total number of incidents of discrimination and corrective actions taken	<b>68, 71</b>
<b>HR 5</b>	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights	<b>71</b>
<b>HR 6</b>	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	<b>71</b>
<b>SO</b>	<b>SOCIETY</b>	
<b>SO 4</b>	Actions taken in response to incidents of corruption	<b>67</b>
<b>PR</b>	<b>PRODUCT RESPONSIBILITY</b>	
<b>PR 2</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	<b>59</b>
<b>PR 4</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	<b>59</b>
<b>PR 5</b>	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	<b>57, 58, 59</b>
<b>PR 7</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes	<b>59</b>
<b>PR 8</b>	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	<b>59</b>







**Report drafting and preparation:**

Delta Foundation

**Team Members:**

Associates from Delta Foundation, Corporate Communications Department, HR Department, Controlling Department, Share Centre, Delta Agrar Group, Delta Real Estate Group, Delta Distribution, Delta Sport Group, Delta MC company, Delta Generali Group

**Design and prepress:**

Corporate Communications Department

**Contact:**

[fondacija@deltaholding.rs](mailto:fondacija@deltaholding.rs)

This CSR report is printed on recycled paper.



ISO ISO  
14001 9001

