





IMRESSUM

Sustainability Report **2022/2023**

NEOPLANTA

Primorska 90, Novi Sad

EDITOR

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PHOTO

Neoplanta

DESIGN AND PREPRESS

GRAPE



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FOREWORD BY DIRECTOR

Reflecting on the past two years and what we have achieved as a company, I can't help but smile proudly and broadly. Maintaining our leadership position in the meat industry, year-over-year growth, successful launches of new products, development of export markets, initiatives in the field of social responsibility and sustainable development, obtaining integrated permits for pollution prevention and control (IPPC), and successfully overcoming all, not-so-small challenges, we have achieved together as a team, thanks to the effort and dedication of each of our employees individually.

I like to emphasize that each individual is an important link in Neoplanta's unbreakable chain, which has ensured the longevity and successful operation of our company for decades. Good results are impossible to achieve without a good and strong team, and Neoplanta is fortunate to have one. Speaking of results and success, I believe that successful business is not only characterized by financial results; on the contrary, I see Neoplanta as successful primarily because it is made up of hardworking, honest people who share the same values and live and work in accordance with them. That is the main prerequisite for everything else. Our mission states that we produce as if for our children, and I am happy that our people approach their work exactly like that, responsibly and dedicatedly, as if they were making products for their own children. In addition to production, we do everything else as if for our children, which is why for years special attention has been paid to preserving the nature that surrounds us. We know that everything we do today has a direct impact on how our children will live tomorrow, and that thought keeps



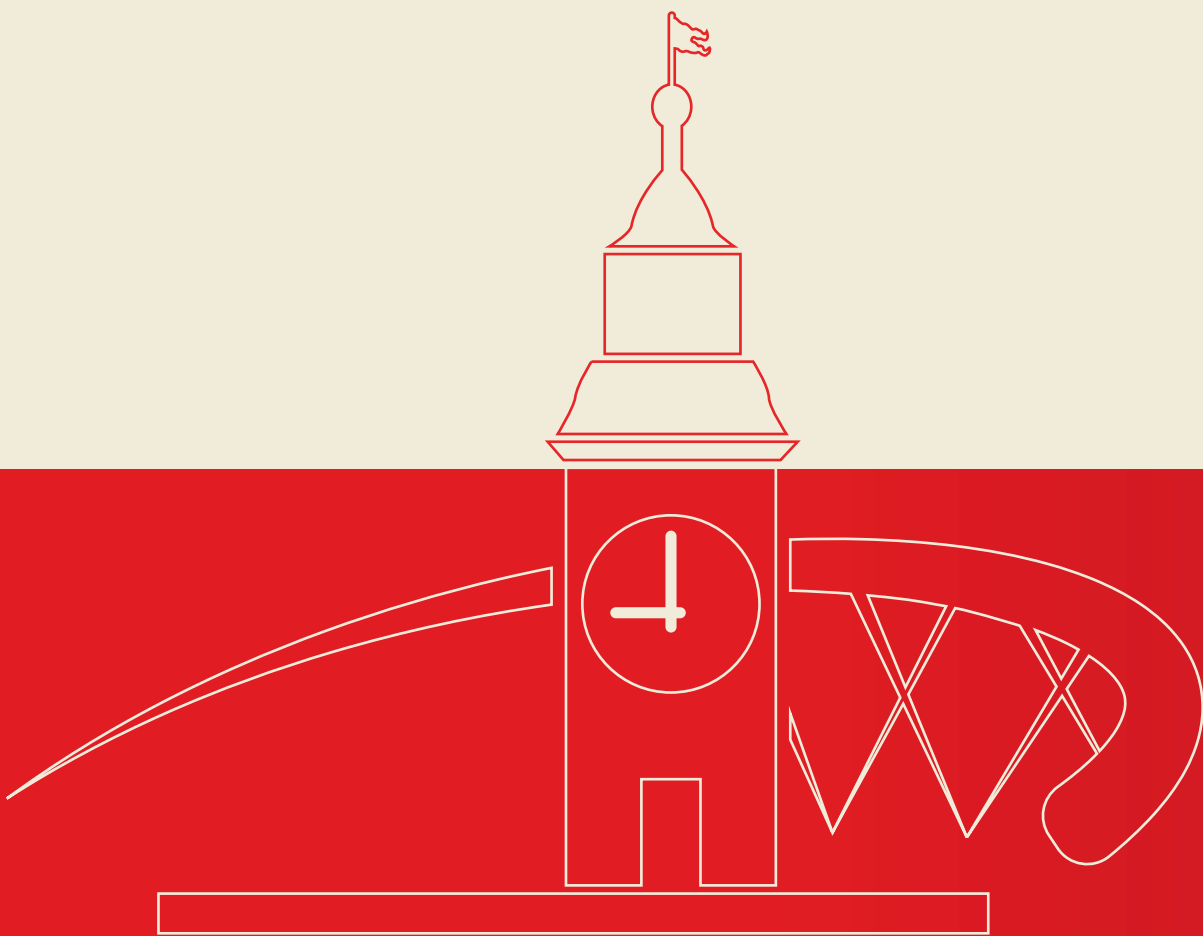
us striving to reduce CO₂ emissions, recycle, conserve water, plant trees, and be a positive example to other businesses, fellow citizens, and above all, our children.

To ensure our contribution to nature and the community in which we operate is comprehensive, Neoplanta constantly works to improve its processes to reduce environmental impact. Sustainability is one of the key values that inspires us to continuously work on improvements, emissions reduction, and the use of renewable energy sources. We strive to achieve a balance between our business goals and environmental concerns, and the past two years have shown that we are succeeding in this endeavor. We believe this is the path to a sustainable future and commit to continuing our efforts to achieve this goal.

As we create flavors enjoyed far and wide, we always ask ourselves what and how we can do better for our employees, our consumers, the local community, and nature. It is the commitment to continuous improvement, as one of our company values, that propels us forward towards a better and more sustainable tomorrow.

Aco Tomašević, Director





COMPANY PROFILE

OUR BUSINESS



Neoplanta, located in the heart of Novi Sad, is a synonym for excellence and tradition in the meat processing industry. With over half a century of experience, we are recognized as a reliable partner in the global market. Our brands – Neoplanta Delikates, Pipi and Gudi, Patelina, Prego, and Moja – stand out for their premium quality, taste, and carefully selected ingredients. With over 530 dedicated employees, we blend tradition with a modern approach, striving to push boundaries and maintain our leadership position in the industry. We actively engage in sustainability efforts, caring for environmental protection and social responsibility.

Neoplanta is part of the Nelt Group, with the legal status of a limited liability company. Our factory is strategically located, close to a highway connecting Western Europe with Greece and Turkey. We operate in markets including Serbia, Montenegro, Bosnia and Herzegovina, North Macedonia, Croatia, Russia, Ukraine, the United States, Canada, Angola, and Germany. With increasing net sales year by year, Neoplanta has become a recognized brand worldwide, offering premium quality and distinctive flavors enjoyed far and wide.





VISION

To be the right choice for those who know how to choose – tasty products for those who know how to recognize quality.



MISSION

We produce as if producing for our own children. We create a taste meant to be enjoyed slowly. Because we care about our: consumers, employees, customers, community, partners, capital owners and sustainable development.



SUSTAINABLE DEVELOPMENT

We are dedicated to ecology and environmental protection. We have built a wastewater treatment plant to control the quality of discharged wastewater and preserve our environment. As part of our sustainability initiative, we have installed a solar panel system to use renewable energy and reduce our carbon footprint.



OUR VALUES

Values are what support the fulfillment of our vision and shape our corporate culture. They are the essence of our company identity. Values define the way we conduct business, how we treat each other, our clients, partners, consumers, and the company itself. In our work, we rely on responsibility, respect, continuous development, and openness, and we are particularly proud that the majority of our employees live and work in accordance with the most prominent company values.

COMPANY VALUES

Responsibility. Respect. Continuous development. Openness.



RESPONSIBILITY

Work as if it's your own

- Lead by example and inspire others through your hard work.
- Embrace the responsibility of managing brands and people, embodying the company's values with pride.
- Prioritize decisions that benefit the company as a whole, not just your immediate interests or department.
- Take ownership of tough decisions and demonstrate leadership in challenging situations.
- Shift your focus from completing tasks to achieving meaningful results.
- Encourage initiative and view mistakes as opportunities for learning and growth.
- Adopt the mindset of a company owner, considering the broader impact of your actions and decisions.

Take care of yourself and others

- Always prioritize the safety of yourself and your colleagues.
- Take action when you notice unsafe behavior.
- Consider at all times whether what you are doing contributes to safety and product quality, for us and our consumers.
- Preserve your work environment and nature.
- Handle and share business information with care.

Measure thrice, cut once

- Strive to understand the essence of the challenge before making a decision.
- Base decisions on facts rather than personal feelings.
- Involve all colleagues who may be affected by the decision-making process.
- Make decisions carefully but efficiently to ensure smooth workflow.
- Do not skip steps; respect procedures.



RESPECT

Treat others as you would like to be treated

- Respect the diversity and encourage different opinions.
- Support and commend your colleagues, because we are a family.
- Fulfill your commitments and responsibilities. Don't let the team suffer because of you.
- Share information with colleagues regardless of their department.
- Maintain a positive attitude and foster a sense of unity among colleagues.



CONTINUOUS DEVELOPMENT

Constantly ask yourself how and what can be done better

- Strive for continuous improvement; don't accept the status quo.
- Constantly question how your work can enhance value for the consumer.
- Balance excellence with pragmatism; don't let perfection hinder progress.
- Simplify processes; consumers aren't inclined to pay for complexity.
- Embrace your expertise while remaining open to further growth.

Don't wait for change. Initiate it.

- Don't wait for tasks to be assigned; take initiative.
- Share your ideas with others.
- Openly discuss challenges and offer solutions.
- Don't criticize from the sidelines; be the change.
- Do everything in your power to make each day at work fulfilling for everyone.



OPENNESS

Speak the truth

- Be honest and expect honesty from colleagues.
- Say what you mean and mean what you say.
- Trust people and be a trustworthy colleague.
- Demonstrate willingness to accept and provide constructive criticism.
- Listen to understand others and provide sincere feedback.
- Don't be afraid to express your opinion publicly.
- Focus on specific situations and behaviors, not on a person's character.

Don't give up after failure

- Learn from your own and others' mistakes.
- Find alternative paths to success. Always have a plan B.
- Reflect on yourself and work on self-improvement daily.
- Break down seemingly impossible problems into smaller parts, and you'll overcome them.

GROWTH AND DEVELOPMENT

The story of Neoplanta begins in the 18th century when the city of Neoplanta – Novi Sad, got its name. For a long time, Novi Sad didn't have its own name until 1748 when, by decree of Empress Maria Theresa, it was granted the status of a free city. In the decree, the city was named Neoplanta, with the right for this name to be translated into all languages. Translated into Serbian, Novi Sad got its name, and the Neoplanta company got its inspiration.

1959

The establishment of the industrial slaughterhouse "Venac" continues the tradition of meat production and processing in Novi Sad, dating back to the 19th century.

1980

With new industrial innovations and ideas, "Venac" transitions into Neoplanta.

2008

Nelt Co recognizes the value of the meat industry Neoplanta and becomes its majority owner.

2009

Neoplanta launches its new brand, Pipi and Gudi.





2010

The launch
of the
Patelina brand.

2013

The renovation
of the entire
production facility.

2017

Building a factory
for wastewater
treatment.

2021

Rebranding of
Neoplanta.

2022

Neoplanta obtains an
IPPC permit.

2023

Installation of a solar
power system and
rebranding of
the Patelina brand.



NEOPLANTA IN NUMBERS

35.500

m² OF FACTORY SPACE
WITH ACCOMPANYING
FACILITIES

33.0000.0000

€ INVESTED SINCE 2011
IN FACTORY RECONSTRUCTION
AND MODERNIZATION

530+

EMPLOYEES

7

OF OUR OWN BRANDS

22

PRIVATE LABEL BRANDS

80.840.0000

€ CONSOLIDATED
REVENUE

11

MARKETS WITH
OUR BRANDS

200

t/MONTH –
PRODUCTION
CAPACITY OF
DURABLE
PRODUCTS

1.500

4

MARKETS WITH
PL PRODUCTS

900

t/MONTH – PRODUCTION CAPACITY
OF STERILIZED PRODUCTS

t/MONTH –
PRODUCTION
CAPACITY OF
SEMI-DURABLE
PRODUCTS

540

DIFFERENT PRODUCTS
PRODUCED ANNUALLY

6.800

WHOLESALE
CUSTOMERS

POINTS
OF SALE

21.000



1

OUR FACTORY

In Neoplant's factory, we are dedicated to continuous improvement of production and maintaining high-quality standards. Through investments in modernization and the implementation of the latest technologies, we strive to preserve our leading position.

Our factory spans across 16 hectares and encompasses 35,500 m² of production facilities and accompanying offices. It is equipped with state-of-the-art technology, including unique water smoke filtration technology used in smoking our permanent products, ensuring additional product quality.

We continuously invest in modernization and capacity expansion to ensure business stability and long-term success. The production process takes place in strictly controlled conditions, with complete automation and continuous monitoring. All our products are made according to carefully defined recipes and use only certified raw materials.

The factory represents a synonym for sustainability, innovation, and top quality in the meat processing industry. We are committed to continuous improvement of production processes and the development of new high-quality products to meet the needs of our consumers and customers and remain market leaders.

Our dedication to environmental protection is further confirmed by obtaining an integrated permit for the prevention and control of environmental pollution (IPPC).



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WE DEVELOP WELL-KNOWN BRANDS

Neoplanta strategically focuses on developing key brands through a clear and differentiated market position, innovative product lines, and distinctive communication. All our brands are owned by Neoplanta and registered in Serbia and key markets where we operate.

-
- **Leader in the meat industry in Serbia** with a 12.5% market share in volume.
 - **Leader in the canned meat category** with a 21.8% market share in volume and 22.4% in value.
 - **Leader in pâtés** with a **42,7%** market share in volume and **44%** in value.
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Neoplanta
Delikates

Prego

PiPi
GuDi & CuRi

Patelina

Moja

OUR MARKETS

We are present in markets with 7 of our brands and 22 private label brands. We export products to Bosnia and Herzegovina, North Macedonia, Montenegro, Croatia, Germany, Canada, the USA, Russia, Ukraine, and Angola. This broad presence reflects our continuous growth and development in regional markets as well as globally, as we continue to set standards of excellence in the meat industry and push boundaries in production.

We distribute our brands in the markets of Serbia, Montenegro, Bosnia and Herzegovina, North Macedonia, Croatia, Russia, Ukraine, USA, Canada, Angola, and Germany.

Our private label products are distributed in the markets of Serbia, Croatia, Bosnia and Herzegovina, and North Macedonia.

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NEOPLANTA'S BRANDS

22

PRIVATE LABELS

11

MARKETS



17.000+ TONS OF PRODUCTS SOLD

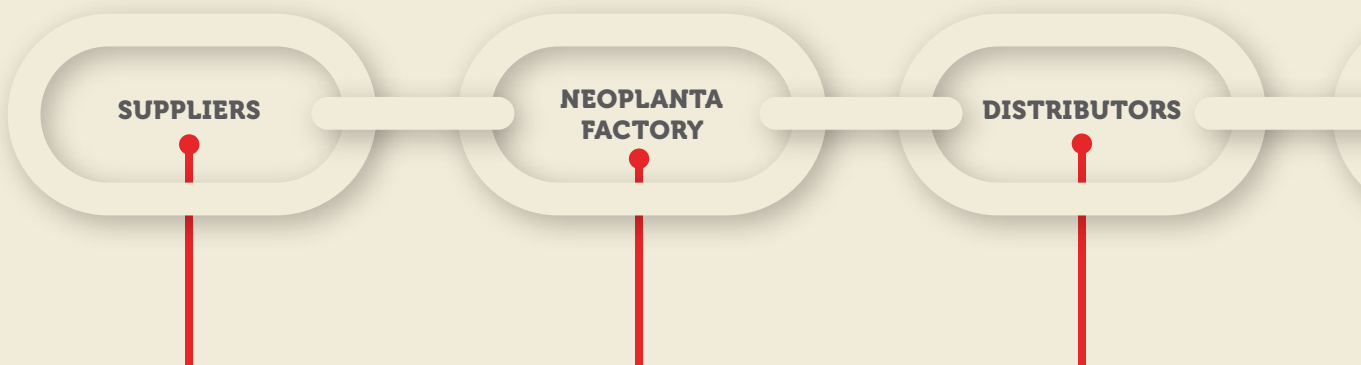


OUR VALUE CHAIN

As part of our commitment to sustainable development, we actively enhance collaboration with suppliers, especially local whenever possible, to support the domestic market and improve their businesses. The majority of our procurement budget is directed towards equipment, raw materials, and supplies necessary for production. We implement strict procedures for selecting suppliers and monitor their performance, ensuring transparency and quality in procurement.

We are present in 11 markets with 7 brands and 22 private label brands. Our wholesale partner network encompasses 6,800 customers, and our products can be found in 21,000 retail outlets. Among the most significant business partners are Mercator-S, Univerexport Group, DTL, Delhaize, and Metro.

Consumers are at the center of our business strategy. We are dedicated to providing high-quality products that meet their needs and expectations. Through diverse distribution channels, we ensure the availability of our products in markets worldwide. Our commitment to manufacturing excellence is reflected in customer satisfaction and loyalty.



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RETAILERS

CONSUMERS



WE ARE ENHANCING PARTNERSHIPS

Our business relationships are based on mutual respect and trust. Collaboration with leading domestic and international companies allows us to exchange experiences, knowledge, and ideas on innovation. This not only contributes to the continuous growth and success of our company but also fulfills the needs and expectations of our customers and consumers. Collaborating with major retail chains worldwide allows us to effectively market and distribute our products on a global scale

Neoplanta manufactures private label brands for almost all retail chains in Serbia. Since 2010, we have expanded our presence by introducing private label products to the markets of Bosnia and Herzegovina, North Macedonia, and Croatia. Customers define their requirements, and Neoplanta, as a manufacturer with implemented systems, guarantees quality and continuity in supply.



RETAILERS

DELHAIZE  GROUP

UNIVEREX  PORT

Monolith
International Group of Companies

 DTL
DOMAĆI TRGOVAČKI LANAC

METRO

 МАГНИТ

 Kaufland

 **Mercator**

globus

SHOPRITE

 X5Group


PRIVATE LABELS

BAŠ BAŠ

KPlus

 MAXI

METRO
Chef

 TO!



MEMBERSHIPS IN ASSOCIATIONS

Neoplanta's business is based on producing high-quality meat products that meet the needs of all generations. We are committed to maintaining good relationships with consumers, business partners, and employees. In line with our values, we actively support and contribute to the development of the community in which we operate. We particularly advocate for the protection and promotion of human and labor rights, environmental preservation, and the fight against corruption. Additionally, we actively participate in the work of business associations that promote positive business practices and high business ethics, thus contributing to the broader community and improving the business environment.





WE ARE MEMBERS OF:

- The Chamber of Commerce and Industry of Serbia
- The Regional Chamber of Commerce of Vojvodina
- The Association of Financial Directors of Serbia
- The Association of Corporate Lawyers of the Republic of Serbia
- NALED's* Property and Investment Alliance
- NALED's Food and Agriculture Sector
- The Association for the Development of Meat Quality and Meat Products
- The Permanent Working Group for the Creation and Amendments of the Rulebook on Meat Quality and Meat Products at the Veterinary Directorate of the Ministry of Agriculture
- The Council of Technologists at the Institute of Meat Hygiene and Technology
- The IAA Organization
- The Association of Accountants and Auditors of Serbia

*NALED – National Alliance for Local Economic Development

AWARDS AND RECOGNITIONS

BRAND AWARDS FOR PATELINA

Patelina®

- Award for the Best Radio Campaign at the Cactus Festival 2023.
- Finalist in the categories of TV campaigns and Brand awareness integrated campaigns.
- Gold recognition in the 'Food' category for an integrated promotional campaign from UEPS*.
- Bronze recognition for a radio spot from UEPS.



COMPANY AWARDS

- Award for the Best Employer Branding Practice in the 'Successful HR Stories' project 2023.
- First place for the best selection process according to the 'Evaluate the path to a job' research by Infostud 2022.

*UEPS – Serbian Association for Market Communications





Our work and dedication are reflected in the awards and recognitions we have received. In 2023, the Patelina brand stood out by winning significant awards at several prestigious festivals. At the Cactus Festival, Patelina was awarded for the best radio campaign, while also being a finalist in the categories of TV campaigns and Brand Awareness Integrated Campaigns. Additionally, awarded by UEPS, Patelina received the gold recognition for an integrated promotional campaign in the 'Food' category, as well as the bronze recognition for a radio spot.

We have also been recognized in the corporate awards category. As part of the 'Successful HR Stories' project by Infostud, Neoplanta was awarded for the best employer branding practice in 2023. This award is the result of the company's initiative to provide women access to jobs traditionally reserved for men, contributing to greater workforce diversity. Furthermore, Neoplanta won first place for the best selection process according to Infostud's 'Evaluate the Path to a Job' research in 2022, demonstrating a high level of professionalism and attention to candidates during recruitment.



ORIENTATION TOWARDS THE UN SUSTAINABLE DEVELOPMENT GOALS



The Sustainable Development Goals (SDGs) represent a global set of objectives crucial for societal equality and have been recognized by the United Nations since 2015, replacing the Millennium Development Goals. Neoplanta is firmly committed to these principles of sustainable development and endeavors to align our business with these goals to contribute to the community and the environment in which we operate.



GOAL 1: NO POVERTY

As a company and employer operating in Novi Sad, Neoplanta provides employment opportunities, thus significantly supporting the local community in the fight against poverty through economic opportunities and social inclusion. In terms of product range, Neoplanta offers a diverse range of products, including economical categories accessible to consumers with different purchasing power.



GOAL 2: ZERO HUNGER

Food production for all ages ensures access to nutritious food, contributing to reducing the rate of malnutrition in children and adults. Neoplanta provides additional contributions through socially responsible activities such as donations of our products targeted at the most vulnerable segments of society.



GOAL 3: GOOD HEALTH AND WELL-BEING

We support the health and well-being of all ages by developing and producing health-safe products of high and consistent quality.



GOAL 4: QUALITY EDUCATION

Through meticulously planned training programs, Neoplanta contributes to the continuous development of its employees to ensure the production of health-safe products of consistent quality. Additionally, through collaborations with universities, Neoplanta and its employees share their knowledge with students, thus enriching their knowledge and academic education.



GOAL 5: GENDER EQUALITY

Neoplanta provides equal opportunities for women and men in the workplace, including equal opportunities for development, advancement, and leadership.



GOAL 6: CLEAN WATER AND SANITATION

We use clean, potable water for the production of health-safe products. We responsibly utilize water in our production processes, and our modern wastewater treatment plant ensures that natural recipients are fully protected from potential contamination. The water we discharge into the DTD canal is cleaner than the water already present in the canal.



GOAL 7: AFFORDABLE AND CLEAN ENERGY

Neoplanta invests significant efforts in reducing energy consumption and implementing solutions that utilize renewable energy sources. One such solution is our solar power plant, contributing to reducing the consumption of non-renewable energy sources.



GOAL 8: DECENT WORK AND ECONOMIC GROWTH

As our employees are the greatest asset of our company, we strive to meet all their needs and expectations. Through a fair, non-discriminatory hiring process, continuous education, advancement opportunities, competitive salaries, additional benefits, and ongoing improvements in working conditions, we provide a healthy, stimulating, and supportive work environment.



GOAL 9: INDUSTRY, INNOVATION, AND INFRASTRUCTURE

As sustainability and the reduction of energy consumption are one of the company's focal points, we strive not only to manage energy consumption efficiently but also to contribute to reducing energy consumption from non-renewable sources. This is achieved through investments in innovations such as solar panels, increasing the use of energy from renewable sources. We continuously improve our production processes and invest in innovations and automation, making our production more efficient and our system more sustainable.



GOAL 10: REDUCED INEQUALITIES

Through all processes and procedures, the company ensures equal opportunities for all. We continuously enhance our processes and policies, minimizing the possibility of inequality.



GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES

Through our business activities and socially responsible actions, we aim to contribute to the development of urban environments that are sustainable, inclusive, and resilient. By supporting the local community through greening projects, environmental cleanup actions, and promoting eco-friendly practices, we strive to create cities and communities where every individual can thrive.



GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

Throughout all our business processes, the company is committed to minimizing negative impacts on the environment, reducing energy consumption, increasing the use of energy from sustainable sources, efficient waste management, and increasing the efficiency of all processes, thereby contributing to global efforts in environmental preservation.



GOAL 13: CLIMATE ACTION

Increasingly frequent extreme weather conditions can significantly impact business operations. In the fight against climate change, the company invests significant efforts through innovative approaches, investments in sustainable energy sources, contributing to environmental protection and sustainable development.



GOAL 14: LIFE BELOW WATER

We are actively committed to environmental conservation, and the protection of life below water has been one of the key projects in previous years. Neoplanta has constructed and put into operation a modern wastewater treatment plant, completely eliminating the risk of contamination of natural recipients. Our dedication contributes to global efforts to preserve water resources and biodiversity.



GOAL 15: LIFE ON LAND

We are dedicated to preserving natural resources through responsible waste management, activities contributing to the reduction of non-renewable natural resource consumption, and emissions reduction.



GOAL 16: PEACE, JUSTICE, AND STRONG INSTITUTIONS

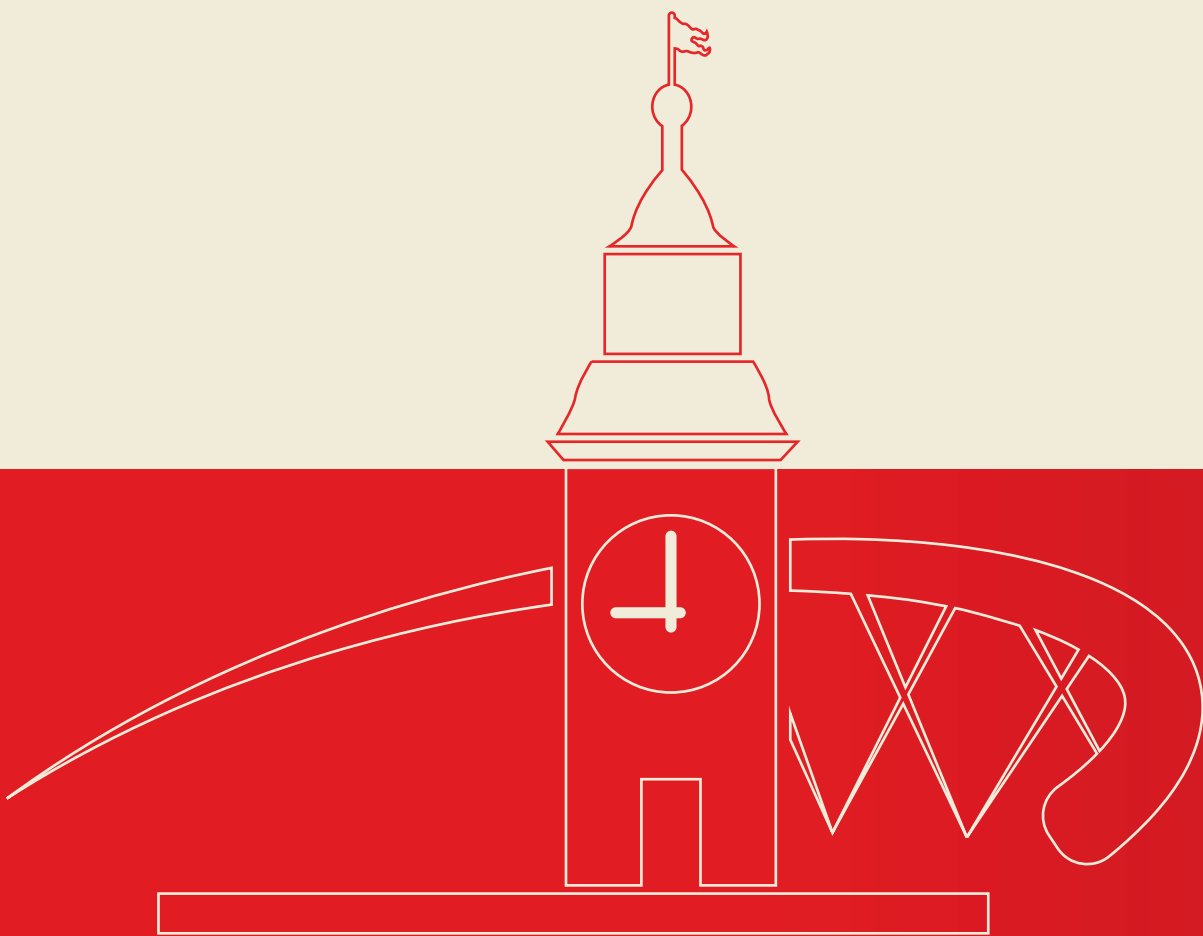
Through transparent business practices, adherence to laws and ethical standards, support for local communities and social initiatives, we aim to contribute to the building of a stable society.



GOAL 17: PARTNERSHIP FOR THE GOALS

Through dynamic collaboration with stakeholders, we actively share knowledge, resources, and best practices, creating synergy that leads us to innovative solutions and sustainable outcomes. This holistic approach to partnership strengthens our ability to address complex challenges and build the foundation for long-term socio-environmental solutions.





CORPORATE GOVERNANCE

GOVERNANCE AND BUSINESS ETHICS



At Neoplanta, we strive for a high level of transparency, accountability, and integrity in all aspects of our business through corporate governance. The responsible figure is the director, whose core team comprises professionals with extensive experience gained not only at Neoplanta but also in other international companies. Despite being young, this team is exceptionally experienced and demonstrates leadership in every aspect of management. Their continuous professional development, guided by clear strategies and goals, along with collaboration with all relevant stakeholders, are key factors enabling us to achieve outstanding results.

Within the company, there is a robust structure of responsibilities and authorities covering all areas impacting the economy, environmental protection, and employee well-being.

The Management Systems and Sustainable Development sector meticulously monitors key aspects of our business practices through three primary segments: Management Systems, HSE (Health, Safety, and Environmental Protection), and Continuous Improvements.





Aco Tomašević
Director



Aleksandra Petković
HR Manager



Danijela Tuco
Finance Manager



Aleksandar Vujošević
Legal Department
Manager



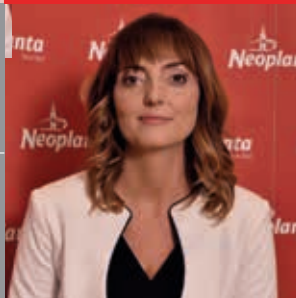
Saša Ćirić
Marketing and
Development Manager



Biljana Brajanoski
Procurement Manager



Jelena Šoć Dujaković
Operations Manager



Nenad Juhas
Management Systems
and Sustainable
Development Manager



Saša Ćirić
Marketing and
Development Manager



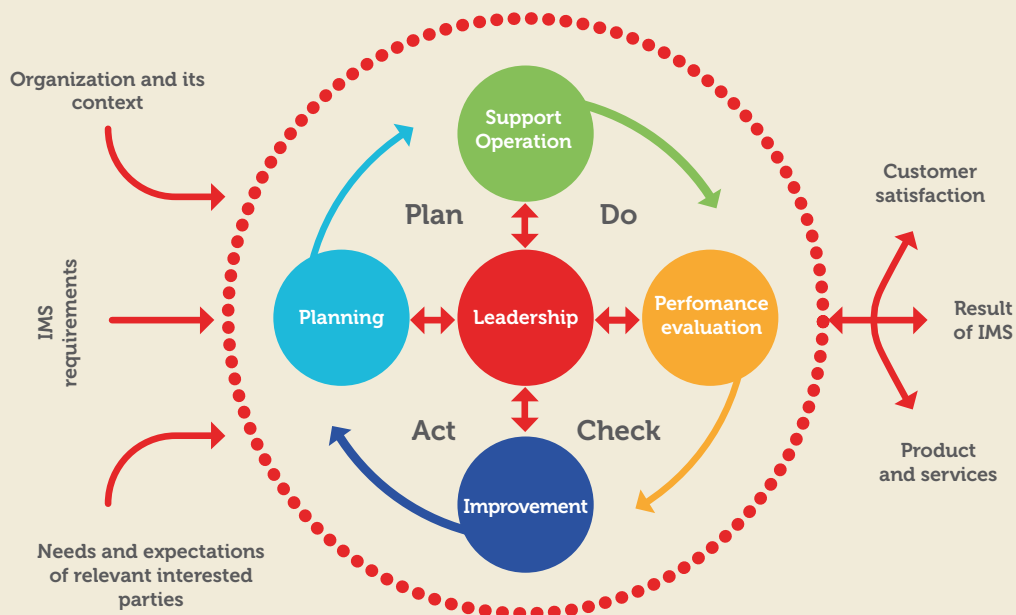
Miljan Randelović
Sales Manager



ANNUAL REVIEW FOR CONTINUITY OF PROGRESS AND DEVELOPMENT

The senior management, including the Director, actively participates in setting and maintaining our highest strategic goals and values, which align with the expectations of key stakeholders. Through the implementation of the PDCA cycle, continuous monitoring and improvement of all processes are ensured, along with the identification of opportunities for enhancement and correction of any deficiencies. This approach enables efficient management of resources and processes, as well as increased satisfaction of all stakeholders.

Each senior manager is responsible for establishing and maintaining the processes for which they are accountable, with continuous monitoring of implementation and response in case of irregularities, risks, or opportunities. Reporting on all relevant issues, including deviations, risks, and opportunities that may affect the economy, environment, and people, is regularly conducted at the senior management level, including the director. Annual reviews of these topics ensure continuous progress and compliance with the highest standards of corporate responsibility.



COMMUNICATION OF CRITICAL ISSUES

In the process of communicating critical issues to the highest management body, every employee is responsible for informing their direct supervisor about relevant topics and issues. This communication is then disseminated through the hierarchical structure depending on their importance. Senior-level managers are responsible for conveying relevant topics and all critical issues to the director, using communication channels such as email, phone calls, or face-to-face contact. Regular meetings are held biweekly to review the status of key topics and projects. In case of crisis situations, employees notify their superiors, who then inform the relevant members of the crisis management team.

The crisis management team leader assesses the situation and convenes a meeting of the core or extended crisis management team to make decisions and address the current or potential crisis situation.



ANTI-CORRUPTION AND COMPETITION PROTECTION

For Neoplanta, as a member of the Nelt Group, compliance with legal regulations, including competition law, represents a fundamental value of business operations. The Antitrust Team, established in 2007, has the primary task of continuously raising awareness of the importance of competition law, considering the negative consequences that non-compliance with these rules can have on the company. A member of the team is Neoplanta's Legal Department Manager, Aleksandar Vujošević. Since its inception, the team has devised and implemented numerous activities aimed at educating employees in the field of Competition Law protection.

As part of our commitment to preserving integrity and respecting competition, we have introduced clear internal guidelines through the publications of House Rules and the Code of Conduct. Both publications are available on the internal company portal. All employees regularly receive email notifications about new or amended rules and policies, along with instructions on the location of these documents on the internal portal for access and review. Additionally, new or updated documents are posted on notice boards in printed form. All new employees are required to familiarize themselves with the company's rules and policies, including the House Rules and Code of Conduct.

Regarding corruption prevention, employees are obligated to act in the company's interest in dealings with competitors, suppliers, partners, and third parties, refraining from using their position in the company or business and other information they possess to gain personal benefit from these stakeholders. Giving and promising bribes, providing false information and statements, as well as concealing information, are strictly prohibited. Information about competitors, their products, and services may only be collected within the limits defined by law.

No cases of corruption were registered during the reporting period.





ANTITRUST AND ANTI-CORRUPTION – PREVENTION AND PRACTICES

Neoplanta is committed to achieving the highest standards of integrity and compliance. Special emphasis is placed on corruption prevention. One of the tools used to prevent corruption is the MetaCompliance software. Through this software, employees have the opportunity to regularly participate in training and knowledge testing on anti-corruption policies, ensuring that our teams are always informed and equipped to recognize and address challenges related to ethical business practices.

When establishing employment relationships, all employees are clearly communicated legal, contractual, and general obligations. A strict prohibition on offering or promising bribes, providing inaccurate information, or abusing position or business information for personal gain is particularly emphasized. Employees are reminded that failure to comply with these rules may result in disciplinary measures according to internal procedures, as well as legal sanctions in accordance with applicable laws. This approach ensures integrity and accountability in business, which is crucial for maintaining the company's reputation and building trust with partners and clients.



COMPLIANCE WITH LAWS AND ETHICAL STANDARDS



NEOPLANTA IS A MEMBER OF THE LEGAL COMPLIANCE & ETHICS TEAM OF THE NELT GROUP

The operations of the Nelt Group, including Neoplanta as its member, are aligned with laws, subordinate regulations, and other provisions, as well as with principal requirements, internal company policies, procedures, and principles of good business practice. The Legal Compliance & Ethics team of the Nelt Group, formalized in 2019, is responsible for monitoring legal compliance. This team consists of 19 corporate legal representatives from the Nelt Group, including Neoplanta and the Baby Food Factory, in collaboration with external consultants specializing in areas requiring specific expertise, particularly in markets with specific legal regulations and practices.

The purpose of the team is preventive action through legal protection of the Group, avoiding penalties on any basis, and ensuring legal stability necessary for the smooth operation of the company. The LCE team provides legal advice and responses to specific inquiries from all sectors, striving to find solutions that meet the needs of modern business while fulfilling legal compliance requirements. Additionally, it regularly informs about enacted laws and changes in regulations significant for the Nelt Group's business.

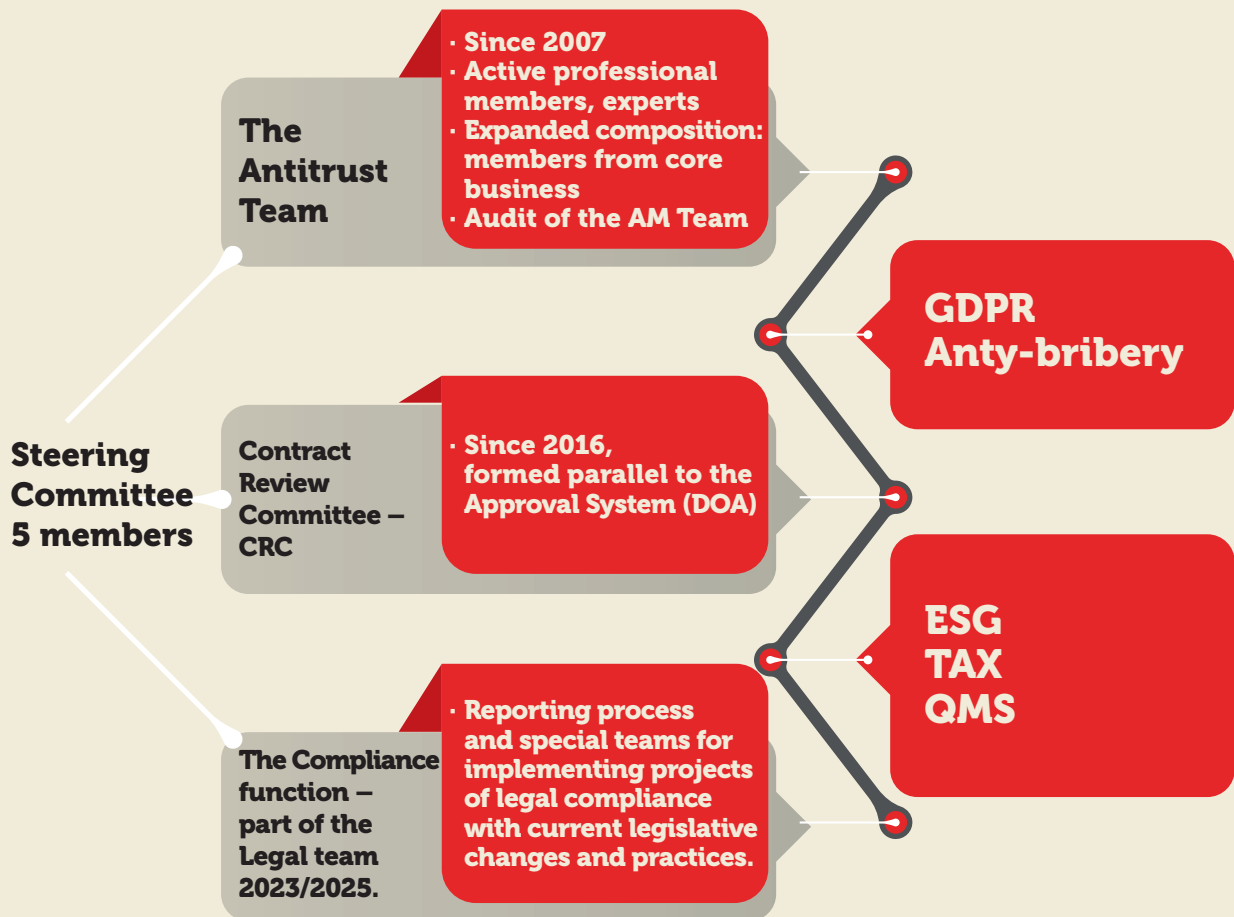
Regarding the most complex issues, legal opinions are provided by the Steering Committee comprising the five most experienced members of the team with passed bar exams.

Since 2007, members have also joined the antimonopoly and anticorruption teams, with associated members from the internal audit, distribution, and internal communication sectors, and since 2016, the Contract Review Committee tasked with reviewing, analyzing, and commenting on contracts. Since 2023, the LCE has been expanded to include members from ESG and tax areas.



During the year 2023, the Legal Compliance & Ethics Team of the Nelt Group, responsible for monitoring the legal compliance of business operations, launched an informative LCE Newsletter aimed at employees, partners, and collaborators.

It is envisaged that once a month, the LCE team of experts will systematically and comprehensively analyze legislation and provide updates on significant developments relevant to the company's operations.



Nelt Group Legal Compliance & Ethics Team

OUR ETHICAL PRACTICES AND BUSINESS STANDARDS

Ethical business is the cornerstone of our business model. We have clearly defined the areas to which principles we are committed.

Area	Commitment
Involvement and protection of employees	<ul style="list-style-type: none"> • Establishing responsible and gender-sensitive management practices involving all employees • Defining long-term goals contributing to sustainability • Building sufficient expertise among managers and all other employees • Establishing effective grievance mechanisms for individuals and communities
Right to freedom of association	<ul style="list-style-type: none"> • Respecting workers' rights to association and collective bargaining • Ensuring meaningful representation of all employees, regardless of gender identity
Fair compensation	<ul style="list-style-type: none"> • Adhering to minimum wages set by legislation or industry standards approved through collective bargaining • Regular, timely, and stable payment of wages • Precise evaluation of wage ranges and working towards providing decent wages • Ensuring equal pay for equal work and qualifications • Deductions applied only under conditions prescribed by law or collective agreement • Providing social benefits guaranteed by law without negatively impacting employees' pay conditions
Decent working hours	<ul style="list-style-type: none"> • Ensuring that workers do not work more than 48 regular hours per week, with exceptions as specified by the International Labour Organization • Interpreting and promoting working time practices that enable a healthy work-life balance • Using overtime work as an exceptional and voluntary practice with payment at a premium rate



These principles not only guide our everyday actions but also reflect our commitment to integrity, transparency, and accountability in all aspects of our business.

Workplace safety and health	<ul style="list-style-type: none">• Respecting the right to safe working conditions• Adhering to laws and standards regarding occupational safety and health• Identifying and reducing potential and actual threats to worker safety and health• Training employees on workplace safety and health• Preventing accidents, injuries, and illnesses
Prohibition of child labor	<ul style="list-style-type: none">• Not employing children below the minimum age for compulsory education• Protecting children from any form of exploitation• Establishing mechanisms for age verification during employment• Identifying and implementing measures to protect children in case of dismissal or removal from work
Special protection for young workers	<ul style="list-style-type: none">• Ensuring that young workers do not work at night and protecting them from working conditions that harm their health• Removing young workers from hazardous work environments• Identifying and reducing harm to young workers
Job security	<ul style="list-style-type: none">• Ensuring that recruitment processes and employment relationships do not cause uncertainty or vulnerability for employees• Working based on recognized and documented employment relationships• Providing clear information to employees about their rights and employment conditions• Striving to provide decent and flexible working conditions
Freedom from debt bondage, forced labor, and human trafficking	<ul style="list-style-type: none">• Refusing to participate in any form of forced labor, slavery, or human trafficking• Respecting international principles of responsible employment• Progressively compensating workers for damages in case of non-compliance with principles by the company.



PREVENTIVE MEASURES AND REMEDIATION PROCESSES FOR MITIGATING NEGATIVE IMPACTS

As part of our commitment to environmental conservation and social responsibility, we continuously undertake preventive measures to reduce the negative impacts of our activities. Our approach involves proactively identifying potential challenges and taking steps to prevent them before they become problems. This includes implementing best practices in production, using environmentally friendly materials and technologies, and training our employees on the importance of environmental conservation.

We have opened a communication channel for receiving complaints from our employees, suppliers, customers, and the local community (kontakt@neoplanta.co.rs), through which stakeholders can address us regarding complaints, as well as other issues. Potential complaints are forwarded to relevant departments for consideration, with the Quality Control, Human Resources, HSE, and other departments being engaged as needed. Conclusions are then communicated to the management for prompt resolution of complaints, with prioritization given to consumer safety and environmental protection.

In addition to preventive measures, we continuously work to improve our processes to minimize potential negative impacts on the environment and society. This includes ongoing monitoring and evaluation of operations, identification of areas for improvement, and implementation of innovative solutions.

Our stakeholder engagement policy ensures broad support and insight into the needs and expectations of the community. Regular communication and collaboration with partners enables us to prevent potential negative impacts and build sustainable relationships.

We continuously measure the effectiveness of our preventive measures and processes through performance analysis and gathering feedback from stakeholders. This enables us to identify areas for improvement and maintain a high level of engagement in environmental conservation and social responsibility.

MECHANISMS FOR SEEKING ADVICE AND EXPRESSING CONCERNS

Each employee receives information about the policies, rules, and procedures, including their availability and application, as part of the onboarding plan when joining the company or taking on a new role.

Employees are encouraged to seek advice or express concerns regarding the implementation of the organization's policies and practices at any time during their employment. Concerns or advice can be expressed through various means (verbally, via email, etc.), and questions can be directed to their supervisor or the responsible person involved in the process in question.

Additionally, employees can approach the Human Resources department or the Health, Safety, and Environment (HSE) department directly at any time, depending on the area of impact or concern.



WE MANAGE RISKS AND OPPORTUNITIES – WE ACT PREVENTIVELY

Companies encounter threats that can affect the achievement of set goals and opportunities that can contribute to business improvement on a daily basis. To address this at Neoplanta, we have established a risk management system aligned with the ISO 9001:2015 standard.

We've created specific processes for identifying and assessing risks related to product safety, occupational health and safety, and environmental protection, with management established at three levels:

- Through the process of defining and managing the company's strategy, setting objectives, and implementing programs in line with the organization's strategic direction and policy.
- Through the technological manufacturing process that emerges in the design and development process.
- Throughout all processes in the company – operationally.

Additionally, every employee has the opportunity to identify additional risks or opportunities and report them. Reports are processed through a system available to all employees, and after analysis by relevant stakeholders, decisions are made on further actions.

The fact that in 2022, 285 and in 2023, as many as 222 risks and opportunities were identified speaks to the proactive nature of our employees and their awareness of risks and opportunities.



2022

285

Total assessed
risks and
opportunities

15

55

2

Opportunities

66

Number of
risks and
opportunities
being monitored

32

Risks

231

Number of risks
and opportunities
for which a set of
measures has
been defined

2023

222

Total assessed
risks and
opportunities

5

9

1

Opportunities

49

Number of
risks and
opportunities
being monitored

27

Risks

179

Number of risks
and opportunities
for which a set of
measures has
been defined

This integrated approach enables us to systematically identify, assess, and manage risks and opportunities at all levels of operation, contributing to sustainable growth and the achievement of business objectives.

KEY IMPACTS, RISKS, AND OPPORTUNITIES

As a leading producer of meat products in Serbia, we are aware of the impact our operations have on sustainability and stakeholders. We face a range of economic, social, and environmental challenges while also having the opportunity to shape positive changes in the community and the environment.

- Economically, our factory contributes to the local economy by employing a large number of workers and collaborating with local suppliers. In addition to directly creating jobs, our production generates revenue through taxes and fees, supporting the funding of public services and infrastructure.
- In a social context, we actively participate in social initiatives through donations, collaboration with educational institutions, environmental actions, voluntary blood donation, and support for families.
- Regarding environmental impact, we are aware of the ecological footprint of food production and actively work to reduce it. We invest in technological innovations and production processes, as well as increasing the share of sustainable energy and reducing waste.

We strictly adhere to national laws and regulations regarding the production and safety of food products, environmental protection, and human and labor rights. We also adhere to internationally recognized food quality and sustainability standards to ensure that our products meet the highest standards.





Given the complexity of economic, social, and environmental challenges, we continuously enhance the knowledge and skills of our highest management body. Through training and education, managers gain a deeper understanding of these challenges and opportunities for creating positive change. This enables informed decision-making that supports the goals of sustainable business, such as supporting the local economy, environmental protection, and supporting social initiatives. Regular reviews and forums further contribute to continuous improvement of knowledge and more effective management of the key impacts, risks, and opportunities arising from Neoplanta's operations.





IMPACT OF TRENDS, RISKS, AND OPPORTUNITIES ON LONG-TERM PERSPECTIVES

We are aware that the business environment is constantly changing, bringing both risks and opportunities. Our goal is the continuous improvement of our business, acting responsibly towards our stakeholders, and contributing to the sustainable development of the community in which we operate. To achieve this goal, we have identified key priorities that enable us to respond to challenges and capitalize on opportunities in the business environment.

One of our key priorities is the identification and mitigation of risks related to changes in raw material prices, regulatory frameworks, and the impacts of climate change. In today's environment of inflation, declining livestock populations, and labor shortages, these challenges are becoming increasingly significant. By leveraging innovative technologies such as artificial intelligence (AI) and digitization, we are actively working to improve the sustainability of our production and business processes, while also implementing actions that promote sustainable development throughout the entire supply chain, contributing to greater transparency and accountability in the adoption of sustainable practices and reporting.

Identifying these factors enables us to develop strategies that will keep us competitive and align our business towards stability and long-term success.



Key Risks

Stagnation in the EU accession process

Uncertainty in the economic and foreign policy situation

Inflation

Reduction in livestock and the emergence of swine fever

Economic pessimism

Labor shortage

Climate change

Key Opportunities

The growth trend of digital shopping

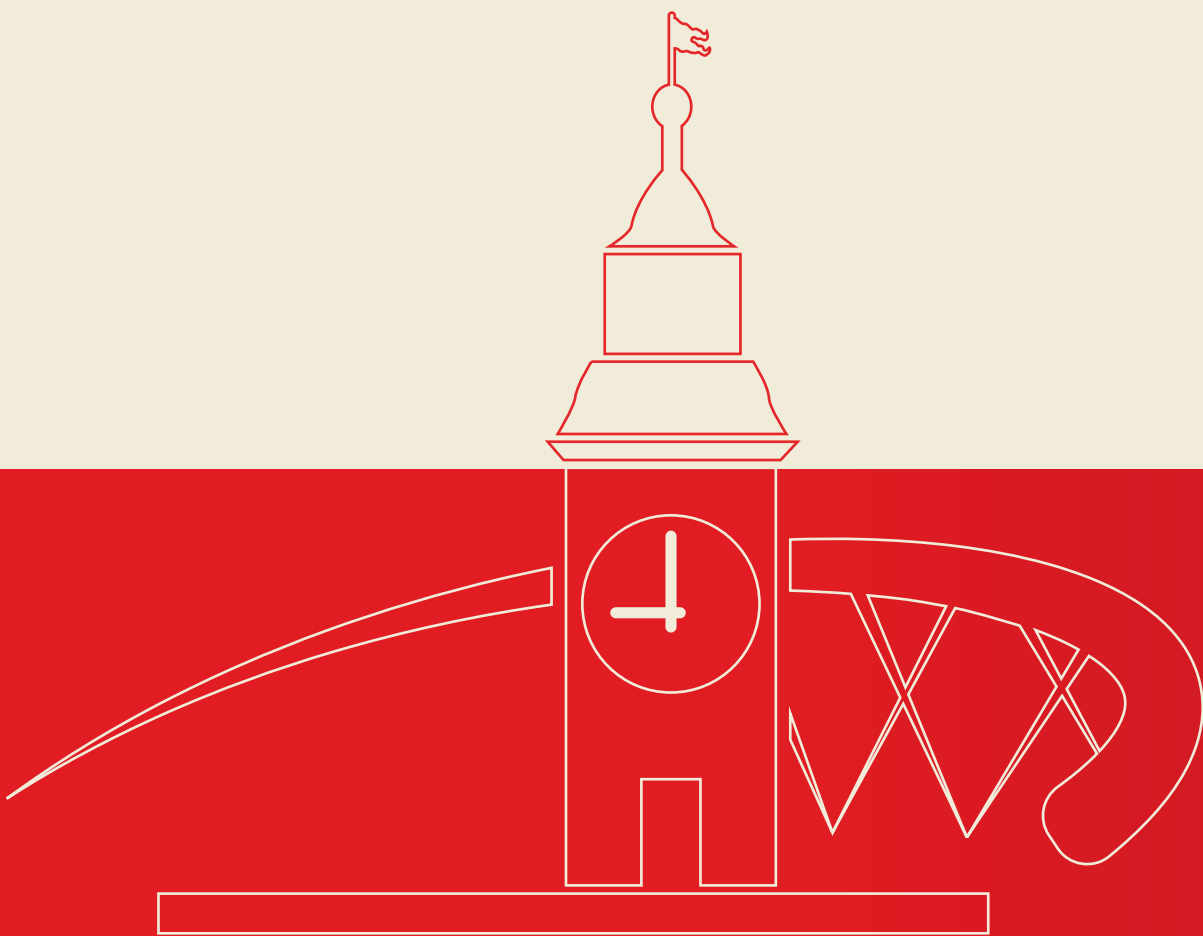
AI revolution

Introduction of new markets and products

Leveraging digital trends within the industry

Expansion of the HoReCa channel across all markets

Alternative meat products



STRATEGIC APPROACH

OUR BUSINESS STRATEGY

Neoplanta has developed a five-year strategy (2020-2024) with the primary goal of achieving defined revenue and profit targets. Now, in 2024, at the end of this successful phase, a new five-year strategy is being prepared, focusing on further development and growth of the company.

OBJECTIVES

The objectives of the Strategy are to maintain our leadership position in the production of meat products and to establish a solid foundation for further growth and development of both our brands and the company itself. This will be achieved through the development and focus on our well-known brands, care for employees, consumers, the community, and other stakeholders.

INITIATIVES

Our strategic initiatives build competitive advantage and make our business resilient to current and future risks in an extremely dynamic world. The key elements of this strategy are:

- Focus on product quality;
- Building strong, innovative brands firmly established in consumer awareness;
- Expanding sales in export markets;
- Strengthening Neoplanta's position in the domestic market;

- Building brands through lifestyle integration;
- Implementation of changes in our ERP system to enhance operational efficiency and the company's adaptability to changes;
- Optimization of the production process and investments in CAPEX to reduce costs and improve quality;
- Building a culture of continuous improvement;
- Increasing stakeholder satisfaction.

PREREQUISITES

In addition to defining the goals we want to achieve within the Strategy's period, we have also determined how we want to achieve them. The Strategy outlines the prerequisites that need to be fulfilled to achieve these goals. These prerequisites include a healthy organization and quality personnel, improvement of knowledge and skills at all levels, and appropriate infrastructure and technology.



SUSTAINABILITY STRATEGY

At Neoplanta, we are **committed to integrating ESG (Environmental, Social, and Governance) sustainability principles into all aspects of our business**, as we believe it to be the key to long-term success. Through innovative and efficient solutions introduced into our operations, we aim to ensure the future growth of the company, enhance society, protect the environment, and support global sustainable development goals. Our dedication to ESG principles forms the cornerstone of our business, with our vision being the realization of positive societal changes and the creation of a sustainable future.

In the field of environmental protection, we actively work on improving energy efficiency, increasing the use of renewable energy sources, and reducing greenhouse gas emissions. We pay special attention to responsible natural resource management and the implementation of efficient waste management methods to reduce our ecological footprint.

We uphold values of **respect for human rights, diversity, inclusivity, equality, and fairness, including particular attention to occupational safety and health**. We invest in our employees and their professional development through internal and external training, thus creating a work environment that fosters progress and safety.

As a socially responsible company, we **actively support the local community** through education programs, social responsibility projects, and humanitarian initiatives aimed at contributing to building a better society.





The management of our business is based on high standards of integrity, transparency, and accountability. We strive to act ethically, in accordance with relevant laws and regulations, and maintain robust corporate governance mechanisms to ensure the highest level of trust and security for our partners and clients.


We encourage innovation and actively collaborate with principals, partners, suppliers, clients, and local communities to create sustainable solutions together. We believe in the power of collaboration and connection, as only through joint efforts can we achieve positive changes and contribute to a more sustainable future.

Aware that the path to a sustainable future is long-term and requires continuous improvement, we continue to explore new ways to reduce our environmental footprint, achieve the well-being of all members of society, and enhance the quality of life in the communities where we operate, while simultaneously striving to be an inspiration for positive changes in our environment.



QUALITY, OCCUPATIONAL HEALTH AND SAFETY, AND ENVIRONMENTAL PROTECTION POLICY

POLICY FOR SUSTAINABLE BUSINESS PRACTICES

 Our Policy on Quality, Occupational Health and Safety, and Environmental Protection is a crucial tool for achieving our sustainable business strategy. It reflects our commitment to our employees, process improvements, and environmental preservation.

Understanding the needs of our stakeholders—including increasingly demanding modern consumers, the necessity for technological advancements and business improvements, limited resources, and the competitiveness that is hard to achieve and easily lost—Neoplanta has adopted the following core principles in its Policy:

- **Focus on stakeholders:** We are committed to understanding the needs of all relevant groups, including consumers, partners, employees, and the community, to meet their expectations.
- **Leadership role of management:** We encourage the development of our employees and create an environment that supports access to new technologies and the achievement of set goals.
- **Engagement of competent people:** We believe that our employees, through the application of knowledge, skills, and company values, contribute to achieving our goals.
- **Development of employee awareness and competence:** Through training programs, we continuously work on raising awareness about safety, product quality, and environmental protection at all levels of the organization.
- **Employee involvement:** We consult with our employees and involve them in the occupational health and safety management processes to improve the work environment.



- **Compliance with legal and company requirements:** We adhere to all applicable legal and company requirements to ensure the production and distribution of high-quality and safe products to the market.
- **Effective communication:** We maintain transparent communication with all stakeholders to exchange information and build trust.
- **Establishment of an Integrated Management System:** We have an integrated system that encompasses quality management, occupational health and safety, and environmental protection to conduct our business efficiently.
- **Adherence to standards:** We comply with the requirements of relevant standards such as ISO 9001, ISO 45001, ISO 14001, FSSC 22000, and HACCP to ensure a high level of quality and safety.
- **Preventive action:** We proactively manage risks to prevent undesirable situations and improve business efficiency.
- **Continuous Improvement:** We monitor trends and apply best practices to continually improve our processes and products.
- **Fact-Based Decision Making:** Our decisions are based on the analysis of facts and performance comparisons with set goals and competitors.



WHAT HAVE WE COMMITTED TO

In addition to principles, we have committed ourselves to responsibility through **our policies**, code of conduct, and decisions. We have committed to identifying, preventing, and mitigating negative impacts on the economy, environment, and society. This commitment permeates all aspects of our business, including:

- Establishing gender-equal management practices.
- Respecting employees' rights to association and collective bargaining.
- Providing fair compensation, regularly and promptly.
- Ensuring decent working hours and interpreting practices that enable a balance between work and private life.
- Respecting the right to safe working conditions and preventing workplace injuries.
- Prohibiting child labor and providing special protection for young workers.
- Ensuring job stability and avoiding uncertainty in employment relationships.
- Refusing to participate in any form of forced labor, slavery, or human trafficking.



CONTINUOUS, TWO-WAY COMMUNICATION WITH STAKEHOLDERS

The sustainability of a company's operations largely depends on the company's ability to recognize and respond to the needs and expectations of stakeholders. Stakeholders encompass all those interest groups that have claims against the company or have an interest in the company's operations and over which the company can exert influence. At Neoplanta, we identify stakeholders, their needs, and expectations. We monitor and review information related to them with the aim of understanding their demands, meeting their needs, and surpassing their expectations.



MATERIAL TOPICS AND STAKEHOLDER ENGAGEMENT

The sustainability of Neoplanta's business is linked to its ability to recognize the expectations and needs of stakeholders, which requires continuous dialogue and open communication. Key steps towards sustainable and responsible business of our company include selecting material topics and actively involving stakeholders in decision-making processes.

Neoplanta's strategy focuses on ESG areas with the aim of making a positive impact on the community in which it operates. The determination of material topics is carried out by a team of experts led by the Manager of the Management System and Sustainable Development, through dialogue with all identified stakeholders.

The materiality matrix serves as the basis for preparing this Report, which includes all the most important material topics for the company's operations on one side and meeting the needs and expectations of stakeholders on the other side. The Report covers all material topics related to the economy, environment, social responsibility, and management, as well as additional activities that may impact the company and its stakeholders.

From the wide range of sustainability topics, we have identified priority areas that have the greatest impact on the economic, social, and environmental aspects of business, as well as on the assessments and decisions of stakeholders.





ECONOMIC IMPACTS

- Economic performance

ENVIRONMENTAL RESPONSIBILITY

- Energy resources and greenhouse gas emissions
- Water consumption and discharge
- Waste management and recycling

RESPONSIBILITY TOWARDS WORK ENVIRONMENT

- Employment
- Occupational health and safety
- Employee training and development programs
- Employee satisfaction

SOCIAL IMPACTS

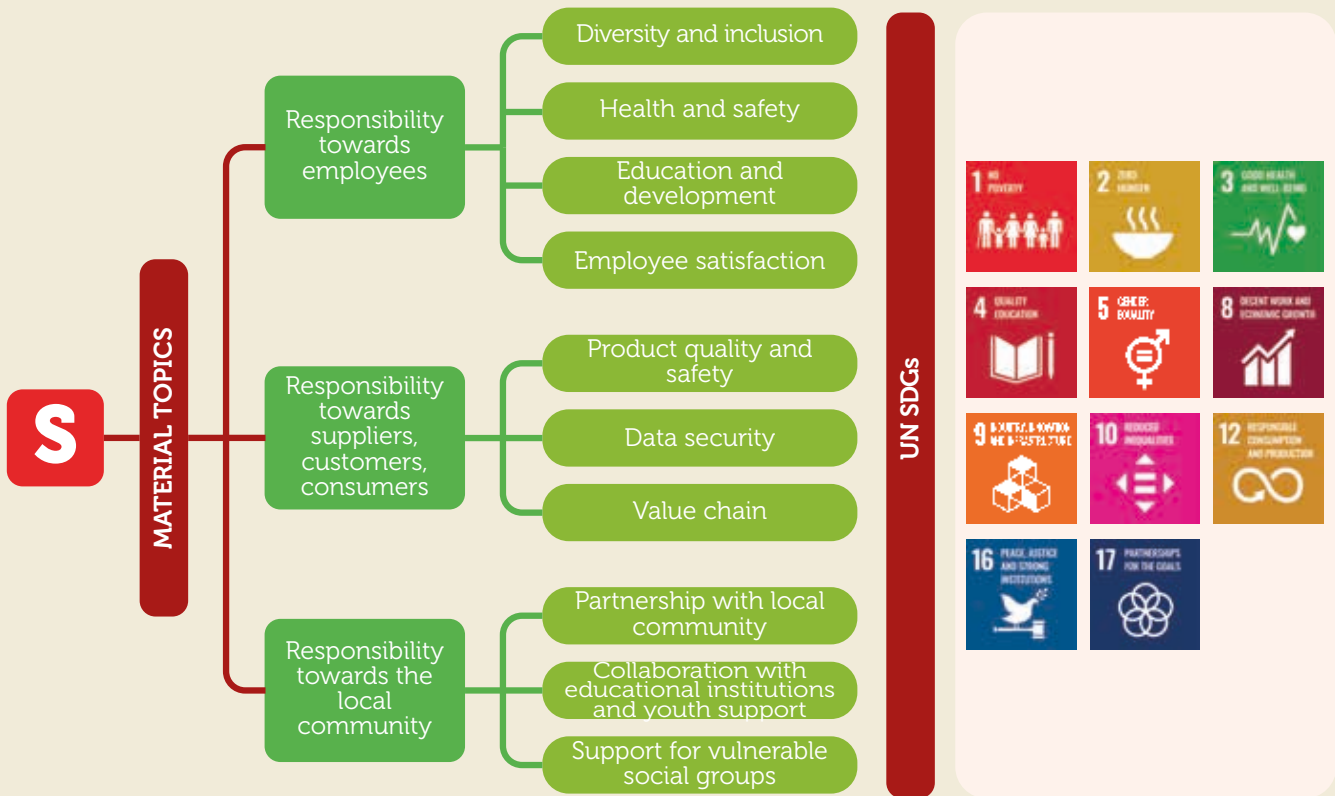
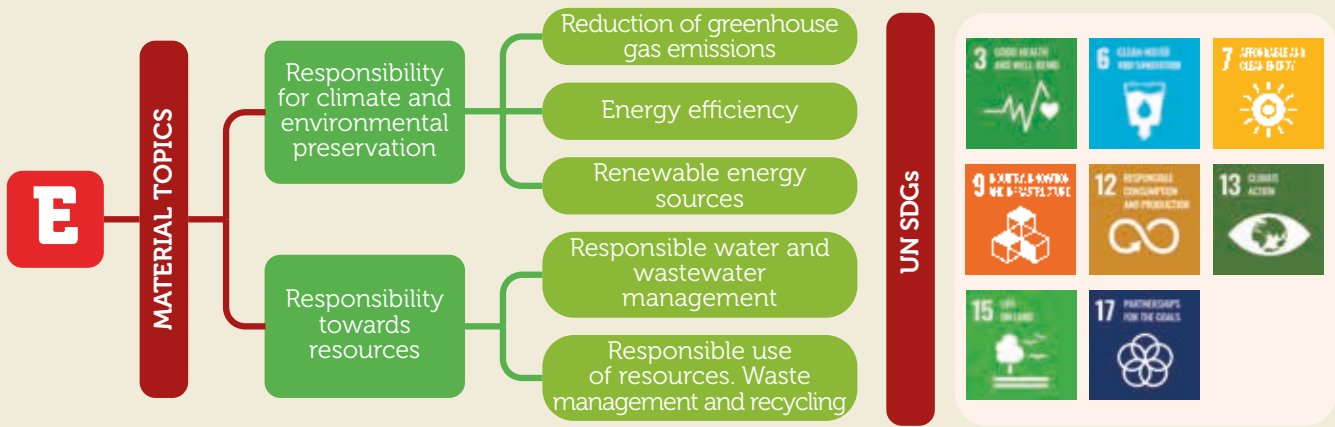
- Donations and CSR activities
- Supplier relations and raising standards in the supply chain
- Anti-corruption

PRODUCT RESPONSIBILITY

- Product quality and safety
- Product labeling
- Marketing and communication
- Innovations in production and adaptation to consumer needs

ESG PRINCIPLES, MATERIAL TOPICS, AND UN SDGs





OUR INSIGHTS AND OUTLOOKS



Saša Ćirić,
Marketing and Development Manager

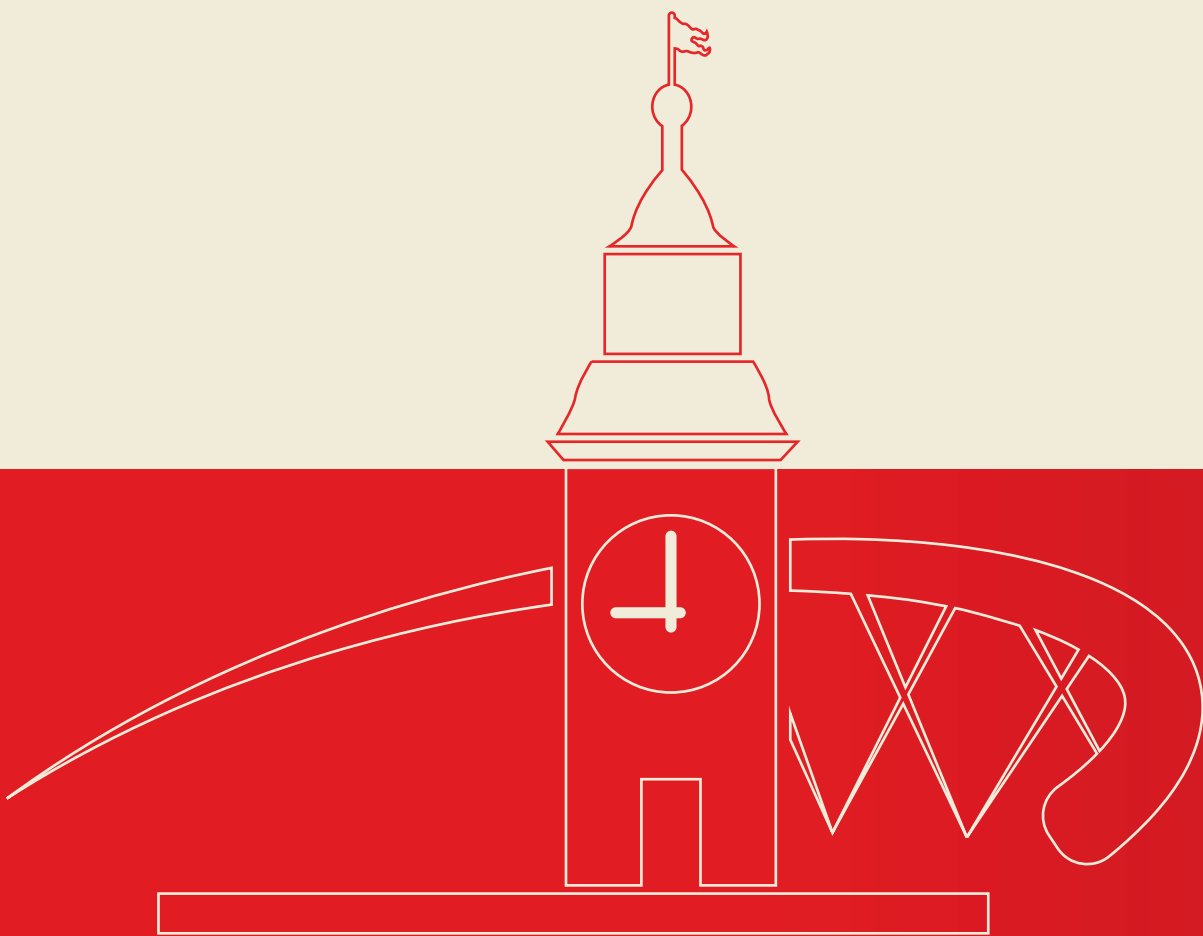
FOR DECADES, NEOPLANTA HAS BEEN TELLING A TRUE, AUTHENTIC VOJVODINA STORY

In every idea, every product we bring to the market, every activity supporting our brands, there is a clear focus on consumers, their desires, needs, tastes, and habits. Therefore, Neoplanta is the right choice for those who know how to choose and prioritize quality.

Our mission is clear: we produce as if for our own children. We create flavors for enjoyment at leisure because we care about consumers, employees, customers, the community, partners, capital owners, and sustainable development. We like to say that for decades, Neoplanta has been telling a true Vojvodina story, a story as broad as its plain, as powerful as the Danube itself. It is a story of quality, enjoyment, rich tastes, feasting, and socializing. It reminds us of our origin and tradition, the heritage we grew up with and pass on to our offspring, for we must know who we are, where we are heading, and, most importantly, what we leave to our children as a legacy.

Besides producing quality, delicious, and widely available products, it is important that everything else we do is also carried out with maximum quality and dedication, just as for our own children. We are aware of the significant impact that a company's operations have on nature and society, and it is up to each of us to decide whether that impact will be positive or negative. I am proud that Neoplanta is not only synonymous with quality coming from Vojvodina but also sets a true example for others of what a healthy, successful, and sustainable business looks like.





ECONOMIC IMPACTS

ECONOMIC PERFORMANCE

Neoplanta has a significant direct and indirect economic impact on the local community in which it operates. Over the past two years, we have invested significant funds in salaries, contributions, and the development of our employees, as well as in investments in production equipment and renewable energy sources. Through these activities, we directly contribute to the economic growth and development of local communities, while simultaneously improving the quality of life for our employees and their families.

Through continuous investments in the modernization of our production facilities and the implementation of the latest technologies, we improve production efficiency and reduce negative environmental impacts.

One of the key projects implemented is the construction of a wastewater treatment plant, which contributes to the preservation of natural resources and environmental protection. Additionally, the implementation of solar panels for electricity production enables us not only to save on energy costs but also to reduce harmful gas emissions. A recently signed contract with the Development Agency of Serbia for investment in improving energy efficiency and automation of parts of production clearly demonstrates our commitment to long-term development and business improvement.

In addition to direct economic impacts, we also achieve significant indirect effects. Through targeted employment of workforce from less developed regions, we support the local economy and contribute to the creation of new jobs. Also, through donation and volunteering projects, we actively contribute to strengthening social solidarity and improving the standard of living in our community.

Commitment to sustainable business is an essential part of our corporate culture, and we strive to achieve economic, environmental, and social benefits for all stakeholders through all our activities.

Generated and distributed economic value in '000 euros:

	2022	2023
Total revenue	56.327	61.716
EBITDA	3.907	4.627
Export	11.785	14.423
Salaries, taxes and employees development	8.841	9.841
Donations	11	42
Cooperation with local suppliers	29.536	28.336
State taxes	7.910	8.221
Investments in production equipment	1.887	2.021
Investment in Solar panels	855	338

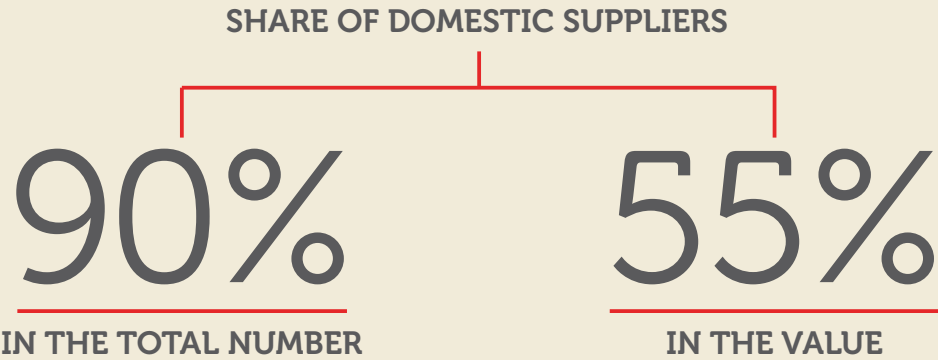


SUPPLY CHAIN RESPONSIBILITY

At Neoplanta, we continuously work on improving our business relationships with our suppliers. The majority of the procurement budget is directed towards the acquisition and enhancement of technical and technological equipment, raw materials, and supplies necessary for production. This procurement is conducted through tenders, ensuring process transparency and enabling suppliers to be informed about current procurement needs.

Special attention is given to supporting local suppliers with the aim of strengthening their presence and activities in the domestic market. Their increasing participation in our overall procurement, especially in terms of service provision, continues to grow from year to year.

	2022	2023
Total number of suppliers	856	890
Procurement value in euros	48.438.082	53.697.832





Our approach to supplier selection and evaluation is based on principles of equality and transparency. Through regular assessments of active and potential suppliers, we thoroughly analyze their compliance with human rights standards, environmental protection, and social responsibility.

These key themes are integrated into our contracts with suppliers as mandatory provisions. In case of non-compliance identification, appropriate corrective actions are prescribed, and suppliers are provided with a reasonable timeframe for rectification.

This holistic approach ensures integrity and accountability throughout the entire procurement chain, ensuring that our products reflect our values and high standards of quality.



OUR INSIGHTS AND OUTLOOKS



Jelena Šoć Dujaković,
Operations Manager

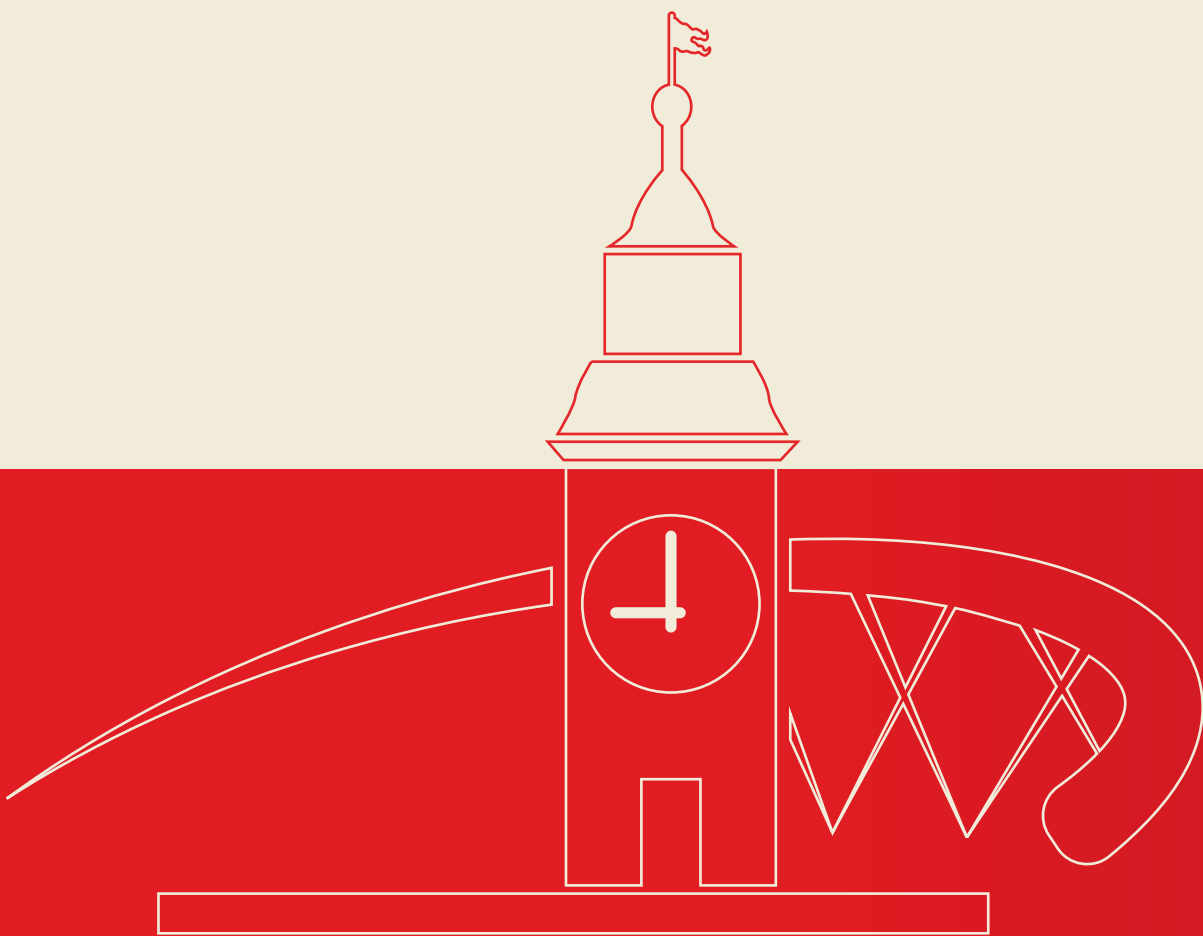
INVESTMENTS IN PEOPLE AND PROCESSES AS A PREREQUISITE FOR SUSTAINABLE BUSINESS

The post-COVID period, as I would describe the past two years, has been characterized by networking among people at all levels, including within our Neoplanta company. We were exceptionally motivated and therefore dedicated both to planning and executing projects with the ultimate goal of strengthening connections among employees by increasing the level of automation in operations processes. With this in mind, we have initiated significant investment projects of which we are particularly proud: the automation of the slicing and packaging line for sliced products, the robotic packaging of canned products, and last but not least, the automation of frozen raw material storage by installing mobile racks. In addition to this internal networking, we were also highly committed to and engaged with the community, as we carried out a series of socially responsible actions, with the most significant being the donation of our new Patelina pâté so that even the most vulnerable segments of society could enjoy the Neoplanta flavors that we produce as if for our children.

Responsibility towards the environment was also on our agenda, so we combined a pleasant management gathering with employees and a useful action under the slogan "Fruška Gora clean, shining wide." One of Neoplanta's corporate values, for which we are widely recognized, is the constant learning and development of employees as the basis for sustainable business. Therefore, we participated in numerous training sessions on innovations in packaging materials to reduce waste and increase the share of recyclable packaging.

Looking back, I can only be immensely proud of everything we have achieved as a team, and looking ahead, I see only new successes.





RESPONSIBILITY TOWARDS THE MARKET

CONSUMER HEALTH AND SAFETY

The quality of our products sets us apart in the market from our competitors. Our products represent who we are, and our customers and consumers see Neoplanta through them. We aim to satisfy both the expressed and hidden desires of our users, caring equally for our employees and our customers and consumers. Therefore, health-safe products of consistent quality are our minimum standard.

To ensure that we consistently produce health-safe products of the same, defined quality, we at Neoplanta:

- Implement the requirements of relevant legal regulations, standards governing product safety and quality, and the requirements of all stakeholders into our processes.
- Adhere to defined policies and rules of conduct.
- Follow prescribed procedures and instructions, and maintain defined rules of hygiene, including personal hygiene as well as the hygiene of spaces, tools, and equipment.

In our company, all the requirements of HACCP and FSSC 22000 are implemented, creating prerequisites and ensuring the market placement of health-safe products of consistent quality. All products undergo risk assessment for safety and quality.

Through an established methodology for hazard analysis and the identification of critical control points, precise control plans are defined for both the production and storage processes, as well as for the products themselves.





The focus of Neoplanta's team is on maintaining the high quality and safety of our products. Each team member actively contributes to this goal, guided by a thorough understanding of regulations and procedures. We regularly organize training and education on safety and quality, both internally and externally, to ensure our employees are well-informed and prepared.

Every new employee undergoes mandatory training on occupational safety and health, environmental protection, and product quality and safety immediately upon starting their job. Throughout their tenure, we continually enhance their knowledge, giving them opportunities to become familiar with the latest standards and practices. Additionally, we conduct written knowledge assessments.

When it comes to our products, we make no compromises. We develop them with dedication and precision, implementing high-quality standards at every step of production. With each subsequent production, we confirm the established standard. Our distribution network ensures that these products reach the end consumers in unchanged quality.



QUALITY CONTROL

Production of all products in our company is monitored and controlled. All components integrated into our products (raw materials, spices, packaging), as well as semi-finished and finished products, undergo detailed analyses to ensure that only products of satisfactory quality are delivered to the market.

➤ Receiving, Process, and Final Inspection

Quality control consists of receiving, process, and final inspection.

- **Receiving inspection** includes the control of all components that make up the product (raw materials, spices, packaging).
- **Process inspection** includes prerequisite control, control of the technological production process, equipment hygiene control, worker hand hygiene control, and semi-finished product control.
- **Final inspection** includes the control of the finished product, with at least a sensory evaluation (color, smell, taste, consistency) and other parameters defined by the product specifications.

All inspections are carried out according to a defined control plan.

As part of the inspections, technicians perform sampling for microbiological, chemical, and packaging tests and submit the samples to the appropriate internal laboratory.



NEOPLANTA'S LABORATORY

The Neoplanta laboratory consists of microbiological, chemical, and packaging control laboratories, staffed by experienced specialists in these fields.

In the microbiological laboratory, we perform the following analyses: total bacterial count, yeasts and molds, sulfite-reducing bacteria, *Salmonella* spp, *Listeria monocytogenes*, etc.

In the chemical laboratory, we analyze the content of proteins and fats in products, collagen, water, nitrites, phosphates, etc.

The packaging control laboratory conducts inspections and analyses of all packaging characteristics according to the specifications of the incoming materials, such as measuring material thickness, packaging dimensions, color, declaration text and labels, and many other aspects. It also performs packaging inspections during production and at the end of the process through final inspection (gas content control in modified atmosphere packaging, packaging hermeticity control).

In addition to internal controls, the health safety of the products is tested at least once a year by an external accredited laboratory.



QUALITY MANAGEMENT – STANDARDS

Neoplanta's focus on quality is reflected in the following:

- We have implemented an integrated management system (IMS) that includes the requirements of key safety and quality standards (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, FSSC 22000, and HACCP) without any omissions, as well as the requirements of all stakeholders.
- We have established rigorous standards, control methods, and partnerships with key and globally recognized suppliers of raw materials and spices.
- Over the past 7 years, we have invested more than 25 million euros in modernizing production to meet consumer needs and ensure the continuous quality and safety of every product released to the market.

Confirmation of the effectiveness, efficiency, and compliance of the Integrated Management System

The effectiveness, efficiency, and compliance of the integrated management system with the standards are verified by TÜV Nord, a leading global certification company. The issued certificates confirm our company's compliance with all requirements.

External audits by the certification body are conducted annually, with one cycle spanning three years, starting with a certification audit followed by two surveillance audits. In addition to these audits, the company is also inspected by customers.

Audits can be announced or unannounced.

Neoplanta has passed all announced and unannounced audits by the certification body and customers with the highest compliance ratings.

Internal Audits

In addition to external audits, a team of competent internal auditors conducts internal audits according to an annual audit plan that specifies the audit schedule and criteria. Internal audits are also conducted extraordinarily upon management’s request.

After each internal audit, the audit team leader prepares a report detailing the audit findings. Appropriate corrective actions are prescribed for all identified non-conformities.

Standards we are certified to

Standard Name	Description	Certificate Issue Date	Certificate Expiry Date	Certification Body
HACCP	Hazard Analysis and Critical Control Points (Food Safety System)	20.12.2023.	19.12.2026.	TÜV Nord
ISO 9001:2015	Quality Management System	21.12.2023.	20.12.2026.	TÜV Nord
ISO 14001:2015	Environmental Management System	29.01.2023.	28.01.2026.	TÜV Nord
ISO 45001:2018	Occupational Health and Safety Management System	29.01.2023.	28.01.2026.	TÜV Nord
FSSC 22000 V5.1	Food Safety System	21.12.2023.	20.12.2026.	TÜV Nord

Neoplanta is certified according to the FSSC 22000 V5.1 standard. Considering recent changes and the publication of a new version, we have organized training sessions in collaboration with the certification body TÜV Nord (branch of TÜV Cyprus). The implementation of the requirements of the new standard version (V6) is currently underway, and our company will be certified accordingly by the end of 2024.

MARKETING AND LABELING

Within our Marketing and Development processes, we continuously research the market, develop new products, and improve existing ones to successfully introduce them to the market. When designing products, we pay special attention to safety, quality, and environmental protection, as well as providing accurate information to customers and consumers to meet their needs and expectations.

Our development technologists identify risks already in the stage of creating new products and develop them in a way that guarantees consistent quality in serial production. The transition of products from development to serial production is accompanied by documentation that describes the production process and product specifications in detail, including HACCP documentation.

We pay special attention to product labeling. The regulatory department, part of the marketing and development sector, prepares product labels based on the recipe, adhering to all legal regulations of the Republic of Serbia and the countries where we market our products. Product label control is performed at least once a year by an external accredited laboratory.





COMPLAINTS PROCEDURE

Recognizing the needs and expectations of our customers and consumers, we have established a robust complaints-handling process. Customers can communicate their complaints to the designated sales representative, who will then oversee their resolution. Additionally, consumers have the option to submit complaints via email (kontakt@neoplanta.co.rs).

Upon receipt, each complaint is promptly logged into our system for assessment. We thoroughly evaluate the merits of each complaint and take proactive measures to address them effectively. Through strict adherence to regulations and voluntary codes, we maintain a high standard in product labeling and information dissemination, ensuring that no irregularities are reported.



CONSUMER SATISFACTION

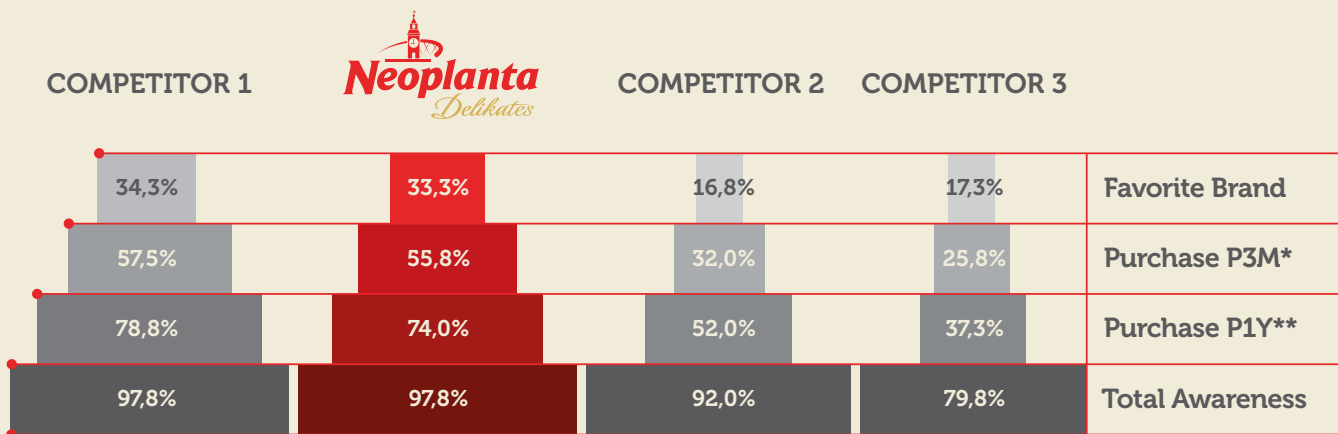
In our company, research plays a crucial role in our continuous product and service improvement process. These research efforts can be divided into two main groups: continuous research that tracks market trends and ad-hoc research focused on specific needs and projects.

Continuous research includes monitoring retail market trends, Brand Tracker studies, and Household Panels. These studies are conducted on a nationally representative sample, providing us with relevant results for evaluation. Brand Tracker is one of our leading studies focusing on brand mental presence. We have introduced the revolutionary Category Buyer Memory (CBM) methodology, allowing us to identify relevant “entry points” for brands into the category. This study is conducted twice a year, focusing on CBM metrics and evaluating marketing activities. In the first wave, we focus on CBM metrics, while in the second wave, in addition to that, we also evaluate the effectiveness of campaigns and trade marketing activities.

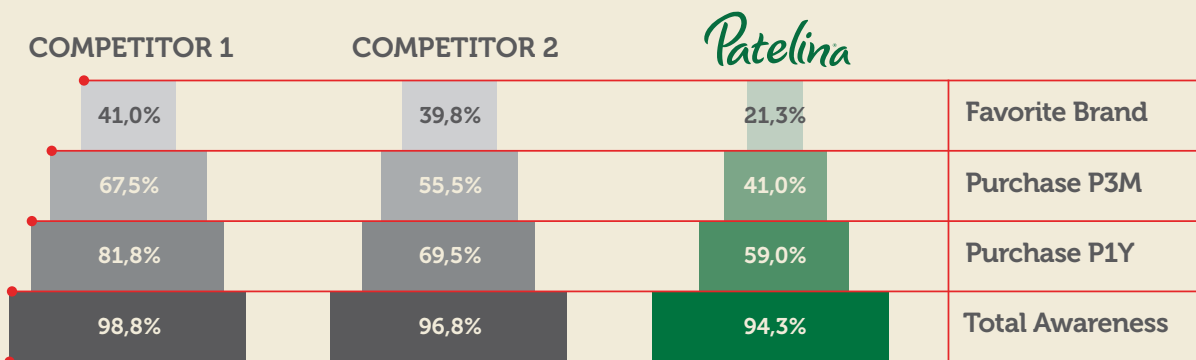
Ad-hoc research consists of specific studies conducted according to needs, such as the recent example of the Patelina brand relaunch. For this project, we conducted product testing in Serbia, Macedonia, and Bosnia and Herzegovina. The results were extremely positive: 59% of participants chose Patelina chicken pâté, while 57% chose Patelina junior pâté, compared to the main competitors. Additionally, the Shopper study, which examines consumer habits, provided valuable insights that will be relevant in the coming years.

Our commitment to research enables us to continuously improve our products and services, ensuring a high level of satisfaction among our customers and consumers.

NEOPLANTA - LEADER IN THE HAM CATEGORY



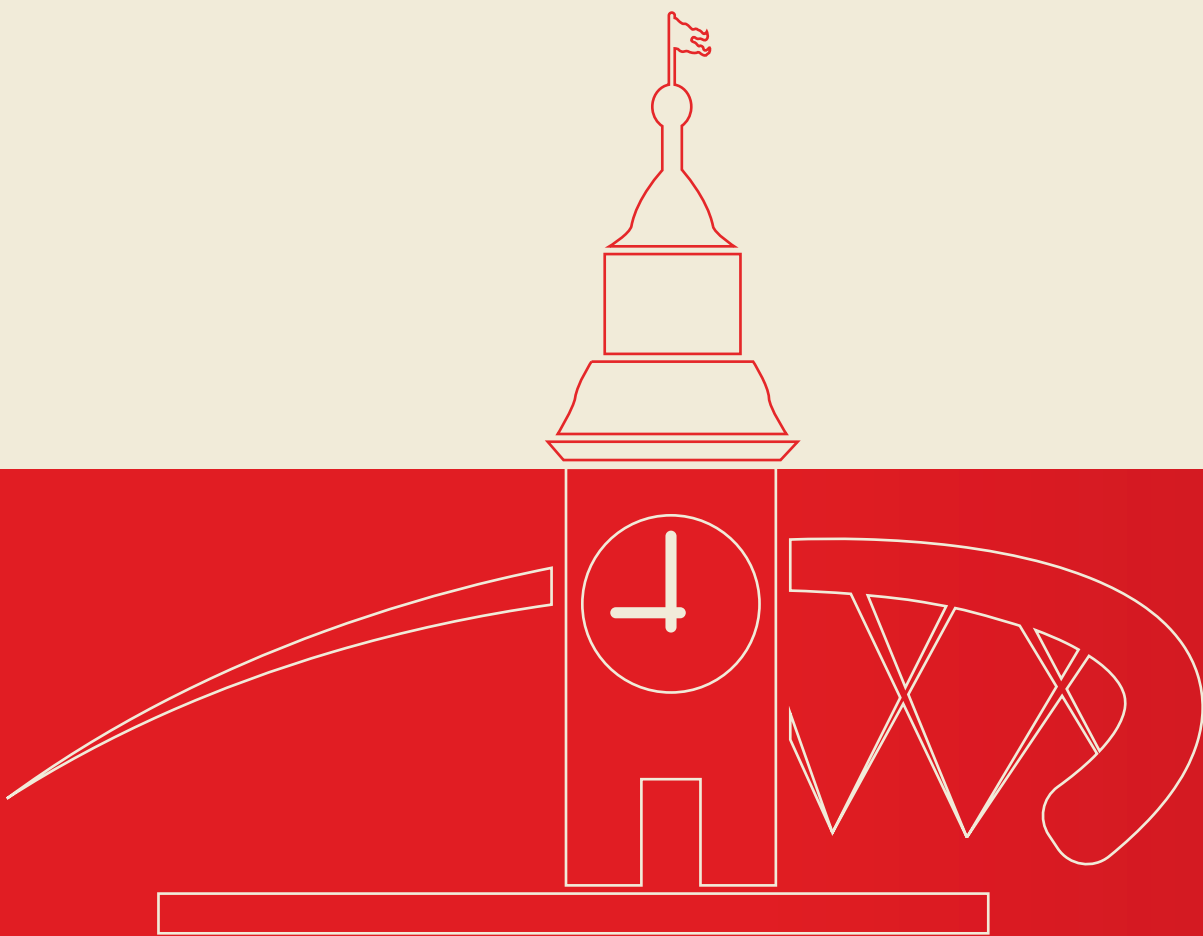
PATELINA VS MAIN COMPETITORS



All categories are experiencing an increase in MMS (Market Share) [3], and the growth is coming specifically from targeted customer segments - light-buyers [4] / non-buyers - which are crucial for further brand growth.

* Purchase in the last 3 months

** Purchase in the last 1 year



RESPONSIBILITY TOWARDS THE WORKING ENVIRONMENT

FOCUS ON EMPLOYEES

Skilled, satisfied, and efficient employees are crucial for the success of any organization and the achievement of set goals, especially in a dynamic and demanding business environment. Our commitment to ensuring a stimulating and safe working environment is based on our values of responsibility, respect, continuous development, and openness.

At Neoplanta, every employee has equal rights and opportunities, including freedom of expression, workplace safety, and a professional environment free from discrimination. Our obligation is to ensure a work atmosphere free from all forms of harassment and bullying, in accordance with our ethical code and rules of conduct.

All permanent employees at Neoplanta are employed full-time, and support for our business is also provided through collaboration with external partners. Consequently, we ensure equal conditions for all engaged workers.

We have developed an efficient system for managing employment relationships that allows adaptability to changes in the work environment. This system not only promotes agility and flexibility but also nurtures positive relationships between employees and the company, contributing to a positive work atmosphere and business efficiency.

Regarding recruitment, at Neoplanta, we provide equal access to all candidates, regardless of gender, age, religion, nationality, or race, and we encourage diversity and inclusivity in our team.





TOGETHER, WE BUILD AN INSPIRATIONAL AND SUPPORTIVE WORK ENVIRONMENT

Our focus is on creating a healthy organization for our employees to realize their full potential and actively participate in shaping the future of our company. Our main goal is to create a stimulating environment in which employees are deeply motivated for professional growth and development. Therefore, we foster a culture that not only supports but also promotes continuous learning and innovation. Employees who demonstrate commitment are key to achieving goals and long-term company success. Through performance assessments, we identify development needs and provide support through training, taking on advanced roles, and projects with higher levels of responsibility.

We believe that employees are the foundation of our organization and that their progress plays a crucial role in achieving goals. Therefore, we strive to strike a balance between individual development and corporate success.



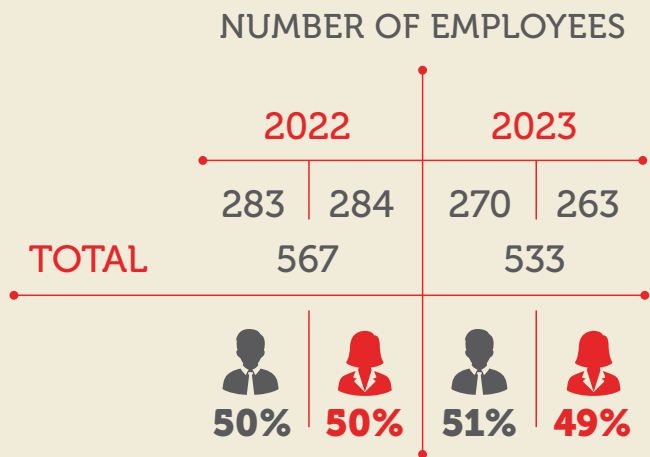
STRATEGIC APPROACH TO SELECTION AND EMPLOYMENT

Neoplanta places exceptional importance on the selection and employment process to ensure the engagement of the most qualified and motivated candidates. Our approach to this process relies on careful analysis of the organization’s needs and seeking individuals who not only possess the necessary skills and knowledge but also fit into the culture and values of our company.

In all of this, we primarily rely on recommendations from our internal members, which emphasizes the importance of trust and support within our organization. This practice allows us to attract individuals who share our values and are motivated to actively engage in building the company’s future.





We conduct a transparent selection process, providing all candidates with an equal opportunity to showcase their skills and talents. Additionally, we prioritize diversity and inclusivity in the selection process to ensure a variety of perspectives and ideas within our workforce community.

At Neoplanta, selection and employment are more than just processes – they are the way we build teams that are competent to achieve exceptional results and contribute to the long-term success of the company.









NUMBER OF EMPLOYEES BY CATEGORY

	2022		2023	
	MANAGERS	NON-MANAGERS	MANAGERS	NON-MANAGERS
TOTAL	29	538	29	504
	 17	 12	 17	 12
TOTAL	5,11%	94,89%	5,44%	94,56%





NUMBER OF EMPLOYEES BY CONTRACT TYPE

	2022		2023	
	TC*	PC*	TC*	NV*
TOTAL	81	486	63	470
	 36	 45	 35	 28
TOTAL	14%	86%	12%	88%

* Temporary Contract (TC) / Permanent Contract (PC)



NUMBER OF EMPLOYEES BY AGE GROUP

2022					2023			
			TOTAL				TOTAL	
<30	39	33	72	13%	29	23	52	10%
30-50	150	160	310	55%	154	159	313	59%
>50	94	91	185	32%	87	81	168	31%
TOTAL	567				533			

EMPLOYEE FLUCTUATION

	2022	2023
Total number of new employees	104	67
Total number of employees who left the company	107	101
Fluctuation rate*	19	18

*Employee fluctuation rate is calculated using the formula: (number of employees who left the company / average number of employees during the reporting period) x 100.

OUR ORGANIZATIONAL CULTURE

Genuine care for employees through structured personal development and regular two-way communication is our number one priority. In this way, we strengthen motivation, creating ambition to achieve results. Without such a culture, there is no personal development for employees, nor development for the company.

OUR VALUES

Values are what support the fulfillment of our vision and shape our corporate culture. They are the essence of the company's identity. Values define how things are done, how employees relate to each other, to customers, partners, consumers, and to the company itself.

In our work, we rely on responsibility, respect, continuous development, and openness.

RESPONSIBILITY

- Work as if it were your own
- Take care of yourself and others
- Measure three times, cut once

RESPECT

- Behave as you would like others to behave towards you

CONTINUOUS DEVELOPMENT

- Constantly ask yourself how and what can be done better
- Don't wait for change. Initiate it.

OPENNESS

- Speak the truth
- Don't give up after failure

OUR JUBILANT EMPLOYEES

We are proud that a large number of our employees share the company's values and contribute to Neoplanta's continuous progress year after year. Many of them have been dedicatedly working and developing within our company for years, and some for decades. Thanks to their effort and dedication, we achieve good business results, and every year we are happy to celebrate the anniversaries of their work. We call them "Jubilants," and it's interesting that the number of employees who marked 10, 20, 30, and 40 years of work at Neoplanta was the same in both 2022 and 2023 – 41 each year.

CHANGEMAKERS

Every year, we have the privilege of announcing Neo Ambassadors, colleagues who best reflect the company's values through their work and who are selected based on votes from other colleagues. All employees have the opportunity to nominate their colleagues for this prestigious title, citing a specific value and describing a situation or example that illustrates that value. Until 2023, there was a defined one-month period in which colleagues could nominate each other for ambassadors. However, since 2023, through the internal Access application, voting for ambassadors has been enabled throughout the year, with the selection and announcement taking place at the end of December.

In 2022, 3 ambassadors were selected, while in 2023 there were 5. These are the people whose work and commitment represent the essential strength of our company and inspire their colleagues to strive for excellence.



As a value we particularly encourage, initiative is recognized and rewarded by acknowledging Neo Change Initiators, employees with the most reported initiatives through the risk and opportunity process.

Additionally, we award special annual prizes to non-managerial position employees for their contributions and achievements in achieving company goals. These awards are determined based on the time spent working during the calendar year and the results achieved during that period.



DIVERSITY AND EQUAL OPPORTUNITIES

Neoplanta boasts in cultivating a strong team that provides equal opportunities to all individuals, regardless of gender, age, background, or affiliations. We believe that each person brings uniqueness and creativity, which are essential for driving various initiatives and contributing to the improvement and growth of the company.

In our company, we foster a culture of equal opportunities for women and men, striving for balanced representation of both genders at all levels, including leadership positions. During the selection and recruitment process for all positions, especially for leadership roles, we value professional competencies and personal qualities of candidates as primary criteria, without considering gender, age, or background.

The representation of women in leadership positions in 2022 was 41%, and the same situation persisted in 2023. This demonstrates our commitment to promoting equality and inclusivity in all aspects of our business, while also emphasizing the importance of diversity in our leadership team as a key factor for achieving success and sustainable company development.



NUMBER OF EMPLOYEES IN MANAGEMENT BY GENDER AND BY AGE GROUP

>50	30-50	<30			
-	28	1	17	12	2022
-	28	1	17	12	2023

NUMBER OF EMPLOYEES BY GENDER AND BY AGE GROUP

>50	30-50	<30			
185	310	72	283	284	2022
168	313	52	263	270	2023

COMMUNICATION WITH EMPLOYEES

Communication holds significant importance for us, especially with our employees. It's crucial for us that all essential information is adequately and promptly shared. Therefore, we utilize various channels of internal communication to achieve this goal. In addition to direct conversations among colleagues, which occur face-to-face, over the phone, or via email, we also rely on other forms of communication.

All employees receive information through various communication mediums. Critical service updates are disseminated via email, SMS, or Viber messages. Notice boards are placed in visible areas in office, warehouse, and production spaces, while the company restaurant and info screens display announcements and invitations to internal events regularly updated and published. We practice the use of newsletters and bulletins covering various types of information.

Internal Portal

Our internal portal serves as a hub where employees can access all relevant editions of policies, rules, and procedures, as well as standards according to which the company is certified, including certifications, restaurant menus, colleagues' birthdays, and more.

Town Halls

We are exceptionally proud of our practice of organizing public meetings for employees. The purpose of these meetings is to inform employees about results, familiarize them with challenges, and learn more about the company's future plans from management.

COMMUNICATION CHANNELS



Internal Portal



Town Halls



Email



SMS



Viber Messages



Notice Boards



Newsletter



Internal Magazine

OCCUPATIONAL HEALTH AND SAFETY

Safety and health protection for everyone at Neoplanta are our top priority, ensured through a systematic approach. The functioning of this system is overseen by the Management Systems and Sustainable Development sector, which includes the HSE department (Health, Safety, and Environment), comprised of experts in these fields.

By implementing an integrated management system, we have adopted the requirements of ISO standards that precisely define occupational health and safety management, environmental protection, as well as requirements governing social responsibility and other relevant interests. Thus, we have exceeded basic legal requirements, setting high standards in our operations. The accredited certification body TÜV Nord has issued a certificate to the company according to the requirements of ISO 14001:2015 and ISO 45001:2018 standards, further confirming our commitment to raising quality and responsibility in all aspects of our business.

To ensure the safety of every individual, whether an employee or visitor, we have provided physical and technical security, video surveillance, defined access rights to premises, buildings, and rooms, as well as alarms for emergencies. All employees providing these services undergo training and are regularly monitored by HSE managers. During the implementation and certification of the integrated management system, these service providers are also assessed. In this way, we conduct regular checks, minimize risks, and ensure the highest level of quality.

IDENTIFICATION OF HAZARDS, RISK ASSESSMENT, AND REPORTING

The company has established policies, rules, and procedures to determine behavioral standards, actions in risky situations, and responses in the event of an incident. These documents are available to all employees, both at the workplace and through the company's internal portal.

Hazard identification and risk assessment are conducted in collaboration with all relevant parties, with a special focus on prevention. Every newly hired employee undergoes comprehensive training in the areas of health, safety, and environmental protection before starting work, including testing to ensure understanding and application of what has been learned in practice.

To continuously improve processes and identify new risks and opportunities, a system for reporting risks and opportunities has been implemented. Every employee can report identified risks or opportunities through an application, email, or verbally, and each report is evaluated by competent experts, with consultation from all relevant parties. After evaluation, a decision is made regarding further action on the risk or opportunity. Employees who initiate valid reports are rewarded, serving as an incentive for risk awareness and continuous improvement in safety and protection.









ACTIVE EMPLOYEE INVOLVEMENT – TRAINING, CONSULTATIONS, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

Employees play an active role in ensuring occupational health and safety through training, consultations, and communication initiatives. Training programs are regularly conducted to educate employees on safety protocols, hazard identification, emergency procedures, and the proper use of safety equipment. These programs are tailored to specific job roles and are designed to empower employees to recognize and mitigate risks effectively.

Consultations are held regularly between management and employees to discuss safety concerns, share best practices, and address any issues or suggestions for improvement. This open dialogue fosters a culture of collaboration and collective responsibility for safety in the workplace. Communication on occupational health and safety is prioritized through various channels, including meetings, newsletters, posters, and digital platforms. Employees are kept informed about safety policies, updates, and relevant information to ensure awareness and compliance. Overall, active employee involvement in training, consultations, and communication plays a vital role in promoting a safe and healthy work environment for everyone.

2022				2023		
TRAINING TYPE	no. of employees	no. of sessions	Total time in h	no. of employees	no. of sessions	Total time in h
Safe and Healthy Work Environment	196	55	55	217	48	48
Fire Safety	196	55	55	217	48	48
First Aid	-	-	-	64	5	7,5

STATISTICAL DATA – INJURIES AND ABSENCES DUE TO INJURIES

	2022		2023	
				
Total number of injuries	5	1	4	1
	6		5	
Injury rate*	0,85	0,17	0,72	0,18
	1,02		0,90	
Total number of lost days (number of days absent due to injuries)	203	8	181	10
	211		191	
Lost days rate**	34	1	33	2
	36		34	
Total number of sick leave days***	5.150	7.268	3.505	6.035
	12.418		9.540	
Absentee rate****	3,49	4,93	2,53	4,35
	8,42		6,88	

* Injury rate is the frequency of injuries per 100 employees in the reporting period. It is calculated by using the formula: total number of injuries / total number of working hours x 200,000.

** Lost days rate is the frequency of lost work days due to injuries per 100 employees. It is calculated by using the formula: total number of lost work days / total number of working hours x 200,000.

*** Sick leave excludes maternity leave

**** Absentee rate is the percentage of days lost as a result of absence. It is calculated by using the formula: total number of sick leave days / total number of working days of persons employed x 100.

EMPLOYEE MOTIVATION AND SATISFACTION

Neoplanta, as a company with decades of experience, recognizes the importance of employee motivation and satisfaction as key factors in the organization's growth and development. Our commitment to continuous employee development through training enables us to better understand all aspects of work and production dynamics. We foster a culture of learning and knowledge sharing, contributing to both individual and collective progress within our team.

We believe in the power of innovation and support the exchange of ideas, understanding that new perspectives are crucial for the organization's growth and development. Every success, regardless of its size, is celebrated together as a team, while openly embracing mistakes as a natural part of the business process encourages learning and development.

We aim to cultivate a supportive environment where our employees feel empowered and encouraged to take risks and realize their full potential. In that spirit, we provide various benefits that contribute to the overall work experience, such as flexible working hours, health and wellness improvement programs, opportunities for advancement, and access to modern technological tools. This fosters motivation as each individual knows they have the freedom to experiment, explore new ideas, and develop their skills. This is an essential part of our approach to developing and growing our team.

EMPLOYEE BENEFITS

Additional earnings and bonuses

- Payment for past work for total work experience
- Provided meals in the company restaurant
- Reimbursement for travel expenses
- Opportunity for additional bonuses



- One-time payment to new mothers up to the full salary amount upon return from maternity leave
- Project awards for submitted risks and opportunities
- Anniversary awards

We prioritize health and provide support to employees

- Private health insurance
- Additional health insurance for serious illnesses and surgical interventions
- Collective employee insurance 24/7
- Collective insurance in case of death, illness, or accident
- FitPass
- Employee sports games
- Scheduled sports activities

Employee Development

- Professional training according to position needs
- Well-organized onboarding
- E-learning platform for learning
- Opportunities for vertical and horizontal movement within Neoplanta

Mislimo na porodicu i važne događaje

- Gifts for weddings and childbirth
- Gifts for first graders, high school students, and freshmen
- Discounts and administrative deductions
- Gifts for Valentine's Day
- Company Day celebration package
- New Year's play and gifts
- Gifts and gathering for Children's Day
- Celebration for Women's Day

Additional vacation days

- Additional annual leave days for:
 - › Years of work experience
 - › Level of professional qualifications
 - › Contribution to work
 - › Working conditions
 - › Parents of children up to 14 years old
 - › Persons with disabilities
- Paid leave days during the calendar year
- Day off for parents on the first day of school for first graders

Parenting support

For our company, the family is the cornerstone of society. We support and encourage marriages, so every employee who gets married is entitled to days off and receives a financial gift from the company.

Caring for parenthood and supporting employees during parental leave is crucial for us at Neoplanta. Over the past two years, 23 female colleagues and one male colleague have taken parental leave. After completing that period, they all returned to work. Neoplanta's support for parenthood is also demonstrated by providing financial assistance and a gift package to every employee who becomes a parent.

These data underscore our commitment to supporting employees during important life stages such as parenthood, highlighting our dedication to creating an inclusive work environment that allows for a balance between work and family life.

ACTIVITIES FOR THE CHILDREN OF OUR EMPLOYEES

Every year at Neoplanta, we organize a Children's Day specifically for the children of our employees. This special event gives the youngsters the opportunity to spend a day with their parents at work, enjoying socializing, participating in sports activities, engaging in educational and entertaining programs, and attending workshops. Upon leaving our company, each child receives interesting gifts to remember the day by. The first day of school, especially for first graders, holds a special place in our hearts. For the children of Neoplanta employees who are starting first grade, we provide them with packages containing school supplies, backpacks, and other exciting gifts to brighten their first day of school. Additionally, parents whose children are starting first grade have the option to take an extra day off to share this significant moment with their children. As children of our employees transition to college, we acknowledge this milestone with appropriate gifts to congratulate and support them in their journey.

As a now-traditional event, Neoplanta hosts a year-end Christmas performance for the children of our employees, followed by the distribution of New Year's gifts. These initiatives are our way of showing appreciation for the families of our employees and creating memorable experiences for their children.



CONTINUOUS EDUCATION FOR EMPLOYEES



In today's business world, education plays a crucial role in achieving our organization's long-term goals. We don't view education merely as a formal obligation but rather as a vital tool for developing our employees and creating an agile workforce ready for future challenges. Through diverse training programs, workshops, and structured development initiatives, we not only enhance the skills of our employees but also lay the foundation for the organization's long-term success in a dynamic business environment. We emphasize a systematic approach to employee development through organizing internal and external training programs, as well as participation in relevant industry events. With this approach, we encourage continuous learning, improve competencies, and empower our employees to be proactive in their professional development. Consequently, education becomes a key driving force for innovation and adaptability within the organization's increasingly demanding business environment.

Regarding skill enhancement programs and transition assistance, Neoplanta offers a wide range of training and support. These programs include internal courses, training sessions, and workshops covering a broad spectrum of topics, from specific job-related skills to general skills such as time management, emotional intelligence, and presentation skills. In addition to internal training, we provide financial support for external training or education, allowing our employees to enhance their skills and development beyond the organization. This approach empowers our employees to remain competitive in the job market and adapt to changes in the industry.



EMPLOYEE SKILLS DEVELOPMENT PROGRAMS

We prioritize the enhancement of our employees's skills through a variety of educational programs, both internal and external, tailored to meet their individual needs as well as the specific demands of our operations.

	ALL EMPLOYEES	MANAGERS	NON- MANAGERS			
Total number of training hours	4.066	1.075	2.991	1.174	2.892	2022
Average number of training hours	7,17	18,2	7,9	4,15	10,18	
Total number of training hours	4.829	2.056	2.773	1.951	2.878	2023
Average number of training hours	9,06	23,6	5,7	7,23	10,94	



Internal Training:

- Occupational health and safety training
- Compliance with agreed standards (HACCP, FSSC 22000, ISO 9001, ISO 14001, ISO 45001), BSCI
- Company rules and policies (Code of Conduct, House Rules, etc.)
- Document management
- Risk and opportunity management
- Machine/equipment operation training
- Product safety
- Soft skills training (Excel, interview skills, emotional intelligence in the workplace, etc.)

External training

Soft Skills Development: These training sessions cover aspects such as presentation skills, effective time management, profitable negotiation, team building, and developing emotional intelligence in the workplace.

Understanding legal regulations: These programs provide insight into current legal regulations, such as food labeling, advertising regulations, waste management laws, and gender equality laws.

Professional development: This includes specialized programs such as AcademIAA 2022, Shopper Psychology and Claims development, Marketing summit, London School of Public Relations, HR days Rovinj, HR Experience 2023, Lean Six Sigma yellow and green belts, 4.LEAN & KAIZEN Congress, FMCG summit, and others, offering relevant knowledge and skills for professional development in various fields.

Neoplanta aims to provide diverse opportunities for the professional development of its employees, supporting them in acquiring new skills and knowledge relevant to their roles and career goals. For this reason, the company has provided employees with access to the Krojačeva škola platform, where employees can choose additional topics of interest for their development and further educate themselves according to their preferences, in addition to the predefined training sessions selected for them.

Performance evaluation: analysis of employee performance and career development

The work of all employees, including senior managers, is regularly monitored and evaluated by their direct superiors. Supervisors continuously monitor the work of their team members, while official performance evaluations are conducted annually under the supervision of human resources managers. These evaluations are conducted within a specified timeframe, following a defined process.

During the performance evaluation, organizational competencies, responsibilities, leadership competencies, and the achievement of set goals for the previous year are assessed. For each of these competencies, the supervisor provides a rating and explanation.

The final assessment of an employee's work may indicate that the employee meets expectations, exceeds expectations, or falls below expectations. Based on the evaluation results, the supervising manager creates corrective or development plans for the employee. These plans aim to bring the employee up to the expected level if certain competencies are below expectations or to further develop the employee in the appropriate direction if their performance rating exceeds expectations.



OUR INSIGHTS AND OUTLOOKS



Aleksandra Petković,
HR Manager

NEOPLANTA – A PLACE WHERE PEOPLE COME TO STAY

Our vision is clear – the right choice for those who know how to choose. Reflecting this onto our employees, Neoplanta stands as a workplace where a sense of belonging and purpose fosters high dedication among our people, as they are our most valuable asset. We are committed to managing human resources in a way that aligns our employees with both ethical standards and sustainability goals, ensuring the uncompromising quality of our products.

The labor market laws have drastically changed in recent years. Candidate expectations grow daily, and the emigration of quality talent is increasing. Therefore, our HR strategy must respond agilely to these demands. Neoplanta was awarded the Best Selection Process in 2022 based on candidate evaluations in the “Rate the Job Path” survey and received the Best Employer Branding Practice award in 2023 for the innovative project “Women Can Do Anything,” which promotes gender equality.

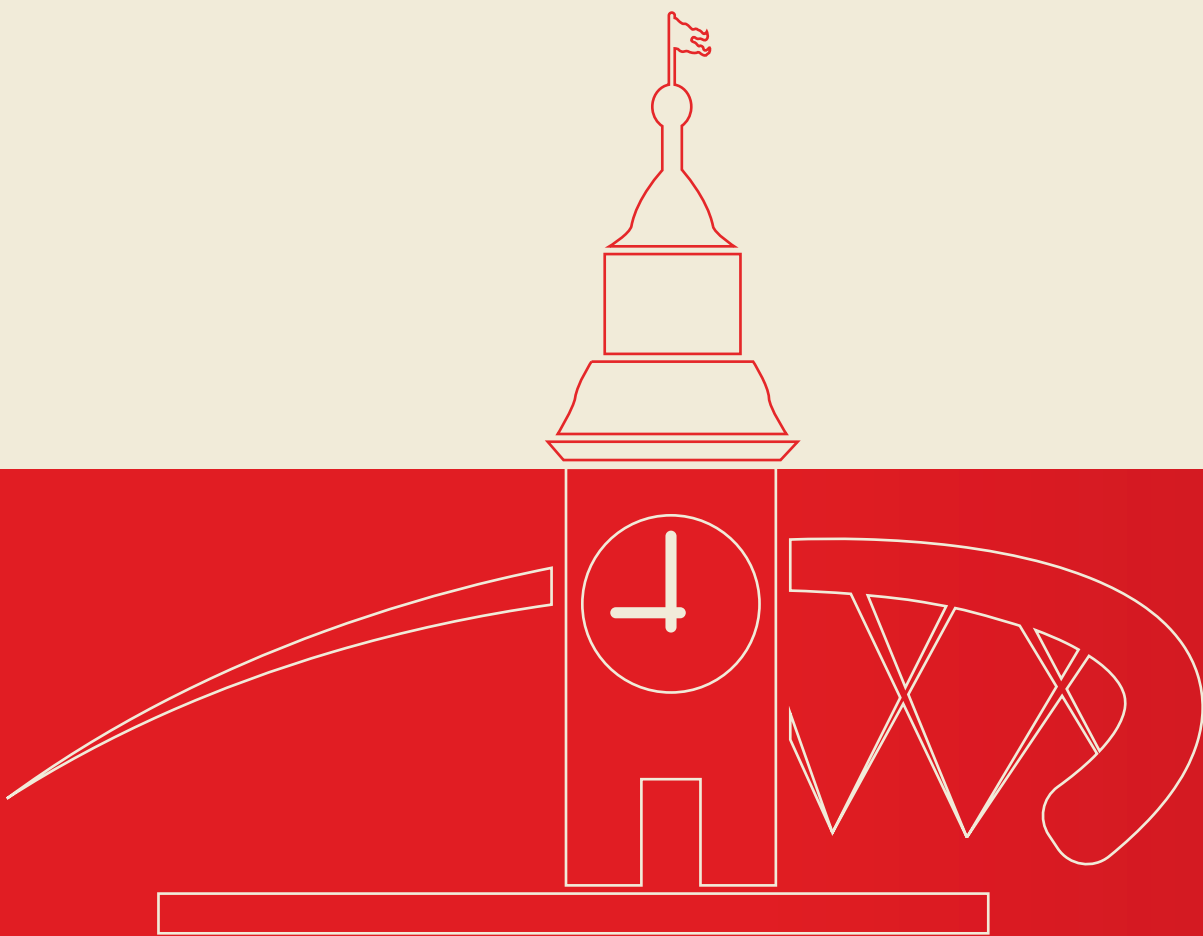
With an open and fair approach to the needs of our employees, we have developed 70% of our current management team internally, through talent development within the organization. Currently, our gender composition is perfectly balanced, with 50% men and 50% women, all dedicated to creating Neoplanta flavors.

Following market trends and the growing importance of well-being and work-life balance, the benefits we provide to employees have significantly increased over the past two years. By incorporating flexible working arrangements, providing private health insurance policies, automating processes, and involving our employees and their families in numerous socially responsible projects, we take a holistic approach to ensure their productivity as well as their mental and physical health.




We continue to produce as if for our own children. It is essential to emphasize that everything we do aims to leave the world a better place for future generations, driven by quality examples from the industry, thus raising the standards of socially responsible business practices.





RESPONSIBILITY TOWARDS THE LOCAL COMMUNITY

SOCIALLY RESPONSIBLE

ur mission is not only to produce high-quality products but also to create positive changes around us. Through various activities such as collaboration with schools and universities, donations, environmental actions, voluntary blood donations, and support for families, we aim to contribute to creating a better environment for all of us. These activities are part of our business strategy, reflecting our solidarity and care for the community in which we live.

Collaboration with universities: We are building long-term partnerships with educational institutions, including the Faculty of Economics in Subotica, the Faculty of Technology, and the Faculty of Technical Sciences at the University of Novi Sad, while in 2023, we also established cooperation with the Faculty of Economics at the University of Belgrade. This collaboration involves support through guest lectures by our employees, case study development by students, and knowledge exchange with professors. Over the past two years, we have held a series of lectures on topics vital to our industry, such as contemporary trends in agribusiness, brand management, and branding strategies.

Donations: Socially responsible donations are an integral part of our business practice. During the reporting period, some of the organizations we supported with donations of our products included the Social Welfare Center in Šabac, the Foundation "Novi Sad – European Capital of Culture," the Belgrade Food Bank, the Association of the Blind and Visually Impaired in Subotica, the National Talent Center, the HISBAS Association, the Josif Pančić Biological Research Society, the Belgrade Food Bank, and the Food Bank of Vojvodina. This support helps empower the community and provide assistance to those most in need.



Voluntary blood donations: We nurture the tradition of voluntary blood donation in collaboration with the Institute for Blood Transfusion of Vojvodina. Since 1965, our employees have been regularly engaged in this humanitarian action, providing assistance and support to fellow citizens for whom blood is life-saving. During 2022 and 2023, we organized seven blood donation campaigns at Neoplanta, with an average of 45 donors per campaign. We are particularly pleased to see new colleagues joining this humane act. Among our employees, we have a significant number who have donated blood dozens of times, and colleague Macak exceeded 100 voluntary blood donations in 2023, for which he was rewarded by the city of Novi Sad. As part of our support, each employee who decides to donate blood receives two days off, which they can use at their convenience.

Gifts for babies: In support of new families, every year on the Day of the City of Novi Sad, February 1st, at the Betanija maternity hospital in Novi Sad, we donate packages of baby products to babies born on that day. This initiative is not only part of our socially responsible policy but also reflects the need to be an active member of the local community and contribute to its well-being.

These activities form the foundation of our commitment to building a supportive community and preserving the environment in which we live and operate. We will continue to engage in these areas in the future because we believe it is our responsibility to contribute to a better future for all.



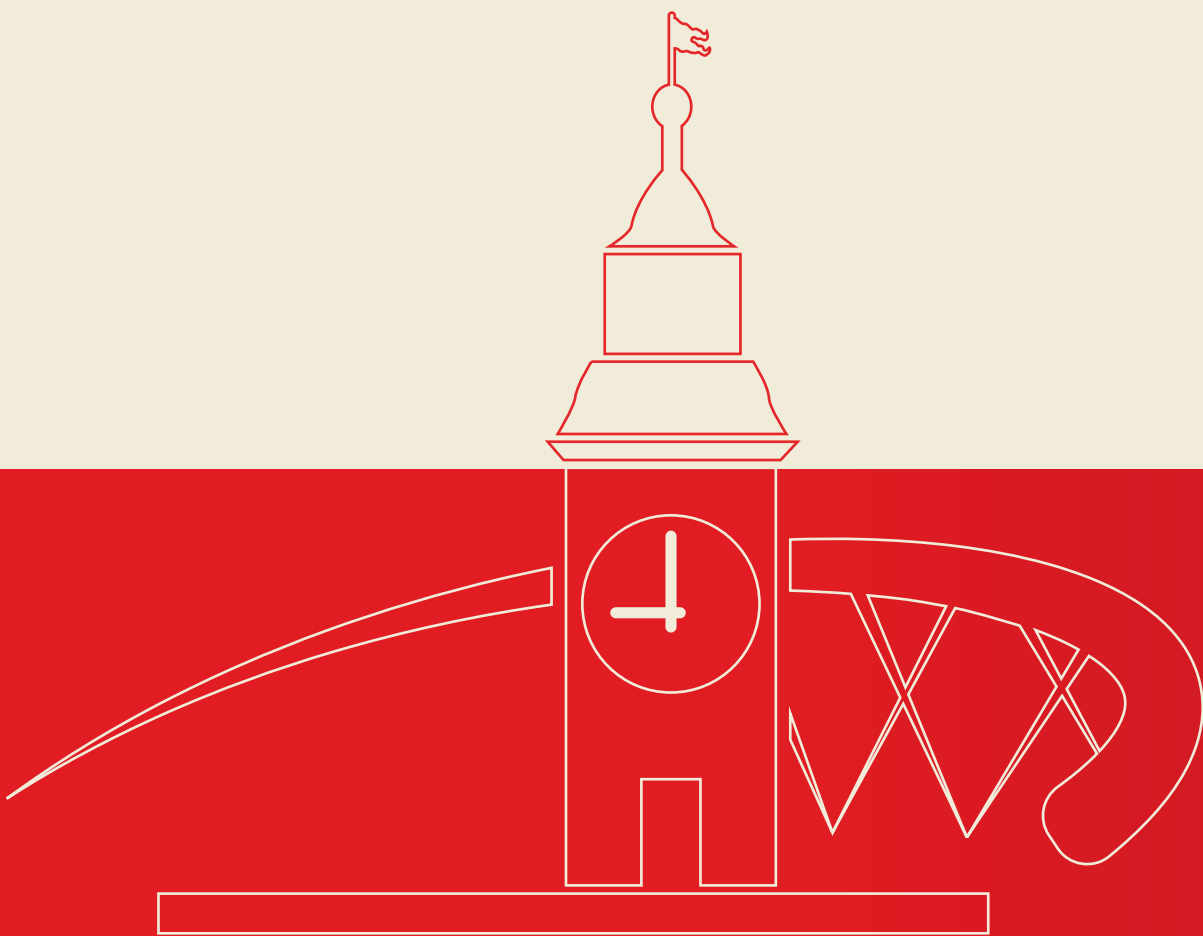
ENVIRONMENTAL INITIATIVES

We are dedicated to preserving nature and engaging in environmental initiatives. We organize greening actions in public spaces such as planting plane trees, other vegetation, and ornamental plants at the Štrand beach in Novi Sad, a symbol of the city. These actions not only have a positive impact on the quality of life, cleaner air, and environmental protection but also contribute to its aesthetics. In addition to greening efforts, we actively support environmental initiatives. In 2023, we established the Neo Volunteers club to join the global “Clean up the world” initiative. Our first volunteer action focused on cleaning up the Fruska Gora National Park, during which our employees collected over 60 bags of garbage. By supporting the car-free day project, we regularly donate bicycles to the top-performing students in elementary and high schools. This initiative not only encourages young people to lead a healthy lifestyle but also educates them on the importance of nature conservation through environmentally friendly alternatives.



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RESPONSIBILITY TOWARDS THE ENVIRONMENT

DEDICATED TO ENVIRONMENTAL PRESERVATION

In Neoplanta, we are committed to long-term alignment of our operations with sustainability goals, where environmental protection is a crucial element of our strategy. As leaders in meat processing, we not only aim to deliver high-quality products to the market but also strive to achieve a balance between economic efficiency, social responsibility, and environmental protection.

We are dedicated to integrating ecological principles into our operations, continuously monitoring, analyzing, and implementing innovative solutions. Over the past 13 years, we have invested over 35 million euros in projects with significant local and global impacts. In 2018, we invested 2.5 million euros in state-of-the-art wastewater treatment facilities to preserve biodiversity in the Danube-Tisa-Danube canal, while simultaneously reducing CO₂ emissions. By constructing solar power plants in 2023 and 2024, we will provide 30% of the electricity needed for our production. Through these investments, we base our entire production process on ecological principles, continuing to pursue our mission of sustainable business practices.

Our commitment to environmental protection and sustainable operations is confirmed by obtaining an integrated permit for pollution prevention and control (IPPC). We are proud to be the first meat industry in Serbia to receive recognition of the highest European standard in this field.

Energy aspects

We are dedicated to responsible energy usage, implementing renewable sources and reducing overall energy consumption through efficient resource management.

Emissions and pollution

By employing modern technologies and high production standards, we reduce the emission of harmful gases and minimize air and environmental pollution overall.

Water management

Through rigorous wastewater treatment systems and efficient use of water resources, we minimize the negative impact on the environment and promote sustainable water usage.

Waste and recycling

We actively manage generated waste, recycle it, and direct it to appropriate treatments, thus contributing to reducing the negative impact on the environment.

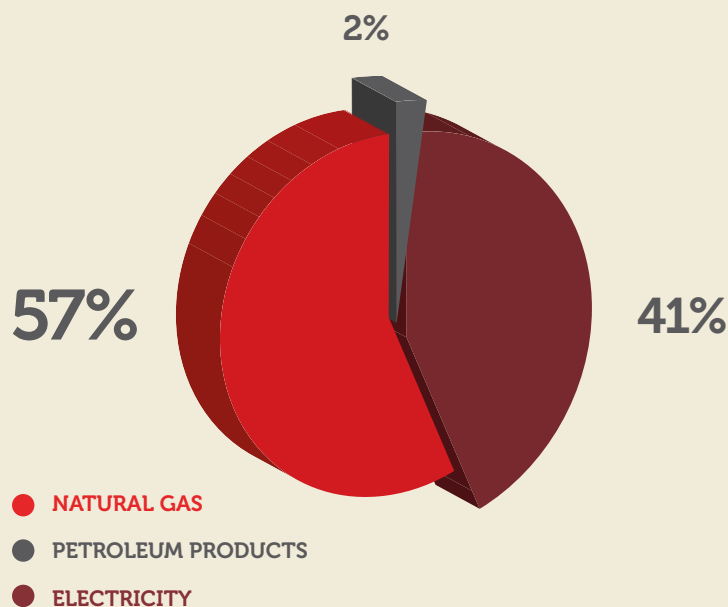
ENERGY ASPECTS

Our approach to responsible energy consumption encompasses various activities, including the use of renewable energy sources, rational consumption of non-renewable sources, efficient resource management, and overall consumption reduction.

With a strategic focus on energy sustainability, we aim to balance different energy sources to ensure stability, efficiency, and environmental sustainability in our operations. Natural gas constitutes the largest share of our energy mix, accounting for 57% of our total energy supply. Besides providing a stable and reliable energy source, natural gas is considered an environmentally preferable solution, reducing the emission of harmful gases.

Electricity accounts for a significant 41% in our energy mix. In 2023, we made progress towards sustainability with 12% of our electricity production coming from renewable sources. Alongside renewable sources from the national grid, this represents a 35% share of renewable energy sources in our total consumption.

Diversifying our energy mix ensures resilience to potential energy supply challenges while reducing our ecological footprint. We will continue to explore new technologies and strategies to further enhance our energy efficiency and contribute to creating a cleaner and healthier environment for all.



ENERGY

PETROLEUM PRODUCTS CONSUMPTION

Petroleum products such as gasoline, diesel, and liquefied petroleum gas (LPG) account for only 2% of our total energy mix. We use them for passenger vehicles in our ownership.

Petrol (GJ)		Diesel (GJ)		LPG (GJ)		TOTAL (GJ)	
2022	2023	2022	2023	2022	2023	2022	2023
306	420	951	938	311	338	1.568	1.696

NATURAL GAS CONSUMPTION

m ³		GJ	
2022	2023	2022	2023
1.099.789	996.934	45.558	41.298

ELECTRICITY CONSUMPTION

kWh				GJ			
2022		2023		2022		2023	
National grid	Own RES	National grid	Own RES	National grid	Own RES	National grid	Own RES
7.982.724	-	7.234.439	959.858	28.738	-	26.044	3.455
7.982.724		8.194.297		28.738		29.499	

Share of renewable energy in total consumption		Share of renewable energy from our own production	
2022.	2023.	2022.	2023.
-	12%	26%	35%

By analyzing electricity consumption over the past two years, we have noted significant progress in diversifying energy sources. With the introduction of solar panels, we have achieved a substantial energy production from renewable sources, accounting for 12%. With the full utilization of the solar power plant, we expect that 30% of our total electricity consumption will be covered by our own sources, which, combined with the share of renewable energy from the national grid, makes up a total of 50% of renewable sources in our overall electricity consumption.

Furthermore, we continuously work on improving energy efficiency to reduce our total energy consumption. This strategy not only contributes to the sustainability of our operations but also supports our commitment to environmental protection and reducing our ecological footprint.

INNOVATING FOR AN ECOLOGICALLY SUSTAINABLE FUTURE

In line with global trends, the Green Agenda, and our internal strategic direction, Neoplanta supports activities that contribute to reducing our ecological footprint and promoting sustainable business practices. Recognizing the importance of transitioning from fossil fuels to renewable energy sources, we are laying the groundwork for long-term energy security, resilience to change, and reducing CO₂ emissions.

Our strategy focuses on the rational use of natural resources, investing in renewable energy sources, implementing technological innovations, equipment, and materials that minimize negative environmental impacts, as well as efficient management and recycling of packaging waste.



One of our key strategic initiatives is the construction of solar power plants, representing a concrete step towards achieving our sustainability goals. The investment plan includes the construction of solar power plants with a total capacity of 1600 kW/h, of which 850 kW will be on the roofs of buildings, while the remaining 750 kW will be installed in the factory yard.

Starting from 2024, our green energy production will be accompanied by a certified energy purchase agreement from a supplier guaranteeing supply from exclusively renewable sources. This will ensure that our electricity consumption is fully covered by production from renewable sources.

In addition to contributing to the diversification of energy sources, this investment directly contributes to reducing harmful gas emissions, actively supporting global efforts to combat climate change.

We will continue to invest in projects that support business sustainability and contribute to global environmental conservation goals. We remain committed to responsible and sustainable business practices, playing an active role in accelerating the energy transition towards clean energy sources.

During the reporting period, a stable trend is observed in the production process. The majority of gas, specifically 88.2%, is directed towards the product creation process, while 11.8% of the gas is used for heating, maintaining optimal conditions, and system stability. This balance reflects a focus on production process efficiency while maintaining sustainable infrastructure within the factory. Throughout the analyzed period, although the total amount of gas consumed has slightly decreased, it remains relatively stable, indicating continuous improvements in resource efficiency considering the very similar quantities of products produced during the observed period.

The gas combustion plant is equipped with modern boilers with automatic regulation, allowing efficient natural gas combustion with minimal emission of pollutants into the air, as confirmed by regular monitoring by an authorized

laboratory. Throughout all reporting years, the results of measured parameters from all processes (carbon monoxide, sulfur oxides, nitrogen oxides) have been well below the limit values.

TOTAL ENERGY CONSUMPTION IN GJ

	2022 (GJ)	2023 (GJ)
Petroleum products	1.568	1.696
Electricity	28.738	29.499
Natural gas	45.558	41.298
Total	75.864	72.494



ENERGY INTENSITY



By measuring energy intensity, we assess the efficiency of energy use within our organization. It is expressed as the ratio between total energy consumption and production output per ton/m³.

This metric enables us to quantify our energy efficiency and monitor progress in reducing energy consumption over time.

	2022	2023
Total energy consumption (GJ)	75.864	72.494
Total weight of products produced in tons	17.123	17.130
Energy intensity (GJ/ton)	4,43	4,23

During the reporting period, we have made progress in energy efficiency, resulting in a 4% improvement in energy intensity in the context of production per unit of product. This is the outcome of our commitment to efficient resource management and continuous process improvement. Although the production structure may influence energy intensity to some extent, our dedication to these principles has been crucial in achieving this progress.

INITIATIVES TO REDUCE ENERGY CONSUMPTION AND IMPROVE ENERGY EFFICIENCY

As part of our approach to sustainable business, Neoplanta has implemented a series of innovative improvements to reduce energy consumption and increase efficiency in our operations.

- **Warehouse Enhancement**

One of the significant improvements we implemented in 2023 was the expansion of warehouse capacities. The rack warehouse for raw materials, maintained at temperatures from -18°C to -19°C, is now equipped with a new mobile system instead of the old fixed racks. The new system allows the racks to remain in a dormant state when not in use, minimizing energy consumption. When needed, the racks automatically spread apart to allow access to forklifts, providing a more efficient and sustainable way of managing the warehouse. This innovative approach increases the number of rack spaces by up to 70% while simultaneously reducing energy consumption by requiring less cooling energy to store a larger quantity of products.

- **Production Enhancement**

In 2023, we began implementing a SCADA system to monitor energy consumption throughout the entire factory. This system enables precise monitoring of electricity, steam, gas, water, and condensate return consumption at each individual machine, line, and plant. This technological innovation allows us to better understand how we consume energy and identify potential areas for savings. Through efficient data collection and analysis, we can make informed decisions more easily and identify deviations from optimal operation.

- **LED Lighting Replacement**

Another initiative we have implemented is the replacement of existing lighting with LED technology in our production facilities, warehouses, and around the factory premises. This modernization not only reduces our electricity consumption but also provides brighter, longer-lasting, and more efficient lighting, contributing to better working conditions for our employees.

Through these initiatives, Neoplanta continues to take concrete steps towards more sustainable and efficient energy use in all aspects of our business.

EMISSIONS – SCOPE 1, SCOPE 2



For over a decade, we have been actively engaged in creating positive changes for the future of our planet. In the last two years, we have achieved significant results in reducing our carbon footprint. The total emissions in 2023 were 10% lower compared to 2022. With the full utilization of the installed capacity of the solar power plant, we expect a total emissions reduction of 20%, while the purchase of green energy from the national distributor is planned to result in a 60% reduction.

2022			2023		
SCOPE 1 (tCO ₂)	SCOPE 2 (tCO ₂)	Total (tCO ₂)	SCOPE 1 (tCO ₂)	SCOPE 2 (tCO ₂)	Total (tCO ₂)
130	7.975	8.105	138	7.228	7.365

Additionally, to achieve specific temperature regimes, we use R134a refrigerant (HFC-134a) in a closed cooling system, thereby preventing the emission of greenhouse gases. Furthermore, in accordance with the legal regulations governing air protection, Neoplanta neither uses nor emits gases that deplete the ozone layer. By aligning our goals with the United Nations' Agenda 2030 and the European Green Deal, we demonstrate our commitment to sustainable development and environmental protection. Through the implementation of innovative technologies and practices, we reduce emissions of gases that contribute to climate change.

GHG EMISSION INTENSITY

	2022	2023
Total emissions (tCO₂)	8.105	7.365
Total weight of products produced in tons	17.123	17.130
GHG intensity (tCO ₂ /t)	0,47	0,42

WASTE MANAGEMENT

We actively take control over the waste we generate, carefully sorting and directing it towards appropriate treatments. Through our commitment to recycling and collaboration with authorized waste treatment operators, we make a significant contribution to reducing the negative impact on the environment.

Aware of our environmental responsibility, we take the initiative not only through operational processes but also by actively promoting sustainability and continuously improving resource management practices. Waste management is one of the key points of our operational excellence and social responsibility, which is reflected in our system defined by the Waste Management Plan and internal procedures.

The basic components of our system include the selection of materials for the production and packaging of primary products, sorting waste at the point of generation, storing and handing over waste to authorized operators, and properly treating waste according to its type.

1. Selection of materials used in the production and packaging of primary products

Our focus is on sustainability in material management. A high proportion of renewable materials shows our commitment to reducing the ecological footprint and promoting sustainable practices in the supply chain. This is an important step towards achieving sustainable development goals and protecting the environment.

	2022		2023	
	Renewable	Non-renewable	Renewable	Non-renewable
Weight (kg)	961.263	408.013	912.341	324.696
Share (%)	70,20%	29,80%	73,75%	26,25%

2. Proper waste sorting at the point of generation

At each waste generation point, marked separators are placed for sorting waste by type, meeting waste management criteria and HACCP standards of the food industry. Employees are trained to recognize and correctly sort waste at the point of generation, which contributes to efficient waste management.

3. Storage and handing over of waste to authorized operators

The waste we generate is stored in temporary hazardous and non-hazardous waste storage before being handed over to authorized operators for each type of generated waste. This process ensures that waste is disposed of properly and in compliance with all relevant legal regulations.

4. Adequate treatment by type

All waste generated during the reporting period is subjected to appropriate treatment, including recycling, through collaboration with leading packaging waste operators. This way, we actively contribute to environmental preservation and promote the sustainability of our operations.

5. Socially responsible initiatives

Neoplanta continuously supports socially responsible initiatives, such as collecting hard plastic caps as part of the 'Caps for Handicap' campaign. This is just one example of our community engagement and environmental care.

6. Collaboration with leading packaging waste operators

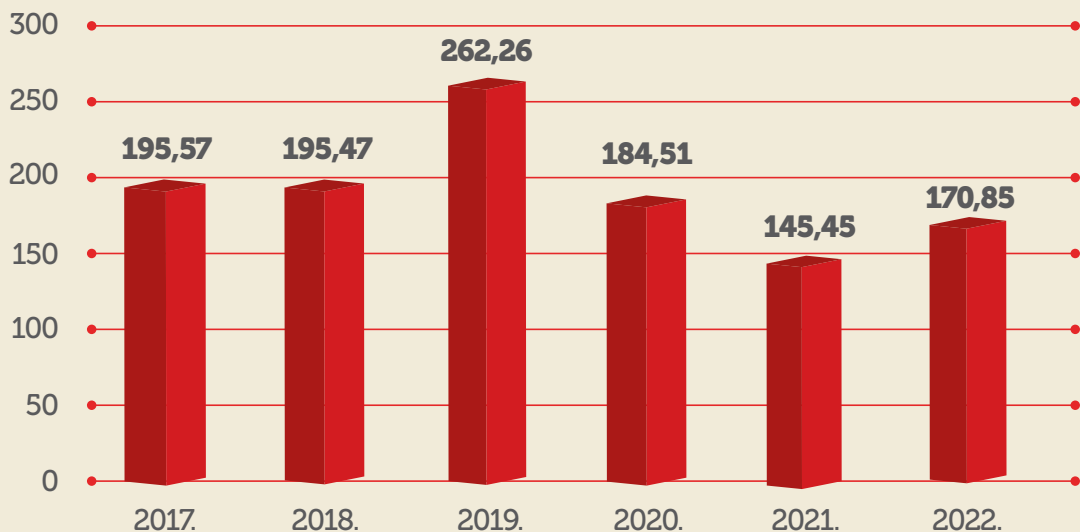
Through collaboration with leading packaging waste operators, Neoplanta contributes to reducing CO₂ emissions and promotes efficient waste management.

Reducing CO₂ emissions through collaboration with Sekopak

Our company's participation in the packaging waste management operator system contributes to reducing the amount of packaging waste that ends up in landfills, which also implies a reduction in CO₂ emissions. Through these activities in 2022, CO₂ emissions were reduced by 170.85 tons based on the reuse of collected packaging waste.

The collaboration between Neoplanta and SEKOPAK dates back to 2017. In addition to systematic management of waste streams, all Neoplanta employees contribute to environmental preservation—from production employees who collect and separate waste during the production process, to office employees who use the separators installed in buildings

REDUCTION OF CO₂ EMISSIONS IN TONS



*At the time of preparing this report, data on waste emissions reduction for the year 2023 were not available.



TOTAL WASTE QUANTITY (T) BY DISPOSAL METHOD

During the reporting period, the focus was on proper waste sorting and waste reduction at the point of generation. In addition, all our waste management activities are strictly aimed at eliminating waste disposal in landfills. Instead, we have focused on recycling. This approach reflects our commitment to sustainable business practices and environmental protection. We will continue to promote sustainable resource management practices and improve our processes to remain leaders in sustainability.

	2022		2023	
	Nonhazardous waste	Hazardous waste	Nonhazardous waste	Hazardous waste
Recycling	102,80	0,27	170,60	0,95
Composting				
Burning (or used as fuel)		0,10		0,08
Landfill disposal	210,90		261,30	
Total per category	313,70	0,37	431,90	1,03
Total recycled	103,07		171,55	
Total waste	314,07		432,93	

WATER MANAGEMENT

Aware of the importance of water as a shared resource and a vital element for our production processes, we continuously take measures to minimize the negative impact on the environment and the community in which we operate. Controlled access to our wells, efficient wastewater treatment, and the application of modern technologies to reduce water consumption are key elements of our management system. Collaboration with stakeholders and continuous improvement of our processes further contribute to the sustainability of our approach. In the future, we will continue to upgrade our processes to remain leaders in responsible water resource management.

Key elements of our water resource management system

- ***Controlled access to water sources***

In accordance with the Decision on Issuing Water Permits, we utilize groundwater from Neoplanta's springs, which includes four active wells. This water is used for various purposes in the production process, maintaining hygiene in facilities, machinery, and personnel, as well as for cooling, drinking, restaurant needs, and fire protection. Technical water is used for fire protection, while for all other purposes mentioned, well water is pre-treated in our own well water treatment plant. This approach ensures optimal utilization of water resources while preserving water quality and environmental protection.

- ***Efficient water use***

Water consumption varies depending on the year but is carefully monitored and analyzed to identify potential factors affecting consumption.



The data presented in the table show an increase in water consumption and specific water consumption per ton of produced product. Water consumption directly depends on the production structure and the type of products being manufactured, considering various technological processes such as thermal treatment and cooling. Recognizing that there is always room for improvement, we are currently identifying opportunities to optimize certain parts of the process to more efficiently use this vital resource. Regular monitoring of these trends enables us to identify areas for improvement and maintain sustainability in water usage.

	2022	2023
Water Consumption (m ³)	271.434	277.922
Specific Water Consumption (m ³ /t)	14,8	15,2

- **Wastewater treatment**

In our factory, we continuously work on efficient management of wastewater generated during production processes. The established system for treating and controlling wastewater enables us to reduce emissions of pollutants into water bodies and preserve the environment.

The system includes treatment of various types of wastewater generated on the factory premises, including sanitary-sewer, process, and stormwater. To efficiently manage these waters, we utilize separators and special sewage systems. Sanitary-sewer wastewater is collected and, along with process wastewater, treated at our wastewater treatment plant (WWTP). After treatment, these waters are discharged either into the public sewer system or into a natural recipient. Stormwater, collected from roofs and traffic surfaces, also undergoes treatment in our system before being discharged into the recipient.

The technologies we have implemented include mechanical wastewater treatment, as well as flotation and biological treatment processes. The system operates in four modes, two of which are emergency and two regular.

Quality control of wastewater is conducted regularly to ensure compliance with legal standards and regulations. This includes monthly testing by an external accredited laboratory, as well as daily monitoring by our in-house laboratory. Additionally, we monitor and control groundwater to detect any changes caused by potential leaks of petroleum derivatives or other factors. Our goal is to ensure that discharged wastewater meets prescribed standards and to minimize adverse environmental impact.



Wastewater treatment plant

- ***Quality control and maintenance of wastewater***

As a responsible company, we are committed to maintaining high standards in wastewater treatment. Our dedication begins at the wastewater treatment plant, where continuous monitoring and control of pollutants are conducted before discharge into the recipient. All our procedures comply with the Regulations on the Method and Conditions for Measuring the Quantity and Testing the Quality of Wastewater, and detailed information is recorded in measurement reports.

We actively engage in maintaining the water supply system, as well as the wastewater treatment and discharge systems, to ensure their smooth operation. Regular maintenance of flow meters and water intake, transportation, piping, and wastewater discharge facilities is part of our daily operations. The management of the work process is conducted in a manner that guarantees compliance with the emission limit values for pollutants in water prescribed by the IPPC permit. Additionally, regular cleaning and maintenance of wastewater treatment facilities and equipment are carried out to preserve their functionality.

A crucial aspect of our activities is the regular measurement and registration of the quantity of discharged effluent, with all necessary information provided to relevant institutions. We also recognize the importance of renewing water permits to ensure that any changes in our operations comply with legal regulations.

Quality control of treated wastewater is also of paramount importance to us. Therefore, we regularly collaborate with authorized entities to ensure the accuracy and reliability of all measurements. All water sampling points are in accordance with the Regulations on the Method and Conditions for Measuring the Quantity and Testing the Quality of Wastewater to ensure consistency and validity of results.



- ***Stakeholder engagement***

Collaboration with the local community, regulatory bodies, and other stakeholders is crucial in our approach to water resource management. We regularly communicate with local authorities to ensure compliance with legal regulations and local requirements. Additionally, we actively work on educating our employees about the importance of water conservation and encourage responsible behavior in their daily work.

- ***Continuous improvement and innovation***

We continuously work on improving our processes to achieve greater efficiency and reduce the negative impact on the environment. We regularly review our systems and technologies to identify opportunities for reducing water consumption and improving efficiency. To this end, we have invested 2.5 million euros in a modern wastewater treatment plant that prevents pollution of the Danube-Tisa-Danube canal, thereby preserving its biodiversity and reducing the negative impact on the environment.

SUPPLIER ENVIRONMENTAL IMPACT ASSESSMENT

In our business, we carefully analyze the environmental impact of suppliers because we understand that it is crucial to achieving our environmental goals. Our commitment to environmental sustainability allows us to develop strategies and implement improvements together with suppliers to reduce negative environmental impacts.

Therefore, we have adopted the practice of assessing suppliers by reviewing certificates confirming the compliance of their systems with safety, product quality, environmental protection, and social responsibility standards. These certificates, issued by recognized certification bodies, guarantee that suppliers comply with internationally recognized standards.

OUR INSIGHTS AND OUTLOOKS



Nenad Juhas,
Manager of Management Systems
and Sustainable Development

NEOPLANTA AS A MODEL FOR OTHER COMPANIES – EXPANDING OUR BUSINESS HORIZONS

In August 2022, Neoplanta obtained an Integrated Pollution Prevention and Control (IPPC) permit, representing the highest European standard in environmental protection. This made it the first meat industry company in Serbia with an IPPC permit, setting an example for businesses in sustainable operations. It's a path we, as a socially responsible company, have chosen and intend to follow into the future.

The IPPC permit crowned our responsible business practices and significant investments that Neoplanta began as early as 2010. Projects initiated then have had both local and global significance. We always strive to think broadly, ensuring our operations have an impact beyond our immediate community. Over the past 14 years, investments have totaled over 35 million euros, one of the most significant being the modern wastewater treatment plant. This facility prevents biodiversity destruction in the Danube-Tisa-Danube canal and contributes to reducing CO₂ emissions, with an investment of 2.5 million euros. Additionally, worth mentioning is the solar power plant, construction of which began in 2023, with an investment of nearly 2 million euros. In the future, this plant aims to meet 30% of Neoplanta's annual electricity needs, significantly relying on environmentally friendly operating principles.

Looking at all the investments we've made over the years, it's clear we've been dedicated. Despite challenging times, we never compromised on quality. Acquiring the IPPC permit reaffirms our strategic priorities in the ESG segment of our business. We aim to use resources rationally and rely on technology to address the energy, environmental, and social challenges faced by economies worldwide.



ABOUT THE REPORT

This document represents the first sustainability report of Neoplanta d.o.o., headquartered in Novi Sad, Republic of Serbia.

The report has been prepared in accordance with the current version of the GRI (Global Reporting Initiative) standards and presents the company's achieved results for the reporting period, as well as its impacts on sustainability.

This document is available in PDF format on our official website, ensuring wider accessibility and transparency of our activities.

The responsible persons for data collection, processing, analysis, and report creation are: **Nada Stamatović**, Corporate Sustainability Expert of Nelt Group (stamatovic.n@nelt.com), **Milica Rađenović**, Management Systems Manager (radjenovic.m@neoplanta.co.rs), **Jelena Kanazir**, Brand Manager (lovre.j@neoplanta.co.rs). The company director is responsible for the approval of the complete report.



Novi Sad - Budapest 257 km

Novi Sad - Zagreb 380 km

Novi Sad - Ljubljana 423 km

Novi Sad - Sarajevo 277 km

Novi Sad - Podgorica 515 km

Novi Sad - Bucharest 680 km

Novi Sad - Sofia 398 km

Novi Sad - Skopje 527 km

Novi Sad - Tirana 437 km

LOCATION

- The company headquarters and meat processing factory are based in Novi Sad, which is within a maximum distance of 500 km from neighboring countries.
- The company is located less than 5 km from a highway connecting Western Europe to Greece and Turkey.
- Positioned in the Adriatic region, the company operates in a market with approximately 26 million inhabitants.



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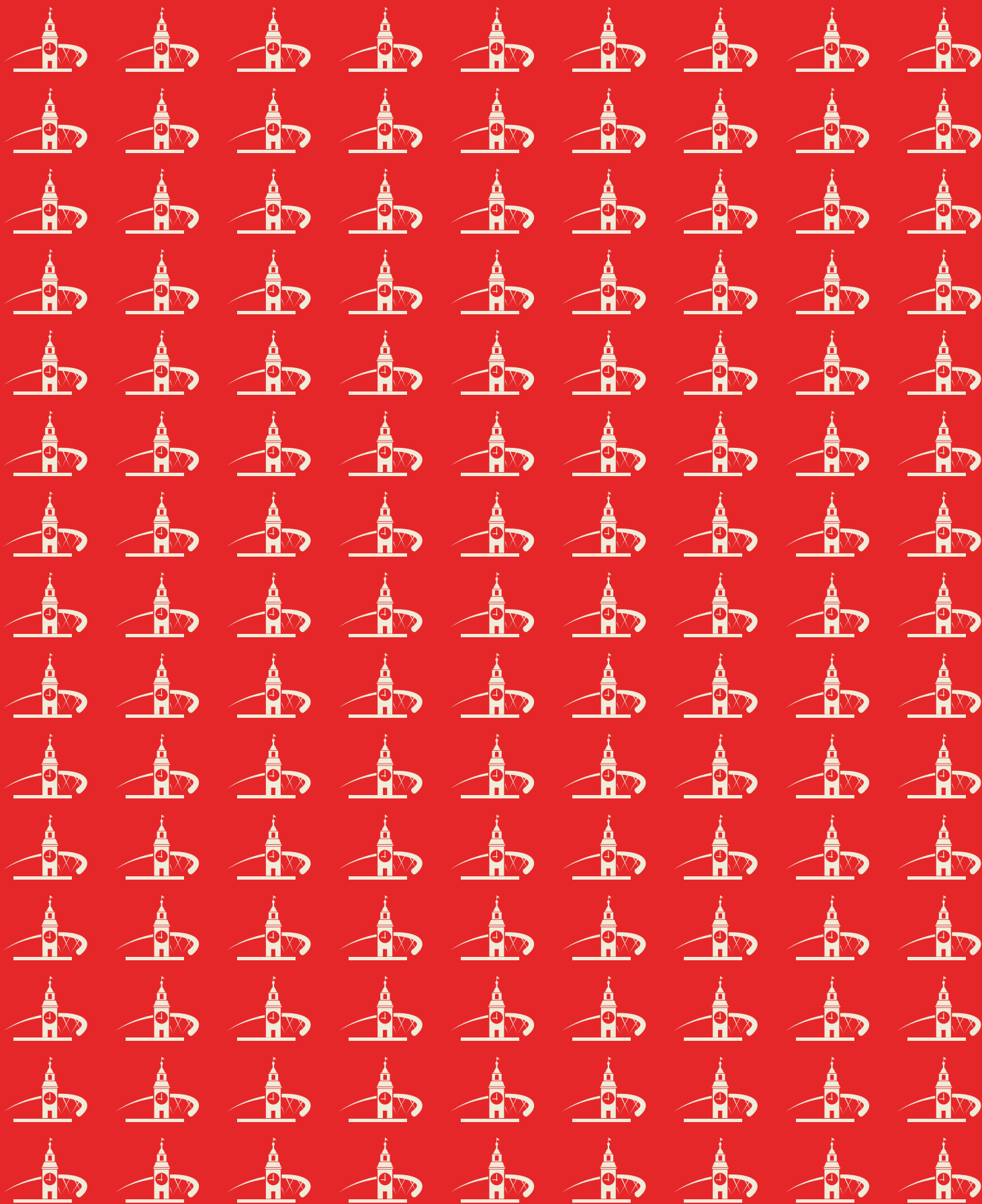
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