

**CREATING
SUSTAINABLE
BUSINESS
AND
GROWTH**

**DELTA HOLDING
REPORT ON SUSTAINABLE
BUSINESS 2022**

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OPENING REMARKS

For us, sustainability is a way of thinking and working.

Since the establishment of Delta Holding, the backbone of our business is an investment in knowledge that contributes to the development of the company and its employees, but also to the improvement of the social and economic environment and the preservation of the environment. We are aware that the adoption of ESG standards is an imperative of good business practice and ensures successful cooperation with all stakeholders.

Despite the challenging economic environment, during 2022 we performed great, we maintained and consolidated strong, leading market positions in all business segments

We are proud to have the opportunity to share knowledge and to promote the implementation of the Sustainable Development Goals



and continued to grow and develop with numerous innovations and respect for the principles of sustainability.

After many years of dedicated and focused work, the foundation we have built is so solid that we are able to set ambitious but realistic operational, financial and ESG goals through our strategic plans.

Delta Agrar continued to expand its business and introduce precision agriculture in 2022. Digitalization of agricultural production enables us to produce healthier and better-quality products with optimal consumption of natural resources, reduction of water consumption and preservation of land for future generations.

Our factories within the Delta Food Processing Group presented new products to the market, as well as improved

existing products in terms of quality and nutritional values. During the year, packaging was also improved in order to better adapt to environmental protection.

Delta Real Estate was also dedicated to the planning and construction of green buildings in the previous year. Our new office building, Delta House, as well as the facilities currently being built and renovated, have green certificates, and the existing hotel facilities and shopping malls have energy passports. The current project is the renovation of the Sava Center, which was the first in Serbia to pass the verification of compliance with the EU Taxonomy criteria. This facility will have a BREEAM standard.

At Delta Distribution, we continued to promote the procurement and use of electric cars. Delta Motors and Delta Automoto are among the first companies to

introduce these cars to our market. DTS uses electric vehicles exclusively for the delivery of products ordered through the online platform Ananas.

Within the framework of New Technologies, our company Resity as an SAP consultant offers solutions for collecting, protecting and linking data on the environment, society and management.

We remain focused on preserving the environment through reducing the use of non-renewable resources, negative impacts on climate change and the development of a circular economy. With our ESG strategy, we have foreseen the transition to renewable energy sources, reduction of harmful gas emissions, water care and reuse and recycling of 100% of generated waste. Our goal is to get 50% of our energy from renewable sources by 2030. In this way, as well as with additional energy efficiency measures, we will reduce the emission of harmful gases by 50%.



Our people drive our business and achieve our goals. That is why, in the previous year, we made an exceptional effort to provide employees with the best working conditions, personal and professional development and an inclusive work environment. We are also committed to their involvement in decision-making because their opinion is important to us. In this way, we create loyal personnel, who realize their full potential and are aware of their contribution to the sustainable development of the company. We are also committed to recruiting and retaining talent through the Young Leaders and Delta's Future projects, as this is essential for our success and development.

We continued to provide community support primarily by imparting knowledge that contributes to the sustainable development of project participants. Through a unique project for village development, in the past 4 years, we have supported hundreds of farms. During 2022, we also launched the Digital Village project, within which, together with our partners BioSens Institute and Mokrin House, we are raising awareness of farmers about the importance of digitalization for the sustainability of agricultural production. Our goal is to make agricultural production easier, more profitable and more attractive to small producers, and above all to young people. We want to help them acquire new knowledge about modern agriculture, improve the quality of their products, increase earnings and ensure a better standard of living for themselves and their families.

In 2022, the company implemented numerous projects to help the vulnerable population through the Third Parent project and through volunteer activities.



We are proud to have the opportunity to share knowledge and to promote the implementation of the Sustainable Development Goals and the 10 principles of the Global Compact as Chairman of the Management Board of the Serbian Global Compact Network and members of the Management Board of the Responsible Business Forum.

For us, sustainability is proof of our quality, our strength and our compass. Sustainability is also our obligation, as it is a way to contribute to the development of all our stakeholders and the community as a whole through our growth and development.

Miroslav Mišković
**President of the
Supervisory Board**

Milka Vojvodić
**CEO, Senior Vice President,
Finance and Economy**

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

DELTA HOUSE

ABOUT THE COMPANY





Structure and members

Delta Holding has held a leading position in the Serbian market for 31 years. Following global trends and global market movements, as well as adopting modern technologies and state-of-the-art digital solutions, Delta Holding creates innovations, new models and ways of doing business year after year, with a permanent focus on improving the quality of its products and services and developing new businesses.

As one of the most influential companies, Delta Holding continues its long-standing commitment to respecting and applying the principles of sustainable and responsible business. Through providing examples of good practice, the company is focused on deepening cooperation with its business partners and making a lasting contribution to the development of all stakeholders, the economy and the social community as a whole.

Delta Holding owes its success and leading position in the field of production and provision of services

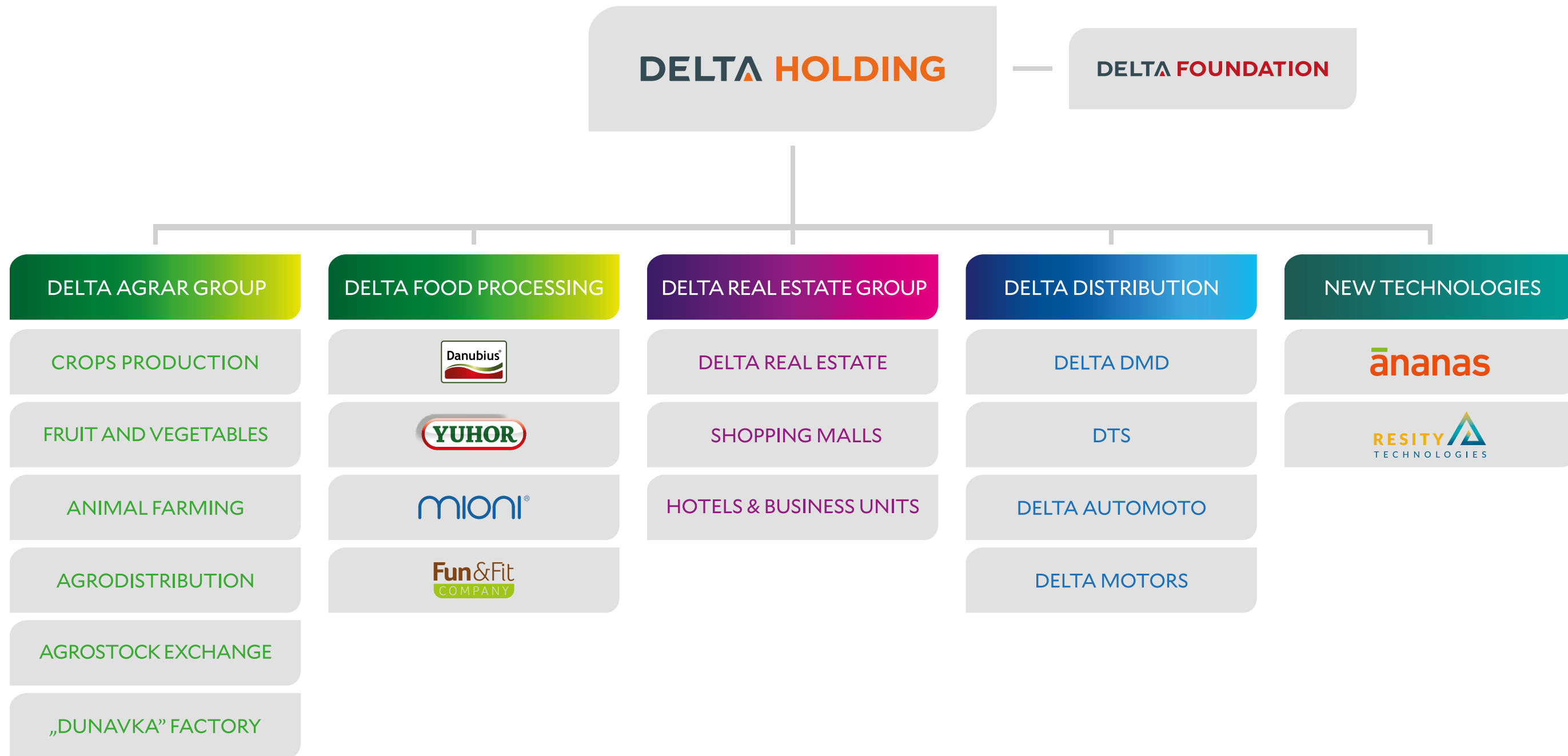
to good and systematically organized operations, which take place through five independent organizational units focused on the following spheres of business:

- ▶ Delta Agrar Group - primary agricultural production, agribusiness, distribution, cooperation, purchase, as well as production of crude oil and meal;
- ▶ Delta Food Processing Group - food and water production;
- ▶ Delta Real Estate Group - real estate construction and real estate management;
- ▶ Delta Distribution - logistics and freight forwarding, distribution of vehicles and consumer goods;
- ▶ New Technologies - online sales and distribution, development of digital platforms for agricultural production and provision of consulting services in the field of SAP solutions.

Delta Holding also includes:

- ▶ Delta Foundation - a corporate foundation with the mission of permanently meeting the social, educational, cultural and health needs of the community by creating and implementing endowment projects and humanitarian development programs;
- ▶ Delta Pak - operator for packaging waste management.

The headquarters of the company, since its establishment in 1991, is located in Belgrade. The business takes place primarily on the Serbian market, but also on regional markets (Montenegro and Bosnia and Herzegovina). The company can also boast about a long-standing business in the Russian market and an expansion of operations in the European Union market. While a smaller number of units represent joint stock companies, Delta Holding member companies mostly operate as limited liability companies.



Mission and vision

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



CORPORATE MANAGEMENT



Achieving the mission and vision through precisely defined strategic plans and goals of sustainable development also implies a stable organizational structure of the company

At Delta Holding, the business principles and business practices are designed to foster a corporate culture that encourages innovation and teamwork and is committed to ethics, accountability and transparency. Achieving the mission and vision through precisely defined strategic plans and goals of sustainable development also implies a stable organizational structure of the company, which stimulates the development of innovations, creation of changes, flexibility, quick decision-making and their effective implementation.

The organizational structure that encourages the creation of new business ideas and precise measurement of the achieved results are an integral part of Delta Holding, and by their continuous implementation and improvement, the company ensures that its activities, obligations and initiatives are fully in accordance with the recognized needs of the social community.

The corporate management system at Delta Holding is fully aligned with modern forms of management. Its basis consists of top-notch knowledge and experience in the implementation of solutions by leading global companies, modern technology and growing digitization, with an understanding of the necessity of continuous adaptation to the requirements of the markets in which the company performs its business activities.

The hierarchical structure of the company includes the Management Board and the Executive Board at the very top, while the directors of member groups and strategically important sectors in the company form the leading management.

The Management Board of Delta Holding is the main management body of the company. In addition to the Chairman of the Management Board, its members are also three senior vice-presidents, as well as three vice-presidents. The Management Board creates the mission and vision of the company, as well as the direction of strategic action, the implementation of which is monitored and controlled in practice. In its activities, its greatest focus is on sustainable business strategy and employee development and it has a key role in approving strategic plans of member companies.

The work of the Executive Board is presided over by the CEO of the company, and its members are characterized by high personal integrity, professional credibility and leadership skills. They continuously transfer their many years of business experience and expertise to the leading management in order to improve the existing and develop new businesses. Leading management consists of experienced leaders who have shown exceptional dedication, authority, quality and expertise in their areas of expertise, and are elected by the Management Board and the Executive Board.

Taking into account the company's strategic commitment to diversity, equity and inclusion, the principle of gender equality is deeply woven into the structure of the highest management bodies. The Management Board and the Executive Board consist of four women and three men, while the top management consists of nine women and fifteen men.

Detailed business plans are created at strategic collegiums, while business results and plans for the next year are presented and analysed at the Delta Holding Annual Collegium.

SUPERVISORY AND EXECUTIVE BOARD



Miroslav Mišković
President



Milka Vojvodić
CEO
Senior Vice President,
Finance and Economy



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



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



Dejan Jeremić
Senior Vice President
CEO,
Delta Agrar



Aleksandra Đurđević
Vice President
CEO,
Delta Auto



Aleksandra Đurđević
Vice President
CEO,
Delta Auto



Ivana Mišković Karić
Adviser to CEO



Marko Mišković
Vice President,
International Affairs



Angelina Nekić
Vice President
CEO,
Delta Real Estate



Lazar Petrović
Vice President
CEO,
Delta DMD



Andrej Sovrović
Hotels director
Cluster General
Manager IHG

BOARD OF DIRECTORS



Mina Tadić
Director,
Corporate
Communications



Ivanka Novaković
Director,
HR



Mira Cvijetić
Director, Finance
and Accounting



Jasminka Kiselčić
Director, Central
Controlling



Tijana Koprivica
Chief Business
Sustainability Officer
Delta Foundation,
General Manager



Ivan Vasić
Director,
IT



Luka Popović
COO
Director,
Danubius



Milica Pejnović
CFO,
Delta Agrar



Igor Milenković
Director of fruit
and vegetable



Vlado Krejić
Director of
primary
production



Zoran Sporić
Director of
stockbreeding



Nikola Miličević
Director of fruit
production



Stefan Gajić
Director of Agricultural
Commodity Exchange
Sector



Aleksandar Živković
Director,
Dunavka



Dragan Miladinović
General Manager,
Yuhor



Ljubomir Babić
General Manager,
Fun & Fit Company



Saša Mičić
General Manager,
Mioni



Ana Dišić
CEO,
Shopping Malls



Katarina Gajić
Director of
design and
construction



Kristina Milinčić
CEO,
Sava Center



Marko Carević
CEO,
Ananas



Zoran Mihajilović
Managing Director,
Delta Motors



Stevan Kristić
Director,
Delta
Automoto



Milan Matić
CEO,
Delta Transportni
Sistem

MATERIAL TOPICS FOR SUSTAINABLE BUSINESS

The process of determining material topics

For the purposes of the Sustainability and Accountability Report, Delta Holding conducted a materiality assessment in 2022. This process involved identifying the positive and negative impacts that the company exerts on its natural and social environment, as well as the list of material topics. The realization included:

1. identifying and assessing the impact of operations through:
 - a) understanding the context of the organization;
 - b) identification of current and potential social and environmental topics that the company can influence through its operations;
 - c) assessment of the importance of the impact of operations on these areas.
2. determination of material topics through careful selection and prioritization of topics with the most significant impact.

As a key activity, the company has undertaken a quantitative and qualitative analysis of the importance of the positive and negative impacts of its operations through consultation with internal and external experts.

The methodology of this activity included:

1. identification of current and potential topics and, based on that, careful creation of questionnaires adapted for each business segment: Delta Holding as a system, Delta Agrar Group, Delta Food Processing, Delta Real Estate Group, Delta Distribution, New Technologies and Delta Foundation as a non-profit organization, in cooperation with consultants from the EY company;
2. collecting information through filling out questionnaires that have been forwarded to all relevant stakeholders. The respondents should, in their opinion:
 - a) rank the aforementioned potential material topics that are significant for the operations of the Delta Holding system or group,
 - b) indicate material topics that have a positive or negative impact on the environment and the social community,
 - c) list other material topics that are important in the context of the company's business activities, which were not recognized and listed in the questionnaire;
3. analysis of the collected data and preparation of a list of material topics with the guidance of EY ESG experts and consultation with them.

List of material topics

The key message of the materiality assessment is that Delta Holding's strategy and reporting methods are in line with the expectations of the stakeholders. During the research, it was found that stakeholders were in most cases satisfied with the approach and manner of reporting on the above topics and that they ranked as important topics those that were identified as priorities in the company's strategy.

The top three ranked topics were:

1. Energy Efficiency and Use of Renewable Energy Sources;
2. Waste Management;
3. Occupational Safety and Health.

In the last report, the company gave special importance to these topics.

Regarding possible improvements, in the field of environmental protection, some stakeholders emphasized the importance of the impact of climate change and responsible waste management, with a special emphasis on waste oils and food, as well as the control of discharged wastewater.

In the field of relations with the social community, stakeholders have stated the importance of using and promoting modern technologies in agriculture, quality education, a responsible supply chain and contribution to the development of local small and medium-sized enterprises.

In order to take into account the opinions of the stakeholders, these are the topics that Delta Holding will pay special attention to in the future.

Material topics

ESG REPORT	MATERIAL TOPICS	DELTA HOLDING SYSTEM/GROUP	SUSTAINABLE DEVELOPMENT GOALS
Relationship to the environment (E)	Energetic efficiency	Delta Holding	
	Waste management		
	Water care		
	Use of renewable energy sources		
	Soil protection	Delta Agrar Group	
	Use of chemicals		
	Biodiversity	Delta Agrar Group	
	Animal welfare		
	Plastic packaging management	Delta Food Processing	
	Protection of nature	Delta Real Estate Group	
	Sustainable construction and respect for circular economy principles		
	Emissions of harmful gases		Delta Distribution
	Management of dangerous goods		

ESG REPORT	MATERIAL TOPICS	DELTA HOLDING SYSTEM, GROUP, MEMBER	SUSTAINABLE DEVELOPMENT GOALS
Attitude towards employees and the social community (S)	Occupational Health and Safety	Delta Holding	
	Employee development		
	Inclusion and diversity		
	Youth employment	New Technologies	
	Support for vulnerable and marginalized groups	Delta Foundation	
	Education		
	Support for children and young people		
Health improvement			

ESG REPORT	MATERIAL TOPICS	DELTA HOLDING SYSTEM, GROUP, MEMBER	SUSTAINABLE DEVELOPMENT GOALS
Corporate Governance (G)	Economic impact	Delta Holding	
	Human and labour rights		
	Work conditions		
	Sustainability of the supply chain	Delta Agrar Group	
	Product health safety	Delta Food Processing	
	Product quality		
	Nutritional value of the product		
	Food safety	Delta Real Estate Group	
	Protection of guests' health		
	Quality of hotel service		
	Cyber security	New Technologies	
	Data security		
Digitalization			

BUSINESS STRATEGY

A clear and precisely defined business strategy of Delta Holding is the basis of its business success. Based on its fundamental values - excellence, innovation, integrity, ethics in business and care of people - the business strategy provides a clear course of action in the development of new and improvement of existing businesses, thus guaranteeing business success with the satisfaction of customers, clients, employees and the social community with business results and their impact.



The strategic business plans of the member companies until 2030 include the following:

The company's business strategy includes individual strategic plans of Delta Holding member companies, created for better and higher quality business results, as well as higher environmental and social standards in the company and the community. It is adopted for a period of five years and revised once a year at strategic workshops, which include all employees.

The revision of strategic priorities is carried out in accordance with the current market trends, as well as the expected changes at the local and global level. Defining strategic priorities is also influenced by the annual work of the Innovation Committee, and even ideas that create changes in the market can become an integral part of them.

The process of adopting strategic plans implies primarily the approval of the Board of Directors, while their adoption, revision and proposed new plans are decided by the Executive Board and the Management Board, during their defense by the Board of Directors and their associates at the strategic collegium.

Delta Agrar Group

- ▶ increasing the production of club varieties of apples on existing and new orchards;
- ▶ expansion of the hybrid corn portfolio;
- ▶ registration of new soybean varieties;
- ▶ certification of individual producers of fruits and vegetables, subcontractors of Delta Agrar;
- ▶ expansion of surfaces under irrigation systems;
- ▶ focus on precision agriculture;
- ▶ entering into the production of feed for poultry;
- ▶ increase in sales of all products.

Delta Food Processing

- ▶ significant investments in modernizing the production process, expanding the range, exploring new markets;
- ▶ replacing the existing one with more environmentally friendly packaging;
- ▶ strengthening the position in the regional market and entering new markets.

Delta Real Estate Group

- ▶ maximizing the potential of existing assets and locations;
- ▶ the continuation of portfolio diversification:
 - ◆ development of mixed-use projects;
 - ◆ entrance into health care segment (hospitals, polyclinics and homes for the elderly);
- ▶ green construction:
 - ◆ certification of existing objects;
 - ◆ construction of all objects in accordance with EU Taxonomy criteria;
- ▶ projects in pipeline in different phases:
 - ◆ reconstruction, rehabilitation and adaptation of the Sava Center Congress Center;
 - ◆ designing and construction of a business complex Delta Iron in Novi Sad;
 - ◆ designing and zero phase of the Delta Land mixed-use project;
 - ◆ designing of a business complex Delta District;
 - ◆ construction of a new hotel in Ljubljana.

Delta Distribution

- ▶ growth in imports and sales of new BMW, Mini, Maserati and Honda cars, as well as new BMW Motorrad, Honda and KTM motorcycles;
- ▶ increasing market share in the distribution of consumer brands;
- ▶ commencement of work on the provision of cold chain services;
- ▶ obtaining a TAPA certificate;
- ▶ integration of the DTS region, opening a company in Albania and North Macedonia;
- ▶ construction of a distribution centre in Slovenia;
- ▶ implementation of the intermodal terminal;
- ▶ integration of the DTS Balkans.

New Technologies

- ▶ development of an innovative platform for online commerce;
- ▶ development of innovative AgTech solutions;
- ▶ development and implementation of business applications.

Sustainable development strategy

An integral part of the business strategy of Delta Holding is the strategy of sustainable development, based on strict adherence to the principles of sustainability and responsibility in business and attitude towards the social community. The defined environmental, social and corporate governance (ESG) priorities, in accordance with the latest global and local trends, are incorporated into the company's decision-making process and relate to the entire system, from the development of products and services, through relations with customers and employees, to activities in the field of development and providing assistance to the social community in which the business is realized. In this way, the company ensures that its business activities are organized and implemented in accordance with the recognized needs of environmental and social protection, while at the same time creating the



conditions for the development of a more sustainable and inclusive economy.

As the adopted ESG initiatives are interconnected, the company also supports solutions that imply exponentially greater impact through collective action and partnerships that enable solving common challenges. Delta Holding has improved cooperation with all relevant stakeholders in the economy, state and society in recent years, overcoming existing and improving approaches and attitudes towards potential sustainability challenges that may arise in the future.

The process of creating and implementing a sustainable development strategy is the responsibility of the Director of the Sustainable Business Sector. The sustainable development strategy is an integral part of the business strategies of all members, and close cooperation and consultations between the sustainable development sector and experts in the field from member companies take place during the entire process of its adoption.

Given the growing importance of sustainable development topics for the company's operations, the Director of Sustainable Business reports on the implementation of these strategies to the Senior Vice President for Strategy

and Development. The leading holder of projects aimed at overcoming recognized social challenges in the community is the Delta Foundation, and support in their creation and implementation is provided by the CEO / Senior Vice President for Finance and Economy, Senior Vice President for Strategy and Development, as well as the Director of Sustainable Business.

Priority goals until 2030 include:

- ▶ energy efficiency management:
 - ◆ 60% of energy from renewable sources,
 - ◆ installation of solar power plants on all major facilities,
 - ◆ unified production of electricity, heat and cooling energy in the Delta Power Plant for the needs of Delta House, Small Tower, NBGP Apartments and Crowne Plaza facilities,
 - ◆ Construction of a biogas plant on the Delta Agrar farm;
- ▶ waste management:
 - ◆ reduction of quantities of generated and placed waste and placed packaging,
 - ◆ adequate monitoring of the movement of waste and full utilization of waste as raw material for obtaining new products or for its reuse,

An integral part of Delta Holding's business strategy is the strategy of sustainable development, based on strict respect for the principles of sustainability and responsibility in business and the attitude towards social community

- ◆ education and control of all employees in the company, as well as external associates in the field of proper disposal and selection of waste and the importance of recycling,

- ◆ reducing the emission of harmful gases in transport by choosing optimal routes and expanding the fleet of electric vehicles,
- ◆ optimal use of natural resources, above all water,
- ◆ introduction of SMETA standards in Delta Food Processing Group factories and ISO45000 standards in all members;
- ▶ education of suppliers on the application of the principles of sustainable development:
 - ◆ education of subcontractors on the GlobalGap standard in order to increase the sustainability of production,
 - ◆ evaluation of the application of sustainability principles;

- ▶ community support:
 - ◆ education of individual agricultural producers on modern agricultural production and use of digital tools in agriculture in order to preserve and improve life in the rural areas in Serbia through the projects Our Village and Digital Village,
 - ◆ supporting families at risk of poverty and separation through the Third Parent project,
 - ◆ supporting young people through educational programs to facilitate their employment and retention in the country,
 - ◆ organizing work practices for persons with disabilities,
 - ◆ support for startups through the D-incubator program,
 - ◆ support to the community and

vulnerable groups in emergency situations;

- ▶ development of employees:
 - ◆ investing in employees and improving their skills and knowledge,
 - ◆ fostering a culture of respect for human rights and non-discrimination,
 - ◆ empowerment and practical education of young people through the Young Leaders program,
 - ◆ employment of persons with disabilities,
 - ◆ reducing the number of injuries at work.

In its strategies, Delta Holding focuses on areas where it can have a measurable and positive impact on the community in which it operates, enabling a clear measurement of progress on the way to achieving the company's vision.

The company includes all stakeholders in the strategy adoption process: employees, customers, suppliers, investors, banks and other community representatives who are influenced and served by management structures, policies and processes that are applied. All employees have the right to contribute to the decision-making process on sustainability issues, determining their priority and further strategic planning.



External stakeholders can give their opinion through established communication channels, such as e-mails, call centers, impression books, but also through regular annual customer satisfaction surveys that determine satisfaction with the quality of products and services. Opinions on the company's operations, both of internal and external stakeholders, then become an integral part of the business strategy and development strategy.

In order to foster open and transparent relations, the company regularly informs all stakeholders, the community and the general public about its operations, development plans and results at a press conference, as well as through social networks, the official website and the internal portal.



RISKS

Effective and skillful risk management in conditions of growing unpredictability and uncertainty of today's business environment is one of the crucial conditions for successful business operations. The need for continuous adaptation to rapid changes requires a high level of readiness and competence from companies to make decisions in a rational and timely manner, with adequate analysis and assessment of all opportunities and impact factors, as well as their positive and negative aspects. Active monitoring of market changes and, accordingly, regular revision and harmonization of strategic plans provide the opportunity to avoid identified dangers, overcome challenges but also seize opportunities. At the company level, detailed analysis and consideration of the risks that are carried out strengthen the system of resistance to risks and provide a proactive environment for adequate responses to the identified challenges. Along with business results and perceived risks, as well as changes in the business environment in the past months, they are a mandatory topic at the company's quarterly board and management collegiums.

In 2022, the following risks were identified:

THE MOST SIGNIFICANT FORECASTED RISKS IN YEAR 2022

TYPE OF IMPACT	DESCRIPTION	SIGNIFICANCE OF IMPACT	PROBABILITY OF OCCURRENCE
Domestic market	Limited purchasing power and price volatility	Significant	Very possible
	Fluctuation of prices of stock exchange goods	Significant	Very possible
	Customer insolvency	Significant	Very possible
International market	Currency volatility	Significant	Very possible
	Fluctuation of prices of stock exchange goods	Moderate	Possible
	Growth in production and consumption of domestic agricultural products	Moderate	Possible
Climatic factor	Yield and quality of certain crops largely depends on the climatic factor	Moderate	Possible
	Floods	Moderate	Possible
Energy crisis	Shortage of gas and increase in electricity prices	Significant	Very possible
Financial risk	Potential risk of a decrease in the credit activity of banks	Moderate	Possible
	Rising interest rates	Significant	Possible
Risk of hacker attacks	Potential risk of theft of company data and information	Moderate	Possible

In 2022, in addition to the aforementioned risks, global increase in food and energy prices, as well as turbulence on the international market due to the war in Ukraine, with its accompanying humanitarian and economic consequences, were identified and recognized as significant and growing risks for the business environment and were taken into account when creating the business strategy for the next period.

MEMBERSHIPS

UN Global Compact



The United Nations Global Compact is the world's largest civil initiative established to promote the ten universal principles in the areas of human and labour rights, environmental protection and the fight against corruption, as well as the seventeen United Nations Sustainable Development Goals and the 2030 Agenda. As a leading voluntary initiative, it includes representatives of the business and academic community, civil society, cities and trade unions who dedicate their activities to the observance of the above principles and the adoption of a sustainable and responsible social policy, with continuous reporting on

them. Delta Holding became a member of the initiative in 2007 and has been a member of the Management Board since 2015. Over the past sixteen years, the company has actively contributed to the dissemination of examples of good practice and the transfer of knowledge about global trends to other members in Serbia at various gatherings organized by the European Global Compact Network. During 2022, due to the growing need to adopt current developments in the field of sustainable development, Delta Holding actively participated in working meetings organized on the topic of ESG methodology and EU taxonomy together with other members. At the same time, the company was one of the participants in the six-month

international education called Climate Ambition Accelerator, where the participants could acquire or improve the knowledge and skills needed to set and fulfill scientifically based goals for reducing carbon dioxide emissions, as well as reducing harmful consequences of climate change. Great importance for the company was also the gathering of local networks of the United Nations Global Compact in Copenhagen in early October, during which Delta Holding, together with participants from all parts of the world, participated in discussions on sustainable development, engagement and business sector needs, local and regional priorities and opportunities for cooperation in achieving the Sustainable Development Goals.

Responsible Business Forum



The Responsible Business Forum is a network of companies that are in leadership positions in their areas of business, and which especially contribute to the community and the development of society through the principles of sustainable business. The basic mission of the Forum is to encourage and strengthen the business community in order to be recognized in the eyes of the company in which it operates as a reliable partner who, through examples of good business practice, contributes to respect for the principles of sustainability, responsibility and ethics. The Forum also provides a framework for business world leaders to meet with representatives of other

parts of company, thus actively contributing to dialogue, cooperation and exchange of experiences between different sectors, while creating practical and sustainable solutions for four pillars of sustainable business: local community working environment and market. Since 2015, Delta Holding has been a member of the Responsible Business Forum and the Management Board, and has been actively involved in promoting the principles of socially responsible business, social entrepreneurship, corporate volunteerism and youth empowerment for seven years. The company also actively participates in initiatives organized by the Forum to expand knowledge in the field of sustainability. During 2022, the company participated in CSR practice programs, in which young people in their

final years of college are educated on the application of sustainability principles; at the certified training called Getting started with climate-related financial reporting, organized by CDP and IFC (International Finance Corporation), with the support of the Smart collective, who spoke about the importance of financial reporting and the impact of climate change on business. Proof that the company's contribution to the principles of social responsibility has been recognized is the appointment of Tijana Koprivica, Director of the Sustainable Business Sector, as one of the "CSR professionals" in Serbia, in an initiative launched by the Forum, which was implemented together with the Smart Collective, Represent Communications Agency and Bizlife magazine.

Serbian Association of Managers



The Serbian Association of Managers (SAM) is the leading association of professional managers, with over 400 members. Established in 2006, through the promotion of best business practices and principles of ethical business, SAM actively works on improving the development of managers and affirming the entire managerial profession. As a full member of the Association of Managers of Southeast Europe and CEC

(Confederation Europeene des Cadres), it is also focused on the implementation of joint activities, constructive dialogue and cooperation with state institutions in order to improve the business environment in Serbia, as well as on the initiation of topics related to socially responsible business, sustainable development, development and education of young people and circular migration. As a member of SAM and the Management Board since 2017, Delta Holding actively promotes responsible and sustainable business practices,

as well as principles of leadership, continuous learning and development, digital transformation, innovation and inclusion. Members of the board and directors of Delta Holding actively participate in SAM projects for the education of young people and small and medium-sized enterprises. As part of the annual SAM award, a prestigious recognition given to companies and leaders from various fields for their business merits, Delta Holding has repeatedly won the title of Socially Responsible Company of the Year.

The Alliance for Gender Equality



The Alliance for Gender Equality is an initiative established to promote equality between women and men in all areas of life - business, family and social, as well as to raise awareness of the need to reduce the gender gap in the business environment. The basic values on

which the Alliance is based imply respect for the principles of gender equality and the idea of equality between men and women in terms of their unique contribution to the development of all spheres of society. Members of the Alliance, by signing the charter on gender equality, undertake to contribute to the creation and promotion of equal opportunities

and conditions for career development of women and men, with equal representation in all positions and equal chances of earning for the same jobs in companies. Delta Holding, as a company that fully respects the principle of gender equality, has been a member of the Alliance since 2014 and is one of the first signatories of the charter

Employers' Network for Employment of Persons with Disabilities



The Network of Employers for Employment of Persons with Disabilities was established in 2017 by the Union of Employers of Serbia with the basic aim of providing the necessary assistance to employers in the implementation of inclusion in the workplace when employing persons with disabilities, as well as to enable the promotion of examples of good practice,

exchange of experiences and socially responsible activities. Directions of operation of the Network include interconnection of members and exchange of experiences, on the one hand, and connecting employers and organizations of persons with disabilities on the other. The core mission of the Network is to raise awareness in the business community about the link between business success and inclusion of persons with disabilities, as well as the need for

their employment, retention at the workplace and overall professional development. Delta Holding is a member of the Employers' Network for Employment of Persons with Disabilities and, in cooperation with the Youth with Disabilities Forum, actively works on the empowerment and development of their potential through work practices and employment, while developing its own capacities through work and socializing with colleagues with disabilities.



AWARDS

AWARD NAME	WINNER (MEMBER)	AWARD-PRESENTING ORGANIZATION	AWARD DESCRIPTION
Champions of Sustainability	Delta Holding	Responsible Business Forum	The award was given for the Our Village Project for a special contribution to the achievement of sub-goal 2.3 of the United Nations Agenda 2030, which refers to the doubling of agricultural productivity and the income of small food producers, all with the goal of eradicating hunger.
Gold medal of the 89th International Novi Sad Agricultural Fair	Delta Agrar	Agricultural Fair, Novi Sad	Gold medal of the 89th International Novi Sad Agricultural Fair for good stand design.
Gold medal of the 89th International Novi Sad Agricultural Fair	Delta Agrar - Dunavka	Agricultural Fair, Novi Sad	Gold medal of the 89th International Novi Sad Agricultural Fair for quality in the selection of the best quality products in the category of raw, non-degummed sunflower oil.
Economy with the highest yield of payable beets in 2021	Delta Agrar - Topola	Sugar Factory "Crvenka"	Economy with the highest yield of payable beets in 2021
Economy with the highest digestion in 2021	Delta Agrar - Kozara	Sugar Factory "Crvenka"	Economy with the highest digestion in 2021
Economy with the least rotten beet content in 2021	Delta Agrar - Napredak	Sugar Factory "Crvenka"	Economy with the least rotten beet content in 2021
Economy with impurity up to a maximum of 10% in 2021	Delta Agrar, WU Celarevo	Sugar Factory "Crvenka"	Economy with impurity up to a maximum of 10% in 2021
Economy with the largest amount of sugar beet in 2021	Delta Agrar - Jedinstvo	Sugar Factory "Crvenka"	Economy with the largest amount of sugar beet in 2021
Employer branding integrated campaign "Literally for peanuts"	The Fun&Fit Company	Cactus Festival 2022	The JUMBO campaign named "Literally for peanuts" was awarded, which was created as a result of the synergy of the creative agency Konteent Media and the team of the Fun&Fit company. This category refers to the most successful campaign that promotes the company as a desirable employer to the external and internal public.
Individual works - Media - "Literally for peanuts"	The Fun&Fit Company	Cactus Festival 2022	The JUMBO campaign named "Literally for peanuts" was awarded, which was created as a result of the synergy of the creative agency Konteent Media and the team of the Fun&Fit company. This category refers to the most successful campaign that uses communication channels in a creative way.
BMW Polaris Award	Delta Auto	BMW AG (Munich)	The BMW Group awarded Delta Auto company the prestigious award "BMW Polaris Sustainability - Category: Environmental" for outstanding achievements that are oriented towards the promotion and implementation of environmentally efficient business practices.
Plaque of the Faculty of Mechanical Engineering, University of Belgrade	Delta Auto	Faculty of Mechanical Engineering, University of Belgrade	The Delta Auto Group was awarded the Plaque of the Faculty of Mechanical Engineering of the University of Belgrade, which also represents the highest recognition of this credible academic institution. The plaque refers to the contribution that Delta Auto made to the development and affirmation of the Faculty of Mechanical Engineering.
MINI Marketing Award	Delta Motors/Delta Auto	BMW AG (Munich)	The company Delta Motors, as the general importer and distributor of BMW and MINI vehicles for Serbia and Montenegro, was awarded the second prize - MINI Marketing Award - for the idea and implementation of the marketing project MINI x HIISHII - Big love is MINI.
Regional Smart Freight Forwarder	Delta Transport System	World of Freight (WOF Expo 2022)	Award for the most innovative logistics company in the region.
Young manager of the year	Milan Matic (Delta Transport System)	Serbian Association of Managers (SAM)	The award is given to the most successful young manager in the current year who achieved notable results with his team and who advocates for the improvement of the business environment, promotion of managerial profession and leadership, as well as socially responsible business.
Going for gold leaders	Hotel Indigo	IHG	A hotel that is recognized as a leader in the region in terms of guest satisfaction in the IHG group.
Acknowledgment of the "Kolarac Endowment"	Hotel Indigo	"Kolarac Endowment"	For selfless help and solidarity in achieving the goals and vision of the Endowment.
Award "Going for Gold"	Hotel Holiday Inn Belgrade	Intercontinental Hotels Group	"Going for Gold" is an award given by the IHG Group for all achieved goals in 2022, for which the entire team of the Holiday Inn Belgrade hotel is responsible.

BUSINESS ETHICS AND INTEGRITY

Ethics and integrity in business are an imperative for successful business and a key element that defines a good and reliable business partner and employer. In times of rapid and uncertain change, activities based on clearly defined and grounded values are more important than ever.

As an integral part of the company culture, integrity in business does not imply only compliance with the applicable legal regulations. Nowadays, it includes the application of common values, which consist of fairness, responsibility, respect, openness and transparency in business.

Adherence to the principles of ethics and integrity, in addition to contributing to greater satisfaction of all stakeholders, also gives better business results that can be measured. In order to achieve their full application, Delta Holding places special emphasis on creating and establishing a strong corporate culture that nurtures, supports and develops these principles in all its employees in all spheres of business, with a special emphasis on the decision-making process.

Given the growing expectations of stakeholders, Delta Holding, as a leader in the field of sustainability, through all its business activities continuously contributes to the nurturing of these principles in its partnerships and encourages business partners to adhere to these principles. Through its own business ventures, the company contributes to their further development, sets new standards and encourages the implementation of best business practices.

Delta Holding maintains fair relations with all stakeholders - customers, suppliers, consumers, civil services, media and the social community - acting in accordance with the principle of mutual respect for the interests of both parties. In this spirit, the company expects its partners to fully implement policies and procedures related to the protection of human and labor rights, prohibition of corruption, bribery and other unethical practices, and prioritizes cooperation with partners who behave responsibly towards the environment and the community in their business.

RIGHTS OF EMPLOYEES



OBLIGATIONS OF EMPLOYEES



The company continuously empowers its employees to respect and adhere to the principles of ethics and integrity. The required orientation is available in the applicable Code of Ethics, which serves as a common standard of values, defines the guidelines of responsible behavior and provides assistance when making decisions. Ethical conduct is particularly important in situations where regulations are insufficiently clear or can be interpreted in different ways, which is why the adoption and availability of the content of the Code of Ethics is extremely important.

The Code of Ethics defines the company's attitude towards employees, stakeholders and the wider community. The Code establishes the responsibility of the company to protect the rights of employees, which include the right to diversity and inclusion, prevention of abuse and discrimination at work, healthy working space, professional training and political freedoms. On the other hand, the obligations of employees towards the company are defined, which include fiduciary duty, prevention of corruption and conflicts of interest, as well as protection of the company's assets.

The relationship with stakeholders and the social community foresees a fair and

honest relationship, based on long-term trust and respect for the interests of both parties, with the provision of true and timely information, as well as the belief that only by spreading knowledge and experience of good business practices can one contribute to sustainable development.

Together with the Business Etiquette and Social Responsibility Policy, the Code of Ethics promotes care for employees, an ethical attitude towards business partners,

the environment and the social community, and is the basis of the company's responsible business. All documents are available to employees on the internal Portal, and they are also acquainted with them in a welcome e-mail, which they receive upon employment. Parts of the Code of Ethics are also integrated into the Employment Contract.

Since 2022, the Code of Ethics has become a publicly available document

and can be found on the company's official website. In this way, the company wanted to make its values and guiding principles public and transparent, following the example of other global companies, as well as to contribute to the dissemination of the principles of responsible business and good practice by its own example. In the latest version of the Code of Ethics, new forms of so-called "invisible diversity", such as neurodivergence, are also recognized.

In its operations, the company adheres to the ten principles of the United Nations Global Compact, the principles of the ISO 26000 standard, the Code of Business Conduct and the pro bono policy.

For all issues of ethics and integrity, employees can contact appointed colleagues in the human resources sector, as well as an expert associate for labor law.

Plans in this field for the next period include the organization of training for all employees on the topic of ethics and integrity, as well as diversity and inclusion, with the defined goal of 100% of employees undergoing training every year and being familiar with the latest applicable principles and principles of ethics in business.



LIABILITY FOR PRODUCTS AND SERVICES

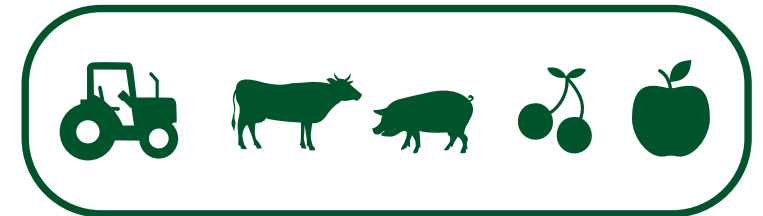
As customer and client satisfaction is becoming more and more important and increasingly affects business performance, Delta Holding in 2022 continued to improve existing products and services and develop new ones in order to achieve greater customer and end consumer satisfaction. Through a clearly defined quality policy and plans for its long-term development, the company has successfully maintained the continuity of investments in production processes and product quality in the past year, with a well-developed and established system of control and prevention of negative impacts. Thanks to a clear strategic commitment and orientation towards the social community and its development, the growing needs and wishes of customers and clients were recognized and the set business goals, as well as sustainability goals, were realized.

Delta Holding conducts its business in accordance with valid international standards that guarantee the safety and quality of products and services,

their healthiness, as well as the availability of high-quality ingredients that are included in their composition. Taking into account the current wishes and habits of consumers, the products of all Delta Holding members are visibly labelled and have clearly highlighted all the necessary information - about the origin, the number of components they contain, as well as the recommended ways for safe use and subsequent disposal. Particular attention is paid to the formation of prices, which are in accordance with market trends, but also the purchasing power of consumers.

The adopted applicable international standards also regulate cooperation with suppliers, which is of particular importance for a responsible attitude towards products and services. The company's products contain carefully selected and strictly controlled raw materials and additives from approved suppliers, the selection of which is carried out according to the established procedure that guarantees their safety

DELTA AGRAR



DELTA FOOD PROCESSING



DELTA REAL ESTATE



DELTA DISTRIBUTION



NEW TECHNOLOGIES



and reliability. The procedure involves evaluating the supplier against several criteria:

- ▶ documentation and compliance with all legal regulations;
- ▶ applicable standards and existing product certifications;
- ▶ the health safety of the products supplied;
- ▶ quality and reliability of delivery.

In addition to all applicable legal regulations, suppliers are expected to comply with and apply the prescribed standards in the field of environmental protection and social responsibility, and provide the warranty by signing a business and technical cooperation agreement. Delta Holding establishes cooperation exclusively with suppliers who meet the strict requirements prescribed by international standards, including compliance with the law, possession of adequate permits, introduction of safety and quality standards, as well as performance of activities in accordance with the principles of ethics and integrity.

By nurturing established long-term and partnership relationships with suppliers, the company has built a stable and strong value chain, based on mutual trust and transparency. Accordingly, no suppliers that have created a negative impact on the environment and the social community have been identified during the past year. For their additional education on the importance of implementing the ESG criteria and strategy, suppliers were sent a detailed questionnaire on the respect of environmental, social and management principles that contribute to sustainable business operations.

A high-quality product is given by flawless processes, and this implies full confidence in the quality and value of the product throughout its life cycle, from production to final consumption. In order to avoid potential quality concerns, the company strictly adheres to the regulations concerning labelling, declaring, advertising, promotion and sponsorship, and all products contain all relevant information such as the source of components and other product information. The company is not engaged in the sale of prohibited or disputed products, adheres to high ethical standards when advertising its products and services, presents them truthfully and accurately and avoids misleading communication with consumers.

In its operations, Delta Holding is guided by the principles of responsible business and responsible attitude towards its customers, suppliers, clients and end users of its products and services

In its operations, Delta Holding is guided by the principles of responsible business and responsible attitude towards its customers, suppliers, clients and end users of its products and services. In order to reduce and mitigate the negative

impact, the company has developed and is continuously improving communication channels for receiving complaints and claims, such as a transparent and publicly available e-mail address and telephone number on the official websites of all member companies. At the same time, the complaint procedure implies a defined and systematic mechanism for assessing the merits of the complaint and applying corrective measures in case of necessity.

Complaints are received orally, by phone or by e-mail, and the statutory deadline of eight days is respected for their resolution, although it often takes less. Upon receipt of the complaint, its justification is determined through a detailed analysis, which in the case of products implies the analysis of the counter-sample and relevant records from production. If it is not possible to make a decision independently, a team for resolving non-compliance is formed, which further analyzes the complaint. In the event of a justified complaint, a package of products is sent to the consumer, while in the event of unjustification, a valid explanation is sent to the consumer.

In relation to customers, clients and suppliers, the company respects their privacy. Delta Holding handles personal data responsibly and follows all applicable privacy and personal data protection laws and standards. The collection, use and processing of personal data is carried out only for legitimate business purposes.

Thus, in 2022, no lawsuit was recorded regarding the negative impact of products and services of member companies on the health and safety of consumers. There were no complaints about the accuracy and precision of information in marketing campaigns, nor about the violation of the privacy of customer data.

STANDARDS

STANDARD	DESCRIPTION	MEMBER
ISO9001	Sets the criteria for the quality management system in the business organization. Application of this standard ensures the consistency and quality of products and services, and at the same time contributes to the improvement of business.	Delta Agrar Group (Seme Sombor), Delta Food Processing (Yuhor), Delta Distribution (Delta DMD, DTS, Delta Motors)
ISO14001	International standard for the development of an effective and efficient environmental management system applicable to all activities.	Delta Food Processing (Yuhor)
ISO 22000	Food safety management - requirements for the systems of any organization in the food chain.	Delta Food Processing (Yuhor)
IFS	Standard for food quality and safety (based on ISO standards) guarantees the preservation of food safety and quality to the final consumer. Fully supported by the Global Food Safety Initiative (GFSI).	Delta Food Processing (Yuhor, Mioni), Delta Agrar Group (WU Cold Storage Celarevo), Danubius
GLOBAL GAP	Standard covering pre-production processes designed by leading food retailers to guarantee product safety and quality to consumers.	Delta Agrar Group (Delta Agrar d.o.o., Napredak) + Group certification that includes 14 individual agricultural holdings on the territory of Serbia and 21 products
ISCC	Standard that defines the use of biomass produced under the conditions of sustainable production and production processes from the same biomass.	Delta Agrar Group (Delta Agrar, Kozara, Jedinstvo, Napredak, Topola), Dunavka
SMETA	Standard that confirms the application of principles in business that ensure respect for human rights, labour rights, occupational health and safety, and environmental protection.	Delta Agrar d.o.o. (WU Cold Storage Zajecar)
IFS logistic	Standard of international retail chains that includes internationally accepted quality standards in order to improve product safety.	DTS
HACCP	Food safety system that includes the analysis of control points of biological, chemical and physical risk starting from raw materials through production, distribution, storage and all the way to the placement of the product to the final consumer.	Delta Agrar Group, Delta Food Processing (Fun&Fit, Mioni, Danubius, Yuhor), Delta DMD and DTS
HALAL	System of guidelines and rules for food production in accordance with the customs of the Islamic religious community.	Delta Food Processing (Yuhor)
ISO 45001	Occupational health and safety.	Dunavka
GMP+	Quality and food safety management in the production of animal feed.	Dunavka
GRASP	Ethical business in agricultural production.	Delta Agrar
DUNAV SOJA	Production and trade of NON GMO Soy in the Danube region.	Delta Agrar
Chain of Custody	Handling and circulation of GlobalGap certified goods.	Delta Agrar (LDC)



FINANCIAL RESULTS

Despite the significantly more unstable business environment, 2022 was a record year for Delta Holding in terms of business and financial results. During the previous year, the company has continuously worked on improving the quality of its products and services, preserving the health and safety of its employees at the workplace, as well as preserving the environment and developing relationships with business partners.

Compared to 2021, operating profit before income tax, interest and depreciation (EBITDA) increased by 6.9% and amounts to EUR 67.02 million. The realized income amounts to 810.84 million euros and represents an increase of even 24.7% compared to the previous year.

Consolidated results in millions of euros

MEMBERS	2022	
	REVENUE	EBITDA
Delta Agro Group	346.02	26.20
Delta Food Processing	142.38	10.34
Delta Real Estate Group	65.69	21.72
Delta Distribution	287.26	21.56
New Technologies and Other	22.49	-10.18
Ukupno	810.84	67.02

The company's operations are financed from operating profit and from loans received from banks and other financial institutions. For the current activities, the subsidies prescribed by domestic laws available to all business entities were also used.

In 2022, all loan liabilities to commercial banks were settled on time. In the last year, 164.3 million euros of taxes were paid into the budget of the Republic of Serbia.

Through humanitarian projects of the Delta Foundation and other socially responsible activities realized in 2022, 235,090 euros were invested in the community, and 9,832 beneficiaries received help.

Delta Holding Group's exports in 2022 totaled 119.40 million euros, and exports of food and agricultural products amounted to 86.11 million euros.

EXPORT in millions of euros

IN MILLIONS OF EUR	2022
Export of Delta Holding Group	119.40

Export of food and agricultural products in millions of euros

GROUPS OF PRODUCTS	2022
Fruits and vegetables	13.67
Grains	41.27
Oleaceous plants	17.88
Seed goods	1.22
Flour and pasta	4.64
Meat and meat products	4.98
Appetizers and cereals	1.33
Water	0.09
Other	1.02
Total	86.11



DELTA AGRAR GROUP

Agribusiness is one of the core businesses of Delta, which has been developing since 1993, with clearly defined values: own resources, loyalty and dedication, team spirit, novelty adoption and rapid adaptation to change.

Continuous investment in innovation, training of personnel, as well as the improvement of business processes make Delta Agrar one of the leaders in all aspects of agricultural activities.

Delta Agrar Group today consists of:

- ▶ Delta Agrar d. o. o. - engaged in the primary agricultural production, trade and distribution of seeds, machinery, fertilizers and stock market agricultural products;
- ▶ legal entities Napredak, Kozara, Jedinstvo, Topola - which also deal with primary agricultural production;
- ▶ Dunavka - a factory for processing oilseeds;
- ▶ Delta Feed - feed factory.

The company headquarters is in New Belgrade, and estates, farms and distribution centers are located throughout Serbia. In terms of the prevalence of its business operations, Delta Agrar currently has a presence in as many as 34 markets, from Europe, through the Far East to the United States.

Within the Group, organizational business is divided into:

- ▶ primary production - within the Delta Agrar Group, complete agricultural, vegetable, fruit and livestock production takes place on about 10,000 ha;
- ▶ trade and distribution - in cooperation with the world's leading producers, Delta Agrar distributes pesticides, seeds, machinery, fertilizers, stock market agricultural products and animal feed.

Farming

Thanks to the continuous and long-term investment in modern production processes and mechanization, the application of the principles and systems of precision agriculture, variable fertilization and sowing, as well as the development and cultivation of knowledge in the field of application of new technologies, the Delta Agrar company can boast with many years of high and stable yields in the field of farming.

The estates in the vicinity of Apatin, Kikinda, Stara Pazova and Zajecar, which cover 10,000 hectares, cultivate stubble and millet grains, grain legumes and industrial plants, and the most common crops are wheat, corn, soybeans, sunflower, rapeseed and sugar beet. Also, different fodder and grass mixtures are grown on these farms for the needs of animal farms.

Stable production is also ensured by modern irrigation systems, which allow two harvests per year, because in addition to production on irrigated areas, after harvesting of regular crops, another sowing is done.

In its long-term plan, Delta Agrar is working to increase more than 50% of arable land under irrigation.



Precision agriculture

Since 2010, Delta Agrar has introduced modern technology for precision agriculture with the basic mission of preserving not only the land, but the environment as a whole for generations to come. Precision agriculture systems have numerous advantages, among which are accurate soil scanning and ploughing outside the furrow, which is the system that was first introduced in Serbia by Delta Agrar. Lower fuel consumption, compaction of land, as well as higher impacts are the biggest advantages of this approach.

In addition, precision agriculture offers the following benefits:

- ▶ variable fertilization in relation to the needs of the plant and the concentration of elements in the soil;
- ▶ detection and monitoring of crops with the help of satellites;
- ▶ vehicle tracking via GPS.

Soil mapping

In order to provide the highest quality data on the needs of plant crops and land, soil mapping and screening, as well as satellite imaging of farms and crops, were introduced into everyday processes. The collected data also enable the introduction of variable sowing, variable fertilization and variable irrigation and similar processes.

There are also modern devices in use that enable precision in performing work operations and self-management, with a reduced human factor:



- ▶ 81 devices with global positioning system (GPS);
- ▶ 38 navigations with autopilot;
- ▶ and digital field map.

The benefits of precision agriculture are numerous, and the results achieved include:

- ▶ better control of the production process with greater risk control and less possibility of error;
- ▶ better conditions for plant growth;
- ▶ significantly higher yields;
- ▶ reduced use of nitrogen fertilizers due to the great potential for groundwater pollution and causing environmental problems;
- ▶ greater productivity and efficiency in work, with lower consumption of labor, energy products, as well as plant protection products and fertilizers.



Fruit growing

On a total area of over 600 ha, at the locations of the Danube region in Celarevo and three others in the vicinity of Zajecar, there are Delta Agrar orchards, most of which are covered by apple plantations. Year after year, outstanding results are recorded in orchards, all thanks to modern systems of irrigation and protection against adverse climatic factors, as well as a high level of quality of planting material and nutrition.

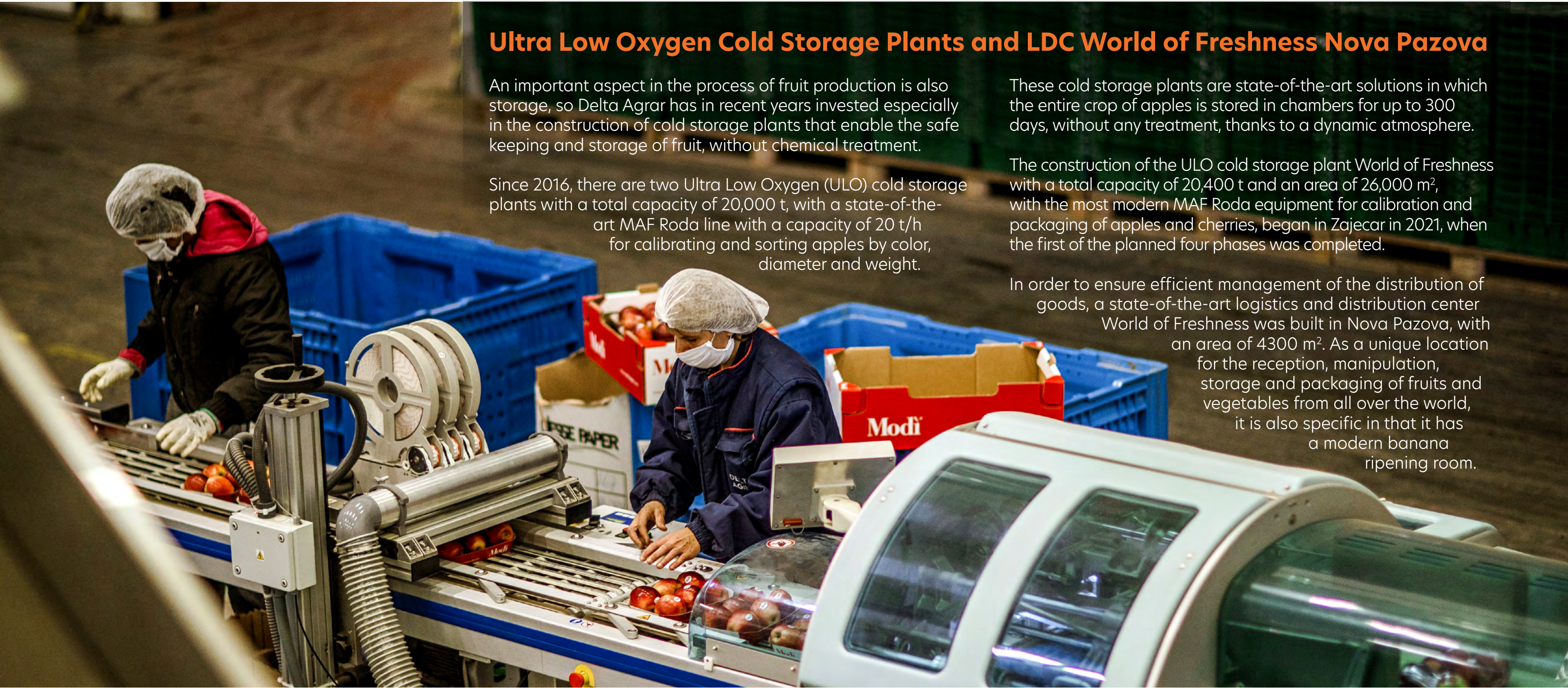
Delta Agra orchards represent one of the most modern orchards in Serbia, with a rich and diverse range of varieties. Equipped with moisture sensors and other soil indicators, through connection with the irrigation system and the meteorological station through GPRS,

remote control and accurate monitoring of parameters take place on orchards, which contributes to a better and faster decision-making process. High and stable yields have been provided for many years through the application of modern technologies in the process of planting and production - the dense apple planting system according to Italian Sudtiroil technology allows between 3900 and 10,000 trees to be planted on one hectare.

Apple varieties include Gala, Braeburn Mariri Red, Golden Delicious, Reinders, Red Delicious, Granny Smith and club varieties known under the following brands: modi, kiku and pink lady at Podunavlje estate in Celarevo; apple club varieties modi, evelina, pink lady, rubens, isaaq, red moon, red sun, sweetango and

magic star on estates near the villages of Vrazognac, Veliki Jasenovac and Mali Jasenovac in the vicinity of Zajecar; as well as the varieties Ajdared, Granny Smith, Golden Delicious, Red Delicious, Jonagold, Jonagored, Cadel and Mucu, which Delta Agrar produces through cooperation. High quality of work and production process are guaranteed by the application of the GlobalGAP system throughout the production process, from start to finish.

In addition to apples, there are cherry plantations on 31 hectares on the orchards of Delta Agrar, as well as plums of the Californian Angelino variety on 2 hectares, which can be stored in refrigerators for up to 3-4 months. Also, on an area of 9 ha, 10 varieties of seedless table grapes have been grown..



Ultra Low Oxygen Cold Storage Plants and LDC World of Freshness Nova Pazova

An important aspect in the process of fruit production is also storage, so Delta Agrar has in recent years invested especially in the construction of cold storage plants that enable the safe keeping and storage of fruit, without chemical treatment.

Since 2016, there are two Ultra Low Oxygen (ULO) cold storage plants with a total capacity of 20,000 t, with a state-of-the-art MAF Roda line with a capacity of 20 t/h for calibrating and sorting apples by color, diameter and weight.

These cold storage plants are state-of-the-art solutions in which the entire crop of apples is stored in chambers for up to 300 days, without any treatment, thanks to a dynamic atmosphere.

The construction of the ULO cold storage plant World of Freshness with a total capacity of 20,400 t and an area of 26,000 m², with the most modern MAF Roda equipment for calibration and packaging of apples and cherries, began in Zajecar in 2021, when the first of the planned four phases was completed.

In order to ensure efficient management of the distribution of goods, a state-of-the-art logistics and distribution center World of Freshness was built in Nova Pazova, with an area of 4300 m². As a unique location for the reception, manipulation, storage and packaging of fruits and vegetables from all over the world, it is also specific in that it has a modern banana ripening room.



„Zero Residue“

In the Serbian and regional markets, Delta Agrar occupies a leading position in the field of agriculture. It achieves and justifies this by continuously investing in new and innovative solutions in accordance with global trends, which best meet the growing needs of the market and consumers.

In 2020 Delta Agrar has successfully passed the certification process for "Zero Residue" apple production, thus officially becoming the first company in Serbia to ensure the production of apples without pesticide residues for three varieties: Gala, Red Delicious and Granny Smith. This certificate guarantees no or almost only trace amounts of pesticide residues present on fruits and vegetables, in permissible quantities less than 0.01 mg/kg. Mandatory sampling of products and their testing for the presence of more than 400 active substances (pesticides) are an integral part of the certification process and are carried out at all stages of the production process - before the start of harvesting, during processing, storage, and if necessary, sampling can be carried out even from retail facilities.

Although as a result it has a significantly higher product price compared to conventional production, the greatest added value of production without pesticide residues is higher quality, safer and healthier food, which corresponds to modern market trends and the aspirations of consumers and buyers. In this way, Delta Agrar's business not only takes pioneering steps and

goes hand in hand with scientific development in the field of agriculture, but also establishes examples of good practice, both in the domestic market and globally. During the previous year, the company continued with this method of apple production in order to further improve the process and maintain its leadership position on the Serbian market in this field of production.

Delta Agrar's orchard was successful in 2022. A total of 21,300 t of apples were produced, and the introduction of innovative methods in production continued. These include:

- ▶ windmills to prevent freezing of fruit due to spring frosts;
- ▶ defoliation of plantings (exfoliation of apple seedlings before harvesting to obtain a better color);
- ▶ automation of irrigation;
- ▶ cage system for the defense against bed bugs;
- ▶ mechanized pruning as preparation for mechanized harvesting;
- ▶ light-reflecting film (polyethylene fabric of white color that reflects light and redirects it to seedlings);
- ▶ banking plantings with the aim of achieving three-dimensional plantings.

Plans for 2023 include:

- ▶ raising new apple plantations, rejuvenating and restoring orchards;
- ▶ extension of cherry plantations.



Vegetable growing

On Delta Agrar vegetable gardens, with a total area of 537 ha, with subsystems for irrigation, peas, sweet corn and beans are produced, fully in accordance with the GlobalGAP standard. There is also an operational storage for onions and potatoes, with a capacity of over 2800 t, within which there is a center for their sorting, calibration, cleaning and packaging.

During 2022, the project of improving the production of small agricultural producers in the field of fruit and vegetable sales in cooperation with USAID continued. Cooperation on this project includes:

1. introduction of GlobalGAP standards;
2. analysis of water for vegetable irrigation to avoid microbiological contamination; and
3. analysis of suitability of finished products for pesticides and heavy metals.

Delta Agrar continued to provide support to partners in the vegetable sector, so over the past year, it helped organize the process of re-certification of twelve suppliers under the GlobalGAP standard for thirteen vegetable crops.



Animal husbandry

Pig farming and dairy cattle breeding are the basic elements of the livestock segment in the business of Delta Agrar.

Pig farming

In cooperation with individual agricultural producers, Delta Agrar deals with the production of pigs, which takes place and is realized on four farms: Nucleus, Napredak, Kozara and Vladimirovac. On the farm Nucleus in Stara Pazova, in addition to the production of gilts' breeding material, there is also a Center for artificial insemination, which supplies all farms with quality semen.

In order to improve production and quality, the entire process is organized according to the model of Danish farmers using DanBred genetics and mandatory observance and application of standards related to the posture, selection, health and safety measures of employees and animals, as well as environmental protection. This production process requires strict adherence to European regulations, so animals are allowed to move freely while maintaining optimal climatic conditions.

In order to maintain the well-being and health of animals with minimal use of drugs, high biosecurity measures are implemented on Delta Agrar's farms, both inside and outside the farms. Showering and dressing adapted exclusively to the conditions and stay on the farm are an obligation for all employees when entering the facility, while farm employees are not allowed to have contact with pigs outside the farm.

High internal biosecurity measures also condition the movement of animals that takes place under the all in all out system and implies that animals in groups simultaneously enter the production phase and leave it at the same time. Disinfection, as well as pest control and disinsection are regularly carried out, and disinfection barriers are installed to ensure the necessary washing of shoes when moving between different sections on the farm.

Investments in the production process, the quality of breeding material, nutrition and biosecurity measures have enabled Delta Agrar farms to record results in the ranking of the best farms in Denmark, which is known as a leader in the field of pig farming, for years. Also in 2022, significant results were achieved, and the most prominent ones are:

- ▶ construction of a lagoon on the Kozara farm;
- ▶ production and delivery of 66,700 fatteners and 66,500 piglets to the Serbian market.

Dairy cattle breeding

On the farms Napredak in Stara Pazova and Topola in Banatska Topola, dairy cattle breeding of Delta Agrar takes place, which involves the application of



European standards and state-of-the-art technologies in milk production.

The process of milk production and achieving top-quality production results includes, above all, the care of animal welfare, which is achieved with an enviable level and quality of ambient conditions and nutrition, as well as with modern biotechnology of cow accommodation, which is continuously improved. For the needs of high quality of life of cattle, they are allowed to move freely in facilities, and control of their health is ensured through modern computer systems.

On the Napredak farm there are state-of-the-art stables with a capacity of 1200 dairy cows, with two facilities for the accommodation of 150 heifers, while the capacity of the dairy farm is 64 places, with a duration of 8 minutes per cow, and it is implemented according to the De Laval system, in accordance with the standards of the European Union. That the sustainability of production is taken into account on the farms is evidenced by the fact that solar panels were installed at the Petrovic salas farm during the past year, as well as that a new hayloft was built thus significantly expanding the capacities for the storing of hay.

The production results for 2022 amount to 14.5 million liters of milk with the current capacity of 1424 milking cows out of a total of 1689 cattle. Plans for the next period, after the end of the investment cycle in 2025, include:

- ▶ increase in the capacity of milking cows to 1856 (1280 cows on the Napredak farm and 576 cows on the Topola farm);
- ▶ increase of milk production to a minimum of 12,800 litres per cow per year.

Delta Feed

Since 2005, the factory for the production of animal feed Delta Feed has been part of Delta Agrar. Located in Stara Pazova and created on the basis of a factory that has been operating as part of the Napredak estate since 1966, Delta Feed has been successfully operating under that name since 2020. The factory production is focused exclusively on farm product lines (concentrates, supplementary mixtures, premixtures necessary for pig and cattle breeding) and takes place on a modern plant that enables the production of pelleted feed of high quality for the most sensitive categories of animals.

Based on the world's animal feed factories, Delta Feed carries out its production in accordance with the most modern Danish nutritional standards, which ensure high quality animal feed and first-class mercantile goods: corn, wheat, barley and animal meal - bran, soybean meal, sunflower meal, rapeseed

meal, as well as crude soybean oil. The high quality of the product is also guaranteed by the use of the highest quality raw materials from our own fields, as well as from the Dunavka and Danubius factories within the Delta system. The current production capacity is 70,000 tons of ready-made mixtures and 2,000 tons of vitamin-mineral premixtures per year.

Delta Feed is strongly focused on continuous improvement of product quality. Through commercial sales, but also the supply of all farms within the Delta Agrar Group, Delta Feed works together with livestock production year after year to year to achieve top business results. In 2023, the company plans to enter the production of poultry feed, which will expand the existing product portfolio, and a new sales channel is planned, through retail facilities on the market, as well as exports to the countries of the region.



Cooperation with individual agricultural producers

The company Delta Agrar nurtures cooperative cooperation with agricultural producers with whom it contracts the breeding of livestock, agricultural crops and fruits. This type of cooperation significantly affects the development of agriculture, while Delta Agrar employees get the opportunity to pass on their experience and knowledge of modern agriculture to the owners of smaller farms. In this way, it contributes to the improvement of their production and product quality, as well as sustainability through guaranteed purchase.

The basic elements of cooperation are:

- ▶ support in financing production (procurement of animals, fertilizers, seeds, pesticides and advance purchase of mercantile goods);
- ▶ expert monitoring of crop cultivation technology;
- ▶ safe placement of manufactured agricultural products;
- ▶ repurchase of all market surpluses of produced crops;
- ▶ service storage.

Technical support, along with monitoring and control of the entire production process, as well as providing advice,



are defined by the contract, and the quality of production is ensured by full compliance with the procedures of the GlobalGAP standard and the HACCP system.

In 2022, Delta Agrar certified blueberry, plum, peach and strawberry producers.



Agricultural distribution

Delta Agrar is also engaged in the agricultural distribution segment, with a special focus on the production and distribution of seed goods, as well as animal feed produced by Delta Feed. The company's portfolio in the field of seed production consists of soy, wheat, barley, corn, sunflower, rapeseed, as well as the distribution of a microbiological program. In addition to its own production, cooperation in the field of trade and distribution of seeds is also achieved with the most famous seed companies such as Corteva, KWS, Syngenta, Pioneer, Saatzucht Donau and Axereal. In cooperation with all seed houses and partners, the company respects all principles of sustainable development, human and labour rights, ethical principles and takes into account the environmental impact.

Thanks to the largest processing center on the territory of Serbia, Delta Agrar successfully develops and produces seed goods, both through domestic brands and for the needs of renowned foreign companies. It is the official representative of the world famous companies and their plant protection products, as well as agricultural machinery on the Serbian market, and exclusively produces and refines seed corn and sunflower for the company Corteva.

Delta Agrar continuously invests in the development of domestic selection of soybeans for its own Selsem

brand. Active on the market for thirty years, the Selsem brand participates with 34% in the sale of certified seeds, and its varieties are present in eleven markets.

During 2022, a new dryer for seed corn was put into operation at the Sombor processing center. With a daily capacity of 150 t, its construction significantly expanded the space for receiving, drying and grinding seed corn cobs, which further improved the safety and quality of production. In addition to the new dryer, a color sorter for soybeans, corn and sunflower was installed and put into operation.

Significant results were achieved in 2022, and the most prominent ones are:

- ▶ Corteva seed corn, produced and distributed by Delta Agrar, is ranked number one in quality in Europe;
- ▶ there was a 31% increase in income from the sale of selsem soybean compared to the previous year;
- ▶ the level of 27% market share has been reached, thereby recognizing the company as the largest distributor of sunflower seeds;
- ▶ increased pesticide turnover by 38%;
- ▶ revenue growth of 42% of cattle feed Delta Feed was achieved.

Plans for 2023 include:

- ▶ growth of sales of all products and expansion of the network of foreign distributors;
- ▶ growth of areas under seed production plantations;
- ▶ registration of two varieties of soybeans in Russia and Azerbaijan;
- ▶ introduction of new products by existing suppliers of pesticides and the extension of the exclusive distribution portfolio to eight new products;
- ▶ portfolio expansion and development:
 - ◆ corn hybrids in exclusive distribution;
 - ◆ hobby products, "ready to use" for non-professional manufacturers;
 - ◆ feed for poultry;
- ▶ a new sales channel through retail outlets on the market and exports to the countries of the region at the Delta Feed plant;
- ▶ development of an application for the recommendation of assortments and prediction of yields for the Selsem brand;
- ▶ erection of new surfaces of the irrigation system in the cherry plantation;
- ▶ expansion of THE VRI irrigation system;
- ▶ growth in sales of Landini tractors and connecting machines, as well as the expansion of the dealer sales network;
- ▶ introduction of new brands in the field of connection machinery.

Stock Market Trading

Delta Agrar deals with the trade of stock market agro-products both in domestic and foreign markets, and is one of the leaders in grain exports in Serbia.

The stock exchange business is based on the procurement of cereals, oilseeds and macro components for the production of animal feed, as well as on their further distribution at the most favorable moment. One of the business segments is the procurement and further placement of raw materials and finished products on the domestic and foreign markets, as well as for factories operating within the Delta Agrar Group. The stock market sector of Delta Agrar is particularly distinguished by synergies with other members of the Delta Agrar Group, specifically the factories Danubius (flour and pasta), Dunavka (oil) and Delta Feed (animal feed).

In 2022, the focus was on improving the organization and all processes in order to improve the quality of business and improve optimization. There was a growth in new oil and meal customers, new distribution markets were opened, and fertiliser sales increased by 76% compared to the previous year.

Plans for 2023 include:

- ▶ expansion of the portfolio;
- ▶ increase in the number of suppliers and buyers;
- ▶ improvement of the team;
- ▶ consolidating synergies between the sector and its members.

Dunavka

Based in Veliko Gradiste, the Dunavka oil factory is focused on the production of crude oil and meal, which are produced as a result of sunflower and soybean processing. Since 2018, it has been owned by Delta Agrar, which has managed to restart production for the first time in eight years.

15 million euros were invested in the reconstruction and expansion of the plant's capacity, which enabled the revitalization of all four plants, increased storage capacities and replaced all mechanical equipment in silos, and a new dryer was installed, as well as state-of-the-art systems for coarse and fine purification of oilseeds. The factory has GMP+ and ISSC certification.

Dunavka is continuously working on expanding the network of suppliers for mercantile sunflower and soybeans, raw materials necessary in the production process, with legal entities and with registered farms. As

a link that connects sunflower and soybeans with ready-made feed for domestic animals, semi-finished products – sunflowers and soy meals – are delivered to farms and feed factories, while crude oil is further exported for sale to other oil producers.

2022 marked the purchase of AS Prom silo, installation of solar panels, opening of an air purification plant (separation of solid particles from the air), as well as measures taken to reduce CO₂ emissions. The Dunavka Oil Factory won two gold medals for quality at the agricultural fair in Novi Sad, and it was also mentioned in the monograph "Heroes and Neimars" among companies that achieved exceptional results and contributed to the development of their community at the time when it was most difficult. A number of donations were also made to schools and associations.

The plan for 2023 is to build new silos, reconstruct the degumming plant, as well as increase the efficiency of production processes.



DELTA FOOD PROCESSING

Food production at Delta Holding takes place in four factories, which form an integral part of Delta Food Processing:

1. Yuhor - a factory for the production of meat and meat products;
2. Mioni - a factory for bottling natural mineral water and carbonated beverages;
3. Danubius - a factory for the production of flour and pasta;
4. The Fun&Fit Company - a factory for the production of cereal, appetisers and basic foodstuffs.



Yuhor

Yuhor a.d. is one of the leading companies in the meat industry market, with a tradition of 120 years. It is located on the territory of the municipality of Jagodina, and at the foot of the mountain Juhor, after which it was named. The main activity of the company is the production and processing of meat, trade in meat, meat products and canned products.

In the meat industry, Yuhor is synonymous with tradition, safety, quality, innovation and creativity, which makes the basic postulates of its business. Since 2004, it has been part of Delta Food Processing Group and today it is recognized as a company that offers consumers high quality, safe and tasty products, produced according to the traditional recipe, while respecting modern technological processes.

In 2015, Yuhor also launched a chain of its own retail stores, known as Yuhor Stores, and currently has 56 stores in 34 cities. In addition to Serbia, the company also successfully operates in the territory of Montenegro, Bosnia and Herzegovina, North Macedonia, Croatia, Slovenia, Russia and the EU.

In 2022, the company achieved the following results:

- ▶ increase in sales compared to 2021, in value and quantity;
- ▶ growth of *total market share* in the category of meat processing compared to 2021;
- ▶ growth of *market share* in the pâté category compared to 2021;



- ▶ retaining a leadership position in the subcategory of boiled products;
- ▶ increasing the scope of cooperation with partner Lidl;
- ▶ opening of four retail stores.

Yuhor strictly adheres to all applicable food safety and quality standards. By adopting the ISO 9001 and ISO 22000 standards, Yuhor is committed to controlling all stages of the production process, from the entry of raw and production materials to the delivery of finished products, thus guaranteeing a high level of quality and product safety. The implementation of ISO 14000 standards in the field of environmental protection and HALAL standards, which certified part of the assortment, are clear indicators of the company's focus on consumer needs, on the one hand, and environmental protection, on the other. The company also meets the requirements of the IFS international standard, and in 2022 received a Higher Level rating after completing certification.

In accordance with all the stated standards and with its own business policy, Yuhor selects quality and strictly controlled raw materials and additives from reliable and approved suppliers, thereby providing end consumers with quality and safe finished products, which are adequately labeled and declared. Accordingly, in 2022, there were no complaints about the negative impact of the company's products and services on the health and safety of consumers.

The trend of testing business customer satisfaction continued in 2022, confirming a good relationship with customers and compliance with all agreed terms of cooperation. Partners from different sales channels participated in the study, in order to confirm successful cooperation with key buyers and independent traders.

Business customer satisfaction survey

CHARACTERISTICS	AVERAGE RATING
Product quality	4.22
Price-quality ratio	3.98
Sales and distribution	4.72
Customer loyalty	4.57
Quality compared to other companies in the meat industry	4.19
Overall average rating	4.45

In 2022, the Yuhor company celebrated its jubilee 120 years of existence, successfully operating in a competitive environment, thus achieving all the set goals: sales growth, market share growth, innovations in production and product range, and the opening of new retail stores.

In relation to production innovations, the following was realized in 2022:

- ▶ automation of the line for fresh meat;
- ▶ commissioning of the solar power plant;
- ▶ commissioning of the refrigeration compressor;
- ▶ modernization of the boiler room;
- ▶ procurement of new devices: vaporizers, purifiers, duplicator.

All these innovations are based on the principles of social responsibility and have had a positive impact on the social community. Their contribution is reflected in:

- ▶ improving relations with customers and suppliers;
- ▶ improving the quality and nutritional value of products according to the wishes of the customer: reducing the salt content and replacing palm oil with vegetable oil in private label products;
- ▶ development of new products under the brand With love, homemade for Lidl and Guardhouse for Yuhor;
- ▶ environmental protection in the part of reducing the consumption of natural resources through the production of energy from renewable sources.

For 2023, the following innovations are planned:

- ▶ preparing a new project for solar panels;
- ▶ procurement of new equipment to increase automation and production productivity;
- ▶ expansion of the capacity of fermented products;
- ▶ replacement of worn-out evaporators;
- ▶ increasing the energy efficiency of the autoclave operation.

Aware of its influence and responsibility in a modern, global society, Yuhor company, as in previous years, realizes its business by applying the basic principles of the concept of socially responsible business. As the primary competences of its employees, it singles out knowledge and advocacy, strictly respecting the principles of gender equality and non-discrimination based on gender and gender, while striving to continuously improve its staff through various education and workshops. The company also employs people with

disabilities to positions that correspond to their state of health, giving them the opportunity to work and advocating for an equal sense of belonging among all employees.

Mioni

In the village of Kljuc, at the foot of the Maljen mountain, a factory for bottling natural mineral spring water - Mioni was built in 2007.

In the factory bottled and bottled natural mineral water under the brand Aqua Gala and refreshing soft drink Gala Fantasy. In addition to the needs of its own brand Mioni, it also uses its capacities for the service filling of mineral water and refreshing soft drinks for brand brands.

The factory has six production lines for filling non-carbonated and carbonated water and carbonated refreshing soft drinks (OBP).

Mioni holds an **IFS quality certificate**, with a high compliance percentage of 95.41% according to the last test conducted by RINA Services - AGG in February 2022.

In 2022:

- ▶ record sales volumes of 120 million litres have been achieved;
- ▶ the portfolio was expanded with seventeen new items in the field of service filling, while the portfolio of its own brand was expanded for two new items of refreshing non-alcoholic drinks Gala Fantasy;
- ▶ retained a leadership position in the service filling for

- ▶ trade marks in the territory of the Republic of Serbia in the field of water and in the field of refreshing soft drinks;
- ▶ a new balloon filling line was installed;



- ▶ a total of EUR 4.4 million was invested;
- ▶ the procurement of a new high-speed PET line Krones for the production of carbonated water, non-carbonated water and OBP has been agreed.

Mioni is a company guided by the principles of sustainability and plans its business activities in accordance with the principles of environmental protection and responsibility to the community in which it operates. Planned activities for achieving the sales growth and profitability plan for 2023 include:

- ▶ growth in the quantities sold of all segments of the production portfolio;
- ▶ new items in the field of water and refreshing soft drinks of the private brand and opening to new customers Aqua Gale;
- ▶ expansion of activities to the production of demineralized water;
- ▶ reducing the share of plastic in the package of 6 l;
- ▶ reducing electricity consumption by relying on renewable energy sources (solar panels);
- ▶ starting the construction of a new production and warehouse space;
- ▶ increasing production capacities and more efficient equipment with a higher degree of automation.

Danubius

The Danubius factory has been operating successfully for 105 years and is part of the Delta Holding system for 16 years. The main activity of the factory is the

production and distribution of cereals, flour and pasta. Its headquarters is in Novi Sad. Since joining the Delta Holding system, Danubius has gone through numerous stages of improving its production capacity, which includes the reconstruction of equipment in the silo and the replacement of complete equipment in the mill, as well as the introduction of the latest line in the production of pasta.



The factory consists of three operational segments:

- ▶ silo, with a capacity of 65,000 t with a continuous dryer Schmidt-Seeger, with a capacity of 50-70 t/h,
- ▶ a computer-controlled mill from the Swiss; manufacturer Bühler, with a daily wheat grinding capacity of 300 t; and
- ▶ pasta factory, with an annual capacity of 15,000 t.

Danubius is the most recognized brand on the market, primarily thanks to its long-term quality policy and continuous investment in the processes of production and quality control of products. In all its activities, Danubius operates in accordance with the requirements of IFS standards, thus ensuring and guaranteeing the quality of products and services to which the company has committed with its quality policy. Within the factory, a state-of-the-art laboratory with qualified experts is active, which controls all processes, from the receipt of raw materials to the final product.

All members of the Danubius team are committed every day to achieving the set goals and strengthening the brand. Product quality undoubtedly comes first, and the focus is also on affordable price and product availability to meet the growing needs of the market. Thanks to this, for years now, Danubius can boast of the continuous growth of the market share of its brands and their position on the market of the Republic of Serbia.

And in 2022, based on the research results of Retaili Zoom, Danubius was the market leader with a 34.7% market share in the vitaminized pasta category, while

in the durum pasta category it achieved an average market share of 20.1%, with constant growth.

As a socially responsible company, Danubius pays special attention to the satisfaction of its consumers and conducts surveys year after year in order to use new knowledge to further improve business and operations.

The Consumer Satisfaction Survey in 2022 was conducted in Belgrade, Novi Sad, Nis and Cacak in retail stores of the chains Delhaize, Mercator, Univerexport and Dis. Of the 120 participants in the survey, 35% were men and 65% were women. Furthermore, 92% of respondents were in the age category of 20 to 60 years. The assessment was carried out for various aspects of the product (quality, price, packaging, positioning and assortment) ranging from 1 to 5, with 1 being the worst, and 5 being the best. A score of 4.50 was set as a target for the previous year.

The analysis of the research results showed that Danubius again justified the expectations of its customers and met their needs. The **flour** satisfaction rating was higher than expected and amounted to 4.61, and the most common customer comments during the survey for this product category were praise for the assortment, quality, packaging design, as well as special praise for the new product - pizza flour.

The **Danubius pasta** satisfaction survey also gave excellent results. The 4.57 rating for pasta showed a very high level of satisfaction, while customers had numerous praises for the quality of durum pasta and the organization of promotional projects (gift purchases) in the facilities.

In 2022, Danubius also paid special attention to its new Maestro pasta brand. This premium quality product, available to consumers in a functional and aesthetically appealing packaging, received special praise from

customers for its new form of pasta - orchid. One of the suggestions for further improvement of this brand is to launch the shape of spaghetti pasta in the near future.

As the company continuously invests in the quality of the end product, an important link in the supply chain is represented by suppliers, with whom cooperation is achieved through compliance and implementation of international quality standards and with the mandatory documentation that suppliers must submit as proof of their responsible business. When concluding cooperation, suppliers need to fill out a questionnaire showing their degree of compliance with IFS standards, which certificates they hold and whether and how they control their products. In addition, suppliers are expected to comply with all legal regulations, to have the correct specifications of the products to be delivered, as well as to submit a certificate from certified houses in Serbia for the purpose of proving the healthiness of the products.

Long tradition and quality are recognizable in the company Danubius, and this implies that all products and services are treated in full compliance with the law. Danubius adheres to all procedures, and regulations concerning labelling, product information, as well as regulations related to advertising, promotions and sponsorships.

The Danubius factory also takes care of its consumers by providing them with safe and stable communication in the form of an official e-mail address and phone number on the website, as well as through social networks, for all their questions or doubts, as well as occasional complaints.

Satisfaction survey - flour

CHARACTERISTICS	AVERAGE RATING
Quality	4.63
Price	4.57
Packaging	4.58
Positioning	4.62
Assortment	4.63
Average rating	4.61



Satisfaction survey - pasta

CHARACTERISTICS	AVERAGE RATING
Quality	4.60
Price	4.52
Packaging	4.53
Positioning	4.60
Assortment	4.61
Average rating	4.57

Listening to their needs and requirements, innovations in the field of expanding the range and introducing completely new products are planned for 2023:

- ▶ expansion of the Maestro pasta product range with four new items, including Maestro spaghetti;
- ▶ expansion of the Danubius range with the new product still being researched;
- ▶ continuous work of the development team to expand the range and explore the possibilities of new markets.

Thanks to the great professionalism and dedication of all employees, Maestro pasta has been on the shelves of all major chains in the past year. An important feature of this brand is closed and recyclable cardboard packaging, without a plastic window on the packaging.

In addition to taking care of consumers, taking care of employees and their constant development is one of the main strategic goals of Danubius, because team spirit, connectivity and high motivation of employees guarantee the quality of products and services, and thus success and sustainable development. With its resources, activities and services, Danubius contributes to the preservation of the living and working environment in its own environment.

Danubius supports the association of employees, so since the establishment of the company, there has been a union of workers, with more than 80 members. Thanks to their joint efforts, numerous benefits for employees have been expanded, and additional work has been done to support their further development. The trade union represents a big win for the company and allows workers to feel safe and supported, which further encourages their satisfaction.

In terms of attitudes towards the community, Danubius supports the education of young people, especially in the field of dual education. In 2022, a project was successfully launched that involves the engagement of young people in deficit occupation, with the opportunity for employment after finishing school. With the support and mediation of the Serbian Chamber of Commerce, the project is implemented in cooperation with the Secondary School of Mechanical Engineering in Novi Sad and continues throughout 2023.

The Fun&Fit Company

In 1991, Florida Bell was founded, which a decade and a half later became The Fun&Fit Company, a company with



the vision that excellence, quality, innovation and caring for people is the only path to successful business.

The basis of the Fun&Fit business consists of the production and packaging of cereals, basic foodstuffs, dried fruits and appetizers, and, accordingly, the company is divided into three brands – Fun&Fit, JUMBO and ABC. Although brands are the key to business, brand production also forms a significant part of Fun&Fit's business.

In 2022, the company's business excellence certificate also came through the result of compliance testing with the IFS International Food Quality and Safety Standard, which amounted to 99.35%. Year after year, the company is committed to maintaining quality, which has become the main recognition of its brands.

And as quality goes along with innovation, during 2022, three new products were launched that fully follow the needs of consumers for a healthier and better-quality diet – granola, in the flavors of Cherries&Berries and Nuts, both without added sugar, made of whole grains, sweetened with dates, and Plum Pleasure, a fasting product – plums topped with cocoa.

Over the past year, the Fun&Fit brand has implemented a completely new creative strategy that has spawned a new slogan – "It is not difficult to be fit", with the desire to influence healthy habits in consumer nutrition.

Another important decision concerning the improvement of products and enrichment of packaging is the introduction of the V-label on selected products, which at the level of the European Union confirms the quality and

vegetarian/vegan composition of products. In this way, the company's brands become more visible and accessible to the population whose more modern trends and beliefs about nutrition are of great importance. Implementation started in 2022 and will continue in 2023.

In order to continuously grow, improve and strive for better business results, new markets were opened this year - China and Lebanon. However, business expansion does not stop there, so plans for 2023 include a mission to open new markets.

2022 was also an important year for the company in the field of responsible and sustainable business operations. The company donated its products to the Sun Foundation, which houses young people with disabilities, as well as to Backo Novo Selo within the project Our Village for the organization of the traditional rural event Barefoot on the Sand.

In addition, solar panels stationed on the roof of the company building have been put into operation, which will contribute to environmental protection and more sustainable use of resources in the coming years.



DELTA REAL ESTATE GROUP

 CROWNE PLAZA

Delta Real Estate Group is recognized as a regional leader in the field of residential, business and commercial real estate development. Its business is mainly implemented in the territory of Serbia, Slovenia, Bulgaria and Bosnia and Herzegovina, and during the twenty years of its existence the company has built over 600,000 m² in Serbia and the region. Its activities are diverse and include:

- ▶ strategic planning and development of projects;
- ▶ project management;
- ▶ 4 Construction Supervision
- ▶ property management;
- ▶ control and placement of constructed facilities on the market.

The company's rich portfolio includes shopping malls, business premises, hotels, a congress center, and the company also has extensive experience in the design and construction of buildings that are a combination of retail, office and residential spaces, which are better known as mixed-use projects. Delta Real Estate participates in the design and construction of facilities of other Delta Holding system members such as refrigerators, distribution and logistics centers, car showrooms and Delta Foundation endowments.

Achieving a balance between social responsibility, environmental protection and successful business is Delta Real Estate's primary long-term vision. The principles of responsible investing, which are applied, are reflected through each segment of the company's business, and each new facility represents a combination of functionality, sustainability and beauty. In all phases of a project, from design through construction to maintenance, the focus is



on the implementation of state-of-the-art standards of environmentally friendly construction. With this approach, Delta Real Estate has positioned itself as one of the prominent members in the Green Building Council of Serbia.

The company implements its business processes fully in accordance with the principles of digitization and digital transformation, so its employees rely on a multitude of available digital tools and systems in their work to ensure more efficient control of projects. Software such as *Revit*, *Bexel*, *PlanRadar*, *AutoDesk*, *TotalObserver*, as well as the 360° application, are used as standard tools in business and provide numerous benefits such as monitoring and analysis of the number of materials consumed, realization of works and costs through a detailed database with recording of defects when optimizing all processes. Thanks to digital monitoring and recording of data from the construction site, precise and faster communication with expert supervision,

contractors and other project associates is enabled.

In order to achieve the best possible business results, the company actively cooperates with international experts in the field of strategic and conceptual planning, who share their knowledge and expertise with young colleagues. It continuously invests in the education and training of all personnel, both in the country and abroad.

During 2022, Delta Real Estate operated successfully and several activities were implemented:

- ▶ part of the works on the reconstruction of the Sava Center;
- ▶ part of the works on the construction of the second phase of the distribution and logistics center in Stara Pazova;
- ▶ development of project documentation and conceptual solutions for new projects.

Business premises

In the segment **of business premises**, facilities have been built or reconstructed that offer tenants a modern office space, high flexibility and a pleasant ambience. The reconstructed office building Mala kula is the headquarters of Generali osiguranje, the largest insurance company in Serbia. The second office building, which is named Delta Business Properties, consists of eight floors and gathers a large number of domestic and international companies.

Delta Business Properties is constantly improving with renovation and adaptation. During 2022, parts of the common area were renovated with the installation of energy-saving light bulbs. In order to provide fresh air, both commercial buildings use HVAC air conditioning systems, and they also have an associated energy plant that is completely independent of the city's heating system.

The last built business facility is Delta House, the headquarters of Delta Holding in the central business zone in New Belgrade. The gross area of the facility is almost 23,000 m² and covers a total of 13 floors (2 underground and 11 above-ground). The facility also

has an underground parking lot with 188 spaces, including spaces for people with disabilities, users of electric vehicles and bicycles. This building is an A-class office building, built according to the latest construction standards. A part of the building of 11,500 m² represents a space for rent. Within the building, in addition to the office space, there are modern meeting rooms, a restaurant for employees and a cafeteria.

As a facility that has been designed and built according to the latest global standards of sustainability and green building, Delta House holds the LEED Gold certificate for a number of modern technological solutions that ensure a healthy working environment. They include:

- ▶ UNIDOM balls made of 100% recycled plastic in the structure of the facility, as a result of which CO₂ were reduced by as much as 336 t;
- ▶ a rainwater tank with a volume of 60m³, which collects atmospheric water from the roof to level-2 and allows optimal use of water through the supply of all cisterns and urinals in the facility;
- ▶ greening of the building to as much as 1000 m² of area, with an additional 350 m² on the roof, with the selection of plants that require minimum quantities of water based

on the WUCOLS list and the introduction of a "drop by drop" system for optimal water consumption;

- ▶ monocrystalline type A solar panels on the roof of the Delta House facility with a total power of 80 kW, inverters for converting direct current (DC) into alternating current (AC), as well as a smaller solar power plant on the roof of the terrace of the last floor with integrated facade solar panels with increased efficiency with a total power of 15 kW;
- ▶ DCV system of operation of the entire thermo-technical installation, which implies a maximum economical mode of operation with the provided sensors of presence, temperature and concentration of CO₂, which automatically maintains the desired conditions in the premises and significantly reduces the cost of electricity;
- ▶ bipolar ionizers and cleaning of air particles through the ionization process, which saves energy in the HVAC system (heating, ventilation and air conditioning), due to the reduction of the need to add fresh outdoor air;
- ▶ natural elements in the interior through the selection of furniture and materials with a high percentage of recycled material and the lowest possible values of VOC (volatile organic compounds) content and harmful substances.



Shopping malls

Delta Real Estate Group also includes Delta Planet shopping malls in Banja Luka and Varna from 2019 and Nis from 2021. Built in accordance with the latest standards in the field of energy efficiency and environmental care, all shopping malls fully meet the needs of the social communities in which they are located. During construction, a special focus was placed on the selection of materials that enable the use of renewable energy sources, such as large glass surfaces or solar benches, while visitors also have access to electric chargers for electric vehicles. All shopping malls have an energy passport and are fully adapted for people with disabilities, especially young people and children, for which creative and interactive entertainment zones have been created.

For all shopping malls 2022 was extremely active, especially after the end of the Covid 19 pandemic. Great focus is placed on socially responsible activities in order to provide assistance and support to the social community.

Over the past year, **Delta Planet Banja Luka** organized several different actions and marked several significant dates:

- ▶ a donation was presented in the amount of the purchase of recyclable waste to the Association of Citizens "WagWag" - a non-profit organization from Banja Luka that deals with education on proper treatment of abandoned and owned animals and the development of a new social network intended for all animal lovers;
- ▶ the donation of school supplies was handed over to the Home for Children and Youth without Parental



- Care "Rada Vranjesevic" on the occasion of the beginning of the new school year;
- ▶ a donation was presented to the association "Super Brke" for the treatment of patients with testicular cancer as part of the marking of Movember;
- ▶ donation of New Year's packages to children from socially disadvantaged families was handed over;
- ▶ autism Day was celebrated in the Delta Planet;
- ▶ world Diabetes Day was marked in cooperation with the DiabetoNo1 Association;
- ▶ world Hemophilia Day was marked in cooperation with the Association of Medical Faculty Students from Banja Luka and representatives of the Association of Hemophiliacs;
- ▶ world Health Day was marked in cooperation with the Association of Medical Faculty Students from Banja Luka;
- ▶ world Food Day was marked in cooperation with the Institute of Public Health of the Republic of Srpska in order to raise awareness of the population about the importance of whole grain intake in daily nutrition;
- ▶ humanitarian Ultrabazar was implemented in Delta Planet and all funds raised were donated to the Association of Women with Breast Cancer "Iskra";
- ▶ the exhibition "Delta FORS - function, design, layering and image" of students of the Faculty of Architecture and Civil Engineering and Geodesy from Banja Luka was realized;
- ▶ donation of food packages to the Red Cross of Banja Luka for socially disadvantaged families of the local community Borik 1 was handed over;
- ▶ humanitarian pet photography was carried out in cooperation with the Association of Citizens "WagWag", and all donated funds were directed to the payment of veterinary costs for the treatment of abandoned animals.

Its first birthday in April 2022 was marked by **Delta Planet in Nis**. Recognized as a regional shopping mall that attracts not only visitors from the country, but also from the wider region, Delta Planet Nis offers its visitors a variety of entertainment. Solar panels are also planned on the roof of the existing facility, which will significantly reduce the cost of electricity and thus make the facility more energy independent.

Delta Planet Nis was also socially engaged and participated in the organization of numerous events and manifestations of a sustainable and socially responsible character:

- ▶ World Kidney Day was marked in cooperation with the Association for Cardioneurology of Serbia;
- ▶ World Children's Day was celebrated on 20 November in cooperation with UNICEF;
- ▶ in December 2022, a New Year's exhibition of works of student cooperatives "Nadezdine pcelice" and "Suncokreti" was organized, founded by the elementary school "Nadezda Petrovic" and the school for primary and secondary education "Carica Jelena" for children with disabilities;
- ▶ in cooperation with the National Association of Parents of Children with Cancer (NURDOR), a New Year's fundraising campaign was organized to improve the treatment of children with cancer;
- ▶ during December 2022, a humanitarian action "Fill the bag, share happiness" was organized with the Association for Preventive Pediatrics of Serbia, within which sweets, toys, school supplies and funds were collected for packages handed to children whose health care needs to be improved;



- ▶ in cooperation with tenants, a large number of packages found their way to children without parents, children with developmental disabilities and children with cancer;
- ▶ the World Diabetes Day was marked on November 14 in cooperation with students of the Student Union of the Faculty of Medicine;
- ▶ the event "Autism is my superpower" was organized to mark the World Autism Month and the European Day of Autism;
- ▶ the exhibition "Glass as Eternal Inspiration" of the

- ▶ National Museum in Nis was organized;
- ▶ a workshop for children was organized "Playing through the collections of the Nis Museum"- National Museum of Nis;
- ▶ a free school for pregnant women was organized;
- ▶ a Health Bazaar was organized in cooperation with the Health Center of Nis;
- ▶ a Caravan of Health was organized under the title "Reduce Harm, Save Health" in cooperation with the Belgrade Health Festival;

- ▶ the event entitled “European Researchers' Night - Streets Under the Light of Science” was organized;
- ▶ with the Tourist Organization of the City of Nis, the International Tourism Fair was organized;
- ▶ in cooperation with PUC "Medijana", an action of increasing the green fund of the city of Nis for contribution to environmental protection was organized;
- ▶ in December 2022, a New Year's tree and decorations were donated to the Reception Center for Adults and the Elderly of the Center for the Provision of Social Welfare "Mara", Nis.

Activities in this field planned for next year include marking the European Cervical Cancer Prevention Week with the Nis Health Center and IFMSA-Serbia in January, as well as participating again in the "Let Nis Breathe" action, on the occasion of which Delta Planet employees will plant and donate new seedlings on the territory of Nis.

Delta Real Estate Group will continue to implement existing and launch new projects that will contribute to the further development of cities in Serbia. In this regard, the plans for 2023 include:

- ▶ continuation of works on the reconstruction, rehabilitation and adaptation of the Sava Center;
- ▶ completion of works on the construction of the second phase of the distribution and logistics center in Stara Pazova;
- ▶ construction of a new facility at the location of Kvantas;
- ▶ commencement of works on the construction of the mixed-use Delta Land project;
- ▶ commencement of works on the construction of the II phase of the Delta Planet Nis facility.

Congress Center

Given the historical importance of the Sava Center, the reconstruction of the largest international congress, cultural and business space in Serbia is a project of exceptional importance not only for the company, but also for the wider social community. As it occupies an area of over 100,000m², the main focus of the project is on better use of space by significantly expanding conference rooms, exhibition spaces and the Blue Hall, as well as separating the business and commercial zone, which will give the Sava Center a new and more modern arrangement.

Works on the reconstruction, rehabilitation and adaptation of the facility, started at the end of 2021 and implemented during 2022, will continue in the following year. These works include a whole range of solutions that will improve the energy efficiency and sustainability of the facility that will be fully aligned with the EU Taxonomy criteria, which will position it high on the scale of modern European congress centers.

The new glass envelope will consist of three-layer glass, which provides exceptional thermal insulation, with a solar factor ranging from 25-35%. In order to preserve the beauty of this recognizable object, the new glass will be the same color as the old one. Since the glass envelope makes up more than 7.000 m² on the facility, the beauty of the Sava Center is also found in large amounts of daylight that reaches almost all rooms within the facility. Daylight combined with greenery, which will form an integral part of the interior, will make every corner of the Sava Center very pleasant for visitors. Solar panels are also planned on the roof of the building, which will significantly contribute

to reducing the need for electricity, especially during the summer months, when their efficiency is the highest. As a confirmation that the Sava Center project also includes the provision of state-of-the-art solutions in the field of ecology and sustainability, it is certain that the facility will have a BREEAM certificate. BREEAM confirms the construction and reconstruction that goes beyond regulations, contributing to environmental protection, greater comfort and people's health. The Sava Center thus conceived will represent one of the few congress centers that holds this certificate, thus providing an example of good practice to many of the world's competitors in the congress industry.





New projects

Started in September 2021, the construction of the **second phase of the distribution and logistics center in Stara Pazova** is planned to be successfully completed at the beginning of 2023. During 2022, intensive work was done on the construction of 16,000m² of new high-bay warehouse, part of which will be dedicated to expanding the capacity of the logistics center of the company Delta Transport System, and part to the needs of the e-commerce business Ananas in order to provide logistical support to the development of business in the region. LED lighting has been introduced in the facility and it is certain that the facility will have an energy passport.

During 2023, the **construction of a new facility in Belgrade** is planned, at a location known as **Kvantas**. The new facility will be built on the level of one ground floor with a total area of almost 4,000 m².

As an investor who carefully assesses each location and creates facilities that develop and improve their environment with an exceptional commitment to quality and end users, Delta Real Estate has also developed a concept for a new location in Belgrade called **Delta Land**. This state-of-the-art mixed-use concept, on the site that used to be the Belgrade Cotton Combination and Industrial Complex, will be built on a total area of 270,000m² and will represent a

new green oasis in the city center.

The **beginning of the upgrade (extension of the facility) of the Delta Planet shopping mall in Nis** is also planned for the next year. The new four floors will occupy a total area of 20,000 m². In addition to the rental premises, this space will also offer new garages, with parking spaces reserved for people with disabilities, pregnant women and mothers with young children. As on the existing shopping mall facility, the roof of the new facility will be a place for solar panels that will significantly reduce the negative impact on the environment by using more renewable energy sources and relying on them.



Hotels

Hotel Crowne Plaza

Hotel Crowne Plaza belongs to one of the largest hotel corporations in the world - InterContinental Hotels Group. It opened in Belgrade in 2013 and is one of the hotels with the greatest accommodation potential in the capital. It has a capacity of 416 rooms, 14 meeting rooms, three restaurants, a swimming pool and a SPA center.

For greater accessibility, the hotel is inclusive and fully accessible to people with disabilities. In addition to the access ramps in front and inside the hotel, it also has four specially designed rooms adapted to different forms of disability. In restaurants, menus are also available on Braille, while the offer is varied, and dishes prepared in compliance with the provisions of HACCP standards, whether they are conventional, vegan or gluten-free.

In 2022, after the end of the Covid 19 pandemic, the business of the hotel was fully focused on the satisfaction of guests and visitors, as well as improving the sales segment and customer relations. In this regard, Crowne Plaza boasts a diverse segment of visitors that includes:

- ▶ individual segment;
- ▶ diplomatic segment;
- ▶ group segment - corporate, tourism and sports team, building, associations;
- ▶ accommodation of airline crews.

Thanks to an extremely successful business year, in 2022, the Crowne Plaza Hotel held a stable second place with

a score of 4.6 for the overall service compared to its competitors according to research within the IHG Group.

Last year was marked by the renovation of the club-rooms on the eighth floor, as well as changes in uniforms and existing dress standards. Also, the hotel organized several events, conferences, congresses, celebrations and meetings aimed at developing the brand and stable relations with customers and suppliers.

Significant activities during 2022 were dedicated to developing customer loyalty and improving their satisfaction with the service. Sales Blitz was organized on a quarterly basis as a sign of gratitude to clients for the cooperation achieved during the year, and a special focus on clients from the Chinese market was in the period of celebrating the lunar New Year. Cocktail evenings were held in restaurants for corporate clients in order to nurture relationships and examine their experience and satisfaction, while at the same time a new menu was promoted in the Bar&Lounge section. Special seasonal packages and congratulations to clients for important dates were also prepared. As a special type of stimulation of certain market segments, discounts were also given for food and drink services in the hotel restaurant and bar.

Relations with suppliers were also developed, with a special emphasis on product quality, price, logistics and flexibility. The selection of suppliers is carried out according to strict criteria that imply high quality of foodstuffs and compliance with all prescribed health procedures during production, with the application of the principles of socially responsible business and sustainability.

Hotel Crowne Plaza pays extreme attention to the hygiene of the premises and the protection of the health of its employees. Occupational safety and health trainings are regularly conducted, as well as those related to food safety. The operational processes of food processing within the hotel require strict adherence to cleanliness and safety measures and the use of appropriate chemical agents in the kitchen that do not harm the environment. Safe use of products or services is carried out in accordance with the IHG Health and Safety and HACCP standard, and foodstuffs are properly stored and served according to the Last In-First Out principle.

During 2022, we actively worked on improving the quality and nutritional values of products for a richer offer and greater guest satisfaction. In accordance with the current trends of a healthier diet, special menus have been created for athletes, vegetarians and vegans with an offer rich in fresh and nutritious foods. All dishes are properly labeled, with notes containing allergens, which are prepared according to HALAL standards.

A special segment of the offer is breakfast for hotel guests, which is fully in accordance with the defined IHG standards. Thanks to the high level of commitment of all employees and taking care of all aspects of the experience and guest satisfaction, the hotel has received the best rating in this segment since its opening.

Through nurturing the principle of non-discrimination, the selection and recruitment process is completely devoid of any form of discrimination in relation to any personal capacity of the candidate. In this domain, the attitude towards minority groups is becoming increasingly



important, so at the end of 2022, seven colleagues from Nepal were employed as an additional workforce in the housekeeping department, and five colleagues were employed for auxiliary jobs in the food and drink sector.

During 2022, the employees of the Crowne Plaza Hotel transferred their knowledge and examples of good practice in the field of hotel management within the framework of organized workshops, educational visits and professional practices. Within the IHG Academy, successful cooperation with specialized vocational schools and faculties in the field of practical training of young people, both in Serbia and abroad, continued. The total number of trainees from secondary schools was 123, and 34 from

universities. University students spent a total of 14,700 hours in training, while high school students spent 3640.

The promotion of the brand, hotel culture and business was also carried out through professional lectures of senior management of various hotel sectors held to students of the College of Hotel Management from Belgrade. Various lectures on restoration, gastronomy, reception and hotel management aimed to awaken the interest and motivation of young people to remain consistent with their profession.

Cooperation with professional hotel management schools in the past year has also developed through summer internships, for which a significant number of students have been admitted to almost all operational sectors of the hotel. At the end of the year, the hotel also became part of a dual education project in partnership with the College of Hotel Management in order to train young people for three profiles – restaurant, culinary and room sector.

During 2022, the Crowne Plaza Hotel also actively assisted the community. In September, as part of the global action of the InterContinental Hotels Group, bed linen was donated to the University Clinical Center of Serbia. Employees of the hotel, with the special help of the housekeeping department, engaged to help patients and staff of the Clinical Center. On this occasion, a total of 120 sheets, 122 blankets, 200 pillowcases and 190 towels were donated.

Hotel Crowne Plaza has traditionally been involved in the Santa's Helpers campaign of the Delta Foundation, as well as in the action "Cap for Handicap", which provides assistance to people with disabilities.

Hotel Indigo

Hotel Indigo, in the heart of the Serbian capital, is part of the InterContinental Hotels Group chain. It consists of two corpora of different floors, which are connected in the level of the ground floor and the basement with an atrium, with a total area of 7500 m², of which 3500 m² consists of a hotel, and the rest of the business space. It is part of the cultural-historical unit "Knez Mihailova Street", which dates back to the 19th century, so during construction, the greatest emphasis was placed on the preservation of existing street

facades, as well as on increasing energy efficiency.

The specific identity and design through which the philosophy of the Indigo Hotel brand as a "neighbor in the city" is best manifested, also enables contacts with clients in a special way. Such an approach achieves the organization of events that are specific in their significance and diversity, while special attention is shown to clients through the so-called New Year and Easter Sales Blitz, which implies carefully created gifts for the upcoming holidays, which are then, by colleagues from sales, given to business partners.

Thanks to the special attention it gives to its guests and visitors, the Indigo Hotel has achieved impressive results in numerous researches. Compared to other competitive hotels in Belgrade, Hotel Indigo was in the leading position throughout 2022 with an average score of 4.6 for guest satisfaction. Compared to other Indigo hotels in Europe, and according to the satisfaction of the members of the IHG loyalty program, Hotel Indigo Belgrade maintained a leadership position with scores of 96.52 for the overall experience of stay, 94.95 for health and safety measures of guests related to the Covid virus and 95.52 for guest recommendation.





The results of the guest satisfaction survey conducted annually by IHG in its hotels also showed that the Indigo hotel ranks very high on the scale according to key parameters:

- ▶ Overall Arrival Index 97.51 - the best in the region;
- ▶ Problem Handling Index 96.52 - the best in the region;
- ▶ Guest love Index 96,52 - the best in the region;
- ▶ Overall Service Index 98.51 - the best in the region.

Hotel Indigo as a priority in its business emphasizes the quality and safety of its services, as well as taking care of environmental protection. Standards of the HACCP system and IHG procedures related to the use and safety of foodstuffs are fully followed. In the process of procurement of foodstuffs, the emphasis is on the quality of goods and quality suppliers, who comply with all standards of production and transport of goods, while the disposal of waste and oil is carried out according to the procedure that involves the recycling of garbage and the removal of oil by registered legal entities. In order for the service to be at a first-class level, the safety and security at work of all employees is of utmost importance, especially those colleagues who spend most of their working time in direct contact with the food served to guests.

Respect for the principles of social responsibility and the needs of the local community are an indispensable part of the Indigo Hotel business, so the focus is always on new trends and services that can provide guests with the best possible atmosphere. The use of biodegradable straws has a positive impact on the environment, while for vegans and vegetarians, in

the food and beverage segment, special menus are provided with an offer of healthy and fresh products. Gluten-free products are available for guests with health problems, and allergens are clearly indicated on all products served at the buffet to keep guests informed in a timely manner and to prevent potential health risks. During 2022, a new restaurant called Flowers of Evil was opened within the Indigo Hotel.

The training of employees continued in 2022, so representatives from all departments were certified in the special IHG program for departmental trainers - IHG Departmental Trainer Program. This two-day training prepared representatives of all departments for the role of departmental trainers, in order to provide their colleagues with the necessary support and realize all mandatory trainings in the field of safety and brand orientation.

Continuity in cooperation with young people was achieved through an expert lecture held by the general manager of the hotel to the students of the University Hospitality School with the idea of introducing young people to the brand of the Indigo Hotel, hotel business and culture, as well as with the intention of attracting young talents and motivating them to look for their future employment within the framework of the hotel and hospitality profession.

The past year has also been active in helping the community. In November, the Indigo Hotel received a thank-you note from Kolarac's endowment for selfless help and solidarity, while the hotel's employees were again engaged in the "Cap for Handicap" campaign, which provides assistance to people with disabilities.

Hotel Holiday Inn

The International Hotel Corporation Intercontinental Hotels group also belongs to the Hotel Holiday Inn Belgrade, which was owned by Delta Holding until the end of 2022.

The hotel has 139 rooms, of which 24 rooms are premium, two rooms are for people with special needs, there are three apartments, while the other rooms are kept as standard. In addition to the rooms, the hotel has an open concept restaurant, with eight conference rooms, as well as a fitness and SPA center.

Within the hotel there is a multifunctional hall Belexpocentar, 2500 square meters in size, in which of the planned 58 events in 2022 a total of 49 events were realized.

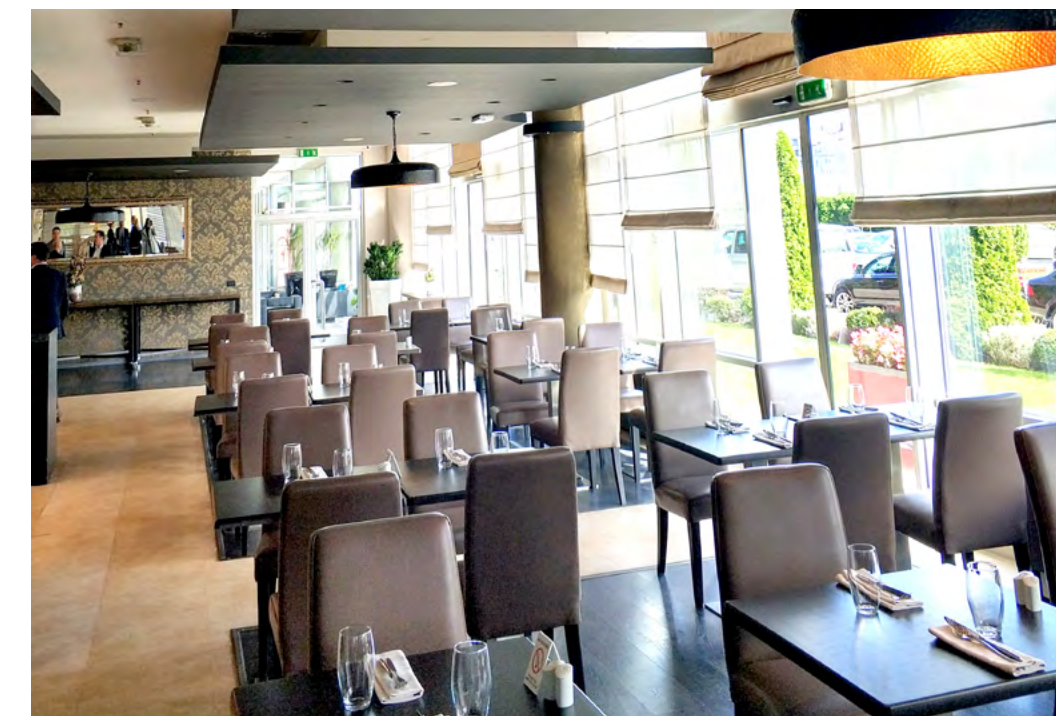
After a difficult period for business operations due to the Covid 19 pandemic, the past year has been recorded for Hotel Holiday Inn Belgrade in all segments, especially in the financial aspect.

In terms of visitor satisfaction, high results were achieved in 2022 as well. When it comes to guest satisfaction

based on completed questionnaires, the result of the guest love criteria was 84.78, out of the given 80. The achieved breakfast result was 86.67 out of the given 75, while the achieved result for cleanliness in 2022 was 87.50, significantly exceeding the given 80.

The visit of the so-called mystery guest continued, and a positive result of 100% once again confirmed that the high quality of service, as well as the overall experience and satisfaction of guests, is an imperative for the business and commitment of all employees of the Holiday Inn Belgrade hotel.

For great business results, both in financial and in the field of quality of service provided, visitor satisfaction and the realization of all plans, the Holiday Inn Hotel received the Going for Gold award from the Intercontinental Hotels Group in 2022. In this way, recognition was given to all employees, who over the past year have devotedly and devotedly worked on achieving the set goals and once again proved that teamwork and dedication provide a guarantee of business success.



DELTA DISTRIBUTION



Delta Auto Group

Delta Auto Group was founded in 2005. In its composition, the following operate and develop:

- ▶ Delta Motors – exclusive importer, distributor and repairer of BMW i Mini vehicles, for the market of Serbia and Montenegro, as well as BMW Motorrad motorcycles for the market of Serbia, Montenegro and North Macedonia;
- ▶ Delta Automoto – an exclusive importer, distributor and repairer of Honda cars and motorcycles of the Honda and KTM brands, for the market of Serbia and Montenegro, as well as an exclusive importer, distributor and repairer of the Maserati brand for the market of Serbia, Croatia and Slovenia.

An integral part of Delta Automotive is also the organizational unit Delta Auto Service, authorized service for BMW and Mini vehicles and Delta Used Cars, sale of certified used vehicles;

- ▶ Delta MC – exclusive importer of Petlas tyres and authorized distributor of Shell, Valvoline and FAM oils for the Serbian market;
- ▶ Delta Rent-a-Car – a company in charge of renting and leasing cars and light motor vehicles on the Serbian market.

Delta Auto Group prioritizes its business model by taking care of clients' needs and their satisfaction with the service provided. The focus is on continuous development and improvement of the quality of services, innovation and digitalization, all in order to strengthen trust and exceed the client's expectations.

Quality of service is guaranteed by the implementation of the quality management system ISO 9001/2015, which is continuously upgraded from year to year. Various projects aimed at exploring the needs and opinions of service clients are further improved

Customer satisfaction at Delta Motors has been regularly examined since 2017 as part of the Voice of the Customer project. The survey is conducted with an online

survey, which provides customers with the opportunity to express their observations with an open comment or to ask questions to which they receive an answer within 24 hours. In 2021, the digitization of the project enabled the completion of the survey with the help of tablets on site, in a salon or at a service reception. The project was soon extended to the spare parts segment and the BMW online store, while the territory of Serbia-Montenegro was also implemented within the dealer network.





In 2022, the project at Delta Motors also included potential customers – those who performed a test drive with the desired model, as well as customers who gave up on the purchase. This initiative, based on the digitalization of the process and the need for greater responsiveness to the client, follows the growing need for as accurate answers as possible, which will raise the experiences of potential clients to a higher level during future interactions.

Based on the opinions and comments of customers and potential customers, the percentage of their satisfaction with the Net Promoter Score (NPS) is also measured after recording and coding according to the criteria prescribed by the BMW Group rules. The responses and results obtained on a quarterly basis are carefully analysed by the directors who make up the Customer Board. Based on the conclusions of this board, an action plan is created to improve customer satisfaction.

The Voice of the Customer project as an internal solution is also successfully implemented in the practice of Delta Automoto in order to improve comprehensive communication and monitor customer satisfaction of the Honda and Delta Automotive brands.

In 2021, a project called Customer Journey was also launched at Delta Motors, with the idea of monitoring the flow of communication – from the first contact with the dealer network to the final purchase of the vehicle and arrival for service – in order to determine and improve the typical user experience. The project also enabled the identification of specific moments in communication between the client and employees who, in relation to others, were distinguished by their distinctiveness

and significance. These are the so-called “legendary moments”, which provided guidelines for creating a plan for improving the process and access to the client. In 2022, two identified moments: the test drive and the delivery of the vehicle provided the opportunity to further improve the individual experience of the client.

In 2022, Delta Motors continued the implementation of the Mystery Shopping project, which was implemented directly by BMW until 2021. During the entire duration of the project, continuous training for employees on working standards was provided by professional agencies, which, in addition to Delta Motors, were also held at Delta Automoto and Delta Used Cars. The idea of expanding the project to other organizational units was implemented in order to further develop sales teams and awareness of the need to raise working standards to a higher level with the continuity of improving communication with the client and his shopping experience, thus setting the basis for monitoring progress in this field in the future.

The Digital Transformation project, which was initiated in 2021 in cooperation with the BMW Group, was successfully implemented in the previous year in the company. After a detailed analysis of all business segments, key points were identified in the existing processes that can be improved by digitalization (customer relations, internal processes, processes related to external service providers and software). The multiple importance of this project is also reflected in the fact that extremely fast changes in the market require that the information be available to the client in a timely and easy manner, which implies fast, simple and efficient information solutions.

Within the Delta Auto Group, new sustainability trends such as ESG standards are monitored and adopted and the principles of environmental protection and investment in the social community are fully applied

In 2022, a digitized telephone exchange was also upgraded, while the existing ERP system was replaced by a new and more modern system. In both cases, digitization was carried out in order to further network with the current databases of information, as well as to digitize the process and provide a 360° view of the client.

An examination of the available solutions for the Online Scheduling of Service Appointments project was also conducted, whose analysis by the end of 2022 will decide on the implementation of the most appropriate solution, in order to increase the responsiveness and scope of availability for digitally oriented clients.

Certified trainings for the position of digital transformation manager in the organization of the BMW Group started in 2021 continued in the following year. Two employees who have undergone workshops and trainings, as well as project tasks, will continue to develop these projects.

Within the Delta Auto Group, new sustainability trends such as ESG standards are monitored and adopted and the principles of environmental protection and investment in the social community are fully applied, with a special focus on successful cooperation and relations with key stakeholders and business partners. In relation to clients, the focus is on business ethics, with the full application of domestic and international regulations, so all contact information is kept in accordance with the Law on Personal Data Protection, as well as internationally prescribed frameworks and methods (GDPR).

Cooperation with suppliers is determined in a special way, through the analysis of certain criteria as indicators of their business responsibility and fairness. Compliance with the law, possession of adequate licenses for the provision of services, as well as the application of quality standards (ISO 14001) are



just some of the mandatory conditions, while special attention is paid to ethics and good practices in business.

For outstanding achievements that are oriented towards the promotion and implementation of environmentally efficient business practices, the BMW Group in 2022 awarded Delta Auto and the prestigious BMW Polaris Sustainability Award – Category: Environmental, which represents a new format for rewarding authorized BMW importers and distributors, thus encouraging local initiatives of participants aimed at a sustainable future. As a member of Delta Holding, Delta Auto has nominated a project in which the innovative concept of Delta House has been presented, implemented according to the latest world standards that imply full respect and respect for the principles of the environment in the field of construction and sustainability.

Delta Auto Group also actively cooperated with educational institutions within educational projects, and productive

cooperation with the Faculty of Mechanical Engineering of the University of Belgrade resulted in obtaining the highest recognition, a special plaque for contribution to the development and affirmation of that faculty. In addition, the dual education program has officially started, within which students from secondary schools will attend a special practice and education regime within Delta Motors and Delta Automoto.

When it comes to the increasingly important and current transit process of electrification, i.e., the transition from conventional vehicles to hybrid and electric ones, Delta Auto Group actively participated in forums, conferences and gatherings in 2022 aimed at raising environmental awareness and educating citizens.

Delta Motors participated in the Eco-Mobility, E-Mobility and EV Days conferences, where they

discussed electromobility, the impact of motor vehicles on the environment, raising awareness of the need to expand infrastructure that will support new electric vehicles, new mobility solutions, as well as financial and other incentives for the development of eco-mobility.

In addition, the practice of educating interested visitors, who could be informed

about all the details related to the electrification process, continued within the BMW Store.

In addition to educational projects in the field of electrification and innovation, during 2022, special trainings were realized, which are the result of cooperation between Delta Motors and the Safety Association, within which young, but also experienced motorcyclists had the opportunity to listen to professional lectures on road safety and other useful and current motorcycle topics.

At the end of the year, Delta Auto Group colleagues were traditionally engaged in preparing packages as part of the Santa's Assistants for Toddlers action from all three villages in the Our Village project, and they also provided logistical support to their safe transport to the mentioned destinations.

In 2022
Delta Auto Group Group
actively participated
in forums,
conferences
and gatherings
aimed at raising
environmental
awareness
and educating
citizens



Delta DMD

Delta DMD is a recognizable name in the field of distribution of consumer goods. The company's headquarters are located in Belgrade, while the distribution network is spread throughout Serbia, with distribution centers in Novi Sad, Cacak and Nis. In Montenegro, the company is engaged in the same activity, and the headquarters of a branch called DMD Delta is located in Podgorica.

The portfolio of Delta DMD includes regional brands Tikves, Violeta, as well as brands of world-renowned companies: Ferrero, Diageo, SC Johnson, Beiersdorf and Haleon. In

Montenegro, in addition to the above, the portfolio also includes British American Tobacco.

For many years, these brands have achieved exceptional sales results in the markets of Serbia and Montenegro due to stable cooperation with more than 2,500 customers, while at the same time supplying over 10,000 retail and wholesale chain facilities, independent stores, specialized wholesale and HoReCa channels.

DELTA DMD
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godina

In its operations, the company is guided by the principles of continuous improvement, innovation and digitalization, while respecting the principles of social responsibility. In 2020, the Alfresco platform for electronic approval

and storage of invoices was successfully implemented, and it experienced its full application during 2021, when the application of the platform was extended to the processes of signing and storing contracts, as well as the process of recording mail. In 2022, the platform became a mandatory part of the company's business, which significantly reduced the number of documents in paper form and took another big step towards paperless business and complete digitalization.

The achieved results in 2022 are:

- ▶ increase in operating profit before depreciation by 25%;
- ▶ increasing the market share of distributed brands by Nielsen measurements.



According to Nielsen measurements in 2022, Delta DMD became a leader in the wine category with the Tikves brand and in the confectionery category with the Ferrero brand, while in the category of spirits, Diageo brands retained leadership positions in the market of the Republic of Serbia.

Delta DMD regularly conducts customer satisfaction testing. Ratings obtained in 2022 for the key customer satisfaction survey are shown in the following table.

Key customer satisfaction survey

CHARACTERISTIC	RATING
Assortment	4.66
Promotional activities	4.18
Communication and professionalism of the sales team	4.91
Communication and professionalism of the merchandising team	4.78
Delivery of goods	4.77
Documentation	4.91
Complaints	4.78
Average rating	4.73



In 2022, the product was successfully recalled from the territory of the Republic of Serbia and Montenegro by order of the manufacturer Ferrero due to the risk of salmonella. The process of withdrawing goods from the market has been carried out in accordance with all legal regulations, ISO 9001, HACCP and IFS Logistic standards, as well as good business practice. Thanks to the quick reaction, there were no lawsuits regarding the impact of the company's products and services on the health and safety of consumers.

Delta DMD Serbia and DMD Delta Montenegro comply with international quality standards in their operations. During the certification check held in 2022, they successfully passed checks according to the requirements of ISO 9001 and HACCP standards, for which there were no non-compliances, but three commendations and five recommendations. The verification was also carried out for the IFC Logistic standard, for which 98.95% of compliance was determined in Serbia and 98.73% in Montenegro.

Products distributed by Delta DMD are adequately labelled and contain all necessary information on the origin and quantity of the components of which they are made, as well as recommendations for safe use and disposal of packaging. There were no complaints about the accuracy and accuracy of information in marketing campaigns, nor about the violation of the privacy of customer data.

Delta Transport System (DTS)

Delta Transport System (DTS) was founded in 2008 as a company specialized in providing logistics services. Since its establishment, the business has been based on continuous improvement of services in order to raise their quality in the field of logistics, as well as through constant innovations and adherence to the principle that each client has the right to a special business model. Today, DTS represents one of the market leaders, and offers its clients a full range of logistics services **full range of logistics services**: road, collective, air and container transport, forwarding and customs clearance, declaring and digging, as well as 4PL services, which includes real-time monitoring of goods, integrated management of stocks of goods and the situation in warehouses. During 2022, DTS continued to expand the portfolio of its services by establishing the railway transport sector. It offers its clients a professional and safe service, the best and comprehensive logistics solutions with competitive transport costs.

He also confirms his leadership position in the field of business in Serbia and the DTS region through operations in accordance with the highest international standards and certificates, which guarantee the quality of services provided to clients. In January 2022, DTS successfully passed the AEO (Authorized Economic Operator) certification process. This certificate confirms the quality, safety and reliability of business processes implemented by DTS.

In addition, as of this year, DTS is an individual member of the FIATA International Federation of Freight Forwarders Associations, which brings together freight forwarding and logistics companies in around 150

countries around the world. FIATA promotes more efficient trade and dissemination of best practices among members of the association, which is why it is recognized as a reference source of international policy and regulation for the freight forwarding and logistics industry. By joining this organization, DTS once again confirmed the quality of its work.

In October, at the international logistics conference WOF Expo 2022 (World of Freight), held in Prague, DTS won the Regional Smart Forwarder award for the most innovative logistics company in the region, which once again confirmed regional expansion as one of the company's most important strategic commitments.



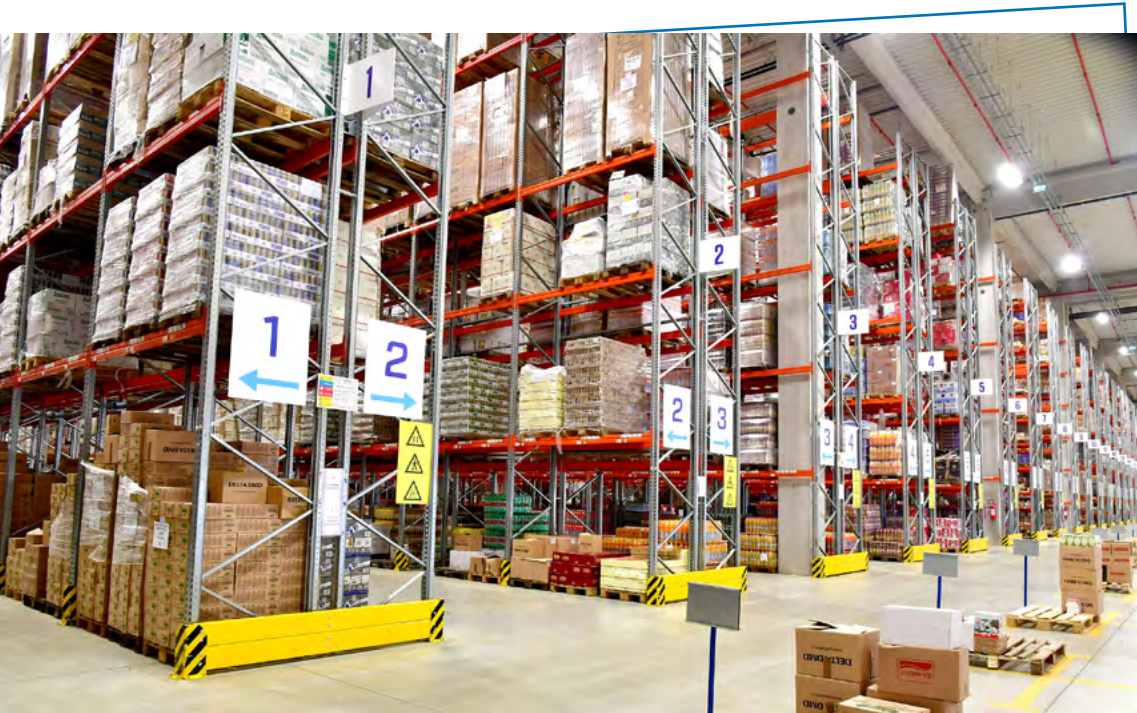
Apart from Serbia, DTS has representative offices in Montenegro (Podgorica), Bosnia and Herzegovina (Banja Luka and Sarajevo) and Slovenia (Ljubljana):

- ▶ **DTS Montenegro** - provides clients with road, air, container and collective transport, warehousing, freight forwarding and customs clearance services, as well as 3PL services. The warehouse in Podgorica has 3000 pallet spaces for goods that can be stored in different temperature regimes.
- ▶ **B&H DTS** - provides clients with road, air, container and collective transport. Since its establishment, the offices in Banja Luka and Sarajevo have recorded excellent results in all business segments, with an emphasis on extending contracts with significant clients and establishing partnerships with larger airlines and container companies.
- ▶ **DTS Slovenia** - established in October 2021 as the first DTS representative office on the territory of the European Union. The office in Ljubljana offers services of road, collective, air and container transport.

DTS operates with a fleet of vehicles of different payloads that are adapted to the transport of goods of different temperature regime, while the distribution network counts over 9,000 unloading points. The supply chain is managed using modern information technologies, among which are the WMS system for warehouse operation management, satellite monitoring of the entire fleet, TMS system for transport management, as well as SAP ERP software, which, in addition to professional and dedicated staff, provides a high level of logistics service.

Warehouse

The distribution center in Nova Pazova offers a capacity of 26,000 pallet places for goods that are stored in five different temperature regimes, from -20 to +25°C (ambient regime, chocolate, milk and meat, fruits and vegetables and frozen). On a daily basis, 160,000 kg of goods are shipped to over 800 locations across the country. Cross dock stations are located in Belgrade (Viline vode), Cacak, Kraljevo, Kragujevac and Nis. In the distribution center in Nova Pazova, DTS also has three AC electric chargers.



Road transport

DTS offers its clients transport with vehicles of different temperature regimes and load capacities, as well as

the possibility of organizing collective transport and transport with smaller vehicles. Groupage lines of road transport enable fast pick-up and delivery of smaller shipments to the desired locations. The collection of shipments is possible in any part of Europe within 24 hours, while consolidation is organized in central warehouses in Europe. Regular tours were established twice a week from Germany, Italy and Turkey, and exported to Montenegro and B&H. DTS provides its customers with the ability to monitor the status of shipments at any time via the Track & Trace system, as well as an automatic confirmation of the delivery of goods after the arrival of the shipment in the collection warehouse.

Air transport

DTS, as a direct agent of all airlines flying from Belgrade, but also through partner coverage of all airports in the world, offers its clients the possibility of transporting goods from the airport to the airport or from door to door everywhere in the world. Exclusive partnership with company C. H. Robinson stands out as a largest logistics platform in the world, with over 200,000 clients.

Container transport

In addition to the full container transport service (FLC), bulk shipments (LCL), DTS offers its clients the services of transporting goods that require special temperature regimes (FRIGO containers). Container transport is enabled from all parts of the world, through direct coverage of the ports of Thessaloniki, Bar, Ploce, Rijeka, Koper, as well as partner coverage of ports around the world.

160,000 kg
of goods are shipped to over 800 locations across the country on a daily basis

Freight forwarding and customs clearance services

As an authorized consignor and recipient of goods in the transit procedure, DTS enables its clients to dispatch goods directly from the company's premises to the border customs office without waiting and provides them with the opportunity to deliver import goods for direct customs clearance at the company's premises. DTS holds an AEO certificate and is the holder of national (NT) and common (T1) transit authorisations. The company's offices are present at all customs offices: Port of Belgrade, Terminal Kvantas, Belgrade Airport, Makis marshalling yard, Port of Novi Sad, Port of Leget Sremska Mitrovica and Konstantin Veliki Airport in Nis. Clients are enabled to provide services in the field of customs brokerage in the import and export of goods, temporary import, active and passive processing, as well as re-export and storage of goods.

4PL

As a 4PL provider, DTS enables its clients, in addition to transport and storage services, information support, as well as integrated management of goods and warehouse through the processes of planning, inventory management, supply chain optimization, product sales, information

connection, delivery of information and accounting resources and services, documentation and circulation management, order tracking, workforce management, Track & Trace tracking of shipments and orders in real time, as well as management of return flows in logistics.

DTS is **the first logistics company in Serbia** that owns electric delivery vehicles as part of its fleet. As a sustainable business for DTS is of great importance, cooperation in the field of delivery of electric vehicles was achieved with the companies Ananas and Coca Cola, while electric chargers were installed in DC Nova Pazova, which, in addition to delivery vehicles, can be used by all visitors with the same needs.

Of great importance for the company's operations are the automation and digitization of processes, in order to increase performance, improve the quality of service and increase customer satisfaction, in accordance with the latest global technological solutions. During the previous year, new digital solutions were implemented



with the primary task of optimizing, digitizing and increasing business efficiency. Among them, the greatest influence on increasing the efficiency of internal business processes is the application of automatic system reporting (BI reporting), digital platform for approving and storing contracts (Alfresco), development and implementation of new functionalities in operating TMS and WMS systems, as well as the introduction of robotic process automation (RPA) in various sectors of the company. DTS pays special attention to the safety of its employees and working conditions, so an internal application for reporting potentially dangerous situations (near miss) was developed last year.

In order to strengthen cooperation with partners, new software solutions were developed in the previous year, of which the most important for strategic relations are the implementation of the new Customer Relationship Management (CRM) system, digitalization of delivery in domestic distribution through the Paperless project, as well as the development of several new interfaces that have enabled system integrations with various business partners for collective transport.

DTS is a company that considers its employees its most important resource and key factor for success. Therefore, the value of the combination of youth and experience has been recognized, so one of the strategic goals is to connect with educational institutions. During the previous year, the organization of numerous visits of students was continued in order to familiarize them with the company and its work processes.

In cooperation with the Traffic and Technical School in



Zemun, the dual education project has successfully started. In October 2022, professional development of students of this school began, during which students will have the opportunity to upgrade their theoretical knowledge with practical skills. Also, protocols on cooperation with the Faculty of Transport and Traffic Engineering of the University of Belgrade, the Faculty of Technical Sciences of the University of Novi Sad, as well as the Academy of Technical and Art Applied Studies from Belgrade were signed, which will contribute to the development and strengthening of future professional staff through joint activities. In this way, the company supports young and ambitious people in the development of their careers.

At the end of 2022, DTS traditionally participated in the delivery of packages for toddlers as part of the Santa's Assistants action, this time to as many as three destinations - Mala Jasikova, Dubocane and Backo Novo Selo, which form part of the Our Village project.

NEW TECHNOLOGIES



Ananas

Ananas e-commerce is the youngest member of Delta Holding, founded in 2020, with the clear goal of establishing the first and unique *marketplace* that will bring together sellers and consumers in one place.

Over the course of a year of operations, Ananas has recorded constant growth in all business segments, with a particular focus on increasing the number of orders and the number of unique platform visits.

The emphasis in Ananas's business is on building long-term and stable relationships with partners. Therefore, the needs of sellers and buyers of goods are constantly listened to and business processes are improved in accordance with them.

The established platform enables sellers of goods to automate and simplify product listing and price management. In addition, Ananas provides its partners with warehousing and goods manipulation services, as well as marketing and legal assistance.

Making a revolution in the world of online commerce, Ananas has put its customers at the center of every decision. Recognizing that timely and reliable delivery of products to the appropriate location is the most important advantage of the online store for the end consumer, Ananas has made significant improvements in the logistics segment compared to the existing solutions and offered three options for picking up packages:

The Ananas direct option allows customers to arrive the shipment within 24 hours from the moment of ordering.

The Ananas express option implies the delivery of a package with a courier service that uses exclusively electric vehicles with zero emission of harmful gases.

Ananas parcel machines option ensures delivery and storage of products 24 hours a day 7 days a week in parcel machines at NIS petrol stations



A complete novelty on the market is the **Ananas Package Zones** – retail outlets with which cooperation has been established and within which consumers can pick up their shipment and pay it by cash or card. The promotion of these facilities on social networks and the Ananas website provides support to retail chains in terms of increasing the number of visitors.

In order to address global challenges, Ananas makes great efforts to preserve the environment. That is why all delivery vehicles are owned by Ananas electrically powered, all transport packages are made of recycled material, and can still be recycled.

In the coming period, deliveries in central urban areas will also be carried out by bicycles, which will have a positive effect on reducing the level of pollution, noise and crowds.

The construction of a new warehouse is also underway, which will meet the highest environmental standards and will ensure:

- ▶ a special way of manipulating waste material;
- ▶ pools for collecting water, which will be used for cleaning the warehouse;
- ▶ saving water, since the consumption will be regulated by taps and showers on the sensor;
- ▶ energy-saving lighting;
- ▶ green areas around the warehouse.

Completion of works on the warehouse is planned for January 31, 2023, and the first parcels are expected to be sent in March. From July 2023, the conveyor will also be put into operation, so the new warehouse will be fully automated.

Plans for 2023 imply the regionalization, i.e. the conquest of new markets in neighboring countries in order to acquire a kind of position of the "Balkan Amazon".

In addition to all of the above, it is important to note that employees of Ananas highly value and encourage socially responsible behavior. The number of employees participating in the Third Parent project, organized by the Delta Foundation, is constantly increasing, and in the traditional New Year's campaign called Santa's Assistants, Ananas was the most numerous members with as many as 44 participants.

Resity Technologies

Resity Technologies is a consulting center whose main activity is providing external SAP services to clients from the region and abroad. As a startup within Delta Holding, it has been developing since 2020 with the aim of improving and further developing the company in the field of modern and sophisticated technological solutions. It is composed of a team of highly qualified SAP consultants of various categories and areas of expertise, covering various SAP modules and platforms through numerous industries. Resity Technologies also operates on the Croatian market called Spectrum Solutions, and during the previous year it became an official SAP Service Partner.

Thanks to the continuous investment in the training and development of young people through certified training and education, the company can boast the fact that in 2022, eight consultants passed the exam for the official SAP certificate for the appropriate module, while it is planned to certify the remaining consultants as soon as possible. The company encourages the advancement of young people in other fields, such as improving and mastering foreign languages (primarily German), thus creating a competent and responsible staff for providing services in this area.



AgTech StartUps

Continuous investment in modern technological solutions in agriculture is one of the basic missions of Delta Holding, given the importance of agricultural production for the overall development of the Serbian economy. Taking into account the problems faced by agricultural producers, the company aims to actively encourage the environment in which new agricultural solutions based on modern technologies will be developed, and supports startups and ideas that have shown great development potential.

MapMyApple, Krops and **Smart Watering** represent teams that had a clear mission and vision to improve the existing agricultural processes and have created, through the process of digitalization, applications of so-called smart agriculture that enable their users to modernize their agricultural production with numerous precise solutions.

Map My Apple is a sophisticated technology solution that can serve apple growers as a support and complement or replacement for a fruit technician. Through this application, fruit growers can monitor the cultivation of apples in all phenophases, get insight into the prognosis of potential diseases and the occurrence of pests, as well as concrete proposals for all agrotechnical measures that can be taken on the basis of machine learning.

Krops is a platform based on artificial intelligence that aims at data management and predictive analytics. It is specially designed and adapted for fruit producers and their crop protection experts. It collects data from



the meteorological station (as well as other sources) in the orchard and then converts them into insights that contribute to the maximization of yields and profits, combined with the decisions of experts.

Smart Watering provides modern solutions for remote irrigation management through the integration of 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. Such solutions in practice have shown that water savings are more than 30% compared to conventional irrigation systems.

In 2022, and within the D Incubator program, Delta Agrar provided mentoring and support to the **Atar** product development team called "Targeted treatment of weeds with the help of AI", which involves variable treatment of weeds with the help of an advanced system that records and recognizes weeds and selectively sprays only that area, achieving significant savings in time and chemicals.

ENVIRONMENTAL CARE

Plans for improving energy efficiency, reducing harmful gas emissions, water care and waste management are very high in the strategy of environmental protection and sustainability of Delta Holding.



There are several reasons for such a decision. The most important thing is that in Delta Holding, the Management and Executive Board of the company, the leading management, as well as the managers in charge of managing all aspects of the environment, share the same opinion, which is that it is our duty to responsibly treat natural resources and climate change because we have an obligation to leave the planet in good condition for future generations. Another reason is the interest of the company to reduce operating costs by rational consumption of resources and energy products.

Renewable energy sources

Renewable energy is the key to a safe, clean and sustainable planet. Investing in renewable energy sources is one of the ways to combat the global ecological crisis, as well as the current energy crisis.

Past experience has shown that the triple approach to energy savings, energy efficiency and investment in renewable energy works best for environmental protection. That is why, during 2022, Delta Holding continued to invest in renewable energy sources. The project of installing solar power plants at seven locations has been started and completed. Solar power plants are installed on two refrigerators, located in Zajecar and Celarevo, the Napredak cow farm and on four factories: Dunavka, The Fun&Fit Company, Yuhor and Mioni. Individual power plants range from 70 kWp - 130 kWp, up to over 0.5 MWp, while the total installed power of these power plants is over 1.5 MWp. The installation and commissioning of solar power plants in the beginning and middle of 2022



produced 471.23 MWh of electricity. The total amount of electricity consumed was reduced by 4,941.3 GJ compared to 2021. This reduced CO₂ emissions by 690.99 t, which is the equivalent of 31,674 trees. In these projects, solar panels of the German manufacturer Luxor were installed, and inverters used by the renowned manufacturer Froniu from Austria. Complete systems are also equipped with software systems for remote monitoring, which enables an insight into their operation in real time.

In addition to the aforementioned projects in Serbia, a solar power plant was installed at the InterContinental Hotel in Ljubljana, and the installation of a solar power plant at the Delta Planet shopping mall in Varna began. The total installed power of these two systems is about 600 kWp and together they will produce over 700 MWh/year and preserve 300tCO₂, which is the equivalent of about 15,000 trees. Partly similar equipment was used on these projects, so the solar panels manufactured by Luxor from Germany and Sharp

from Japan, and the inverters are SolarEdge and Delta.

In the previous year, the implementation of the solar power plant project at the Sava Center facility began. On the roof of the Sava Center will be installed 912 solar panels manufactured by Exiome from Spain, with a total installed capacity of 501 kWp, which will produce about 600 MWh/year through Siemens inverters and thus save 226 t of CO₂ in our city.

At certain locations in the system, biomass is used as an energy source. On the estate Progress is used for heating facilities, as well as for the realization of production processes. On the estate Unity biomass is used for heating facilities, in the Dunavka factory it is used as an energy source for oil production, and on the estate Seed Sombor in the process of drying corn.

Using biomass, 257.45 t of CO₂ was emitted. The same number of emissions of the plant used as an energy source are absorbed during life, so biomass is considered a carbon neutral energy source. Thanks to the use of biomass instead of electricity, CO₂ emissions were reduced by 25,519.30 t during 2022.

Biomass consumption in 2022

MEMBERS	Biomass	quantity [kg]	MJ/kg	GJ	TJ	t CO ₂ e
Dunavka	sunflower husks	6,018,644.0	17.6	105,627.2	105.6	200.7
Seme Sombor	corn cob	1,325,160.0	14.7	19,479.9	19.5	37.0
Progress	soybean straw	661,946.0	15.7	10,392.6	10.4	19.7
TOTAL BIOMASS:		8,005,750.0		135,499.6	135.5	257.4

Energetska efikasnost

Energy efficiency for all members of Delta Holding represents the so-called "household energy management". This includes optimization and rationalisation of energy consumption at all locations. Energy efficiency contributes to the reduction of harmful gas emissions and the negative impact of the company on climate change, while at the same time increasing the company's resilience to energy price changes and making it less dependent on suppliers. This ensures environmental protection and, business stability.

During 2022, regular internal audits of the energy system were carried out for this purpose, on the basis of which plans for improvement were defined.

Energy consumption in 2022

MEMBERS	ELECTRICITY	GAS	GASOLINE	DIESEL	LPG	BIOMASS	ELECTRICITY FROM SOLAR POWER PLANTS
	GJ						
Delta Agrar Group	92,407.07	24,307.12	2,850.31	69,186.81	0.78	163,441.95	707.65
Delta Food Processing	81,362.96	79,911.49	5,173.60	1,228.67	596.19		615.10
Delta Distribution	11,836.59	6,696.09	5,516.20	5,635.80	5,397.70		0.00
Delta Real Estate Group	73,347.12	24,695.39	2.45	7.03	0.00		373.68
TOTAL:	258,953.73	135,610.09	13,542.56	76,058.31	5,994.67	163,441.95	1,696.43
	655,297.75						

In 2022, Delta Motors continued to replace halogen lamps with LED lighting, achieving better lighting and lower energy consumption. Halogen lamps of 70 W and 28 W were replaced by LED panels of 12 W and 18 W, which reduced the power consumption in the lighting segment by 60% on average. Gas consumption in 2022 decreased by 5%, and electricity by 9% per car service unit, compared to 2021. By regular maintenance of the gas boiler and associated equipment,

the CO (carbon monoxide) emission into the air has been reduced to 11 mg/Nm³, which is far below the prescribed emission limit values (ELV) from stationary pollution sources.

By measures of controlled energy consumption in Delta Automotive, the total CO₂ emission in 2022 was decreased by 26,7 t. Electricity consumption was reduced by 1% and natural gas consumption by as much as 17.5%.

In 2022, by acquiring two new 100% electric vehicles of the Maxus e-deliver brand, DTS expanded its fleet of electric delivery vehicles to five, which with a total of 72,000 km in 2022 emitted 1.8 t of CO₂ less than similar fleets on fuels from non-renewable energy sources. By adjusting the boiler and accompanying equipment, i.e., reducing the maximum temperature of the boiler in accordance with the weather conditions, savings of 5000 m³ of natural gas were achieved in 2022.

The Crowne Plaza Hotel replaced the fluorescent lights with LED bulbs. Instead of 183 fluorescent lamps, 176 LEDs were installed, reducing the installed power by 8.25 kW. Also, 78 presence sensors were installed in certain rooms where it is less common to stay. Hotel Crowne Plaza has applied for the Green Key certificate, which is expected to be delivered.

During 2022, energy recuperators were installed at the Danubius factory, which use the oil temperature of the compressor for heating water for air conditioning of the premises in the mill. Therefore, since the beginning of the season, the electric boiler with a power of 60 kW has not been included, which led to savings in consumption of 140,000 kWh of thermal energy. In addition, a new line

for long pasta was installed in the pasta factory, which is about 25% more energy efficient than the old one. A regular overhaul of the hood in the grain silo was also performed, which provides air purification.

In order to modernize the Yuhor factory, a new mycom compressor with an electric power of 250 kW with a maximum cooling capacity of 942 kW was installed instead of the cooling compressor with an electric power of 200 kW and a cooling capacity of 650 kW. Total production increased by 27.47%, average electricity consumption per unit of product decreased by 18.2% and gas by 27.3%.

Electricity consumption at the Fun&Fit Company factory during 2022 compared to the previous year was primarily reduced due to the use of solar panels, which were installed in the middle of the year with a capacity of 90 kWp and which produced 42.39 MWh during that period. Also, the total annual electricity consumption per piece of the produced product was reduced by 26.7%. Gas consumption was also reduced by 5% overall, although a significantly higher quantity of products was packaged compared to 2021.

A new production line has been installed at the Mioni factory for filling water into

6 liters balloons, which are less weight because they contain a smaller amount of plastic. This line, which is still used alongside the existing ones, has led to an increase in electricity consumption by 2.68% in 2022, and will greatly contribute to reducing the negative impact of plastic packaging on environmental pollution.

In the Dunavka factory, most of the investments were related to the replacement of old production equipment with a new one, as a result of which energy efficiency increased. In addition to the fact that emissions of harmful gases are reduced by energy efficiency measures and partial transition to alternative forms of energy, a completely new plant for air purification, i.e., exhaust gases from the boiler room, was built at the Dunavka factory. In this way, their negative effect on air quality is minimized.



Care about water

Aware that water is one of the most important resources for nature and society, everyone in the company is continuously working on optimizing its consumption.

Farm watering tanks are designed to prevent spraying and over-consumption. During the year, the quality of water is regularly checked because this information is important for the genus itself, but also for the analysis of the impact on the soil. Water from the well is controlled once a month.

The company also takes into account what kind of water is discharged into the recipients. All factories operating within Delta Food Processing contain wastewater treatment filters. Water quality is checked four times a year. This year, an active site visit and analysis of the current state of water has started. The goal is to minimize the amount of wastewater, as well as the amount of polluting physical and chemical substances.

Within the Delta Real Estate Group, all modern facilities have sensors on the taps, which control the use of water. The quality of the water discharged into the recipient is also regularly controlled.

In the food and beverage segment, the disposal of products and waste is also carried out with reference to the accompanying impact on the environment and

GHG Emissions

MEMBERS	SCOPE 1	SCOPE 2
	tCO ₂ e	
Delta Agrar Group	6.672,76	17.409,49
Delta Food Processing	4.412,24	15.328,78
Delta Distribution	1.216,23	2.230,01
Delta Real Estate Group	1.226,08	13.818,60
TOTAL:	13.527,30	48.786,88

Energy intensity	Total energy consumption	Total revenue	Energy intensity
	GJ	EUR	GJ/EUR
	655,297.85	810,842,837.00	0.00080817

Intensity of emissions of harmful gases (t CO ₂ equivalent)	SCOPE 1 i SCOPE 2	Total income	Intensity of emissions of harmful gases
	etCO ₂	EUR	etCO ₂ /EUR
	62,314.19	810,842,837.00	0.00007685

Delta Agrar Group is the largest water consumer in the Delta Holding system. Precise agriculture, modern systems for irrigation and watering animals minimize unnecessary water consumption. Although the areas under irrigation systems are expanding, the total water consumption of the Delta Agrar Group has decreased compared to 2021, as plants are irrigated exclusively according to their needs. Using technologies such as flow regulation and automation, the ability to precisely manage crops, optimize water consumption and achieve better results is provided. The criterion that is followed when choosing a system is the adequate amount of water that is distributed. The growth plant consumes a certain amount, while excess water is lost by rinsing and evaporation. In addition, it looks at the time of irrigation, which is directly influenced by the choice of droppers.

the social environment. All glass, plastic, cardboard and carton packaging are separated and disposed of separately, and waste is disposed of with modern press containers. Separation and disposal of oil from fryers is carried out by an authorized company, while waste oil is also recycled every month. According to pre-determined procedures, the technique also conducts regular recycling of electronic waste. In restaurants, biodegradable straws are used, and food delivered to the home address is packed in appropriate ecological packaging.

Affected water in m³

MEMBERS	Water from the well	Water from the lake	Surface water	Water from the city water supply
Delta Agrar Group	303,870.10	864,570.00	7,586,037.01	183,378.97
Delta Food Processing	315,510.00	0.00	0.00	32,777.00
Delta Distribution	0.00	0.00	0.00	12,111.53
Delta Real Estate Group	0.00	0.00	0.00	94,141.00
Total:	619,380.10	864,570.00	7,586,037.01	322,408.50
	9,392,395.62			

Recipient pollution by discharging wastewater at the DTS, Delta Motors and Delta Automoto distribution centers is prevented by wastewater treatment prior to discharge into audits or the city collector. Periodic testing of wastewater, carried out by the City Institute of Public Health Belgrade, as well as regular maintenance of treatment equipment, ensures that all wastewater before discharge is within environmentally friendly limits. The quantities of discharged wastewater in Delta Automoto service are measured on a daily basis, and reports on discharged quantities are periodically submitted to the competent institutions.

Waste Management

In Delta Holding members, hazardous and non-hazardous waste is regularly disposed of in accordance with all applicable legislation – the Law on Environmental Protection and the Law on Waste Management.

Proper waste management implies awareness of its importance and impact on the environment, in which appropriate education is the most important. Therefore, bins for sorting and disposal of plastic, paper and glass waste are installed in the employees' premises, and above the bins there are posters with clear explanations for proper waste disposal.

Hazardous waste poses a special threat to the environment, which requires full implementation and compliance with legal regulations, as well as special attention and responsibility when managing it. The largest quantities of hazardous waste within the company are generated at the locations of the Delta Agrar Group, and the most common type of waste is packaging soiled with pesticides and plant protection products. In order to prevent contamination of other

packaging and additional pollution and disposal problems, employees are trained to rinse the packaging triple before disposal. Operators who provide hazardous waste disposal services within the company are selected in accordance with their long-term results and compliance with legal regulations.

During 2022, numerous trainings were organized for employees on the topic of proper waste management, as well as legal norms that are required to meet the member companies. In this way, a significant progress has been made in spreading awareness of the importance of this issue and a better system has been established at the company level to monitor the current situation.

It is noticeable that the interest of employees is significantly higher when it comes to this topic and that all members participate more actively in solving the problem of waste at their locations. Delta Holding, as a leader in its business, has a special duty to set clear standards in this field and show through examples of good practice the importance and need of environmental protection for the preservation of a healthier and cleaner world.

Amount of waste generated and disposed of in tons in 2022

MEMBERS	NON-HAZARDOUS WASTE				HAZARDOUS WASTE			
	Amount of non-hazardous waste on 01.01.2022 (in tons)	Generated non-hazardous waste in 2022 (in tons)	Amounts of non-hazardous waste disposed of in 2022 (in tons)	Amount of non-hazardous waste on 31.12.2022 (in tons)	Amount of hazardous waste on 01.01.2022 (in tons)	Generated hazardous waste in 2022 (in tons)	Amounts of hazardous waste disposed of in 2022 (in tons)	Amount of hazardous waste on 31.12.2022 (in tons)
Delta Agrar Group	16.007	657.137	664.635	8.509	2.840	16.686	17.701	1.825
Delta Food Processing	38.310	875.332	879.592	33.050	1.550	5.172	4.550	2.172
Delta Distribution	0.000	171.566	171.566	0.000	0.000	47.439	47.439	0.000
Delta Real Estate Group	0.000	305.387	305.387	0.000	0.000	21.584	21.584	0.000
TOTAL	54.317	2,009.422	2,021.180	41.559	4.390	90.881	91.274	3.997

Delta Pak

Delta Pak has been operating within Delta Holding since 2010 and performs the tasks of the operator for packaging and packaging waste management and consulting in the field of environmental protection. The license of the system operator, issued by the Ministry of Environmental Protection, was renewed for the third time in 2020 for a period of five years.

The main activity of Delta Pak is the establishment of an integrated system of packaging waste management, in accordance with the principles of environmental protection, social responsibility and sustainable development, as well as the applicable legal regulations in the Republic of Serbia, as well as international standards. In addition, the company is engaged in consulting regarding environmental protection, chemical management and the safety of transport of dangerous goods. Delta Pak is at the disposal of all its clients to help them to establish a waste management system in the best way. This includes going to the site and making recommendations regarding waste management, keeping the necessary records and reporting to the national service. The main goal is to establish a

sustainable and legally prescribed waste management system for each client.

From year to year, Delta Pak progresses in its business as a packaging operator and justifies the trust of its customers. Thus, in 2022, he had contracts with 134 clients, including all Delta Holding member companies. Thus, for another year in a row, the fulfillment of national goals for all clients was ensured.

In the past year, the total amount of packaging placed on the Serbian market by customers who transferred their obligations to Delta Pak amounted to 24,561.04 t.

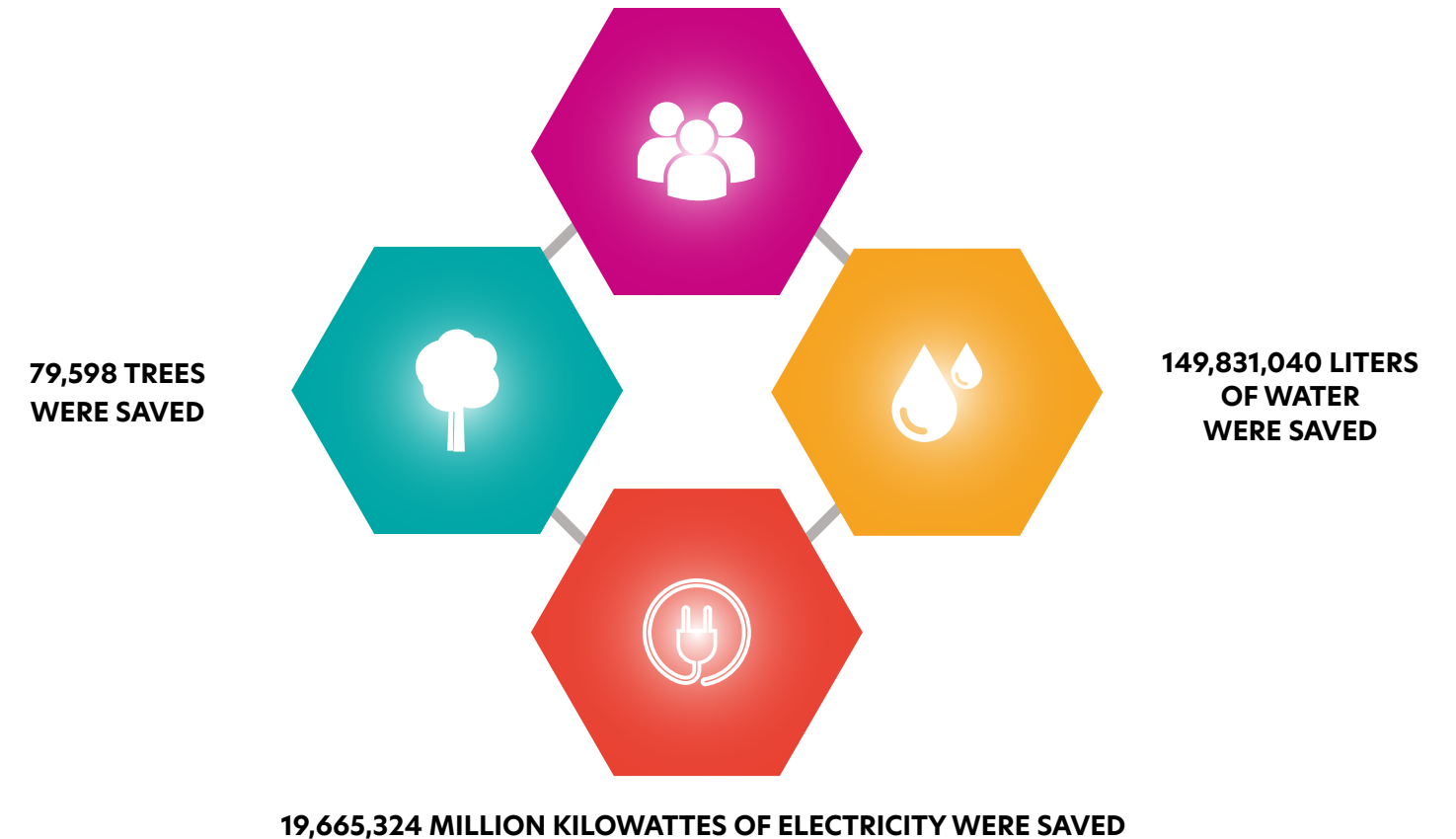
Marketed packaging - Delta Holding

2022	Total non-returnable products placed on the market (t)	Total returnable products placed on the market (t)
Plastic	2,346.09	98.23
Glass	2,662.38	0.00
Metal	189.58	0.00
Paper and cardboard	1,919.30	0.00
Wood	1,319.28	149.44
Other	0.00	0.00
TOTAL	8,436.63	247.67

The national general goal for 2022 set by the Republic of Serbia was 63%, and Delta Pak achieved the general national goal of 65.8% for the reuse of packaging

By recycling paper in 2022

OXYGEN FOR 5,094,255 PEOPLE HAS BEEN PROVIDED



In order to fulfil the national goals set by the state for all clients who have transferred their obligation to Delta Pak, by managing packaging and packaging waste through recycling and/or utilization in 2022, 4,682,220 kg of packaging paper was recycled

waste and recycling for its customers in the previous year.

In order to meet the national goal for all clients regarding the reuse and recycling of packaging waste, during 2022, cooperation was established with 45 companies for the collection and recycling of non-hazardous packaging waste. In this way, Delta Pak stimulates the work of these companies and contributes to the implementation of national plans related to the reduction of municipal waste through the reuse and recycling of used packaging.

Thanks to its professional staff, Delta Pak also provides its clients with consulting services in the field of environment, as well as the management of chemicals and the safety of transport of dangerous goods.

In accordance with the activity of Delta Pak, but also with increasingly current trends in the field of adopting ESG strategies, 2022 was dedicated to educating clients, employees and citizens on the topic of environmental protection and waste management. The trainings are organized both in-house and online-format for external clients, as well as for Delta Holding members. In addition, Delta Pak employees attended numerous trainings and workshops on the topic of measuring greenhouse gas emissions

and carbon footprint in accordance with globally recognized standards. In order to raise awareness of companies, small and medium-sized enterprises in Serbia about the importance of calculating and reporting on emissions of harmful gases, the plan is to devote special attention to this topic in the coming year through education and assistance to clients to master emission calculation methodologies.

Training of employees and citizens was also implemented through various socially responsible actions. In September, in cooperation with the client Pepco, a

workshop on the occasion of World Cleanup Day was held at the Ada Mall. The little ones who were at the mall that weekend had the opportunity to learn about proper waste sorting, but also to show what they learned and win prizes. For the second year in a row, a workshop for children was held before the New Year holidays on making Christmas tree ornaments and New Year decorations from ecological materials. The workshop used recyclable material that was collected in houses, nature, but also within the company.

The most effective way to raise awareness

on a topic is to persistently point out its importance through receptive information. That is why, years ago, on the company's internal portal, there is an online guide for environmental protection - *Ekokutak*. At least once a month, all employees can get acquainted with current events in the world of ecology, but also receive numerous tips that they can apply in practice and thus contribute to the preservation of the environment.

It is known that digital communication has become one of the necessary forms of transmission of information and current affairs, and therefore it has been used as an important medium for maintaining contacts with existing and establishing contacts with new clients and stakeholders, as well as for spreading awareness of the importance of ecology. In the past year, Delta Pak has actively worked on increasing visibility and improving content on social networks. Publications of educational but also informative character were created, covering various topics - from monitoring the activities of Delta Pak, to interesting facts from the world of ecology, to useful legal information.

Delta Pak retained its position as a member of working groups for drafting and amending regulations at the Ministry of Environmental Protection during 2022.



EMPLOYEE DEVELOPMENT





Taking care of people is one of the most important company values of Delta Holding. It involves not only continuously investing in the professional development of employees and building their career path, but also investing in personal development and support in facing certain life situations, as well as creating a supportive environment in which employees can feel safe and respected. By nurturing the principles of diversity, fairness and inclusion, the company enables all employees to realize all their potential. When selecting employees, the focus is on staff who are ready to actively improve and develop their knowledge, are familiar with world flows and challenges and build an environment that encourages and motivates the development of people and business. The company also recognizes the challenges faced by more difficult employable groups of residents such as young people and people with disabilities, so through

TOTAL NUMBER OF EMPLOYEES

MEMBERS	EMPLOYED IN SERBIA IN 2022	EMPLOYED IN THE REGION IN 2022	TOTAL
Delta Agrar Group	983	0	983
Delta Food Processing	1105	0	1105
Delta Real Estate Group	381	113	494
Delta Distribution	869	124	993
New Technologies	175	0	175
Common functions	208	0	208
TOTAL	3721	237	3958

1 All employees have 8 days to express interest in the offer.

specially designed programs of practices and employment, it empowers and supports their career development.

In accordance with the policy of development and care of people, the company provides all employees with the opportunity to actively contribute to its business and strategic direction. By presenting ideas and proposals for the development of existing or new businesses, as well as by engaging in projects and activities aimed at providing assistance to the social community, the company encourages responsibility, innovation, creativity and socially responsible engagement among employees, both in the company's business and in the local community.

The company highly values continuity in the advancement and development of employees, and the opportunity for further progress is also provided through the procedure of internal competition, initiated by management or employees. The procedure itself is activated to meet the needs of the development of certain jobs, and allows employees to change positions, as well as the opportunity to develop through a horizontal line of movement within various company jobs.¹

In 2022, the total number of employees in the company amounted to 3958, and by different types of contracts during the year, 790 more persons were hired.

Chance for all

Delta Holding, as one of the largest companies in Serbia, has the responsibility to show by its own example from year to year what is good practice in relation to employees. For this reason, the company is extremely committed to building an inclusive and non-discriminatory corporate culture, which empowers and respects diversity and represents different views of the world.

The company continuously improves the ways in which this is achieved by following the latest trends and practices in the field of diversity and inclusion, which are implemented through all processes of human resources management, from the recruitment process, through further development, to employee retention. The company is also strongly focused on nurturing the principle of equal opportunities and equal opportunities for all employees, with the obligation of strict respect and protection of human and labor rights, and during the selection process provides everyone with the opportunity to prove themselves on the basis of their professional competencies, without discrimination on any basis. As a rule, minors are not employed in the company, with the exception of indicating a special need for their engagement, which implies the fulfillment of legal requirements.

QUALIFICATION STRUCTURE

MEMBERS	PhD	Magister	Master	University Degree	College Degree	Highly skilled	Secondary School	Skilled	Semi-skilled	Unskilled
Delta Agrar Group	5	2	25	249	29	2	292	185	11	183
Delta Food Processing	0	0	14	97	76	2	416	350	5	145
Delta Real Estate Group	0	4	16	146	33	45	184	40	3	23
Delta Distribution	0	3	27	265	104	7	432	136	2	17
New Technologies	0	0	36	73	18	0	45	0	0	3
Common functions	1	1	13	94	17	1	63	18	0	0
TOTAL	6	10	131	924	277	57	1432	729	21	371

The company strictly adheres to the principle of non-discrimination, so in Delta Holding no job candidate will be discriminated against on the basis of gender, nationality, age, skin color or other personal characteristics such as pregnancy, health or property status, social origin, sexual orientation or political orientation, membership in organizations and associations. The principles of non-discrimination and ethical behavior are specifically regulated by the Code of Ethics, and after its integration with the Employment Contract, each new employee is allowed to get acquainted in a simple and clear way with the standards and procedures of the human resources sector, the current principles and rules of the company's business, as well as its corporate culture. The protection of personal data of all candidates is guaranteed by the law, which the company strictly adheres to.

The fact that the company's commitment to these issues is of paramount importance is best evidenced by the fact that there were no complaints of violations of human rights and non-discriminatory principles in 2022.

The company's great wealth is also represented by the diverse age structure of employees, i.e., a balanced relationship between older and younger colleagues. Given the growing trend of aging population and the need for older employees to find their purpose within the system after decades of work, the principle of mentoring and transferring the knowledge and experience of older colleagues to younger ones is developed and nurtured, which, on the other hand, offers them a fresh perspective and new ideas in the performance of work. Through a stable and developed relationship between older and younger colleagues, a reliable flow of knowledge is ensured through the company,

as well as stability and excellence in business. The company does not employ anyone under the age of 18.

AGE STRUCTURE

MEMBERS	SERBIA			REGION		
	18-29 years	30-50 years	Over 50 years	18-29 years	30-50 years	Over 50 years
Delta Agrar grupa	153	446	384	0	0	0
Delta Food Processing	145	661	299	0	0	0
Delta Real Estate grupa	104	199	78	30	72	11
Delta Distribucija	235	519	115	21	91	12
Nove Tehnologije	79	90	6	0	0	0
Zajedničke funkcije	43	115	50	0	0	0
UKUPNO	759	2030	932	51	163	23

As a leader in responsible business, Delta Holding has promoted the principle of gender equality since its inception. With examples of good practice, which include a significant number of women in top management and managerial positions, the company not only spreads awareness of the importance and role of women in society and business, but also enables women to be recognized as key factors of success and good business results. Within the company, their professional ambitions and self-confidence are nurtured and developed through various mentoring projects aimed at building leadership skills and knowledge.

In the management of Delta Holding during 2022, there was an equal representation of men and women, while this relationship in different members of the system was in accordance with the requirements and nature of business.

The specificity of the company is also reflected in the fact that women make decisive decisions and make the majority in relation to men in the company's Board of Directors and Executive Board, which makes Delta Holding unique in the domestic and regional market.

In 2022, a new system of reporting and records on gender equality was established in members with more than 50 employees and persons in employment, in accordance with the newly adopted Law on Gender Equality from 2022. Delta Holding members record and analyse the gender and qualification structure of employees and candidates for employment, prepare annual reports on gender equality and plans of measures for achieving and improving gender equality, by which they analyse the existing and propose new measures for achieving this goal. In the past year, women had 42% and men 58% of the total number of employees.

GENDER STRUCTURE

MEMBERS	EMPLOYED IN SERBIA		EMPLOYED I N THE REGION		TOTAL	
	women	men	women	men	women	men
Delta Agrar Group	294	689	0	0	294	689
Delta Food Processing	557	548	0	0	557	548
Delta Real Estate Group	189	192	57	56	246	248
Delta Distribution	324	545	45	79	369	624
New Technologies	93	82	0	0	93	82
Common functions	105	103	0	0	105	103
TOTAL	1562	2159	102	135	1664	2294

An important place in the structure of employees in the company also consists of persons with disabilities, which are an indispensable part of successful teams that give notable results. The company has a long-standing practice of providing support in the empowerment and employment of persons with disabilities, and is also fully open and accessible for their admission to employment. In 2022, the company continued its long-term cooperation with the NGO "Youth with Disabilities Forum", which creates and maintains a portal for the employment of persons with disabilities and thus enables other socially responsible companies to find appropriate staff in this group.

Persons with disabilities, as employees of the company, have exactly the same chances of career development as other colleagues, based on their competencies and abilities, and have the full right to express their aspirations

In line with current societal needs, which require a higher level of understanding and sensitivity of companies for vulnerable categories, in the past year a special emphasis has been placed on promoting the acceptance of diversity and inclusion of candidates for employment and employees on the basis of neurodiversity

for further professional development. In order to increase the degree of inclusion of persons with disabilities, through an internal portal, all employees have access to etiquette in the communication of persons with disabilities, which provides them with assistance in understanding and daily interaction, as well as creating a supportive environment for persons with disabilities. In 2022, a total of 53 persons with disabilities were employed in the Delta Holding system.

In line with current societal needs, which require a higher level of understanding and sensitivity of companies for vulnerable categories, in the past year a special emphasis has been placed on promoting the acceptance of diversity and inclusion of candidates for employment and employees on the basis of neurodiversity. In this regard, in the employment advertisements, the recruitment procedure, the Social Responsibility Policy and the Code of Ethics, it is particularly emphasized that neurodiversity represents a special basis of discrimination and that any kind of discrimination due to this property is prohibited.

The salary of employees, consisting of the basic salary, part of the salary for work performance and increased salary, is determined in an impartial and non-discriminatory manner, in accordance with the skills and knowledge of the employee and with respect for the requirements of the workplace. Determination of the basic salary is carried out on the basis of the criteria prescribed by the general act with the employer (Rules of Procedure or Collective Agreement), and is expressed in nominal gross value through a full-time employment contract and standard work performance. Depending on the employee's performance or the achieved results of the company, in accordance with the provisions of the general act, the salary may be increased up to the prescribed percentage.

As a socially responsible employer, Delta Holding supports and nurtures the trade union organization of employees and the right to collective bargaining. In members where trade unions exist, continuous cooperation with trade unions has been established in the form of negotiations on the conclusion of a collective agreement, as well as consultations of trade unions in cases determined by law and consideration of all requests of trade unions to improve the working conditions of employees. In cases where during collective bargaining there is agreement between the employer and the trade union, collective agreements regulating the rights, obligations and responsibilities arising from the employment relationship shall be concluded.

Delta Agrar Group respects and guarantees the constitutionally guaranteed right to freedom of association, which includes the right to trade union and any other association. In addition to the right to associations, the right to collective bargaining and the conclusion of collective agreements at the appropriate level is respected and supported. Within the Delta Food Processing Group, an organized union exists in the companies Yuhor and Danubius, where during 2022 there was an extension of the valid collective agreement with a validity period of three years. In the past year, an agreement was reached with the representative trade union on the Napredak estate and the Labour Rulebook was concluded, which envisages greater rights compared to the existing ones in the previous Collective Agreement.

The number of members of the trade unions has also increased. Compared to 2021, when the number of unions Delta Agrar, Danubius and Yuhor was 568 members, in 2022 it reached 606.

Caring for people

With the belief that only satisfied and valued individuals can make the greatest contribution, the company has been investing in the system of benefits and incentives for its employees since its establishment and improving it. During 2022, too, actively worked on listening to and analysing the needs of employees in the field of maternity, physical and mental health and work-life balance.

As the company provides strong support to the family and family values, as well as solving the growing birth rate problem, for years now employees have been provided with solidarity assistance for the birth of the first, second, third and every subsequent child. Parents and children are also supported through:

- ▶ financial assistance for single mothers of minor children (assistance is given on an annual basis and is defined in relation to the number of children);
- ▶ gift package for a newborn baby;
- ▶ free day for parents whose children go to the first grade of primary school (on the day of the beginning of the school year);
- ▶ gift package with school supplies for first graders;
- ▶ extending the scholarship of children of deceased employees by 6 years (from 18 to 24 years of age of the child).

The Company understands that important life moments require time, so all employees, except for legally defined days off, are allowed paid leave from work in cases such as marriage, birth of a child, birth of another member of the immediate family, serious illness or

death of a member of the immediate family. Employees can also exercise this right in case of voluntary blood donation, relocation, protection and elimination of harmful consequences from natural disasters, taking a professional or other exam, as well as if the employer himself organizes a recreational vacation.

In accordance with the latest market trends, and in order to maintain a healthy work-life balance, the company has provided employees with:

- ▶ sliding working hours for all employees whose nature of work permits it;
- ▶ two days of work from home per month for employees whose nature of work allows it;
- ▶ increase in the number of days of annual leave in relation to professional qualifications and years of work in the company.

In 2022, examples of good practice in the evaluation of employees, their efforts and work continued, so the ladies were given gift cards on the occasion of March



8, and all employees were paid a New Year's gift at the end of the year.

For Delta Holding as an employer, taking care of the health of employees is an imperative of good and successful business. Accordingly, during the past year, the right to private health insurance included an even greater number of employees, and in case of severe illness of the employee or members of the immediate family, the procedure for assistance is carried out at the level of the entire company.

At the same time, during 2022:

- ▶ systematic reviews are provided for all employees in certain Member Companies;
- ▶ the insurance packages were revised with the extension of the limits of the policies themselves.

Mental healthcare within the company is taken as seriously as physical health care. The system employs a large number of specialists who are particularly dedicated to the care of the mental health of employees. Since 2022, all employees of the company are available to:

- ▶ video materials in which experts talk about the most important and current topics in the field of mental health care;
- ▶ free psychotherapeutic support from a professional psychotherapist employed by the company.

All these rights and privileges are communicated to employees by the manager in a transparent manner and are available to all employees. Documents defining the procedures are available on the internal portal of Delta Holding.

Strengthening sportmanship

In order to achieve the best possible business performance, employees within the company are encouraged to fill their free time with various activities, especially sports, which are proven to reduce stress and contribute to health, but also encourage better motivation and perseverance in the field of achieving the best possible results.

Within the Delta Running team, he has been participating in races throughout Serbia for five years, and during 2022, he was part of as many as 35 races, 29 of which were in Serbia and 6 abroad.

And in the past year, Delta Running Team has achieved notable results:

- ▶ at the race for the children's smile in Novi Sad, the first place in the relay was won;
- ▶ at the "Nis Business Run", the first team place was won;
- ▶ second place was won at the Zrenjanin Half Marathon.

The company has taken on the costs of the registration fee for all the aforementioned races.



Investing in Knowledge

The past year at Delta Holding was marked by a major change in the approach to employee development. A systematic approach has been introduced, where the basic points of the development model are as follows:

- ▶ a clear picture of the development needs of all employees through the segmentation of employees to different levels, bearing in mind the necessary competencies, but also their level of development;
- ▶ development of the Tangram Academy as a unique concept of continuous development of all employees.

Tangram Academy presents a carefully prepared concept of education, training and workshops that gives an opportunity to strengthen the lifelong learning concept in the company. Unlike other solutions that are present on the market, the concept of Tangram Academy has no end - in contrast, it provides for the permanent maintenance of education for all levels of employees. The concept of Tangram Academy consists of two basic directions:

- ▶ planned trainings (planned for all levels of employees, aimed at strengthening business skills and knowledge).
- ▶ catalogue trainings related to professional and personal development (trainings led by internal and external trainers aimed at strengthening the capacity of employees to solve everyday business and life challenges).

For the needs of the Tangram Academy, the Catalogue was also developed, a digital book that presents in detail the entire offer for employees. About 20 one-day and



two-day trainings are offered, for which employees apply themselves in accordance with their personal preferences.

The modules within which these trainings are offered are:

- ▶ Soft skills (Communication skills, Positive impact skills, Presentation skills, On the same page with a difficult

interlocutor, Get visible, Personal productivity and efficiency)

- ▶ Leadership (Resilience - Leadership Strength, Feedback Giving Skills)
- ▶ Specific knowledge (Finance for Non-Financers, Mentoring Skills, Interviewing Skills, Training for Trainers, Business Negotiation, Project Management)

- ▶ Personal Development (Creative Intelligence Technology, Get Creative, Emotional Literacy Program and Agile Solving of Business Challenges)
- ▶ Wellbeing (TRE - program for eliminating tension and stress, Conscious parenting, Parent as coach, Support group for working dads).

Such an offer of education among all employees has attracted great interest. Since the beginning of August, when the Academy officially started, the following results have been achieved by employee levels:

- ▶ directors - 75 directors went through three days of planned training. The topics were aimed at the development of leadership, and the specific trainings were "Tangram L-Leadership, Learning, Leveraging" and Leadership through the PCM model;
- ▶ middle management - about 130 employees had two days of planned trainings each. The topics were aimed at the development of leadership, and the specific education was "Communication through the PCM model";
- ▶ employees - about 500 employees attended one of the offered catalogue trainings during the four months of work of Tangram Academy. Nearly 1000 hours of catalogue training have been completed in this period, which means about 12 hours of training every working day.

A holistic approach to employee development, where there is equally room for business topics, but also those that are not directly related to productivity, has given great results. The plan for the coming year implies further expansion and enrichment of the offer in the Catalogue, as well as a larger number of terms for all topics.

In addition, great support for this development of employees came in the form of a special location area of the Tangram Academy. Five educational halls, as well as plenty of space for socializing and discussion, opened their doors in November 2022. From that moment on, knowledge in Delta was given its physical address.

Professional training in 2022	Total	Average number of training hours per year per employee
Training hours	22,255	5.98
Total number of employees	3,721	

Professional training in 2022 (women)	Women	Average number of training hours per year per employee
Training hours	11,989	7.68
Total number of women	1,562	

Professional training in 2022 (men)	Men	Average number of training hours per year per employee
Training hours	10,266	4.75
Total number of men	2,159	

In addition to the Tangram Academy, there were other important activities, trainings and workshops that member companies independently organized in the previous year.

During 2022, **Delta Auto Group** employees participated in all four this year's Vivaldi Forums, organized by the Mokra Gora School of Management. Colleagues from the marketing, finance, HR sector, as well as the company's top management, had the opportunity to hear colleagues from other companies on three-day panels and exchange experiences with them.

Six colleagues from the after-sales sector have become certified instructors in the dual education program, which is implemented in cooperation with the Serbian Chamber of Commerce. During the school year 2022/23, colleagues had the opportunity to transfer their knowledge and experience to the students of the second grade of the GSP Secondary Technical School, who twice a week reside in Delta Auto services and through work get acquainted with modern procedures within the curriculum for the direction of motor vehicle mechanics.

The training called "Grosse Klasse + Mindset", which refers to the strategy of doing business with luxury vehicles and customer relations, was attended by three employees of Delta Motors. The training included two segments, an online part and sessions with the trainer in Bratislava, after which the certification was held in Belgrade. At the same time, the BMW Motorcycle Sales Advisor this year has become one of the 100 certified BMW Motorrad On-Road instructors in the world.

In 2022, as part of the set strategy for strengthening employer branding, the top management of the Auto Group participated in panels, conferences and forums where they promoted company values, corporate culture and their personal experience in the auto industry.

Delta Auto Group employees participated in professional and student conferences (Ekomobilnost and EV Days; Business scene under the spotlight; KONEKT), where they shared important stories from the automotive industry and business in general with a wide audience.

The fact that the company takes special care of the development of young people is evidenced by the fact that the representative of Delta's future and one of the employees within the Delta Auto Group was proclaimed by BizLife magazine as one of the representatives of the project "30 below 30", which aims to affirm young people in companies in Serbia who have significantly distinguished themselves with their success.

Within the **Delta Agrar Group**, through a weekly newsletter called HR Thursday, employees are focused on improving "soft skills", necessary for personal and professional development. Through the newsletter, employees have the opportunity to adopt practical guidelines and learn about topics such as motivation, creativity, organization of time, communication, decision-making and teamwork. In this way, efforts are made to encourage the employees' desire to learn and motivation to work on themselves. The project is planned to continue over the next year.

In 2022, employees had the opportunity to participate in various internal and external trainings, congresses, symposia and summits, which gave approximately 4560 hours of educational content. Within the Tangram Academy and internal trainings, employees met with topics such as communication, leadership, giving feedback, conducting training and presentation. External trainings and congresses enabled employees to acquire and improve their professional and expert knowledge, as well as their "soft skills", important for career advancement.

² A certain number of employees were employed with legal entities even before their integration into the Delta Agrar Group.

In cooperation with the faculties and the Center for Career Development, since December 2022, they have been employed as lecturers, as well as organizers of educational workshops for introducing young people to the business world and business of Delta Agrar. Also, Delta Agrar experts were engaged as lecturers in the Business in Agriculture program of the Mokra Gora School of Management.

As in the previous year, with the mission of showing valuation by the company, employees who are an example of loyalty, commitment and contribution to the quality and results of the company, were awarded awards. 68 employees were awarded, who in 2022 celebrated 10, 15, 20, 25, 30 and 35 years of work in the company.²

In the past year, in the light of strengthening team spirit and employee companionship, the company has organized activities such as board games during breaks, watching World Cup matches, Secret Santa actions, as well as gifts on the occasion of Women's Day. Given the great value of team spirit for the overall motivation and commitment of colleagues, the plan is to continue with these activities in 2023.

The creation of content on social networks was also continued in order to educate partners and consumers. Through specially created educational announcements and tips, the company informs consumers and partners, presents significant benefits and advantages of certain products, but also

directs their attention to important local topics, thus contributing to the community in which it operates.

During 2022, over 1765 hours of training were organized in **Delta DMD** in the field of development, while colleagues from Montenegro realized over 1187 hours in the companies **DMD Delta and DTS Montenegro**. In Montenegro, one-on-one talks were held in the past year, open doors were realized, as well as educational content on a weekly basis called HR Friday. It is invested in internal and external trainings, forums and conferences.

The implementation of SAP in Montenegro opened the door to intercompany cooperation, and employees from the IT sector of Delta Holding, employees from the finance sector, as well as the Delta DMD project manager, held trainings for Delta employees. This type of support is expected to have an extremely positive impact on the go live planned for 1 January 2023.

The saying "Only knowledge multiplies by sharing" translated into action on a concrete example meant that colleagues from finance and other sectors provided support in the form of knowledge transfer through training and through know how and best practice to companies such as Exception, Spark and Ananas.

As DMD 2022 entered its 25th anniversary, an ALL STAR team was formed, consisting of both Delta's experts and colleagues who also possess expertise, but are not formally part of this company program, and who held internal lectures on various topics during the year.

over
1,765
hours of training
were organized
in Delta DMD
in the field of
development

It was also about bringing teams closer together, and food socializing was introduced on a monthly basis in all locations where the company operates. In September, a team building for all employees was held, and the celebration of the company's jubilee was organized.

In addition to ensuring that lower management and operational positions respect the established standards of work and adhere to them, Capability Manager has established an effectiveness monitoring system. In addition to the trainings held, he also managed the online platform Diageo My Learning Hub Connect, which a part of the employees had at their disposal, and continued to support development processes in further improving the knowledge and performance of employees. The performance management process was also implemented, both in Serbia and Montenegro, with additional expansion in terms of the number of participants.

Internal communication was also improved by separating communication channels and switching part of communication to *share point* and *teams groups*. With the introduction of DMD Bulletin, an internal magazine for employees in Serbia-Montenegro, which was published on a quarterly basis, employees were given the opportunity to get informed, to ask

questions, but also to edit this magazine. In addition to educational content, he monitors company news, innovations, as well as reinforcements in teams, promotions and employee jubilees.

Twice a year, at all locations, company directors and HR meetings were held with all employees, where two-way communication was fostered, and it was about the results and business strategy, but also about ideas and proposals for improvement and further development directions.

In the past year, **DTS** has prioritized communication (assertive communication, communication through the PCM model, feedback skills), leadership and team leadership (mentoring skills, leadership through the PCM model, resilience of leaders and teams) and personal development (conscious parenting, creative intelligence technology, personal organization and productivity, stress and tension removal). At the same time, a number of "technical" trainings were realized for tools such as Office 365 and Power BI, as well as for specialized knowledge in the field of finance and labor law.

Improving the development of employees, motivation, corporate culture, the formation of successors, as well as the employment of new staff in accordance

with the policy of expanding the retail network have been the focus of **Yuhor** over the past year. The emphasis was on motivational workshops for employees in retail stores (260 employees attended), and the goal was to increase employee satisfaction in the workplace through creative and productive work.

A total of 2900 hours of training were implemented. Directions of development

included the following topics: Excellent service to the best results (in order to achieve better quality of service), My professional development, multi-directional communication, how to manage a team, Raising the level of engagement and initiative, Managing employees and processes. Also, within the framework of the Tangram Academy, the following trainings were carried out: Communication through the PCM model,



Leadership through the PCM model, Giving Feedback, Tangram L - Leadership, Learning and Leveraging, Positive Influence Skills and Leadership Resilience. Internal trainings were also organized according to the requirements of HACCP, ISO or IFS standards.

Since the beginning of the year, the company has provided a fruit, sweet and savory day for all employees at the factory, and appropriate refreshments every working day during the break. There were also joint gatherings such as the Secret Santa Claus before the New Year holidays, and all the ladies received symbolic gifts on the occasion of Women's Day.

22 employees were awarded, who in 2022 marked 10, 20, 30 and 40 years of their work,³ and interviews with employees at all levels were regularly organized, in the form of open doors, in order to strengthen the employees' sense of belonging to the company.

In the youngest member, **Ananas**, during 2022, 2573 hours of training were held, of which 2386 hours were external training. The trainings were organized for employees of all levels in order to improve their knowledge in various fields, and in particular they invested in conferences and specific trainings related primarily to IT, in order to further improve domain knowledge. In addition, investments were made in the commercial sector, marketing, HR and finance. The trainings that were organized included educating all employees about the specifics of online sales, which is still a largely unknown term in this market, and in accordance with the nature of the Ananas business. Employees in Ananas also underwent internal training to improve communication skills

and managerial skills, as needed by the employee himself.

At **Crowne Plaza and Hotel Indigo Belgrade**, the focus was on the safety of employees and guests last year, and employees spent over 4,300 hours attending Risk and Responsible Business trainings. These trainings educated employees in the areas of personal protection, guest protection, fire protection, as well as food and food safety.

During 2022, great emphasis was also placed on training employees in the area of application of new, strict standards and procedures of prevention and protection - compliance with epidemiological measures and maintenance of hygiene. In the hotel Crowne Plaza Belgrade, employees were trained in the part of the implementation of the IHG Way of Clean standard, while the entire hotel was fostered by the Clean Culture principle,

During 2022, great emphasis was also placed on training employees in the area of application of new, strict standards and procedures of prevention and protection - compliance with epidemiological measures and maintenance of hygiene

and the CEO, as "Clean Champion", and the heads of the sector were the main promoters of such culture. Employees in the housekeeping sector, as well as in all other sectors, devoted a total of 95 hours to these trainings.

Employees in both hotels devoted nearly 800 hours to brand orientation training, as well as Loyalty and True Hospitality training: Welcome to IHG, Dare to Connect, True Hospitality Service Skills, Brand Orientation, Making Business Travel Work. For the sake of quality recruitment, selection and retention of young talents in the hospitality industry and hotels, managers also attended additional trainings such as the Attracting and Nurturing Talents training. In the hotel, the so-called cross trainings in different sectors are also enabled for all employees, where employees have the opportunity, according to their wishes and affinities, to opt for trainings in one of the other sectors where they see the potential for their further development and progress within the hotel.

In 2022, the hotel's senior management dedicated 352 hours to developing their fine skills during training and workshops entitled Teamwork and Team Communication, while the management of the technical maintenance sector dedicated 16 hours to education in the part of CO₂ emission measurement.

In accordance with the respect and implementation of the principle of gender equality, the hotel director was selected by the IHG Area training team in November 2022 to join the prestigious IHG RISE Program with the aim of empowering and supporting women in managerial positions to realize their full leadership potential.

³ A certain number of employees were employed by the Yuhor company even before their integration into Delta Food Processing.

Young Leaders

Since 2012, the Delta Holding company has launched the Young Leaders program with the aim of providing professional training to young people and developing their careers. This program has been successfully implemented for ten years with the idea of providing young people with the motivation and encouragement to seek their first employment in the sphere of business. During one year, which is the duration of the program, young and college-educated people without work experience are given support to enter the world of business. During the program, young leaders receive mentors who follow their work and try to convey their knowledge and experience to them in the best possible way, and after the program ends, the best of them get the opportunity to continue cooperation.

In January 2022, the tenth generation of Young Leaders arrived at the company and 43 colleagues started working in the Delta Holding system.

After the formal reception, in the first week, an introduction to the company was organized, during which the participants of the program had the opportunity to get to know the business of all businesses more closely through visits and presentations of employees. And during the year, they had an intensive education program that included various topics such as:

- ▶ Assertive communication;
- ▶ Office 365 tools;
- ▶ Personal efficiency and productivity;
- ▶ Leadership;
- ▶ Presentation skills;
- ▶ Reading the financial statements;
- ▶ Business strategy - workshop held by members of the Executive Board.



For the past five years, Young leaders have been part of the digital transformation process of the company and, through the projects in which they participate, have developed various innovative ideas to improve the company's operations.

In early June, of the proposed 30 topics, Young leaders opted for a project they found interesting. Thus, the work on nine projects began.

All the projects they worked on were presented at the end of the year, and the winning team was rewarded for their idea. The topics that have been prepared are:

- ▶ Virtual real estate;
- ▶ Development of e-grocery for Ananas;
- ▶ Our village app;
- ▶ Eco-friendly packaging of products from the portfolio of the Food Processing Group;
- ▶ Optimization of the operation of the new Delta Auto facility;
- ▶ Social Media
- ▶ Optimization of processes in DTS warehouse using conveyors;
- ▶ Delta Premium residence;
- ▶ Creating additional value for the industrial apple.

Of these projects, the commission selected the Virtual Real Estate project as the best, for which team members, together with their mentor, were rewarded. Of particular importance was the Commission's observation that the tenth generation of Young Leaders was the most prepared so far in terms of prepared material and demonstrated presentation skills.

At the end of 2022, participants of the eleventh generation of the Young Leaders program were selected - a total of 41 new colleagues, while 1,741 candidates applied for the competition.

Compared to previous years, the entire selection process for the eleventh generation has been changed in order to better recognize Young leaders who can master the entire program and

later develop further in the direction of leaders and experts within the company. In organizational terms, the process is maximally simplified for all applicants and represents an example of a positive user experience for all interested parties.

During the selection, the focus was on candidates who showed high potential for leadership, a strong orientation to the goal and personal development, as well as well-developed communication skills.

The benefits of this program are multiple - the company is enabled to continuously improve and upgrade its corporate culture and business through creativity and new energy of young people, and the community is given the opportunity for its young people to stay in their country and provide it with the necessary contribution for further development.



YL 11th generation selection process





Delta's Future

As a talent program aimed at young managers and specialists who stand out for their leadership potential and achieved results, Delta's future is dedicated to the development and preparation of selected employees for the next level of management positions.

Development activities in 2022 were aimed at developing competencies relevant to leadership through training, coaching and experiential learning in the form of guiding younger colleagues when working on project tasks. Accordingly, in 2022, Delta's future participants upgraded the acquired knowledge and experience through work on projects dedicated to the development of innovative directions in business.

The previous year was also marked by the reconceptualization of the program that unites three different generations of Delta's future into a unique talent base intended to build future leaders of the company. In this way, the programme and the development activities it includes cover the period from the entry into

the programme to the moment of promotion to senior management positions. The total talent base of Delta's future currently has 38 participants.

In the course of 2023, the focus will be on the realization of trainings specially selected based on the individual development and career plans of the existing participants of the talent program. In addition, further support in the development of their career and leadership skills will be provided to them in the form of mentoring by top management members.

In order to continuously identify and invest in talent development, during 2023, it is planned to select new participants and include them in the talent base, which is growing in accordance with the strategic plans of the company. Leadership skills of new participants will be developed through an innovative concept of a specially designed set of Tangram L trainings, and the identity of the Delta's future talent program will be strengthened through internal and external branding activities.

Delta's Experts

Delta's experts present a talent program specifically dedicated to developing and fostering a culture of lifelong learning and strengthening the internal resources of Delta Holding, as well as knowledge management in the company. In 2022, 45 colleagues who stand out for their exceptional knowledge and superior expertise were especially highlighted at the award ceremony for their outstanding contribution to the work and success of the company.

Summer with experts, as a special project within this talent program, was organized every Friday during the summer of 2022 in the form of moderated open conversations with Delta experts. During the interview, the other employees had the opportunity to get acquainted with the development of their careers, as well as interests and various aspects of personal life. In this way, the possibility of diversifying career and development paths within the company was emphasized, while strengthening the horizontal structure, while on the other hand, the emphasis was placed on the importance of recognizing both professional and personal wellbeing of employees.

During 2023, further development of the expertise of Delta's experts in their specific areas of expertise, as well as their empowerment to share knowledge with the company's employees, will be worked on, which directly affects the strengthening of the knowledge management process.

45
colleagues who stand out for their exceptional knowledge and superior expertise were especially highlighted at the award ceremony for their outstanding contribution to the work and success of the company



Innovation

Innovation is one of Delta Holding's core values. Its essence lies in the creation and application of a significantly improved or completely new product or service, process, method in marketing or organization of business and work, as well as the overall relations of a company with its environment. Innovation in this sense represents a completely new and never-before-seen product or transition to the use of a product, service or process that significantly accelerates the existing way of working, reduces costs and increases the satisfaction of its use.

The success of innovation depends largely on a clearly structured and systematized process of innovation, which enables both the development and implementation of the idea. Therefore, since 2017, Delta Holding has a clear organizational structure that is dedicated to monitoring and improving innovation within the company.

At the top of this organizational structure is the Innovation Committee, composed of managers from all parts of the company, who, as leaders of their teams, propose ideas that they have jointly come up with within the subcommittee. At joint meetings, the Committee presents and analyses ideas proposed by the subcommittees of all members, as well as employees through an internal portal, and considers the potential for cross-sectoral cooperation.

The main goal of the establishment of the Committee is the need for continuous improvement of the innovation process, its monitoring in order to achieve a greater degree of success of implementation, as well as the digitization of existing operations within the company. That all sectors

have a need for innovation is confirmed by the fact that in 2022, the way the Committee works went through changes for better ideas, which encourage and increase the satisfaction of all employees in the company.

Delta Holding attaches great importance to networking with the startup community, and in 2022, a project organized by Startit called Challenge labs was supported, with the aim of empowering young people to go to the startup water. With the application of the so-called design thinking methodology to solve the challenges of the Delta Agrar company and with the help of experts from the field of agriculture and business, the teams worked for four weeks to design their solutions for one of the challenges:

1. Possibilities in irrigation systems - How can new technologies contribute to saving water and solving the problem of inefficiency of irrigation systems due to increasing droughts?

2. Alternative fuels in food production - What is the willingness of farmers to adopt alternative energy sources as a substitute for diesel fuel and how to increase it? How to use existing agricultural resources and waste to develop alternative fuels that would create savings and reduce pollution?
3. Eco-packing for food products - How can food and beverage packaging systems be made more sustainable and less harmful to the environment? What alternative materials can replace plastics and find application in the food industry from production to sale?

In total, there were over 140 entries, and 10 teams were selected to enter the program and present their solution to the jury. The two teams were selected as the winners and they shared a cash prize of 2,000 euros, which will help them further elaborate and test their ideas.

In addition to cooperation with the Startit Center, the company actively supports the activities of the ICT Hub, with which there has been a successful cooperation for several years. In 2022, the ICT Hub held several events called Start me up, Meet, Connect, Collaborate, in which it took part. In the past year, cooperation with startups was also presented by participating in a panel on the topic of connecting companies and startups, and the program D Incubator was presented in more detail through speed meetings with startups at each of the organized events by the ICT Hub.

The plan for next year involves further strengthening cooperation with the startup community in order to empower an increasing number of young people to innovate and understand the needs of business for innovation.

The plan for next year involves further strengthening cooperation with the startup community in order to empower an increasing number of young people to innovate

D Incubator

For the fifth year in a row, the company helps the external development of innovative ideas through the D Incubator program. It is a three-month program that⁴ helps startups develop and improve their product or service, prepare it for the market and present it to investors. In the program, teams from Delta Holding receive personalized workshops that are held with the support of partners, but also dedicated mentors with whom they work on the development of their idea and preparation for the pitch and the market. Since 2022, in addition to specialized mentors in the field of development, teams have received umbrella mentors who direct, review and help raise awareness of the parts of the business that they can improve and further develop.

At the end of the program, teams have the opportunity to receive an investment from Delta Holding, as well as other investors who are invited to attend the final presentation of ideas.

Incubator is also unique because it provides access to the company's internal resources, primarily for testing products or services, and through a wide network of contacts helps teams to develop their networks and achieve the fastest possible confirmation by the market. Since the beginning of the implementation of the program, in 2018, 26 startups have passed through the Incubator, while five of them received an investment at the end of the program. Negotiations are currently underway with investors to invest in the 2022 teams.

⁴ StartUp - a team of up to five members with an innovative business idea that has the potential for rapid growth in a large market.

During the first two years, the program was intended for the development of startup ideas from the business area of Delta Holding, i.e., logistics, distribution, agriculture and real estate. Since 2020, thanks to partner companies and external mentors and associates, who expressed interest in joining the program, the competition has been open to business ideas from all areas of business, not limited to the businesses in which Delta Holding operates.

In 2022, 26 teams entered the competition, 11 of which entered the second round of selection. They presented their startup ideas before the internal commission, and the commission then selected five teams to enter the three-month incubation program and prepare for investment pitch based on objective criteria.

For all teams that entered the program, live and online workshops and lectures were held by program partners on topics important for the development of their ideas. The areas of business development, marketing, sales, monetization, business development and financial plan, as well as presentation skills and preparation for pitch are covered. After that, the teams were assigned mentors with whom they continued individual work on the development of startup ideas. The teams also got access to Delta's resources, and this year it was in the form of testing agricultural technology on the property of Delta Agrar, opening an e-commerce sales channel on the Ananas platform, validating ideas with the specific needs of users, expert support from technologists and the HR sector. After the end of the incubation period, the teams presented their ideas in a pitch for investment in front of a committee made up of successful companies and

investors, as well as representatives of Delta Holding.

In 2022, D Incubator also had one novelty, which is the introduction of The Wild Card team, which was given the opportunity to present its independently developed idea in front of investors for a drink. The Wild Card team represents a team that enables the D Incubator to present the idea of the team directly to investors, without prior attendance at workshops and work with mentors. Since the D Incubator program is unique and in that it does not limit the number of possible investments, the Wild Card team does not affect the investor's interest in investing in any of the teams that are part of the program, but only contributes to the quality of the program and the presentation of good solutions.

According to the commission, the official winner of the drink, i.e., the team that had the most votes of the commission, is the Keiko team, which is engaged in the production of children's clothing made of bamboo and organic cotton, while investors have shown interest in investing in four other teams.



HEALTH AND SAFETY AT WORK

A safe and healthy workplace is the basis for the functioning of all businesses operating within the Delta Holding system. Ensuring a healthy working environment achieves excellent results in the field of product and service safety, employee satisfaction and productivity. With the great support of the management and directors of the sustainable business sector, as well as constant counselling, guidance and monitoring by the OHS (occupational safety and health) and FP (fire protection) manager at the company level, professional persons at the locations achieve significant improvements in the prevention of incidents and the reduction of occupational injuries or diseases related to work. Through daily visits and conversations with direct managers and employees, the necessary flow of information is enabled and significant results are achieved.

Given the importance and importance of workplace safety and employee health, the company has been developing clear

mechanisms and systems from the outset to prevent potential negative impacts.

Through regular revisions of the Risk Assessment Act at workplaces, as well as continuous monitoring and recording of all activities in the work process that may cause injuries or negative impact on the health of employees, the degree of risk at workplaces is determined. A special focus is placed on those workplaces with increased risk, so preventive and periodic medical examinations are organized for employees in these workplaces in order to monitor their health condition.

A high level of safe working conditions is maintained by regular procurement of personal protective equipment, periodic inspections and checks of work equipment, tests of working environment conditions (microclimate, illumination, chemical, biological and physical hazards in workplaces), as well as regular testing of fire protection systems and equipment.

In all member companies and during



2022, a number of measures were implemented to improve working conditions and reduce the number of injuries at work. During the year, factories and estates constantly invested in the renovation of work equipment, fire protection and the procurement of personal protective equipment.

In the Yuhor factory, despite the present risks in the meat industry, the number of occupational injuries decreased by 22%

compared to 2021. Water factory Mioni had 365 days without injuries at work.

When it comes to the estates of Delta Agrar, great challenges were overcome when engaging foreign citizens in seasonal jobs in two locations - Celarevo and Zajecar. The measures that ensured adequate accommodation and nutrition were fully complied with, and the OHS and FP documentation was translated into them in an intelligible language.



On the construction and renovation projects, within the Delta Real Estate company, OHS coordinators are engaged and determined by decisions in the design phase and in the construction phase, with the task of controlling and directing the implementation of preventive safety and health measures on construction sites for all contractors. During the execution of works, the verification of the elimination of objections stated in the daily reports of the coordinator is carried out by the OHS and FP expert of Delta Real Estate during regular site visits.

During the year, regular evacuation exercises were organized at Crowne Plaza and Indigo hotels for employees, where they improved their skills of safe evacuation of guests in case of fire and other emergency events. At regular meetings and direct managers reminded employees about the necessity of using personal protective equipment, as well as procedures in case of fire and other emergency situations.

At the end of 2022, the application "Near Miss - Nearly Avoided Accident with Serious Consequences" was introduced in the company Delta Transport System. The goal of the application is to report various situations in which an injury may have occurred in order to prevent them, but also to define new hazards that affect safe working conditions. The application allows employees to independently report and describe situations such as slipping, tripping, hazards when handling goods, improper investment of goods in racks (poor pallet, poor investment), improper disposal of goods in the dispatch

zone (unstable, poorly shaded), non-use of protective equipment (footwear, helmets, vests), improper use of machinery, improper use of equipment (ramps, racks), damage or breakdown of goods/equipment, and more.

Over the past year, great attention has been paid to regular training for employees in the field of occupational safety and health. When establishing an employment relationship or other form of employment, transferring to other jobs, introducing new technologies or means of work, as well as when changing the work process, employees are theoretically and practically trained for safe and healthy work, fire protection and emergency response.

In some Member Companies, depending on the sphere of business, special emphasis has been placed on certain operational activities. Thus, the Delta Auto Group, within the framework of OSH training, especially highlights the hazards and developed instructions for safe operation with high voltage on electric vehicles. At the company level, the Instructions for Safe Work from Home have also been drawn up.

In 2022, a total of 11,533 hours of internal and external training in the field of OSH and FP were held for a total of 4981 employees:

- ▶ Delta Agrar Group: 6174 hours;
- ▶ Delta Food Processing: 3555 hours;
- ▶ Delta Real Estate Group: 954 hours;
- ▶ Delta Distribution: 548 hours;
- ▶ Shared functions 302 hours.

MEMBER	NUMBER OF MINOR INJURIES	NUMBER OF SERIOUS INJURIES	TOTAL NUMBER OF INJURIES	NUMBER OF WORKING DAYS LOST
Delta Agrar Group	19	6	25	961
Delta Food Processing	36	4	40	1230
Delta Real Estate Group	3	1	4	74
Delta Distribution	4	3	7	301
New Technologies	0	0	0	0
Common functions	1	1	2	161
TOTAL	63	15	78	2727

OSH and PPE training in 2022	TOTAL	NUMBER OF WORKING HOURS IN 2022	2.080
Training hours	11,533	Ratio of fatal work injuries	0
Number of employees present at the trainings	4,981	Ratio of serious work injuries ⁵	7,211.5
		Ratio of total recorded work injuries ⁶	37,500.0

The most common injuries occur due to falling or slipping when carrying a particular item through production facilities or during movement through the facility. In order to prevent injury and reduce the number of injuries at work, the number of trainings will be increased in the coming period, with a special focus on the proper carrying of objects and safe movement.

⁵ Severe occupational injuries ratio: Severe occupational injuries/number of working hours in 2022 x 1,000,000.

⁶ Ratio of all recorded occupational injuries: Number of all recorded occupational injuries/number of working hours in 2022 x 1,000,000

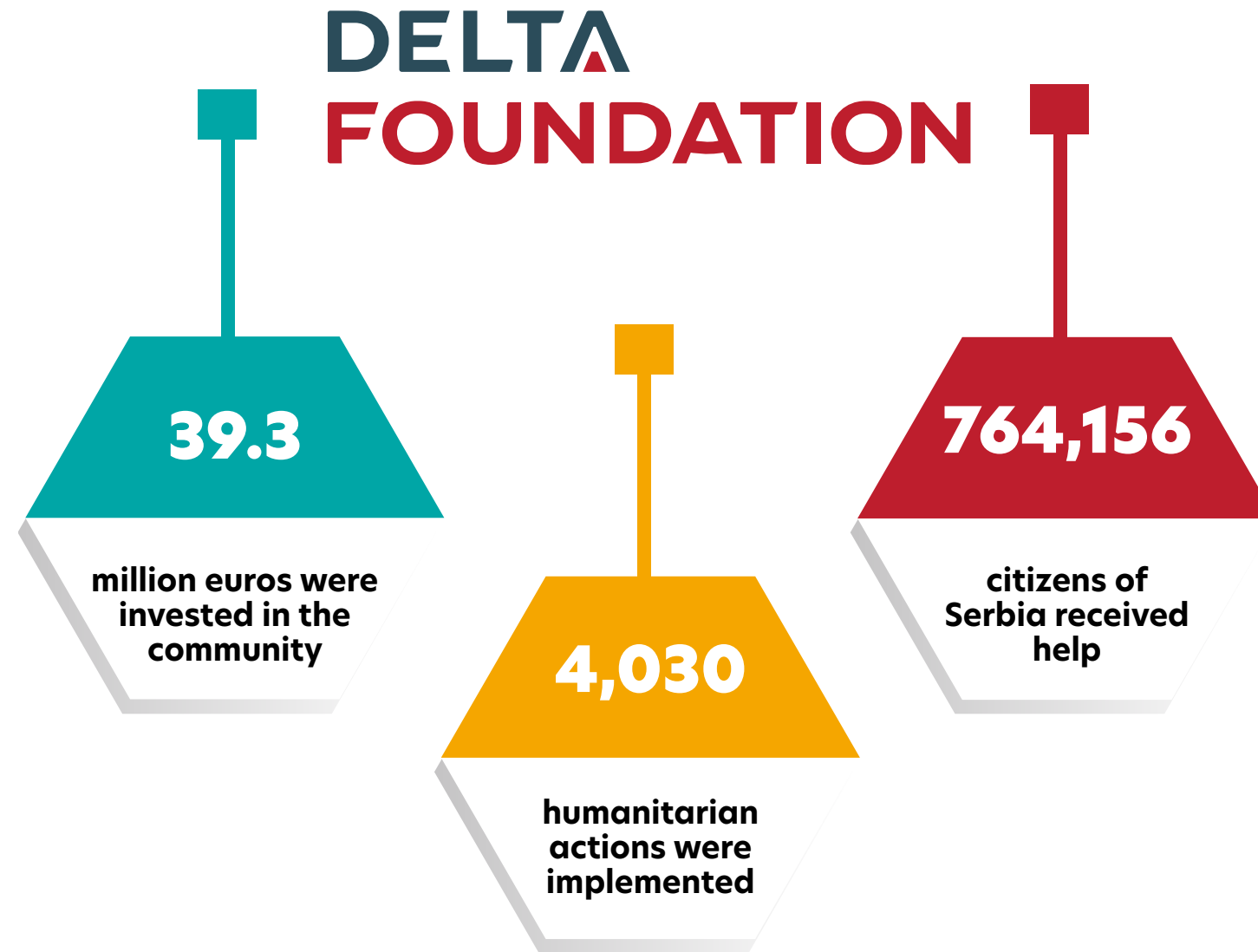
DELTA FOUNDATION



In 2022, the jubilee 15 years of philanthropic and endowment work of the Delta Foundation was marked. Since its establishment in 2007, Delta Foundation has focused on projects aimed at long-term support to the empowerment of vulnerable groups and sustainable development of the community in which it operates.

The Delta Foundation directs its activities and resources in accordance with the recognized needs of the community. In recent years, this has been particularly true of:

- ▶ endowment - through the redevelopment of this tradition;
- ▶ young people - through support for their education;
- ▶ culture - through support for numerous cultural events and manifestations;
- ▶ socially vulnerable population and vulnerable groups - through providing financial and non-financial assistance;
- ▶ social entrepreneurship - through the empowerment of associations in the field of agriculture aimed at employment, work engagement or education of hard-to-employ categories of the population.



As a particularly important segment of the philanthropic work and activities of the Delta Foundation, endowment is singled out, given its long tradition and importance in Serbia. Recognizing the needs of the community, the Delta Foundation has donated a total of three endowments to the society:

- ▶ Living room for young people with disabilities "Sunce", based on Bezanijska kosa in Belgrade;
- ▶ Center for Sports and Recreation of Persons with Disabilities "Iskra", based in Kragujevac;

- ▶ a work of art, a sculpture "From There to Here", which adorns the Belgrade Passage between the Sava Quay and Kalemegdan.

During 2022, the "Sunce" endowment marked 10 years of its existence, while "Iskra" marked the seventh year of work. The sculpture "From there to here" has been decorating the Sava pier for five years.

During the 15 years of its existence, the Delta Foundation has organized and implemented numerous humanitarian activities and projects in the field of development of agricultural production in the countryside, social entrepreneurship, assistance to social categories that are particularly vulnerable and marginalized.

The Delta Foundation mainly realizes its basic goal of improving and caring for the social community by following its mission, which includes meeting the permanent social, educational, cultural and health needs of the social community.

From its foundation until the end of 2022, 39.3 million euros were invested in the community, 4,030 humanitarian actions were implemented, and 764,156 citizens of Serbia received help.



Our Village

Of particular importance within the work of Delta Foundation is the project Our Village as a unique project of the Delta Holding company with the long-term goal of encouraging the development of rural communities in Serbia and helping them reach the level of modern European villages through the development and improvement of agricultural production and the renewal of cultural and social life.

In 2022, the project entered its fifth year of implementation and after successful cooperation with the villages of Mala Jasikova and Dubocane in the vicinity of Zajecar, it continued in Vojvodina at the address of Backo Novi Selo

With its 700 inhabitants, Backo Novo Selo represents a village with exceptional potential for development. Although the number of locals over the age of 66 is three times higher than that of 18, half of the total population is working age. The primary school is attended by 42 children, aged from preschool to eighth grade, and nine toddlers live in the kindergarten. Agricultural production is predominantly focused on farming, and livestock and fruit growing are present, as well as to a lesser extent vegetable growing. Some locals have ventured and started production in other spheres, so in the village there is a production of medicinal herbs, as well as honey, with as many as 800 active hives. Of

the 50 registered holdings, all expressed a desire to participate in the project.

During 2022, numerous activities were implemented in Backo Novo Selo, especially in the field of education and financing. In the field of agricultural production, lectures were organized on the topic of animal husbandry, proper selection of seeds, protection and fertilization of agricultural crops, IPARD funds, production and protection of fruits, especially strawberries, as well as modern machinery. As part of introducing the locals to modern agriculture, visits were also made to the Delta Agrar estate in Celarevo, where a state-of-the-art apple orchard and a modern Ultra Low Oxygen refrigerator spread over 400 ha. During the visit, the locals were informed in detail about the modern way of growing apples, as well as about their storage and storage in the most modern ULO refrigerator up to 365 days a year. Delta Agrar employees presented to the locals the possibilities and advantages of modern machinery used at this location for work in agriculture and fruit growing.

In order to support the development of individual agricultural producers, individual development plans have been created for each holding by Delta Agrar experts. Assistance in financing is provided in cooperation with Erste Bank through the realization of favorable loans for which Delta Agrar bears the cost of interest. The funds from the loan were used for new machinery, animal procurement, equipment for storing feed, etc.





During 2022, Delta Agrar experts continued to regularly visit farms from all three villages and provide advisory assistance for further development and improvement of agricultural production.

In addition to education and dissemination of knowledge on the topic of agricultural production, the focus was also focused on the involvement of young people in the development of villages. In partnership with Erste Bank, trainings were held on the topic of writing projects for funds for the reconstruction of local communities. As a successful result of such trainings, the citizens of Backo Novi Selo are supported

to apply for the project Best Technological Innovation organized by the Ministry of Science, Technology and Innovation in the category of Innovative Village. With their idea called Rural Hub, they won the first place and funds in the amount of 100,000 dinars, and these funds will be used to reconstruct and equip the premises within the local community, which will become the new project center of Backo Novi Selo and a place for gathering and educating the locals.

In order to support women from the countryside to earn their own income, the action of the Our Village Market

continued, within which Delta Holding employees are offered their products. Employees can order homemade eggs, pastries, gingerbread, strudel, noodles, pies, cakes, honey, natural juices, wine and brandy. This action allows locals to safely place products and earn regular profits. The development of female entrepreneurship, in cooperation with Erste Bank, was also worked through specific trainings aimed at encouraging their association and the development of concrete plans that will enable the launch of a functional and sustainable business.

Although the improvement of agricultural

production is important for the development of the village, an extremely important segment is the overall quality of life, which largely depends on cultural and social contents that enrich everyday life.

The traditional sporting rural event called Barefoot on the Sand, which is held every year on the last weekend in July, gathers the little ones of Backo Novi Selo for socializing and competing in various sports disciplines, both classic and less conventional, such as jumping in a bag, fast eating watermelon and running with an egg. In the past year, the Delta Foundation supported this event and by donating products, the company

Mioni, Delta DMD and Fun&Fit enabled the little ones to refresh and sweeten during the event.

Given their importance for the survival of the village, special attention was paid to the youngest inhabitants. A one-day visit to Belgrade accompanied by a tour guide was organized for the 34 elementary school students of the "Mosa Pijada" elementary school, aged 7 to 15. On that occasion, they visited the Museum of Science and Technology, visited the residence of the Canadian ambassador and participated in the Children's Colony and got acquainted with the history of the city by walking through the Kalemegdan Fortress, Knez Mihailova Street and Terazije. The refreshments and lunch were prepared by Hotel Indigo, and the second part of the day continued with a party at the Museum of Illusions and a tour of the Temple of St. Sava.

In order to support healthy habits in children in Backo Novo Selo, on the occasion of the World Healthy Food Day on October 7, together with Delta Agrar, Mosa Pijada Elementary School, apples from the estate in Celarevo were also donated. This opportunity was used by children and school employees to socialize and enjoy sweet and healthy snacks.

Together with the partner on the Erste Bank project, Delta Holding organized in November a theatrical performance "Hotel 88" based on the motifs of Noel Howard's novel "Private Life", in a brilliant performance by actors Tamara Krcunovic, Milan Maric, Vladimir Aleksic and Angela Jovanovic. This event was another opportunity for the locals to gather, who together with their families could spend quality time.

At the end of the year, traditionally, the awarding of packages for toddlers was organized as part of the Santa's Helpers action. This time, colleagues prepared a total of 128 packages for toddlers from all three villages in the project. The safe transport of parcels was enabled by colleagues from Delta Auto and Delta Transport



System, and on the occasion of the awarding of parcels, a New Year's performance was held in all the villages for the little ones.

In 2023, it is planned to continue the implementation of the project in Backo Novi Selo, as well as specific activities that include:

- ▶ education in the field of primary agricultural production for all farms involved in the project (movement of grain prices on the stock market, news in animal husbandry, fruit growing...);
- ▶ education for young people in the field of writing projects and providing support when applying;
- ▶ further development of female entrepreneurship through professional training and lectures in cooperation with Business Innovation Programs, and through Erste Bank;
- ▶ assisting immigrant families to start agricultural production;
- ▶ renovation of rooms of importance for the village (cinema hall).

In the past year, the Blog section was activated on the official website of the project Our Village, in which experts from Delta Agrar engaged on the project wrote about various current topics of importance for farmers.

More information about the project is available on the website <https://naseselo.deltafondacija.rs/>.

Digital Village

In 2022, in cooperation with partners BioSens Institute and Mokrin House, the **Digital Village** project was officially launched, with the main goal of creating opportunities for easier, more efficient and sustainable production, greater earnings for agricultural producers and a more attractive life in the countryside through the digitization of agricultural production, especially for young people.

Digitalization should enable agricultural producers to work more efficiently, reducing the time required for work, as well as energy products, plant protection products, water and fertilizers. The project is being implemented in the village of Mokrin in Vojvodina, where there is a large number of individual agricultural producers with a pronounced potential for development.

Within the duration of the project, numerous trainings are planned at which the participants of the project will transfer knowledge about modern agriculture through theoretical lectures, as well as workshops and practical trainings at which they will be able to acquire knowledge in the field of digital tools and use of applications and improve the decision-making process on the basis of precision agriculture.

As networking is also important for rural development, these digital solutions will, in addition to insight into detailed data in the future, enable farmers to connect with third parties (such as customers, suppliers, professional services, banks, financial institutions and insurance companies), as well as form virtual cooperatives.

During the past year, within the Digital Village project, several lectures on the following topics were realized:

- ▶ Presentation of the AgroSens application;
- ▶ Soil analysis and recommendations for sowing;
- ▶ Selection of assortments for sowing;
- ▶ Variable sowing.

The project was also supported by the European Commission within the framework of the Foster program for the improvement of agricultural production and food quality with funds for the realization of educational activities and further development of the digital platform.

Foster program for the improvement of agricultural production and food quality with funds for the realization of educational activities

and further development of the digital platform.

Plans for the upcoming period include further realization of lectures, development of individual development plans for each agricultural holding included in the project, as well as the development of the application and organization of training for locals for its proper use.

All current events and developments on the project itself can also be informed through the official <https://digitalnoselo.rs/>.



Third Parent

For eight years now, the Delta Foundation has been developing cooperation with the association Putokaz from Novi Sad as part of the **Third Parent** project. The main goal of the project is the overall reduction of poverty, the creation of functional and preservation of biological families by preventing the separation of children from their parents and their relocation to the social protection system. Through the project, participants have access to advisory work, support in legal protection and advocacy of the rights of the child, as well as improving the health and education of children through support in acquiring various skills necessary for their healthy development.

The greatest contribution to the achievement of the goals of the project is made by the employees of the company themselves, who are actively involved in the growing up of the child and allow the growing up to unfold smoothly. In order to contribute to their happy, carefree and fulfilled childhood, employees prepare packages for various occasions and moments that are important for children, such as birthday, holiday, first day of school, etc., fully following the needs, but also the wishes of the toddler they take care of. They also provide financial support for other activities - sports and extracurricular, such as going on a trip.

Within the project, the support of a social worker is also enabled, whose main task is to provide easier communication



with children, but also to regularly visit and visit families and provide the necessary support to overcome all potential challenges. The work of a social worker is funded by the Delta Foundation. In the coming period, it is planned to hire another social worker who will provide additional assistance to these families.

Third parents provide support to children until the end of school, while the project remains open to all others who have a desire to participate and take care of a little one. By the end of 2022, 140 employees were taking care of 48 children, and the most significant result of the project is the fact that a total of 30 families have been empowered to date.

Other projects

During 2022, the Delta Foundation also worked dedicatedly to achieve its mission of improving and developing the social community in which it operates, so it continued, in addition to current projects, with numerous other activities aimed at improving the quality of life of the local community and providing assistance to those who need it the most.

Several different projects have been successfully implemented:

- ▶ in cooperation with the Municipality of Vozdovac and the publishing house "JRJ", 1000 picture books were donated entitled "Let's get to know viruses and bacteria - these invulnerable creatures" to



- ▶ the preschool institution "Cika Jova Zmaj", with the desire for children of the youngest age to acquire the necessary knowledge about the prevention of the spread of infectious diseases;
- ▶ on the occasion of 35 During the Belgrade Marathon, Delta Holding employees raised funds for the Sports Federation of Persons with Disabilities (SSOSIB) and ran together with them to the finish line;
- ▶ support was given to the humanitarian tournament of the Association for the Fight against Diabetes of the City of Belgrade "Plavi krug";
- ▶ four teams from Ananas, DTS, Resity Technologies and Delta Auto participated in the United Nations Children's Fund (UNICEF) charity tournament. On this occasion, the Delta Foundation has donated funds to support the program of improving the mental health of children and young people;
- ▶ a volunteer action was organized in which the Young Leaders of Delta Holding provided assistance to the residents of the Zvezda Center in making New Year's greetings. On that occasion, a donation was handed over to the Zvezda Center, where young people without parental care reside after leaving social welfare institutions;
- ▶ in cooperation with the Ministry of Family Care and Demography and the Paralympic Committee, 100 packages were donated for children from foster families and 81 for children of Paralympians.

The Delta Foundation also supported individual humanitarian activities of Delta Holding members who wanted to contribute to the community. Over the past year, numerous commodity donations have been prepared, aimed both at current projects, as well as at



other institutions and institutions that needed it.

Danubius donated 800 kg of flour to the Special Institution for Psychiatric Diseases "Gornja Toponica", and Fun&Fit joined this donation with rice, corn grits and flour. During 2022, Fun&Fit donated its products to the Delta Foundation "Sunce", where people with disabilities reside.

The company Delta DMD was also hired, which focused its products on the Third Parent and Our Village projects, as well as the Sokol Cultural and Educational Center for the organization of the artistic program on Tasmajdan, which gathered lovers of dance, games and good music of all generations.

ABOUT THE REPORT

Delta Holding's report on sustainable operations has been published annually since 2008, and the 14th report was published in 2022.

In the latest Report on Sustainable and Responsible Business, the activities and results achieved in the field of sustainable business during 2022 were illustrated, which were aimed at improving the business of this company and making a permanent contribution to the development of the social community. The presented strategy is aimed at further development of the company, but also at meeting the Sustainable Development Goals defined by the United Nations 2030 Agenda.

For the twelfth time, the Report was prepared in accordance with the internationally recognized methodology of the Global Reporting Initiative (GRI), which ensures the reliability, verifiability and conformity of published data.

The report also meets all the criteria of the advanced level of the United Nations Global Compact Progress Report.

The presented data and information refer to operations in 2022 on the territory of Serbia, unless otherwise indicated in the text.

The report is available in pdf format on the company's official website.

APPLICATION OF REPORTING PRINCIPLES



Importance of information

Delta Holding operates with a vision to be recognized as a global company for its values, and to realize its goals in a way that meets the needs of all interested parties. The Corporate Social Responsibility Report contains information that may be relevant to all those directly or indirectly affiliated with the Company.

Involvement

One of the principles of sustainable development reporting is that, by creating conditions for effective dialogue with stakeholders, business cooperation is improved, overall satisfaction with the Company's operations is increased and plans for further development are defined. The Company accepts feedback on the content and quality of this report and will take it into account in the preparation of the following. The contact details for providing feedback are shown at the end of the Report.

Sustainability

The report includes data and activities of Delta Holding in the territory of Serbia, unless

otherwise stated in the text. Continuous business development in accordance with the principles of sustainability contributes to the further development of Serbia and the region. Numerous memberships in international organizations and active participation in international conferences, fairs and seminars confirm the Company's efforts to transfer the world's best experiences to Serbia. The five-year business strategy clearly defines each segment of the business, taking into account possible changes in the environment and other situations that could affect further development and sustainability of the business.

Completeness

The information and data presented in the Report refer to 2022, and where possible, a comparison was made with the data from 2021. Financial and economic indicators are taken from the unaudited consolidated annual financial statements for management purposes.

Balance

The report contains information on all areas covered by the presented GRI indicators, which

are of importance to all interested parties. The results achieved, but also the challenges faced by the Company during the observed period, are presented. In this way, insight is provided into the areas that need to be improved.

Comparability

By applying GRI standards and displaying certain indicators, readers were given the opportunity to compare the Delta Holding Report with the

reports of other companies. The Report also presents data for a comparative period wherever possible, using the same measurement methods. In case of deviation from the methodology used in the previous Report, the reason and the effect of the change are clearly stated. There were no corrections to the data published in the 2021 Report.

Precision

The report contains qualitative and quantitative source data from the Company's operations, with the highest possible degree of accuracy and accuracy. Where it was not possible to collect the original data, calculations were performed with an explanation of the methodology. Financial and economic data can be found in the financial statements of the Company's operations.

Timeliness

By publishing the Report once a year, stakeholders are enabled to make timely decisions regarding business cooperation with the Company.

Clarity

Respecting the principles of clarity and accessibility, the text of the Report

shall be written in an intelligible and accessible language. Certain terms and abbreviations are explained in the notes.

Reliability

According to the reporting principles accepted by the Company, an audit was performed by the authorized auditing company PricewaterhouseCoopers (PwC).

Priprema Izveštaja

The report was prepared in the Strategy and Development Sector in cooperation with colleagues from the Corporate Communications Sector, Finance Sector, Plan and Control Sector, Human Resources Sector, Delta Foundation, Delta Agrar Group, Delta Food Processing, Delta Real Estate Group, Delta Distribution and Delta MC Company. It was released on 15.06.2023. The contact person for questions regarding the Report or its content is Tijana Koprivica, Director for Sustainable Business (tijana.koprivica@deltaholding.rs).

Further information on the operations of Delta Holding can be found on the website www.deltaholding.rs.





Independent Limited Assurance Report Regarding the Selected Information in the Sustainability Report

To the Management of Delta Holding d.o.o.

Introduction

We have been engaged by the Management of Delta Holding d.o.o. (hereinafter – the “Company”) to provide limited assurance on the selected information described below and included in the Sustainable Development Report of the Company for the year ended 31 December 2022 (hereinafter – the “Sustainability Report”).

Description of the subject matter and applicable criteria

We assessed the qualitative and quantitative information specified in Appendix 1 to this report, that is disclosed in the Sustainability Report and referred to in the Appendix “GRI Index” of the Sustainability Report (hereinafter – the “Selected Information”).

The scope of our limited assurance procedures was limited to the Selected Information for the year ended 31 December 2022 only. We have not performed any procedures with respect to earlier periods or any other items included in the Sustainability Report and, therefore, do not express any conclusion thereon.

We assessed the Selected Information using relevant criteria, including reporting requirements, in the respective GRI Sustainability Reporting Standards (Universal, Sector and Topic Standards) – (hereinafter – the “GRI Standards”) published by the Global Reporting Initiative (GRI) which are summarised in the About the report section in the Sustainability Report (hereinafter – the “Reporting Criteria”).

We believe that the Reporting Criteria are appropriate given the purpose of our limited assurance engagement.

Responsibilities of the management of the Company

The management of the Company is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- preparing, measuring and reporting of the Selected Information in accordance with the Reporting Criteria; and
- the accuracy, completeness and presentation of the Selected Information.

PricewaterhouseCoopers d.o.o., Omladinskih brigada 88a, 11070 Beograd, Republika Srbija
T: +381 11 3302 100, F:+381 11 3302 101, www.pwc.rs

This version of our report is a translation from the original, which was prepared in Serbian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Legal footer



Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the management of the Company.

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements, and to plan and perform procedures to obtain limited assurance that the Selected Information for the year ended 31 December 2022 has been prepared, in all material respects, in accordance with the Reporting Criteria.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of the Company’s management, including the Sustainability Reporting team and those with responsibility for Sustainability Reporting management and Company reporting;
- conducted interviews of personnel responsible for the preparation of the Sustainability Report and collection of underlying data;

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- performed analysis of the relevant internal methodology and guidelines, gaining an understanding of the design of the key structures, systems, processes and controls for managing, recording, preparing and reporting the Selected Information; and
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported.

Reporting and measurement methodologies

Under the GRI Standards there is a range of different, but acceptable, measurement and reporting techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected Information should therefore be read in conjunction with the methodology used by management as described in the Sustainability Report and for which the Company is solely responsible.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Restrictions of use and distribution

This report, including our conclusion, has been prepared solely for the management of the Company in accordance with the agreement between us, to assist management in reporting on the Company's sustainability performance and activities.

We permit this report to be disclosed in the Sustainability Report, which will be published on the Company's website¹, to assist management in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management of the Company for our work or this report except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained.

Refer to the original signed Serbian version

Biljana Bogovac
Licensed Certified Auditor
Belgrade, 15 June 2023

Refer to the original signed Serbian version

PricewaterhouseCoopers doo Beograd

¹ The maintenance and integrity of the Company's website is the responsibility of management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on the Company's website.

This version of our report is a translation from the original, which was prepared in Serbian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



Appendix 1 to the Independent Limited Assurance Report dated 15 June 2023

The Selected Information subject to limited assurance procedures and prepared in accordance with the GRI Disclosures, as applicable, is set out below:

GRI Disclosure and related description		Referred to in the GRI content index of the Sustainability Report
2-7	Employees	Yes
302-1	Energy consumption within the organisation	Yes
302-3	Energy intensity	Yes
302-4	Reduction of energy consumption	Yes
303-3 13.7.4*	Water withdrawal	Yes
305-1 13.1.2*	Direct (Scope 1) GHG emissions	Yes
305-2 13.1.3*	Energy indirect (Scope 2) GHG emissions	Yes
306-3 13.8.4*	Waste generated	Yes
402-1	Minimum notice periods regarding operational changes	Yes
403-5	Worker training on occupational health and safety	Yes
403-9 13.19.10	Work-related injuries	Yes
404-1	Average hours of training per year per employee	Yes
406-1	Incidents of discrimination and corrective actions taken	Yes
13.10*	Food Safety	Yes
416-1	Assessment of the health and safety impacts of product and service categories	Yes
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Yes
417-3	Incidents of non-compliance concerning marketing communications	Yes
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	Yes

Disclosures marked with (*) are reference to respective disclosures within Sector Standard (GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022)

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GRI INDICATORS



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2-6	Activities, value chain and other business relationships	6-7, 25-26
2-7	Employees	79-81
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GRI	TITLE	Page number
GOVERNANCE		
2-9	Governance structure and composition	10-12, 15-18
2-10	Nomination and selection of the highest governance body	10, 15-18
2-11	Chair of the highest governance body	10
2-12	Role of the highest governance body in overseeing the management of impacts	3-4, 10, 13, 15-19
2-13	Delegation of responsibility for managing impacts	17-18
2-14	Role of the highest governance body in sustainability reporting	15-18
2-15	Conflicts of interest	23-24
2-16	Communication of critical concerns	13-14
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2-18	Evaluation of the performance of the highest governance body	10
2-19	Remuneration policies	81
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GRI	TITLE	Page number
STRATEGY, POLICIES AND PRACTICES		
2-22	Statement on sustainable development strategy	3-4
2-23	Policy commitments	17-18, 23-24
2-24	Embedding policy commitments	17-18, 23-24
2-25	Processes to remediate negative impacts	23-26, 80
2-26	Mechanisms for seeking advice and raising concerns	23-24
2-27	Compliance with laws and regulations	100%
2-28	Membership associations	20-21
STAKEHOLDER ENGAGEMENT		
2-29	Approach to stakeholder engagement	13-18, 29-70, 79-94
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3-1	Process to determine material topics	13
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GRI	TITLE	Page number
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13-1	Emissions	72-74
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13-7	Water and effluents	74-75
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13-9	Food security	25-26, 31-36, 40-45
13-10	Food safety	25-26
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13-12	Local communities	99-102
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13-16	Forced or compulsory labor	23-26
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13-18	Freedom of association and collective bargaining	81
13-19	Occupational health and safety	95-96
13-20	Employment practices	79-81
13-21	Living income and living wage	81
13-22	Economic inclusion	28, 98-104
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ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	28
201-2	Financial implications and other risks and opportunities due to climate change	3-4, 19
MARKET PRESENCE		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	80
202-2	Proportion of senior management hired from the local community	98%
INDIRECT ECONOMIC IMPACT		
203-1	Infrastructure investments and services supported	98-104
203-2	Significant indirect economic impacts	98-104



GRI	TITLE	Page number
PROCUREMENT PRACTICES		
204-1	Proportion of spending on local suppliers	70%
ANTI-CORUPTION		
205-2	Communication and training about anti-corruption policies and procedures	20-21, 23-24
ANTI-COMPETITIVE BEHAVIOR		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	20-21, 23-24
ENVIRONMENTAL PROTECTION		
ENERGY		
302-1	Energy consumption within the organization	73
302-3	Energy intensity	74
302-4	Reduction of energy consumption	72-74
302-5	Reductions in energy requirements of products and services	72-74
WATER AND EFFLUENTS		
303-1	Interactions with water as a shared resource	74-75
303-2	Management of water discharge - related impacts	74-75

GRI	TITLE	Page number
303-3	Water withdrawal	74-75
303-5	Water consumption	74-75
EMISSIONS		
305-1	Direct (Scope 1) GHG emissions	74
305-2	Energy indirect (Scope 2) GHG emissions	74
305-4	GHG emissions intensity	74
305-5	Reduction of GHG emissions	72-74
WASTE		
306-1	Waste generation and significant waste-related impacts	75
306-2	Management of significant wasterelated impacts	75-77
306-3	Waste generated	75
306-5	Waste directed to disposal	75
SUPPLIER ENVIRONMENTAL ASSESMENT		
308-1	New suppliers that were screened using environmental criteria	25-26



GRI	TITLE	Page number
EMPLOYMENT		
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Same benefits, 82
LABOR/MANAGEMENT RELATIONS		
402-1	Minimum notice periods regarding operational changes	79
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403-1	Occupational health and safety management system	95-96
403-2	Hazard identification, risk assessment, and incident investigation	95-96
403-3	Occupational health services	95-96
403-4	Worker participation, consultation, and communication on occupational health and safety	85-88, 95-96
403-5	Worker training on occupational health and safety	85-88, 95-96
403-6	Promotion of worker health	83, 95-96
403-8	Workers covered by an occupational health and safety management system	Employees and everyone engaged under other types of contracts
403-9	Work-related injuries	95-96

GRI	TITLE	Page number
TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	85
404-2	Programs for upgrading employee skills and transition assistance programs	84-88
DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	10-12, 79-81
405-2	Ratio of basic salary and remuneration of women to men	81
NON-DISCRIMINATION		
406-1	Incidents of discrimination and corrective actions taken	there were none
CHILD LABOR		
408-1	Operations and suppliers at significant risk for incidents of child labor	23-26
FORCED OR COMPULSORY LABOR		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	23-26
LOCAL COMMUNITIES		
413-1	Operations with local community engagement, impact assessments, and development programs	29-70, 98-104

GRI	TITLE	Page number
SUPPLIER SOCIAL ASSESMENT		
414-1	New suppliers that were screened using social criteria	23-24, 25-26
CUSTOMER HEALTH AND SAFETY		
416-1	Assessment of the health and safety impacts of product and service categories	25-26
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	there were none
MARKETING AND LABELING		
417-1	Requirements for product and service information and labeling	25-26
417-2	Incidents of non-compliance concerning product and service information and labeling	there were none
417-3	Incidents of non-compliance concerning marketing communications	there were none
CUSTOMER PRIVACY		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	there were none



