

 DELTA HOUSE

REPORT 2021

ON SOCIALLY RESPONSIBLE
AND SUSTAINABLE BUSINESS
DELTA HOLDING

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HUMAN AND NATURAL RESOURCE - MORE IMPORTANT THAN EVER

Throughout its multi-decade operations, the Delta Holding company adhered to its strategic plans for business development, while understanding the need for necessary and continuous adaptations to market changes and new business conditions. One of the most important strategic decisions and foundations of the Company's business operations is its dedication to employee development, environmental protection and the quality of life improvement in our community.

The year 2021 proved to be no less challenging than the previous one. The pandemic of the COVID-19 virus has only confirmed that business digitalization process is imperative, and taking care of people is our greatest responsibility. Despite the challenges we faced, 2021 was an extremely successful year for Delta Holding. We continued to expand and improve our business operations, open up new companies, deepen our relationships with stakeholders, take care of the environment, people and the social community in which we operate.

Considering world movements and trends, as well as the growing problem of climate change, in the previous year we devoted extra care to ecology. Until now, Delta Holding has undoubtedly paid great attention to this area, through the improvement of energy efficiency, treatment and recycling of waste and other activities aimed at more sustainable and responsible business.

During 2021, the focus was on energy efficiency. The first solar power plant was installed on the roof of the new Delta House office building. The development plan in this field includes further construction of solar power plants at 8 locations, which will not only yield greater saving benefits and greater independence from external suppliers, but will also support environmental protection in the long run through the preservation of fossil fuels and the reduction of CO₂ emissions. Of course, we should not forget about our educational role, the example we set as one of the leading companies in Serbia and the region, with a strong belief that more and more companies will follow in our footsteps.

Delta is also a significant investor in the real estate sector, with large-scale projects such as the renovation of the Sava Center, the largest congress center in the region, which is why we place a significant focus on green construction. By building business facilities in accordance with the latest environmental standards, we provide additional support for environmental protection and its preservation for future generations.

These initiatives could not be realized without the most important resource a company can have, which is people. Since its foundation, Delta Holding has considered the care of people as a key factor for its success, and today this is more evident than ever. Due to major changes in the labor market, more pronounced social migrations and the difficulty of adapting the educational system to new circumstances, we are determined to invest in our employees and provide them with greater opportunities for their personal and professional development. Given that there is no greater value than knowledge in business, Delta pays special attention to improving its corporate culture, creating an

environment where employees learn, develop and come up with innovative ideas. In this way, the Company creates a strong resource that enables it to achieve better business results and thus provide its employees with better benefits and opportunities for further career development. Delta also transfers its knowledge externally, through the *D Incubator* program, and helps with creating new businesses and developing startups.

We realize the concern for the social community not only by providing better conditions to our employees, but also by giving young people the opportunity to start their careers in Delta. *The Young Leaders* project, which we have been successfully implementing for 10 years, remains one of our most valuable and significant projects precisely because of its strong social impact and the fact that it offers young and ambitious people in Serbia the opportunity to stay in their country and professionally develop here.

We are also extremely proud of a project called *Our Village*, through which we provide support for the development of rural areas in Serbia. The process by which we modernize individual agricultural farms, helping them through education and investments, has so far shown its full capacity in two villages in eastern Serbia. That is why we are expanding this project to Vojvodina, with the belief that we will show once again how well the cooperation of a large agricultural company such as Delta Agrar and small agricultural farmers works. In 2021, we expanded our activity in this field to the village of Mokrin through the *Digital Village* project, during which we will carry the need for digitization knowledge over to Serbian villages.

As a company, we have shown resilience and the ability to achieve the best results even in the most difficult of conditions. Just like before, we remain loyal to the realization of the Global Agreement goals, but even more importantly-loyal to our partners, employees and the social community, and we readily assume the responsibility to show by our own example that it is possible to do business responsibly and sustainably with great business results. We are convinced that the best years of our business are yet to come, but what is certain is that they will not materialize if we do not preserve our two most valuable resources-people and nature, because they are today more important to us than ever before.

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



ABOUT THE COMPANY - STRUCTURE AND MEMBERS

Delta Holding Company, with 4,513 employees and persons engaged through various contracts, and a revenues of 618.8 million EUR in 2021, represents one of the most influential companies in Serbia. Striving for innovation, Delta Holding is constantly focused on improving and enhancing the quality of its products and services. And during the jubilee 30th year of successful business, the Company has once again confirmed that since its inception through its business adheres to the principles of sustainable development, continuously working on the development of stakeholders, the economy and society as a whole.

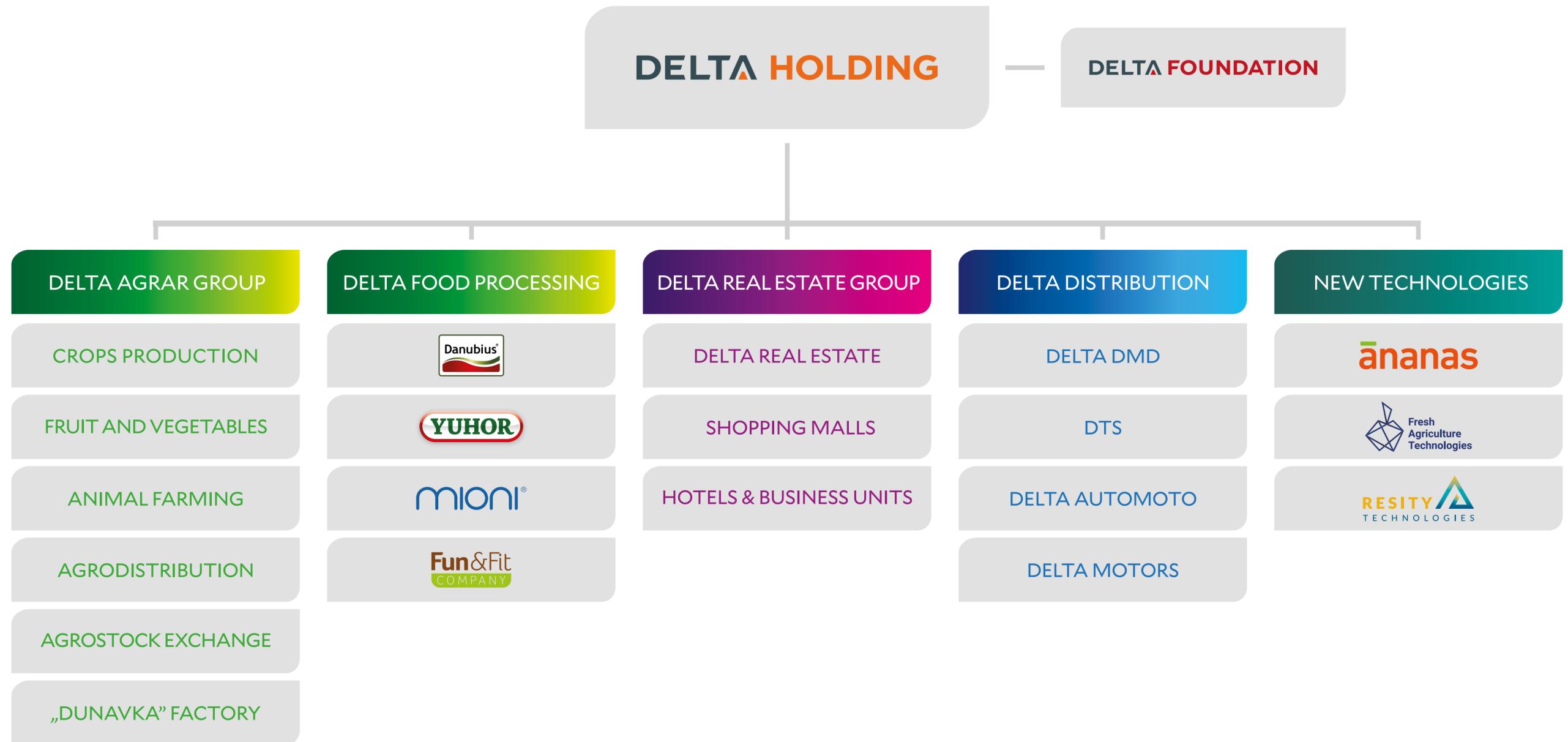
Delta Holding is a leading company in Serbia in the field of production and provision of services and operates through five independent organizational units:

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

Delta Holding also includes:

- Delta Foundation - whose mission is to permanently meet the social, educational, cultural and health needs of our community by creating and implementing endowment projects and development humanitarian programs.
- Delta Pak - packaging waste management operator.

Since its founding in 1991, Delta Holding has its headquarters in Belgrade, and operates mainly in Serbia, but also in countries in the region (Montenegro and Bosnia and Herzegovina), as well as in Russia and the European Union. Delta Holding member companies mostly operate as limited liability companies, while a smaller number of units are joint stock companies.





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 GOVERNANCE

Delta Holding, as a company strongly committed to achieving its vision, mission, strategic plans and goals of sustainable development, is characterized by business that includes creating new businesses, anticipating change, rapid decision making, their effective implementation and accurate measurement of business results. These principles are an integral part of its organizational structure, which ensures that the activities, obligations and initiatives it undertakes are focused on the areas of the greatest importance for the social community in which it operates.

The management organization of Delta Holding is fully in line with modern forms of corporate governance and is based on the application of knowledge and experience of leading global companies, the application of state-of-the-art technology and continuous adaptation to the markets in which the Company operates. From 2021, Delta Holding will be managed by the Board of Directors and the Executive Board, while the directors of member groups and sectors within the company will be the leading management.

At the head of Delta Holding is the Board of Directors, which creates the mission and vision of the Company, and monitors their implementation in practice. At the same time, it approves strategic plans and focuses on the strategy of social responsibility and youth employment.

The Executive Board together with the top management adopts the development strategy and directs the Company's activities in accordance with its mission and vision.

The members of the Executive Board are characterized by high personal integrity, business ethics, leadership vision and professionalism. Many years of experience, important for the development of the company, are transferred to the leading management in order to develop new and improve existing businesses.

The Board of Directors and the Executive Board also select the company's management based on the achieved results and demonstrated business skills.

Gender equality is deeply ingrained in Delta Holding's business culture. Board of Managers as well as the Executive Board consist of 4 women and 3 men. There are 9 women and 15 men in the leading management.

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



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

DELTA
HOLDING



Tanja Vasojević
Director,
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

DELTA
AGRAR



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

DELTA
REAL ESTATE



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 Miroslavljević
CEO,
Sava center

ānanas



Marko Carević
CEO,
Ananas

DELTA
AUTO



Zoran Mihajilović
Managing Director,
Delta Motors



Stevan Kristić
Director,
Delta Automoto

dts DELTA
TRANSPORTNI
SISTEM



Milan Matić
CEO,
Delta Transportni Sistem

BUSINESS STRATEGY

The Company's business strategy provides a clear direction for the development of new and improvement of existing businesses. Development plans are adopted with due regard to the core values of the Company. This includes outstanding achievements with operational excellence, innovation, integrity, business ethics, caring for people through investment in human resources and fostering an inclusive, supportive corporate culture. All Delta Holding members create strategic plans in order to improve business results, as well as environmental and social standards in the Company and the community. In this way, a secure business success is ensured, but also the satisfaction of the interests of customers, clients, employees, the social community and the environment.

The strategy is adopted for a period of five years and is revised once a year at strategic workshops in which all employees participate. The plans are being revised in light of perceived changes in the local and global environment. During the year, the workshops of the Innovation Committee are continuously being organized, so the ideas that create changes in the market are also an integral part of strategic workshops and can be translated into strategic business plans. Business strategic plans are first approved by the Board of Directors. The Board of Directors and its associates explain the revised and new plans before the Executive and Management Board at the strategic meeting, when the decision on their adoption is made.

The strategic business plans of the members until 2030 include the following:

Delta Agrar Group

- increasing the production of club apple varieties on existing and new orchards;
- expanding the hybrid maize;
- registration of new soybean varieties;
- certification of individual fruit and vegetable producers, Delta Agrar subcontractors;
- expansion of surface areas under irrigation systems;
- focus on precision agriculture;
- introduction of new IT solutions in livestock farming;
- starting poultry feed production;
- sales growth of all products;

Delta Food Processing

- significant investments in the modernization of the production process, expansion of the range and research of new markets;

Delta Real Estate Group

- reconstruction, rehabilitation and adaptation of the Sava Centre;
- construction of Delta Land residential and commercial district;
- construction of Delta Planet shopping mall in Sarajevo with a residential area;

Delta Distribution

- growth in imports and sales of new BMW, Mini, Honda and KTM vehicles, and introduction of new brands;
- increasing market share in the distribution of consumer brands;

New technologies

- increasing market share in the distribution of consumer brands;



Delta Holding strictly adheres to the principles of sustainable development in its operations. The principles of environmental, social and corporate governance (ESG) are an important factor in making decisions about how a company develops its products and services, serves its customers, supports its employees and helps develop the community in which it operates. Over the past years, Delta Holding has continued to improve cooperation with all relevant stakeholders in order to overcome existing social challenges, but also to improve approaches and attitudes towards potential challenges and opportunities in the field of sustainability.

By adopting the ESG strategy in accordance with local and global social and economic trends, the Company organizes and implements its business activities in a way that contributes to environmental protection and the community, at the same time creating conditions for a more sustainable and inclusive economy. This strategy is an integral part of the business strategies of all members. The process of adopting and implementing the strategy is managed by the Director of the Sustainable Business Department, in close cooperation with experts in the field from all member companies. The Director of Sustainable Business reports to the Senior Vice President of Strategy and Development on the implementation of these strategies. Support in the creation and implementation of projects aimed at overcoming identified social challenges in the community is provided by the CEO / Senior Vice President of Finance and Economics, Senior Vice President of Strategy and Development and the Director of Sustainable Business, with the Delta Foundation as their leader.

Priority goals until 2030 include:

- energy efficiency management:
 - 60 % of energy from renewable sources;
 - installation of solar power plants on all major facilities;
 - integrated production of electricity, heat and cooling energy in Delta Power Plant for the needs of Delta House, Small Tower, NBGP Apartments and Crowne Plaza;
 - construction of a biogas plant on the Delta Agrara farm.
- waste management:
 - reduction in the amount of generated and placed waste and placed packaging;
 - adequate monitoring of waste movements and full utilization of waste as a raw material for obtaining new products or for the purpose of its reuse;
 - education and control of all the Company's employees, as well as external associates in the field of proper disposal and selection of waste and the importance of recycling;
- reduction of harmful gas emissions in transport by choosing optimal routes and expanding the fleet of electric vehicles;

- optimal use of natural resources, especially water;
- introduction of SMETA standards in Food Processing Group factories and ISO45000 standards in all member companies;
- education of suppliers on the application of sustainable development principles:
 - 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 the use of digital tools in agriculture for the purpose of preserving and improving rural life in Serbia through the projects Our Village and Digital Village;
 - providing support to families at risk of poverty and separation through the Third Parent project;
 - providing support to young people through educational programs in order to facilitate their employment and retention in the country;
 - organizing internships for people with disabilities;
 - providing support for startups through the D Incubator program;
 - providing support to communities and vulnerable groups in emergencies;
- employee development:
 - 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;
 - employing people with disabilities;
 - reducing the number of work-related injuries.

Delta Holding's governance structures, policies and processes serve employees, customers and community needs, so that all relevant stakeholders are involved in strategy development: employees, customers, suppliers, investors and other community representatives. At the internal level, all employees contribute to the decision-making process on prioritization of sustainability, as well as the development of strategic plans. External stakeholders are enabled to express their opinion on the Company's business through annual surveys of satisfaction with the quality of services and products, as well as open communication channels (email addresses, call centres, comment books), which are then integrated into the business development strategy. In order to increase business transparency, the Company keeps all interested parties, the community and the general public informed about its development plans and results at press conferences, through social networks, websites and internal portals.

RISKS

Unpredictability and uncertainty, as frequent occurrences in today's environment, determine risk management as one of the decisive criteria for successful business. In order to recognize opportunities and influencing factors, as well as to provide an adequate response to their positive and negative aspects, companies are required to be efficient and timely in monitoring market trends and potential challenges. A proactive approach and continuous revision of strategic plans in relation to changes in the environment allow to take advantage of foreseen opportunities and avoid dangers. A detailed analysis and assessment of risks is carried out at the level of the Company, which ensures adequate response to the identified risks. In addition to business results, at the regular quarterly conferences, perceived risks, as well as changes in the internal and external environment in the past months, are communicated.

During 2021 the following risks were identified:

THE MOST IMPORTANT RISKS FORESEEN IN 2021			
IMPACT TYPE	DESCRIPTION	IMPORTANCE OF THE IMPACT	OCCURENCE POSSIBILITY
Domestic market	Limited purchasing power and price volatility	Important	Very possible
	Price fluctuation of stock exchange goods	Important	Very possible
	Customer insolvency	Important	Very possible
International market	Currency instability	Important	Very possible
	Entry of foreign companies that have additional benefits for business	Moderate	Possible
	Price fluctuation of stock exchange goods	Moderate	Possible
	Increase in production and consumption domestic agricultural products	Moderate	Possible
Climatic factor	The type and quality of certain crops largely depend on the climatic factor	Moderate	Possible
Financial risk	The potential risk of a decrease in the credit activity of Banks	Moderate	Possible
Hacker attacks risk	Potential risk of theft of company data and information	Moderate	Possible
Pandemic of Virus Covid-19	Risk of infection spreading among employees	Important	Very possible
	Risk of reduction in business activities of individual members (hotel industry, shopping malls, car dealership)	Important	Very possible

In addition to the aforementioned risks, by the time of the report publishing, significant and growing risks were identified from the global increase in food and energy prices, as well as the accompanying economic, financial and humanitarian consequences due to the turbulence on the international market caused by the crisis in Ukraine.

BUSINESS ETHICS AND INTEGRITY

An indispensable segment of the Company's successful business is a strong and clearly defined corporate culture that nurtures and encourages ethical behavior and integrity of all relevant stakeholders. In order to achieve the best possible business results, ethical standards are integrated into everyday business through the decision-making process, while the employees and business partners adhere to the norms of responsible business.

As a market leader, Delta Holding has a responsibility to set new standards in its business and leading by example, the Company encourages the development and application of best business practices. By adopting the Code of Ethics, the Company has established norms of responsible behavior which include the right of employees to a healthy work space, professional training, earnings and defined working hours and career development, as well as the employer's obligation to respect human dignity and respect human and labor rights, prevention of harassment at work, respect for diversity and political rights of employees and the protection of whistleblowers.

Strengthening the ethics and integrity of employees is the foundation of the Company's success, given that employees are the ones who run the business, represent the Company and preserve its reputation. For ethics and integrity issues, employees can contact the Human Resources Department and the Labor Law Associate.

In addition to protecting the rights of employees, the Code defines the responsibility of conscientious and professional performance of business duties, which include keeping trade secrets and protecting company assets, preventing conflicts of interest, respecting antitrust and anti-corruption principles, responsible communication with stakeholders and respecting their needs and interests.

Delta Holding cultivates a fair relationship with customers, end users, suppliers, government services, the media and the community while respecting the principles of mutual respect for the interests of both parties. In order to continuously affirm and promote the principles of ethics and integrity in business, partners and other relevant stakeholders are expected to implement policies and procedures regarding the protection of human and labor rights, as well as to comply with provisions and regulations prohibiting bribery, corruption and other unethical practices. Preference is given to cooperation with partners who follow the principles of social responsibility and environmental protection in their business.

The Code of Ethics, together with Business Etiquette, is the basis of the company's business and is available to all employees on the internal portal together with the Social Responsibility Policy which promotes the care for employees, good relationships with business partners, the environment and community. It is also available through printed brochures. The Company also respects 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.

Parts of the Code of Ethics are integrated into employment contracts, and employees, except through the contract, can get acquainted with all the details of the Code via the welcome email.

In the field of sustainability in 2021, one of the most important goals is for the 100 % of employees to undergo training on business ethics every year.



MEMBERSHIPS



CEO Alliance on Gender Equality

UN Global Compact

The United Nations Global Compact is a voluntary initiative that includes representatives of companies, academic institutions, civil society, cities and trade unions. Through their participation in the initiative, the members have dedicated their activities to respecting ten universal principles in the field of human rights, labor rights, environmental protection and the fight against corruption. As the world's largest citizens' initiative, the Global Compact seeks to improve the implementation of these ten principles, as well as to promote the Sustainable Development Goals and the 2030 Agenda. Delta Holding has been a member of the Association since 2007 and a Board Member since 2015. For 15 years, the Company has been actively participating in the meetings of the European Global Compact networks and contributing to the dissemination of new knowledge and global trends to other members in Serbia.

The Alliance for Gender Equality

The Alliance for Gender Equality is an initiative established with the aim of reducing the gender gap in the work environment and promoting the idea of equality between men and women in all fields of life - business, social and family. It advocates respect for the principle of gender equality and supports the idea of equal contribution of women and men to the development of all spheres of society in accordance with their unique contribution. The companies that signed the Charter on Gender Equality have committed themselves to creating and promoting equal opportunities and conditions for the development of careers for women and men, equal representation at all levels and positions, as well as equal earnings for the same jobs in companies. Delta Holding is one of the first companies to sign the Charter on Gender Equality and join the Alliance in 2014. As an example of good practice, the Company regularly participates in the development of strategic goals of the Alliance, actively promotes the benefits of a balanced gender structure and leads by example, thus strengthening local communities in this field.



RESPONSIBLE BUSINESS FORUM

Responsible Business Forum

Responsible Business Forum is a network of leading companies that contribute to the development of society through the principles of sustainable development. The Forum encourages and empowers the business sector to become an active and reliable partner to the community in which it operates, while respecting the principles of sustainability, responsibility and ethics. Connecting business leaders with representatives of other parts of society, the Forum actively participates in the development of intersectoral dialogue, cooperation and exchange of experiences between different social actors, while creating practical and sustainable solutions for four pillars of corporate social responsibility: local community, environment, work environment and the market. As a member of the Responsible Business Forum and a Board Member since 2015, Delta Holding has been actively participating in promoting the principles of social responsibility, social entrepreneurship, youth empowerment and corporate volunteering.



Serbian Association of Managers

The Serbian Association of Managers (SAM) was founded in 2006 in Belgrade and is an association of professional managers with over 400 members. It focuses on the continuous improvement of the professional development of managers, as well as the affirmation of the managerial profession through the promotion of best business practices of companies and the principles of ethical business. As a full member of the Association of Managers of South-East Europe and the CEC (Confédération Européenne des Cadres), SAM is also focused on improving cooperation with state institutions through joint activities based on constructive dialogue, in order to improve the business environment in Serbia, as well as raising socially responsible topics and initiatives such as sustainable development, circular migration and the affirmation and education of young people. Since 2017, as a member of SAM and a Board Member, Delta Holding has been actively promoting sustainable business and the principles of leadership, lifelong learning and development, inclusion and digitalization, and its representatives have been participating in a group on gender equality called "The Voice of European Managers in the EU".

PRIORITY TOPICS OF SUSTAINABLE BUSINESS

The material topics were selected based on the business characteristics of the member companies of Delta Holding and on the opinions of stakeholders. The importance of topics was assessed by stakeholders in relation to economic results, legal regulations, business strategy, employee health and safety, the environment, and the reputation of the company.

The company stakeholders include members of the management, employees, customers, suppliers, banks, civic associations, non-governmental organizations, business associations, educational institutions, and the media.

Activities and results achieved in these fields will be presented in the chapters Responsibility for Products and Services, Environmental Protection, Employee Development, and Community Support. By implementing these activities, the company contributes to achieving the objectives of sustainable development and the United Nations 2030 Agenda.

MATERIALITY MATRIX		
ESG PRINCIPLES	SUSTAINABLE BUSINESS ISSUES	SUSTAINABLE DEVELOPMENT OBJECTIVES
Corporate governance (G)	Business development with respect for the principles of sustainability	
	Involvement of top management in decisions regarding the economic, environmental, and social impact of the company on society	
	Company initiatives aimed at improving/enacting the laws of the Republic of Serbia regarding ESG topics	
	Significance of product quality	
	Monitoring customer satisfaction and initiatives to improve customer relationships	
	Supporting local suppliers to adopt ESG business principles	
Responsibility for employees (S)	Secure employment	
	Support for employees in career development	
	Work-life balance	
	Occupational safety and health	
Supporting the community (S)	Support for village development in Serbia	
	Supporting socially disadvantaged groups through development projects	
	Investing in the community through infrastructure projects for the common good (endowment)	
	Youth employment	
	Supporting the development of entrepreneurship	
Impact on local communities through environmental programs (education of the population, farmers, etc.)		
Environmental protection (E)	Energy efficiency	
	Use of renewable energy sources	
	Monitoring and initiatives to reduce CO ₂ and other greenhouse gas emissions	
	Care about water	
	Responsible waste management	

AWARDS

AWARDS IN 2021

AWARD NAME	WINNER (GROUP MEMBER)	ORGANIZATION PRESENTING THE AWARD	AWARD DESCRIPTION
"Đorđe Vajfert" National Award	Delta Holding	Chamber of Commerce and Industry of Serbia	1 st place among large companies for the "Our Village" project
Virtus Award	Delta Holding	Trag Foundation	Award for the most innovative project - the "Our Village" project
Mark Awards	Tijana Koprivica - Chief Business Sustainability Officer Delta Holding	Marketing Network - Association of PR and Marketing Experts of Serbia	CSR Manager of the Year
Accolade for Support to Persons with Disabilities	Delta Holding	Belgrade Sports Association of Persons with Disabilities	Recognition for the long-term support to athletes with disabilities
Sustainability Champions	Delta Holding	Responsible Business Forum	For the "Our Village" project
Gold Plaque Award for Quality Delagro Trailers	Delta Agrar	Novi Sad Fair 2021	At the Novi Sad Agricultural Fair, in the category of agricultural machinery - trailers, the new Delta Agrar brand, Delagro, received a gold plaque for quality.
The Fastest Growing Medium-Sized Company in Serbia	Dunavka	100 Greatest	The Dunavka Oil Plant was named the fastest growing medium-sized company in Serbia by the publication "100 Greatest".
Young Manager of the Year	Delta Agrar	Serbian Association of Managers	The Award presented to the director of Delta Agrar's fruit and vegetable sector Igor Milenkovic is awarded to the best managers who lead by example and move the world in the right direction.
BMW Presidents Award 2020/2021	Delta Auto	BMW Group	The Award represents the prestigious and highest recognition given by the BMW Group to its partners. The selection and the announcement of winners is a complex system of evaluation of the entire business.
MINI Marketing Award 2021, first place	Delta Auto	BMW Group	The Award was presented for the idea and the implementation of the MINI x HIISHII marketing project.
Meetings Star	Kristina Miroslavljević, Delta Congress Center (Sava Center)	Kongres Magazine i Conventa	This prestigious award is given by the editorial board of Kongres Magazine and Conventa. The winners are professionals in the MICE industry with considerable experience in organizing events and vast knowledge in this field.
Going for Gold	Petar Janković Holiday Inn Hotel Belgrade	InterContinental Hotel Group	The team of the Holiday Inn Hotel led by the director Petar Jankovic was declared a hotel that has achieved all set goals in the EMEA region in 2021 by the InterContinental Hotel Group.
Recognition of the City of Belgrade	Recognition for the contribution to the fight against Sars Cov 2 - Covid 19 (Belexpocentar)	City of Belgrade	In the period 1 Feb - 31 May 2021 in the Belexpocentar hall vaccination of the population was carried out. The City of Belgrade paid tribute to the contribution to the suppression of the Covid-19 pandemic.
New Quality	Indigo Hotel	Ambassadors of Quality Service	Award for the best newly opened hotel
Leader in the Hotel Industry	Slavica Bogosavljević (Crowne Plaza)	Ambassadors of Quality Service	Award for the leader in the hotel industry
Best Hotel Chef of the Year	Jovica Nešković (Crowne Plaza)	Ambassadors of Quality Service	Award for the best hotel chef

RESPONSIBILITY FOR PRODUCTS AND SERVICES

Having in mind the renowned long-term business of Delta Holding, during 2021 the emphasis was placed on the process of improving products and services in order to achieve the best possible business results and client and customer satisfaction. Thanks to a long-term quality policy and constant investment in production processes and product quality control, the Company has successfully recognized the growing needs and desires of customers and achieved the set business goals and sustainable development goals.

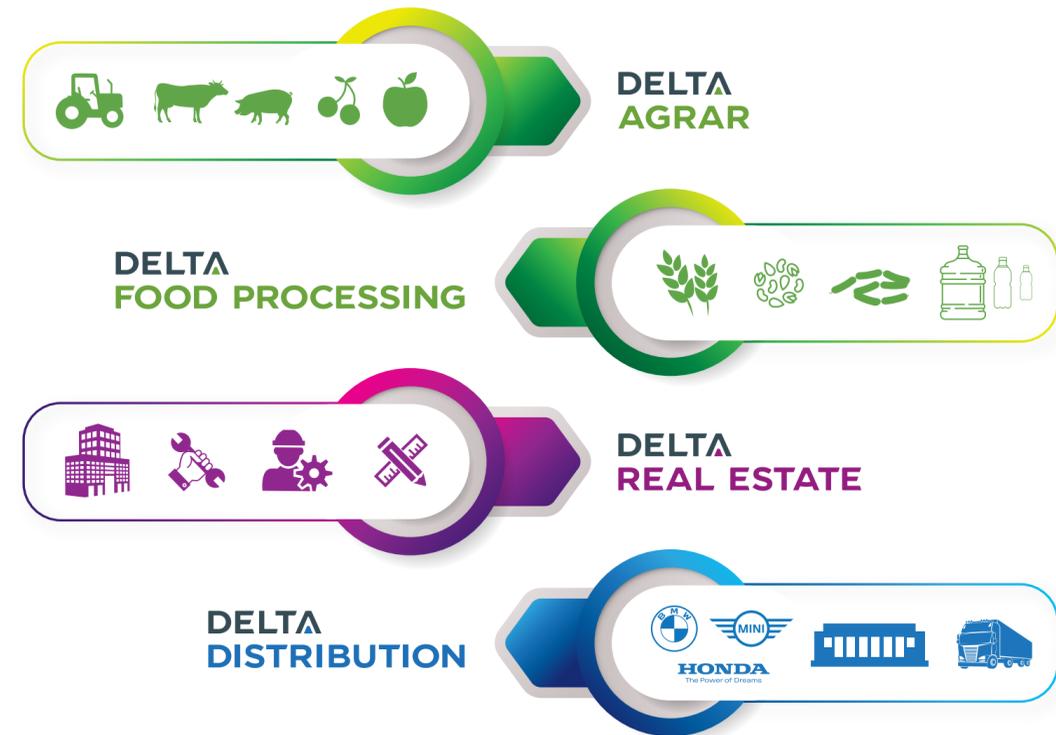
All member companies of Delta Holding conduct their business in accordance with the applicable standards, which ensures and guarantees the quality of products and services. In addition to taking care of the quality and health of the product, the reasonable price is taken into account, as well as the availability of quality ingredients needed to meet the ever-growing needs of the market. The products of all members of Delta Holding are properly labeled and contain all the necessary information on the origin and quantity of the components of which they are made, as well as the recommendations for the safe use and disposal of packaging.

By possessing internationally recognized business certificates, member companies adhere to all procedures and rules in business, and this includes cooperation with suppliers. Long-term and stable relationships based on mutual trust and transparency have been established with suppliers. Company products contain carefully selected and strictly controlled raw materials and additions from approved suppliers. The selection of suppliers is made according to the established procedure which ensures quality control of raw materials and auxiliary goods.

The procedure for selecting suppliers involves their evaluation in relation to:

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

Suppliers are obliged to comply with all applicable legal regulations, as well as to adhere to the prescribed standards in the field of environmental protection and social responsibility, which are guaranteed by signing a contract on business and technical cooperation. The goal is to include in the list of companies with which we cooperate in this field only companies that meet the criteria in terms of law and have proper licenses to perform the services offered, the companies which have introduced certain standards and perform their activities in the manner of ethics and good practice. During 2021, no suppliers that create a negative impact on the environment have been identified.



Delta Holding has firmly established that a flawless product consists of flawless ingredients, treated in a way that leaves no doubt about quality. All the products and services of the Company contain all relevant data, source components, declarations, in strict compliance with the provisions and regulations concerning labeling, product information, as well as provisions and regulations related to advertising, promotion and sponsorship. The Company does not sell prohibited or disputed products.

In order to operate more transparently and responsibly, the Company has developed channels of communication as well as clear procedures for receiving questions and complaints from customers/suppliers. Contact information such as e-mail address and telephone number are publicly available on the official websites of all member companies, while the complaint procedure includes clearly defined mechanisms for assessing the merits of the complaint, as well as the application of corrective measures if necessary.

Complaints are received orally, by phone or by e-mail and are resolved within the legal deadline of 8 days, and often faster. Determining the justification of a complaint implies a detailed analysis of the counter sample and relevant records from the production. If it is not possible to make a decision individually, a team for resolving the discrepancy is formed, which further analyzes the complaint. In the case of a justified complaint, a package of products is sent to the consumer, while in the case of an unjustified complaint, a valid explanation is sent to the consumer.

During 2021, no lawsuits were filed regarding the impact of member companies' products and services on consumer health and safety. There were no complaints about the accuracy and precision of the information in the marketing campaigns, nor about the violation of the privacy of customer data.

STANDARDS

INTERNATIONAL QUALITY STANDARDS

STANDARD	DESCRIPTION	GROUP MEMBER
ISO9001	Specifies requirements for a quality management system in business organization. The application of this standard ensures 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. It is fully supported by the Global Food Safety Initiative (GFSI).	Delta Food Processing (Yuhor, Mioni, Danubius), Delta Agrar Group (RJ Cold Storage Čelarevo)
GLOBAL GAP	Standard that covers the processes that take place before production designed by leading food retailers in order to guarantee product safety to consumers.	Delta Agrar Group (Delta Agrar, Napredak) + group certification that includes 12 individual farms in Serbia
ISCC	Standard defining the use of biomass produced under 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 business principles which ensure the respect for human and labor rights, occupational health and safety and environmental protection.	Delta Agrar (RJ Cold Storage Zaječar)
IFS logistic	Standard of international retail chains that encompasses internationally accepted standards of quality in order to improve product safety.	DTS
HACCP	Food Safety System, which includes the analysis of control points of biological, chemical and physical risk starting from raw materials through production, distribution and storage, all the way to product placement 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 safety and health.	Dunavka
GMP+	Management of food quality and safety in animal feed production.	Dunavka
GRASP	Ethical business in agricultural production.	Delta Agrar

FINANCIAL RESULTS

Delta Holding System member companies achieved excellent business results in 2021 while protecting the health of their employees during the Covid-19 pandemic, the environment, the quality of products and services, as well as relations with business partners. Operating profit before profit tax, interest and depreciation (EBITDA) amounted to EUR 62.68 million, which is 42.7 % more than in 2020. The realized income amounts to EUR 650.01 million and in 2021 it recorded an increase of 19.4 % compared to the previous year.



**CONSOLIDATED RESULTS
IN MILLION EUR**

MEMBERS	2021	
	INCOME	EBITDA
Delta Agrar Group	297,86	23,63
Delta Food Processing	101,14	7,25
Delta Real Estate Group	49,05	20,65
Delta Distribution	223,83	15,81
New Technologies and other	11,04	-2,97
TOTAL	650,01	62,68

The Company's operations are financed from operating profit and from loans obtained from Banks and other financial institutions. Subsidies envisaged by domestic laws, available to all economic entities, have also been used for current activities. In 2021, all loan liabilities to commercial Banks were timely settled, regardless of the moratoriums that had been offered.

EUR 126.72 million of taxes was paid into the budget of the Republic of Serbia in 2021. EUR 103.28 million was paid for VAT, and EUR 23.44 million for taxes and contributions.

By means of humanitarian projects of the Delta Foundation and other socially responsible activities implemented in 2021, EUR 100,000 were invested in the community, and 3,200 people received help.

Delta Holding has increased its export by 17.7 % compared to 2020, with most significant increase achieved in export of foods and agricultural products.



EXPORT IN MILLION EUR

GROUP	2021	2020	% INCREASE
Delta Holding	120.63	102.52	17.7 %

FOOD AND AGRICULTURAL PRODUCTS EXPORT IN MILLION EUR

GROUPS OF PRODUCTS	2021	2020
Fruit and vegetables	6.74	12.07
Cereals	66.01	51.27
Oilseeds	12.43	10.40
Seedling commodities	0.95	0.80
Flour and pasta	2.97	2.84
Meat and meat products	3.69	4.10
Appetizers and cereals	1.00	0.9
Water	0.07	0.04
Other commodities	1.06	0.42
TOTAL	94.92	82.62



DELTA AGRAR GROUP

A member of Delta Holding, Delta Agrar, has been in business since 1993 and today it is one of the leaders in agribusiness in Serbia and the region. Since its establishment, it has continuously invested in the application of the most modern techniques and technologies and staff training. The result of applying the latest knowledge in business is the constant growth and development of the company and the community in which it operates, because Delta Agrar transfers the acquired experience and knowledge to partners, suppliers, vendors and other local producers through numerous projects.

Within Delta Agrar there are the following business segments:

- arable crop production - production of primary food products;
- fruits and vegetables - production and trade of fruits and vegetables;
- livestock farming - pig and cattle farming;
- agricultural distribution:
 - seeds - production, import and distribution of seeds;
 - pesticides - import and distribution of plant protection products;
 - agricultural machinery - sale of agricultural machinery;
 - Delta Feed - production and distribution of animal feed;
- stock exchange of agricultural products - stock exchange trade and
- Dunavka - production of crude oil and sunflower and soybean meal.

Delta Agrar is seated in the Novi Beograd Municipality (Belgrade). It is currently present in the markets of countries in the region, Europe (Russia, Italy, Romania, Bosnia and Herzegovina, Montenegro, North Macedonia, Bulgaria, Slovenia, Denmark, Germany, UK, the Netherlands, Hungary, Austria), Middle East and Asia (UAE, Qatar, Saudi Arabia, India, Kuwait, Oman, Malaysia). Delta Agrar's partners are the world's leading companies in all areas of agribusiness: Syngenta, Corteva, Bayer CropScience, BASF, Landini, Rivulis, Nufarm, Biesterfeld, DanBred, Kuhn, Summit Agro International, Adama, UPL and others.

Farming

On an area of 10,000 ha, in the vicinity of Apatin, Kikinda, Stara Pazova and Zajecar, Delta Agrar grows small and light grains, grain legumes, industrial plants and various forage and grass mixtures for the needs of animal farms.

The most common field crops are: wheat, corn, soybeans, sunflowers, oilseed rape and sugar beet. High and stable yields are the result of constant modernization of production processes, application of precision agriculture, variable fertilization and sowing, long-term investment in mechanization and improvement of knowledge for the application of new technologies.

Due to the fact that irrigated areas enable more stable production, the areas under irrigation systems are increasing each year. The plan is that by 2024, more than 50 % of arable land will be irrigated. In addition to stable production on irrigated areas, after sowing regular crops, another sowing process is done, which provides two harvests a year.

Production results in 2021 are as follows:

RECORD YIELDS		
CROPS	DELTA AGRAR (tonne/ha)	SERBIA AVERAGE* (tonne/ha)
Wheat	7.3	5.7
Sugar beet	80.4	52.0
Barley	8.9	5.6
Corn	7.5	5.9
Soybean	3.3	2.3

Official estimate <https://publikacije.stat.gov.rs/G2021/Pdf/G2021126>

Precision agriculture

In accordance with the principles of preserving the environment and land for future generations, Delta Agrar has been introducing modern technology for precision agricultural production since 2010.

Precision agricultural systems enable:

- precise soil scanning;
- ploughing outside the furrow - Delta Agrar was the first in Serbia to introduce this tillage system. The advantages are lower fuel consumption, higher effects and less soil compaction;
- variable fertilization in relation to the needs of the plant and the concentration of elements in the soil;
- satellite crop detection and tracking;
- GPS vehicle tracking.

Mapping and screening of land, satellite images of the property enabled the collection of all necessary data for quality information on the needs of crops and land. With such data, it is possible to introduce and work with Variable Rate Seeding (VRS), Variable rate irrigation (VRI), Variable Rate Fertilization (VRF), etc. In addition, 126 devices with Global Positioning System (GPS), 31 autopilot navigation, as well as a digital field map are used, which enables precise execution of work operations and control of machines with reduced human factor.

The introduction of precision agriculture achieves:

- better control of the production process and less possibility of error;
- better plant growth conditions and higher yields;
- reducing the use of nitrogen fertilizers, which can cause an environmental problem by leaching into groundwater;
- greater efficiency in work, which means lower consumption of labor, fuel, plant protection products and fertilizers.

Fruit growing

Delta Agrar's orchards are located on the Podunavlje estate in Celarevo Municipality and in three locations around Zajecar. The total area of orchards is more than 700 ha. The largest areas are apple orchards.

Modern systems for irrigation and protection against adverse climatic factors, quality planting material and fertilization bring top results. In addition, the orchards are equipped with moisture sensors and other soil quality indicators, which are connected by GPRS to the irrigation system and the meteorological station, which enables remote control and monitoring of parameters.

The apple is planted in a dense structure according to the Italian Sudtirolo technology. 3,900 - 10,000 trees have been planted on one hectare, which enables high and stable yields.

The entire production of apples operates on the GlobalGAP system, which ensures extremely high quality work processes and products.

On the Podunavlje estate in Celarevo, on an area of 400 ha, the following apple varieties are grown: Gala, Braeburn Mariri Red, Golden Delicious Reinders, Red Delicious, Granny Smith and club varieties known under the brands: Modi, Kiku and Pink Lady. It is one of the most modern apple orchards in Serbia and the region.

The orchards of Delta Agrar in the vicinity of Zajecar near the villages of Vrazognac, Veliki Jasenovac and Mali Jasenovac together cover an area of over 300 ha. They grow club varieties of apples: Modi, Evelina, Pink Lady, Rubens, Isaaq, Red Moon, Red Sun and SweeTango. In addition to apples, cherries are grown on 31 ha, as well as plums of the Californian variety Angelino on 2 ha, which can be stored in coldstores for up to 3-4 months. So far, 10 varieties of seedless table grapes have been planted on an area of 9 ha. In 2022, Zajecar plans to expand the orchard to another 50 ha, namely Pink Lady, Magic Star, Red Delicious, Gala and Granny Smith seedlings.

In addition to the listed apple varieties produced by Delta Agrar, the cooperation also provides the following varieties: Idared, Granny Smith, Golden Delicious, Red Delicious, Jonagold, Jonagored, Cadel and Mutsu.

Within the orchards in Celarevo, there are two modern Ultra Low Oxygen coldstores with a total capacity of 20,000 tonnes, in which, thanks to the dynamic atmosphere, the entire crop of apples is stored in chambers for up to 300 days, without chemical treatment. The Maf Roda line for calibration and sorting of apples (by color, diameter and weight), with a capacity of 20 tonnes / h, has been installed in the coldstore itself.

During 2021, the construction of the first phase of the ULO cold store in Zajecar for the storage of apples and cherries was completed. This facility, whose construction was planned in 4 phases in total, contains the most modern Maf Roda equipment for calibration and packaging of apples and cherries. The area of the facility is 26,000 m², and the value of the investment is EUR 23 million.



The company has a state-of-the-art logistics and distribution center for fruits and vegetables in Stara Pazova, with an area of 4,300 m², in the construction of which EUR 4 million was invested and which started operating in 2021. The facility is a unique center for receiving, manipulating, storing and packaging fruits and vegetables from around the world, and is specific for its modern banana ripening plant.

Delta Agrar also achieves its leading position in the field of agriculture in Serbia and the region by constantly monitoring global market trends and consumer needs, as well as innovations. Proof of that is the fact that in 2020 Delta Agrar became the first company in Serbia certified for "Zero Residue" apple production, i.e. apple production without pesticide residues for 3 varieties - Gala, Red Delicious and Granny Smith. "Zero Residue" ("Free from pesticide residue") is a certificate that guarantees that there are no pesticides left on fruits and vegetables or that they are present only in traces, i.e. in amounts less than 0.01 mg/kg. The certification process includes mandatory sampling of products and their testing for the presence of more than 400 active substances (pesticides) in the most risky stages of production (e.g. before harvesting, storage, processing, and when necessary even from retail outlets).



The cost of products without pesticide residues is significantly higher than the price of conventionally produced, but the importance of producing safer food is the motive for its application and development. The fact is that there are still no suitable alternatives to conventional pesticides for all diseases and pests, so it can be said that Delta Agrar certification goes hand in hand with advances in science, and with this strategy Delta Agrar is making pioneer and very important steps in apple and fruit production, not only in Serbia but also globally.

During 2021, the company did not certify "Zero Residue" production, but continued with this method of apple production in order to further improve the process and be a leader in the Serbian market in this area of production.

In 2021:

- 25,956 tonnes of apples were produced, as follows:
 - in the orchard in Celarevo 19,036 tonnes;
 - in orchards in Zajecar 5,743 tonnes and
 - in cooperation with individual producers 1,177 tonnes.
- turnover of goods increased by 6 %, making Delta Agrar one of the largest suppliers of fruits and vegetables in Serbia;
- Innovative approaches in production continued:
 - peeling of apple seedlings before harvest in order to obtain better color (defoliation);
 - automation of irrigation;
 - cage bug defense system;
 - mechanized pruning as a preparation for mechanized harvesting;
 - light-reflecting foil;
 - banking of orchards with aspiration towards realization of three-dimensional orchards.

In 2022 the following is planned:

- raising 50.3 ha of new apple orchards:
 - 29 ha Pink Lady,
 - 6.3 ha SweetTango,
 - 5 ha Magic Star,
 - 10 ha Granny Smith, Gala, Red Delicious;
- growth of volume turnover by 10%.

Vegetable growing

Delta Agrar's vegetable gardens produce: peas, onions, potatoes, sweet corn and pop corn on an area of 822 ha.

They are equipped with irrigation systems, and the production and storage process take place according to the GlobalGAP standard. The warehouses of onions and potatoes have a capacity of over 2,800 tonnes. Within the warehouse, there are centers for sorting, calibration, cleaning and packaging of onions and potatoes.



In cooperation with USAID, Delta Agrar implemented a project in 2020 to improve the production of small agricultural producers and the sale of fruits and vegetables, and in 2021 continued the business model of cooperation consisting of:

1. introduction of the GlobalGAP standard,
2. analysis of water for watering vegetables in order to avoid microbiological contamination and
3. analysis of the correctness of finished products on pesticides and heavy metals.

With the support and organization of Delta Agrar, during 2021 more than 10 suppliers of the vegetable sector passed the recertification process within the GlobalGAP standard.

Cooperation with individual agricultural producers

Delta Agrar also establishes vendor relations with agricultural producers with whom it contracts the cultivation of livestock, field crops and fruits. This way, it transfers the experience and knowledge of modern agriculture to the owners of smaller farms, thus contributing to the improvement of their production and product quality, as well as sustainability through guaranteed purchase.

Cooperation includes:

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

The contract defines technical and advisory support, monitoring and control of the entire production process, in order to achieve the highest quality of production in compliance with the procedure required by the GlobalGAP standard and HACCP system.

For 2022, it is planned to certify strawberry producers for the upcoming season. The plan is for the certificate to cover producers in open fields and protected areas. The planned quantities of certified goods are about 400 tonnes in small packages and in bulk.



Agricultural distribution

In the segment of agricultural distribution Delta Agrar is engaged in the production and distribution of seeds, animal feed and the production and distribution of Delta Feed animal feed. It is also a representative of renowned world brands and their plant protection products, as well as agricultural machinery for the Serbian market.

Delta Agrar in its seed processing plant, which is also the largest in Serbia, exclusively produces and processes seed cDelta Agrar in its seed processing plant, which is also the largest in Serbia, exclusively produces and processes seed corn and sunflower for the company Corteva. The domestic selection of soybeans for its own brand Selsem is constantly developing, and it has been active on the market for more than 30 years, with a current share of 30 %, and whose varieties are represented in the markets of 11 countries around the world. In its portfolio in the field of seed production, the company produces and distributes soybean seeds, wheat, barley, corn, sunflower, oilseed rape and distributes microbiological program and cooperates with well-known seed companies such as Corteva, KWS, Syngenta, Pioneer, Saatzucht Donau and Axereal.

In 2021 a new seed corn dryer was constructed and put into operation in Sombor, with a daily capacity of 150 t, the construction of which expanded the area for receiving, drying and crowning of seed corn on the cob in the Sombor seed processing plant. This further improved the security and quality of production, and nearly 4 million euros were invested in the facility.

In cooperation with all seed processing companies and partners, the company respects all the principles of sustainable development, human and labor rights, ethical principles and takes into account the impact on the environment.

Highlights of 2021:

- the quality of Corteva seed corn produced and distributed by Delta Agrar is ranked No. 1 in Europe by Corteva;
- sales growth of Selsem soybeans compared to last year of 54 % on the domestic market and 23.5 % in exports, registered a new variety of Selsem soybeans in Serbia - Monsun;
- with 27 % market share, the company is the largest distributor of sunflower seeds;
- increase in pesticide turnover by 26 %;
- revenue growth of 68 % of Delta Feed fodder;
- signed an agreement on the distribution of new technologies in fruit production in Serbia, wind machines against frost of the American brand Orchard-Rite.



Plans for 2022:

- growth in sales of all products;
- expanding the network of foreign distributors;
- growth of areas under seed production plantations;
- registration of 2 soybean varieties in Russia and Azerbaijan;
- expanding the portfolio of maize hybrids in exclusive distribution;
- increase in pesticide turnover compared to 2021 by 24.8 %;
- introduction of new products at existing pesticide suppliers and expansion of the portfolio based on exclusive distribution for 10 new products;
- expansion of "low-cost" and "white-label" portfolios and development of hobby - "ready to use" products for non-professional manufacturers;
- raising new areas of the irrigation system in the cherry orchard;
- expansion of VRI irrigation systems;
- growth in sales of Landini tractors and attached machines, as well as expansion of the dealer sales network;
- introduction of new brands in the field of attachment machinery.

Livestock farming

Delta Agrar livestock farming includes pig and dairy cattle breeding.

Pig farming

Pig production takes place on 4 farms (Nukleus, Napredak, Kozara and Vladimirovac) and in cooperation with individual agricultural producers.

The entire production is organized according to the model of Danish farmers who have DanBred pig genetics on their farms. This method of production implies compliance with standards relating to keeping, selection, preservation of animal health and welfare, employee safety and environmental protection. In accordance with European regulations, animals are allowed to move freely under climatic conditions that are controlled and maintained at an optimal level.



In order to minimize the use of drugs and maintain the good health of all animals on the farm, internal and external high-hygiene biosecurity measures are being implemented. In order for employees to enter the facility, they must first take a shower and wear clothes and shoes that they use exclusively on the farm. Employees working on the farm are prohibited from contact with pigs outside the farm. Due to internal biosecurity measures, the movement of animals is organized according to the "All in, all out" system, which means that groups of animals enter a certain phase of production at the same time and leave it at the same time. The sections are regularly washed and disinfected; vermin exterminations are carried out. It is obligatory to wash shoes between sections, and the so-called disinfection mats are placed.

The results achieved on Delta's farms are on a par with the best farms in Denmark, a country that is a leader in the field of pig farming.

At the Nukleus farm in Stara Pazova, in addition to the production of gilts, there is also a Center for Artificial Insemination, which supplies all farms with quality seeds.

In 2021, 69,900 finishers and 44,500 piglets were produced on the farms and delivered to the market. The construction of a new part of the farm on Kozara was also completed, which increased the capacity from 1,000 to 1,400 sows.

Dairy cattle breeding

Dairy cattle breeding takes place on the farms Napredak in Stara Pazova and Topola in Banatska Topola. Although brought to an enviable level, the ambient conditions, biotechnology of housing cows, as well as quality nutrition are constantly being improved in order to ensure the welfare of animals and achieve top results.

Napredak Farm has the most modern barns for 700 dairy cows and two facilities for 150 heifers. Cows and calves roam freely in the facilities, and during 2021, sound systems were introduced in the animal accommodation facilities, from which pleasant music arrives during the day. Hoof massage and filing equipment are just some of the factors that provide top results.

In 2021, the construction of a new barn for raising heifers with a capacity of 400 heads was completed.

For milk production, a modern DeLaval milking parlor is used, which meets EU standards. The equipment includes a computer system for monitoring and controlling the health of animals. The capacity of the milking parlor is 64 places for milking, which lasts 8 minutes per cow.

In 2021, the total number of cows was 1,688, of which 1,431 cows were milked, and milk production increased to 14.5 million liters.

At the end of the investment cycle (2025), the cow farms will have reached a capacity of 1,856 cows per milking: 1,280 cows on the Napredak farm, and 576 cows on the Topola farm, with a milk production of at least 12,800 liters per cow per year.



Fodder production

Delta Feed, a factory for the production of animal feed, is located in Stara Pazova on the grounds of a factory that has been operating as part of the Napredak estate since 1966. It has been a part of Delta Agrar since 2005, and the factory called Delta Feed has been operating since 2020. The production plant was modeled after the world's best fodder factories, with the possibility of producing high quality pelleted food for the most sensitive categories of animals.



Delta Feed produces exclusively farm product lines, concentrates, supplementary mixtures and premixes for the needs of pig and cattle breeding. High-quality animal feed is produced according to the most modern Danish nutritional standards, and consists of first-class mercantile goods which include corn, wheat, barley, fodder - bran, soybean meal, sunflower meal, oilseed rape meal, and crude soybean oil. The production uses the highest quality raw materials that come from our own fields and Delta's factories Dunavka and Danubius.

The production capacity is 70,000 tonnes of ready-mixes and 2,000 tonnes of vitamin-mineral premixes per year. During 2022, the company plans to enter the production of poultry feed that will expand the existing product portfolio.

Delta Feed, in addition to commercial sales, feeds all farms within the Delta Agrar Group and, together with livestock production, constantly improves the quality of products that achieve top results on these farms.

Of the total production of animal feed, seventy percent of the products are intended for the needs of our own livestock, and thirty percent are placed on the market.

Stock market trade

Delta Agrar is also engaged in the trade of stock exchange agricultural products and is one of the leading exporters of cereals in Serbia.

The operations of the stock exchange business sector are based on the procurement of cereals, oilseeds and macro components for animal feed production, export and sale on the domestic market at the most favorable time, but also the procurement of group raw materials and further placement of finished products domestically and abroad for factories operating within the Delta Agrar Group - Danubius flour and pasta factory, Dunavka oil factory and Delta Feed, fodder factory.

The stock exchange sector in 2021 focused on further improving the organization, internal procedures and quality of business, in order to optimize all processes, and plans for 2022 include continued work to improve the team and even better synergy of sectors and members which are one of the comparative advantages of the company.

Dunavka Oil Plant

The Dunavka oil plant from Veliko Gradiste is engaged in the production of crude oil and meal obtained by processing sunflower and soybeans.

Dunavka is a bridge that connects sunflower and soy with ready-made food of domestic animals, because semi-finished products, sunflower and soybean meal, are later delivered to farms and animal feed factories. Crude oil is further exported for sale to other oil plants.

Since the privatization of the company until the end of 2021, Delta Agrar invested over 10 million euros in the renovation of the plant, which enabled the revitalization of all four plants, increased storage capacity and replaced complete machinery in silos. A new dryer was installed, as well as the most modern systems for rough and fine cleaning of oilseeds.

The plant is GMP + and ISSC certified, and in 2022, investments in air and water filters are planned, as well as the installation of solar panels on the plant.

In 2021, Dunavka was named the fastest growing medium-sized company in Serbia by the publication "100 Greatest" (100 najvećih).

The Dunavka oil plant is working intensively on the continuous expansion of the network of suppliers for mercantile sunflower and soybeans, raw materials necessary in the production process, with legal entities and registered farms and is recognized as a reliable supplier of high quality products on the Serbian market.



DELTA FOOD PROCESSING

Danubius

The Danubius factory, based in Novi Sad, is engaged in the production and distribution of cereals, flour and pasta. Danubius has been in business since 1918, and in 2006 it became part of the Delta Holding system. From 2006 to this day, the business processes have been continuously developing, and the production has been improved by reconstructing the equipment in the silo, replacing the complete equipment in the mill, as well as introducing the latest lines in pasta production.

There are three units within the factory:

- a silo with a capacity of 65,000 tonnes with a Schmidt-Seeger continuous dryer, capacity 50 - 70 tonnes / h,
- a modern computer-controlled mill, by the Swiss manufacturer Bühler, which grinds 300 tonnes of wheat a day to make the highest quality types of flour for all purposes, and
- a pasta factory with an annual capacity of 15,000 tonnes.

The total production of mill products in 2021 was 73,131 tonnes. The production of mill products (packaging 1/1) amounted to 23,974 tonnes, which is an increase compared to 2020, when 23,378 tonnes were produced. The amount of produced durum pasta was 962 tonnes, and vitaminized 4,184 tonnes. In 2021, Danubius generated 26.8 million euros in revenue, exported 3,149 tonnes of flour (packaging 1/1) and 607 tonnes of pasta.

In 2021, based on research conducted by Retail Zoom Company, Danubius maintained its position as the market leader in the category of vitaminized pasta in the Republic of Serbia with 38.3 % market share. In the category of durum pasta, the market share is 21 %.

As part of its product range in 2021, Danubius also pays special attention to premium quality pasta called Maestro. This premium product is available to consumers in functional and aesthetically pleasing cardboard packaging.

In 2021, a survey on customer satisfaction was conducted in the retail facilities of the Delhaize, Mercator, Univerexport and Dis market chains in Belgrade, Novi Sad, Nis and Cacak. The survey involved 120 consumers, of whom 27.5 % were men, 72.5 % women, and 82 % of respondents belonged to the age group between 20 and 60. The survey collected grades for: quality/safety, price, packaging, positioning and assortment. Product characteristics were rated from 1 to 5, with 1 being the worst and 5 being the best. The target score for 2021 was 4.50.

The satisfaction rating of flour and pasta was even higher than expected and amounted to 4.72 for flour and 4.62 for pasta. In addition to the above mentioned, the respondents were also asked to comment on the Danubius products.

SATISFACTION TESTING - FLOUR	
CHARACTERISTICS	AVERAGE RATING
Quality	4.72
Price	4.52
Packaging	4.67
Positioning	4.58
Assortment	4.65
Average score	4.63

The most common comments during the consumer survey on flour satisfaction were: praise for quality, assortment, packaging, special praise for pizza flour and spelt flour is sought. The last request is in the process of realization.

The Danubius Pasta Satisfaction Survey showed a very high level of consumer satisfaction. Customers had numerous praises for the quality of durum pasta and the new Maestro brand, as well as the organization of promotional sales in the facilities.

SATISFACTION TEST - PASTA	
CHARACTERISTICS	AVERAGE RATING
Quality	4.62
Price	4.50
Packaging	4.58
Positioning	4.66
Assortment	4.60
Average score	4.59

Danubius employees are dedicated to improving product quality, aware that meeting the needs of consumers for healthy and quality products always comes first. The position of the most recognized brand on the market has been achieved by a long-term quality policy and constant investment in the process of production and the quality control of products. The company operates in accordance with the requirements of the IFS Standard, which ensures and guarantees the quality of the product until delivery to the final consumer.

Based on consumer demands and market research, the assortment of Danubius flour has been expanded with something completely new, and that is pizza flour. This flour is made in a special way of milling wheat, where a larger number of proteins are obtained and stored, thus ensuring the stated quality of the product itself. The results of the end-user satisfaction survey showed a high degree of satisfaction with this product.



Maestro pasta has found its place in all major chains; it has been accompanied by campaigns on national and cable television, social networks and various events as well as promotions. With the expansion of the range in 2022 and continuous work on brand development, great and successful results are expected in 2022. The characteristic of this brand is the closed packaging and the box due to the possibility of recycling the cardboard from which the packaging is made. When there is a window on the items that are packed in boxes, the possibility of recycling the packaging is limited. For this reason, packaging that can be recycled has been created, but is also an attractive packaging for the customer.

New products and innovations planned for 2022 are as follows:

- purchase and installation of a new line for the production of long pasta. This will improve the quality of the Danubius product range;
- expanding the range of Maestro pasta products with 4 new items;
- expanding the range of flour, with a new type - spelt flour;
- continuous work of the development team on expanding the assortment, researching the possibilities of new markets.

The company is largely committed to creating a motivating, stimulating, safe and healthy work environment for its employees, as well as caring for the environment.

Since the founding of Danubius, there has been a workers' union consisting of more than 80 members. Their work and commitment to employees is a great benefit for the company, providing benefits for the employees, work on their development and support to Danubius employees.

Additionally, great efforts have been put into educating young people in the form of dual education. The project is based on the engagement of young people, in deficit occupations, with the possibility of employment after graduation. Danubius reached an agreement and signed a cooperation agreement with the Secondary School of Mechanical Engineering in Novi Sad through the Chamber of Commerce of Serbia, which will successfully start off the project in 2022.





Yuhor

Yuhor, with a tradition of business since 1902, is one of the leading companies in the meat industry on the Serbian market. He became a part of Delta Holding's Food Processing Group in 2004. Yuhor consists of a meat and meat products factory located in Jagodina, at the foot of Juhor Mountain, and a retail chain of Yuhor stores. Yuhor retail has been developing since 2015 and currently has 52 facilities in 32 cities.

Yuhor products are sold in Serbia, Montenegro, Bosnia and Herzegovina, Northern Macedonia and Russia, as well as the EU. The basic postulates of the company's business are tradition, safety, quality, innovation and creativity.

Results in 2021:

- increased sales volume compared to 2020;
- growth of market share in the subcategory of fermented products;
- growth of market share in the ham subcategory;
- preserved leadership position in the subcategory of boiled products;
- extended cooperation with the largest European retail chain Lidl;
- our new Yuhor stores opened.

In order to improve the quality of products and improve the nutritional value in the segment of pasteurized cans of meat, the salt content in products has been reduced, which has a significant impact on consumer health. The same group of products has been improved in the part of replacing allergenic components with non-allergenic ones in its composition.

The sales portfolio has been expanded in the assortment part of boiled, hydrated and cured meat products.

Yuhor products contain carefully selected and strictly controlled raw materials and additives from approved suppliers. Their control is performed in all stages of production from receipt to delivery according to the implemented food quality and safety standards ISO 9001 and ISO 22000 and environmental protection ISO 14000, while part of the range is certified according to the HALAL standard. The company also operates in accordance with the requirements of IFS standards, which ensures and guarantees the quality and safety of products and services to which Yuhor's quality and safety policy is committed. Each product is declared according to the applicable legislation, with all the necessary information relevant to consumers.



During 2021, an annual survey of business customer satisfaction was conducted. Although the results achieved in 2020 were great, the results of the survey in 2021 are even better, thus Yuhor once again confirming its leading position in terms of the quality of relationships with its customers.

EXAMINATION OF BUSINESS CUSTOMER SATISFACTION	
CHARACTERISTICS	AVERAGE SCORE
Quality	4.31
Product quality and price ratio	4.11
Sales and distribution	4.89
Loyalty	4.61
Quality compared to other companies in the meat industry	4.31
Average grade	4.45

Yuhor attaches great importance to innovation, so in 2021 the following was realized:

- purchase of new and adaptation of existing machines in order to automate and better control the production and packaging process;
- continuation of the implementation of the plan for the purchase of the remaining metal detectors in order to meet the requirements of HACCP, IFS, etc. ;
- new gas boiler with "Economizer" and O₂ probe.

All innovations are realized in accordance with the principles of social responsibility. The most significant effects of the adopted solutions are:

- improving relationships with customers and suppliers;
- improving the quality and nutritional value of products;
- environmental Protection;
- local community development needs.

During 2022, new solutions and investments are planned in:

- modernization and automation of equipment and
- installation of solar panels to support the idea of producing energy from renewable sources.

The expected effects of the new solutions are an increase in the productivity of the organization, a positive economic impact, an increase in the degree of occupational safety, as well as an overall improvement in environmental protection circumstances by reducing energy consumption.

Yuhor, as one of the leading companies in the meat processing industry, has harmonized its activities with the achievements of modern business, respecting and applying the basic principles of the concept of socially responsible business.

The company is working hard to develop awareness of gender equality, improve environmental protection, continuous communication with its employees, as a basic pillar of many years of successful business, as well as responsible behavior towards the local community.

At Yuhor, both men and women participate equally in all business segments. In addition, Yuhor employs a large number of people with disabilities, assigned to jobs according to their health abilities, giving all citizens of the local community the opportunity to work.

The Fun & Fit Company

Fun & Fit was founded back in 1991, and joined Delta Holding sixteen years later.

The main activity of the company is the production and packaging of cereals, basic foodstuffs, dried fruits and appetizers, and the company's portfolio is divided into three brands - Fun & Fit, JUMBO and abc. In addition, a significant segment of the business is the packaging of private labels.



Guided by the vision shared by all members of Delta Holding, the introduction of innovation and significant business improvement is one of the main goals of Fun & Fit company, and accordingly, over the years, the initial production capacity has expanded.

The quality of the work process and the safety of the products are regularly checked and highly rated by certification institutions. In 2021, the company achieved a result of > 99 % compliance with the IFS quality standard, which is one of the highest results achieved in the industry.

During 2021, the market of basic foodstuffs, cereals and appetizers changed in accordance with consumer habits. Despite the business challenges caused by market instability due to the global pandemic, 2021 was a year of product innovation and portfolio expansion in line with changing consumer needs.

The Fun & Fit brand has enriched its range with a product that, in the turbulent time of the pandemic, found its way to its consumers - Immuno oatmeal enriched with vitamin D3 and zinc, developed in collaboration with pharmaceutical company Phytonet, making it unique in the market. In addition to this product, gluten-free oatmeal in two flavors was launched - red fruit and coconut & chia, which is also a lactose-free product.

Cereals remain a category that grows every year, and is the generator of most of the company's growth. Improvements and innovations in this field are applied continuously, and in connection with that, in 2021, the packaging of oatmeal packaging was redesigned, and it received its new packaging attire adapted to the needs of consumers.

In 2020, with the introduction of Cheese bites, a new production segment was launched, which belonged to the Fun & Fit brand, and in 2021, this segment was upgraded with two new products - Raw bites and Protein bites, whose target population are the people choosing healthier options of sweet snacks.

The transition to packaging in the English language, which began in 2020, continued in the next, in the case of both brands - Fun & Fit and JUMBO.

Still, speaking of brands, probably the most important activity started in 2021 is the cooperation with NewStategy consulting firm, which will be in charge of devising a completely new strategy for the Fun & Fit and JUMBO brands. The strategies will be ready for implementation, with the redesign of the existing slogans and architecture of the mentioned brands, in 2022.

In addition to activities on the brand, within the B2B business segment, the company established cooperation with key customers in the field of trade in key raw materials - Stark, Don Don and Skroz dobra pekara (Such a Good Bakery). In the field of private labels, cooperation with Lidl has started while cooperation with other largest retailers in the country and abroad has successfully continued (Mercator region, Delhaize, DIS, Univerexport, Metro and others).



Mioni

The factory for bottling natural mineral spring water, Mioni, was built in 2007 in the village of Kljuc, located at the foot of the Maljen mountain. Mioni has five production lines for filling non-carbonated and carbonated water and carbonated soft drinks. The business areas of the Mioni factory are divided into the branded business segment related to the Aqua Gala brand and the business segment in the field of service filling of water and juices for brands.

Despite the challenges the company faced in 2021 due to the corona virus pandemic, the Mioni factory's business was successful.

In 2021:

- a record amount of 112.5 million liters of beverages was produced;
- the share of participation in the sale of PL (private label) of soft drinks increased;
- the product portfolio was expanded to 11 new items in the field of service filling;
- Investment has been started for a new line for filling balloons, in the total amount of 1.7 million euros, the finalization of which is planned for 2022;
- The fourth place on the water market was retained with 9 % market share.



The recertification of the higher level of the IFS standard, called Higher Level, was excellently completed, and the result showed that the criteria for meeting the standard were met by 95.41 %.

Plans for 2022:

- finalization of the investment process;
- reduction of plastic consumption;
- improving cooperation in the field of service filling of natural mineral water and soft drinks;
- growth in all business segments.

DELTA REAL ESTATE GROUP

Delta Real Estate Group was founded in 2004 and is one of the leaders in the field of real estate in the region. Delta Real Estate Group activities include:

- strategic planning and project development;
- project management and construction management;
- real estate management, control and placement of constructed facilities on the market.

The diverse portfolio includes shopping malls, hotels, a convention center, as well as retail, office and residential space, logistics centers, car showrooms and endowments. It operates mainly in Serbia, Montenegro and Slovenia.

Real estate management is conducted according to international requirements and standards, and materials and equipment of the latest generation are used for construction. Delta Real Estate strives to base its long-term business policy on striking a balance between environmental protection, social responsibility and business. Every new project of this company implies insisting on respecting modern trends in environmentally friendly construction, i.e. green building. This type of construction implies adherence to professional standards from planning, through design, construction and maintenance, to the use of a building with a range of environmentally friendly solutions. This way of doing business enables a high degree of responsibility towards the environment and the introduction of innovations in the construction industry.

The focus in construction is on creating a healthy and modern space that is in line with the principles of environmental protection, the needs of people with disabilities and FIDIC rules (International Federation of Consulting Engineers). Delta Real Estate hires international experts in the field of strategic and conceptual planning who transfer knowledge and experience to young company staff.

In 2021, construction was completed and the following were opened:

- Delta Planet shopping mall in Nis;
- Delta House office building;
- Indigo Hotel in Belgrade.

In addition, during the year, the following was started:

- construction of phase II of the distribution and logistics center in Stara Pazova;
- reconstruction of the Sava Center.

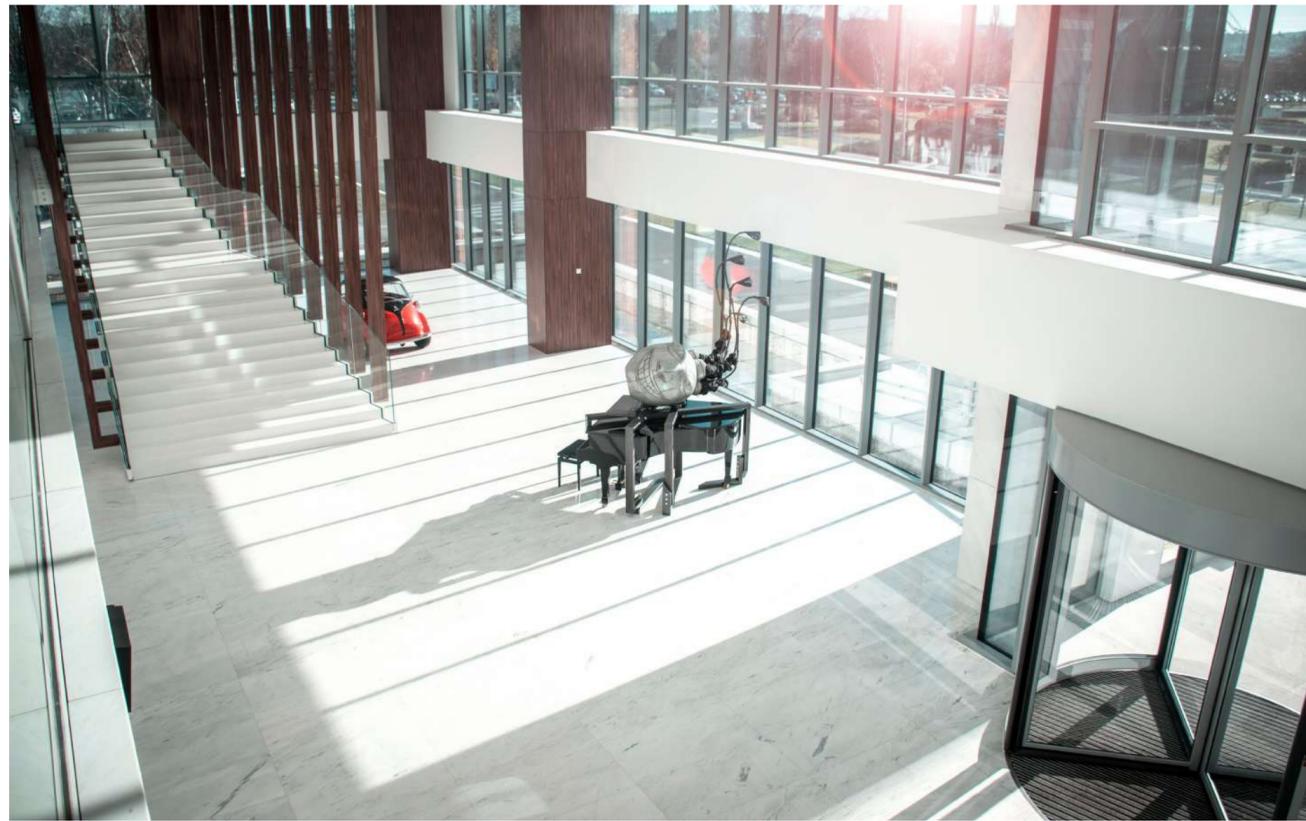


During 2021, modern tools and systems were introduced which provide more efficient control throughout the entire life cycle of the project. Revit, Bexel, PlanRadar and open space 360° applications were used. Working in innovative digital solutions offered many benefits, among which the following stand out: a detailed database that allows tracking the amount of materials, work dynamics, costs and other analysis, as well as recording deficiencies and objections during handover and optimization of the process.

Digital monitoring of data from the construction site enabled precise communication with expert supervision, contractors and other project associates.

In the business premises segment, Delta Real Estate focuses on a modern and flexible working environment that provides tenants with peace and privacy, as well as space for socializing and exchanging information. The Delta Real Estate Group includes Delta House, Mala Kula and Delta Business Properties, facilities that, in addition to office space, offer other amenities that allow business people to spend quality time during breaks and make the most out of the working day.

Delta House, the new office building and the headquarters of Delta Holding, opened in June 2021 and is a Class A office space. The gross area of the building is 23,000 m², and the area for rent is 11,500 m². It consists of 2 underground floors with a total of 188 parking spaces and 11 above ground floors. On the ground floor and the mezzanine there are common areas: modern meeting rooms, a restaurant for the employees, a VIP restaurant and a cafeteria, while the next five floors are intended for rent.



The Delta House building is designed according to the latest world standards, which imply maximum respect for the principles of environmental protection in the field of construction and sustainability, which is why the building is LEED Gold certified. Highly efficient systems and modern technological solutions have been implemented, which aim to create a healthier work environment, namely:

- Rainwater tank that allows stormwater drainage from the roof to level -2 where there is an open tank with a volume of 60 m³ for water collection. Water from the reservoir is used to supply all cisterns and urinals in the facility.
- UNIDOM balls in the construction of the building - a system of lightweight concrete slabs was chosen as a system of mezzanine ceilings. The balls themselves are made of 100 % recycled plastic and have enabled significant savings in concrete consumption, i.e. reduced CO₂ emissions during concreting by 336 t.



- A solar power plant with a total installed capacity of 80 kW is located on the roof of the building. In addition to 226 pieces of monocrystalline type A solar panels, inverters have been implemented which convert direct current (DC) into alternating current (AC) required by the building. In addition to the main power plant, a smaller solar power plant was installed on the canopy of the terrace on the top floor, where integrated facade solar panels of increased efficiency were used. The total installed power of this power plant is 15 kW. Both power plants have built-in real-time online monitoring systems.
- DCV system - the system of operation of the entire thermotechnical installation is intended for operation in the demand control ventilation system, which means the most economical mode of operation. Sensors of presence, temperature and concentration of CO₂ are provided and in that way the desired conditions in the premises are automatically maintained. Such systems significantly reduce electricity costs.
- Bipolar ionizers and cleaning of air particles through the ionization process - the result of these systems is energy savings in HVAC (heating, ventilation and air conditioning) system because clean indoor air reduces the need to add fresh outside air through the ventilation system.
- Built-in natural interior elements - selected interior elements contain a high percentage of recycled material, which have the lowest possible values of VOC (volatile organic compounds) content and harmful substances.
- Greening of the building - following the model of European capitals, green oases around the building and on the roof gave this building a strong line of modernity and recognizability. The selection of plant species was made on the basis of the WUCOLS list, so that all the selected species belong to the category of LC plants, i.e. plants that require minimal amounts of water. Water control is also possible through the "drop by drop" system of watering all green areas, which cover over 1,300 m².

Within the Delta Real Estate Group, there are three shopping malls - Delta Planet Banja Luka and Delta Planet Varna from 2019, as well as Delta Planet Nis, which successfully started operating in 2021. All Delta Real Estate shopping malls are built in accordance with the needs of the local community, as well as the principles of environmental protection and energy efficiency. All locations are fully adapted for people with disabilities and have an energy passport. During the construction, the most modern materials were used with a focus on renewable energy sources, such as the installation of large glass surfaces or solar benches with reliance on solar energy. At the same time, shopping malls have electric chargers for electric vehicles, as well as zones adapted to children and their interactive and creative entertainment.

The first modern shopping mall in Nis, Delta Planet, was opened on 22 April 2021. It quickly gained the character of a regional shopping mall because its offer attracts visitors from both the country and the region. It was built in an ideal location in Nis, on an area of 40,000 m² and has 92 stores for rent, spread over two floors.

This shopping mall has 850 parking spaces, 42 of which are reserved for people with disabilities and 4 chargers for electric vehicles, which can be used by 8 vehicles at the same time. During the construction of this shopping mall, special attention was paid to the lighting of the building, which is a harmonious combination of natural light that penetrates through the glass constant lantern, and artificial light that is in accordance with the LED lighting system. A BMS system has been implemented, which is a control network based on intelligent microprocessors installed to monitor and control the technical systems and services of the facility. The BMS system is directly integrated into all the other systems such as security, access control, CCTV, and fire protection system. VRF systems have been installed that provide maximum energy efficiency while reducing operating costs. In order to increase the comfort of the space and reduce noise, as well as protect the environment, an improved system of heat pumps has been implemented.

In addition to shopping, the stay in the shopping mall Delta Planet Nis offers visitors a variety of entertainment, and the emphasis is on the formation of children's entertainment zones with various settings that encourage motor skills, interaction and creativity of the youngest. In addition to the shopping mall, an inclusive children's playground was built and 90 new trees, 140 seedlings of evergreen and deciduous trees and 6,000 pieces of ornamental shrubs were planted.

For the first 8 months of operation, Delta Planet Nis organized a series of socially responsible events:

- in cooperation with the Association for Cardioneurology of Serbia, the World Kidney Day was marked;
- World Children's Day was marked in cooperation with UNICEF;
- the International Day for the Elimination of Violence against Women was marked;
- 14 new seedlings were donated and planted in the action "Let Nis Breathe", at the location of the recreational park by the river;
- in cooperation with the Local Foundation of Nis, an exhibition of works by children with Down syndrome and fundraising for the renovation of the school "Carica Jelena" was organized;
- in cooperation with the Metropolitan University, a New Year's sale of decorations and fundraising was organized; funds were donated to the Nurdor Association, whose members are the parents of children suffering from cancer;
- the humanitarian "Tortijada" ("Cakefest") was organized, where the funds raised were donated to children suffering from cancer, i.e. the Nurdor Association;
- the event "Donate a Toy" for the homeless children in the facility was organized. The collected toys were donated to the Home for the Children without Parental Care and the Center for Family Accommodation in Nis;
- in cooperation with the tenants of the shopping mall, gifts were handed out to children without parental care, children with disabilities and children suffering from cancer;
- a family weekend was organized in order to promote family values.



Also, in 2021, the shopping malls Delta Planet Banja Luka and Varna organized numerous activities aimed at raising awareness and providing concrete help to those who need it the most.

In 2021, Delta Planet Banja Luka organized several different events as part of socially responsible business:

- donations were handed over to the Public Institution the Home for Children and Youth without Parental Care "Rada Vranjesevic" on the occasion of marking the 2nd birthday of Delta Planet;
- donations of school supplies and bags were handed over to the Public Institution the Home for Children and Youth without Parental Care "Rada Vranjesevic" on the occasion of the beginning of the new school year;
- the humanitarian "Ultra Bazaar" was organized in cooperation with the Play Team agency, and all the funds raised were donated to the Association of Women suffering from Breast Cancer "Iskra";
- funds were donated to the "Super Brke" association for the treatment of testicular cancer as part of the Movember movement;
- on the occasion of marking the International Children's Day, space was given to the Center for Social Work in Banja Luka in order to promote the work of their institution, as well as the project on foster care and foster families;
- the project "My Job - Economic Empowerment of Persons with Disabilities" was supported;
- part of the funds from the paid photos with Santa Claus was donated to socially disadvantaged families;
- donation of New Year's gifts was given to children from socially disadvantaged families.



Delta Planet Varna shopping mall also faced a number of restrictions caused by the pandemic in 2021, but in spite of that, in accordance with the permitted measures, since May it has been active in organizing events which were both humanitarian and helped the economic recovery of the local community. Special emphasis was placed on the youngest visitors of the shopping mall, for whom various events were organized:

- children's film week was organized at the end of May and the beginning of June and free ice creams were handed out to children;
- September was a month dedicated to schoolchildren, so Delta Planet Varna enabled everyone who spent more than 50 leva (~25 euros) to take part in a prize game in which 16 children's bicycles were distributed;
- a humanitarian campaign was organized in which about 200 gifts were collected and donated to social institutions;
- free photos with Santa Claus were organized for 400 children before the New Year holidays;
- in cooperation with tour operators working in Bulgaria, and in order to help the development and recovery of tourism in Bulgaria, Delta Planet organized free transportation to hotels and famous tourist attractions around Varna.



The second phase of construction of the distribution and logistics center in Stara Pazova began in September 2021, and the planned completion of construction is the fourth quarter of 2021. The new high-bay warehouse will be built on 16,000 m². Part of the facility will be intended for the needs of the regional e-commerce business Ananas, in order to provide adequate logistical support for the long-term development of sales and distribution business to serve customers throughout the region. The second part of the facility is the expansion of the logistics center capacity for Delta Transport System (DTS).

Reconstruction, rehabilitation and adaptation of the Sava Center, the largest international congress, cultural and business space in Serbia, began in 2021. This is a project of great importance both for our company and for the wider community. The facility covers an area of almost 100,000 m², and the new project implies better use of space, which includes a significant expansion of conference rooms and a larger capacity of the Great Hall. One of the biggest advantages is the warm connection with the Crowne Plaza Hotel, which is also included in the reconstruction process.

Orientation towards socially responsible business and digitalization enables finding innovative and responsible solutions for this project. Solar panels are planned on the roof and/or facade, which will significantly reduce the need for electricity supply, while the rehabilitation of the facade cladding will greatly affect the better insulation of the building. The installation of natural materials in combination with various plants will make the interior of the Sava Center pleasant for visitors.

The company's vision is for the Sava Center to once again be the venue for domestic and world gatherings, conferences and cultural events that will return this facility to the map of congress centers around the world. The opening is planned for the end of 2023.





The construction of the commercial-residential district Delta Land with a total area of 260,000 m² is planned. In the second half of 2021, the process of preparation of project documentation and design began, and the beginning of construction is planned for 2022. The location that used to be the famous Belgrade Cotton Mill and industrial complex in the city center will become a new green oasis. Residential buildings covered with greenery and surrounded by the most important cultural, business and historical locations, will be designed to suit all generations and lifestyles from family to modern urban life.



The construction of the Delta Planet shopping mall in Sarajevo, the only Delta Planet shopping promenade for the time being, which will include a shopping mall and residential space in its complex. It will occupy a total area of 118,000 m², providing space for 120 stores of world-famous brands and more than 1,200 parking spaces. Completion is expected in 2025.

Crowne Plaza

The Crowne Plaza Belgrade is part of the InterContinental Hotels Group, one of the largest hotel corporations in the world. It was opened in December 2013 when the Continental Hotel Belgrade was completely remodelled. It consists of 416 rooms, 14 meeting rooms, three restaurants, a swimming pool and a spa.

The hotel is inclusive and fully accessible to people with disabilities (PWD). This means that 4 specially designed rooms are available, and the restaurant provides Braille menus. The meals offered in restaurants are conventional, vegan, gluten-free or prepared in accordance with the HACCP standard.

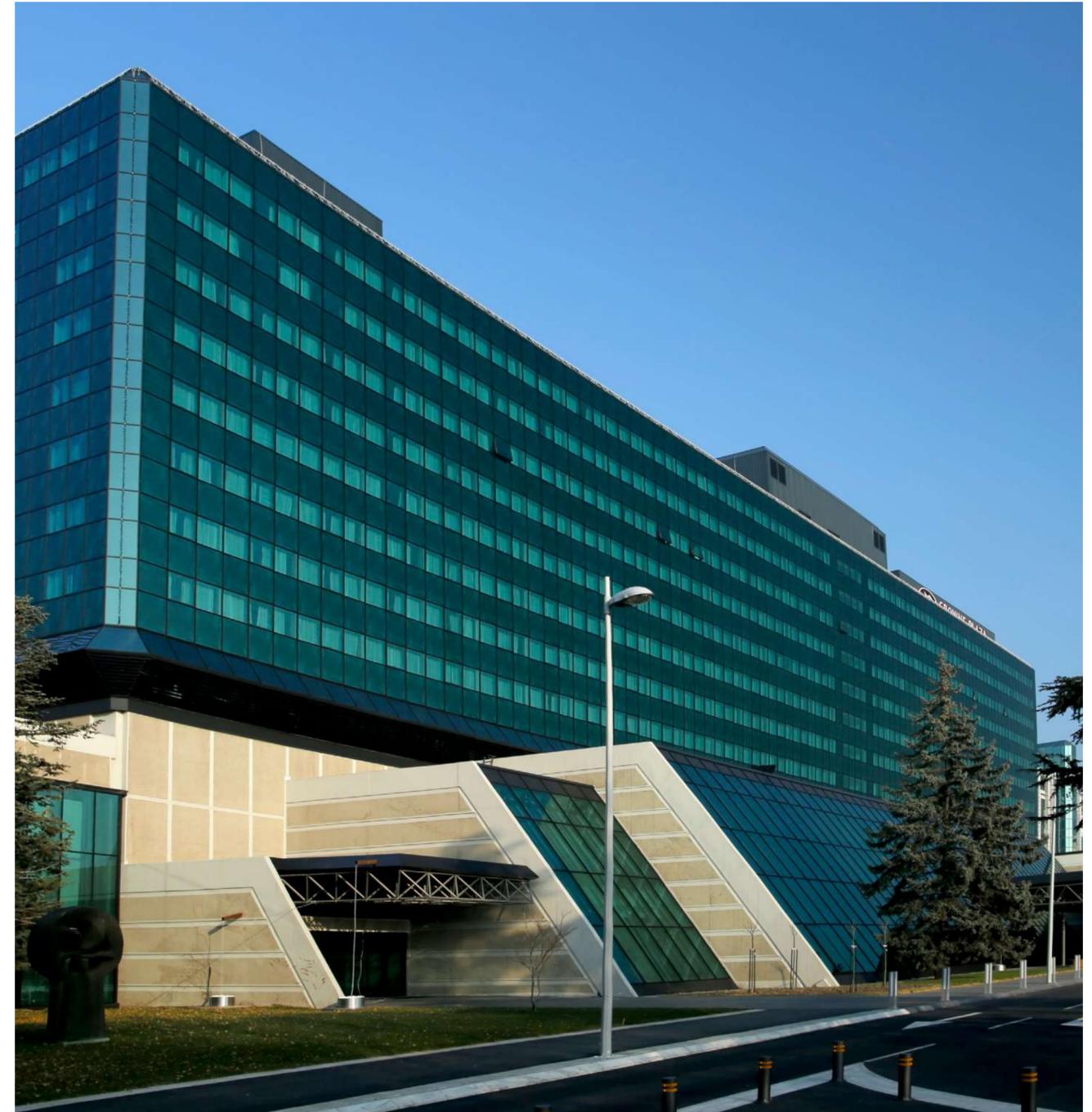
In 2021, due to the impact of the Covid-19 pandemic, the hotel business underwent a transformation. Great emphasis was placed on the safety and protection of guests in the hotel by introducing new procedures. Additional attention was paid to personal hygiene and the protection of employees in all business sectors. Hand sanitizers were placed on all locations where employees often pass by, while masks and gloves were provided by the hotel. In terms of health and safety, the hotel's operations are fully compliant with the IHG Health and Safety standard.

In order to continuously train and improve the skills of employees, in cooperation with the Red Cross of Serbia, a twelve-hour theoretical and practical training in providing first aid was organized for more than 35 employees. Employees from all hotel sectors have successfully completed the advanced first aid training and obtained a certificate of completion of a higher level of training.

The Crowne Plaza Belgrade Hotel proved that we cared not only about safety and health, but also about an extremely high quality of service in 2021 by introducing the **Clean Promise** guarantee as a certain promise to each guest that their room would be specially cleaned and decorated according to their wishes.

Since the needs and wishes of our guests always come first, a unique blend of modern and traditional meals has been created, with special menus for athletes, vegetarians and vegans. The breakfast offer has been enriched by a wide selection of fresh ingredients, and the quality of service is evidenced by the fact that the best result since the hotel opening has been achieved in the breakfast evaluation. Foods containing allergens, as well as those prepared according to HALAL standards, are specially marked in order to protect the health of our guests.

Special attention is paid to the entire process of selecting ingredients for the production of food in the hotel, with an emphasis on quality and procurement exclusively from suppliers who respect all of the prescribed health procedures during production. All the groceries are properly stored in our warehouses and used on the *Last In - First Out* principle. When processing food, the standards and operational procedures related to cleanliness and safety are observed, along with the use of appropriate chemicals which are not harmful to the environment while washing the dishes and the work surfaces.





In order to protect the environment, the principles of responsible business are respected, including the special separation of glass, plastic and cardboard packaging. Waste is collected in modern Press Containers, while the separation, disposal and recycling of oil is done once a month only by authorized companies. In the food and beverage sector, such trends are also given importance, so biodegradable straws were introduced instead of the plastic ones.

During the year 2022, the introduction of a special application for recording guests is planned, which would be done via tablets. This would significantly reduce the use of paper and further contribute to the protection of the environment. In addition to this, the application would enable the tracking of data such as the total number of guests, as well as the recording of the so-called "peak time" - the period when most guests stay at the hotel.

As an employer, the Crowne Plaza Belgrade applies a policy of prohibiting all forms of discrimination in the selection and employment of new staff. Gender equality values are also promoted.

Our female employees are supported in fulfilling their parental role, so in addition to exercising the legally guaranteed right to maternity leave with a full salary, they are also financially supported by the employer in the form of a one-time financial aid. In addition to the above mentioned, both genders are entitled to a gift package for the birth of a child, as well as a day off when the child starts the first grade of primary school, with paid leave.

The Crowne Plaza Belgrade Hotel, as the largest congress hotel in the region, gives great importance to cooperation with the local community, especially in the field of support for young people in their professional development.

Within the IHG Academy, in the part of professional practice and practical training, the cooperation with specialized secondary vocational schools was renewed (the High School of Chemical and Food Technology, the High School of Tourism from Belgrade and the High School of Economics and Trade "Paja Marganovic" from Pancevo), faculties (Singidunum University - the Faculty of Tourism and Hospitality Management, Academy of Vocational Studies - with the departments of the College of Hospitality Management and the College of Tourism), as well as with the prestigious Glion Institute in Switzerland.

Cooperation with vocational schools in the field of hospitality has been improved by admitting a larger number of students for summer internships in almost all hotel sectors. This way, young people were given the opportunity to gain practical knowledge and prepare for future employment in the hotel industry. Students who proved to be the best during the previous internship cycles received repeated invitations for internships, as well as the opportunity to work in one of the 3 hotels.

In terms of attracting talent and motivating young people to seek their future employment in this profession, the senior management of the hotel initiated a series of professional lectures for students of the College of Hotel Management. On that occasion, 11 lectures were held on various topics in the field of restaurant management, gastronomy, reception business, as well as hotel management, with the aim of promoting the brand, hotel business and culture.

The Crowne Plaza Belgrade Hotel will continue to operate responsibly in the coming period, continuously improving relations with the community both professionally and in the field of providing top quality services to its guests and visitors.



The Holiday Inn Hotel

The Holiday Inn Hotel Belgrade, owned by Delta Holding, is also part of the InterContinental Hotels Group. The hotel has 4 stars, the capacity is 139 rooms, of which 24 are premium rooms, has 3 suites, as well as 2 rooms that are fully adapted for people with disabilities.



The hotel also includes the *Open Lobby*, which was renovated in 2019. As part of this new concept, in addition to the restaurant, with a capacity of 90 seats, guests have at their disposal a bar, To Go Caffè and many social games that they can use during their stay at the hotel. For the needs of hotel guests, the possibility of using the Fitness and Spa center is provided.

The hotel also has 7 conference halls, as well as the Belexpocentar hall of 2,500 square meters, which is suitable for organizing conferences, fairs, celebrations, weddings and many other events. The Covid-19 pandemic significantly affected business, so the number of events was significantly reduced during the first half of 2021. In the previous year, out of the planned 16 - 14 events were realized, which is a big step forward compared to 2020.

The impact of the above mentioned pandemic was also reflected in the hotel business in 2021. After 8 months from closing, the hotel successfully reopened in June 2021.

However, even during the break in the work, the company was extremely socially engaged. In the period from February 1 to May 31 2021, vaccination of the population was carried out in the Belexpocentar hall in order to suppress the Covid-19 pandemic. The City of Belgrade paid tribute to the Holiday Inn Hotel for its activities and contribution to the fight against the pandemic.

In 2021, the Holiday Inn Hotel achieved enviable results in terms of service, which was again recognized by guests and visitors. In this regard, the guests rated the cleanliness and service of breakfast as the two most important factors throughout the year. Cleanliness was rated with a score of 93 %, of the required 85 % by the IHG group, and breakfast with over 80 %, of the required 65 %.

Especially great success is the visit of a secret guest, who in 2021 assessed the commitment and effort of the whole team with a score of 100 %. The mentioned result is another proof that the effort and commitment of the employees really give the greatest contribution in achieving the set goals.

The crown of a successful business year is the "Going for Gold" award, which the Holiday Inn team received from the IHG Group for its dedication and high degree of professionalism in business. Despite a very challenging year, the company remains proud of its employees, as well as the top quality of services it continuously provides to its guests.



The Indigo Hotel

In 2021, the Indigo Hotel was officially opened. This building is part of the cultural and historical ensemble "Knez Mihailova Street", and dates from the 19th century. The building consists of two buildings of different floors connected at the level of the ground floor and basement by an atrium. The total area is 7,500 m², of which office space is 4,000 m², and hotel space 3,500 m². During the construction, the greatest emphasis was placed on increasing energy efficiency and preserving the existing street facades as part of the cultural and historical whole of the city. The hotel is part of the InterContinental Hotels group chain, and the total value of the investment is 7.6 million euros.

Since its opening, the Indigo Hotel has stood out with its specific identity and design. The sales team has adopted a special approach to making contacts with customers, while the hotel itself is presented through the specific philosophy of the "new neighbor in the city", thus building its brand and identity in the eyes of guests.

During the first year of its operation, the Indigo Hotel recorded outstanding results. In terms of guest satisfaction, it is in the lead compared to the competition with an average score of 4.9. Also, compared to other Indigo hotels in Europe, the Indigo Hotel Belgrade is in the lead according to the satisfaction of members of the IHG loyalty program with as much as 100 points for the entire service and experience of the stay.

The business is conducted in full compliance with HACCP standards, as well as IHG procedures related to food safety and use. Regarding the procurement of food, special emphasis is placed on the quality of goods, as well as quality suppliers who respect all standards in the production and transportation of goods. Also, the emphasis is on a high level of hygiene and protection at work of all employees.



As 2021 passed in the conditions of the Covid-19 pandemic, the increased focus was on protection and security measures, both for employees and visitors. The use of gloves and masks by employees was mandatory, while hand sanitizers were available on all tables and work surfaces.

The Indigo Hotel takes great care of its employees and their continuous improvement and training in order to achieve better and more successful business. Thus, in 2021, in cooperation with the Red Cross of Serbia, practical training in first aid was organized. More than 50 % of employees from all sectors participated in twelve-hour theoretical and practical training. All participants successfully completed advanced first aid training and obtained a certificate of completion of a higher level of training.

Great importance is attached to the improvement of skills and knowledge in the professional community, with a special focus on young people. During 2021, the General Manager of the hotel held a professional lecture for the students of the Faculty of Tourism and Hospitality Management. The aim of the lecture was to promote the brand of the Indigo Hotel, hotel business and culture, as well as to attract talents and empower and motivate young people to look for future employment in the profession.

In addition to that, in the previous year, the Indigo Hotel undertook other activities aimed at protecting the environment and improving relations with the local community. In the food and beverage segment, the use of biodegradable straws was introduced, and special menus for vegans and vegetarians were also created. The offer was enriched with healthy and fresh products, as well as gluten free products for guests with health problems. The food served at the buffet was carefully marked so that guests were informed about whether and which allergens were in the product, in order to prevent potential side effects.

During 2021, we took part in the charity "Cep za hendikep" "A Bottle Cap for the Disabled" to help people with disabilities.

DELTA DISTRIBUTION

Delta Motors, Delta Automoto, Delta MC and Delta Rent-a-Car

Delta Auto Group has been operating and developing as part of the Delta Holding system since 2005.

Today, the Company consists of:

- Delta Motors - exclusive importer, distributor and servicer of BMW and MINI vehicles for Serbia and Montenegro, as well as BMW Motorrad program motorcycles for Serbia, Montenegro and North Macedonia;
- Delta Automoto - general dealer of Honda cars and motorcycles for Serbia and Montenegro. In addition to the general dealership of Honda vehicles, Delta Automoto also contains two organizational units: Delta Used Cars - sale of certified used vehicles; and Delta Auto Service - authorized service for BMW and MINI vehicles aged 6 and over;
- Delta MC - exclusive importer of Petlas tires and exclusive distributor of Shell, Valvoline and FAM oils;
- Delta Rent-a-Car.

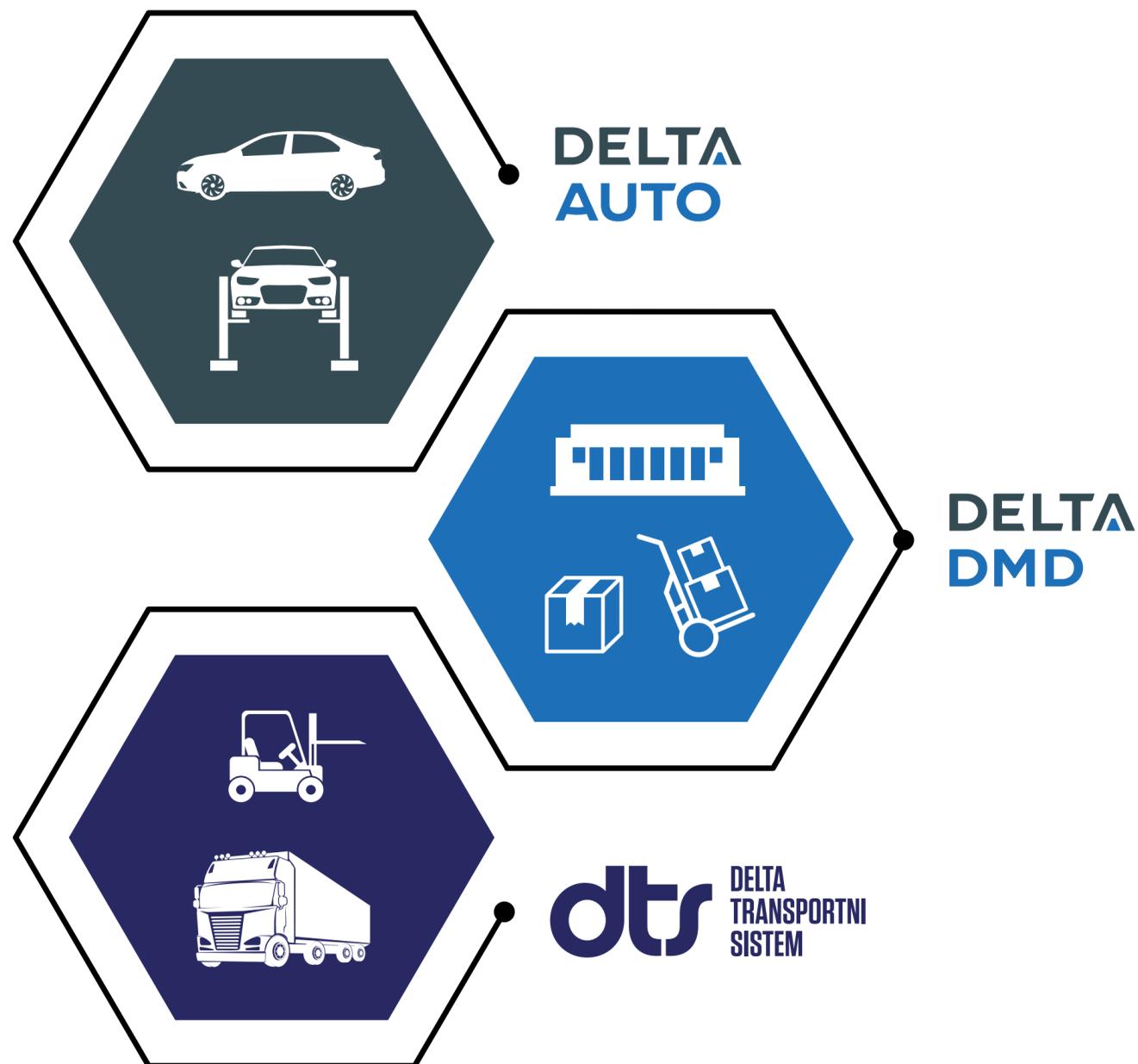
For the development of Delta Auto Group's business, the most important thing is continuous investment in the development of the service in accordance with the anticipated changes in customer needs. The quality of service is also guaranteed by the quality management system based on the ISO 9001/2015 standard. During the recertification in 2021, no non-compliance was registered, which successfully extended the validity of the certificate for a period of three years.

In order to constantly hear the needs and opinions of clients, since 2017, an annual survey of customer satisfaction called "Voice of the Customer" has been conducted in the form of an online survey.

The survey does not limit the client with a formatted questionnaire and predefined questions, but provides an opportunity to express their observations in an open comment. Clients who have an additional request and/or express the need for further clarification within 24 hours are contacted by the responsible person.

In 2021, clients were given the opportunity to fill out a survey with the help of tablets during a visit to a salon or service reception. This initiative was launched in line with the growing digitalization of the process and the need to increase customer responsiveness, in order to obtain the most accurate answers that will raise their experience to a higher level.

In addition, the scope of the project has been extended to the spare parts segment and the BMW Online Store, and representatives of the dealer network from the territory of Serbia and Montenegro have also implemented this novelty in business.



Customer comments are coded according to the criteria defined and posted by the BMW Group headquarters on the online platform, where each comment, customer rating and action taken is recorded. The percentage of customer satisfaction is measured by the Net Promoter Score (NPS), which represents the percentage difference between positive and negative ratings in relation to the total number of surveyed customers.

Coded client comments are analyzed quarterly, at meetings of the directors who make up the “Customer Board”. In accordance with the conclusions from the meeting, an action plan is being developed with measures to improve customer satisfaction. The Company is successfully implementing action plans to prevent potential dissatisfaction.

Aside from Delta Motors, the project “Voice of the Customer” has been successfully implemented for years in the company Delta Automoto as well, as an internal solution to monitor the satisfaction of Honda customers and customers of Delta Auto Service, which contributes to improving communication with customers.

In order to further improve communication, a new “Customer Journey” project was implemented in Delta Motors in 2021, and the purpose of this project is to look at the most typical communication path that a potential client has from the first contact with the dealership, to the final outcome - vehicle purchase and arrival to service.

The aim of the project is to identify the so-called “Legendary moments”, i.e. the most impressive moments for the client in the communication they had with employees. As a result, after a detailed analysis, three typical “legendary moments” were identified, based on which a plan for improving the process and approach to the client was defined, in order to further improve the individual client experience.

In mid-2021, Delta Motors independently implemented the “Mystery Shopping” project, modeled on a project carried out directly by BMW until that year. The project was implemented with a training of the selected agency and training of employees on working standards that need to be respected, both in Delta Motors and the dealer network, and in the legal entity Delta Automoto, including Honda and Delta used cars.

The goal of expanding the project to other business units is to strengthen sales teams and raise the level of work standards, as well as constant work on improving communication with the client and their experience resulting from that communication, regardless of which dealership they address. This laid the foundation for monitoring the results in the next year.

Together with the growing global digitalization that has been further accelerated by the Covid-19 pandemic, Delta Motors, in collaboration with the BMW Group, has launched a project called Digital Transformation, which covers all areas of business from customer relations and internal processes to connections with external service and software providers.

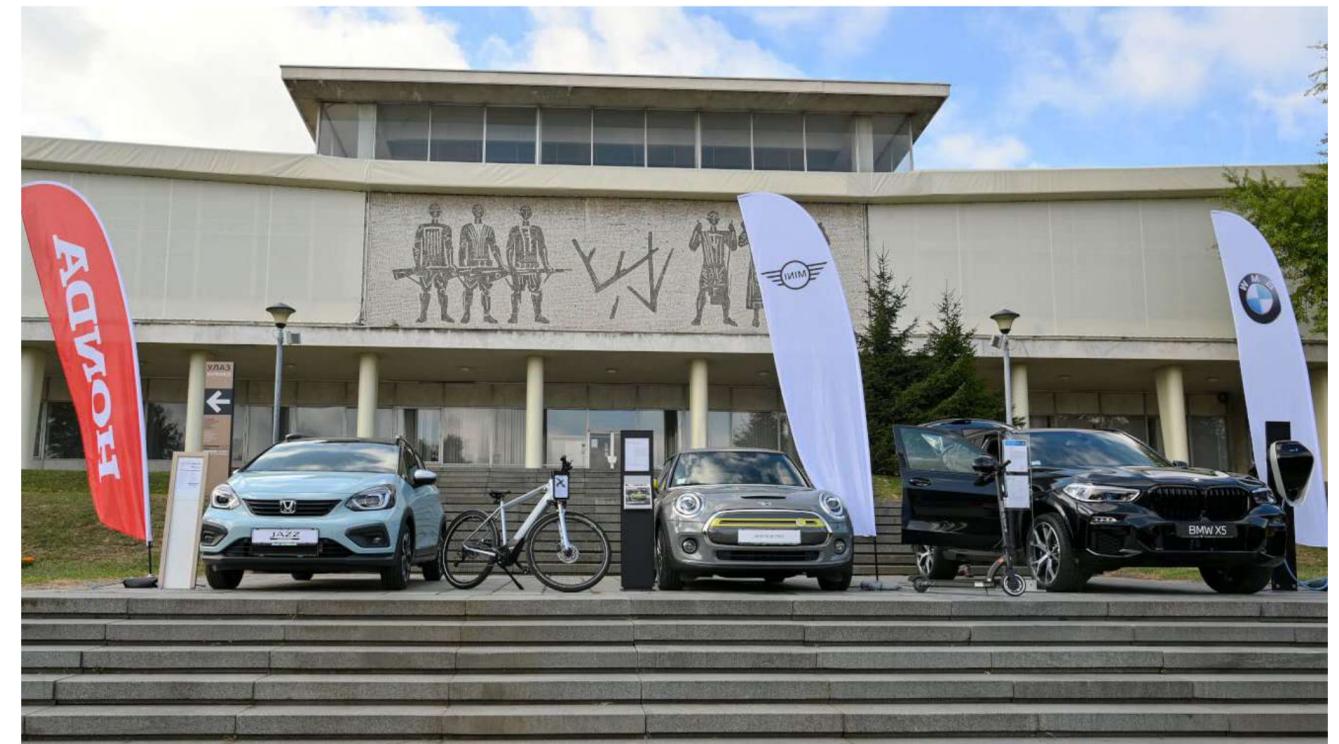
The project started in the second quarter of 2021 with a detailed analysis of all business segments and identification of key points in the processes whose digitalization would lay the foundations for further work. The project is important in many ways due to the rapidly growing need of clients for the availability of information in the shortest possible time and in one place.

At the beginning of 2022, a unique database of information for operating business was created. Simultaneously with this procedure, the telephone exchange was improved and digitized, as a precondition for further networking with current information databases. Two employees underwent workshops and trainings, as well as project assignments organized by the BMW Group with the aim of certification for Digital Transformation Manager. They will continue to lead the further development of the project in the future.

Delta Motors and Delta Automoto apply ESG business principles and act responsibly towards stakeholders, the environment and society as a whole.

Business ethics and legal provisions of the Personal Data Protection Act are imperatives of Delta Auto Group. Client contact information is kept within the statutory framework and methods (GDPR). The selection of suppliers is done by determining certain criteria that are indicators of their responsible business

The goal is to find on the list of companies with which cooperation is established only those that meet legal norms, have adequate licenses to provide services, have introduced quality standards (ISO 14001) and perform their activities in accordance with ethics and good practice.



A significant part of the current range of Delta Auto Group consists of electric and electrified vehicles, and thus lower CO₂ emissions. The Company’s media and marketing focus on the promotion of such models, but also the ideas of electrification and environmental protection are key starting points in communication with external entities.

In this sense, the Company actively participates in important events aimed at promoting the idea of sustainability and nature protection. Thus, in 2021, Delta Motors presented itself at the European Mobility Week, the “EV Days” conference and the two-day “EcoMobility” event.

Employees spent a total of 188 working days on courses and expanding knowledge of electrified vehicles, and five employees acquired new certificates for the maintenance of the latest generations of BMW Group electric vehicles during the year. After seven days of intensive training and final tests, they acquired the titles of certified BMW electric vehicle repairers.



One of the major undertakings of Delta Motors in 2021 is the opening of THE BMW STORE, an innovative concept, in the Galerija Shopping Center in Belgrade. THE BMW STORE is not the usual sales facility, but a place that offers the general public education and understanding of the current electrification process that is the basis for future development of the automotive industry, with an emphasis on promoting the idea of zero emissions. Inside the building are electric and hybrid vehicles, as well as modern equipment for education and training.

In addition to protecting the environment, Delta Auto Group is also committed to educating the public about the importance of safe driving. One of the initiatives is realized in cooperation with the Association for Motorcycle Safety and the insurance company Grawe, with which educational workshops are organized several times a year in which emphasis is placed on motorcycle safety, but also other current and useful topics in the motorcycle world.

Apart from the company level, Delta Auto Group also organizes individuals who initiate socially responsible actions and who, by their example, encourage people from the environment to spread solidarity. Employees in the sales sector of Delta Motors initiated the collection of humanitarian funds aimed at the prevention of prostate cancer and suicide in men.

The action was performed within the seventh "Distinguished Gentleman's Ride" of humanitarian driving, which in Serbia, and in the world, is one of the most visited and most successful humanitarian initiatives conducted by passionate motorcyclists.

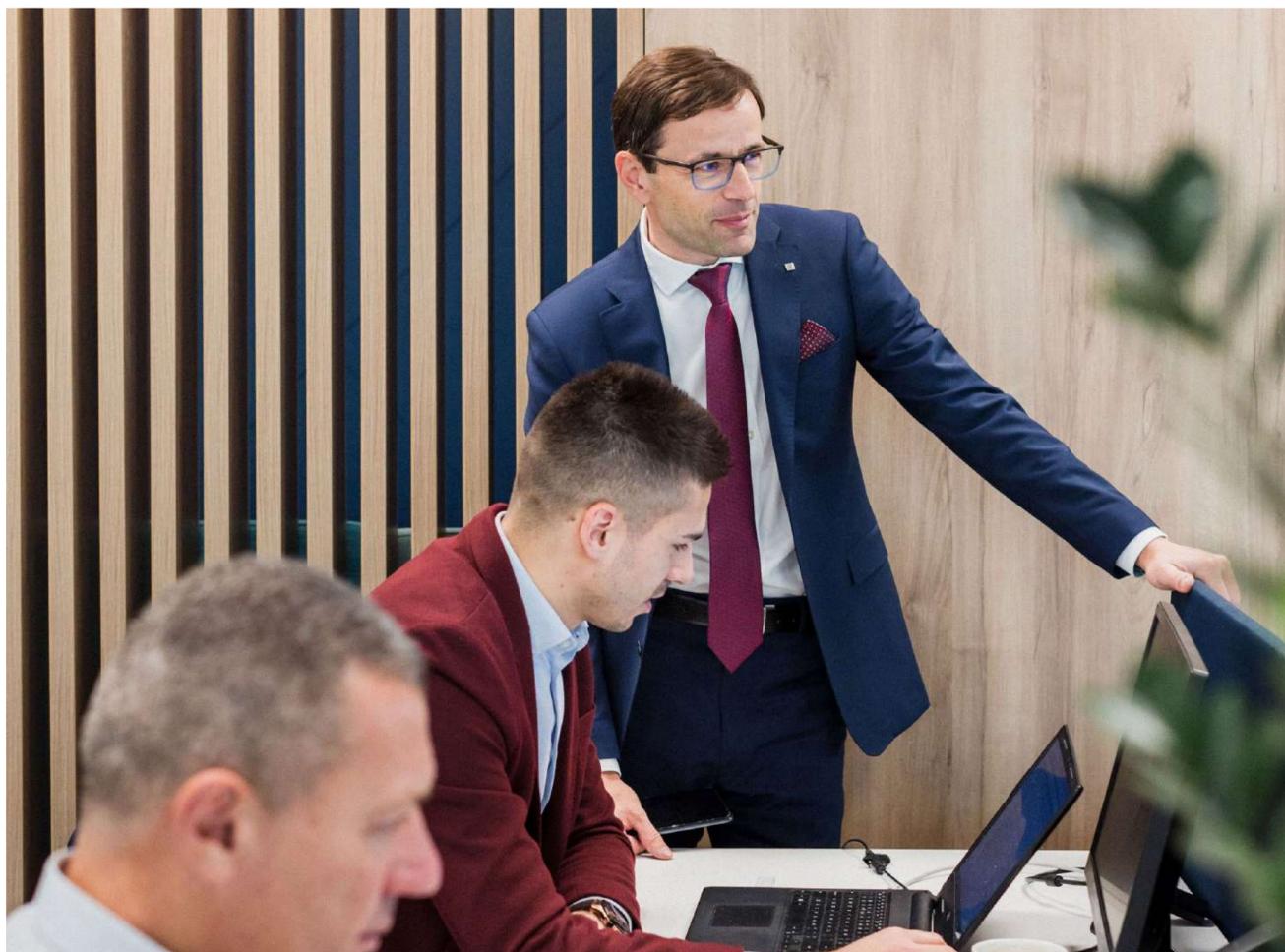
In this way, 1,232 dollars were collected and donated to charity. This is the second largest amount of money in the form of a donation from this year's gathering.

Delta Auto Group also participates in actions dedicated to the youngest, so it gladly responded to the invitation of the Delta Foundation by providing logistical support to the traditional New Year's event of giving gifts to children from Mala Jasikova and Dubocane, who are part of the "Our Village" project.



Delta DMD

Delta DMD offers its customers sales, brand management, logistics and merchandising services. In the distribution centers Belgrade, Novi Sad, Cacak, Nis and Podgorica, it also provides additional services for processing goods: sorting, packaging, "co-packing", declaration, reparation, etc.



Delta DMD cooperates with more than 2,500 customers and supplies over 10,000 facilities of retail and wholesale chains, independent retail stores, specialized wholesalers and HoReCa chains. Delta DMD's portfolio includes brands of world-famous companies: Ferrero, Diageo, SC Johnson, Beiersdorf and Glaxo Smith Kline, as well as regional brands Tikves and Violeta. These brands achieve exceptional sales results in the markets of Serbia and Montenegro.

Results in 2021:

- realized profit before depreciation of 47 %;
- increased market share of brands distributed according to Nielsen measurements.

Delta DMD regularly conducts customer satisfaction surveys. The ratings obtained in 2021 to examine the satisfaction of key customers are as follows:

TESTING KEY CUSTOMER SATISFACTION	
CHARACTERISTICS	EVALUATION
Assortment	4.57
Promotional activities	4.78
Communication and professionalism of sales staff	5.00
Communication and professionalism of the merchandising team	4.63
Delivery of goods	4.72
Documentation	4.63
Complaints	4.81
Average score	4.73

The ratings obtained are higher in all parameters compared to the ratings obtained in the previous year, which is the result of continuous engagement of all employees to improve the service and anticipate changes in consumer needs.

In order to digitize business and reduce paperwork, Delta DMD has been using the Alfresco platform for electronic approval and storage of invoices since 2020. This program has enabled another big step towards full digitalization. During 2021, the application of the program was extended to the processes of signing and storing contracts, as well as the process of recording mail.

Delta Transporthni Sistem - DTS

Delta Transport System (DTS) is a logistics company founded in 2008. It provides services: road, groupage, air and container transport, warehousing, freight forwarding and customs clearance, as well as 4PL services, which includes real-time tracking of goods, integrated management of inventories of goods and the state of warehouses. DTS operates in accordance with the highest international standards and certificates that guarantee the quality of business and the overall service provided to customers. During 2021, the IFS Logistic certificate was renewed, and a supervisory check for ISO 9001 and HACCP standard was performed.

Apart from Serbia, DTS has representative offices in Montenegro (Podgorica), Bosnia and Herzegovina (Banja Luka and Sarajevo), and as of 2021 in Slovenia (Ljubljana). The entire supply chain is managed using modern information technologies, including WMS warehouse management system, satellite tracking of the entire fleet, TMS transport management system, as well as SAP ERP software (modules MM, SD, FI, CO, cockpit). The distribution network has over 9,000 unloading points, which, with the application of the latest technologies, professional and dedicated staff, provides a high level of logistics service.



Warehousing

The distribution center in Nova Pazova has a capacity of 26,000 pallet places for goods stored in 5 different temperature regimes from -20 to + 25° C. 100,000 kg of goods are shipped daily to 800 locations throughout Serbia. Transshipment stations (cross docks) that enable transshipment of goods without retention in the warehouse are located in Belgrade, Cacak, Kragujevac, Kraljevo and Nis.

Road transport

Transport is performed by vehicles of different temperature regimes and capacities, with the possibility of taking over the ADR of goods (hazardous goods). The Track & Trace system is used to monitor the vehicle and regularly report to the customer on the status of the goods. Groupage transport allows goods to be picked up within 24 hours, through central warehouses in Europe. Regular tours have been established, twice a week from Germany, Italy and Turkey, and export tours to Montenegro and B&H. The DTS fleet transports over 3,000 pallets daily and covers over 15,000 kilometers.

Air transport

DTS offers customers the ability to transport all DG (dangerous goods) and temperature-controlled door-to-door shipments from around the world, by standard, express, charter and multimodal transport. It operates as a direct agent of all airlines in Serbia, Montenegro and Bosnia and Herzegovina, as well as an exclusive partner of logistics companies that cover the whole world. An example is the exclusive partnership with C.H. Robinson, which is the largest logistics platform in the world with over 200,000 customers. At the same time, it offers DTS clients a professional and safe service, the best logistics solutions and competitive air fares with AAR insurance.

Container transport

Clients are provided with the services of full container transport (FLC), groupage (LCL) and transport of goods requiring special temperature regimes (FRIGO containers). Through direct contracts with shipping companies, DTS enables its clients to transport goods to ports around the world.

Freight forwarding and customs clearance services

DTS offers clients services in the field of customs brokerage in the import and export of goods, temporary import, active and passive processing and storage of goods. As an authorized consignor and consignee of goods in transit, it enables clients to ship goods directly, without waiting, from the DTS premises to the border customs office or to deliver imported goods for direct customs clearance at the DTS premises. The forwarding offices are located at the customs offices: the Port of Belgrade, the Kvantas Terminal, the Belgrade Airport, the Makis Shunting Station, the Port of Novi Sad, the Leget Port of Sremska Mitrovica and the Constantine the Great Airport in Nis.

DTS Montenegro provides clients with road, air, container and groupage transport services, warehousing, forwarding and customs clearance, as well as 3PL services. The DTS warehouse in Podgorica has 3,000 pallet places for goods stored in different temperature regimes. It has its own fleet of 12 trucks, 11 of which have a Thermo King system.

DTS B&H provides clients with road, air, container and groupage transport services. Since its establishment, it has grown in all business segments, extended contracts with all important clients, but also established partnerships with major airline and container companies, which led to the opening of a new office in Sarajevo.

DTS Slovenia was founded in 2021 and offers road, groupage, air and container transport services. This is the first time that DTS opens a representative office in the European Union.

DTS is constantly improving its business with the aim of raising the quality of services through innovative solutions and creating special business models in accordance with the anticipated needs of clients.

In 2021, DTS modernized its fleet and became **the first logistics company in Serbia with 100 % electric vehicles**. 3 AC electric chargers were installed in the Distribution Center in Nova Pazova.



Together with infrastructure innovations, we are constantly working on systemic improvements by implementing new software and upgrading existing ones in order to reduce the amount of documentation in paper form, as well as the time to prepare reports needed for business analysis for continuous business development.

Of the new solutions in 2021, the following have been implemented:

- **RPA (robotic process automation) technology** - which aims to automate certain processes that are repeated in time intervals, in an identical way, in a way that they are executed by a virtual machine instead of a human.
- **Cross dock center application** - an application for scanning and tracking the status of all pallets that cross a certain cross dock point.
- **Power Apps applications** - intensive work is being done on creating and raising control applications that help in operational work.
- **BI system reporting** - implemented the first of several planned phases of automatic reporting by which reports are generated in a given time based on input data from several business systems used.
- **TMS** - software for managing individual routes in the domestic transport segment.

As a company that largely takes into account the social environment in which it operates, DTS in 2021 implemented and participated in several activities aimed at improving the community:

- 100 pieces of neon lighting from the Distribution Center Nova Pazova were donated to the primary school "Simeon Aranicki" in Stara Pazova;
- took part in the humanitarian action of the "Budi human" ("Be Humane") Foundation;
- cooperation has been established with the Traffic and Technical School in Zemun, and on the issue of dual education and referral of high school students to perform professional training in the company for the educational profile of logistics and forwarding technicians;
- a paid internship program has been established for students of the Faculty of Transport and Traffic Engineering, University of Belgrade, which can be done at any time;
- The number of young people employed has increased through the Young Leaders program.

NEW TECHNOLOGIES

Ananas

E-commerce Platform Ananas, being successfully developed since 2020, officially started operating in the last quarter of 2021. Considering the great need for the development of modern online trade on the Serbian market, Ananas worked on developing various benefits for both sellers and end consumers with the ultimate mission of meeting all relevant participants on one reliable platform for online trade.

Ananas Platform provides for the opportunity for a large number of domestic entrepreneurs to improve their businesses and increase their earnings through the marketing and advertising of their goods on the Platform. In order to speed up and simplify the entire process of registration and advertising, a merchant portal was created, which is an innovative platform that automates the entire product listing process for sellers, as well as inventory and price management on the site.

Ananas, as a contemporary and modern e-commerce Platform, strives for innovations and solutions that will provide its users with the best possible experience. Innovative solutions have come to the fore in the field of logistics, as well as through the benefits provided to both suppliers and customers. In this regard, Ananas boasts with four significant advantages - **Ananas Direct, Ananas Package Zone, Ananas Package Machines and Ananas Express.**

Ananas Direct is the name for storage-related services. For suppliers, this means reduced logistics costs and improved operations. For customers, this means next working day delivery options from the moment of ordering, which is a unique service on the market.

Ananas Package Zone is a unique service on the market and represents a network of partner locations throughout Serbia where users can collect the shipment. Partner locations are mostly cafes, small shops, or other small and medium domestic entrepreneurs. There are 3 main benefits for partners:

- more people visiting their premises
- promotion on the Ananas website on social networks as well
- compensation for each package.

This service provides users more control over their time, and the ability to collect the package whenever it suits them, in a place that suits them.

At the moment, more than 50 **Ananas Package Machines** have been installed throughout Serbia. This service allows users to pick up their package at any time, given that the package machine works 24 hours a day, every day of the year.

Ananas Express is a courier service that brings packages from the warehouse. Ananas Express uses electric vehicles, the main benefit of which is zero emissions of harmful gases, which makes this service unique on the Serbian market.

During 2022 as well, Ananas will actively work on improving existing and creating new business processes that will provide suppliers and customers with the best possible user experience. Planned activities for 2022 are as follows:

- Same day delivery for shipments ordered before noon
- Donation of printed material for the production of ecological bags from recycled paper
- Formation of a special category of small domestic producers.

Ananas Company gives great importance to environmental protection, as well as social responsibility. Cooperation has been achieved with a large number of suppliers who sell products that have not been tested on animals at any stage of their testing, i.e. Cruelty free cosmetics. At the same time, a large number of Ananas employees actively participate in the Third Parent Project, which is organized by the Delta Foundation and aims to help socially disadvantaged families.



Resity Technologies

In order to further develop the Company's business in the field of technology, in 2020 Delta Holding started the development of the Resity Technologies startup, a consulting center with a main focus on providing services to customers and partners with the support of highly qualified SAP experts and Junior SAP consultants in the implementation of projects.

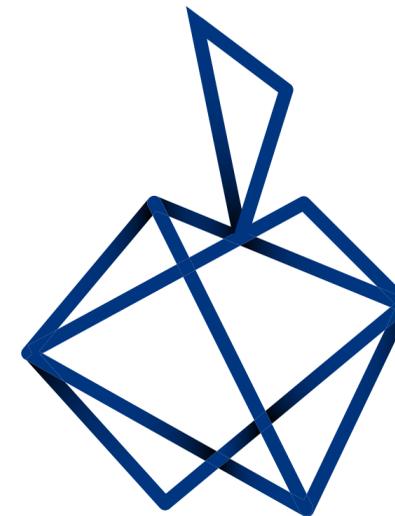
The Company's team consists of senior and junior SAP consultants who provide support for a number of different SAP modules and platforms across various industries.

Resity Technologies is strongly aimed at the continuous advancement and improvement of young people through the organization of various trainings, workshops and certifications, as well as through their involvement in numerous international projects. In addition to professional SAP training, young people are also empowered in the field of other skills, such as German language classes. In this way, the Delta Holding Company encourages young people not only to learn and master new knowledge in the field of technology and business, but also to provide themselves with good possibilities and business opportunities in companies around the world by working from their country.

Resity Technologies, under the name Spectrum Solutions, apart from the Serbian market, also operates in Croatia.



AgTech Start-Up



Fresh Agriculture Technologies

Taking into account the importance of agricultural production for the overall development of the Serbian economy, as well as the real problems faced by agricultural producers, the Delta Holding Company provided support to a number of startups that showed great development potential in the field of new technologies and machine learning. In order to create smart agriculture through the digitization process, different teams have created **MapMyApple**, **Krops** and **Smart** applications, which offer users the opportunity to modernize agriculture by means of numerous precise solutions.

MapMyApple is a sophisticated solution that provides apple growers with full support and is a supplement or replacement for a fruit technologist, monitoring apple cultivation in all phenophases, forecasting diseases and the appearance of pests, while proposing all agrotechnical measures based on machine learning.

Krops is an AI-based data management and predictive analytics platform specifically tailored for corporate fruit growers and their crop protection professionals. The platform collects data from the weather station (and other sources) in the orchard and turns it into insights which, combined with expert decisions, maximize yield and profit.

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



EMPLOYEE DEVELOPMENT

The main direction of Delta Holding's development is investing in people and improving their skills and knowledge. The Company gives employees trust, a sense of respect and belonging. An inclusive work environment is fostered in which every employee, regardless of their differences, can realize their potential. The Company selects talents who are continuously improving, following global trends and creating a positive and supportive work environment for the development of people and businesses. Through internship and employment programs, the Company has for many years attached great importance to supporting young people without work experience and people with disabilities.

All Delta Holding employees have the opportunity to participate in creating a business strategy of member companies, to give ideas for the development of existing and new businesses and to get involved in projects aimed at supporting local communities. In this way, employees are encouraged to make decisions and innovate, their team spirit is strengthened and they are provided with the opportunity to get involved in sustainable development of business, as well as the community.

The total number of employees in 2021 amounted to 3,642. During the year, 871 persons were engaged through various contracts.

TOTAL NUMBER OF EMPLOYEES			
MEMBER	EMPLOYEES IN SERBIA IN 2021	EMPLOYEES IN THE REGION IN 2021	TOTAL
Delta Agrar Group	988	0	988
Delta Food Processing	977	0	977
Delta Real Estate Group	372	98	470
Delta Distribution	784	107	891
New Technologies	88	0	88
Shared positions	206	0	206
Delta MC	22	0	22
TOTAL	3,437	205	3,642

The possibility of promotion and position change is also provided to employees through an internal competition procedure. The initiative itself may come from the employee or management, due to the need to develop certain businesses. In line with this practice, a clear procedure has been established according to which interested employees may apply for an internal competition. In this way, employees are given a chance to move and progress along a horizontal line within the company's various businesses.¹

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

Opportunity for everyone

Delta Holding recognizes that companies have a big role to play in achieving a vision of a diverse, equitable and inclusive world. It is therefore focused on fostering inclusiveness and a culture that respects and represents different perspectives.

The Company is strongly focused on preserving and protecting human and labour rights, while providing equal opportunities for career development to all its employees. Ways that may further include diversity in recruiting, developing and retaining employees are constantly being explored. The Company strives to hire the best talents for all positions, regardless of their personal characteristics such as gender, ethnicity, skin colour, etc.

Since 2014, through the integration of parts of the Code of Ethics with the Employment Contract, each new employee has been enabled to get familiar with applicable principles and rules, general business culture of the Company, as well as adopted standards and procedures of the Human Resources Department. The Company strictly adheres to the principle of non-discrimination, and therefore no job applicant at Delta Holding will be discriminated against on the basis of gender, nationality, age, skin colour, or other personal characteristics such as pregnancy, health status or financial standing, social origin, sexual or political affiliation, membership in organizations and associations. As a rule, minors are not employed at the Company. In case there is an exceptional need for their engagement, all legal conditions must be met. At the same time, Delta Holding has a clearly defined obligation to protect the personal data of all applicants.

In 2021, there were no complaints of violations of human rights and non-discriminatory principles.

QUALIFICATION STRUCTURE										
MEMBER	PhD	Magister	Master	University degree	College	Higher vocational qualification	High school	Vocational qualification	Semi-qualified	Unqualified
Delta Agrar Group	4	2	25	264	29	2	298	175	11	176
Delta Food Processing	0	0	9	112	52	3	363	310	4	124
Delta Real Estate Group	0	1	11	163	39	35	158	36	3	24
Delta Distribution	0	4	30	221	91	4	385	125	2	18
New Technologies	0	0	14	52	1	0	19	0	0	2
Shared positions	1	1	13	96	15	1	62	17	0	0
Delta MC	0	0	0	4	2	16	0	0	0	0
TOTAL	5	8	102	912	229	61	1,285	663	20	344

The Company encourages and respects differences in employee structure, which significantly contributes to its success in business. A balanced age structure provides a unique combination of young people's ideas and older colleagues' experiences. Transferring the experience of older colleagues to younger ones is an important aspect of spreading knowledge throughout the Company, which ensures continuity in work and achieving outstanding business results.

In 2021, an equal number of women and men were employed in the management of Delta Holding, while in different members of the system this ratio was in line with the type and requirements of the work performed. In addition, there are more women in the Company's Board, which makes Delta Holding a unique company in the domestic and regional market. In 2021, women comprised 41 % and men 59 % of the total number of employees.

WORKFORCE AGE STRUCTURE

AGE STRUCTURE	SERBIA			REGION		
	19-29 YEARS	30-50 YEARS	OVER 50	19-29 YEARS	30-50 YEARS	OVER 50
Delta Agrar Group	154	495	339	0	0	0
Delta Food Processing	135	600	242	0	0	0
Delta Real Estate Group	94	205	73	39	52	7
Delta Distribution	204	478	91	14	82	11
New Technologies	49	34	5	0	0	0
Shared positions	44	121	41	0	0	0
Delta MC	2	11	9	0	0	0
TOTAL	682	1,944	800	53	134	18

Since its establishment, Delta Holding has fostered the principle of gender equality, which means that women have always been employed in large numbers in senior positions in the Company. This is also an integral part of continuous communication in the business world, when it comes to the importance of balance in decision-making for achieving goals. This way, the Company also contributes to spreading awareness in society about the importance of the role of women in business and their great contribution to business results.

The number of women in senior management positions in the Company is considered one of the key factors of success in business and sustainable development. Professional ambitions and self-confidence of young women are encouraged through various mentoring and leadership development projects.

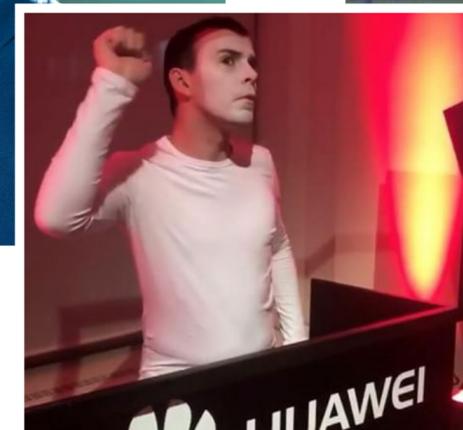
GENDER STRUCTURE

MEMBER	EMPLOYEES IN SERBIA		EMPLOYEES IN THE REGION		TOTAL	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Delta Agrar Group	306	682	0	0	306	682
Delta Food Processing	459	518	0	0	459	518
Delta Real Estate Group	202	169	49	49	251	218
Delta Distribution	291	495	37	70	328	565
New Technologies	38	50	0	0	38	50
Shared positions	97	109	0	0	97	109
Delta MC	4	18	0	0	4	18
TOTAL	1,397	2,041	86	119	1,483	2,160

In accordance with the principles of protection of human and labour rights, every employee is entitled to a salary consisting of base salary, portion of the salary for working performance, and increased salary. Salaries are determined solely on the basis of the skills and knowledge of employees, as well as requirements for the workplace, strictly adhering to non-discriminatory principles. The criteria for determining base salary are defined in the employer's bylaw (Employee Handbook or Collective Agreement). Base salary is expressed in nominal gross value in the employment contract for full-time and standard work performance. Depending on the working performance of the employees or the achieved business result of the Company, the salary can be increased up to the prescribed percentage, in accordance with the provisions of the bylaw.

As a socially responsible employer, Delta Holding supports and nurtures employee unions and the right to collective bargaining. In the Danubius and Yuhor factories, as well as on the estates of Delta Agrar, there are organized trade unions of employees with a total of 568 members as at 31 December 2021.

The Company is completely open and accessible for employing people with disabilities. Employees with disabilities have full rights and great support for professional development in accordance with their wishes, competencies and abilities. Etiquette in communication with people with disabilities is available to all employees on an internal portal, which helps them create a supportive atmosphere for people with disabilities. The Company has also provided support to the NGO "Forum of Youth with Disabilities" to create and maintain a portal for the employment of persons with disabilities, where socially responsible companies can find a suitable candidate. This way, additional support has been provided to unemployed persons with disabilities to get employment. In 2021, Delta Holding employed a total of 58 people with disabilities.



Ivan is the colleague responsible for the design of this and all previous reports on sustainable business.

Although a hearing impaired person, Ivan is an accomplished Graphic Designer and Pantomime Artist who has been successfully building his career at Delta Holding for 8 years and communicating with his colleagues on a daily basis without any problems. He spends his free time with his wife and daughter, and is also a passionate football fan!

Ivan achieves his professional development under the same conditions as other colleagues, because Delta Holding provides everyone with equal chances for success.

Caring for people

In 2021, work safety was taken into account in the circumstances of the Covid-19 pandemic. Work processes were organized in accordance with the recommendations of the Crisis Committee and the World Health Organization, so that all employees whose type of work allowed it were given the opportunity to work in a hybrid / combined working model. In addition, epidemiological measures to protect the health of employees in order to further prevent the spread of the virus were strictly observed in all business premises. During the year, a lecture was given by epidemiologists on the importance of vaccination, which enabled employees to easily understand the differences between vaccine types, the ways they affect the virus and the importance of prevention.

In addition to the measures taken to protect the physical health of employees, special care is paid to their mental and psychological health. Employees were provided with psychological support through online counselling with experts from the Step Up Agency, during which they could share their feelings and worries, as well as receive useful advice.

In order to support the birth rate, the Company provides solidarity aid to employees for the birth of the first, second, third and each subsequent child. In addition to solidarity aid, Delta Holding continuously promotes parenting support through other benefits that include:

- annual financial assistance for single parents of minor children (defined based on the number of children);
- gift package for a newborn baby;
- day off for parents whose children are starting the first grade of primary school (on the day of the beginning of the school year);
- gift package with school supplies for first graders.

Apart from legally prescribed days off, all employees are entitled to paid leave in certain situations such as marriage and childbirth, birth of another close family member, serious illness or death of a close family member, voluntary blood donation, relocation, protection from and elimination of harmful consequences from natural disasters, taking professional or other exams, as well as in the case of recreational holidays organized by the employer.

In addition to the above benefits, the Company has also provided:

- flexible working hours for all employees whose type of work allows for it;
- two days of work from home per month for employees whose type of work allows for it;
- increase in the number of days of annual leave in proportion with education and years of work in the Company;
- extension of scholarships for children of deceased employees for 6 years (from 18 to 24 years of child's age).

Also, during 2021, employees were given:

- gift packages / vouchers for ladies on the occasion of 8 March, and
- one-time cash gift for the New Year.

The right to private health insurance has been extended to a significantly larger number of employees, while the procedure for helping employees and close family members in the event of a serious illness is carried out at the level of the entire Company.

The above rights and benefits are communicated by superiors in a transparent manner and made available to all employees. Documents defining the procedures are available on the internal portal of Delta Holding.

Strengthening sportsmanship

Given that one of the core values of Delta Holding is the desire to achieve the greatest business goals, the Company strongly encourages employees to push their boundaries, especially in the field of sports activities.

During 2021, the Delta Running Team participated in a total of 9 races, 8 of which were on the territory of Serbia, and one abroad.

This year as well, the Delta Running Team achieved notable results:

- the second place in the companies' race "Belgrade Business Run" in Nis and Belgrade;
- the third place in the companies' race "Belgrade Business Run" in Subotica.

The registration fees for the above races were paid by the Company.



Investing in knowledge

In 2021, Delta Holding continued the practice of organizing training and coaching for its employees with the aim of their professional and personal growth and development. A large number of trainings were held online through various platforms, while some trainings were organized live, in accordance with all precautionary measures, bearing in mind the epidemiological situation. The trainings were well-received by the employees and exceptional results were achieved.

Traditionally, lectures on various business topics within the **Delta Business Café** continued. Young colleagues, participants of the programs “Young Leaders” and “Compass”, but also all interested employees, were given a chance to listen to online lectures where expert knowledge, novelties and examples of good practice in various fields were exchanged. Topics discussed were: *Real, Digital, Safe; Electric vehicles - electromobility Logistics in the Balkans and Covid’s impact on global logistics flows; New product development - from analysis to the shelf; A trip around the world with Selsem soy; Distribution in the Maxi retail chain and the OMV petrol chain; Visual intelligence in veterinary medicine and pig production; Risk management; The importance of controlling in the distribution business.*



Within the **Delta Agrar Group**, among other, the practice of intensive internal communication was continued in order to maintain the level of motivation and connection of employees within the system. We are continuously working on informing employees through an educational newsletter called HR Thursday. In addition to the idea of improving teamwork, motivation and creativity of employees, the aim of this newsletter is to empower employees on the path to acquiring new knowledge through practical guidelines and advice on establishing better focus, dealing with inevitable business mistakes, as well as to raise awareness among employees on other important topics such as coaching and psychotherapy. The project is planned to continue during the next year 2022.

For employees at remote locations, the rewarding of the best who are setting the example of good practice with their results, commitment and dedication continued. 48 colleagues who celebrated 10, 15, 20 and 25 years of work in the Company in 2021 have also been awarded.

The quality of our staff is recognized outside the Company, which has been shown by the fact that Delta Agrar experts are one of the lecturers in the Business in Agriculture program of the Mokra Gora School of Management, which will be held in 2022. Students of the Mokra Gora School of Management will have the opportunity to see apple, cherry and grape plantations of Delta Agrar during the expert visit and get acquainted with the production process. The visit will be led by Delta Agrar experts in the above location.

During 2021, the Company organized joint gatherings in remote locations, where numerous activities were available, such as the Secret Santa Claus, various social games during breaks, as well as gifts on the occasion of Women’s Day. In the next year, it is planned to continue the implementation of joint entertainment and educational activities in order to strengthen team spirit and intersectoral cooperation.

Also, the campaign of educating partners and consumers has continued in social networks, which aims to educate consumers and partners through educational publications and advice, to present product benefits, but also to mention important local topics, thus improving the community in which the Company operates. This campaign is also planned for the next year.

Numerous trainings were held in the companies of the Food Processing Group. In 2021, a total of 2,470 hours of training were held in the company **Yuhor**. Out of that, 2,353 hours of external and 117 hours of internal training were held, which aim to improve employee development. Emphasis was placed on trainings related to improving communication skills, motivation, such as constructive communication, self-motivation, mentoring, development, teamwork, leadership, improving business competence and stress management.

Targeted trainings were also organized within the retail network in order to achieve maximum efficiency and better quality of service. All retail employees attended the training “Excellent service for the best results”, as well as the training “How to manage a team”, which included managers of retail facilities.

At the same time, internal trainings were organized according to the requirements of HACCP, ISO or IFS standards.

During 2021, all new employees of the **Delta Auto Group** underwent an introductory training which, in addition to presenting the Company, also aimed at getting to know the brands being represented.

Out of a total of 1,712 hours of training, the majority were for employees - 1,061 hours, and other trainings were for middle and senior management. During 2021, a greater focus was placed on external trainings aimed at improving "soft" skills: emotion management, stress management, mentoring and situational leadership. Trainings in the field of consumer psychology also continued.

14 service advisors passed the training entitled "Improving the Skills of Service Advisors". The two-day training was prepared and adapted to the car industry, and according to the "taylor made" system, in order to help employees in the position of service advisors to better respond to the challenges they face in their daily work.

20 employees passed the "Power BI" training, and 13 employees attended the "Fundamentals of Finance for Managers" training.

During 2021, the training of certain managers continued through individual coaching sessions and work with a professional business coach, while in terms of internal training the biggest focus was on electrification and introducing employees to new, current technologies, and in order to raise awareness of customer satisfaction to an even higher level, internal CRM workshops were held.

In the field of development, Delta DMD held 1,347 hours of training in 2021, while colleagues from Montenegro held over 2,000 hours in **DMD Delta** and **DTS**. In Montenegro, the position of HR coordinator has been formally established, which has contributed to supporting employees to achieve their full potential through various activities such as one-on-one interviews, open doors, HR Friday - educational content on a weekly basis. Investments in internal and external trainings, forums and conferences have been made. The directions of development were: finance for non-financiers, stress management, emotion management, assertive communication, mentoring skills, situational leadership, marketing training, negotiation skills, for both junior and middle management, and advanced negotiation for senior management. As in previous years, the performance management process was conducted in both Serbia and Montenegro, but was expanded in 2021 in terms of the number of participants.

In 2021, **DTS** held trainings focusing on topics such as assertive communication, team synergy, mentoring skills, basic management, labor-law relations, finance, marketing, as well as topics related to transport, freight forwarding and customs. The total number of training hours was 2,158, and 83 employees attended the trainings.

In the **Crowne Plaza Hotel Belgrade**, the focus was on *Risk and Responsible Business trainings* for employees in the field of employee and guest safety, fire protection, and food safety. Last year, a total of 4,000 hours or approximately 167 days were spent on a total of 78 ten-minute *Risk and Responsible Business trainings*.

During the training on the IHG *Way of Clean standards* (application of new, strict standards and procedures of prevention and protection - compliance with epidemiological and hygiene measures), employees in the household sector, but also employees in all other sectors, dedicated a total of 85 hours to these trainings.

Great attention was paid to brand orientation trainings and *True Hospitality* trainings: *Welcome to IHG, Dare to Connect, True Hospitality Service Skills (True Attitude, True Confidence, True Listening, True Responsiveness)*, and *Brand Orientation*. Nearly 625 hours was dedicated to these trainings.



In 2021, the senior management of the hotel also attended a specialized training called "Communication and Understanding of Other People".

Within the system, trainings on safety and health at work, as well as fire protection were held for all members, while in some member companies, considering the circumstances of the pandemic, professional trainings were organized with regard to the prevention and vaccination against Covid-19. In **Ananas**, 54 employees underwent such training, which was held by Prof. Radan Stojanovic, MD.

PROFESSIONAL TRAININGS IN 2021	TOTAL	WOMEN	MEN	AVERAGE NO. OF HOURS OF TRAINING PER EMPLOYEE A YEAR
Training hours	26,258	12,810	13,448	9.86
Number of attendees	2,663	1,245	1,418	

Compass

In cooperation with the Student Union of the Faculty of Economics in Belgrade, the educational program “Compass” was launched under the auspices of Delta Holding. Intended for second, third and final year students, this program allows participants to learn from Delta experts through workshops and interactive lectures, get acquainted with the Company’s top management and experience the importance of team spirit by working on projects and case studies in the field of the Company’s business.

In order to provide students with the opportunity to step into the world of business already during their studies, this program provides participants with a unique opportunity to see what running a business in one of the most successful companies in Serbia looks like in practice.

In the period from April to July 2021, 60 third and fourth year students from ten different faculties were given the opportunity to learn from Delta experts through interactive online lectures.

For a period of three months, students attended online lectures by senior vice presidents, business directors, support department directors and members of the Delta Experts program. Through lectures, they got acquainted with the topics of distribution and merchandising, logistics, marketing, new product development, risk management, controlling, etc.

At the end of the program, the students presented their work on the project before the Expert Committee consisting of managers and members of the Company’s board, that, among other, covered the following topics:

- state-of-the-art convention centre;
- analysis of e-commerce platforms;
- artificial intelligence in the service of logistics;
- corporate culture and company of the future;
- E-commerce - consumer experiences and needs.



Young leaders

In order to empower young people and provide motivation for their future professional development, in 2012 Delta Holding launched an innovative program called “Young Leaders”. This one-year program provides support to young, university-educated people with no previous work experience to enter the world of business.

During the first 10 generations, about 23,500 young people expressed a desire to be part of the program, and 339 of them were given the opportunity to become part of the Young Leaders. The selection process consists of 5 rounds and involves checking different competencies of candidates. The first step consists of online testing that includes a test of English grammar, a general information test and a test of compatibility with company values. In the second round, additional online testing is performed, which includes a test of cognitive abilities and a personality test. In the third round, an interview is conducted with some of the employees in the human resources department, and then, in the fourth round, candidates work on a case study in small groups and have another English language assessment by doing a text translation. Compared to previous generations, in the final round, the candidates had a conversation with board members, as well as managers of Delta’s businesses and HR department. The best candidates were selected to become part of the program, and in accordance with the expressed interests and needs of the Company, they were distributed among the businesses within the system. An additional change introduced in 2021 is that participants have the opportunity to rotate between different Delta businesses during the program, but within the same business area.

During the program, Young Leaders receive mentors who monitor their work and try to transfer knowledge and experience to them in the best possible way. After the end of the program, the best of them get the opportunity to continue the cooperation.

In January 2021, the ninth generation of Young Leaders arrived in the Company and 50 colleagues started working in the Delta Holding system.

After the formal reception, in the week of getting to know the Company, the participants of the program had the opportunity to get to know the business more closely through visits and presentations of employees.

During 2021, the ninth generation underwent a two-day training in assertive communication.

Since 2017, Young Leaders have been involved in the Company’s digital transformation process. During 2021, they contributed to the innovation of business processes with their ideas and projects. In order to implement their ideas in the best possible way, they underwent Microsoft Office 365 training. All projects they worked on were presented at the end of the year, and the winning team was awarded. Some of the topics they covered were:

- biodegradable packaging;
- onboarding process;
- universal spare parts warehouse optimization plan for all three warehouses;
- simplification and acceleration of the process of accepting vehicles for service;
- automatic guided vehicles (AGV) for intralogistics;
- green business of the future.



At the end of 2021, the participants of the 10th generation of the Young Leaders program were selected - a total of 43 new colleagues, while 1,425 candidates applied for the competition.

Through the program, the Company achieves multiple benefits - with creativity and new energy it modernizes its corporate culture and business development, and on the other hand helps the community in practical education and keeping young people in the country.

Delta's Future

Delta's Future is a talent program for Delta Holding employees who have shown a high degree of professionalism and innovation during their work at the Company and accomplished notable achievements. Participants in Delta's Future are young and talented employees who are preparing for future management positions through the program.

The main goal of the project is to identify and create a career plan for exceptional employees who stand out for their potential, energy, results and knowledge, self-work and development of their colleagues.

During the two years of the program, participants attend special trainings, workshops and coaching sessions designed to improve their knowledge and skills in order to take on leadership positions in the future.



During 2021, colleagues who are in the second generation of students continued with individual coaching sessions, the purpose of which is personal and professional development.

In the period from July to November, some of them were mentors on project assignments to colleagues from the talent program Young Leaders of the Ninth Generation.

In April 2021, the third generation of Delta's Future was promoted - a total of 14 colleagues. At the same time, the second generation of two colleagues entered the program in Montenegro. During August, they had the opportunity to listen to the training from the Basic Management Program, while some of the colleagues started their coaching sessions with the aim of further development.

Delta's experts

Thanks to great knowledge and experience, which resulted in significant business achievements, the employees include experts who have great measurable results, precise strategic decision-making, as well as evident success in various aspects of the work they perform.

Large and successful systems such as Delta Holding owe their excellent business results to a significant number of colleagues who are outstanding experts in their field. For their work and time invested, the Company decided to give them the recognition they deserved and form a special club of which they will be honorary members.

The program was launched at the end of 2020, and during 2021, 52 colleagues became members of the Delta's Experts Club. In order to exchange knowledge, some of the participants held professional lectures in their fields as part of an internal lecture called "Delta Business Café".



Innovations

Among the values of Delta Holding, innovation occupies an important place. The essence of innovation is the application of a new or significantly improved product, service or process, new marketing or organizational methods in business, work organization or company relations with the environment. In short, everything that has not been applied in business practice. As innovation does not happen by itself, if it wants results in this area, the company needs to pay attention to structuring the process of innovation and implementation of ideas.

Since December 2017, Delta Holding has been improving its existing innovation processes by forming a special working group - the Committee on Innovation and Digital Transformation. The goal of this working group is to improve the process of innovation and more successful realization of ideas as well as digital transformation of the company's business. Committee members are employed in managerial positions and come up with ideas for innovation with their teams. The task of the Committee is to present ideas for innovation at joint meetings of members, look at opportunities for cross-sector cooperation, as well as to consider ideas proposed by employees through an internal portal.

The situation caused by the Covid-19 virus pandemic and the hybrid mode of operation influenced the meetings of the Innovation Committee, but despite that, the work of the Committee did not stop. The teams also met online, and 221 ideas were discussed at 33 meetings, of which 102 were under consideration by the end of the year, 79 ideas entered the implementation process, 33 ideas were implemented, while 7 were rejected.



The annual awards for innovation were presented to employees who successfully realized their ideas in 2021. The main prize for innovation, the DNA annual award, as well as the Spotlight Award, was won by a three-member DTS team that introduced fleets of electric delivery vehicles, making DTS the first logistics company in Serbia to own 100 % electric vehicles. The Spotlight Award was also given for results in the field of implementing innovative solutions in Delta Agrar that have contributed to saving resources, as well as increasing yields and revenues.

During 2021, an internal e-mail campaign called Inspired by Innovation was realized, within which employees received useful information on the topic of innovation once a week. The first part of the campaign lasted 14 weeks, and within it, employees received information on what innovations are and what they are not. After that, a survey was conducted on what employees would like to know about the innovation processes, which resulted in the second part of the campaign lasting 5 weeks, in which the awarded innovations in the company were communicated. In the period of 18 weeks, the third part of the campaign followed, which aimed to promote innovations from around the world.

The project proposals in the field of innovation were given by the Young Leaders of the Ninth Generation.

At the invitation of the Chamber of Commerce of Serbia, Delta Holding also supported the ScaleUp4Europe project by engaging in the advisory board for the project segment related to startup solutions in the field of agriculture.

Delta Business Incubator

Delta Business Incubator (“Delta Biznis Inkubator”) is a quarterly program that helps startups² to develop and improve their product or service, prepare it for the market and present it to investors. Teams develop their business ideas through workshops, lectures, working with mentors, as well as through business contacts they acquire during the program. At the end of the program, teams have the opportunity to receive investment from Delta Holding, but also other investors who are invited to attend the final presentation of ideas. In this way, Delta Business Incubator is the only corporate incubator in Serbia that provides access to the company’s internal resources. Since the beginning of the realization of the program in 2018, 21 startups have passed through the Incubator, while 5 startups received an investment after the end of the program.

During the first two years, the program was intended for the development of startup ideas in the field of logistics, distribution, agriculture and real estate, i.e. in the business areas of Delta Holding members, because in this way the company could offer not only financial assistance important for starting a business, but also mentors, knowledge, as well as the opportunity to test ideas and business contacts.

Since 2020, thanks to partner companies and external mentors and associates who have expressed interest in joining the program, the competition is open to business ideas from all areas of business, not limited to the businesses in which Delta Holding operates.

36 applications were received for the competition organized in 2021. Out of the total number, 16 teams entered the next round of selection and presented their startup ideas to the commission. Based on the criteria, the commission selected 5 teams to enter the three-month program of incubation and preparation for the investment drink.

At the very beginning of the program, the teams and their mentors made an individual work plan for three months of incubation, in accordance with the needs for the development of a startup idea. Ideas are developed with the support, knowledge, consultation and mentorship of the expert team of Delta Holding, partner companies and business consultants. In addition to individual work, lectures were organized for all teams on the topics of writing a business plan, *reverse exit engineering*, legal aspects of business, IP protection, marketing, and preparation of short and effective presentations for investors.

The program was realized by a combination of online and live meetings. Particular quality of the program was given by partner companies and external associates: Dejan Tesic, Misa Lukic, ICT Hub, Ovation BBDO, PwC Serbia, Karanovic & Partners Office, Fresh Agriculture Technologies, Lazar Pavlovic and Matija Golubovic.

After the end of the incubation period, the teams presented their ideas on the investment pizza to the representatives of successful companies and investors. The highest marks of the commission were awarded to the Studio Carousel team, which participated in the Incubator with the idea of developing the children’s brand Tesla’s Knowledge. The development of the brand implies the production of an animated children’s series with accompanying toys that contain innovative technology. In this way, children will enter the world of science in an interesting way, through play, by combining traditional play and modern technologies. In addition to Delta Holding, the team received an investment from three other investors.

In its fifth year of operation, since 2022, the Delta Business Incubator program has changed its name to D Incubator and cooperates with several partner companies compared to previous years.

Information about the program is available on the website www.dinkubator.rs.



² Startups are teams of up to 5 members with an innovative business idea that has the potential to grow rapidly in a large market.

Safety and Health at Work

As the protection of the health and lives of employees is a priority, Delta Holding takes a large number of measures and activities in order to protect them. The main interest of the Company is to ensure the highest level of safety and health at work, as well as to reduce unwanted consequences such as injuries at work, occupational diseases and work-related illnesses to the lowest possible level. For this reason, the strategic plans envisage continuous investment in new technologies, training and education in order to strengthen prevention and protection measures for employees in the work environment.

Given the great importance of this area for the sustainable operation of the Company, the Director for Sustainable Business is in charge of strategic improvement and monitoring of OSH and ZOP activities. The head of OSH and ZOP Delta Holding is in charge of implementing the strategy, as well as advising and controlling the work of experts in this field in each of the members of the system.

For faster and easier access to data, all occupational safety and health, as well as fire protection, are integrated into the company's SAP system. In this way, information on the condition of the equipment and the necessary examinations, personal protective equipment, as well as the health condition and needs for examinations of employees are available to the persons in charge of OSH at all times.

All member companies are actively working to improve working conditions. During the year, factories and estates constantly invested in the renovation of work equipment, fire protection and the purchase of personal protective equipment.

And during 2021, due to the duration of the Covid-19 pandemic, the Company's focus was on providing a healthy and safe working environment in order to prevent the spread of the virus and protect the health of employees. The Crisis Staff, formed in 2020, continued its work and was in daily contact with colleagues from the locations. Factories, estates, farms, distribution centers, Yuhor shops, as well as car services did not stop working, so the most important thing was to provide mechanisms and conditions for a safe working environment in order to prevent the appearance and spread of the virus among employees. Therefore, all necessary measures were implemented, which included sending emails and notifications to employees about preventive measures, which included: mandatory use of equipment protection, distance between employees in work and auxiliary rooms, organizing shift work and breaks and maintaining regular disinfection of space between shifts and after end of the working day.

In addition to the application of these protection measures, a lecture was given to the employees on the specifics, mode of transmission, protection and symptoms of the Covid-19 virus. On that occasion, employees also had the opportunity to ask questions to an expert and receive relevant answers that helped protect the health of them and their families.

Detailed instructions for dealing with the Covid-19 virus were also available to all employees. Barriers at the entrance have been set up, as well as guidelines for the reception of external persons during the loading and unloading of goods. All employees, whose work allowed it, were allowed to work from home. On a weekly basis, offices and auxiliary premises were disinfected by an authorized institution, and on a daily basis, this was done by the service for the care of space hygiene. Disinfectants for hands and work surfaces have been installed in all offices and auxiliary rooms. In the event that an employee develops any of the symptoms of infection, the adopted code of conduct was applied, which provided for his isolation, as well as the isolation of persons who were in direct contact.

During the previous year, most trainings in the field of safety and health at work and fire protection were held online. Compared to 2020, the total number of injuries and the number of lost working days has decreased. The highest number of injuries was recorded in Yuhor - 36 light and 5 severe. The most common causes of injuries were slips and sharp objects used during work.

GROUP MEMBER	NUMBER OF LIGHT INJURIES	NUMBER OF SEVERE INJURIES	TOTAL NUMBER OF INJURIES	NUMBER OF WORK DAYS LOST
Delta Agrar Group	19	3	22	721
Delta Food Processing	40	5	45	757
Delta Real Estate Group	1	0	1	11
Delta Distribution	5	2	7	153
New Technologies	0	0	0	0
Shared Functions	0	0	0	0
Delta MC	0	0	0	0
TOTAL	65	10	75	1,642

SHW AND PAF TRAINING SESSIONS IN 2021	TOTAL
Hours of training	10,815
Number of employees present in training sessions	3,825

NUMBER OF WORKING HOURS IN 2021	2,088 h
Fatal occupational injuries ratio	0
Severe occupational injuries ratio ²	4,789.3
Ratio of all recorded occupational injuries ³	35,919.5

² Severe occupational injuries ratio: Severe occupational injuries/number of working hours in 2021 x 1,000,000

³ Ratio of all recorded occupational injuries: Number of all recorded occupational injuries/number of working hours in 2021 x 1,000,000



ENVIRONMENTAL CARE

Delta Holding implements its business plans and activities responsibly towards the environment, striving to follow the latest world standards and to minimize the negative impact on the environment. In accordance with that, this year a team was formed within the company that intensively deals with the issues of improving the system in the segment of environmental protection.

In recent years, businesses, governments and citizens have been united in a collective desire to preserve the environment. That is why the application of clean and non-invasive technologies in work processes is considered mandatory nowadays and is one of the key criteria in the selection of business partners.

As a market leader in many areas of business, Delta Holding also boasts a highly expressed awareness of management and employees when it comes to the importance of a healthy environment. The company's focus in the past year has been on the application of renewable energy sources, primarily solar panels, as well as achieving as much independence as possible from the conventional electricity supply. Great efforts have been made to monitor water consumption and wastewater quality. Sustainable waste management is one of the company's priorities in the field of ecology, and the reduction of waste generation, as well as the proper and safe disposal of waste is the most important segment of achieving this strategic goal.

The best effect on the environment is achieved through proper and quality education. That is why the employees of the company are regularly informed about significant events and issues in the field of environmental protection within the Eco Corner section. In addition, regular trainings are held for employees, which aim to point out the potential dangers, but also the possibilities of improving the environment. At the company level, an environmental protection policy has been adopted, which includes monitoring, measuring, reducing and preventing the release of pollutants into the environment, into water, soil and air. Instructions for proper selection and disposal of waste have been set up in all business premises.

Representatives of the company regularly participate in conferences in the country and abroad, seminars, lectures and trainings that deal with topics related to the current situation in the field of environmental protection as well as opportunities to improve the sustainable business sector.

Energy efficiency measures

Consistent with the scope and diversity of its business, Delta Holding actively monitors energy efficiency within its system and regularly suggests opportunities to improve this segment. In line with a successful business, it is important for a company to reduce energy consumption costs, but it is important to leave as little environmental footprint as possible and reduce the impact of its business on the planet.



In 2021:

- A business building, Delta House, was opened, certified as a LEED Gold facility. The facility has an active ventilation system that exceeds the strictest air quality criteria required by the certification conditions by as much as 30 %. Also, every air conditioner has bipolar ionizers that provide exceptional air quality. At the base of the building are plastic recycled balls, the installation of which has reduced concreting, and thus CO₂ emissions. The lighting in the building is sensory, in order to optimize energy consumption. On the roof of the building is a solar power plant with a total power of 80 kW with a total of 226 pieces of monochrome type "A". In addition to the main power plant, a smaller solar power plant was installed on the canopy of the terrace of the top floor, where integrated facade solar panels of increased efficiency with a total installed power of 15 kW were applied. Both power plants are equipped with real-time online monitoring systems. The electricity produced at both solar power plants currently provides between 10 and 15 % of the energy needed for the facility to function. Given that most of the electricity in the distribution network is produced using conventional energy sources (coal), in this way it also affects the reduction of CO₂ emissions into the atmosphere.
- "Delta Planet" shopping mall opened in Nis. During the implementation of this project, construction materials were used which achieved better energy efficiency and reduced energy consumption. In addition, the use of LED lighting and the installation of a structural facade and roof lanterns made of glass-packages significantly influenced the reduction of CO₂ emissions.

- In 2021, the construction of the ULO cold store in Zajecar was completed. By applying new technological solutions and the correct choice of equipment, a high level of energy efficiency and a good ratio of initial investments and savings have been achieved. Cooling is based on a central chiller when the compressors operate in "infinity mode" - with advanced regulation that gives a precise amount of cooling energy 25 - 100 %. Each compressor has a so-called economizer that increases the efficiency of the device by 10 % and consumes less energy. Cooling chambers for apples are also set to work in the most optimal mode, primarily to preserve the quality of the fruit, which also reduces energy consumption because the set temperature is maintained. The end result is that the installation of efficient equipment segments reduces energy consumption by 30 % compared to standard solutions.
- In the seed production plant in Sombor, a project of expanding the production capacity was realized, which required an additional amount of thermal energy needed for drying the seeds. As by-products, such as rosehip, are produced during the production process, it is used as an energy source in the biomass boiler, which in this way provides energy for the new dryer.

ENERGY CONSUMPTION IN 2021

MEMBER	ELECTRIC ENERGY GJ	COAL CONSUMPTION GJ	NATURAL GAS CONSUMPTION GJ	FUEL CONSUMPTION GJ	BIOMASS GJ
Delta Agrar Group	113,456	3,441.30	21,684	50,389	12,327
Delta Food Processing	80,866	0	81,916	8,088	0
Delta Real Estate Group	58,155	0	26,095	344	0
Delta Distribution	11,418	0	7,307	15,976	0
Total consumption	263,895	3,441.30	137,002	74,796	12,327
TOTAL	491,461				

ENERGY INTENSITY

2021	TOTAL ENERGY CONSUMPTION (GJ)	TOTAL INCOME IN EUR	CONSUMED ENERGY PER SALES UNIT (GJ/EUR)
Amount	491,461	650,011,000	0.0007561

During 2021, in cooperation with an external consulting company, energy audits of locations within the system were completed. In the first phase of the project, 15 locations were selected for which it was estimated that energy efficiency could be significantly improved by introducing renewable energy sources, which would, among other things, reduce CO₂ emissions. Locations were selected based on the type of facilities, production processes and current energy product consumption.

CO₂ EMISSION

MEMBER	DIRECT CO ₂ EMISSIONS			INDIRECT EMISSIONS
	NATURAL GAS tCO ₂	COAL tCO ₂	FUEL tCO ₂	ELECTRIC ENERGY tCO ₂
Delta Agrar Group	1,061.38	309.72	3,527.20	4,538.24
Delta Food Processing	4,009.56	0	566.14	3,234.65
Delta Real Estate Group	1,277.29	0	24.10	2,326.18
Delta Distribution	357.65	0	1,118.31	456.73
	12,251.34			10,555.80
TOTAL	22,807.14			

INTENSITY OF CO₂ EMISSION

2021	EMISSION OF CO ₂ IN TONS	OVERALL REVENUE (EUR)	TOTAL EMISSION OF CO ₂ PER SALES UNIT (CO ₂ t/EUR)
Iznos	22,807	650,011,000	0.0000351



At 7 locations, an analysis of the justification of the installation of solar panels for the production of electricity was performed. These are 3 food factories (Yuhor, Fun & Fit, Mioni), the Celarevo apple cold store and the Napredak cattle farm in Stara Pazova. The electricity produced at solar power plants will be used for the needs of the given facilities, which will lead to a reduction of electricity consumption by 20 to 30 % from the distribution network, which mostly comes from conventional sources. Solar power plants will be installed exclusively on the roofs of buildings, not on land, grass and arable land, which preserves the land and uses it rationally.

At the strategic college, a decision was made to install solar power plants at 7 locations. Apart from the mentioned facilities for which an analysis of the justification of investments has been made, solar panels will be placed on the shopping mall in Varna and the Dunavka factory. The total installed power will be over 1.5 MWp. At each facility, solar power plants are dimensioned to cover their own consumption.

The goals in the field of energy efficiency for the period until 2030 include reliance on renewable energy sources at the level of 60 %, continued realization of solar power plants, cogeneration and trigeneration processes, i.e. combined production of electricity, heat and cooling, and construction of biogas plants.

Concern for water conservation

Delta Holding is a large system that uses water resources in many ways and in large quantities. That is why, due to the global water problem, the optimization of water consumption is necessary in all sectors of industry. The largest amounts of water are consumed in the Delta Agrar group. On an annual basis, Delta Agrar Group invests in state-of-the-art irrigation systems. And in 2021, the total area under these systems has increased. Consumption reports are regularly submitted to JVP "Srbijavode". Information on the quality of water used on the farms is important for the genus itself, but also for the analysis of the impact on the land, so the water from the well is checked once a month.



The most modern irrigation system that regulates and optimizes water consumption is a drip system, which is used for watering orchards, vegetable gardens and field crops grown in the Delta Agrar group. The criterion that is followed when choosing a system is the adequate amount of water that is distributed. The plant consumes a certain amount for growth, while the excess water is lost by rinsing and evaporation. In addition, the irrigation time is directly affected by the choice of drippers. Farm watering cans are designed to prevent spraying and overconsumption.

The company also takes into account what kind of water is discharged into the recipients. All factories of the Food Processing Group contain filters for wastewater treatment. Water quality is checked four times a year. This year, an active tour of the locations and analysis of the current situation when it comes to water began. The goal is to minimize the amount of wastewater, as well as the amount of polluting physical and chemical substances. In addition, the plan is to install rainwater collection tanks on all facilities where possible, which will be used as technical water, modeled on the existing system in Delta House.

In the new business house Delta House, water taps are sensory, in order to optimize consumption. A 60 m³ rainwater tank has been installed on the roof of the building, which collects water and drains it to level -2 and is used as technical water. Green areas on the roof and surrounding areas occupy over 1,300 m², and are rich in plant species that require smaller amounts of water.

EXTRACTED WATER IN m ³					
MEMBER	WATER FROM A WATER WELL	WATER FROM A LAKE	SURFACE WATER	WATER FROM THE CITY WATER SUPPLY	RECYCLED WATER IN m ³
Delta Agrar Group	1,599,565	0	9,367,326	150,577	0
Delta Food Processing	352,835	0	0	36,137	0
Delta Real Estate Group	0	0	0	82,971	0
Delta Distribution	0	0	0	16,533	0



Waste management

Waste in Delta Holding members is regulated and regularly disposed of in accordance with the Law on Environmental Protection and the Law on Waste Management. At the company level, an operator has been hired to dispose of non-hazardous packaging waste.

When it comes to waste, the most important thing is adequate education and raising awareness of the importance of proper waste management. Buckets for storing plastic, paper and packaging glass have been set up in the employees' premises. Above the bins are posters with instructions for proper waste disposal.

Hazardous waste management is performed with special care and responsibility, and above all in accordance with legal regulations. In the company, hazardous waste is mainly generated within the locations of the Delta Agrar Group, in the form of packaging for plant protection products. In accordance with that, the employees are adequately trained and are obliged to rinse the packaging three times with water. With this treatment, the waste becomes non-hazardous, which facilitates the disposal process and prevents additional environmental pollution. Operators performing hazardous waste disposal services within the company have been selected in accordance with their long-term results and compliance with legal regulations.

During 2021, a series of trainings for employees was organized and significant progress was made in spreading the importance of this issue. All members of the company are increasingly participating in solving the problem of waste, and their efforts so far show great environmental awareness. Based on that, but also on future planned projects in this area, the intention of Delta Holding is clear to show modern man that he must first of all live in harmony with nature and leave a cleaner world to future generations.



THE QUANTITY OF GENERATED AND COLLECTED WASTE IN TONS

MEMBER	NON-HAZARDOUS WASTE GENERATED IN 2021	QUANTITY OF NON-HAZARDOUS WASTE ON 01/01/2021	QUANTITY OF NON-HAZARDOUS WASTE ON 31/12/2021	HAZARDOUS WASTE GENERATED IN 2021	QUANTITY OF HAZARDOUS WASTE ON 01/01/2021	QUANTITY OF HAZARDOUS WASTE ON 31/12/2021	TREATED QUANTITY OF NON-HAZARDOUS WASTE	TREATED QUANTITY OF HAZARDOUS WASTE
Delta Agrar Group	62,094.68	7.36	8.00	6,991.01	6.53	0	62,094.04	6,997.54
Delta Food Processing	645.13	17.41	28.61	4.02	1.13	1.55	633.93	3.60
Delta Real Estate Group	399.67	0	0	5.41	0	0	399.67	5.41
Delta Distribution	151.01	0	0	37.69	0	0	151.01	37.69

Delta Pak

Delta Pak is an operator of the packaging and packaging waste management system that organizes the establishment of an integrated packaging waste management system in accordance with the principles of environmental protection, applicable legislation in the Republic of Serbia and international standards. The permit of the operator of the packaging and packaging waste management system, issued by the Ministry of Environmental Protection for a period of 5 years, was renewed for the third time in 2020. As a non-profit organization, Delta Pak operates within Delta Holding.

Delta Pak maintains regular communication and nurtures cooperation with its clients with the basic goal of establishing a sustainable and legally prescribed waste management system for each client. The services provided include field trips and problem solving at each of the sites, with the provision of expert advice and recommendations regarding waste management. In addition, records are kept of quantities as well as reporting to the national service.

In 2021, Delta Pak had contracts with 138 clients, including all member companies of Delta Holding. Meeting all national goals is possible for all clients.

For the Republic of Serbia in 2021, the defined national general goals were 62%. The total amount of packaging that was placed on the market of the Republic of Serbia during the previous year by legal entities or entrepreneurs, and who transferred their obligations to Delta Pak, amounted to 21,113.88 t.

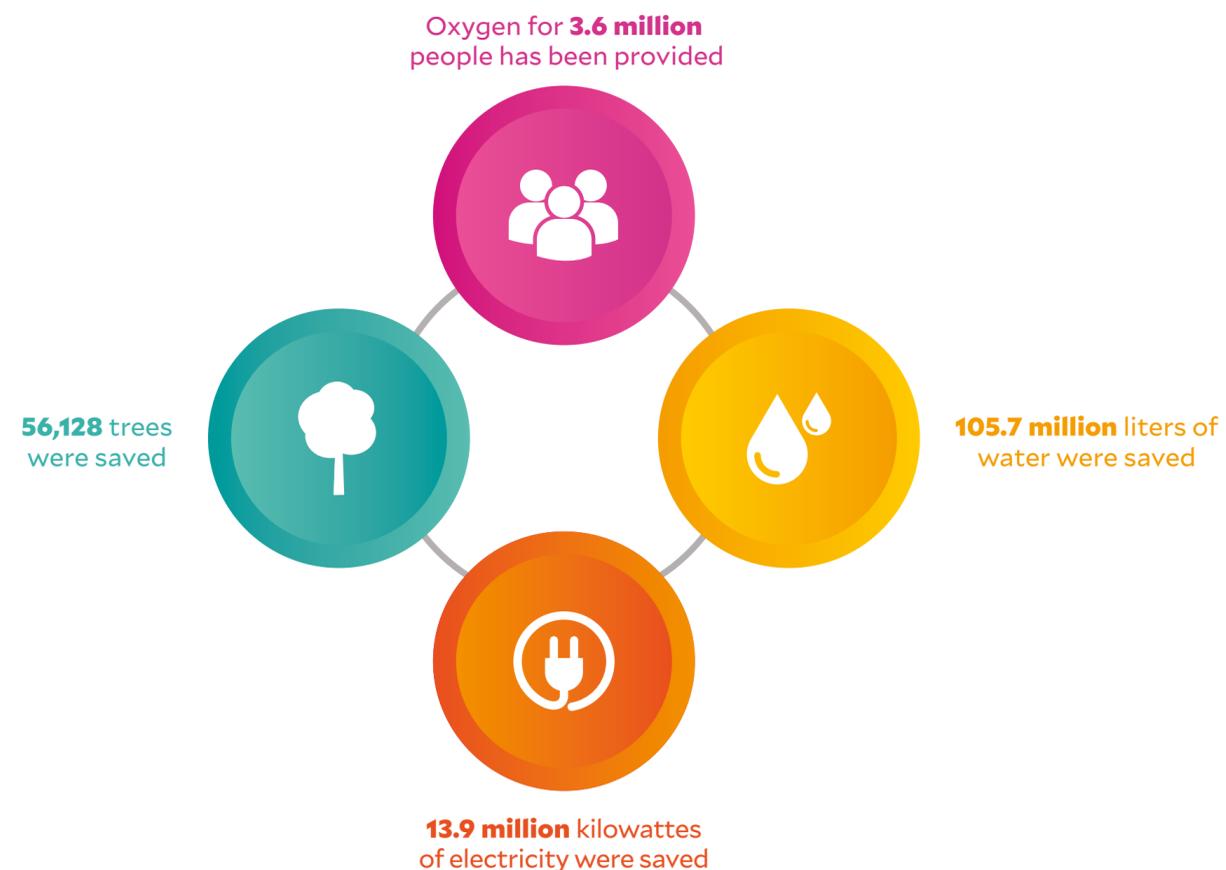
The national general goals for the Republic of Serbia in 2021 have been achieved in the amount of 68 % for the reuse of packaging waste and recycling. The total quantities of reused and recycled packaging waste by Delta Pak are 14,358.20 t, while of this amount as much as 3,193.23 t represents the amount from municipal waste.

From year to year, Delta Pak confirms its leading position in fulfilling national goals, as evidenced by the reports of the Environmental Protection Agency. According to the latest official data from the Agency, Delta Pak took over 65.9 % of packaging waste in 2020, while the nationally prescribed national targets were 61%. Delta Pak was thus the undisputed leader in recycling compared to all other packaging operators. On the other hand, it was shown that all members of Delta Holding exceeded national recycling targets.

Agreements on cooperation in fulfilling the national goals of packaging and packaging waste management during 2021 have been concluded with 41 companies. All companies have a permit for the collection and recycling of non-hazardous packaging waste.

PLACED PACKAGING - DELTA HOLDING

YEAR 2021	TOTAL AMOUNT PLACED ON THE MARKET -NON-RETURNABLE (t)	TOTAL AMOUNT PLACED ON THE MARKET - RETURNABLE (t)
Plastic total	2,846.74	0
Glass total	301.65	0
Metal total	161.11	0
Carton and paper - total	2,108.33	0.14
Drvo ukupno	953.16	273.32
Other kinds of packaging	0.39	0
Total	6,371.38	273.46
	6,644.84	
Share in returnable packaging (%)	4.11	



DELTA PAK



Delta Pak has also successfully positioned itself as an environmental consultant. It provides consulting services in the field of hazardous and non-hazardous waste management, special waste streams, as well as chemicals and safe transport of hazardous goods (hazardous cargo). During 2021, in the provision of consulting services in these areas, cooperation was achieved with 39 clients, while internal trainings on the topic of safety in the transport of dangerous goods were held for the farms of Delta Agrar. The plan is to continue with trainings in the system and outside it in 2022.

In 2021, great emphasis was placed on educating clients on the topic of environmental protection and waste management. Through various trainings, the clients were introduced to the legal regulations, prescribed documentation and obligations in waste management that must be performed on a daily basis, but also to examples of good environmental practice. The trainings were organized both in-house and online for external clients, as well as for members of Delta Holding.

In order to raise environmental awareness among employees, in 2016, an online guide for preserving the environment and efficient use of energy was created - Ekokutak. Composed of 12 interesting and educational texts, this guide enabled employees to get acquainted with innovations from the world of ecology, along with numerous applicable tips that can contribute to the preservation of the environment in practice. Through this guide, Delta Holding employees received, on an annual basis, as many as 6,000 hours of mini-education.

In addition to the above, more intensive training was conducted with a focus on waste sorting in the workplace. Appropriate Delta Pak boxes have been installed in the company's new office building with accompanying instructions on the proper disposal of paper, plastic and glass. At the end of 2021, together with colleagues from the corporate communications sector, an environmental workshop for children was held. On that occasion, New Year's decorations for the Christmas tree were made from recyclable materials that were collected in nature, in the household or within the company itself.

Last year, the promotion of Delta Pak and the spread of environmental awareness on social networks continued. Digital communication has remained an important channel for transmitting information and current events to a wider audience, but also a means of improving communication with clients and all other stakeholders. Posts on social networks are educational, but also informative and cover a wide range of topics - from Delta Pak activities, through interesting facts from the world of ecology, to useful information when it comes to laws governing the areas of environmental protection, waste management and chemicals.

And during 2021, Delta Pak retained its position as a member of the working groups for drafting and amending regulations at the Ministry of Environmental Protection.

DELTA FOUNDATION

In 2021, the Delta Foundation celebrated 14 years of its existence. As the first corporate foundation in Serbia, it started operating in 2007, uniting the previous individual activities of Delta Holding members and placing a special focus on long-term and endowment projects. Today, all members of Delta Holding support the development of the local community through numerous and diverse projects of the Delta Foundation.

The mission of the Delta Foundation is to meet the enduring social, educational, cultural and health needs of the community.

The most important areas of activity of the Delta Foundation are in the areas of:

- development and return of the tradition of endowment,
- youth education and culture,
- improvements and care for the local community,
- providing assistance to socially vulnerable populations and vulnerable groups and
- strengthening social entrepreneurship.

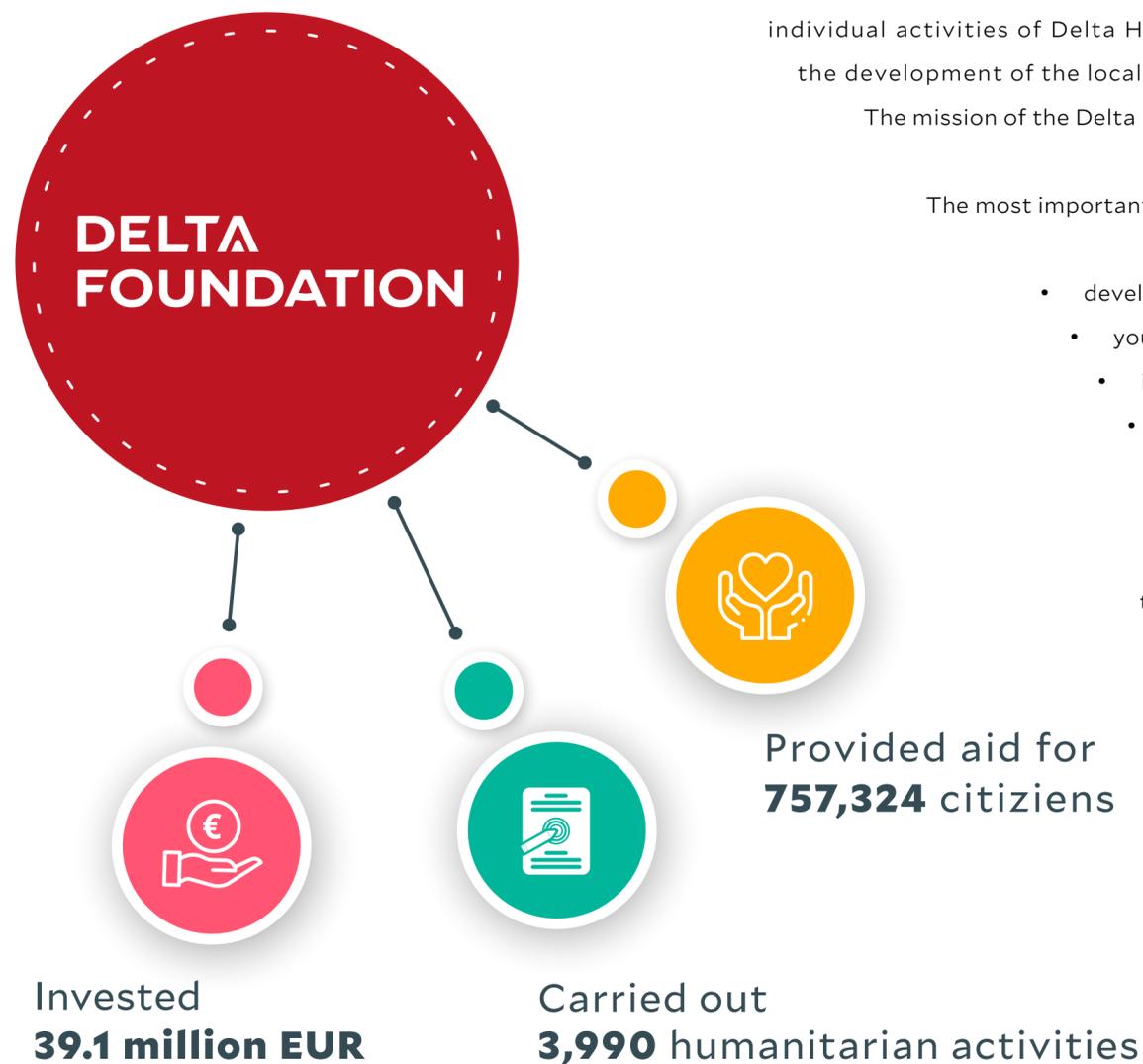
One of the main goals of founding the Delta Foundation is the idea of reviving the otherwise long tradition of endowment in Serbia, and it is through this project that the philanthropy of Delta Holding is best illustrated.

From its founding until today, the Delta Foundation has donated three endowments to the community in Serbia:

- Day care center for young people with disabilities "Sunce" ("The Sun"), based in Bezanijska kosa in Belgrade,
- Center for Sports and Recreation of Persons with Disabilities "Iskra" ("The Spark"), based in Kragujevac and
- work of art, the sculpture "Odande dovde" ("From There to Here") which adorns the Belgrade footbridge between the Sava Quay and Kalemegdan.

During its 14 years of existence, the Delta Foundation has implemented a total of 3,990 humanitarian actions with a focus on sustainable projects for the development of agricultural production in rural areas and social entrepreneurship, assistance to children and youth with disabilities, talented students and the population with social needs.

By the end of 2021, 39.1 million euros were invested in the social community and more than 757,324 citizens of Serbia were helped.



Our Village

In 2018, Delta Holding launched a unique project called **Our Village**. The long-term goal of this project is that, with the initiation of the development of agricultural production and the renewal of social and cultural life, villages in Serbia reach the level of modern European villages, which would create conditions for the return of the people who emigrated.

During the first three years, the project focused on two villages near Zajecar - Mala Jasikova and Dubocane, which were chosen because they still have young people who are engaged in agriculture and wish to continue their lives in the countryside. Delta Holding provided support to the agricultural producers involved in the project through professional training, as well as in financing and placement.

As the basis for the development of agricultural production is the transfer of knowledge about modern agriculture, numerous lectures and online trainings were organized for the villagers. Lectures were held on farming, cooperatives, subsidies, cultivation and protection of fruits and vegetables, land preparation, pruning, modern agriculture, as well as standards and financial management. An individual development plan was carefully created for each farm, the implementation of which was financially supported by Erste Bank loans for which Delta Agrar bore interest costs. Experts from Delta Agrar visited the farms on a weekly basis with continuous advice on new investments, as well as processes that condition successful production, in order to improve the business of their farms. The locals used the loans to invest in the purchase of animals, machinery, irrigation systems, fences for orchards, materials for building barns and dairies. During the first three years, the project was successfully implemented in 40 agricultural farms.

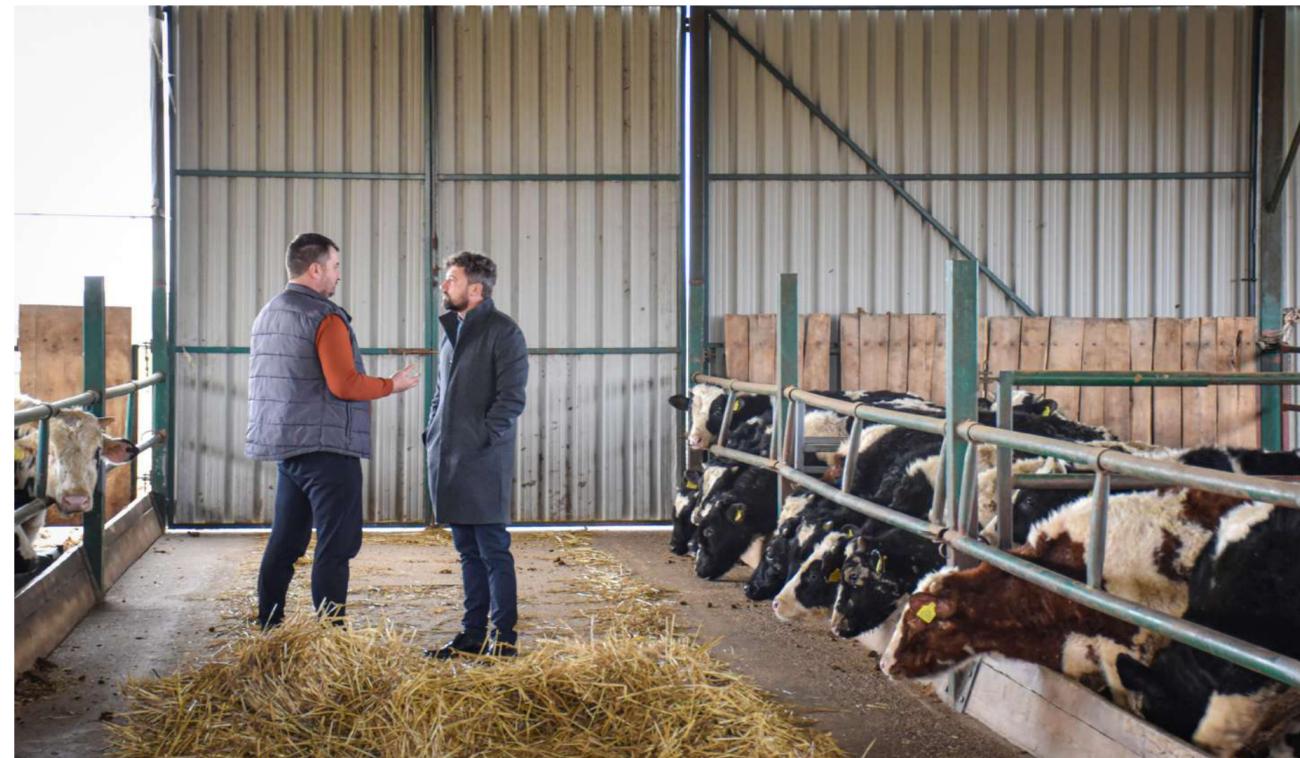
In addition to experts from Delta Agrar, during 2021, professional lectures to the locals were given by a professor from the Faculty of Agriculture, Aleksandar Radovic, PhD, who visited the villages and properties of the locals once a month.

During the year, the locals in the project had the opportunity to consult daily with Delta Agrar experts and Professor Radovic via Viber groups as well, formed in relation to the type of primary agricultural production in which they are engaged.

Given the frequent problem of product placement, Delta Holding helped locals find customers they needed to make their production sustainable. The activity "Pijaca Nase selo" ("Our Village Market"), which has been implemented since 2020, has enabled the locals to sell processed products, fruits and vegetables, in 2021 as well, to the employees of Delta Holding. This activity was started during the state of emergency caused by the Covid-19 pandemic in order to provide additional support to locals in selling products in difficult conditions.

Apart from the improvement of agricultural production, an important segment of the survival of the village is the improvement of living conditions, as well as education and other social and cultural contents.





In order to strengthen parenthood, the Company provided 100,000 dinars each to improve agricultural production for six households that were expecting a newborn, while Erste Bank opened savings books with an initial amount of 250 euros for newborn children.

Providing better health and educational conditions was made possible by expanding the work of rural clinics from one to two days a week, while schools in both villages were completely renovated, which provided the youngest residents with healthier and more favorable conditions for schooling and socializing.

Traditionally, for the New Year's holidays, a play was organized and gifts were distributed to children from both villages, which were prepared for them by Delta Holding employees as part of the Santa Claus Helpers campaign.

The plans for 2022 primarily include the continuation of the project. During 2021, after intensive tours, a new village was selected in which the project will continue. This is Backo Novo Selo in Vojvodina, which has about 600 inhabitants, half of whom are working age population. The locals are mostly engaged in agricultural production, and the registered farms are mostly focused on farming, but also livestock and fruit growing, while some locals are also engaged in vegetable growing. It is interesting that in the village there is a farm focused on the cultivation of medicinal plants, as well as honey production with a total of 800 hives. There are 50 registered farms in the village and all of them have expressed a desire to participate in the project.

In addition to the above, plans for 2022 include:

- setting up a children's playground in the school yard in Mala Jasikova and
- project of renewal of social and cultural life in Backo Novo Selo.

The partners also made a great contribution to the success of the project with their continuous support. The project partners are: Erste Bank, City of Zajecar, Municipality of Bac, Health Center Zajecar, Chamber of Commerce of Serbia, Keramika Kanjiza, Beo Vrt, Tekijanka retail chain, Telekom Srbija, CANSEE.

Digital Village

In 2022, the beginning of a completely new project called **Digital Village** is planned, with a focus on the revitalization of villages in Serbia through the processes of modernization and digitalization of agricultural production. Digitalization of production will enable agricultural producers to be more efficient in their work, which means lower consumption of labor, energy, plant protection products, water and fertilizers. The main goal of this project is to create opportunities for easier, more efficient and sustainable production, higher earnings of agricultural producers and a more attractive life for young people in the countryside.

The project will be implemented in the village of Mokrin in Vojvodina, given that intensive agricultural production in the lowland area provides an opportunity to easily set up a modern wireless digital structure. At the same time, there are a large number of individual producers in the village with significant potential for development.

The partners on the project are the BioSense Institute from Novi Sad and the company Terra Panonica, which owns the modern estate Mokrin House.

In addition to digitalization of agricultural production, the project aims to create virtual cooperatives and networking of all actors in the economy that have an impact on the business of agricultural producers, including customers, suppliers, insurance companies, banks, local professional services and others.

The long-term goal of the project is the digitalization of a large number of villages in Serbia and the region.



Third Parent

In cooperation with the association "Putokaz" ("Signposting") from Novi Sad, the employees of Delta Holding have been helping to preserve biological families that are at risk of their children being transferred to social protection institutions through the **Third Parent** project for seven years now. The main goal is to contribute to the overall reduction of poverty through the creation of functional families, and through the implementation of this project. Participants in the project are provided with advisory work, support in legal and health care, advocacy for children's rights, as well as support in educating children and acquiring various skills for their healthy upbringing. During 2021, a total of 98 employees took care of 52 children.

With the desire to contribute to a happier, more fulfilled and carefree childhood of children, employees through the Third Parent project participate in the preparation of gifts for different occasions - birthdays, holidays, before starting school - and in accordance with the wishes and needs of the child they take care for. Employees also provide financial support for sports and other extracurricular activities, as well as when going on excursions. In order to facilitate communication with children, a social worker has been hired to visit families and provide support in overcoming all potential challenges. The support of third parents for the children from the project is provided until the end of schooling, and the project is open to all who want to become third parents and take care of a new child.

Other projects

Since its founding, Delta Foundation has been dedicated to the continuous development of the community in which it operates.

In 2021, socially responsible activities continued, aimed at improving the quality of life of the local community. In addition to traditional projects, funds were allocated for:

- construction and equipping of a children's playground on the Nis Quay. Park, which was named "Empire of Friendship", by choice of the people of the city of Nis, is an inclusive park adapted for people with disabilities - two slides, a swing and a carousel, were set up especially for them;
- United Nations Children's Fund (UNICEF) for the project "For 1000 Families on the Margins";
- Association "Zvezda Center", for support and assistance to children and young people without parental care, for making greeting cards.

Members of Delta Holding also, in cooperation with the Delta Foundation, gave their contribution to the local community. Delta DMD and Fun & Fit donated goods in the form of New Year's gift packages for the Center for Accommodation and Day Care for Children and Youth with Developmental Disabilities "Sunce", while the Danubius plant directed the donation to the Third Parent project.

ABOUT THE REPORT

Delta Holding's Sustainability Report has been published annually since 2008.

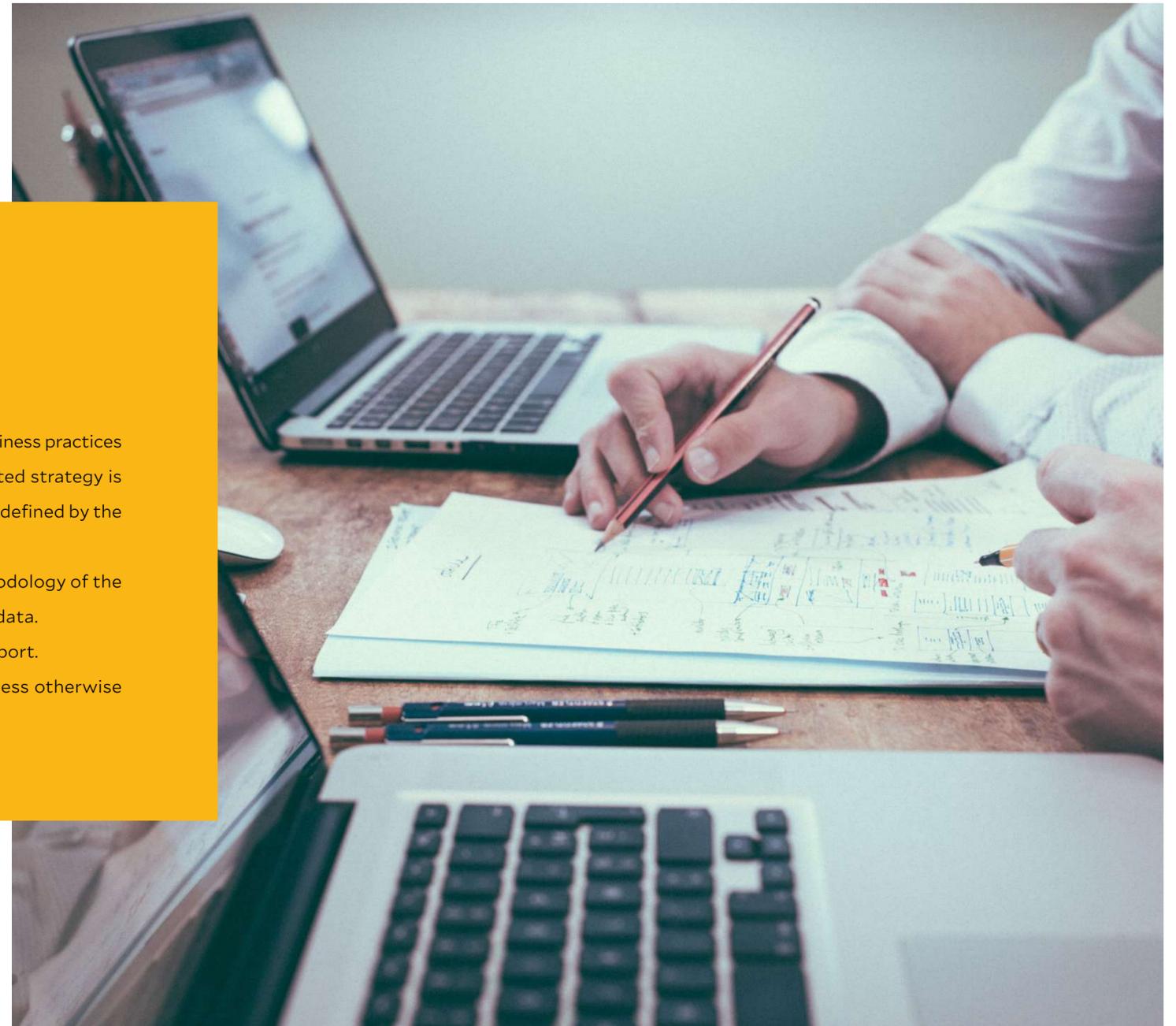
The current, 13th report in a row, describes the activities and progress made in terms of sustainable business practices during 2021, which aimed to improve the Company's business and community development. The presented strategy is aimed at further development of the Company, but also at meeting the goals of Sustainable Development defined by the 2030 agenda of the United Nations.

For the 11th time, the Report was prepared in accordance with the internationally recognized methodology of the Global Reporting Initiative (GRI), which ensures the reliability, verifiability and consistency of published data.

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

The presented data and information are related to business in 2021 on the territory of Serbia, unless otherwise stated in the text.

The report is available in pdf format on the official website of the Company.



IMPLEMENTATION OF REPORTING PRINCIPLES

Importance of Information

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

Inclusion

One of the principles of sustainability reporting is to improve business cooperation, increase the level of general satisfaction with the operation of the Company and define plans for further development by creating preconditions for an efficient dialogue with stakeholders. The Company welcomes feedback on the content and quality of this Report and will duly take them into consideration for the purpose of preparing subsequent reports. Contact details for the provision of feedback are available at the end of this Report.

Sustainability

The Report contains information about the activities of Delta Holding on the territory of Serbia, unless otherwise specified in the text. Continuous business development harmonized with sustainability principles contributes to further development of Serbia and the region. Numerous memberships in international organisations and active participation in international conferences, fairs and seminars confirm that the Company strives to bring the best international experiences to Serbia. The five-year operative strategy clearly defines each segment of activity, taking into account possible changes in the region and the occurrence of other circumstances which may affect further growth and sustainability of operation.



Completeness

The Report contains information and data which refer to 2021, which were compared, whenever applicable, with the information from 2020. Financial and economic indicators were taken from unrevised consolidated annual reports compiled for the needs of the management.

Balance

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

Comparability

The application of GRI standards and specific indicators allows readers to compare Delta Holding's Report with the reports of other companies. The Report also presents information for a comparable period wherever it is possible to do so, using the same measuring methods. In the event of application of a methodology different from the one used in the previous Report, the reasons and effects of the change are clearly specified. There was no correction of data published in the 2020 Report.

Accuracy

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

Timeliness

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

Clarity

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

Reliability

According to the reporting principles adopted by the Company, the audit of the shown data was conducted by an authorized audit house EY.

Drafting of the Report

The Report was drawn up by the Department of Strategy and Development in cooperation with colleagues from Corporate Communications Department, Department of Finances, Controlling Department, HR Department, Delta Foundation, Delta Agrar Group, Delta Food Processing, Delta Real Estate Group, Delta Distribution and Delta MC. It was published on 15/07/2022. Contact person for all questions in connection with the Report or its content is Tijana Koprivica, Chief Business Sustainability Officer (tijana.koprivica@deltaholding.rs).

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



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INDEPENDENT ASSURANCE STATEMENT

TO THE MANAGEMENT OF DELTA HOLDING D.O.O. BEOGRAD

The 2021 Corporate Responsibility Report ("the Report") of **Delta Holding d.o.o. Beograd** ("the Company") has been prepared by the Company's management which is responsible for the collection and presentation of the information contained therein. Our responsibility is limited in carrying out a limited assurance engagement on specific scope on the Report, which is prepared in accordance with the GRI Sustainability Reporting Guidelines ("GRI"). Our responsibility in performing our assurance engagement is solely to the management of the Company and in accordance with the terms of reference agreed between us. We neither accept nor we assume any responsibility and for any other purpose to any other person or organization. Any reliance any third party may place on the Report is entirely at its own risk and responsibility.

The Company's management is responsible for the preparation of the Report in accordance with the GRI. In particular, the Company's management is responsible for internal controls being designed and implemented to prevent the Report from being materially misstated. In addition, the Company's management is responsible for ensuring that the documentation provided to us is complete and accurate. The Company's management is also responsible for maintaining the internal control system that reasonably ensures that the documentation described above is free from material misstatements, whether due to fraud or error.

WORK SCOPE AND CRITERIA

The assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE3000" revised), in order to provide a limited level assurance opinion on:

1. The accuracy and completeness of quantitative data and the plausibility of qualitative information related to the GRI General Disclosures.
2. The accuracy and completeness of quantitative data (performance indicators) and plausibility of statements related to the GRI Specific Disclosures, which correspond to the material topics, as presented in the Company's materiality analysis.
3. The Report's "In accordance" adherence against the related GRI requirements.



WHAT WE DID TO FORM OUR CONCLUSIONS

In order to form our conclusions we performed (but were not limited to) the steps outlined below:

- Performed interviews with Management executives in order to understand the Company's corporate responsibility processes, policies and activities during the reporting period.
- Reviewed information in order to substantiate data and statements regarding the Company's sustainability performance in 2021, as these are presented in the Report.
- Reviewed the Company's processes for determining material topics to be included in the Report, as well as the coverage of these material topics within the Report, material topics covered by media, and sustainability reports of selected peers.
- Interviewed specialists responsible for managing, collating and reviewing data related to the GRI General and Specific Disclosures under the scope of our engagement, for internal and public reporting purposes.
- Reviewed relevant documentation and reporting systems, including collation tools, templates used, and guidance documents.
- Reviewed the Report for the appropriate presentation of the GRI General and Specific Disclosures under the scope of our engagement, which included discussions of limitations and assumptions relating to the way data are presented.
- Reviewed the GRI Content Index and the references included therein, against the GRI Standards' requirements.

LEVEL OF ASSURANCE

Our procedures were designed in order to obtain a limited level of assurance (as set out in ISAE 3000-revised) on which we formed our conclusions. The extent of these procedures is less than those designed to obtain a reasonable level of assurance and therefore a lower level of assurance is obtained.

LIMITATIONS OF OUR REVIEW

- Our review was limited to the Serbian version of the Report. In the event of any inconsistency in translation between the English and Serbian versions, as far as our conclusions are concerned, the Serbian version of the Report prevails.
- We do not provide any assurance relating to future information such as estimates, expectations or targets, or their achievability.
- The scope of our work did not include any review of third party activities or performance, nor attending any stakeholder engagement activities.
- Our review did not include testing of the Information Technology systems used or upon which the collection and aggregation of data was based by the Company.



CONCLUSIONS

Based on our review and according to the terms of reference and the limitations of our work, we report the following conclusions. Our conclusions are based on the appropriate application of the selected criteria and should be read in conjunction with the "What we did to form our conclusions" section above.

1. How complete and accurate are the quantitative data and how plausible is the qualitative information related to the GRI General Disclosures under the scope of our engagement?
 - Nothing has come to our attention that causes us to believe that any reporting unit, according to the set boundary and time period stated in the Report, is not included in the quantitative data of the Report related to the GRI General Disclosures under the scope of our engagement.
 - Nothing has come to our attention that causes us to believe that errors or inaccuracies exist in the collation of the qualitative data related to the GRI General Disclosures under the scope of our engagement, or in the transposition of these data to the Report, that would materially affect the way they are presented.
 - We have reviewed information and explanations on selected Management statements (qualitative information) related to the GRI General Disclosures, as these are presented in the Report and no material misstatements came to our attention.
 - Nothing has come to our attention that causes us to believe that materiality analysis is inaccurately presented based on the procedures followed by the Company.

2. How complete and accurate are the quantitative data (performance indicators) and how plausible are the statements related to the GRI Specific Disclosures under the scope of our engagement?
 - Nothing has come to our attention that causes us to believe that any reporting, according to the determined material topics and the time period stated in the Report, is not included into the quantitative data (performance indicators) of the Report related to the GRI Specific Disclosures under the scope of our engagement.
 - Nothing has come to our attention that causes us to believe that errors or inaccuracies exist in the collation of the data related to the GRI Specific Disclosures under the scope of our engagement, or in the transposition of these data to the Report that would materially affect the way they are presented.
 - We have reviewed information and explanations on selected Disclosures on material topics related to the GRI Specific Disclosures, as presented in the Report and no material misstatements came to our attention.

3. Does the Report meet the GRI requirements to be "In accordance" with GRI?
 - Based on our review, nothing has come to our attention that causes us to believe that the Report does not meet the requirements to be "In accordance" with GRI.



INDEPENDENCE

We conducted our assurance engagement in accordance with International Assurance Standards, particularly ISAE 3000 (revised). These regulations require that we comply with ethical standards and plan and perform our assurance engagement to obtain limited assurance about the specific scope explained above.

We apply International Standard on Quality Control 1 (ISQC 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

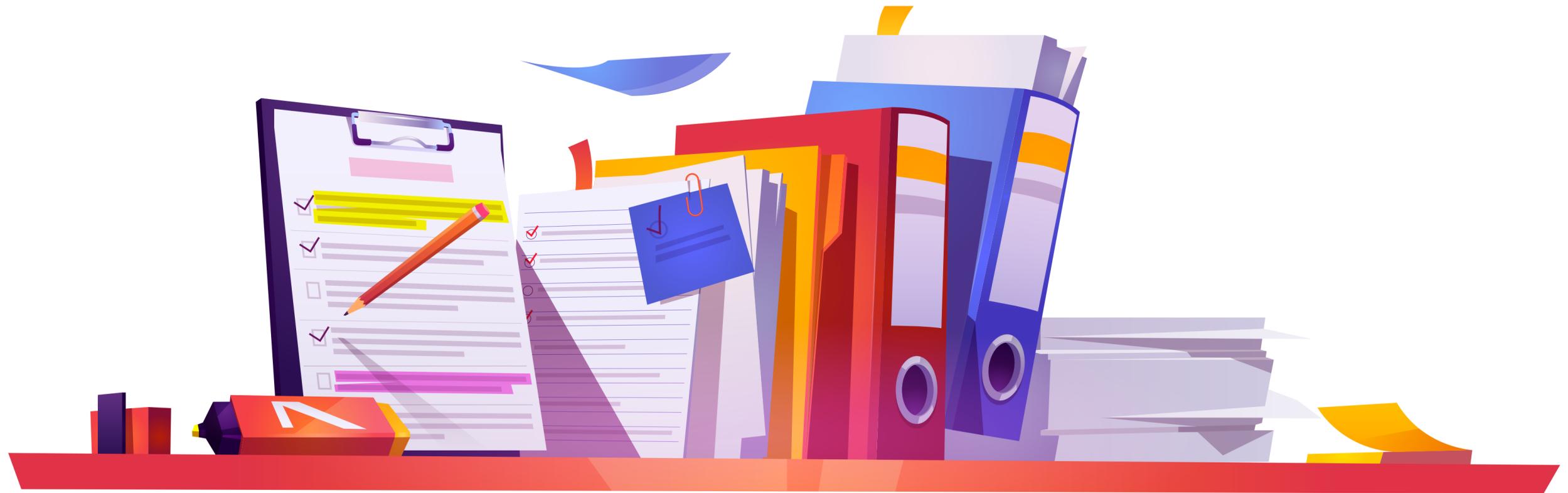
We comply with the independence and other ethical requirements of the IFAC Code of Ethics for Professional Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Belgrade, 18 July 2022

Danijela Mirković
Authorized Auditor
Ernst & Young d.o.o. Beograd



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416-1	Assessment of the health and safety impacts of product and service categories	17
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MARKETING AND LABELING

417-1	Requirements for product and service information and labeling	17
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
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