



CSR
REPORT
2020

ON SOCIALLY RESPONSIBLE AND SUSTAINABLE BUSINESS

DELTA HOLDING



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ABOUT THE REPORT

The twelfth¹ Report on sustainable business practices of Delta Holding specifies the activities which improved all aspects of sustainability that are important for the operation of the Company and development of community. The Report presents strategic plans that contribute to further expansion of the Company and realization of the goals of Sustainable Development defined by UN 2030 Agenda.

This is also the tenth report drawn up in accordance with internationally accepted Global Reporting Initiative (GRI) methodology which ensures transparency, measurability and comparability of the published data. The Report is in compliance with the requirements of the Advanced Level of the UN Global Compact Progress Report.

Presented data and information refer to the operation of the Company in 2020 on the territory of Serbia, unless otherwise specified in the text².

PDF copy of the Report is available on the official website of the Company.

¹ Report is published once a year, since 2008.

Previous report was made for the year 2019, and it was published on 07/07/2020.

² Information about the management of the Company refer to 2021, when the management was reorganized. Information on Company's sustainable operation refer to 2020.



▶ ABOUT THE COMPANY

In 2021, Delta Holding celebrated 30 years of successful operation³. From the day it was founded, the Company has implemented principles of sustainability and contributed to the development of stakeholders, economy, and society as a whole.

Delta Holding realizes its business operations through five organizational units:

- Delta Agrar Group - specializes in primary agricultural production;
- Food Processing Group - specializes in food and water production;
- Delta Real Estate Group - specializes in real estate construction and management;
- Delta Distribution - specializes in logistics and freight forwarding, distribution of vehicles and consumer goods.
- New technologies - include online sales and distribution, development of digital platforms aiming to improve apple production, improvement of existing and creation of new SAP solutions for customers.

There are two organizations operating within the Company:

- Delta Foundation - whose mission is to satisfy long-term social, educational, cultural, and health needs of our community by creating and carrying out endowment projects and developing humanitarian programs.
- Delta Pak - packaging waste management operator.

The Company mainly operates in Serbia, but it is also present in the region (Montenegro, Bosnia and Herzegovina), Russia and EU countries. Delta Holding member companies operate as limited liability companies, and a small number of them as joint-stock companies.

³ Delta Holding was founded in 1991, with headquarters in Belgrade.

DELTA HOLDING

DELTA FOUNDATION

DELTA AGRAR GROUP

CROPS PRODUCTION

FRUIT AND VEGETABLES

ANIMAL FARMING

AGRODISTRIBUTION

AGROSTOCK EXCHANGE

„DUNAVKA” FACTORY

DELTA FOOD PROCESSING



DELTA REAL ESTATE GROUP

DELTA REAL ESTATE

SHOPPING MALLS

HOTELS & BUSINESS UNITS

DELTA DISTRIBUTION

DELTA DMD

DTS

DELTA AUTOMOTO

DELTA MOTORS

NEW TECHNOLOGIES





OUR MISSION

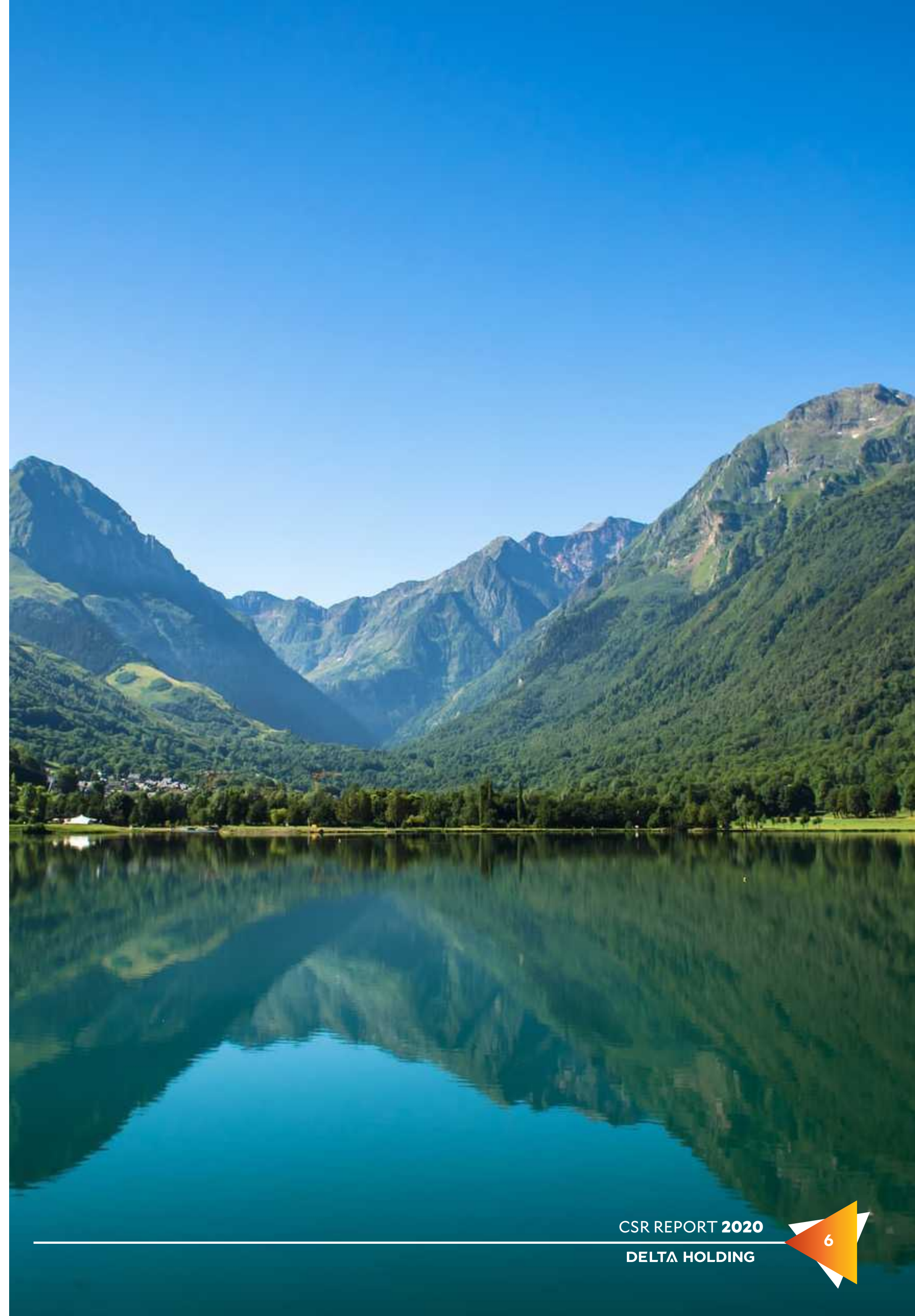
It is with passion that we create companies that improve the society in which we live and work.



OUR VISION

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





A WORD FROM THE PRESIDENT

The fact that 2020 Report is published in the year in which we celebrate 3 decades of successful business says a lot about how sustainable the development of the Company is. Responsibility towards employees, partners, community, and environment is the cornerstone of our business from the day the Company was founded. I am proud that we are one of the leaders in sustainable business, as well as business in general, in the region of the Western Balkans.

Unfortunately, we cannot speak about 2020 without mentioning the pandemic of Covid-19. We invested all our efforts into protecting the health of our employees and their families, the health of our business partners and the community in which we live and work. Even though the pandemic was a surprising and unforeseeable event for all of us, we are exceptionally pleased with the response of our team, the way we reorganized business processes, ensured protection from mass infection, and finally provided timely immunization. Despite all the challenges, we managed to stay responsible towards our business and retain great business results, without which we wouldn't be able to

provide salaries for our employees and contributions with which the company of our size participates in entitlements and public spending.

Despite extremely challenging work conditions during 2020, we managed to realize some of the greatest steps in the history of our Company. Our portfolio is now expanded by another shopping mall, modern ULO cold store in Zaječar, and fruits and vegetables distribution centre in Nova Pazova. We are particularly proud of the fact that Sava Centar, a world-renowned conference centre, also became a part of Delta Holding. We took on the assignment to renovate, modernize and return it to Belgrade and its guests as the most beautiful conference centre in this part of the world.

The pandemic was not the reason to introduce changes, but an additional incentive to speed them up. It is precisely what Delta does.

The Company has been going through digitalization for quite some time, and now we are making our final moves in this direction. Launching of our e-commerce platform "Ananas" is the culmination of this process.

In this special year we also moved into our new headquarters, Delta House. We introduced changes into the organization of the Company, and most substantial one is the transfer of CEO role to our long-time Vice President Milka Vojvodić, who will lead the Company in cooperation with experienced and professional Executive Board.

We demonstrated that, even though the crisis was a great impact for all of us, it gave us a chance to see whether we have an established system and professional staff capable of retaining it under exceptional circumstances.

Even in the crisis caused by the pandemic, we continued to implement the program Young Leaders, which makes Delta Holding recognizable in the entire region for continuous employment of young, educated and ambitious individuals. The program is about to receive its tenth generation. We also implement the program Compass, intended for students. In addition, over the past years, we have continually realized Delta Business Incubator, our project of support to startups, new business ideas and businesses.

All current and planned activities implemented with the aim of providing support to the community continue in the manner adjusted to the present situation. We continue to help the locals from the project "Our Village", the aim of which is to share knowledge about modern agriculture and provide aid in funding, by more extensive use of digital communication tools. With a number of activities, which are described in this Report, we helped them to overcome the crisis and retain their income.

As of 2020 Delta Holding is at the head of the managing board of the Serbian UN Global Compact Network. This title is a great recognition for us, but it also obliges us to continue to promote the 10 principles of the Global Compact and Goals of Sustainable Development of the United Nations.

The abovementioned clearly indicates that our Company went through numerous changes, in fact, that a new Delta is being born. But there is something that persists from the very foundation of our Company and we refuse to let it go. The principles of responsible business, striving for excellence, and care for people, without which these results would be impossible. Those were Delta's key principles in the first 30 years of operation, and we continue to adhere to them in the years to come.



Miroslav Mišković
**President of the Supervisory Board
of Delta Holding**

CORPORATE GOVERNANCE

Management of Delta Holding is based on the implementation of knowledge and experience of the world's leading companies and regular adjustment to market conditions in Serbia and the region.

The operation of the Company is characterized by prompt decision-making, efficient implementation of decisions and precise measuring of business results. The focus is on the introduction and implementation of the state-of-the-art technology and know-how in all area of Company's operation.

As of June 2021, Delta Holding has a new management structure: Supervisory Board and Executive Board took over managing role in the company from the president of the company and Board of Directors. Executive Board, which governs the operation of the Company, consists of Company's vice presidents and CEOs of Delta Holding member companies. They earned their place in the Executive Board with their leadership skills and expert knowledge, through which they inspire and lead members of the management and employees towards the realization of strategic plans. Executive board appoints top management of the Company.

Executive Board consists of 4 women and 3 men. In the Company's top management, there are 7 women and 7 men, whereas the Supervisory Board is composed of 4 men and 3 women.

Supervisory Board oversees the operation of the Company, approves strategic plans and focuses on the strategy of social responsibility and youth employment.

Business plans are created at strategy councils. Business results and plans for the following year are analysed by the Annual Council of Delta Holding.

Executive Board



Milka Vojvodić
CEO
Senior Vice President,
Finance and Economy



**Marija Desivojević
Cvetković**
Senior Vice President,
Strategy and Development



Dejan Jeremić
Senior Vice President
CEO, Delta Agrar



Živorad Vasić
Senior Vice President
IHG Regional Director



Aleksandra Đurđević
Vice President
CEO, Delta Auto



Angelina Nekić
CEO, Delta Real Estate



Lazar Petrović
CEO, Delta DMD

▶ BOARD OF DIRECTORS



Milan Matic
CEO,
Delta Transportni
Sistem



Ana Dišić
CEO,
Shopping Malls
Delta Real Estate



Jasminka Kiselčić
Director,
Central Controlling



Mira Cvijetić
Director,
Finance and Accounting



Milica Pejnović
CFO,
Delta Agrar



Rajko Mandić
Director,
Ananas



Dragan Miladinović
General Manager,
Yuhor



Saša Mičić
General Manager,
Mioni



Ljubomir Babić
General Manager,
Fun&Fit Company



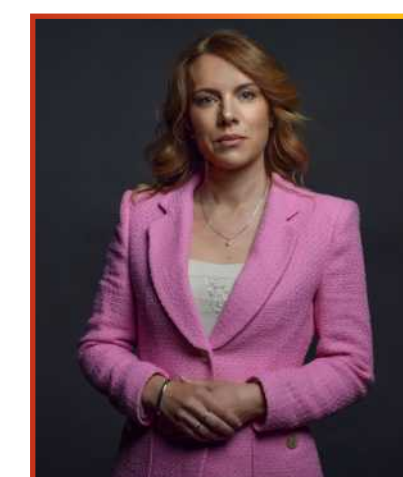
Ivan Kostić
General Manager,
Danubius



Tanja Vasojević
Director,
Communications



Monika Pejčić
Director,
HR



Tijana Koprivica
Chief Business
Sustainability Officer



Ivan Vasić
Director,
IT

Supervisory Board



Miroslav Mišković
President



Milka Vojvodić
CEO
Senior Vice President,
Finance and Economy



**Marija Desivojević
Cvetković**
Senior Vice President,
Strategy and Development



Dejan Jeremić
Senior Vice President
CEO,
Delta Agrar



Živorad Vasić
Senior Vice President
IHG Regional Director



Ivana Mišković Karić
Adviser to CEO



Marko Mišković
Vice President,
International Affairs

▶ DEVELOPMENT STRATEGY

Supervisory Board, Executive Board and Board of Directors adopt strategic business plans in accordance with the economic and social trends on the local and global level. Plans for youth employment, environmental protection and support to community are integral parts of the development strategy.

Strategic business plans of each member of Delta Holding are adopted with the aim of improving not only financial results, but social and ecological standards as well. All levels of management, together with employees, participate in their preparation. The Company adopts a strategy for a period of 5 years and revises it once a year at a strategy workshop, in view of the changes occurring in the Company and its external environment. Strategy workshops are organized in all departments of Delta Holding's member companies. The Management defends revised plans with its associates before the Executive Board at a Strategy Council. The Executive Board adopts strategic plans, whereas the Supervisory Board gives the final approval.



Strategic plans of member companies in the following five years are focused on:

Delta Agrar Group

- Increase in the production of club apple varieties in new and existing orchards;
- Implementation of new, sustainable technologies in fruit growing;
- Production of new vegetable varieties;
- Increase in the production of seed maize and sunflower;
- Expansion of the partnership network through education of individual primary producers;
- Production of high-quality animal feed for sale and Delta Agrar's needs;
- Investments in irrigation systems which are to enable intensive crop farming;
- Expansion of precision agriculture which contributes to optimal consumption of resources and reduction of adverse effect on the environment.

Food Processing

- Factories of the Food Processing Group are planning to make significant investments in the production and enhancement of product quality.

Delta Real Estate Group

- Construction of Mix Use concepts at two locations in Belgrade, which will include a residential area, as well as business and commercial premises;
- Construction of distribution center for the new e-commerce company Ananas;
- Construction of a hotel and office space in 20th Block in New Belgrade;
- Construction of a shopping mall in Sarajevo with a residential area.

Delta Distribution

- Import and sale of BMW, Mini and Honda vehicles and increase of market share;
- Distribution of new brands of consumer goods and increase of the market share of the existing brands;
- Market share increase in domestic and international transport;

Chief sustainability officer and experts for the given areas in member companies are in charge of adoption and implementation of the strategy of corporate social responsibility, environmental protection, improvement of social and ethical standards in the Company and inclusion of stakeholders. These strategies are an integral part of the business strategy of each member company. Chief sustainability officer reports to senior vice president of strategy and development on the implementation of the said strategies. Projects devised to tackle identified social challenges in the community are realized by Delta Foundation with the support of the CEO, i.e. senior vice president of finance and economy, vice president of strategy and development, and chief sustainability officer.

Primary goals for the following five years remain the same:

- Energy efficiency management:
 - Switching to alternative energy sources wherever possible;
 - Implementation of LEED standard in the construction of new buildings;
 - Inspection of the existing systems.
- Waste management:
 - Reduction of the quantity of generated and placed waste;
 - Increase in the percentage of recycled generated waste from 70% to 100%.
- Reduction of CO₂ emission in transport through selection of optimal routes and use of modern vehicles with engines that reduce gas emission;
- Optimal usage of natural resources - primarily water;
- Introduction of SMETA and ISO45000 standards in all members;
- Educating suppliers on the implementation of sustainable development principles:
 - Educating partners about GlobalGap standard with the aim of increasing sustainability of production;
 - Evaluation of the implementation of sustainability principles.
- Supporting the community:
 - Educating individual agricultural producers about modern agricultural production with the aim of preserving Serbian villages (through the project “Our Village”);
 - Supporting startups through Delta Business Incubator;
 - Supporting the families that are faced with the risk of being separated, through Delta’s project “Third Parent”;
 - Supporting youth in the acquisition of new skills that help them find employment;
 - Organization of work practices for persons with disabilities;
 - Supporting the community in extraordinary circumstances.
- Employee development:
 - Investments in employee satisfaction;
 - Fostering the culture of non-discrimination;
 - Youth employment through the program “Young Leaders”;
 - Employment of persons with disabilities;
 - Reduce Workplace Injuries.

Stakeholders (employees, buyers, suppliers, investors, and other representatives of the community) participate in the adoption of strategies. All employees are included in the preparation of strategic plans and determination of sustainability priorities. For external stakeholders, the Company organizes annual questionnaires to survey satisfaction with the quality of products and services, and maintains open communication channels (email addresses, call centres, guestbooks) through which external stakeholders may express their opinion about the operation of the Company anytime. Their opinion is integrated in development and strategic plans.

The Company regularly informs all stakeholders about development plans and business results at press conferences, via social networks, its official website and internal portal.

RISKS

Uncertain circumstances, such as we have today, impose efficient risk management as one of the decisive elements of successful operation. By monitoring the movements on the market, the Company is able to recognize opportunities, define risks and respond timely to positive and negative impacts. Proactive approach and revision of strategic plans allow us to seize opportunities and avoid dangers. Detailed risk analyses are carried out at the level of the Company, enabling timely response to risks. The Company organizes regular quarterly councils to present results, review risks and anticipated changes in the internal and external surroundings over the past months.

THE MOST IMPORTANT ENVISAGED RISKS IN 2020

TYPE OF INFLUENCE	DESCRIPTION	SIGNIFICANCE	PROBABILITY
Domestic Market	Limited purchasing power and instability of prices	Significant	Highly probable
	Fluctuations in the prices of stock exchange products	Significant	Highly probable
	Buyers' non-liquidity	Significant	Highly probable
International Market	Instability of currencies	Significant	Possible
	Entry of foreign companies entitled to additional operative benefits	Moderate	Possible
	Stock exchange products prices fluctuations	Moderate	Possible
	Increase in the production and consumption of domestic agricultural products	Moderate	Possible
Climatic factors	Yield and quality of certain crops largely depend on climatic factors	Moderate	Possible
Financial risk	Potential risk of reduced credit activities of banks	Moderate	Possible
Risk of cyber attack	Potential risk of company's data and information theft	Moderate	Possible
Coronavirus pandemic	Risk of spreading the infection among employees	Significant	Highly probable
	Risk of reduced business activities of certain members (hotels, shopping malls, car sales)	Significant	Highly probable

BUSINESS ETHICS AND INTEGRITY

Delta Holding fosters corporate culture which values integrity and ethical behaviour. Ethical standards are deeply rooted in everyday business; every decision is adopted in conformity with such standards, and employees and business partners respect the standards of responsible business conduct.

The Company's Code of Ethics stipulates behavioural norms for employees and the employer, including respect for human and employment rights, employee's right to salary and defined working hours, professional training, healthy work environment, as well as employer's obligations to respect diversity, prevent abuse at work, enable career development, professional training, and protect whistleblowers. Ethics of the employees is the cornerstone of the Company's success, for they are the ones who lead the operations, represent the Company, and preserve reputation.

For all issues with regard to ethics and integrity, employees may address Human Resources Department and expert associate for labour law. In addition to protecting employees' rights, the Code also defines basic responsibilities, i.e. diligent and professional performance of job duties, protection of a business secret and assets of the Company, prevention of conflict of interest, compliance with anticorruption and anti-monopoly policy, protection of personal data, responsible communication with stakeholders, and consideration of their needs and interests in day-to-day business.

Business partners, suppliers and other entities are expected to implement policies and procedures that prevent enforced labour or child labour. In addition to protecting human rights and maintaining fair work conditions, our suppliers have to adhere to all laws and regulations that prohibit bribery, corruption, and other unethical practices. Contracts concluded with business partners also stipulate an obligation to respect the principles of environmental protection.

As a part of sustainability goals and guidelines for 2020, the Company decided that 100% of employees will undergo training on business ethics every year.

Code of Ethics is available to all employees on the intranet portal and in the form of printed brochure. Parts of Code of Ethics are integrated in employment contracts. To become acquainted with all the details of the Code, newly employed personnel may resort to their employment contracts or the introductory email.

On the intranet portal, employees may also find Corporate Social Responsibility Policy which promotes care for employees, business partners, community, and environment. The Company also abides by the 10 principles of UN Global Compact, standard ISO 26000, Code of Business Conduct, Pro Bono Policy and Business Etiquette.



MEMBERSHIPS

United Nations Global Compact is a voluntary association whose members incorporate ten universal sustainability principles in their business operation. These principles include respect for human and labour rights, environmental protection and anti-corruption. As the world's largest civil initiative, Global Compact involves all relevant social actors: public institutions, companies, trade unions, and civil society organizations that represent wider community and the United Nations. Delta Holding has been a member of the association since 2007, and the member of Global Compact Board since 2015. The Company actively participates in the meetings of the European UN Global Compact Networks and transfers new knowledge and global trends to its members in Serbia. With other members of the Managing Board, the Company initiates and implements numerous conferences and events that contribute to the promotion of Sustainable Development Goals and 2030 Agenda.



Responsible Business Forum is a network of leading companies that contribute to community development, thus encouraging the development of corporate social responsibility. The Forum connects business leaders with the representatives of other areas of society, fostering cross-sectoral dialogue, cooperation, and exchange of good practices. The Forum develops practical and sustainable solutions for all four CSR pillars: the local community, environment, workplace and market. Delta Holding became a member of the Responsible Business Forum and Board of Directors in 2015. Representatives of the Company are actively involved in the promotion of the principles of social responsibility, social entrepreneurship, education of youth, and corporate volunteerism.

Serbian Association of Managers is a manager association established in 2006, which continuously improves the managerial profession by developing it according to the values of economic security, friendship, continuous transformation and responsible leadership in order to achieve goals in areas of professional development and connect managers, as well as with regard to dialogues with economic policy makers and international cooperation. As a full member of European Management Association (EMA) and associate member of Confederation Europeenne des Cadres (CEC), SAM focuses on promoting the best business practices, companies and responsible business, launching socially responsible initiatives, affirmation of young people, professional development of managers and promotion of the managerial profession. Delta Holding has been a member of SAM and its Managing Board since 2017. Representatives of the Company have actively promoted sustainable business and leadership, life-long learning, inclusive digitalization and participated in the work of the gender equality group Voice of European Managers in EU.



CEO Alliance on Gender Equality

The Gender Equality Alliance promotes the idea of an inclusive culture in which both women and men are appreciated due to their unique contributions at work, in society and in family. Delta Holding is one of the first companies that joined the Alliance and signed the Charter on Gender Equality. The signatory companies obliged to create and promote equal opportunities for career development of men and women, to promote equal representation at all levels and positions and to ensure equal wages for the same jobs in companies. Delta Holding, as a good business practice example in the area of gender equality, has been actively participating in creating strategic goals of the Alliance for achieving greater results by promoting all the benefits of the well-balanced gender structure and by strengthening the local community in this area.



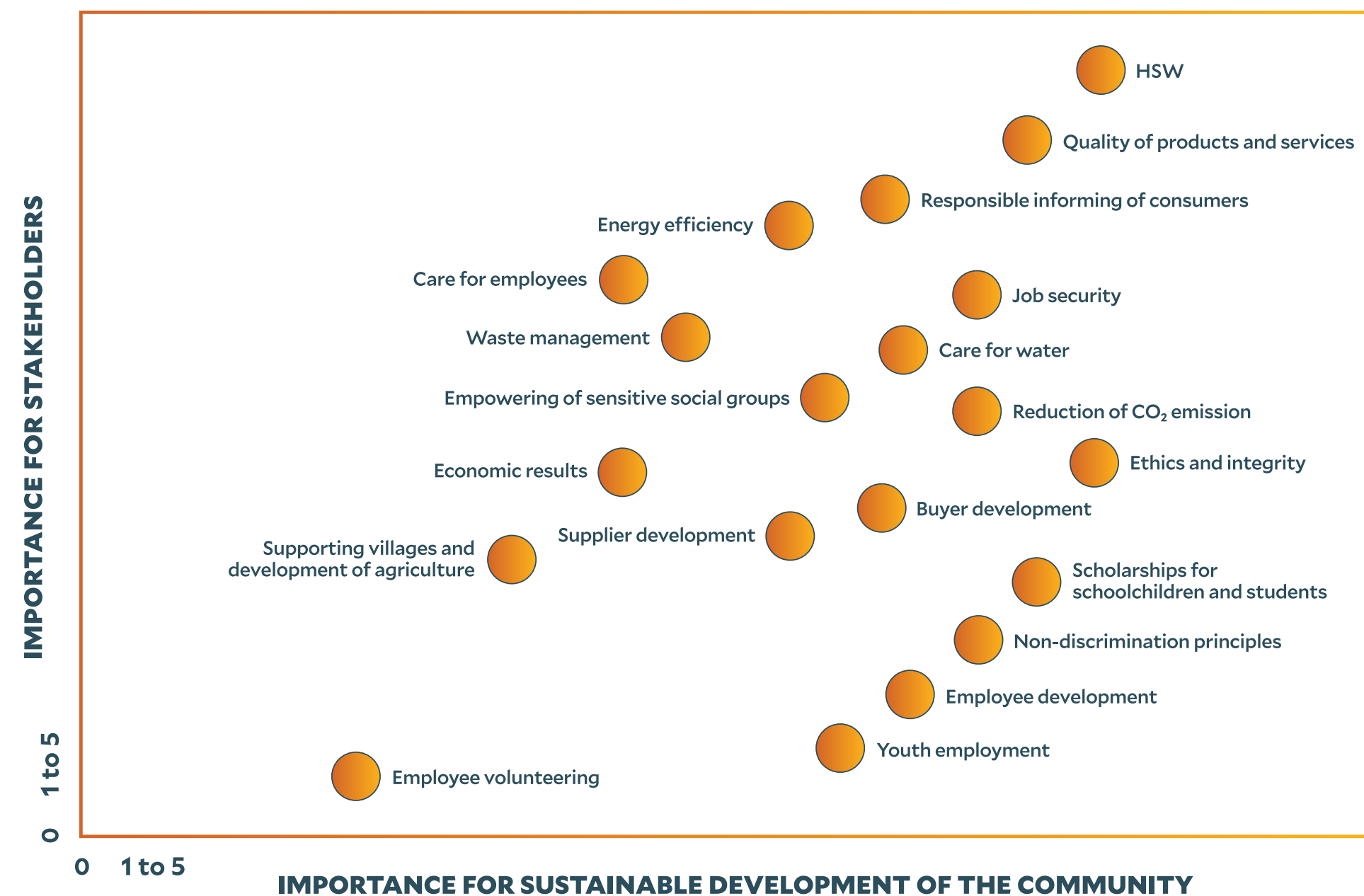
PRIORITY FIELDS OF SUSTAINABLE BUSINESS IN 2020

To develop the materiality matrix, the Company used the results of surveys conducted with the management, employees and external stakeholders about the importance of the following issues in relation to: economic results, laws and regulations, internal procedures, code of conduct, business strategy, employees' health and safety, environment, and the Company's reputation.

In 2020, Health and Safety at Work became a priority issue as in the course of the pandemic of Covid-19, it was of utmost importance to ensure safe work environment that would enable protection of employees' health.

The assessment of their importance is outlined in the diagram. Company's stakeholders include the management, employees, buyers, suppliers, contractors, office area tenants, banks, civil associations, non-governmental organizations, business associations, educational institutions, and the media.

Survey conducted among stakeholders was carried out with the aim of identifying priority issues of sustainable development in 2018, whereas in 2019 and 2020, the Company focused on the improvement of these issues. Activities and results achieved in these areas will be presented in chapters Responsibility for Products and Services, Environmental Protection, Employee Development, and Community Support.



MATERIALITY MATRIX

NUMBER	SUSTAINABILITY ISSUE	GRI INDICATORS	SUSTAINABLE DEVELOPMENT GOALS	DESCRIPTION OF ACTIVITY
1	Safety and health at work	403	8, 13	Responsibility towards employees
2	Product quality and safety	416	12	Responsibility for products/services
3	Responsible informing of consumers	417	12	Responsibility for products/services
4	Energy efficiency	302	7, 9, 13	Environmental protection
5	Care for employees	401.2	4, 5, 8	Responsibility towards employees
6	Job security	402	8	Responsibility towards employees
7	Waste management	306	12, 15	Environmental protection
8	Care for water	303	6, 9, 12	Environmental protection
9	Empowering sensitive social groups (through financial support and sharing of knowledge)	413	4, 10	Community support
10	Reduction of emission of greenhouse gases	305	13	Environmental protection
11	Ethics and integrity	102-16, 102-17	8, 16	Responsibility towards employees
12	Economic results	201	8	Responsibility for products/services
13	Improvement of relationship with buyers	416-418	12	Responsibility for products/services
14	Improvement of relationship with suppliers	414	12	Responsibility for products/services
15	Supporting villages and the development of agriculture	413	9, 11	Community support
16	Scholarships for schoolchildren and students	413	4	Responsibility towards employees
17	Non-discrimination principles	405, 406	5, 16	Responsibility towards employees
18	Employee development and education	404	4, 8, 10	Responsibility towards employees
19	Youth employment	404	4, 8, 9	Responsibility towards employees
20	Employee volunteering	413	1, 2	Community support

AWARDS

AWARDS IN 2020

AWARD TITLE	WINNER (MEMBER)	AWARDING ORGANIZATION	DESCRIPTION OF THE AWARD
National award for corporate social responsibility Đorđe Vajfert	Delta Holding	Serbian Chamber of Commerce	First prize in the category of large companies for the project "Our Village"
VIRTUS award	Delta Holding	Trag fondacija	Project "Our Village" won a special award as the most innovative project
Top 50 - best online stuff	Delta Holding	PC Press	Recognition for the best LinkedIn page in 2020
The Best Young Talents Acquisition 2020	Delta Holding	Stanton Chase	For the Young leaders program
The most desirable practice and employment program for young people	Delta Holding	Serbia Youth Awards	For the Young leaders program
LOVED BY GUESTS AWARD	Hotel Crowne Plaza Belgrade	HOTELS.COM	Winner for 2020, according to guests' reviews
Recognition for taking part in meeting the SDGs and for the food donation for the socially vulnerable groups.	Yuhor, Danubius, Fun&Fit	Responsible Business Forum	For the support to the activity that supports food donation to the socially vulnerable citizens, named "Donate don't throw away"
The presidents award	Delta DMD	Diageo	The award was won at the Global Scotch Unleashed contest for one of the best Johnnie Walker activations in on and off trade sales channels
MINI Marketing Awards 2020	Delta Motors	BMW AG	Second place in 2020 MINI Marketing Awards contest for MINI x Škrabac project
Disrupt Award	Delta Motors	Adam Studio	Disrupt award in innovation category, 2020 disrupt contest
Segment leadership 2020	Delta Motors	BMW AG	Award for the best-selling premium brand in Serbia
BMW President awards 2020	Delta Motors	BMW AG	Recognition that BMW awards to a single market for overall work and achievement in qualitative and quantitative results
Municipal award	Delta Agrar	Municipality of Veliko Gradište	Municipal award to "Dunavka" oil factory for the achieved results and achievements of importance for promotion, development and affirmation of the municipality
Kapetan Miša Anastasijević Charter	Delta Agrar	Media Invent	Recognition awarded to "Dunavka" oil factory for the Best agricultural product in the region

RESPONSIBILITY FOR PRODUCTS AND SERVICES

In 2020, Delta Holding continued to improve its products and services with the aim of achieving good business results and realizing sustainable development goals. The Company improved the quality of products and services, identified and satisfied the needs of buyers, realized a number of lectures for suppliers and carried out inspection of the quality of their products and production processes.

Results on the market are realized in appreciation of needs of internal and external stakeholders. Continuous dialogue and exchange of opinions and experiences with all participants in working and social environment ensure understanding of their expectations and harmonization with the Company's business strategy. In this manner, we manage to identify appropriate economic and social issues, as well as environmental issues.

The Company has established stable, long-term relationships with suppliers, based on mutual trust and transparency. Suppliers of all members undertake to respect the principles of protection of human and employment rights, which, among other things, oblige them to prohibit child labour, forced labour and abuse at work. Environmental protection principles are also defined, as well as compliance with anticorruption, anti-monopoly principles and business ethics. To ensure the quality of control over raw and processed materials, each supplier is evaluated according to the following:

- quality and wholesomeness of their products,
- level of implementation of a quality management system,
- reliability and
- quality of delivery.

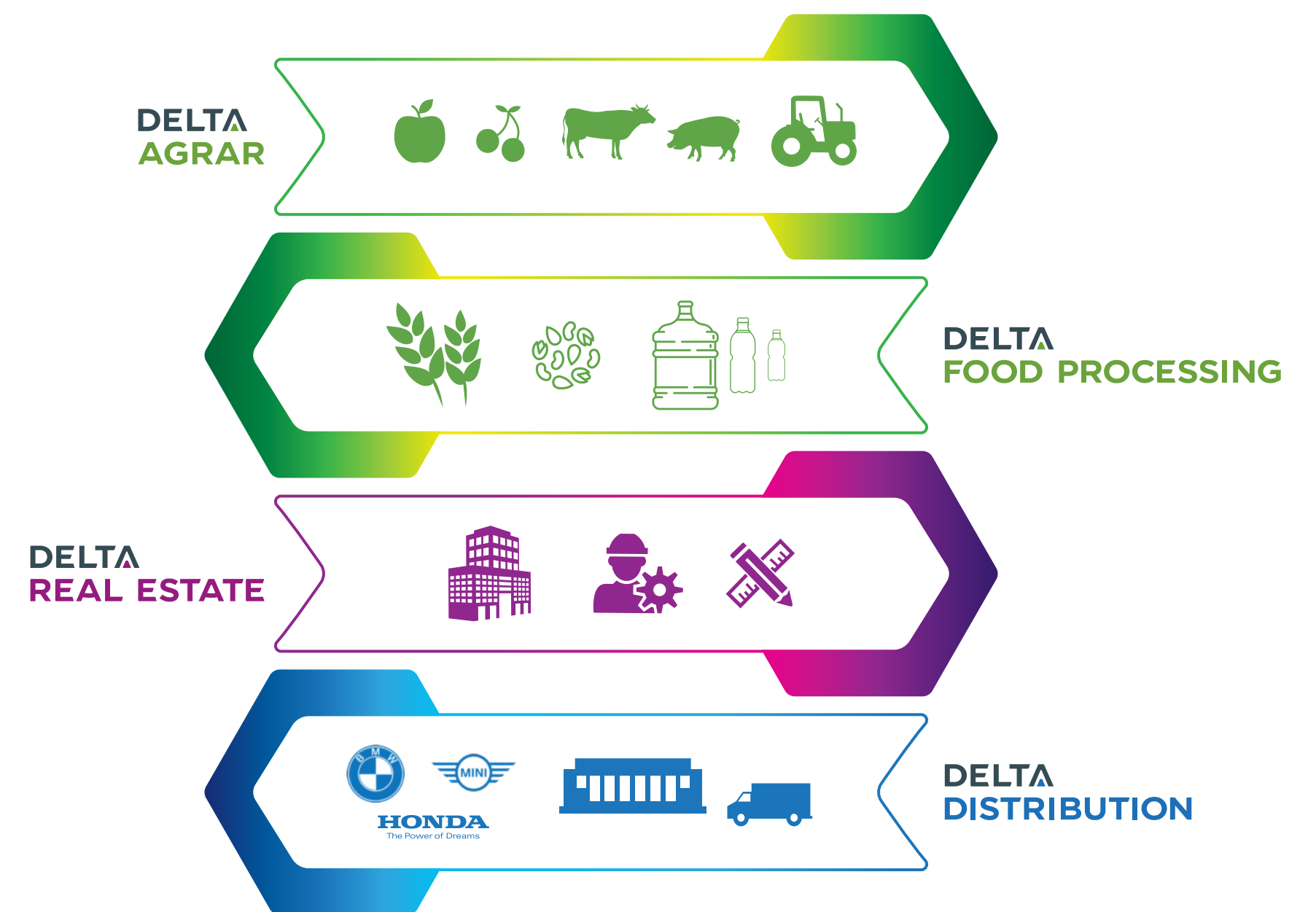
Products of all members of Delta Holding are appropriately labelled and contain all the necessary information about the origin and quantity of components in their composition, as well as recommendations for safe usage and disposal of packaging. The Company does not trade in illegal or disputed products.

In 2020, there were no complaints in relation to:

- adverse effects of products or services of member companies on consumers' health and safety,
- accuracy and precision of information in marketing campaigns,
- buyers' data privacy violation.

In 2020, no complaints were filed with regard to the effect of products and services of member companies on consumers' health and safety. All products of Delta Holding members are appropriately labelled and contain all the necessary information about the origin and the quantity of ingredients, as well as recommendations for their safe usage and disposal of packaging. No complaints were filed with regard to the accuracy of information in marketing campaigns or customer data privacy breach.

Buyers can submit complaints orally, via telephone, or via email, upon which they are resolved within the statutory term of 8 days or sooner. The staff analyses complaints in detail to verify whether they are justified. Justification of complaints is determined by the analysis of anti-sample and relevant production records. In the event that these data are insufficient, a team is organized to resolve non-conformities. If a complaint is found to be justified, buyer is provided with detailed reasoning and a package of new products. A valid explanation is addressed to the consumer even if a complaint is found unjustified.



STANDARDS

INTERNATIONAL QUALITY STANDARDS

STANDARD	DESCRIPTION	MEMBER
ISO9001	Establishes criteria for quality management system in a business organization. Implementation of this standard ensures consistency and quality of products and services and contributes to improvement of business processes.	Delta Agrar Group (Seme Sombor), Food Processing (Yuhor), Delta Distribution (Delta DMD, DTS, Delta Auto, Delta Motors)
ISO14001	International standard for development of effective and efficient system of environmental management, applicable on all activities.	Food Processing (Yuhor)
ISO 22000	Food safety management - requirements for systems of any organization in the food chain	Food Processing (Yuhor)
IFS	ISO-based food quality and safety standard guarantees that the safety and quality of food is maintained until it reaches end consumers. Fully supported by Global Food Safety Initiative.	Food Processing (Fun&Fit, Mioni, Danubius, Yuhor), Delta Agrar Group (Cold Storage Čelarevo)
GLOBAL GAP	Global GAP is the pre-farm gate standard set in place by European leading food retailers to give their customers more assurance of food safety.	Delta Agrar Group (Delta Agrar d.o.o., Topola, Napredak); Group certification includes 32 agricultural households on the territory of RS
ISCC	Standard that defines use of biomass, produced under sustainable conditions of production and manufacturing process of the same biomass.	Delta Agrar Group (Delta Agrar, Kozara, Jedinstvo, Napredak, Topola)
SMETA	A standard that confirms the implementation of business principles that ensure respect of human and labour rights, safety at work and environmental protection.	Delta Agrar d.o.o. (Cold Storage Čelarevo)
IFS logistic	IFS Logistic is a standard of international retail chains which includes internationally accepted quality standards aimed at improving safety of products.	DTS
HACCP	HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw materials through production, distribution and storage until the delivery of the product to end consumer.	Delta Agrar Group (Kozara, Jedinstvo, Napredak, Topola, Podunavlje), Food Processing (Fun&Fit, Mioni, Danubius, Yuhor), Delta DMD and DTS
HALAL	System of rules for the production of food in accordance with Islamic customs.	Food Processing (Yuhor)
Donau Soya	Certifies that the product is of controlled origin, non-GMO and from sustainable production.	Delta Agrar d.o.o.
FREE FROM PESTICIDES RESIDUES	Certifies that the agricultural product does not contain pesticides above limits detectable by accredited laboratory devices.	Delta Agrar Group (RJ Podunavlje)



FINANCIAL RESULTS

In 2020, Delta Holding business system managed to protect the health of its employees during the pandemic of Covid-19 and retain excellent business results at the same time. Due to the undertaken measures, the Company realized EBITDA of EUR 46.47 million, which is an increase of 7.5% in comparison with the previous year. Realized revenues amount to 511.63 million euros.

**CONSOLIDATED RESULTS
IN MILLIONS OF EUR**

MEMBER	2020	
	REVENUE	EBITDA
Delta Agrar Group	243.85	21.66
Delta Food Processing	82.11	5.75
Delta Real Estate Group	26.26	7.53
Delta Distribution	186.91	10.22
Other	8.22	1.3
TOTAL	511.63	46.47

Operation of the Company was financed from the operating profit and the loans granted by banks and other financial institutions. Day-to-day activities were also financed from subsidies granted to all business entities in accordance with domestic laws. In 2020, all obligations toward financial banks arising from loans were settled in time, regardless of the offered moratorium.

In 2020, Delta paid 100 million euros to the budget of the Republic of Serbia, whereas in the period from 2000 to 2020, the total of 3 billion euros was paid in.

In 2020, EUR 414,695 have been invested through Delta Foundation's humanitarian projects and other corporate social activities, with 1,300 people receiving aid.

In comparison with 2019, there was a significant rise in the export of food and agricultural products.

With 16%, Delta Food Processing Group achieved the highest increase in export in 2020, followed by Delta Agrar Group with 10.9% and Delta Holding with the growth of 5.8%.

GROUP	2020	2019	% GROWTH
Delta Holding	102.52	96.93	5.80
Delta Agrar Group	74.75	67.39	10.90
Delta Food Processing	7.87	6.77	16.20

EXPORT OF FOOD AND AGRICULTURAL PRODUCTS IN MILLIONS OF EUR

PRODUCT GROUPS	2020	2019
Fruit and vegetables	12.07	10.69
Cereals	51.27	46.02
Oil plants	10.4	10.15
Seed goods	0.8	0.48
Flour and pasta	2.84	2.44
Meat and meat products	4.1	3.01
Appetizing snacks and cereals	0.69	1
Water	0.04	0.15
Other	0.42	0.22
TOTAL	82.62	74.16



People who love land

Delta Agrar Group

Delta Agrar d.o.o, founded in 1993 with headquarters in New Belgrade, is one of the leading domestic producers of agricultural products. With the intensive implementation of global technologies in agriculture, education of staff, and continual acquisition of knowledge, the company successfully keeps pace with global trends. Its excellent business results stem from the implementation of the latest techniques in the production of cereals, fruit, vegetables, industrial plants and animal farming. The Company also specializes in trading stock exchange products, machinery, pesticides, fruit and vegetables.

Jobs within the Company are divided in 4 organizational units:

- primary agricultural production,
- cooperation and repurchase,
- trade and distribution of agricultural products
- food production.

Delta Agrar operates successfully in the countries of the region, European Union, Russia, Switzerland, UAE, India, Turkey, and Kuwait. Partners of Delta Agrar are world's leading companies in all areas of agricultural business: Syngenta, Corteva, Bayer CropScience, BASF, Landini, Rivulis, Nufarm, Biesterfeld, DanBred, Kuhn, Summit Agro International, Adama, UPL, and others.

Distribution of Agricultural Products

Delta Agrar specializes in the production and distribution of seed products and fodder, and the representation of world-renowned companies in the domestic market in the domain of plant protection products and agricultural machinery.

In its processing centre, the largest of its kind in Serbia, Delta Agrar exclusively produces and processes seed maize and sunflower for Corteva Company. The Company continually develops domestic soybeans and SELSEM brand, which has been present on the market for over 30 years. At the moment, the brand has reached a market share of 25% and its varieties are sold in 11 countries across the globe. The Company successfully represents, produces and distributes seed maize and sunflower from renowned companies Corteva, KWS, and Syngenta. In addition, it produces and distributes seed wheat and barley varieties from the companies KWS (Solehio, Modern, Lazulli and Marvel), Saatzeit Donau (Amicus, Balaton, Gaudio, barley varieties Carmina and Finola), Syngenta (Pibrac and Ingenio) and Axereal (Basilio).

In cooperation with its partners and seed companies, Delta Agrar complies with the principles of sustainable development, respects human rights, employment rights and ethical principles, and controls its impact on the environment.



The most prominent results in 2020 include:

- Extension of the contract concluded with Corteva company for a period of 4 years - exclusive production of hybrid maize and sunflower;
- Growth in export of Selsem soybean of 55%;
- New variety of soybean registered in Serbia;
- Partnerships with companies Syngenta and KWS in the segment of seed wheat through exclusive production and distribution extended to 2 additional varieties;
- Increase in pesticide turnover by 16.9%;
- Increase in the number of pesticide buyers by 5%;
- Agile response to global epidemic crisis;
- Adjustment to the needs of domestic market with adequate product packaging in the pesticide segment;
- The beginning and extension of cooperation with companies UPL and Sharda;
- Introduction of VRI irrigation system;
- Increase in the sale of Landini tractors and accessory machinery, and expansion of dealership network;
- Agreed cooperation and the beginning of sale of accessory machinery manufactured by “Nobili” Italia, “ROMSAN” Turkey, and “ID David” Spain.

Plans for 2021 include:

- Growth of sale for all products;
- Expansion of the network of foreign distributors;
- Expansion of the area under plants from seed production;
- Beginning of registration process for 3 varieties in Russia;
- Beginning of exclusive distribution of maize hybrid;
- Increased turnover of pesticides in comparison with 2020 by 3%;
- Introduction of new products at the existing pesticide suppliers and expansion of portfolio on the basis of exclusive distribution for 10 new products;
- Expansion of the range of pesticides with a new hobby program of household products (liquid fertilizers and plant products);
- Additional coverage by the irrigation system in cherry plantation;
- Expansion of VRI irrigation system;
- Growth of sale of Landini tractors and accessory machinery, and expansion of dealership network;
- Introduction of new brands in the area of accessory machinery.

Fruit Growing

Delta Agrar owns state-of-the-art orchards which spread across 700 ha. The Company is the largest producer of traditional and club apple varieties in the region. Besides apples, Delta Agrar grows sweet cherry, table grapes, flat peaches, and plums.

One of the most sophisticated apple plantations in Serbia and the region is situated on the property of Podunavlje in Čelarevo. The orchard's gross area is 445 ha. The apple varieties grown on this property are the following: Gala, Braeburn Mariri Red, Golden Delicious Reinders, Red Delicious, Granny Smith, and club varieties: Modi, Kiku, and Pink Lady.

The orchard is equipped with two modern Ultra Low Oxygen Cold Storage Chambers with the capacity of 20,000 t. Due to the dynamic atmosphere inside the chambers, the entire apple yield can be kept in chambers up to 300 days without any chemical treatment. The cold stores are furnished with a Maf Roda line for sorting and calibration (per color, diameter and weight), with the capacity of 20 t/h.



Delta Agrar's orchards in Zaječar area, in the vicinity of villages Vražogrnici, Veliki Jasenovac, Mali Jasenovac i Jame, cover the area of 255 ha. Apple club varieties grown in this orchard are the following: Modi, Evelina, Pink Lady, Isaaq, Red Moon, Red Sun, and Sweetango. Within the orchard, there are 30 hectares of sweet cherry plantations, 0.5 ha of flat peaches and 2 ha of the Italian plum variety Angelino. This variety may be kept in cold stores up to 3-4 months. Ten varieties of seedless table grape are planted on the area of 9 ha. Delta Agrar started the construction of an ULO cold store for apples and sweet cherries in Zaječar. The facility will have the total capacity of 20,400 t and the area of 26,000 m² (office building, calibration and packaging area and cold storages). The cold storage chamber will be equipped with the latest Maf Roda equipment for calibration and packaging of apples and cherries. The overall value of the investment is EUR 23 million. The construction of the ULO chamber was finished before the publication of the Report.

In 2021, the Company plans to add another 80 ha of plantations in Zaječar for Rubens, Pink Lady, Gala, and Granny Smith.

Delta Agrar completed the construction and furnishing of the latest 4,300 m² fulfilment centre for fruit and vegetables "World of Freshness" in Stara Pazova. The value of the investment is 4 million euros. This facility is one-of-a-kind centre for acceptance, manipulation, storage and packaging of fruits from all over the world. The centre is also equipped with a modern banana ripening chamber.

High-quality planting material, protection against adverse weather conditions, appropriate irrigation and fertilization are merely some of the factors that lead to top-notch results. Orchards are equipped with moisture sensors and other soil quality indicators that use GPRS to connect with the irrigation system and meteorological station, allowing remote control and parameter monitoring.

Apple trees are densely planted, in accordance with the Italian South Tyrolean technology. There are 3,900-10,000 trees per hectare, resulting in high and stable yield.



The entire apple production process is carried out in accordance with the GlobalGAP system, which ensures premium quality of products and work processes.

In addition to the abovementioned apple varieties produced by Delta Agrar, the following varieties are obtained in cooperation with individual producers: Idared, Granny Smith, Golden Delicious, Red Delicious, Jonagold, Cadel, Mucu.

As a leader in agriculture, Delta Agrar continually works on the improvement of production processes and enhancement of the quality of products. Our experts are aware of the importance of proper usage of pesticides for the production of high-quality food and protection of environment. An increasing number of consumers across the globe has the need to buy products with zero pesticide residue.

For this reason, we decided to enhance the production process and be the first producer in Serbia to produce fruit and vegetables without pesticide residues in accordance with the standard “Free from Pesticides Residues”. In cooperation with Czech and Spanish experts, Delta Agrar adopted a complex approach to production and obtained an official certificate “Free from Pesticides Residues” for apple production.

“Free from Pesticide Residue” is a certificate which guarantees that fruit and vegetables are without pesticide residues or that such residues are present only in traces, i.e. in a quantity below 0.01 mg/kg. Certification process includes sampling of products in high-risk phases of production (e.g. immediately before harvest), storage, processing, and when necessary, in retail facilities as well, and the analysis of products on the presence of 400 active materials (pesticides), which is necessary to guarantee “Free from Pesticides Residues” status in continuity.

In 2020, Delta Agrar obtained certification for an area of 25 ha, i.e. for 1,000 t of apples, namely 3 varieties: Gala, Red Delicious, and Granny Smith.

Even though the production without pesticide residues is more expensive than the conventional production, the fact that we produce healthier and safer food gives us strength to continue heading towards our goal - to offer our consumers products of the highest quality. The production without pesticide residues is in the phase of development and suitable alternatives for conventional pesticides against various diseases and pests are yet to be found. Certification of Delta Agrar goes hand in hand with scientific progress, and with this strategy, Delta Agrar made pioneering steps in the production of apples and fruit in general, not just in Serbia, but globally.

In 2020:

- 24,121,941 kg of apples were produced:
 - in the Čelarevo orchard 18,087,228 kg,
 - in the orchards near Zaječar 6,034,714 kg,
 - in cooperation with individual producers 1,177,000 kg;
- The turnover of imported goods increased by 9% and the turnover of purchased goods increased by 89%, which positioned Delta Agrar as one of the leading suppliers of fruit and vegetables in Serbia;
- The position of the Company in the Russian Federation was strengthened through the agency of Delta Frukt Moscow, which doubled its income in 2020 in comparison with the previous year.
- The production process was innovated through the introduction of the following:
 - cage system,
 - mechanical pruning as a preparation for mechanical harvesting,
 - light reflecting foils,
 - ridging.

Plans for 2021 include:

- Establishment of 80 ha of new apple plantation:
 - 43.5 ha Pink Lady,
 - 17.5 ha Rubens,
 - 20 ha pollinizers.
- The increase in turnover of 9%.

Vegetable Growing

In its vegetable gardens which spread across 822 ha, Delta Agrar grows: pea, onion, potato, sweet corn and popcorn.

The entire area is under the irrigation system. Production and storage processes comply with GlobalGAP Standard. The capacity of onion and potato storages exceeds 2,800 t. Storages are equipped with pack centres for sorting, calibration, cleaning and packaging of onion and potato.



In cooperation with USAID, in 2020, Delta Agrar implemented the project the aim of which is to enhance the production of small producers and sellers who trade in fruit and vegetables. Business model of cooperation consists of the following:

1. introduction of GlobalGAP standard,
2. education on “Zero Residue” (“Free from pesticide residues”) production method,
3. soil analysis of micro and macro elements, pH, soil humus and EC performed in state-of-the-art laboratory,
4. analysis of vegetable irrigation water to avoid macro biological contamination,
5. analyses of samples of plants to pathogens (viruses, bacteria, fungi) and pests with the aim of reducing the application of pesticides and targeting real dangers in individual households, and
6. analyses of wholesomeness of finished products.

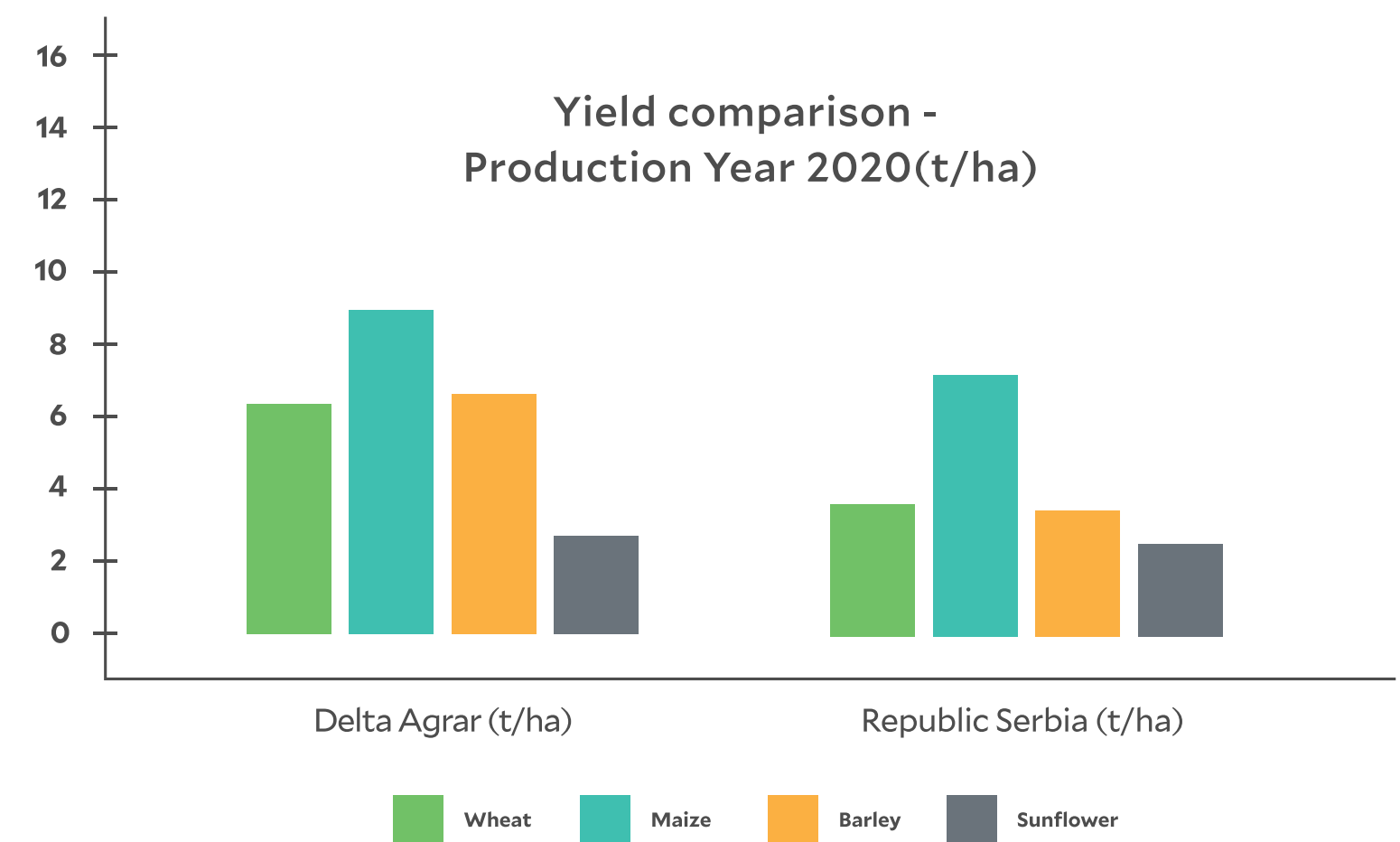
With the support of Delta Agrar, more than 40 suppliers in the vegetable business underwent one-year process of implementation of GlobalGAP standard and “Zero Residue” production, with the aim of improving their production technologies. Thirty-two suppliers implemented the requirements of GlobalGAP standard for 12 vegetable cultures, and 2 suppliers introduced a complex “Zero Residue” standard in the production of tomato and pepper, in order to obtain high-quality products for their consumers and achieve better prices for producers.

Crop Farming

On its fields, Delta Agrar grows cereal grains and millet-like grains, grain legumes, industrial plants, various fodders and hay mixtures for animal farms.

The most common crops are: wheat, maize, soybean, sunflower, rape, and sugar beet. High and stable yield is the result of long-term investments in machinery, modernization of production processes and acquisition of knowledge about the implementation of new technologies.

There is a tendency to expand the surfaces under irrigation. Until 2024, over 50% of arable surfaces are expected to be under the irrigation system. Irrigated surfaces ensure more stable production and two harvests per year, i.e. after the regular crops are harvested, it is possible to carry out another sowing.



Precision Agriculture

Since 2010, Delta Agrar has been introducing the latest technology for precision agriculture. By exploiting the available resources to the full extent (soil mapping and screening, satellite imaging of properties), the Company gathers all the necessary information required for high-quality processing. Such information allows the introduction of VRS (variable rate seeding), VRI (variable rate irrigation), VRF (variable rate fertilization), etc. On its properties, the Company has introduced autopilot GPS systems and digital field map. GNSS systems allow precise execution of operations and manipulation of machinery with less human involvement. Delta Agrar is currently using 31 tractors with autopilot, which raised the bar of agricultural production, and 126 GPS units.

Precision agriculture systems enable the following:

- Precise scanning of the soil;
- Ploughing outside the furrow - Delta Agrar was the first one to introduce this kind of soil treatment in Serbia. Implementation of this system leads to reduced fuel consumption, better results, and reduced soil compaction;
- Variable rate fertilization in accordance with plant needs and the concentration of elements in the soil;
- Satellite detection and monitoring of crops;
- GPS vehicle monitoring.

Precision agriculture practices:

- Improve the control of the production process and reduce the possibility of error;
- Improve the conditions for plant growth and increase yield;
- Reduce the use of nitrogen fertilizers which may cause ecological issues in underground waters;
- Improve work efficiency, which ultimately leads to decrease in fuel consumption, labour, and reduced application of plant protection products and fertilizers.

Cooperation with individual agricultural producers

In addition to having its own production, Delta Agrar cooperates with other agricultural producers in livestock farming, crop and fruit farming.

The cooperation includes:

- support in financing of production (procurement of animals, fertilizers, seeds, pesticides, and advance purchase of mercantile goods),
- expert monitoring of crop farming technology,
- guaranteed launching of manufactured agricultural products,
- purchase of excess crops,
- service storage.

Contracts stipulate technical and consulting support, monitoring and control of the overall production process, with the aim of achieving the highest quality of production in compliance with procedures provided by GlobalGAP standard and HACCP.

In 2020 in cooperation with USAID organization, Delta Agrar started the project aiming to improve the manufacturing process and sales of fruits and vegetables of individual agricultural producers. The business model of the collaboration includes the implementation of GlobalGAP standard for smaller agricultural producers which helps them achieve quality of products suitable for export.

The project provides the small farmers with software that enables them to track quality of the manufacturing process, sorted out by crops, that leads to meeting the Global gap standards. Furthermore, the software also keeps track of the commercial business of the small farmers, in order to provide them with the business analysis at the end of each season with the purpose of helping them with cost savings where possible. The end goal is merging of the entire small farmers' offering sorted by the category of the product, in order to achieve the better efficiency of the cumulative sales and reduce transportation costs. During 2020 the employees of Delta Agrar have extended a helping hand to 32 manufacturers, therefore, enabling them to acquire manufacturing certification.



Stock Farming

Delta Agrar specializes in pig farming and dairy farming.

Pig Farming

Delta Agrar has 5 pig farms: Nukleus, Napredak, Kozara, Vladimirovac, and Halovo, but the production is also carried out in cooperation concluded by the Company. In terms of the achieved results, Delta's farms rank with the best farms in Denmark, which has been the leading pig-breeding country for decades.

At the Nukleus farm in Stara Pazova, in addition to the production of breeding gilts, there is a Center for Artificial Insemination which supplies all the farms with quality seeds. The entire production is modeled after the system implemented by Danish breeders, who use DanBred genetics. This model implies that it is necessary to comply with the standards applicable to keeping, selection, preservation of health and welfare of the animals, employees' safety, and environmental protection. In accordance with the European regulations, animals have the freedom to move under controlled weather conditions that are maintained at an optimal level.

To minimize the use of medications and preserve the health of all animals on the farm, the Company performs strict hygiene and biosafety measures both internally and externally. In order to enter the facility, employees have to take a prior shower and put on the clothes and footwear used exclusively on the farm. The employees who work on the farm are not allowed to have contact with pigs outside the farm. Due to the internal biosafety measures, movement of animals is organized in accordance with the system All-In/All-Out, which means that groups of animals go into a production phase at the same time and leave the phase simultaneously. Sections are routinely washed and disinfected. Deratization and disinsection are regularly performed. It is mandatory to wash footwear when moving through different sections. The entries are equipped with disinfection barriers.

In 2020, the farms produced and launched on the market 79,976 fatlings and 75,290 piglets.

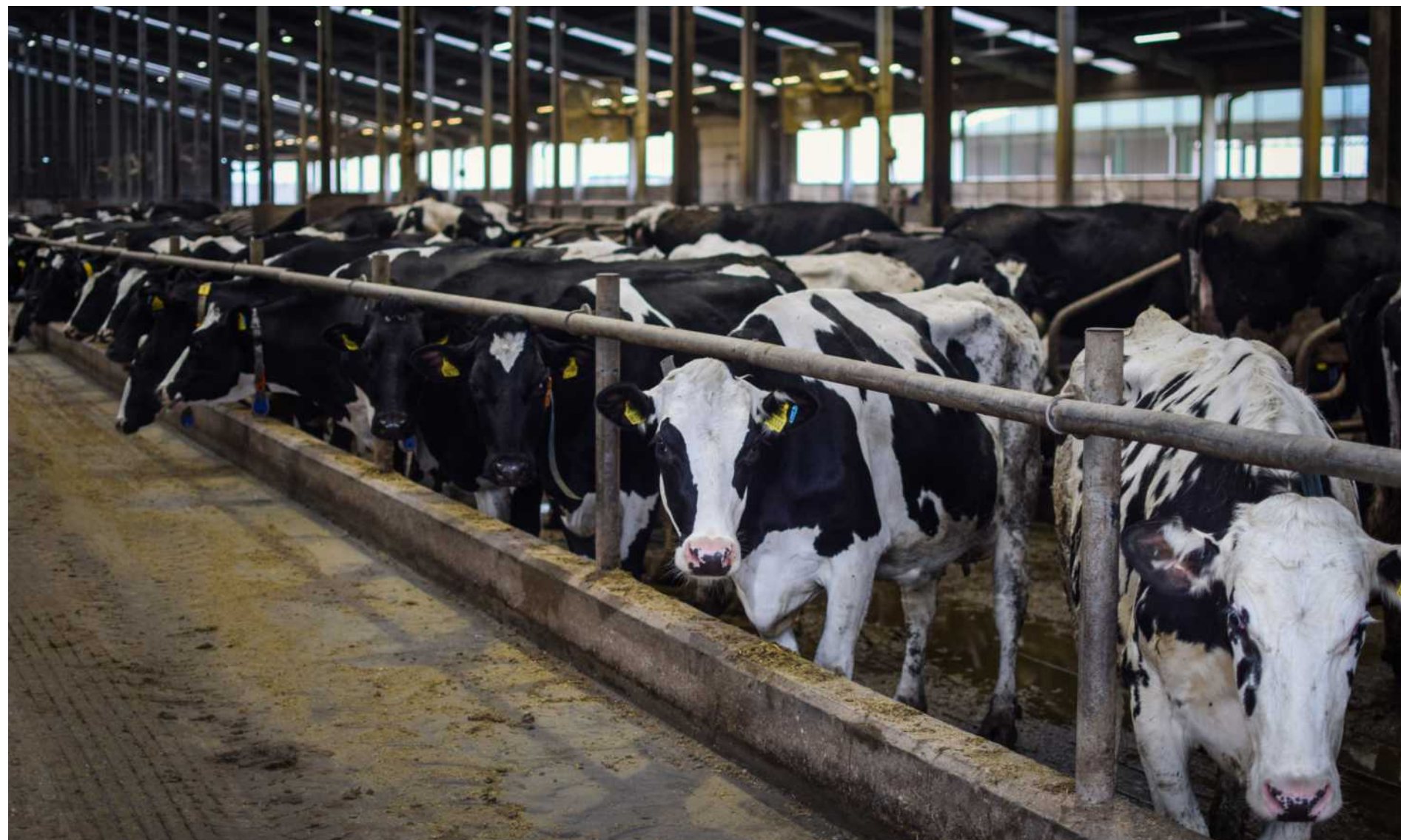
Dairy Farming

The production of milk on the farms Napredak in Stara Pazova and Topola in Banatska Topola grew to 14.1 million litres of milk, and the plan for 2021 is to produce 16.75 million litres.

Optimal environment, biotechnology of cattle housing combined with high-quality feed are merely some of the factors that led to these outstanding results. In 2020, the total number of dairy cows amounted to 1,730, out of which 1,460 cows were milked.

Upon the completion of the investment cycle (2025), dairy farms will have the capacity to milk 1,856 cows: 1,280 cows on Napredak farm and 576 cows on Topola farm. The production of milk will reach minimum 12,800 litres per cow a year.

Napredak farm is equipped with state-of-the-art stables that can house 700 dairy cows and two facilities for 150 heifers. In 2021, Delta Agrar plans to complete the construction of a new stable with the capacity to accommodate 400 heifers. For the production of milk, the farm uses the latest De Laval milking system in compliance with the EU standards. The equipment includes a computer system for control and monitoring of animals' health. The facility has 64 places for milking, which lasts 8 minutes per cow.



Production of Fodder

Delta Feed is situated in Stara Pazova, on the foundation of the factory which used to operate within Napredak property from 1966. Delta Agrar purchased it in 2005, and the factory operates under the name Delta Feed since 2020.

Delta Feed produces only farm products, concentrates, additional mixtures and pre-mixtures for pig farming and dairy farming. High-quality feed is made of first-class mercantile goods such as corn, wheat, barley, flour for animal feed - bran foods, full-fat soya, full-fat sunflower and beet, and raw soybean oil. Production capacity is 70,000 t of ready mixtures and 2,000 t of vitamin pre-mixtures a year.

Production plant was modelled after world's leading feed factories, with the possibility to produce high-quality pellet feed for the most sensitive animal categories. Feed is produced in accordance with the latest Danish nutrition standards. Raw materials used in the production are of the highest quality, obtained from Delta Agrar's fields and factories Dunavka and Danubius.

In addition to the commercial sale, Delta Feed supplies all farms within Delta Agrar Group, and continues to improve the quality of stock production with high-quality products that contribute to outstanding results on the farms.

Out of the overall feed production, 70% of products is reserved for the needs of Delta Agrar's stock farming, and 30% is launched on the market.



Food Processing

Yuhor

Yuhor is one of the leading companies in the Serbian meat industry whose tradition dates back to 1902. As of 2004, Yuhor operates as a part of Food Processing Group within Delta Holding.

Yuhor includes a factory for the production of meat and meat products situated in Jagodina, at the foot of the Juhor Mountain, and a retail chain Yuhor Dućan, which has been expanding its business since 2015. In 2020, Yuhor retail chain consisted of 54 stores in 33 cities across Serbia.

Yuhor products are available in Serbia, Montenegro, Bosnia and Herzegovina, North Macedonia, the Russian Federation and the EU.

Yuhor is a synonym for tradition, safety, quality, innovativity and creativity. These are the qualities that represent the basic business postulates of this meat industry.

The 2020 results include:

- Increase in sales volume in comparison with 2019;
- Increase in market share in the subcategory of fermented products;
- Increase in market share in the subcategory of hams;
- Yuhor maintained its leading position in the category of cooked products;
- Extension of cooperation with the largest European retail chain Lidl;
- Opening of another 4 Yuhor dućan stores.



Yuhor's rich portfolio includes a range of high-quality products which suit the tastes and needs of the most demanding consumers. To achieve this goal, the Company implements quality management systems ISO 9000:2015, ISO 14001:2015, environmental protection system and the international food safety standard ISO 22000:2007. Yuhor is a holder of HALAL certificate, which allows it to export its products to Muslim-majority countries.

In 2020, the portfolio was expanded with new products in the category of processed products and pâtés:

- Pâtés: Huntsman pâté;
- Fermented products: Premium slice - Winter, Plain and Gourmand sausage;
- Hams: Mini program: Mini pizza ham, Mini turkey fillet, and Mini chicken fillet.

The portfolio was expanded with new products in the category of fresh meat in Yuhor dućan stores:

- Meat donuts, marinated ribs and skewer.

In 2020, Yuhor successfully completed the audit procedure for food safety standard IFS, which standardizes control over food safety and producer's quality. To those producers which meet demanding requirements of this standard, the introduction of IFS provides the opportunity to gain consumers' trust and ensure their protection by producing safe products of the highest quality. In addition, the implementation of this standard improves cost efficiency in the production chain and the turnover of food products.

In the course of the Covid-19 pandemic, Yuhor implemented all stipulated and recommended measures provided by the Government of the Republic of Serbia, in production areas and all other workplaces. The number of clients in Yuhor dućan stores was limited in accordance with the size of the store, face masks were mandatory within the stores, and the Company also introduced protective barriers at cash registers that provided safety to consumers and employees.

In 2020, the company conducted a satisfaction survey with 44 business clients. Even though the effect of the global pandemic on meat industry was substantial, there was no production halt and scheduled deliveries were performed as planned.

CUSTOMER SATISFACTION SURVEY	
CHARACTERISTICS	AVERAGE GRADE
Quality	4.26
Quality-price ratio	4.08
Sale and distribution	4.77
Customer loyalty	4.62
Quality in comparison with other companies in meat industry	4.26
Average grade	4.40

Danubius

Danubius factory operates successfully for more than 100 years, specializing in production and distribution of cereals, flour, and pasta. The factory is situated in Novi Sad.

Danubius became a part of Delta Holding in 2006, after which its production was modernized through the reconstruction of equipment in the silo, replacement of all the equipment in the mill, and the introduction of a state-of-the-art pasta production line.

Three entities operate within the factory:

- silo of the capacity of 65,000 t with a continuous Schmidt-Seeger dryer with the capacity of 50 - 70 t/h,
- a modern mill with computerized management, made by the Swiss manufacturer Bühler, which produces 300 t of high-quality flour a day, and
- pasta factory with annual capacity of 14,350 t



As a part of the service that controls safety and quality of products, the factory has a modern laboratory with highly qualified experts who control raw materials, processes and final products.

The Company is primarily focused on the operation of the control station (acceptance of raw materials), and determination of rheological properties of the wheat which is stored in silo according to quality.

Danubius is the most renowned brand on the market, due to its long-term policy of quality and constant investments in the improvement of production processes and product quality control.

To guarantee the quality of products and services Danubius undertook to maintain in accordance with its policy, the company operates in compliance with the requirements of IFS standard.

Overall realization of mill products in 2020 amounted to 71,961 t. Realization of mill products (package 1/1) amounted to 23,379 t, which is an increase in comparison with 2019, when the factory produced 21,523 t.

The factory produced 1,060 t of durum pasta, and 4,674 t of vitaminized pasta. Within its 2020 assortment, Danubius paid special attention to premium quality pasta “Maestro”. This premium product is available in a functional and appealing cardboard packaging.

In 2020, Danubius had a revenue of EUR 23,125,000, exported 2,818 t of flour (package 1/1) and 827 t of pasta.

Based on the information from the research carried out by Retail Zoom company, Danubius is the leader on the market (with 37.1% of market share) in the category of vitaminized pasta on the territory of the Republic of Serbia. In the category of durum pasta, Danubius reached a market share of 21.6% and is still growing.

The entire team of Danubius Company is committed to the realization of defined goals and brand strengthening. The Company is aware that trust is difficult to gain and easy to lose. For this reason, Danubius believes that an impeccable product should be made of impeccable ingredients, which are processed in a way that leaves no doubt in their quality.

However, quality is not the only concern. Danubius cares about quantities, acceptable prices, and the availability of high-quality ingredients that are necessary to fulfil ever-growing market demand. In order to realize the goals and leave enough flour and pasta for export, the capacities need to be substantial and well-managed. With its resources, activities and services, Danubius contributes to the protection of the work environment in its immediate surroundings.

In 2020, a customer satisfaction survey was conducted in the facilities of the retail chains Delhaize, Mercator and Univerexport in Belgrade, Novi Sad, Niš, and Čačak. Out of 120 participants in the survey, 24% were men, 76% women, and 86% of participants were aged 20-60.

The following features were graded in the survey: quality/safety, price, packaging, positioning, and the range of products. Product characteristics were graded from 1 to 5, whereby 1 was the lowest grade, and 5 the best grade.

The target grade for 2020 was 4.50. As for client satisfaction with flour and pasta, the grades exceeded expectations - 4.65 for flour and 4.61 for pasta.

In addition to the above said, participants were also asked to comment on Danubius's products. The most frequent customers' comments with regard to flour were praises for the quality and inquiries about 5-kg flour packages and spelt flour. The Company fulfilled the last request and launched flour in a 5 kg package.

CUSTOMER SATISFACTION WITH DANUBIUS FLOUR	
CHARACTERISTICS	AVERAGE GRADE
Quality/safety	4.68
Price	4.56
Packaging	4.67
Positioning	4.70
Range of products	4.63
Average grade	4.65

Customer satisfaction survey with Danubius pasta indicates a high level of customer satisfaction. Buyers praised the quality of pasta and the organization of promotional sales in retail facilities, and suggested launching of a new pasta shape - orchid. Taking into consideration last-year comments of its customers, the Company decided to redesign the existing portfolio in the category of pasta.



Along with the care for customers, the care for employees and their constant development remains one of the main strategic goals of Danubius, because team spirit, cooperation and motivation of the employees are a guarantee of the quality of production and services, and ultimately, of business sustainability and success.

CUSTOMER SATISFACTION WITH DANUBIUS PASTA	
CHARACTERISTICS	AVERAGE GRADE
Quality/safety	4.60
Price	4.48
Packaging	4.64
Positioning	4.66
Range of products	4.67
Average grade	4.61

The Fun&Fit Company

The company with the production plant and pack centre were founded in 1991, and as of 2007, they operate as a part of Delta Holding. The Fun&Fit Company specializes in the production and packaging of cereals, food staples, dried fruits, and apetisans. Continuous innovations and improvements of production plant and range of products resulted in the expansion of production capacities. The company's portfolio is divided into 3 brands: Fun&Fit, Jumbo, and ABC. Packaging for private labels is also an important segment of the operation of the company.

The Fun&Fit Company is the first choice of a number of customers due to its high grades in IFS certificate and other quality standards it implements. In 2020, the compliance of the Company's products with IFS standards reached 99,32%. This outstanding result for the factory is one of the highest in the industry. However, year 2020 was marked by the pandemic of Covid-19, which changed business methods and plans of almost all companies in the world. Due to the state of emergency, curfew and other measures that limited operation, consumers were forced to change their habits, and this situation required a prompt response. The Company realized a humanitarian project and delivered more than 100 food packages to persons over the age of 65 who were not allowed to leave their homes under such circumstances.

Despite all the challenges, 2020 was a year of innovations and expansion of portfolio. Jumbo brand and peanut subsegment were reinforced with another member. Namely, the company introduced "bibiriki", a unique peanut with the taste of pepper. Cereals are a category that is expanding every year and which generates the largest portion of the Company's growth. Improvements and innovations in this category happen all the time, so in 2020 the Company decided to redesign Crunchy portfolio and start the process of redesign and enhancement of recipes for oat meals. Another production segment was opened, which used to belong to Fun&Fit, the so called "bites" and Cheese bites, which found their place on the market in a very short period of time and won a number of consumers. Fun&Fit program was complemented with two new types of cereals - Instant oat flakes and Mix 5+5 (a mix of seeds and flakes). The category of staples was enriched with 2 products - "gradištanac" beans and white maize flour. For the needs of wholesale and HoReCa, the Company developed large packages of the best-selling products from the category of staples and cereals, and expanded its range of products intended to traditional trade channel.

The Company entered into two new markets - Albania and Kosovo, and plans to further expand to the markets of the region and further. Precisely due to its large export potential, the Company decided to put Fun&Fit and Jumbo products into packages labelled in English.



In 2021, the Company plans to expand distribution and market share of its brands and products, and to implement projects such as:

Fun&Fit brand

- Expansion of the range of products within the market segment "bites";
- Introduction of new oat meals - gluten free and lactose free;
- Innovative project in cooperation with a pharmaceutical company - Imuno flakes;
- Further growth of export and transferring of products into packaging in English.

JUMBO brand:

- Improvement of visibility and positioning of seeds and sunflower;
- Expansion of the range of products in the peanut subsegment;
- Further growth of export and transferring of products into packaging in English.

ABC:

- Increase in numeric distribution;
- New products for traditional trade channel.

In addition to the activities undertaken in relation to the brand, the Company plans to work on B2B segment, i.e. to expand bulk sale and participate in invitations to tender for PL in the country and abroad.

Mioni

Natural mineral spring water bottling factory Mioni was built in 2007 in the village of Ključ, at the foot of the Maljen Mountain. The factory operates with five production lines for bottling of still and sparkling water and carbonated soft drinks. Mioni's business activities are divided into the brand segment, namely Aqua Gala brand, and the segment of service filling for private labels.

Year 2020 was challenging for business due to the state of emergency caused by the pandemic of Sars-CoV-2 virus and changes in the operation of retail facilities and consumer habits. However, despite the challenges, Mioni expanded its portfolio and strengthened cooperation with large clients with regard to service filling.

The 2020 results include:

- Expansion of the market share in sale of PL refreshing non-alcoholic beverages;
- Expansion of partnerships in the area of service filling - 3 new clients;
- Expansion of product portfolio with 12 new items;
- Expansion of production capacities and installation of an additional line for carbonated beverages with the capacity of 7,500 bottles per hour.



To ensure the quality and wholesomeness of its products, Mioni recertified the IFS Standard. In the course of certification, it was found that the factory meets Higher Level IFS requirements, with a 95.31% score.

In 2020, Mioni Company was ranked fourth in terms of production volume, with 17.1% of market share in sold quantities.

Plans for 2021 include:

- Reduced use of plastic;
- New partnership in the area of service filling in the category of natural mineral water and non-alcoholic beverages;
- Introduction of new products in the portfolio of Aqua Gala brand.



Dunavka

Oil factory Dunavka operates as a part of Delta Agrar since 2018. In 2019, the factory was completely renovated and a new floor warehouse was constructed for meal storage.

The plans for 2021 include:

- expansion of the capacities for the acceptance of raw materials;
- expansion of storage capacities;
- expansion of soybean and sunflower production capacities;
- construction of a new, larger dryer;
- increase in revenue;
- strengthening of the position on the market and consumer's trust.



Delta Real Estate Group

Founded in 2004, Delta Real Estate Group is one of the leading regional companies in the real estate business, which mainly operates in Serbia, Montenegro, and Slovenia.

Activities of Delta Real Estate include:

- strategic planning and development of projects,
- project and construction management,
- real estate management, control and marketing of the built facilities.

Its diverse portfolio includes shopping malls, retail parks, hotels, retail, office and residential spaces in Serbia and the region. It also includes logistic centres, car showrooms, and endowments.

Facilities are built at diverse locations - from pedestrian zones of the city of Belgrade and main roads leading to outskirts, to large cities across the country and the region.

Delta Real Estate engages international experts in the area of strategic and conceptual planning who pass on their knowledge and experience to the young members of staff employed by the company. Real estate management complies with international standards and requirements and the construction is carried out with the latest equipment and materials. Construction focuses on creating a healthy and modern space in compliance with environmental protection principles, needs of persons with disabilities and FIDIC rules (International Federation of Consulting Engineers).

In 2020, Delta Real Estate:

- continued the construction of Delta House, a modern office centre which will be the new corporate domicile of Delta Holding;
- continued the construction of Delta Planet shopping mall in Niš;
- continued the construction of Indigo hotel in Belgrade.

Delta Planet in Banjaluka, which was opened in 2019, stretches across the area of 64,000 m². With its 103 shops, it offers a wide range of renowned global brands to the residents of Banjaluka. Access and movement throughout the facility are entirely adapted to persons with disabilities, who have 52 parking spaces at their disposal. In addition, the mall is equipped with 9 electric vehicle chargers. The building has an energy passport. In the course of its construction, special emphasis was placed on the energy efficiency. Lighting was designed as a combination of natural and artificial light - natural light comes through the continuous glass lantern, whereas artificial lighting stems from LED lights. The latest materials were used for the construction of the façade and hydro-insulation and climate chambers with highly efficient rotary heat exchangers ensure that 87% of the waste heat is used for fresh air processing. In the transitional periods (spring, autumn), the facility is heated with heat recovery pumps and the energy of the sun that comes through vast glass surfaces. The value of the investment is EUR 70 million.

In 2020, Delta Planet realized revenue of 7.3 million euros and received 3.1 million visitors.



Within its CSR segment, Delta Planet Banjaluka organized a number of different activities:

- The international Rare Disease Day was marked in cooperation with the Committee for international exchange of students of medicine of the Republic of Srpska (SaMSIC);
- Delta Planet hosted an exhibition of works made by the users of Safe House, Shelter for women and children, victims of domestic violence;
- School supplies were donated to users of Home for children and youth without parental care “Rada Vranješević”;
- In cooperation with Ultra magazine, DP organized “Ultra bazar”; all collected funds were donated to the Association of women with breast cancer “Iskra”;
- DP supported the action “Movember” by donating 100 T-shirts; the funds collected from the sale of T-shirts were given to charity. A photo point was placed inside Delta Planet and the initiative was promoted on social networks;
- New Year gifts were distributed to children who use soup kitchen “Mosaic of Friendship”;
- DP organized a Festival of homemade products during two weekends in October, with the aim of promoting homemade products produced by SME from the Republic of Srpska;
- In the organization of the Ministry of Scientific and Technological Development, Higher Education and Information Society of the Republic of Srpska, the promotion of the second “Forward” conference took place in Delta Planet.

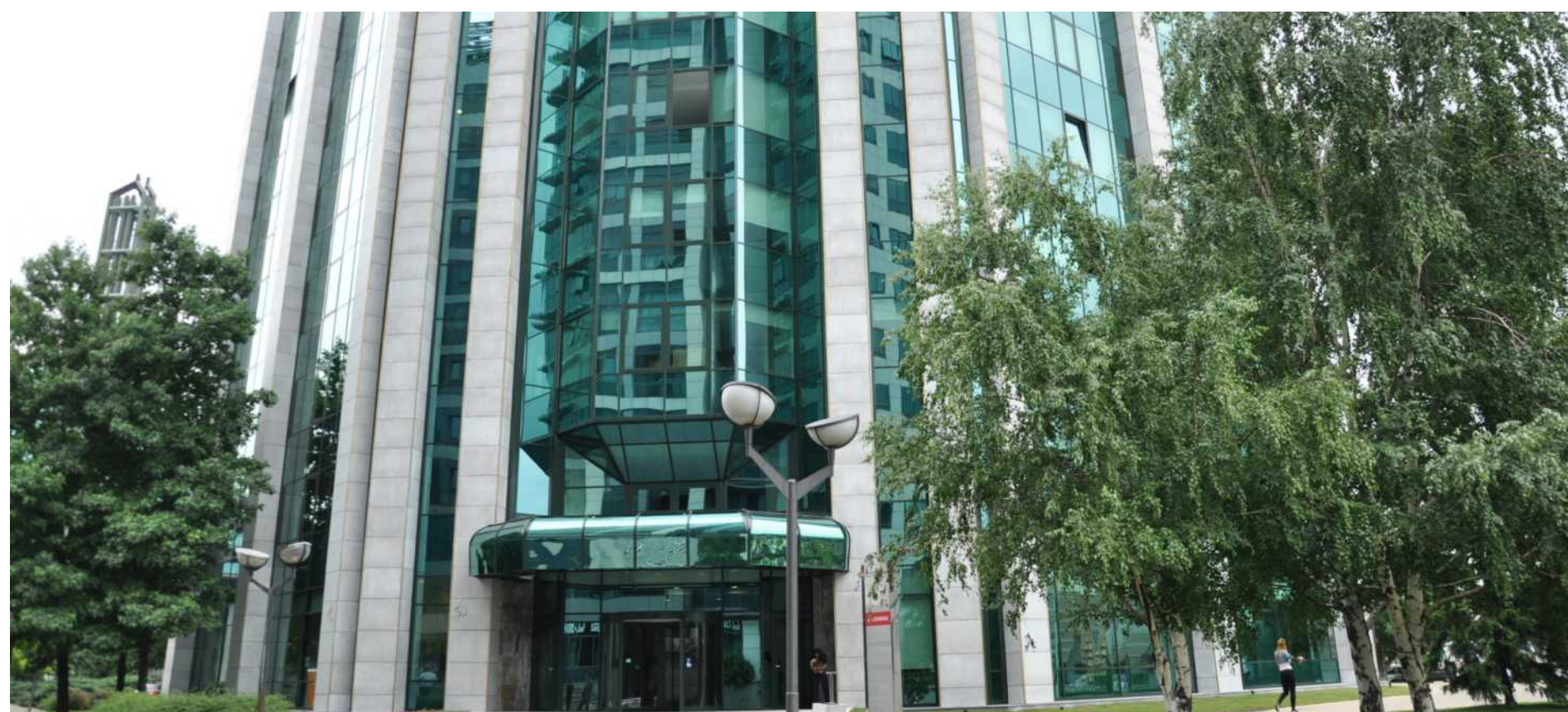


Shopping mall **Delta Planet Varna in Bulgaria**, which was opened for public in 2019, is a joint project realized by Delta Real Estate Group and the Bulgarian company AP Investments. The shopping mall spreads across the gross area of 110,000 m² and features 120 shops. The mall has three levels above ground and three underground levels. It is fully adapted to persons with disabilities, equipped with ramps and one electric ramp (which overcomes 7 stairs) at the cinema entrance. Inside the cinema, there are twenty-two places intended for persons with disabilities. Out of 1,200 parking spaces, 60 are intended for persons with disabilities. The shopping mall promotes and raises visitors' environmental awareness. It is the only building in Varna furnished with "Strawberry" solar benches. The structure of the building is unique. In the course of construction, special emphasis was placed on the area intended for children. The Magic Tree and Galaxy Center are some of the attractions children greatly enjoy while their parents are busy shopping. The value of the investment of Delta Real Estate Group is EUR 120 million.

The portfolio of Delta Real Estate Group also includes a functional retail park - **Delta Park in Kragujevac**, opened in 2010. This center has a gross area of 16,000 m² and 10 tenants.



Mala kula is an office space that offers modern and flexible working environment where tenants can enjoy peace and privacy, with a lounge area for relaxation and exchange of information. The office space spreads across 9,890 m², out of which 7,500 m² is intended for lease. The building has 40 parking places. One tenant uses the office building Mala kula and its capacities are 100% occupied.



Delta Business Properties includes 170 parking spaces and the area of 31,800 m², out of which 15,272 m² are intended for lease. The capacities are 100% occupied. In addition to the office space, both office buildings have other amenities which allow their tenants to spend quality time during the break and use their workday in the best possible manner. The office buildings feature a restaurant, a store and a gym. In 2017, a bicycle parking was built, allowing the employees to use a healthy means of transport to get to work. The joint garage includes a car wash and dry cleaning.

The hotels owned by Delta Holding - InterContinental Ljubljana, Crowne Plaza Belgrade and Holiday Inn Belgrade, operate in accordance with IHG standards. In 2021, the Company plans to open Indigo hotel, which will also be a part of IHG Group. All hotels implement the highest operative standards which primarily include respect for human and employment rights, environmental protection and community development. These standards comply with the standards of sustainable business Delta Holding adheres to.

Partnership between Delta Holding and InterContinental Hotels Group established in 2007 was successfully continued with the construction of **InterContinental hotel in Ljubljana**, the only 5-star hotel in the city. The hotel was opened for public in 2017. It has 165 rooms, two of which are intended for persons with disabilities. The restaurant is situated on the 20th floor, and spa centre on the 18th. The hotel was constructed with the latest eco-friendly building materials and to minimize the adverse effects of the artificial creation in the environment, whereas the entire area of the Bloom lounge cafeteria on the ground floor underwent soft landscaping. Facade lighting was designed not to have adverse effects on the birds in the surrounding area. There are 120 employees working in the hotel.

In the previous year, InterContinental Ljubljana fulfilled 10 out of 10 requirements which refer to loyalty, customer satisfaction with their stay and service in the hotel, employee satisfaction, and financial indicators, and was ranked one of the top 10 IHG hotels in Southern Europe. These parameters are monitored monthly throughout the year. Due to its attractiveness and pleasant ambience for stay and organization of exclusive events, the hotel was admitted to the associations of luxury hotels “Virtuoso” and “Fine Hotels & Resorts” and received a number of awards:

- Tourist Prism Award - for new quality in tourism (2018);
- SEEBTM - Award for the best newly opened hotel in the SE region;
- Booking.com - Award for the best ranking hotel among competitors;
- Certificate of Excellence (2019) - Congress Star (Congress Magazine) - score 4.82;
- BIG SEE TOURISM AWARD (2019) - Best project (Grand Prix) in the category Architecture and design as experience;
- IHG Hotel star awards - Heart Beat Tochbearer Award - recognition for an extraordinary achievement (2020);
- Michelin guide restaurant (2020).



In addition to its appealing appearance and the fact that it attracts a number of tourists from all over the world, the hotel participates in CSR activities which improve the quality of life of the local population. Thanks to the established partnerships with hotel management schools, the young have the opportunity to gain experience in hotel management and learn about high business standards fostered by IHG. The hotel cooperates with numerous charities and regularly participates in humanitarian events. Some of these include “Friends of Youth” (the hotel supported the association by donating clothes), voluntary blood donation and the “Noses” initiative, the aim of which is to entertain children in hospitals. The hotel has also established cooperation with the association that supports children with special needs. In July, August, and September 2020, the hotel staff prepared 100 meals for homeless persons on three occasions.

The hotel cares about environmental protection, separates and recycles all the waste that can be recycled - glass, carton, paper, bio waste. packaging waste (PET, aluminum, foil) light bulbs, batteries, and electronic waste. Wood and plastic packaging waste is collected and returned to suppliers for reuse.



Crowne Plaza Belgrade is a part of the InterContinental Hotels Group, one of the largest hotel corporations in the world. It was opened in December 2013 after complete reconstruction of the hotel Continental Belgrade. The hotel has 416 rooms, 14 conference rooms, three restaurants, a spa centre and a swimming pool.

The hotel is entirely adapted to persons with disabilities and has 4 specially designed rooms, whereas the restaurant has menus in Braille Alphabet. Restaurants offer conventional, vegan, and gluten-free meals, as well as the meals prepared in accordance with HACCP standard.

In 2020, the pandemic of Covid-19 had a great impact on the operation of the hotel Crowne Plaza Belgrade. Both management and employees were faced with great challenges. Nevertheless, the hotel management decided to continue working. As a part of IHG corporation, the hotel was one of few companies in Serbia which had an action plan of measures and activities to maintain functionality and operation of the company throughout the pandemic, in consideration of employees' health and sustainability of the entire organization.

After the occurrence of Covid-19, Crowne Plaza Belgrade managed to adjust its operation and operative standards in a very short period of time. New standards were introduced, together with a new manner of provision of services, and the existing standards were relaxed in order to respond to clients' requirements.

Under the changed economic circumstances, with introduced epidemiological measures, when the protection of health of guests and employees and provision of support to clients and the community was more important than profitable operation - Crowne Plaza demonstrated its capacity to embrace changes, make decisions in difficult circumstances, and adapt promptly to market conditions.

Crowne Plaza Belgrade, as the largest conference hotel in the region, was the first to feel the impact of the global drop in demand. Large groups and conferences started cancelling and postponing scheduled events. Due to the size of the hotel, its focus on large groups and conferences, good position and capacity, hotel Crowne Plaza Belgrade was affected by the crisis before other, smaller city hotels.

Management of the hotel Crowne Plaza Belgrade adapted to the situation in no time, focusing on the education of employees on epidemiological measures, face masks, necessary distance, gloves and maintenance of hygiene in the workplace. The employees were obliged to respect and implement new standards.

The hotel implements IHG Way of Clean standards all employees comply with in order to maintain everything in the hotel clean and orderly. Under the influence of the pandemic, IHG Way of Clean standard was modified and extended so that the focus is now on operative procedures related to cleanness, safety and health. New standards which are implemented in response to Covid-19 pandemic include: Clean Champion, Clean Promise, physical distance, personal hygiene products and hand sanitizing stations.

The entire hotel fosters "Clean Culture", whereas the CEO as "Clean Champion" and managers of the sector are the main promoters of such culture. "Clean Promise" is a guarantee for all guests that everything in the hotel is clean and disinfected in accordance with the applicable standards, with appropriate chemicals.

The signs which stipulate mandatory physical distance were set up at all locations where guests or employees tend to gather, group, or queue, e.g. at the reception desk, hotel lobby, in front of elevators, in bars and restaurants, spa centre, etc. Hand sanitizing stations were provided either as free-standing dispensers or dispensers mounted to the wall at all locations that are frequently attended by guests and employees. Every hotel entrance is furnished with disinfection barriers and stations, as well as every space which separates two organizational units and work sections. The public area and the area for employees are furnished with posters and notices, universal signs and signalization.

For all guests who stayed at the hotel, breakfast was prepared A la carte. Guests and clients had a special menu at their disposal, a unique blend of traditional restaurant meals and homemade food, which was promoted across social networks as “Takeaway”. Crowne Plaza Belgrade remained loyal to its clients and advanced its home delivery service. The hotel made all its specialties from the regular offer available through home delivery. The entire period was marked with a number of popular weekend actions: “Hot meat-pie breakfast”, “lamb baked in clay pot for slava”, New Year Dinner, Christmas Lunch, Easter Lunch or Family Lunch.

In 2020, in cooperation with Delta Foundation, the hotel organized daily deliveries of free meals for medical staff.

Crowne Plaza Belgrade was the only hotel in Europe which realized and exceeded all four goals, in terms of dinner service, room cleanness, energy saving and employee efficiency. When it comes to Winning Metrics, in 2020, the hotel was constantly among the top three hotels in Europe, with extremely high grade throughout the year.





Delta Holding is the owner one more IHG hotel - **hotel Holiday Inn Belgrade**. This hotel has 139 rooms, 2 of which are fully adapted to persons with disabilities. Executive rooms are situated on a separate floor within the hotel.

Open Lobby was renovated in 2019, which gave a completely new appearance to the entire hotel. The hotel introduced new amenities such as To Go Café and board games which the guests may use during their stay.

Within the hotel, there is a Singidunum restaurant which offers gastronomic specialties of the international and Balkan cuisine. Guests of the hotel may enjoy a fully furnished gym and a spa centre or use bicycles to exercise or tour the city, free of charge.

With the aim of promoting environmental protection practices, the hotel became a part of the environmental protection program IHG “Green Engage”. As the number of electric vehicles continues to rise, the hotel installed electric vehicle charges in the garage.

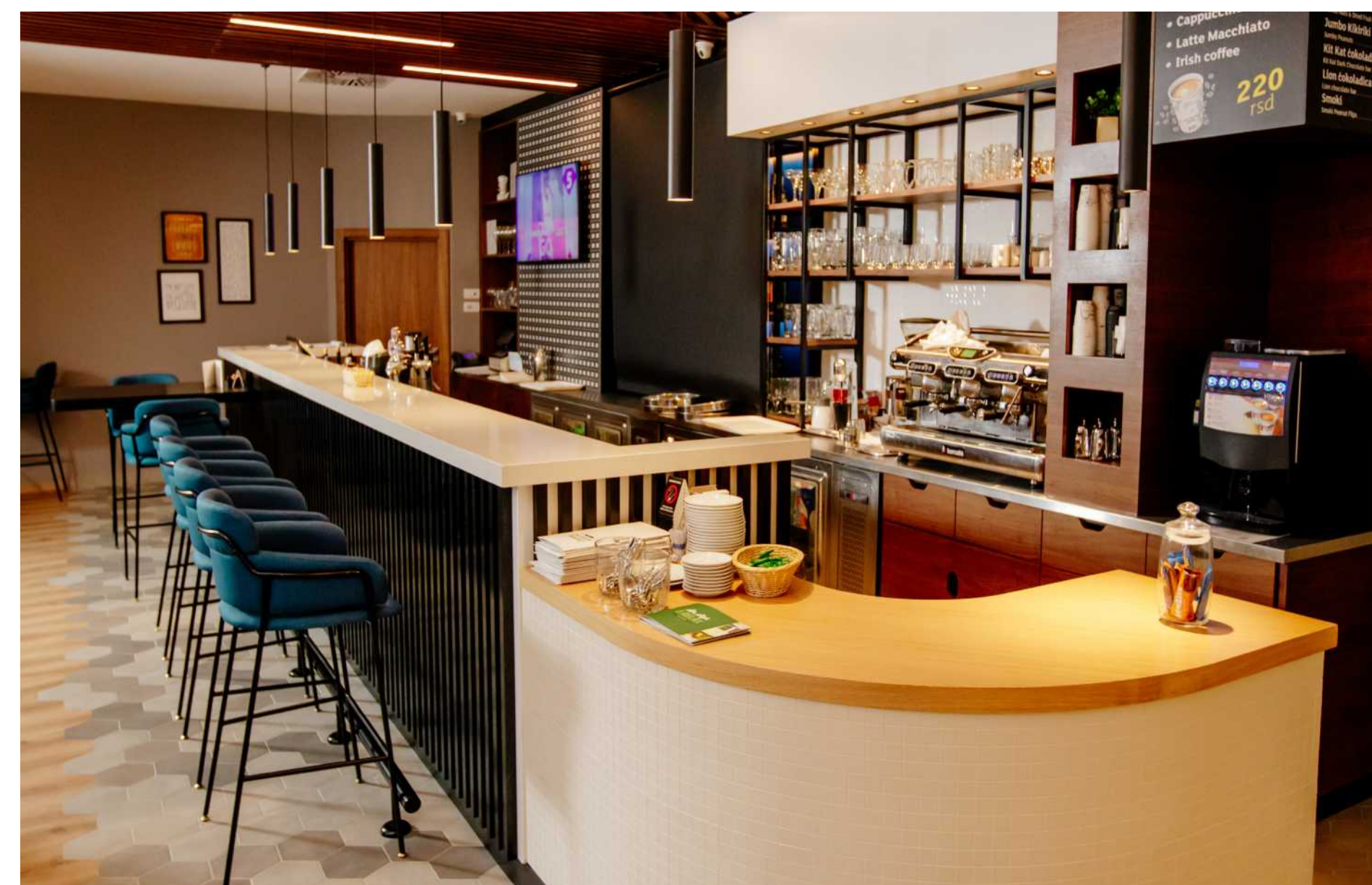
Holiday Inn has 7 conference rooms and a 2,500 m² Belexpocentar hall for organization of conferences, meetings, fairs, promotions, celebrations, weddings, and other events.

In 2020, as the result of the pandemic of Covid-19, out of 61 scheduled events, only 11 were realized. The effect of the pandemic on the hotel industry has been substantial, for which reason Holiday Inn was open only 7 months.

Even though the year 2020 was very challenging for all employees, good service was once again recognized by the guests. “Torchbearer Award” was a real measure of success in 2020 - the award demonstrates that guests recognized high level of service in the hotel.

Due to the overall situation caused by the pandemic, IHG raised the bar of cleanliness at the highest possible level. As a part of this group, the Hotel adapted and introduced all “IHG Way of Clean” standards, in order to maintain safe environment for its guests and employees. In 2020, cleanliness score was 94.12% at annual level, whereas the bar was set at 85% by IHG.

Another achievement is the score given by a Mystery Guest, who rated the effort and service in 2020 with 100%. All employees are proud of the achieved result. Hard work and efforts are recognized by IHG corporation. Despite all the challenges, employees in the Hotel were always at the top of their game, which is evident from the abovementioned results and customer satisfaction, and the achieved results stem from continuous education and effort of all employees.



Plans for 2021/2022 include:

- **Opening of a new office building Delta House**

The opening of the new Delta House office building was carried out according to the plan, in June 2021. A class office building was designed by a renowned architect Ami Mur, in accordance with the latest global standards. The construction started in December 2019. The total area of the building amounts to 22,314 m². The building includes 2 underground levels with 188 parking spaces and 11 levels above ground with modern office space, restaurant and cafeteria. Delta House is the owner of LEED certificate, which demonstrate compliance with the principles of environmental protection in the domain of construction and maintenance. Designed to be energy efficient, the building will collect and use rain water, whereas green surfaces on the parcel will exceed the developed portion of the parcel. The project envisages maximum usage of daylight and air capacity in accordance with the strictest international standards. The investment is worth EUR 40 million.



- **Opening of the shopping mall Delta Planet in Niš**

The construction of the first regional shopping mall Delta Planet started in December 2019, and the opening was planned for April 2021. The value of the investment is EUR 70 million. The shopping mall stretches across the area of 40,000 m², with 2 floors, 850 parking spaces, 4 electric vehicle charges and 42 parking spaces for persons with disabilities. The shopping mall will have an impressive offer of about 100 world-renowned brands, many of which will be presented in Niš for the first time. The Company also plans to arrange the quay along the river of Nišava, set up a playground and plant 90 new trees, 140 evergreen and deciduous trees and 6,000 ornamental bushes. The innovative architectural design of the shopping mall is in line with the global retail trends.



- **Opening of the Indigo Hotel**

The building is a part of the cultural and historical core “Knez Mihailova Street” and it dates back to 19th century. It consists of two parts with different number of floors connected at the level of the ground floor, basement and through the atrium. The total area of the building amounts to 7,500 m², out of which 4,000 m² is intended for office space, and 3,500 m² for guests of the hotel. The focus is on the increase of energy efficiency and preservation of the existing facades, which are a part of the cultural and historical core. The hotel is a part of InterContinental chain. The value of the investment is 7.6 million euros.



- **Reconstruction, renovation and adaptation of Sava center**

Sava center, one of the symbols of Belgrade, which dates back to 1977-1979, is the largest international conference, cultural and commercial space in Serbia. The complex was built in accordance with the design created by Stojan Maksimović, and it is connected through a heated corridor, i.e. pedestrian pathway, with the hotel Crowne Plaza. The building was purchased in November 2020. The Company plans to expand the existing area of 83,093 m² to 88,798 m². Recognizable exterior will remain, whereas the interior will be a blend of the existing elements and contemporary solutions in terms of safety, comfort, technology, amenities and visual experience. The Company wishes to create a space which will once again be able to host important gatherings, conferences and cultural events and return Sava center on the map of European conference centres. The beginning of repair works is planned for the third quarter of 2021, and the deadline for completion is the first quarter of 2024. The assessed value of the investment is around 80 million euros.





- **Continuance of the construction of the fulfilment centre in Stara Pazova**

The second phase of the construction of the fulfilment centre for the needs of new, regional e-commerce platform Ananas is scheduled for the third quarter of 2021. New high-bay warehouse building will be constructed on the area of approximately 16,000 m². It will provide appropriate logistic support to long-term development of sales and distribution of products to buyers across the region.



- **Construction of the shopping mall Delta Planet in Sarajevo**

The construction is planned to begin in 2022, and expected to be completed in 2025. It will be the only Delta Planet shopping promenade which will include a shopping mall and residential area within the complex. It will have a gross area of 118,000 m², with 120 global brands and 1,200 parking spaces. The value of the investment is 90 million euros.



- **Construction of a commercial-residential district Delta Land**

The overall area of the complex will be 228,215 m², and the value of the investment is 210 million euros. The works are planned to begin in 2022. This location used to be the seat of the Belgrade Cotton Factory, an industrial complex in the city centre which will become a new green oasis. Residential buildings covered in greenery and surrounded by the most prominent cultural, commercial and historical locations, will be designed to fit the needs of all generations and lifestyles, from domestic to contemporary, urban living.



Delta Distribution

Delta Auto Group consists of:

- Delta Motors - exclusive importer, distributor and servicer of BMW and MINI vehicles for Serbia and Montenegro and BMW Motorrad motorcycles for Serbia, Montenegro, and North Macedonia;
- Delta Automoto - general representative of Honda automobiles and motorcycles for Serbia and Montenegro.
- Three more entities operate within Delta Automoto company:
 - Delta Polovni Automobili - seller of certified used vehicles,
 - Delta Auto Servis - authorised maintenance centre for BMW and MINI vehicles aged 6 and more, and
 - Delta Rent-a-Car.

Delta Auto Group operates in accordance with the principles of a quality management system which is based on the standard ISO 9001/2008. Recertification audit of the quality management system in Delta Motors was carried out in 2018, when Delta Motors was granted a new certificate with a three-year period of validity in accordance with the higher level of ISO 9001/2015, which was successfully extended in 2019 and 2020 after the audit performed by a certified inspection company SGS. The inspection company did not find a single non-conformity.

Even though the pandemic of Covid-19 brought about a drop in turnover, due to closed showrooms, limited communication with clients, the fact that International Auto Show was not organized, as well as regular promotional activities, thanks to the optimization of portfolio and operative expenses, the Group EBITDA grew by 12%.

In 2020, the Company continued with successful implementation of the client satisfaction survey “Voice of the Customer”, which was designed and proposed by BMW Group in 2017. Maintenance clients and buyers of new vehicles are invited via email or text message to fill in an online questionnaire a week after their visit to the showroom. Clients’ answers are not limited with formed questionnaires and pre-defined questions - they have the opportunity to express their observations, satisfaction or dissatisfaction with open comments. The clients that seek additional clarifications or have requests of any kind are contacted by a competent person within 24 hours. Clients’ comments are coded in accordance with different criteria set by BMW on its online platform, where each comment is recorded, together with client’s grade and the steps taken. The percentage of client satisfaction is measured by the NPS result which represents the difference between positive and negative grades in relation to the overall number of surveyed clients. Clients’ coded comments, in accordance with the defined topics that need to be discussed, are analysed at the meetings attended by directors of all sectors of the company who make up “Customer Board”. Pursuant to the conclusions from the meetings (that are organized quarterly), the Company drafts an action plan with measures for the improvement of client satisfaction. The Company successfully realizes the adopted action plans to prevent the causes of possible dissatisfaction in the future.

The project Voice of the Customer is successfully implemented and carried out in Delta Automoto as an internal solution, according to the model from Delta Motors. The Company monitors the satisfaction of Honda clients and clients of Delta Auto Service, thus contributing to the improvement of communication with clients. In Delta Automoto company, the project is currently being improved and upgraded.



In 2020, Delta Motors implemented the project “Mystery Shopping” and achieved 100% compliance with requirements of the Process Excellence and Customer Treatment.

As a permanent member of the Foreign Investors Council, in cooperation with other car companies, Delta Auto Group seeks support and implementation of different measures by state authorities. Three most important issues are the following:

- prevention of illegal import of non-original parts, the use of which presents a threat to traffic safety,
- fabrication of EUR 1 certificate for imported used cars, which makes trade in used cars non-transparent and off-market, and
- introduction of a larger number of electric vehicle chargers with the aim of supporting the owners of these vehicles.

As the entire 2020 was marked by Covid-19 pandemic, quarantine and state of emergency, Delta Auto Group adjusted its commercial activities and the activities across social networks and the media.

The situation with regard to pandemic and preventive measures in facilities was notified through newsletters sent to the entire BMW, MINI, BMW Motorrad and Honda client base. In addition, the Group introduced preventive measures: cleaning and disinfection of showrooms and maintenance centres, compliance with rules on mandatory distance, and special protective measures for the inside of serviced vehicles.

The Group introduced a new service to BMW, MINI, Honda, BMW 6+ clients - **Pick Up & Delivery**. Within this service, the employee is sent to client’s address, where it takes over the client’s vehicle, drives it to the maintenance centre and returns a disinfected vehicle to the client after the maintenance or repair. The new service offers clients the possibility to have their vehicles serviced or repaired without leaving their home.

For BMW and MINI clients of the maintenance centre, the group introduced a special kind of report **CiTNow**, which clients receive via email or text message, with the link of the vehicle that is being serviced. This kind of reporting allows clients to have a transparent insight into any repairs that might be necessary while the vehicle is still in the maintenance centre, but it was also a great solution in the course of pandemic, as clients did not have to visit the maintenance centre repeatedly.

BMW group enabled the clients who had bought their BMW and MINI vehicles in Serbia and Montenegro **to extend the guarantee period**, as well as maintenance of vehicles for the extended guarantee packages, thus providing additional safety to its clients.

As the Company cares about employee training and education, it organized online trainings for employees by Product Coach, which were recorded personally and uploaded to YouTube channel - Delta Auto Education. The access to YouTube channel was granted to employees only. This way, the employees did not miss out on training, but continued to upgrade their knowledge. In 2020, the Company uploaded 35 video trainings, i.e. 13.7 of training per employee.

Vehicle sale was also adjusted to the epidemiological conditions. Sales teams presented models in short video materials that were shared across social networks and sent to clients. The clients had the possibility to get all information about vehicles without visiting showrooms. BMW Motorrad sales advisers prepared vehicle presentation materials, and short footages with different pieces of advice for motorcycle ride.

The Company also created a channel for communication with BMW and MINI clients and fans - podcast. All kinds of topics were discussed - Hybrid and electric vehicles, BMW financing and novelties (CitNOW, BMW Driving assistant view system, Pick up & Delivery, etc.).

At the beginning of the pandemic, it was noticeable that people have the need to hear information that is not strictly related to the pandemic. For this reason, the media were regularly informed about various interesting facts in relation to brands represented by Delta Auto Group, such as: history of BMW logo, From Beirut back to Munich - a story about BMW 2002 (E10), BMW Driving Assistant View system, History of Honda motorcycles, Virtual tour of Honda Collection Hall (virtual museum), Honda Moto GP champions, etc. In addition, in cooperation with Top Speed channel, the company prepared a special video titled "A walk through BMW showroom" presenting a part of what visitors would have been able to see at the Show, in connection with special offers. During the state of emergency, SAT Media Group broadcasted live from Delta Automoto maintenance centre, presenting all undertaken measures on site (protection and disinfection of vehicles). CSR Manager of BMW Group also joined the SAT show for comments.

Social networks channels were used to animate followers and interact with them. The company created a special MINI page, where parents sent works of art made by their children, and uploaded the book MINI Magical Adventure on its website and made it available for reading and download.

In June and July, BMW SERBIA supported GVC EASTERN EUROPEAN CHAMPIONSHIP and put its fleet of vehicles at the disposal for transport of ATP players, thus becoming the official vehicle sponsor of this international contest. The latest model from BMW Series 1 was displayed by the court. The contest was organized in accordance with the recommended epidemiological measures, without the audience.

At the end of the year, local brand Škrabac and MINI created a limited edition of MINI vehicles "MINI X ŠKRABAC ART EDITION" - consisting of 4 unique designs of MINI Hatch models that are only available in Serbia.

With the purchase of any MINI model, MINI Serbia organized safe drive training for all beginners, offering an introduction into theory and practical part which allows them to safely experience all kinds of risky situation in everyday traffic. This project was titled "My first car".

BMW and MINI introduced a number of electrified models in their portfolio. With the aim of promoting vehicles that reduce adverse effects on the environment, official website of the company featured a Q&A text made of most frequent clients' questions and answers - "All you need to know about electrified vehicles" which allows clients to gain insight into the world of electric and hybrid vehicles. This was also a way to promote subsidies the government grants to buyers of electric and hybrid vehicles.

Honda's first electric vehicle with batteries for Europe, Honda e, was awarded "German car of the year 2021" at the prestigious Car of the Year contest, becoming the first Japanese vehicle to win this prize, whereas Jazz model won maximum 5 stars in the most recent round of safety tests Euro NCAP.

Honda motorcycle drivers and team members organized a ride to Tara Mountain and used the time for socializing, in accordance with the imposed measures.

Delta Auto Group will continue to support socially responsible campaigns and events in the years to come.





- ▶ DC Novi Sad
- ▶ DC Belgrade
- ▶ DC Čačak
- ▶ DC Niš
- ▶ DC Podgorica

Delta DMD

Together with its logistic operator DTS, Delta DMD combines the services of distribution, warehousing and logistics.

Delta DMD offers its clients the services of sale, brand management, marketing, distribution, and merchandising.

The portfolio of Delta DMD includes regional brands such as Tikveš, Violeta, and Fun&Fit, as well as renowned global brands such as Ferrero, Diageo, SC Johnson, Beiersdorf, and Glaxo Smith Kline.

These brands achieve extraordinary sales results on the Serbian and Montenegrin markets, as Delta DMD cooperates with more than 6,000 buyers and supplies over 10,000 retail and wholesale facilities, sole trade businesses, specialized wholesale units and HoReCa channels.

During the challenging 2020, Delta DMD worked on the improvement of all business segments, with responsible behaviour on the market. The supply chain was not interrupted for a single day, not even at the time of the most severe crisis and state of emergency. The Company ensured uninterrupted supply of the products from its portfolio, all the while protecting the health of its employees. From the very beginning of the pandemic, the Company ensured sufficient quantities of protective equipment for field work. At the same time, the employees whose positions do not require work from office or field, were instructed to work from home as of March. The application of all the available technological solutions allowed the work to continue without obstacles.

Regardless of the difficult work conditions brought about by the pandemic, employees had several hundred hours of online training at their disposal, numerous work processes were automatized and enhanced, and the consumption of consumables (office supplies), was reduced by more than 10%, whereas the optimization of routes for sales agents (indirectly and for deliver vehicles) led to the reduction of fuel consumption by 16%.

The 2020 results include:

- Increase in EBITDA by 3%, despite difficult conditions brought about by the pandemic;
- Increase in the market share of the distributed brands according to the survey of Nielsen company.

Delta DMD continually adjusts its operation to buyers' needs because only satisfied buyers can contribute to the company's success. The aim of customer satisfaction surveys is to improve products and services in accordance with the proposals suggested by customers. In 2020, the Company was graded in the following manner:

SATISFACTION SURVEY - KEY ACCOUNTS	
CHARACTERISTICS	GRADE
Range of products	4.32
Promotional activities	4.40
Communication and professionalism of the sales staff	4.80
Communication and professionalism of the merchandising team	4.56
Delivery of goods	4.38
Documents	4.55
Complaints	4.42
Average grade	4.44

The survey results show high level of customer satisfaction in regards to the quality of products and services. In order to further enhance the results, Delta DMD will widen its' portfolio in the upcoming period.

DTS

Delta Transport System (DTS) is a company specialized in logistic services. From its foundation in 2008, DTS has continually improved its business practices with the aim of raising the quality of services in the domain of logistics through innovations and in compliance with the principle that every client is entitled to a special business model.

DTS offers its clients the services of warehousing, domestic and international transport (by road, air, groupage, container), freight forwarding, customs clearance and 4PL (Fourth Party Logistics Provider). As a 4PL Provider, DTS offers its clients integrated management of product stocks and the status in warehouses, as well as tracking of deliveries in real time.

Upon recognizing the potential of the regional market, in 2016, the Company opened its representative offices in Montenegro (Podgorica) and Bosnia and Herzegovina (Banja Luka).

DTS manages the entire supply chain with the latest IT resources - Warehouse Management System (WMS), Satellite Fleet Tracking System, Transport Management System (TMS), as well as SAP ERP software (modules MM, SD, FI, CO).

DTS's warehouse has 26,000 pallet spaces for products that need to be stored under different temperature regimes (5 temperature regimes from -20 to +25°C). The company delivers 100,000 kg of cargo on a daily basis to 800 different locations across Serbia, whereas the department of additional logistic services takes care of 70,000 products daily.

DTS has Cross Dock stations in Vrbas, Čačak and Niš which allow the goods to be taken over without keeping them in warehouses.

With a solid distribution network which consists of over 9,000 unloading locations, application of the latest technologies and highly motivated, professional and dedicated staff, DTS manages to maintain high level of logistic services provided to its clients.

Road Transport

DTS fleet transports over 1,000 pallets and travels 12,000 kilometers per day. Products are transported in vehicles with different temperature regimes with the capacity of 2 to 25 t.

To track the quantities of products, vehicles and the temperature of the cargo area, DTS uses Track & Trace System which allows its clients to receive information about their shipment anytime, with the automatic confirmation of delivery.

LCL transport services are carried out from central warehouses in Europe where goods are consolidated. Clients may take over their shipments in any part of Europe within 48-72 hours. DTS transports commercial and seed products, and provides the service of organized collection and transportation of dangerous ADR cargo.

Air Transport

DTS offers its clients the possibility to transport goods from an airport to an airport, or from door to door, anywhere across the globe. It operates as a direct agent of all airlines which fly from Serbia, Montenegro and Bosnia and Herzegovina, and as an exclusive partner of other logistic companies across the world. In addition to professional and safe service, it offers its clients the best logistic solutions and competitive air transport prices with AAR insurance.

In June 2020, the Company established an exclusive partnership with the company C.H. Robinson, the largest logistic platform in the world with more than 200,000 clients.

Ferry Transport

The Company provides services of container transport of FLC and LCL shipments and transport of goods that require special temperature regime (FRIGO container). As a direct agent of world's shipping companies, DTS provides services of transport to ports across the globe. The partnership with C.H. Robinson ensures a large base of clients and guaranteed quality of services at the most distant ports around the world.

Freight Forwarding and Customs Clearance Services

DTS provides services in the domain of import and export customs brokerage, temporary importation, active and passive processing, and warehousing.

As an authorized consigner and consignee of the goods in the transit procedure, DTS provides its clients direct dispatch of goods, without waiting, from DTS premises to customs post, and the possibility of delivering the goods for import customs clearance directly to our premises without any waiting. Freight forwarding offices are situated in the customs posts Port of Belgrade, Kvantaš, Port of Novi Sad and Airport Belgrade.



Clients also have the possibility to label their goods through IT resources, with the obligation to deliver the documents subsequently.

DTS Montenegro offers its clients warehousing, domestic and international transport (road, air, container and groupage transport) freight forwarding and customs clearance, as well 3PL services

Warehouse of the company DTS in Podgorica has 3,000 pallet spaces for goods stored under different temperature regimes.

As for customer satisfaction, the average grade of Key Accounts was 4.71, which is by 0.26 higher in comparison with the previous year. The accuracy of the forwarded documents grew from 90% to 98%.

DTS BIH offers its clients the services of domestic and international transport (road, air, container and groupage transport). In 2020, the representative office in Banjaluka celebrated its 5th anniversary and continues to mark growth in all business segments, extend partnerships with major clients, and expand the basis of clients through partnerships and its own list of clients.

In 2020, new certification audits were carried out in Delta DMD and DTS for standards IFS Logistic 2.2, ISO 9001:2015, and HACCP System. The audit performed for the Higher Level of the IFS Logistic Standard found that the compliance with requirements was 98.68%. This extremely high score is the proof of quality of the company's business and the overall service it provides.

Throughout the year, principals and clients inspected business operation and the implementation of environmental protection principles, health and safety at work and fire protection. All the inspections were realized successfully to mutual satisfaction.



New technologies

Ananas

In 2020 Delta Holding started the development of the e-commerce platform Ananas, which will become active in 2021. Company's mission is to connect buyers and vendors on a reliable online shopping platform.

The plan for the platform is to initially cover the market of Serbia, and then to expand to other countries in the region.

Delta Holding will invest 100 million euros in the new business in the next 5 years, and its main advantage will be the timely delivery of products to the home address in accordance with the customer's request. To achieve this, Ananas will focus on logistics, inventory optimization, delivery and return organization in case of a complaint.

There is currently a great need on the Serbian market for the development of such a modern e-commerce platform. This was especially emphasized during the pandemic, when access to retail facilities was limited.

Resity Technologies

Resity Technologies is an SAP consulting center and one of the startups whose development was initiated by Delta Holding, with the aim of further developing as the Company's new business in the field of technology.

The main focus of the Company is to provide services to customers and partners, supporting them with highly qualified SAP experts and Junior SAP consultants in the implementation of their projects.

The Resity team consists of senior and junior SAP consultants who offer cross-industry support for multiple SAP modules and platforms. Resity Technologies also organizes trainings and certification for young people, as well as their involvement in numerous international projects. In addition to SAP training, young people also receive German language classes. This is another way of Delta Holding encouraging young people to learn and master new technologies and businesses, and thus provide themselves with top-paying jobs that they can perform in their country for the companies around the world.

Apart from Serbia, Resity Technologies also operates in Croatia under the name Spectrum Solutions.

The logo for Ananas features the word "ananas" in a lowercase, rounded, orange font. A small green horizontal bar is positioned above the letter 'a'.The logo for Resity Technologies consists of the word "RESITY" in a bold, yellow, uppercase font, followed by a stylized blue and green triangle graphic. Below this, the word "TECHNOLOGIES" is written in a blue, uppercase font.

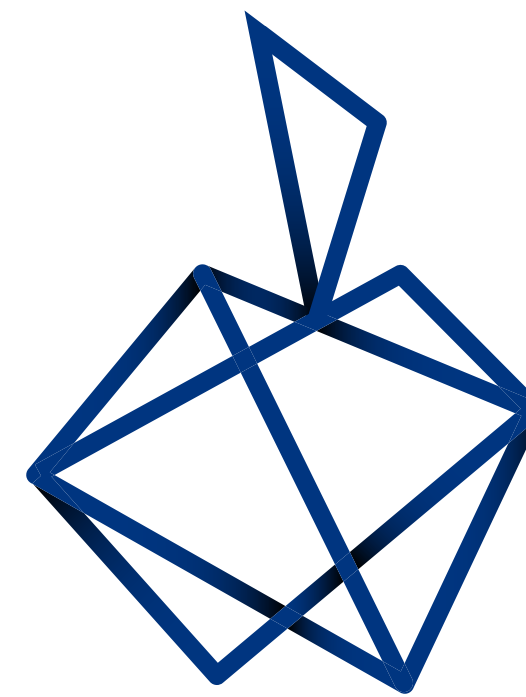
AgTech Startups

Delta Holding recognized the potential of new technologies and machine learning in the field of smart agriculture and provided support to a number of startups in this field. Considering the real problems faced by the farmers, the teams behind MapMyApple, Krops and Smart Watering have developed applications that allow users to apply all aspects of modern precise agriculture.

MapMyApple is a sophisticated solution that provides full support to apple producers and can be an addition or replacement for fruit growing technologists, monitoring apple growing in all phenophases, predicting diseases and pests, and proposing all agronomic measures based on machine learning.

KROPS is AI-powered data management and predictive analytics platform tailored to corporate fruit growers and their team of crop protection experts. It collects data from a weather station (and other sources) in your orchard and turns them into insights that, combined with your experts' decisions, maximizes yield and profits.

Smart Watering provides modern solutions for remote irrigation management, which is achieved by integrating advanced modules that automate existing irrigation systems and mobile applications through which the user monitors all parameters and receives suggestions for semi-automatic or automatic irrigation. In practice, the system achieves far better results than conventional irrigation management systems with water savings of over 30%.



Fresh Agriculture Technologies



Employee development

Care for people is one of the fundamental values of Delta Holding. With this in mind, the Company continually invests in the development of procedures and corporate culture which contribute to employee satisfaction, creates a supporting atmosphere for growth, innovation and creativity, with respect for diversity and other needs of employees.

The Company includes employees in decision-making processes, development of new processes and jobs, with the aim of strengthening the sense of belonging to the Company and contribution to overall business results.

A motivating work environment, based on respect for employees' rights, in which they have the opportunity for personal and professional growth, was created to allow the employees to be fulfilled and satisfied at work. The Company continued to implement youth support projects through employment programs and internships for the students of high schools and universities.

In 2020, the focus of the Company was on workplace safety in the conditions of the pandemic. Work processes were organized in such a way that everyone with the possibility to do so was instructed to work from home. Office areas implemented all epidemiological measures for the protection of health of employees at work and prevention of the spread of coronavirus within the company.

The total number of employees in 2020 amounted to 3,256. During the year, 905 persons were engaged through various contracts.

THE NUMBER OF EMPLOYEES ON 31/12/2020			
MEMBER	EMPLOYEES IN SERBIA IN 2020	EMPLOYEES IN THE REGION IN 2020	TOTAL NO. IN 2020
Delta Agrar Group	904	13	917
Delta Food Processing	937	1	938
Delta Real Estate Group	243	85	328
Delta Distribution	750	96	846
Collective Functions	202	0	202
Delta MC	25	0	25
TOTAL	3,061	195	3,256

Opportunity for Everyone

Besides the fact that it observes all applicable legal regulations, the Company has built a strong and clearly defined corporate culture, in compliance with ethical business principles which stipulate respect for non-discrimination principles, human and employment rights and provision of equal opportunities for career development to everyone.

One of the key elements of the Company's success is a balanced age structure, which ensures unique combination of the ideas of the young and knowledge of more experienced colleagues.

Equal participation of men and women has been one of the key elements of success in the realization of goals and excellent business results. There are more women than men in the management of the Company, whereas this ratio in different members of the system is in compliance with the nature of the work. Out of the total number of employees, men make up 61% and women 39% of the workforce.

Women's empowerment and support is an important part of the agenda for sustainable development of the Company. Its aim is to encourage women's ambitions and self-confidence, and raise awareness of the society about the importance of women in business.

WORKFORCE AGE STRUCTURE

MEMBER	SERBIA			REGION		
	18-29 YEARS	30-50 YEARS	OVER 50 YEARS	18-29 YEARS	30-50 YEARS	OVER 50 YEARS
Delta Agrar Group	138	441	325	4	9	0
Delta Food Processing	127	596	214	0	1	0
Delta Real Estate Group	47	148	48	29	48	8
Delta Distribution	187	484	79	15	73	8
Collective Functions	35	129	38	0	0	0
Delta MC	1	14	10	0	0	0
TOTAL	535	1,812	714	48	131	16

WORKFORCE GENDER STRUCTURE

MEMBER	EMPLOYEES IN SERBIA		EMPLOYEES IN THE REGION		TOTAL	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Delta Agrar Group	256	648	5	8	261	656
Delta Food Processing	443	494	0	1	443	495
Delta Real Estate Group	136	107	40	45	176	152
Delta Distribution	262	488	27	69	289	557
Collective Functions	97	105	0	0	97	105
Delta MC	7	18	0	0	7	18
TOTAL	1,201	1,860	72	123	1,273	1,983

The policy of equality defines that all employees must have equal opportunities for professional growth and strictly prohibits any kind of discrimination.

The Company integrated certain parts of the Ethical Code in the Employment Contract since 2014, thus allowing every new employee to learn the abovementioned rules and principles, the business culture of the Company, as well as standards and procedures implemented by the HR Department. Delta Holding has never discriminated, nor will it ever discriminate any job applicant on the basis of gender, nationality, age, race, pregnancy, family responsibilities, health, social background, financial situation, sexual orientation, political orientation, membership in a trade union or political organization or any other personal characteristic. The Company is committed to protecting personal data of all candidates. Minors are not allowed to work in the Company.

When a new vacancy appears, employees have the possibility to apply and develop their career in another part of the system. Initiative for redirection may stem from an employee or the management, when the need for the development of a certain business segment arises. In both cases, the employee is presented with a written offer he/she is supposed to consider with his/her immediate manager. The employee should respond to the offer within eight days.

WORKFORCE QUALIFICATION STRUCTURE										
MEMBER	PhD	MGR	MA	University degree	College degree	Highly skilled	High school degree	Skilled	Semi-skilled	Unskilled
Delta Agrar Group	3	3	17	261	33	2	268	163	12	155
Delta Food Processing	0	0	11	108	47	3	347	310	4	108
Delta Real Estate Group	0	2	16	121	23	28	103	21	3	11
Delta Distribution	1	2	27	209	81	5	361	138	2	20
Collective Functions	1	1	10	96	16	1	60	17	0	0
Delta MC	0	0	0	6	2	0	17	0	0	0
TOTAL	5	8	81	801	202	39	1,156	649	21	294

Persons with disabilities are entitled to have conditions for professional training and employment in accordance with their capabilities. In 2020, the Company employed 59 persons with disabilities. On its intranet portal, the Company posted Etiquette and guidelines for interacting with persons with disabilities, to help the employees create a welcoming and supporting atmosphere for their colleagues with disabilities. The Company provided support to the organization Forum of Youth with Disabilities in developing their portal for the employment of persons with disabilities. This platform offers the possibility to socially responsible companies to find a suitable candidate for their team. This way, the Company helped unemployed persons with disabilities to reach employers.

THE NUMBER OF EMPLOYED PERSONS WITH DISABILITY ON 31/12/2020 IN SERBIA

MEMBER	EMPLOYEES
Delta Agrar Group	11
Delta Food Processing	28
Delta Real Estate Group	4
Delta Distribution	13
Collective Functions	3
Delta MC	0
TOTAL	59



In 2020, there were no complaints with regard to the violation of human rights and non-discrimination principles.

The salary of an employee is determined solely in accordance with the requirements of a specific job and employee's skills and qualifications. Salary consists of a base salary, a portion for performance and increased salary. Base salary is defined by employer's general act (Work Regulations or Collective Agreement) and expressed in the employment contract in a nominal gross value for full-time working hours and standard work performance. Salary may be increased up to a stipulated percent in accordance with the provisions of the general act, depending on the performance of the employee and Company's business results.

There are organized trade unions in Danubius and Yuhor factories and the properties of Topola, Jedinstvo, Kozara, and Napredak, which counted 568 members on 31/12/2020. Delta Holding fosters collective negotiation practices and supports the activities of trade unions. The provisions of collective agreements concluded between the Company and trade unions regulate the rights and obligations of 229 employees.

RATIO - EARNINGS IN DELTA HOLDING AND LARGE CITIES WHERE THE COMPANY OPERATES

EARNINGS ON 30.11.2020		MINIMUM GROSS EARNING I		AVERAGE GROSS EARNING I	
DH MEMBER	IN DH MEMBER	OFFICIAL STATISTICS FOR THE RS	IN DH MEMBER	OFFICIAL STATISTICS FOR THE RS	
Belgrade	45,283.33	39,025.28	105,088.45	104,341.00	
Novi Sad	51,157.89	39,025.28	96,730.41	95,634.00	
Jagodina	52,051.98	39,025.28	70,625.52	68,410.00	
Zaječar	51,337.12	39,025.28	74,315.12	72,841.00	

Care for people

In 2020, the Company undertook all necessary measures to protect the health of its employees. At the peak of pandemic, all employees whose nature of work allows so were instructed to work from home. In 2020, occupancy of the work space did not exceed 50%, which contributed to the safety of work environment.

Apart from all the measures we have taken to protect them from the virus, we also worried about their feelings in the pandemic surrounding. We have organized on-line consultations with psychologists from a Start-Up agency, so the employees had a chance to share their worries and receive valuable advice from these experts.

As a socially responsible company, Delta Holding introduced new and improved the existing employee benefits. The amount of solidarity allowance for the first, second and third child was doubled, and the allowance in the event of the death of a family member was increased by five times. More employees earned the right to private health insurance. A support procedure was introduced at the level of the company to aid the employees and their family members in the event of a severe illness.

All employees are entitled to the number of days off work as defined by the law. In addition, they are entitled to paid leave in the event of: illness (1 day off), change of residence, education/professional training in their own arrangement.

Delta Holding introduced the following benefits to support parenthood:

- annual financial aid for single parents with minor children (in accordance with the number of children)
- gift package for a newborn,
- flexible working hours for mothers with preschool children,
- a day off for parents on the child's first day of school (at the beginning of a new school year),
- gift package with school utensils for first graders.

The abovementioned procedures and benefits are communicated by superiors and made available to all employees. Documents that define these procedures are available on Delta Holding's intranet portal.

The Company ensured:

- flexible working hours for all employees,
- remote work two days a month,
- longer annual leave depending on professional qualifications and years of service with the Company,
- scholarships for children of deceased employees were extended by another 6 years (from the age of 18 to the age of 24).

The Company also distributed:

- gifts for ladies on March 8th and
- New Year gifts with different products of Delta's members for all employees.



Strengthening the Sport Spirit

One of the values of the Company is to always strive to the highest achievements, at work and on the sports field.

In 2020, Delta Running Team took part in 5 races in Serbia. Due to the pandemic, the team did not participate in the Moscow Half Marathon.

- The team finished 1st and 3rd in the humanitarian relay race in Novi Sad “For a child’s smile”.
- In Kopaonik Trail Race in pairs the team won the 1st and 3rd place.
- At “Belgrade Business Run” the team finished second.

All registration fees were financed by the Company.

We Invest in Knowledge

Despite the situation caused by the pandemic, the Company successfully organized and realized a number of trainings and lectures. The emphasis was on the creation of new opportunities for employee growth and development. The majority of trainings in 2020 were organized online, through different platforms. Employees accepted the new form of training with pleasure and achieved outstanding results.

Delta Agrar's human resources and marketing departments introduced more intense internal communication, with the aim of maintaining motivation and connectedness of the colleagues within the system in the changed circumstances brought about by the pandemic of Covid-19.

In April, the Company started distributing weekly educational HR bulletin under the name HR Thursday, with various topics aiming at the improvement of time management, focus, relief of work-related stress and advice on goal setting, resilience, emotional intelligence, assertive communication, efficient meetings, delegation of duties, leadership styles, social anxiety at workplace, the culture of learning, importance of experts, etc. The bulletin covered 32 different topics and the activity is planned to continue throughout 2021.

For the colleagues on field, the Company initiated a top employee contest in 9 different work units across Serbia. The following work units participated in the project:

- Distribution of agricultural products: Processing centre Sombor and feed factory in Stara Pazova;
- Fruit and vegetables: Cold Store Čelarevo;
- Stock farming: Pig farm Banatsko Veliko Selo, Vladimirovac farm, Zaječar farm, Petrović salaš farm, centre for artificial insemination and Nukleus.

Two hundred employees won the title “Employee of the Month” and were publicly praised.

Towards the end of the year, the Company launched an online educational campaign for partners and consumers. The campaign, which will continue throughout 2021, aims to educate partners and consumers through a series of educational posts, present benefits of individual products, and discuss important local matters that are important for the community in which it operates.



In 2021, the focus will be on the encouragement of innovations and development of agility through growth and digital transformation of HR processes. Internal trainings will instigate cooperation and sharing of knowledge among employees. Employer branding will be enriched with enhanced onboarding process, activities on social networks and cooperation with different institutions such as Mokra Gora School of Management and Serbian Association of Managers. By establishing cooperation with universities and high schools, Delta Agrar will continue to support talented young people across Serbia.

In 2020, **Yuhor** organized 1,579 hours of external training courses, which were intended for all levels: management, employees in the production plant (managers/administrators) and retail (sales personnel, butchers, supervisors). The focus was on communication skills such as constructive communication, advanced communication, development, team work, and leadership. In addition, Yuhor organized education aimed at improving the competence of all managers and expert associates, courses aimed at increasing the level of engagement and initiative, situational management, conflict management, and change management.

Courses were organized within retail network to achieve maximum efficiency and quality of service. The training course “With excellent service to top results” was attended by all employees in retail. This way, the Company standardizes service in the network of stores Yuhor Dućan and enhances their operation.

In addition to external lectures, the Company organized more than 1,500 hours of internal expert education on Health and Safety at Work and Fire Protection, training courses in accordance with the requirements of HACCP, ISO and IFS standard. Courses were mainly organized online due to the circumstances caused by the pandemic of Covid-19.

In accordance with the situation caused by the pandemic and introduced remote work, **DTS** provided online trainings to all employees, who had the option to choose among three different courses depending on their needs. The emphasis was on general technical know-how such as the knowledge of Excel, English, project management, financial management, etc. The Company organized 2,500 hours of online training, which were attended by 120 employees.

In 2020, 42 employees in **Delta Auto Group** underwent performance management process, with a tendency to increase the number of employees and expand the process every year.

The employees who expressed the need for individual work and training had individual coaching sessions and a professional business coach at their disposal. The training on assertive communication was attended by 16 employees, 11 employees attended Giving Feedback, and 7 employees attended specialized marketing trainings organized by an external consultant Lazar Džamić. GDPR training was attended by 32 employees. Besides various technical trainings for employees in sales and post-sales, the Company also organized trainings for new employees - introduction into the brand.

In 2020, the emphasis was on internal trainings. Due to the specific situation resulting from the pandemic, technical coaches organized lectures online, and the employees had the possibility to watch recordings on a YouTube channel. Innovative ways of training organization were very successful and brought excellent results.

Employees in Delta Auto Group had 2,252.5 hours of internal and external trainings in 2020. The number of courses increased in comparison with the previous year.

In 2020, employees in the hotel **Crowne Plaza Belgrade** attended numerous trainings. The Company spent 3,594 hours in total on trainings, courses and lectures in the domain of brand introduction, new standards and procedures, and the courses related to the epidemiological crisis.

Year 2020 was largely marked by the pandemic of Covid 19, due to which intense communication with all employees turned out as decisive. Online meetings on the level of individual sectors were organized weekly, as well as general meetings of all employees. The Company introduced flexible working hours, and non-operative sectors were allowed to work from home whenever the nature of work allowed so. The management of the hotel spent more time with employees in the situation.

All employees regularly repeated the training course for “IHG Way of Clean”, which was organized in several versions. The versions were adapted to the attendees - management, employees in the household and employees in other sectors. In such way, employees were trained for the application of all standards, gained more self-confidence and motivation to provide their maximum when it comes to cleanliness.

Under these specific circumstances, employees participated in all CSR activities - environmental protection, cleaning of the surroundings, tree planting in the vicinity of the hotel, water and power saving, lectures on recycling, and community support. All employees actively participated in IHG Green Engage Program and continue to adhere to the values this program promotes under the slogan “Act responsibly, save the nature”.

The hotel is about to complete all tasks from the second level of Green Engage Program.

PROFESSIONAL TRAININGS IN 2020	TOTAL	WOMEN	MEN	AVERAGE NO. OF HOURS OF TRAINING PER EMPLOYEE A YEAR
Training hours	17.631,2	6.385,8	11.245,4	9,44
Number of attendees	1,867	758	1,109	



The Future of Delta

Attendees of the program The Future of Delta are Delta Holding's young, talented employees with distinguished achievements who are being prepared to take over managerial positions.

The purpose of this program is to identify and create a career plan for outstanding employees who stand out among others in terms of their potential, energy, results, knowledge, self-development, and development of the colleagues they cooperate with.

In the course of this two-year program, colleagues attend special trainings, workshops and coaching sessions in order to upgrade their knowledge and skills and prepare themselves for managerial positions.

In 2020, colleagues continued to attend individual coaching sessions, aimed at personal and professional growth.

From July to November, they were mentors on project tasks to their colleagues from the talent program Young Leaders. Young leaders worked on projects within teams and presented their solutions at the end of November through Microsoft Teams Platform.

Delta's Experts

Experts are difficult to find, but they really do stand out. Primarily with their knowledge. Secondly, with the accomplishments realized in their line of work, which arise from knowledge. Measurable results speak for themselves, as well as good business decisions and accomplishments in various aspects of their work.



Delta Holding is fortunate to be able to boast a number of employees who are true experts in their line of work. They devoted much of their time and effort to the work they excel in. The Company decided to give them a well-deserved recognition and formed a club of which they will be honorary members.

The program was launched at the end of 2020, and the colleagues which become members, besides special benefits, will gain the opportunity to share their knowledge and experience with colleagues from different businesses through various courses and lectures.

Succession Planning

Finance and assets used to be at the top of the corporate value pyramid, but today, it is considered that people are the greatest value of any company. For this reason, Delta deeply cares about mentorship, or development of successors for particular positions within the system.

In order for a company to keep growing and developing new generations of managers, mentorship needs to be a permanent and integral part of the business philosophy and everyday conduct.

Succession plan is the process of identifying one or more successors and preparation of such successors for the expanded responsibilities through various tasks and development activities, allowing the business to continue to grow in the future. This year, at the level of the entire company, an important strategic decision was made to further develop mentorship and work on the creation of successors for the key positions in the business system.

The Company is aware of the importance of a solid succession plan because of the quick, radical and discontinuous changes, complex challenges, increased responsibility of the management at lower levels, recruiting and retention of top talents.

Young Leaders

The Company recognized the need to support and motivate the career development of young, talented people without work experience, and in 2012 launched an innovative program dedicated to them. The program Young Leaders provides young, educated individuals without work experience with the opportunity to gain work experience.

During the first 9 years, about 22,000 young people applied for the program, and 296 of them got the opportunity to become Young Leaders. The selection process consists of 5 rounds. The first round, carried out online, tests the knowledge of English, general knowledge and compatibility with the values of the company. The following round includes additional online testing of cognitive skills and personality tests. In the third round, candidates have an interview with a colleague from HR department, after which in the fourth round candidates are given a case study to resolve in groups, where once again the knowledge of English is tested through translation of a piece of writing. The candidates who reach the 5th round of selection process have a final interview with Senior Vice President of Strategy and Development, Marija Desivojević Cvetković.

This one-year program includes 3 rotations, each of which lasts for 4 months. In this period, young leaders are given the chance to work in different Delta Holding's sectors and member companies in order for them to gain insight into the operation of the Company. Rotations allow them to become acquainted with the jobs and processes within different sectors which suit their interests, education, and the needs of the Company. Throughout the program, mentors monitor their work and pass their knowledge and experience in the best possible manner. Upon the completion of a one-year program, the best participants get the opportunity to extend cooperation.

In January 2020, the Company welcomed the eighth generation of Young Leaders, with 46 new colleagues starting their work. As many as 2,934 candidates applied for the contest for the eighth generation.

After the official reception, during the first introductory week, participants had the chance to learn about the business activities of the Company through visits and colleagues' presentations.

In 2020, the eighth generation attended a two-day training course "Planning and Organization".



As of 2017, Young Leaders have been a part of the Company's digital transformation. In 2020, with their ideas and projects, they contributed to the innovation of business processes. In order to be able to realize their ideas in the best possible manner, they attended Microsoft Office 365 training course. The projects they had worked on were presented at the end of the year and the winning team was awarded for their idea.

At the end of 2020, after several rounds of selection, the best 60 Young Leaders of the 9th generation were selected. This generation is the most numerous so far.

This program has multiple benefits - creativity and new energy revitalize corporate culture and encourage business development, and on the other hand, the program is beneficial for the community, as it offers practical education and contributes to the retention of young people in Serbia.



COMPASS

POWERED BY DELTA HOLDING

Compass

Educational program Compass was launched in cooperation between Delta Holding and the Association of Students of the Faculty of Economics, University of Belgrade. The program is intended for students of the second, third and final years of studies, and gives them a chance to learn from Delta's experts through lectures and workshops, to visit Delta's factories and properties, meet the president and top management of the Company and experience team spirit while working on the tasks and case studies within the Company's areas of business. The purpose of the program is to give students a chance to step into the world of business and gain first-hand insight into what it takes to run business in one of the most successful companies in Serbia.

The topics of the lectures are various and include: leadership, teamwork, strategic decision-making, time management, communication, the skills of negotiation and communications, etc.

From July to December 2020, fifty-two third-year and fourth-year students from ten different faculties had the chance to learn from Delta's experts through interactive online lectures.

In a six-month period, students attended various online lectures held by senior vice presidents, CEOs and support sector managers. They learned about the way different business function within the system, the importance of strategic thinking in business, distribution of renowned brands, importance of technology and innovations in business, controlling system, financial and production management.

At the online interview with the former president, current Chairman of the Supervisory Board, Miroslav Mišković, students learned more about entrepreneurship, business and the manner of work under the changed circumstances caused by the pandemic of Covid-19.

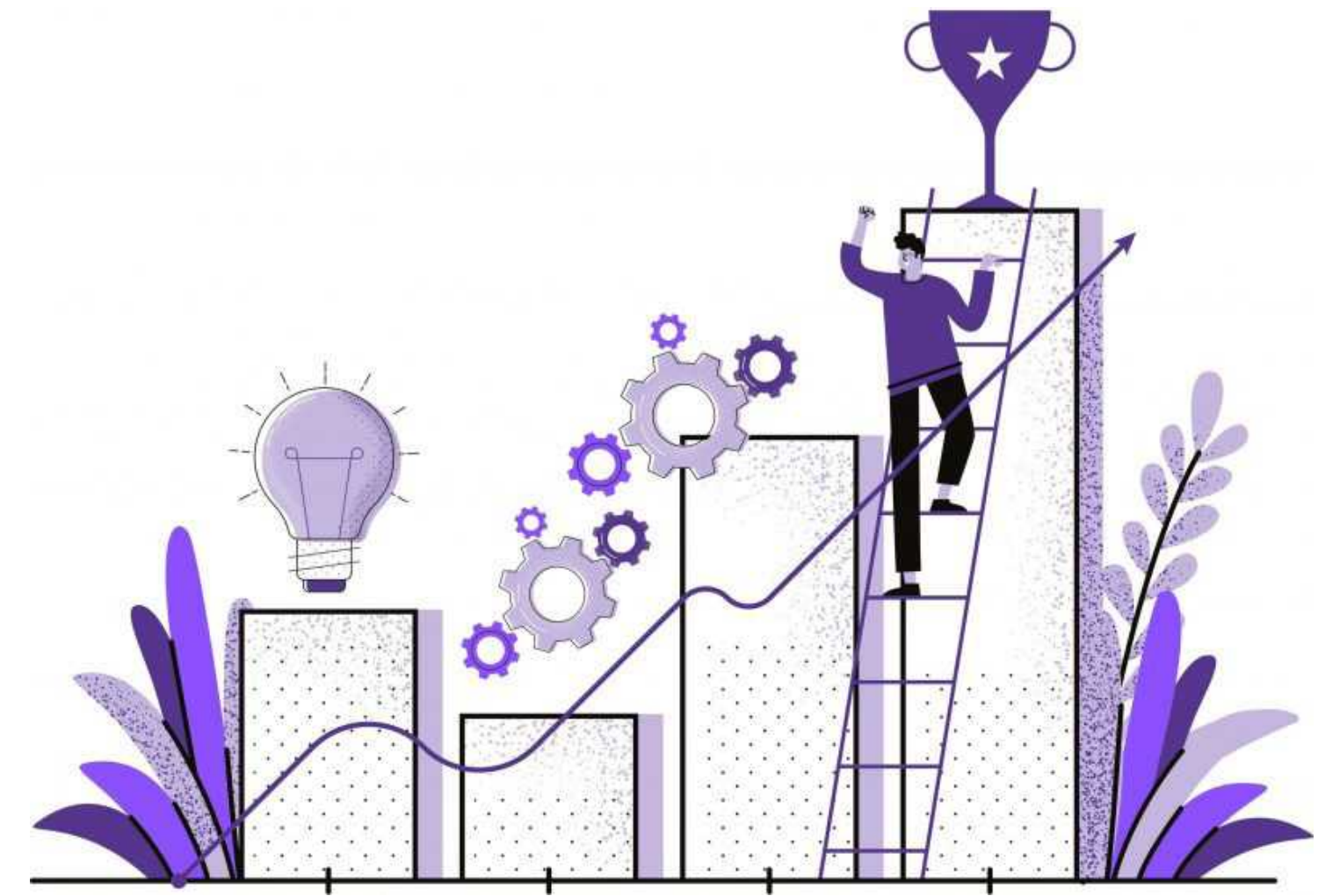
Innovations

From the day of its foundation, the Company has been committed to innovations and introduction of new ways onto the market. Innovations are not necessarily of technological nature. They signify implementation of a new, or significantly improved product, service or process, marketing method or new organizational method in business, work organization or the company's relationship with its environment. In a nutshell, all the things that have never been implemented in business. However, innovations are not minor changes or improvements, routine adjustments, seasonal changes (in the line of clothes, for example), adaptation to one client which does not include significant changes in relation to the products for other clients, design changes that do not amend functionalities or technical characteristics, reselling of new goods or services purchased from other business entities.

In December 2017, the Committee for Innovation and Digital Transformation was founded to improve the operation of the Company through the implementation of digital transformation and innovations. The members of the Committee hold managerial positions in the Company and the members of subcommittees are the employees from their departments, i.e. work units. The Committee organizes meetings 4 times a year (every three months) in order to:

- present innovative ideas,
- consider the possibility for their realization,
- consider the status of the adopted ideas (whether they are realized or not) and
- consider the ideas proposed by the employees via intranet portal.

The pandemic had an impact on the meetings organized by the Committee for Innovations. Members of subcommittees gathered in smaller groups or online, but the work never stopped. The Committee organized 48 meetings in which 138 employees discussed 373 ideas for the advancement of business practices. Out of the total number of discussed ideas, 170 were chosen for realization. Some ideas required more information for the beginning of realization, whereas some were abandoned. Out of 53 ideas in the process of realization, 36 were realized. For more information about realized innovations, see the section in which members presented their results.



To improve the efficiency of subcommittees, the Company appointed coordinators to initiate the organization of regular meetings and introduced a table for monitoring of results of the realized ideas.

Within an internal campaign intended for employees “Inspired by Innovations”, employees received interesting and useful information about innovations every Thursday. The campaign was divided into three segments: innovations through examples, stories about successfully realized ideas in Delta and interesting information about innovations on a global scale. After the first and the last segment of the campaign, employees were surveyed with the aim of collecting information whether the campaign was interesting and which topic they would like to cover.

In addition to suggestions provided through the Innovations Committee, proposals for projects in connection with innovations were also given by Young Leaders of the 8th generation. Information technology department organized the first online Hackathon on the topic of application of PowerApp.

Due to the Company's practice in the area of innovations, at the invitation of the Serbian Chamber of Commerce, the Company supported the project ScaleUp4Europe by participating in the consulting board for the segment of project that refers to startup solutions in agriculture. The project will be realized in 2021.

Delta Business Incubator

Delta Business Incubator is a three-month program launched in 2018 with the aim of supporting startups in Serbia in development and improvement of products and services, preparing them for the market and pitching. The ideas are developed through workshops, lectures, mentorship and business contacts.

In the first two years, the program was intended for the development of startup ideas in the area of logistics, distribution, agriculture and real estate, namely the lines of business of Delta Holding members, because in such way the Company was able to provide not only financial support, which is important to set up a new business, but also mentors, knowledge, and the opportunity to test ideas and create business contacts.

CREATING FUTURE BUSINESS



In 2020, with the help of partners, external mentors and associates who were willing to participate in the program, the contest was open for business ideas from all areas of business. The program got a new slogan “Creating FUTURE Business” which clearly indicates that the aim of the program is to develop a business that can step into the market after three months of mentorship.

At the 2020 contest, 57 ideas were submitted, out of which 20 met basic contest criteria for entry into the Incubator. The ideas were presented to the members of the commission in charge of evaluating development capacities of teams and their ideas. The members selected six teams which entered the incubation phase, one of which abandoned the incubator at the very beginning.

In the course of the three-month program, the Company designed individual work plans for different teams in accordance with their needs, selected mentors to monitor their work and provided the necessary support for idea testing, and contacts for market research. The teams attended various lectures important for startup development, some of which are the following: Reverse Exit Engineering, market and users, Growth Strategy, monetization and financial planning, experience of a growing startup, VC decision making, and the art of giving a short presentation. Lectures were held by the representatives of DH partner companies, external associates, and startup representatives.

The program was mostly realized online, except for product testing, which was carried out live. Despite the changed circumstances, mentors and participants graded the program realization with the highest grades. Partners and external associates gave a substantial contribution to the realization of the program: Comtrade, PWC Srbija, ICT Hub, Fresh Agriculture Technologies, Dejan Tešić, Miša Lukić, Ognjen Radić and Mark Filips, who worked with teams together with colleagues from Delta.

After the completion of the incubation period, teams pitched their business ideas to a thirteen-member jury consisting of leaders in the world of audit, IT, marketing, banking and scientific research institute, and two members from Delta Holding’s top management. The winning team of the contest for investment was “Farma Inova from Belgrade, with its product “Silage Stabilizer” - an innovative packaging and additives for silage which protect silage against decay, improve its quality and preserve nutrients.

For more information about Delta Business Incubator, visit www.deltabiznisinkubator.rs

Health and Safety at Work

The Company undertakes a number of measures and activities with the aim of protecting the life and health of its employees. Delta Holding aims to ensure the highest level of health and safety at work and minimize occupational injuries, occupational illnesses or illnesses in connection with work. For this reason, strategic plans are devised every year to include investments in new technologies, training courses and lectures.

This area is a major part of business sustainability, which is why the Company appointed chief business sustainability officer as a person in charge of strategic improvement and monitoring of HSW and Fire Protection activities. Delta Holding's manager for Health and Safety at Work and Fire Protection is directly responsible for the implementation of the strategy, consults, directs and controls work of persons in charge for this area in every member of the system.

All duties related to Health and Safety at Work and Fire Protection were integrated in the Company's SAP system, which allows HSW and FP experts to have constant access to the information regarding the status of equipment, personal protective equipment, necessary inspections of the equipment, health condition and needs for employees' medical checks in due time.

In 2020, all members strived to improve working conditions. Throughout the year, in factories and properties, the Company continually invested in the modernization of work equipment, fire protection and procurement of personal protection equipment. In the course of pandemic, the focus was on securing healthy and safe working environment with the aim of preventing possible spread of coronavirus. A Crisis Staff was established at the level of the Company, which maintained everyday contact with the colleagues on site. The Company primarily focused on the protection of employees' health. Factories, properties, farms, distribution centres, Yuhor stores, and vehicle maintenance centres continued to work and the main concern was to prevent the occurrence and spread of the virus among employees. For this reason, the Company implemented all necessary measures, which, among other things, included emails and notifications to employees about preventive measures. Preventive measures included: mandatory use of protective equipment, mandatory distance among employees in working and auxiliary premises, shift work and breaks, regular disinfection of the area between shifts and after working hours.

Besides imposing all the precautionary measures, Company has engaged an epidemiologist to hold a lecture on SARS-Cov-2 virus, its specifics, transmission, protection and symptoms. Employees had a chance to ask the expert questions and receive answers which helped them in keeping themselves and their families protected and safe.

OCCUPATIONAL INJURIES IN 2020

MEMBER	NUMBER OF MINOR INJURIES	NUMBER OF SEVERE INJURIES	TOTAL NUMBER OF INJURIES	NUMBER OF LOST WORKING DAYS
Delta Agrar Group	25	10	35	1,124
Delta Food Processing	31	8	39	1,641
Delta Real Estate Group	1	0	1	19
Delta Distribution	8	1	9	183
Collective Functions	1	0	1	13
Delta MC	0	0	0	0
TOTAL	66	19	85	2,980

All employees received detailed instructions on the steps they need to take in the event they get infected with the virus Sars-Cov-2. Entrances were equipped with disinfection barriers and instructions were posted notifying the measures to be taken when third parties enter the premises, or at the time of loading and unloading of goods. In addition, all employees whose nature of work allows so were instructed to work from home. Offices and auxiliary premises were disinfected once a week by an authorised institute. On a daily basis, disinfection was carried out by a hygiene maintenance service. All offices and auxiliary premises were furnished with hand sanitizers and products for workplace disinfection. The Company adopted a rulebook on actions to be taken in the event an employee is confirmed to have Covid-19, which implied his/her isolation, and isolation of the persons which were in direct contact with the employee.

In 2020, HSW and FP training courses were mostly organized online.

In comparison with 2019, the number of injuries and lost working days was reduced. The largest number of injuries was recorded in Yuhor - 28 minor and 6 severe injuries. The most common causes of injuries were slips and sharp objects used in work processes.



HSW AND FP TRAININGS IN 2020	TOTAL
Training hours	7,273
Number of employees who attended trainings	1,477

NUMBER OF WORKING HOURS IN 2020	2,096
Fatal occupational injuries ratio	0
Severe occupational injuries ratio ⁴	9,064.8
Ratio of all recorded occupational injuries ⁵	40,553.4

⁴ Severe injuries/number of working hours in 2020 x 1,000,000

⁵ Total number of occupational injuries/working hours in 2020



Care for the environment

Environmental protection is essential for survival and progress of any society. Welfare of people and all living beings largely depends on the environmental conditions in their surroundings. Delta Holding's business strategy incorporates the goals of environmental protection which aim at ensuring business without pollution and degradation and a balanced use of natural resources.

When realizing its business activities, the Company acts responsibly towards the environment and strives for stable progress with minimum negative effects on the local and global surroundings.

As key action areas, internal and external stakeholders identified energy efficiency, care for air, water, soil and other natural resources. For this reason, the Company resorts to innovative solutions and clean technology for avoidance and reduction of environmental pollution.

Non-renewable resources, including energy sources, are preserved by being replaced with renewable resources. The Company invests all its efforts in the protection of water resources. Sustainable waste management is the result of reduced generation of hazardous waste and other kinds of waste, and the result of implemented alternatives for their reuse. Preservation of biodiversity and the protection of natural and cultural values of the protected areas are also integrated in the business principles of the Company.

The Company regularly educates its employees about the importance of environmental protection through the intranet portal within "Eko Kutak" section. Regular lectures serve to educate the employees about possible threats to the environment and the importance of adhering to ecological principles in everyday business. A general environmental protection policy was adopted at the company level, to include monitoring, measuring, reduction and prevention of pollutant release into the environment, namely water, soil, and air. Energy saving instructions and guidelines on proper waste selection and disposal are displayed in all offices.

Energy Efficiency Measures

Delta Holding regularly analyses possibilities for the improvement of energy efficiency with the aim of reducing operative costs and the emission of gases. At the same time, the Company strives to optimize the costs of energy consumption and contribute to the goals of sustainable development with regard to reduction of negative impact of the operation on weather and environment.



In 2020, the gas boiler in **Yuhor factory** was replaced with a new energy efficient boiler which uses less natural gas to provide more heating energy. The level of exploitation of the new boiler is 95%, whereas the old one the maximum level of consumption was 80%. Consumption of energy will reduce by approximately 20%.

In **the seed production factory in Sombor**, there is an ongoing project of expanding production capacities. The expansion requires additional amount of heating energy necessary for seed dryers. Since within the same production process, after obtaining corn seed, briar remains as one of the by-products, the Company decided to obtain heating energy for the new dryer from a biomass boiler that will use waste briar.

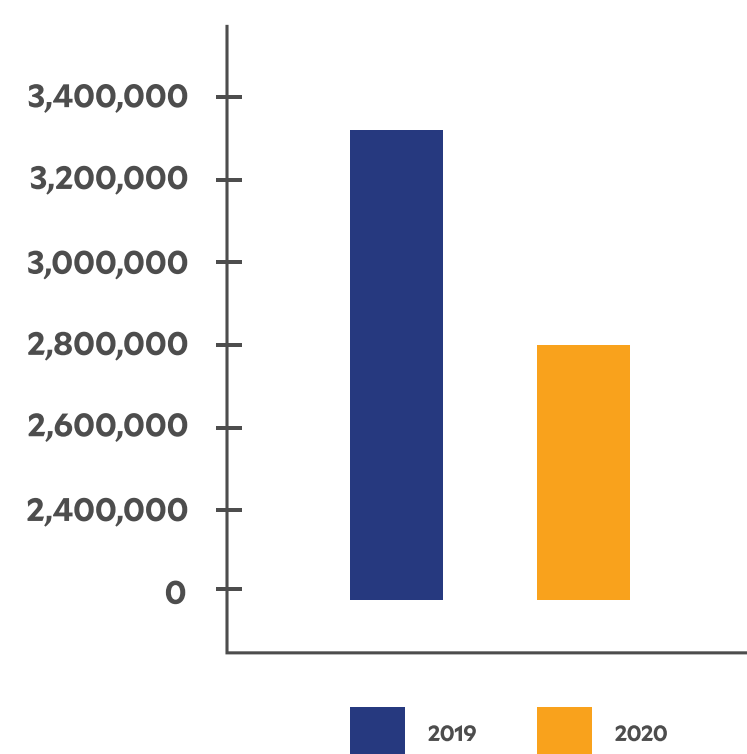
The new distribution centre for fruit in Nova Pazova implements the latest technologies with regard to machinery and electric equipment, which use less energy for the same production processes in comparison with standard technologies. This particularly refers to the systems for ventilation and cooling of chambers for fruit in which the consumption of compressed air is controlled and optimized. The chambers are made of insulation materials, whereas the engines of the air circulation system have frequency control, which reduces energy consumption. The most demanding system, i.e. banana ripening chamber, is equipped with the latest ventilation systems which save 20% of energy in comparison with standard solutions. The facility is completely furnished with LED lighting, which improves illumination and saves energy.

In 2020, the Company began the construction of an **ULO cold store in Zaječar**, which started working in May 2021. New technological solutions and proper selection of equipment resulted in high level of energy efficiency and good ratio between starting investments and savings. Cooling stems from a central chiller with infinity mode compressors and advanced regulation which gives precise amount of cooling energy 25-100%. Every compressor is equipped with an economizer which increases the efficiency of device by 10% and consumes less energy. Cooling chambers for apples operate in the most optimal regime, with the aim of preserving the quality of fruits. At the same time, this reduces the consumption of energy by maintaining the set temperature. The installation of energy efficiency segments resulted in 30% less consumption of energy in comparison with standard solutions.

Within the energy plant Delta Power Plant, in addition to three large gas boilers of 3.7 MW, two smaller condensing boilers were installed. In the transition periods and warm months, large boilers are not put to minimum operation, which significantly reduces their efficiency, but the energy is obtained from small condensing boilers. It will reduce the consumption of energy by 10 to 15%.

In the new **Delta Planet shopping mall in Niš**, thanks to the implementation of the latest building materials, the facility improved its energy efficiency and reduced the consumption of energy. Facade walls are made of Ytong blocks (which provide excellent thermal insulation) which in combination with rock wool save the energy necessary for heating/cooling of the facility. Structural facade and roof lantern made of glass provide a number of glass surfaces on the covering of the building, which do not disturb energy balance, and ensure B class energy efficiency. LED illumination consumes less energy and reflects less heat, which reduces the amount of energy needed for air-conditioning. The abovementioned elements also contribute to reduced energy consumption and CO₂ emission.

Total consumption of natural gas 2019/2020 (m³)



CONSUMPTION OF ENERGY IN 2020

MEMBER	ELECTRIC ENERGY GJ	COAL CONSUMPTION GJ	NATURAL GAS CONSUMPTION GJ	FUEL CONSUMPTION GJ	BIOMASS GJ
Delta Agrar Group	74,768	8,707	24,951	76,246	29,375
Delta Food Processing	78,625	0	80,516	6,373	0
Delta Real Estate Group	35,872	0	20,125	429	0
Delta Distribution	12,072	0	6,108	14,599	0
Total consumption	201,338	8,707	131,700	97,647	29,375

ENERGY INTENSITY

2020	TOTAL ENERGY CONSUMPTION (GJ)	TOTAL INCOME IN EUR	CONSUMED ENERGY PER SALES UNIT (GJ/EUR)
Amount	468,768	511,630,000	0.00092

CO₂ EMISSION

MEMBER	DIRECT CO ₂ EMISSION			INDIRECT EMISSION
	NATURAL GAS tCO ₂	COAL tCO ₂	FUEL tCO ₂	ELECTRICITY tCO ₂
Delta Agrar Group	1,221.27	783.61	5,337.25	2,990.73
Delta Food Processing	3,941.06	0	446.09	3,145.02
Delta Real Estate Group	985.06	0	30.03	1,434.89
Delta Distribution	298.97	0	1,021.96	482.90
	14,065.29			8,053.54
TOTAL	22,118.83			

In 2020, in cooperation with an external consultant, the Company started conducting energy audits. In the first phase, 15 locations were selected. Based on the type of the facility, production process, and consumption of energy products, it was estimated that the energy efficiency could be improved through the introduction of renewable energy sources, which would additionally reduce CO₂ emission.

An analysis was launched at 5 locations to investigate whether it is justified to install solar panels for the production of electric energy. The analysis was carried out in 3 food factories (Yuhor, Fun&Fit, Mioni), Apple Cold Store Čelarevo, and dairy farm Napredak in Stara Pazova. The energy produced by solar plants will be used for the needs of these facilities, which will reduce the consumption of electric energy by 20-30% from the distribution network. This will also reduce CO₂ emission. Solar plants will be installed on the facility roofs only, and not on the ground, green and arable surfaces.

INTENSITY OF CO₂ EMISSION

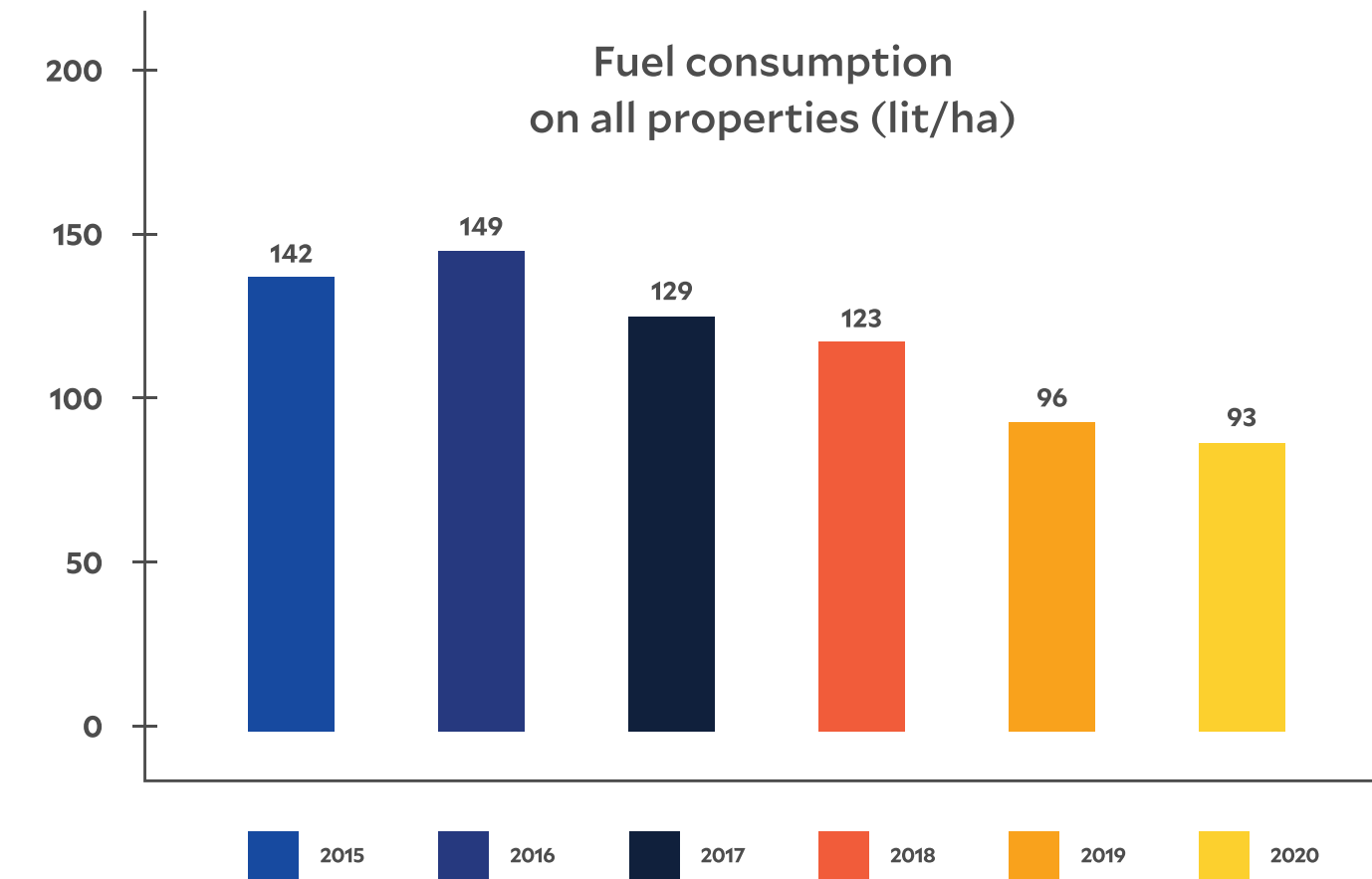
2020	EMISSION OF CO ₂ IN TONS	OVERALL REVENUE (EUR)	TOTAL EMISSION OF CO ₂ PER SALES UNIT (CO ₂ t/EUR)
Amount	22,119	511,630,000	0.000043

Delta Holding's new office building, **Delta House**, will be certified in accordance with LEED standard, as a LEED Gold facility. The building is equipped with ventilation systems whose parameters are by 30% better in comparison with the strictest standards. Lights are triggered by sensors, which optimize consumption of electricity. Taps are also equipped with sensors that optimize water consumption. The building will have a rain water collector, which will collect water to be used as technical water. Landscaping will include plant species which require less irrigation, to optimize water consumption. Every climatic chamber is furnished with a bipolar ionization, which maintain air quality at the highest level, free of viruses and bacteria. The building will be equipped with solar panels that optimize the consumption of electricity. Facility is structured as a light concrete structure filled with Unidom balls - balls made of recycled plastic, which also contributed to the reduction of CO₂ emission in the course of construction (reduced concreting decrease CO₂ emission). The building will have a parking area, dressing rooms and showers for cyclists, to motivate the employees to use alternative means of transport and reduce pollution.

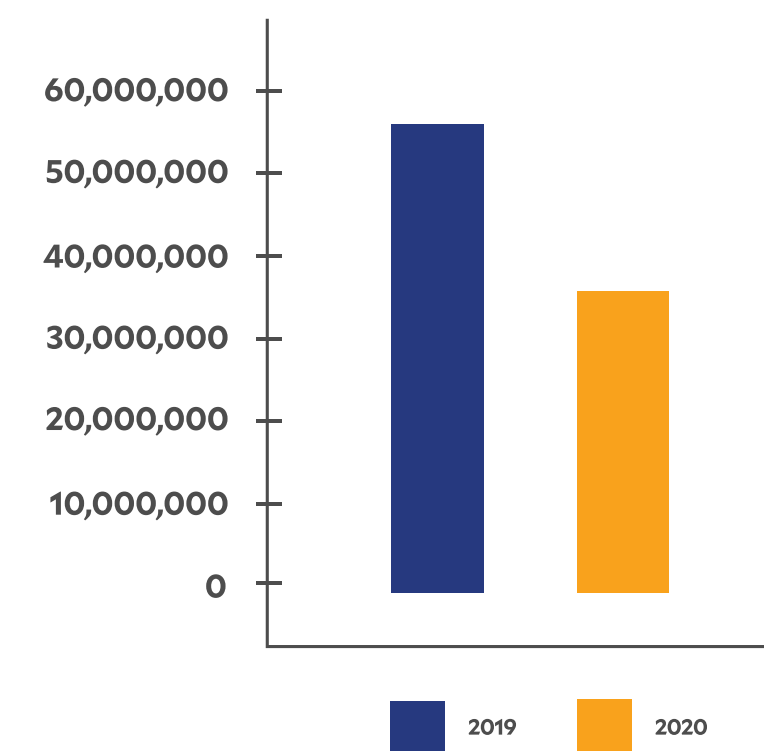
Investments in machinery, procurement of the latest models of tractors, preventive maintenance and introduction of new software solutions largely contributed to the reduction of fuel consumption and maintenance of machinery, as presented in the charts below.

Plans up to 2030 include:

- Installation of solar plants at 10 facilities and reduction of electricity consumption by 30%;
- Construction of a biogas plant in one of Delta Agrar farms, for the production of electric and heating energy and resolution of problem of biodegradable waste.

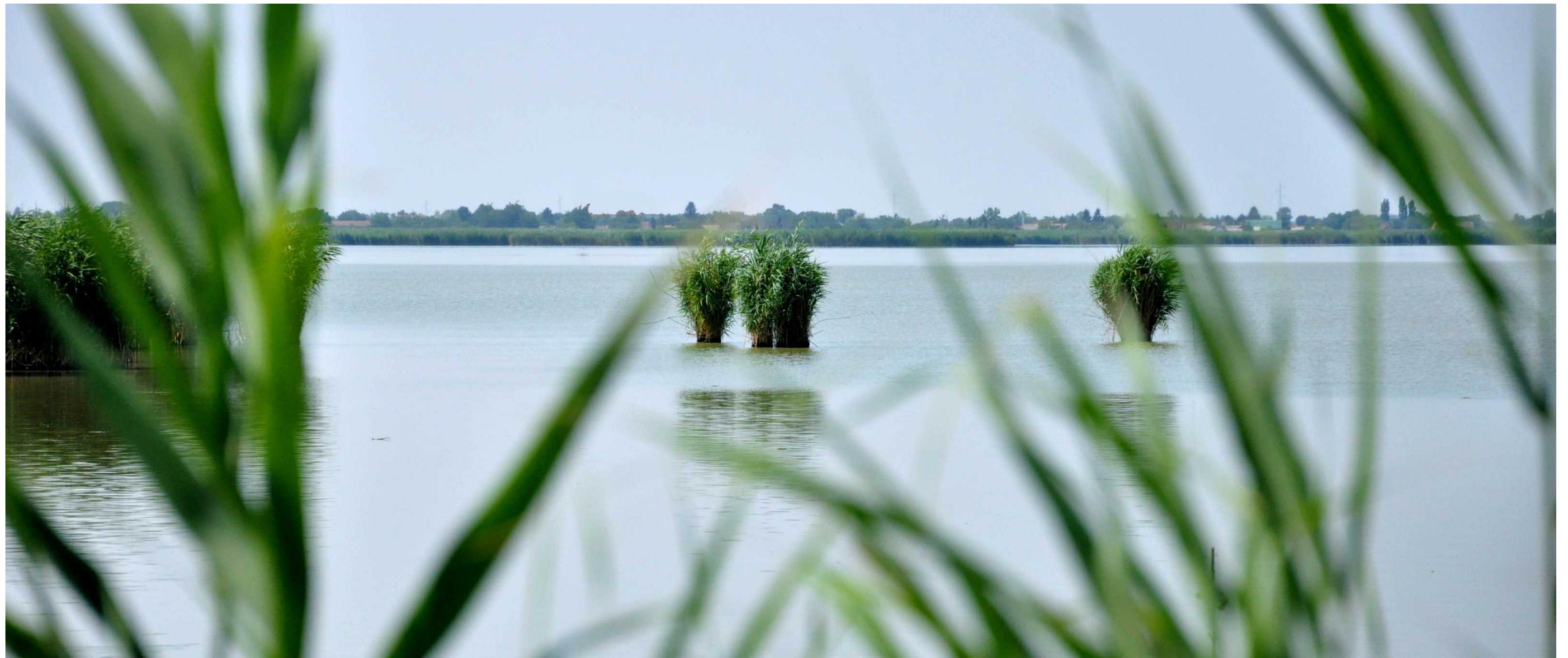


Total consumption of electric energy 2019/2020 (kWh)



Nature Reserve

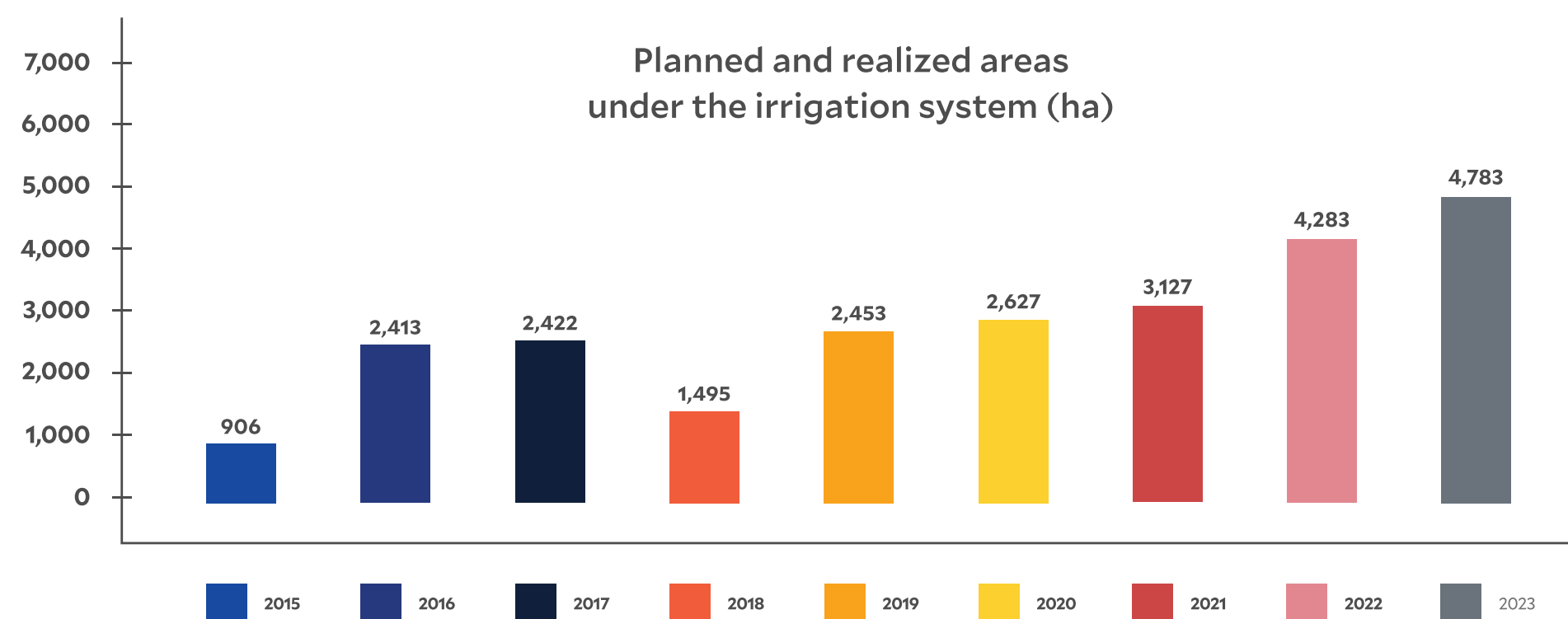
Delta Agrar looks after a wildlife reserve, a pond in Svilojevo, situated on the property Jedinstvo d.o.o. The pond was declared a nature reserve in 2011. It stretches across the area of 150 ha and consists of several ponds and minor 50 ha islands with flora and fauna, the impact on which is not allowed without the authorization of the Republic Institute of Environmental Protection. It is strictly prohibited to cut the island reed and bulrush, capture or kill herons, destroy their nests, reproduction areas and habitats. The said prohibition is prescribed by the Law on Environmental Protection and the Rulebook on protection and declaration of strictly protected species of plants, animals and fungi. The Institute of the Province is in charge of adopting decisions in accordance with the said laws.



Water Conservation

In 2020, Delta Holding continued to invest in irrigation systems and increased the area of arable land under the irrigation, planning to continue with the said activities in the following years.

For years, Delta Agrar has been investing in the latest irrigation systems which optimize water consumption, i.e. precisely determine the amount of water necessary for uninhibited growth and development of plants. The Company relies on surveys on the yield of water wells and installs water meters with the aim of optimizing water consumption at all locations. The quality of the water in wells is controlled on a monthly basis and the reports on the consumption are regularly submitted to the public water management company "Srbijavode". In addition, precision agriculture facilitates monitoring and optimization of water consumption for production needs.



To irrigate orchards, vegetable gardens, and arable crops, Delta Agrar uses the latest irrigation systems drop-by-drop, which regulate and optimize consumption. These watering systems rely on automatic monitoring to adapt to plants' needs. The drinkers used on farms prevent spilling and excess consumption of drinking water. To optimize the level of water exploitation, the quantity of distributed water does not exceed the irrigation norm, as the plants absorb only the amount of water that is necessary for growth and development of biomass, whereas the rest is lost through evaporation and drainage. Besides the norm, irrigation timing is one of the most important elements, as well as the choice of droppers that uniformly distribute water to plants.

All the factories of the Food Processing Group are equipped with filters for purification of aqueous effluents. The quality of water is controlled four times a year. As a result of the controlled consumption, economical use of water for irrigation of green surfaces, maintenance of technical infrastructure of the facility and a series of regular activities of the department for technical maintenance, DTS realized significant savings in its facilities.

To prevent the pollution of recipients which results from the release of aqueous effluents from Delta Motors and Delta Automoto maintenance centres and DTS centre for storage and distribution, the aqueous effluents are treated prior to being released into shafts or the city collector. The Institute of Public Health of Belgrade carried out periodical inspections of aqueous effluents and found that the content of hazardous materials was within the prescribed ecological limits in all facilities. The quantity of released aqueous effluent in Delta Automoto is measured on a daily basis, and the reports on released amounts are periodically submitted to competent institutions.

MEMBER	WELL WATER	POND WATER	SURFACE WATER	TAP WATER	THE AMOUNT OF RECYCLED WATER IN m ³
Delta Agrar Group	1,167,308	263,793	23,549,419	16,087	7,526,045.77
Delta Food Processing	230,627	5,313	0	33,221	0
Delta Real Estate Group	0	0	0	126,115	0
Delta Distribution	0	0	0	13,753	0

Waste Management

All members of Delta Holding have a regulated waste disposal in accordance with the Law on Environmental Protection and Law on Waste Management, in cooperation with an operator for the collection of non-hazardous packaging waste that is engaged at the level of the Company. The Company continually strives to raise the awareness of its employees about the importance of waste reduction and its proper treatment.

Employees' premises are equipped with segregated bins for paper, plastic, and tins in canteens. Places for disposal are marked with posters which contain instructions on proper selection and the importance of recycling.

Collection of hazardous waste is delegated to the operators which have demonstrated their conscientiousness and compliance with applicable legal regulations through their extensive experience in hazardous waste management.

At all Delta Agrar locations, the packaging of plant protection products is rinsed with water three times, since it is treated as hazardous waste. The packaging thus becomes a non-hazardous waste before it reaches the operator, which additionally protects the environment in which we live and work.

With these important measures and major projects planned for the following year, Delta Agrar Group demonstrates its ecological awareness, care for environmental protection and leaves a healthier and greener world to future generations.

THE QUANTITY OF GENERATED AND COLLECTED WASTE IN TONS

MEMBER	NON-HAZARDOUS WASTE GENERATED IN 2020	QUANTITY OF NON-HAZARDOUS WASTE ON 01/01/2020	QUANTITY OF NON-HAZARDOUS WASTE ON 31/12/2020	HAZARDOUS WASTE GENERATED IN 2020	QUANTITY OF HAZARDOUS WASTE ON 01/01/2020	QUANTITY OF HAZARDOUS WASTE ON 31/12/2020	TREATED QUANTITY OF NON-HAZARDOUS WASTE	TREATED QUANTITY OF HAZARDOUS WASTE
Delta Agrar Group	209.58	23.24	27.54	27.34	9.61	11.78	205.28	25.08
Delta Food Processing	556.42	18.38	17.41	1.34	4.09	1.13	557.39	4.35
Delta Real Estate Group	89.61	0	0	1.76	0	0	89	2
Delta Distribution	128.27	0	0	26.44	0	0	128.27	26.44

Delta Pak

Delta Pak is a non-profit organization which operates as a part of Delta Holding. As a packaging waste and packaging management operator, Delta Pak organizes the establishment of an integrated system of packaging waste management in accordance with the environmental protection principles, international standards, and applicable regulations of the Republic of Serbia. In 2020, its license for the operator of the packaging waste and packaging management issued by the Ministry of Environmental Protection for a period of 5 years was extended for the third time.

Delta Pak maintains regular cooperation with clients and fosters cooperation which implies field work and problem solving on site, expert consulting and recommendations with regard to waste management, keeping of records on quantities and reporting to national services. Its aim is to establish a sustainable waste management system with each client, in accordance with legal regulations.

In 2020, Delta Pak had contracts with 129 clients, including all Delta Holding members. All clients were able to fulfil national goals.

General national goal for the Republic of Serbia for the year 2020 was 61%. The quantity placed on the market in 2020, for which clients assigned the obligation to Delta Pak, i.e. the overall quantity of packaging placed on the market of the Republic of Serbia by legal entities or entrepreneurs which assigned their obligations to Delta Pak amounts to 16,538.17 t.

The total quantity of packaging waste reused and recycled by Delta Pak amounts to 10,893.90 t, out of which 3,339.89 t stems from municipal waste. Based on the said data, it is evident that general national goals for the Republic of Serbia in 2020 were met in the value of 65.86 % in term of reuse and recycling of packaging waste.

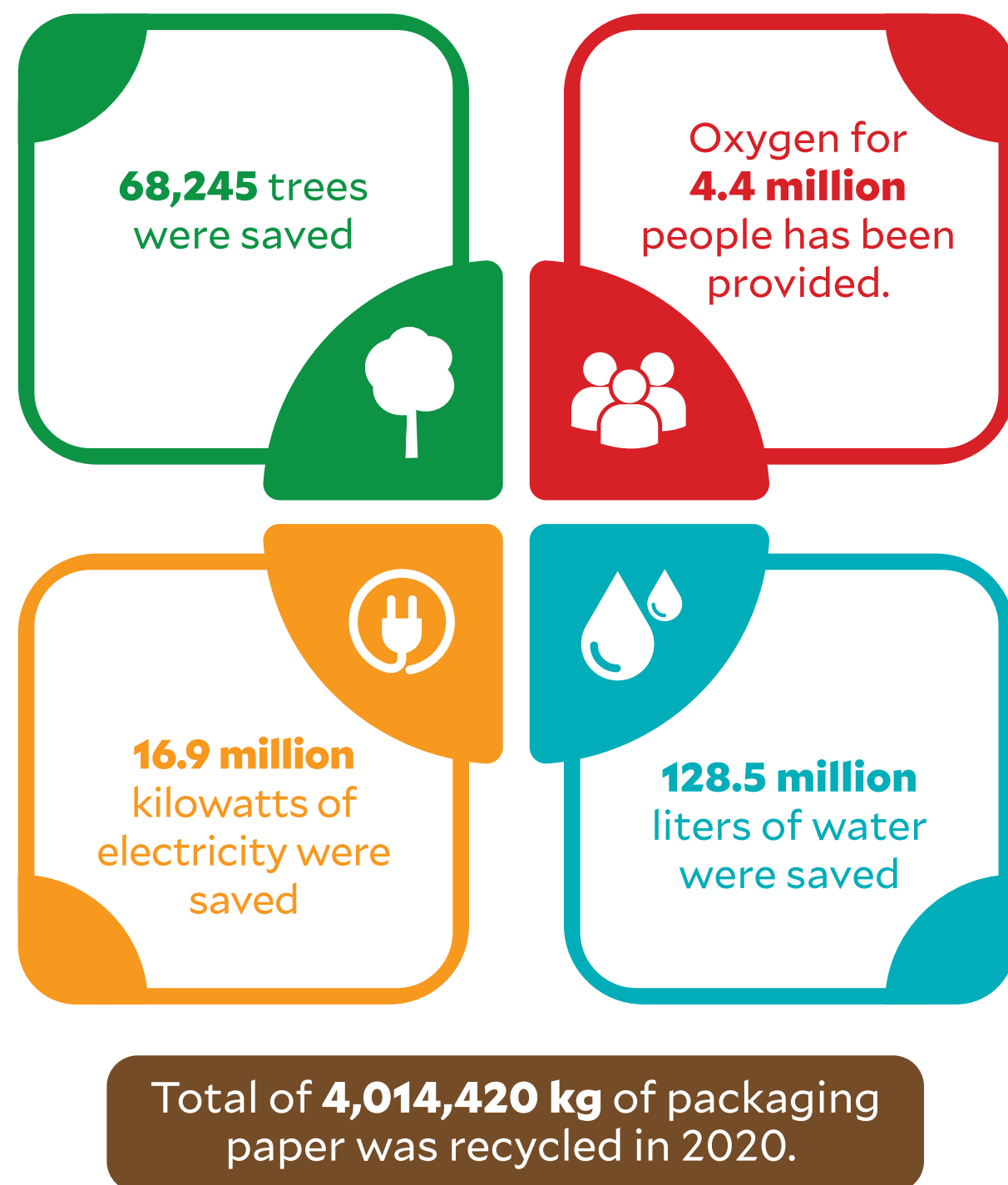
Reports of the Environmental Protection Agency confirm the leading position Delta Pak holds in the realization of national goals for a number of years. According to the latest report for 2019 published on the official website of the Environmental Protection Agency, Delta Pak took over 66.1% of packaging waste, whereas the national goals laid down by the applicable regulation requested 60%. All other waste operators recycled less than Delta Pak, which means that all Delta Holding members exceeded national goals with regard to recycling.

In 2020, Delta Pak concluded cooperation contracts for the fulfilment of national goals with regard to packaging and packaging waste management with 29 companies which have authorization to collect and recycle non-hazardous packaging waste.

In addition to packaging management, Delta Pak provides consulting services in the area of environmental protection, management of hazardous and non-hazardous waste, special procedures with regard to disposal of waste and chemicals and safe transport of dangerous goods. In 2020, Delta Pak established cooperation with 39 clients, sharing its expert knowledge from the specified areas.

PLACED PACKAGING - DELTA HOLDING

YEAR 2020	TOTAL AMOUNT PLACED ON THE MARKET - NON-RETURNABLE (t)	TOTAL AMOUNT PLACED ON THE MARKET - RETURNABLE (t)
Plastic total	1,753.01	0
Glass total	175.19	0
Metal total	145.83	0
Carton and paper - total	177.81	0.14
Timber total	713.32	191.25
Other kinds of packaging	0.08	0
Total	4,562.24	191.39
	4,753.63	
Share in returnable packaging (%)	4.20	



In 2020, under the changed circumstances caused by the pandemic, in addition to in-house trainings, the Company organized online trainings on waste management and environmental protection for external clients and members of Delta Holding. Clients and members were informed about good ecological practices, legal regulations, prescribed documents, and obligations with regard to waste management that need to be performed on a daily basis.

As a special kind of training, Delta Pak posted online guidelines for the protection of environment and efficient use of energy “Ekokutak”, a document first drafted in 2016 with the aim of raising environmental awareness of employees. With 12 interesting, educative texts, Delta Pak informed Company’s employees about new findings in ecology, and gave them a chance to read useful advice whose implementation on a daily basis may contribute to the preservation of our environment. As reading of one text in Ekokutak takes approximately 10 minutes a month, i.e. 120 minutes a year, DH employees received about 6,000 hours of mini-education on annual level.

One of Delta Pak’s new practices in 2020 is the extensive use of social networks. Besides the existing work standards, digital communication is yet another form to modernize information of general public and provide support, with the aim of enhancing communication with clients and stakeholders.

To prevent any possible accidents, as a consultant for safe transport of dangerous goods, Delta Pak educates its clients about legal regulations and the risks of handling dangerous goods. In 2020, the operator organized training courses on the safe transport of dangerous on the properties of Delta Agrar.


In 2020, on the territory of the city of Zaječar, Delta Pak advocated for the reduction of packaging waste on local landfills. It organized lectures for school children, and plans to continue to raise awareness and educate local population about proper waste segregation and disposal.

In 2020, Delta Pak was a member of working groups which were formed to draw up and modify regulations in the Ministry of Environmental Protection.



Since it was established in 2007
DELTA FOUNDATION

 Provided aid for
754,124 citizens

Carried out **3,960**
humanitarian
activities 

 Invested
39 million EUR

All Delta Holding members support the development of local community through numerous and various projects carried out by Delta Foundation. Delta Foundation was established in 2007, as the first corporate foundation in Serbia, with the aim of restoring the tradition of endowment in our country. From its establishment up to present, Delta Foundation has left two endowments to our community:

- Daycare centre for persons with disabilities “Sunce” and
- Centre for sport and recreation of persons with disabilities “Iskra”.

In addition to its endowment projects, Delta Foundation also donated a sculpture “From There to Here”, a piece of art that adorns the pedestrian bridge which connects the Kalemegdan Fortress and Sava Quay in Belgrade.

The aims of Delta Foundation include:

- implementation of development projects aimed at supporting our community,
- providing aid to vulnerable groups,
- supporting education and culture,
- social entrepreneurship strengthening,
- providing aid to the community in states of emergency caused by natural disasters and other circumstances.

Since it was established up to the end of 2020, Delta Foundation carried out 3,960 humanitarian activities, invested 39 million EUR in the community, and provided aid for 754,124 citizens of Serbia.

Our Village

Unique project “Our Village” was launched at the end of 2018 with the aim of supporting and promoting the development of agriculture and restoration of villages in Serbia. The project was first launched in the villages of Mala Jasikova and Dubočane near Zaječar, due to a large number of young people who wish to stay in these villages and work in agriculture.

Key elements of the development of agricultural production are sharing of knowledge on modern production methods, support in financing and marketing of products. Forty households decided to take part in the project. Delta Holding created individual development plans and measures for each household, and Delta’s team pays weekly visits to locals’ properties, giving them advice on fruit farming and protection, selection of animal breeds and their proper growing, and all other processes which lead to successful production. To finance their production, locals received loans from Erste Bank, on which Delta Agrar pays interest. The funds from the loans were invested in the procurement of animals, machinery, irrigation systems, orchard fencing, building materials for stables and dairy houses. In 2020, the Company organized lectures and online courses for the locals.

As marketing of products presents one of the greatest challenges for agricultural producers, Delta guarantees the purchase of products and helps the locals to launch their products through large retail chains, which makes their production sustainable. During the pandemic, DH launched “Our Village Market” where employees bought homemade products from the locals, which helped them to overcome the crisis without losing their income.

Delta has also allocated funds to support young parents. Six households received a childbirth allowance of 100,000 RSD and Erste Bank opened bankbooks for newborn children with initial 250 EUR.

Another important segment for the survival of villages is the improvement of education, health institutions, cultural and social life. With the support of health institutions from Zaječar, the work of outpatient clinics was extended from 1 to 2 days a week.

Through this project, Delta also promotes the importance of education from early age and supports the youngest residents of the local villages. After renovating the school in Mala Jasikova in 2019, in 2020 Delta Holding gave a completely new appearance to the school in Dubočane. For the first time in 88 years, the school’s roof was repaired, as well as the internal and external walls, carpentry, new floors were placed, electric installations and school furniture replaced. In December 2020, children from both villages received New Year gifts prepared by DH employees within the initiative Santa Claus Helpers.



The 2021 plans include:

- renovation of the centre for children and youth in Mala Jasikova,
- establishment of children’s playground in the schoolyard in Mala Jasikova, and
- selection of another two villages where the realization of the project will continue.

The long-term goal is to establish living conditions in these villages parallel to the ones in the modern European villages and create conditions for the emigrated population to return.

Many partners joined the project: Erste Bank, City of Zaječar, Health centre Zaječar, Serbian Chamber of Commerce, Ceramics Kanjiža, Beo vrt, retail chain Tekijanka, Telekom Srbija, CANSEE. The Swedish ambassador and representatives of the Austrian Embassy visited the two villages and follow the realization of the project on a regular basis.

Fund for the Future

One of the many projects of Delta Foundation is the program “Fund for the Future” initiated in 2006. The main purpose of the program is to support and motivate children without parental care, who live in social protection institutions, in their professional growth and development. Upon the completion of the program, these children are presented with employment opportunities which allow them to be independent and have a stable source of income in the future.

Basic principles of the program include:

- orientation towards the future,
- the program simulates reality which awaits the young in the process of employment and work
- development of responsibility as the key element of healthy personal growth.

The program includes several stages.

The two-year program is realized through the following stages:

- scholarship contest and selection of awardees,
- theoretical and practical training,
- monthly scholarship funding,
- distribution of certificates and
- employment.

Within the program “Fund for the Future”, scholarships are awarded to students who attend agricultural schools. In addition to scholarship, students get the opportunity to obtain their first professional experience in agriculture on Delta Agrar properties. In 2020, Delta Foundation provided scholarships for three students.

Third Parent

For 6 years in a row, within the project “Third Parent” Delta’s employees in cooperation with the association “Putokaz” from Novi Sad have helped in preservation of biological families whose children are faced with the possibility of mandatory relocation to the institutions of social protection. The aim of the project is to help the families become fully functional through day-to-day counselling, support in legal and health protection and representation of children’s rights. The project also supports children’s education and acquisition of various skills necessary for healthy development.

In 2020, 134 employees looked after 50 children. Throughout the year, every “third parent” prepared gift packages for children in accordance with their wishes and needs - for holidays, birthdays and the beginning of the school year. Children had the possibility to attend sports trainings, extracurricular activities and excursions. To facilitate the communication with children, the program also includes a social worker whose responsibility is to visit families and help them overcome the challenges they are faced with. The goal of every third parent is to help the child in his/her care have a happier and healthier childhood. Children who participate in the project will have support of the third parent until the end of their formal education. The program is open to all those who wish to become third parents and look after children in need of a helping hand.

Supporting the community in the pandemic

All current and envisaged CSR activities aimed at providing aid to the community were continued in a manner adjusted to the circumstances.

Instead of receiving donations in kind for Easter, children from endangered families, supported through the project Third Parent, received financial aid that was paid into the bank accounts of their parents.

The locals from the project Our Village, whose aim is to share knowledge on modern agricultural practices and provide aid in financing, were advised through Viber groups. They sent us photos of their orchards and facilities under construction so that we could monitor progress. We communicated with them on a regular basis and advised them over the phone with regard to credit approval for the investments in modernization of agriculture.

Since markets were closed for a while, we launched Our Village Market with the aim of selling countryside products to our employees. This way, we helped them overcome the crisis and retain their income.

Crowne Plaza hotel prepared 150 meals a day for medical staff working in Covid hospitals in Belgrade - Clinic for Infectious Diseases and Department of Pulmonology of the Clinical Hospital Centre Belgrade, Clinical Hospital Centre Dragiša Mišović and Clinical Hospital Centre Zvezdara. In addition, our Company donated a disinfection tunnel to the hospital Dragiša Mišović.

The Fun&Fit Company realized a humanitarian project and delivered more than 100 food packages to persons over the age of 65 who were not allowed to leave their homes due to the situation caused by the pandemic.



▶ IMPLEMENTATION OF REPORTING PRINCIPLES

Importance of Information

The vision of Delta Holding is to be a strong global company recognisable for its values and to realize its goals in a manner that satisfies the needs of all stakeholders. In this respect, the CSR Report contains information which may be of interest to all parties which are in direct or indirect contact with the Company.

Inclusion

One of the principles of sustainability reporting is to improve business cooperation, increase the level of general satisfaction with the operation of the Company and define plans for further development by creating preconditions for an efficient dialogue with stakeholders. 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 Report contains information about the activities of Delta Holding on the territory of Serbia, unless otherwise specified in the text. Continuous business development harmonized with sustainability principles contributes to further development of Serbia and the region. Numerous memberships in international organisations and active participation in international conferences, fairs and seminars confirm that the Company strives to bring the best international experiences to Serbia. The five-year operative strategy clearly defines each segment of activity, taking into account possible 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 which refer to 2020, which were compared, whenever applicable, with the information from 2019. Financial and economic indicators were taken from unrevised consolidated annual reports compiled for the needs of the management.

Balance

The Report contains information on all areas included in the presented GRI indicators, which are of relevance to stakeholders. Achieved results are presented, as well as the challenges that the Company faced in the given period. This provided insight into segments that require further improvement.

Comparability

The application of GRI standards and specific indicators allows readers to compare Delta Holding's Report with the reports of other companies. The Report also presents information for a comparable period wherever it is possible to do so, using the same measuring methods. In the event of application of a methodology different from the one used in the previous Report, the reasons and effects of the change are clearly specified. There was no correction of data published in the 2019 Report.

Accuracy

The Report contains qualitative and quantitative data, specified with utmost precision and accuracy. In the absence of original data, calculations were made and specified together with a detailed explanation of the methodology behind them. Financial and economic data can be found in the Company's financial statements.

Timeliness

As the Report is published once a year, stakeholders have the possibility to adopt decisions in relation to their business cooperation with the Company in due time.

Clarity

Observing the principles of clarity and simplicity, the text of the Report was written in clear and understandable language. Some of the terms and abbreviations are explained in footnotes.

Reliability

According to the reporting principles adopted by the Company, the internal audit of the shown data was conducted.

Drafting of the Report

The Report was drawn up by the Department of Strategy and Development in cooperation with colleagues from Corporate Communications Department, Department of Finances, Controlling Department, HR Department, Delta Foundation, Delta Agrar Group, Delta Food Processing, Delta Real Estate Group, Delta Distribution and Delta MC. It was published on 16/07/2021. Contact person for all questions in connection with the Report or its content is Tijana Koprivica, Chief Business Sustainability Officer (tijana.koprivica@deltaholding.rs).

For additional information about the operation of Delta Holding, visit www.deltaholding.rs



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