

# Sustainability Report 2023



HONOR TO OUR HERITAGE.  
COMMITMENT TO OUR PLANET!

*Cheering Life*

**TIKVEŠ**

SINCE 1885

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# Acronyms and Abbreviations

CEO	Chief Executive Officer	KPIs	Key Performance Indicators
CO <sub>2</sub>	Carbon Dioxide	MSE	Macedonian Stock Exchange
CO	Carbon Monoxide	SDGs	Sustainable Development Goals
ESG	Environmental, Social and Governance	UK	United Kingdom
EU	European Union	UN	United Nations
GHGs	Greenhouse Gas	US	United States
GRI	Global Reporting Initiative	Tikveš Winery - Vinarska Vizba	
HORECA	Hotel, Restaurant and Café/Catering	TIKVEŠ AD Kavadarci	
IWCA	International Wineries for Climate Action	TCD	Tikveš 1885 Chateaux and Domaines

## ESG Highlights 2023



**90,013m<sup>2</sup>**

winery and operational area in Kavadarci



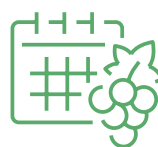
**25**

global markets



**207**

employees



**30,000t**

of grapes annually processed



**64**

different types of wines



**5,000ha**

of vineyards in cooperation

# Enviromental – Social – Governance Highlights of 2023



## Renewable Energy Sources:

**12.3%** of the total Energy Consumption



## Innovation & Digitalisation

through Data-driven Precision Viticulture Software



## Water Saving

through Drip irrigation System in vineyards



## Community engagement:

TIKVEŠ Young Wine Festival



## Volunteering Activities:

Committed to Community, Culture, and Care



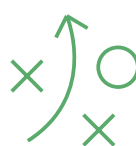
## Learning & Development Opportunities

for grape growers and employees



## ESG Governance

structure and procedures through dedicated teams across Tikveš



## ESG Assessment across the supply chain

# Message from the President

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Wrapping up another successful year, I am excited that we have the first ESG Tikveš Winery Annual Report. As President of the Management Board, I'm proud of the team's resilience, determination, and unwavering commitment to grow individually together with the company.

The year 2023 brought its share of challenges from the weather conditions to the economic pressures and yet we managed to overcome and turned these challenges into opportunities.

This year proved that our capacity to adapt, innovate, and prioritize growth has not only allowed us to navigate these challenges but has also propelled us forward. Tikveš Winery has increased the quantity as well as the quality due to the fact that it was committed to its corporate responsible practices. We started our journey 20 years ago, and this year, we focused on implementing significant sustainability projects making Tikveš the first green winery in the SEE and among the first companies that implement the ESG standards.

As leaders of this industry in the region, we are strongly committed to trace this path and serve as beacon of the Balkan wine industry. We do this on a company level, through numerous projects together with Wines of Macedonia and our newest venture via Balkan Wines Association. I am proud to say that we are on the right path to reach the international recognition that our

wines deserve. Not only for Tikveš Winery but for the country as well. We do this through building the Geographical Indications system within the GIZ project Develop PPP, thorough membership and commitments in International Wineries for Climate Action (IWCA), through cooperation with the best agronomists and oenologists in the world, through implementing AI and most importantly through cooperation and sharing this knowledge and experiences with our partners – the grape growers.

I extend my heartfelt gratitude to all our shareholders, partners, and employees for their unwavering support and dedication. Looking ahead I am excited about the opportunities that lie in front of us as we continue to create the best Macedonian wines and strive to make a long-lasting, positive impact on our industry, the country and the world.

*By doing so, we create  
and leave a legacy for  
the next generations.*



## Svetozar Janevski

*President of the Management Board and  
acting CEO in 2023 of Tikveš Winery*



# CHEERING LIFE

About the report







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*This report presents Tikveš Winery (hereinafter referred as “Tikveš” or the “Company”) and its sustainability performance together with the ecosystem of companies that the Company collaborates with across its business activities (hereinafter referred as “Tikveš 1885 Chateaux and Domaines”).*

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In this report, Tikveš Winery, as a listed company in Republic of North Macedonia, demonstrates its alignment with the ESG Reporting Guidelines of the Macedonian Stock Exchange (MSE). This alignment includes the minimum disclosures and underscores the Company’s commitment to meeting the expectations set by the MSE.

For the development of this report, the Global Reporting Initiative (GRI) Standards are considered, including the efforts of the Company towards the net zero goals of the International Wineries for Climate Action (IWCA), and its contribution to the United Nations (UN) Sustainable Development Goals (SDGs).

## Reporting Boundaries:

The reporting boundaries define the scope of this report, including the organisational and operational aspects it covers.

### Organisational Boundaries:

- 1. In-scope Entities:** This report covers the sustainability performance and impacts of Tikveš Winery. Information included in this report refers also to Tikveš business activities with Tikveš 1885 Chateaux and Domaines, the ecosystem of companies, that Tikveš collaborates and supports, which they affect and are affected by Tikveš Winery. These companies include small wineries, vineyards, and Tikveš and its ecosystem hospitality services.
- 2. Geographical Scope:** Tikveš Winery operations are based in Skopje, Kavadarci, Lepovo, Barovo, Bela Voda, all located in North Macedonia, along with the Château de Gourdon estate located in the southern area of the Rhone Valley in France, near the town of Bollène. This report focuses on Tikveš Winery business activities within these geographical locations.
- 3. Exclusions:** Activities that are not under financial or operational control of Tikveš Winery are considered out of the scope for this report.

### Reporting Period:

The reporting period for this sustainability report is the fiscal year 2023 (1/1/2023 – 31/12/2023).

### Materiality Assessment:

Tikveš has conducted a materiality assessment to identify and prioritise the environmental, social, and governance topics that are significant to the Company and its stakeholders. This report primarily focuses on the topics identified as material through this assessment.

### Operational Boundaries:

- 1. Vineyard Operations:** The scope of this report includes the environmental and social aspects associated with the vineyard operations, including grape cultivation, harvest, and land management.
- 2. Winery Operations:** This report covers all aspects related to the winemaking process, including fermentation, bottling, storage, quality control, sales and marketing and community engagement.
- 3. Hospitality Operations:** The report encompasses the social aspects of the restaurant operations, including customer engagement, wine culture development, wine tours, events, and community interactions.
- 4. Value Chain:** The Company also considers the social and environmental aspects of its supply chain, distribution, and procurement practices, including the grape growing partners.

### Reporting Frameworks and Standards:

This report is referencing the Global Reporting Initiative (GRI) Standards.

### Feedback to this Report

To provide feedback to this Report please contact:  
 Tikveš Winery  
 ATTN: CEO Office  
 St. Dimce Belovski No.2 1000, Skopje  
 Republic of North Macedonia  
 Tel.: +389 2 3181700  
 Email: [contact@tikves.com.mk](mailto:contact@tikves.com.mk)  
 Web: [www.tikves.com.mk](http://www.tikves.com.mk)



# CHEERING OUR HERITAGE

2.1 Our ESG Strategy

2.2 Our Brands

2.3 Markets Served

2.4 Commitments to International and Sectoral  
Initiatives and Standards

2.5 Awards and Recognitions



## About Tikveš Winery

*Tikveš Winery, established in 1885, with headquarters in Kavadarci, North Macedonia (ul. 8 Septemvri br. 5) and warehouse, operational and administrative offices in Skopje, is one of the largest and most awarded wineries in South-eastern Europe.*

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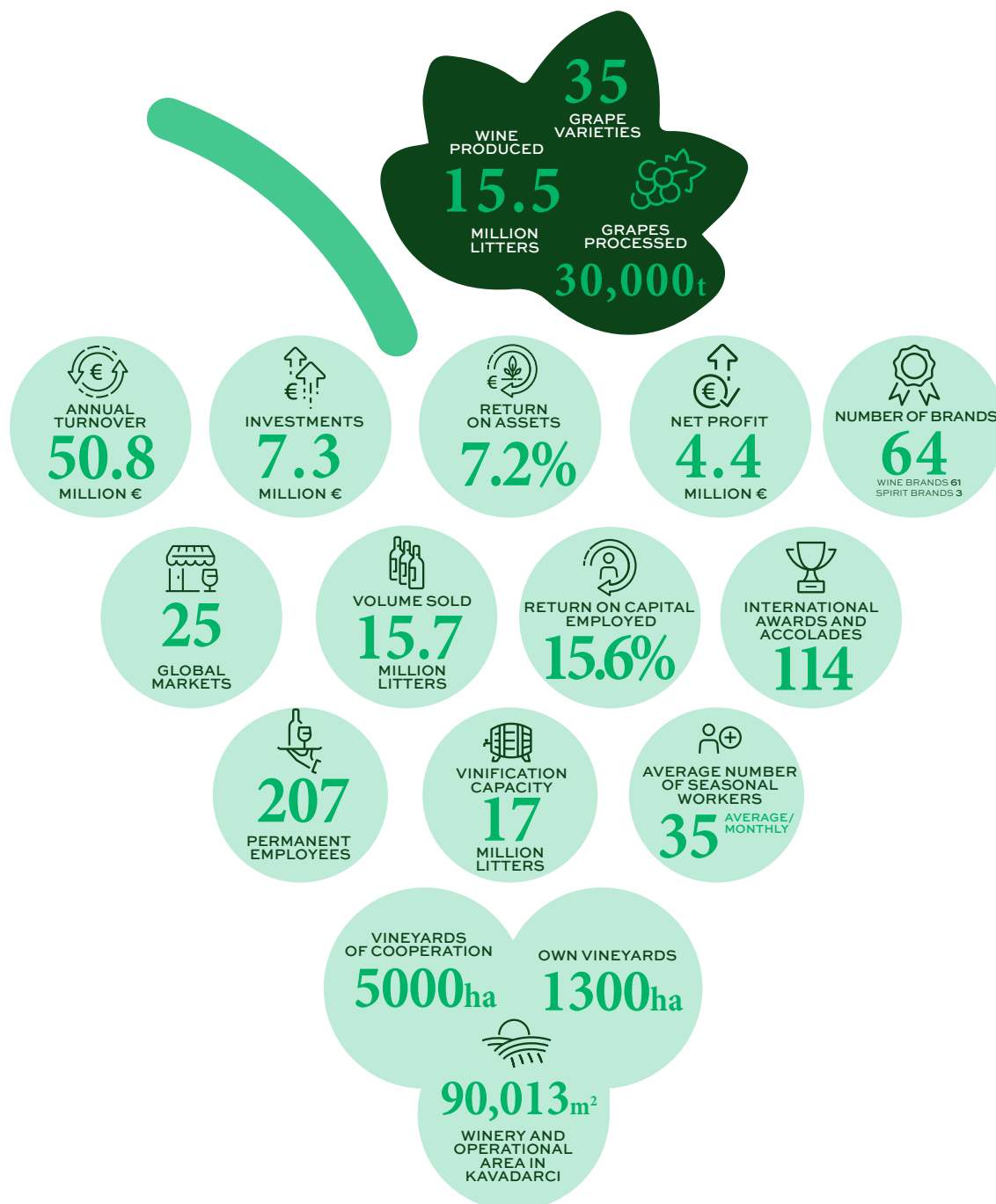
## Tikveš Legacy

With a rich history and strong commitment to modernization, innovation, and environmental sustainability, our Winery is located in an eponymous district of North Macedonia, widespread on an area of **90,013 m<sup>2</sup>**, and the vineyards across key areas in North Macedonia, characterized by a Mediterranean and Continental climate and unique terroir.

Tikveš Winery is a medium-sized winery however it has become a leader in the regional wine industry, boasting a presence in **25 global markets**, directly employing **207** people, processing annually more than **30 000 tons** of grapes, and producing **61 different types** of wine and **3 types of spirit**.



# Tikveš briefly (2023)



## 2023 Key Tikveš Facts

**34%** OF ALL WINE CONSUMED IN SERBIA



**37%** OF ALL WINE CONSUMED IN N. MACEDONIA

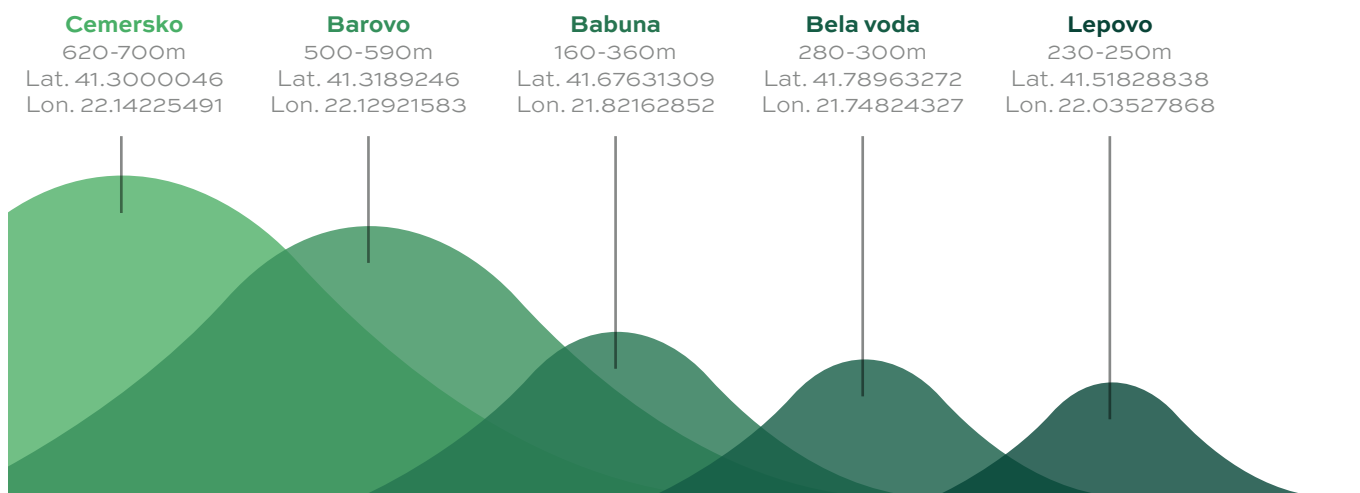


**63%** OF TIKVEŠ WINE CONSUMED IN EXPORT MARKETS



Tikveš Winery focuses on creating social and economic impact for our region. We continuously invest in **education and development** of the employees, promotes the communities it operates in, promotes indigenous grape varieties to create **opportunities for rural winegrowers**, and fosters the development of **regional tourism**.

## 12 Locations with Active Vineyards



Location of vineyards: Altitude/ Latitude/Longitude

## Economic Impact

The economic impact of Tikveš Winery is significant, contributing to local and regional prosperity through job creation, tax revenue generation, and economic development. With its operations spanning various sales channels and markets, Tikveš Winery has become a cornerstone of the wine industry, driving growth and stability. Investments in human resources and infrastructure have further bolstered its economic footprint, fostering sustainable development and

long-term viability. By building strong governance structures and adhering to rigorous quality standards, Tikveš Winery ensures its continued success and resilience in the face of economic challenges. Through strategic partnerships and innovative business practices, Tikveš Winery continues to strengthen its position as a key player in the economic landscape, creating value for stakeholders and communities alike.



# Financial Performance

The financial performance of our Company is evidenced by consistent growth across various metrics, including revenue generation and market expansion. By strategically increasing sales channels, Tikveš Winery has diversified its reach, tapping into new markets and consumer segments. Through concerted efforts, Tikveš Winery continues to thrive economically while advancing its sustainability agenda, setting a precedent for responsible business practices in the wine industry.

Tikveš Winery has witnessed a remarkable expansion over the past years, demonstrating substantial growth in both, volume and even more in revenue. In 2023 only, we have successfully

increased our volume by 2.1%, while our revenue increased by 16.1% compared to 2022. This achievement can be attributed to strategic initiatives aimed at optimizing our product portfolio and enhancing pricing strategies across our entire range of wines.

Revenue  
Growth  
Rate

16.1%  
compared to 2022

Further information about our financial performance may be found in our 2023 Financial Statement.

# Diversification

Our continuous growth at regional and international level is the result of dedicated efforts and a strategic focus on market diversification. Over the past five years, we have diligently expanded our presence in various markets, and the outcomes

have been exceptional. Without exception, all markets have experienced double-digit growth in revenues. This underscores the effectiveness of our diversification strategy in driving our overall success.

# Growth

In 2023, Tikveš Winery was awarded the title of the company with the **highest export growth** in the region for 2022 by the *Western Balkans 6 Chamber Investment Forum*, in cooperation with the European Commission. Tikveš is the only Macedonian company to receive this prestigious accolade in the mentioned category.



This award is a testament to Tikveš' ongoing efforts and activities to promote top Macedonian wines and establish their presence in foreign markets, particularly in the Western Balkan region, where Tikveš wines have a strong, traditional foothold.

A key indicator of this strategy's success is the 64% export growth achieved during the last year, largely attributable to the placement of Tikveš wines in the regional markets.

## *€4 million investments to boost grape reception and processing capacity and quality*

*Demonstrating its steadfast commitment to long-term growth and sustainable practices, in 2023, Tikveš Winery has invested four million euros in expanding and enhancing its grape reception and processing capabilities.*



This strategic investment aligns with the winery's dedication to continuous sustainable development and the implementation of ESG standards.

With the investment, Tikveš increased the total capacity for receiving and primary processing of grapes during harvest by an additional 1.25 mil. kg of grapes for premium wine.

# About Tikveš 1885 Chateaux and Domaines

“Tikveš 1885 Chateaux and Domaines” comprises of the ecosystem of companies that Tikveš Winery collaborates with across its business activities. Tikveš collaborates, supports, and they affect or are affected by the Company. These companies include small wineries, vineyards, Tikveš wine hospitality.

The activities of “Tikveš 1885 Chateaux and Domaines” span over Skopje, Kavadarci, Lepovo, Barovo, and Bela Voda in North Macedonia, and the Château de Gourdon estate located in the southern area of the Rhone Valley in France, near the town of Bollène.

*“Providing an exquisite wine and spirits experience”*

Tikveš winery provides a fully integrated wine and spirits experience, segmented into viticulture,

grape growing and sourcing, winemaking, marketing, sales, distribution, and wine hospitality.

## Tikveš 1885 Chateaux and Domaines - The Ecosystem of Companies



### Three (3) core wineries

Lepovo  
Krnjevo  
Chateaux de Gourdon



### Wine tourism

Restaurant in Kavadarci  
Wine Boutique - Shop  
Hospitality, Accommodation,  
and Catering Services  
Event Management



### Domaines

Barovo  
Babuna  
Bela Voda  
Lepovo



### Sales & Marketing

Regional Sales & Marketing



### Grape growing & sourcing

M6 Agrar  
Agrovardarie



### Training

M6 Academy for Training &  
Capacity Building

## 2.1 Our ESG Strategy

*“Crafting Sustainable Winemaking for a Timeless Legacy”*

We recognize the significance of responsible business conduct in providing high-quality wine products for our growing network of customers. Through the execution of our ESG Strategy,

we envision our winery becoming a model for sustainable practices, driving positive change in the wine industry while achieving business success.

### Our Purpose

Crafting Unforgettable Experiences to Establish Ourselves as the Premier Choice.

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### Our Vision

Our vision is to be celebrated worldwide as pioneers of authentic wine and spirits experiences, renowned for our exceptional style, commitment to sustainability, and collaboration with regional wine peers.

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### Our Mission

Our mission is to craft remarkable wines & spirits, create memorable experiences, and lead sustainable winemaking while honoring the heritage of our vineyards

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### Core Values

Excellence

Sustainability

Passion

Integrity

Collaboration

Innovation

Science-based approach

Sense of Ownership

Heritage

Customer focus

Adaptability

Social responsibility

## 2.2 Our Brands

Tikveš Winery –Tikveš 1885 Chateaux and Domaines



TRADITIONAL WINES



TIKVEŠKO



EVERYDAY WINES



TGA



ALEXANDRIA



LUDA MARA



ALEXANDRIA  
*Cuvée*



IR  
TIKVEŠ



BAROVO  
Domaine



BELA VODA  
Domaine



BABUNA  
Domaine



DOMAINE  
LEPOVO



VRŠNIK



CHÂTEAU DE  
GOURDON



## 2.3 Markets Served

### “A Regional Market Leader”

Tikveš Winery has become a leader in the regional wine industry, navigating exponential growth across all regional markets including **Serbia, Bosnia & Herzegovina, Croatia, Kosovo, Montenegro, Albania, Bulgaria, and Slovenia.**

In the domestic market, the winery’s strong presence in retail and HORECA channels played a crucial role in sustaining growth. Despite the challenges imposed by the pandemic,

Tikveš Winery managed to increase retail sales in 2020 and 2021 and experienced a surge in HORECA consumption in 2022, which continued in 2023 calendar year.

In alignment with our strategic goals, we have achieved remarkable diversification of our sales channels. In 2023, we reached a favourable **63% volume sales** in export markets and **37% volume sales** in domestic markets.

Export  
Markets

**63%**  
volume sales

Domestic  
Markets

**37%**  
volume sales

#### Regional Markets



# Chart with volume of 2023 exports

## 2023 Values

Country	Bottles	Liters	Revenue
Albania	119,825.000	73,857.097	17,190,050.78
Australia	29,436.000	23,988.000	5,585,775.07
Austria	1,410.000	1,207.500	250,807.36
Belgium	11,400.000	8,508.000	2,363,682.46
Bosnia and Hercegovina	2,567,782.000	2,128,018.754	273,091,826.49
Bulgaria	95,774.000	100,557.600	21,813,756.06
China	11,810.000	8,857.500	3,270,380.87
Croatia	982,103.000	967,257.800	133,469,094.25
Czech	7,032.000	10,095.900	1,457,320.20
Denmark	6,240.000	4,584.000	1,684,115.91
Germany	73,896.000	66,364.200	10,672,767.93
Hungary	600.000	450.000	117,621.52
Iceland	246.000	208.500	61,825.15
Malta	21,396.000	20,522.400	3,941,558.77
Montenegro	307,869.000	255,258.063	40,651,865.49
Netherlands	7,362.000	5,641.500	1,808,560.47
Poland	7,482.000	5,611.500	1,287,668.40
Serbia	6,062,079.000	5,396,131.262	1,043,539,381.64
Slovenia	10,638.000	8,164.500	1,580,301.37
Sweden	12,780.000	9,591.600	3,075,128.37
Switzerland	40,449.000	31,911.423	8,077,942.64
North Macedonia	8,426,880.000	5,967,198.783	1,420,054,934.03
UK	61,752.000	46,256.400	7,652,479.79
USA	82,050.000	69,001.500	19,283,397.40
Kosovo	1,220,382.000	414,073.328	95,397,219.41
<b>Grand Total</b>	<b>20,168,673.000</b>	<b>15,623,317.110</b>	<b>3,117,379,461.82</b>



## The Initiative for “Protected Geographical Indications”

As a market leader, Tikveš is implementing a project “Geographical Indications for production of wine in the Republic of North Macedonia”.

This project is supported by GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) programme as of 2021 with main objective to develop a functional Geographical Indication (GI) system harmonized with the EU Common Agriculture Policy, particularly to the EU Quality Policy that should enforce product

standards including detailed product description that guarantees consistency in the quality of grape and wine.

This project initiated deep changes for improvements in the wine sector that should lead to future development of branded products recognizable on domestic, regional and international markets. This project will enable a sustainable wine industry and overall sector development.

*Total value of the project is € 356,166 and Tikveš’s contribution, together with WOM, is € 180,390*



In 2023, numerous workshops, conferences and study trips were organized for different stakeholders (wineries, vine growers, universities, laboratories, students, MAFWE) and educational materials were developed. Special focus in 2023 was organic production and digitalization of the processes.



*The Initiative for “Protected Geographical Indications”*

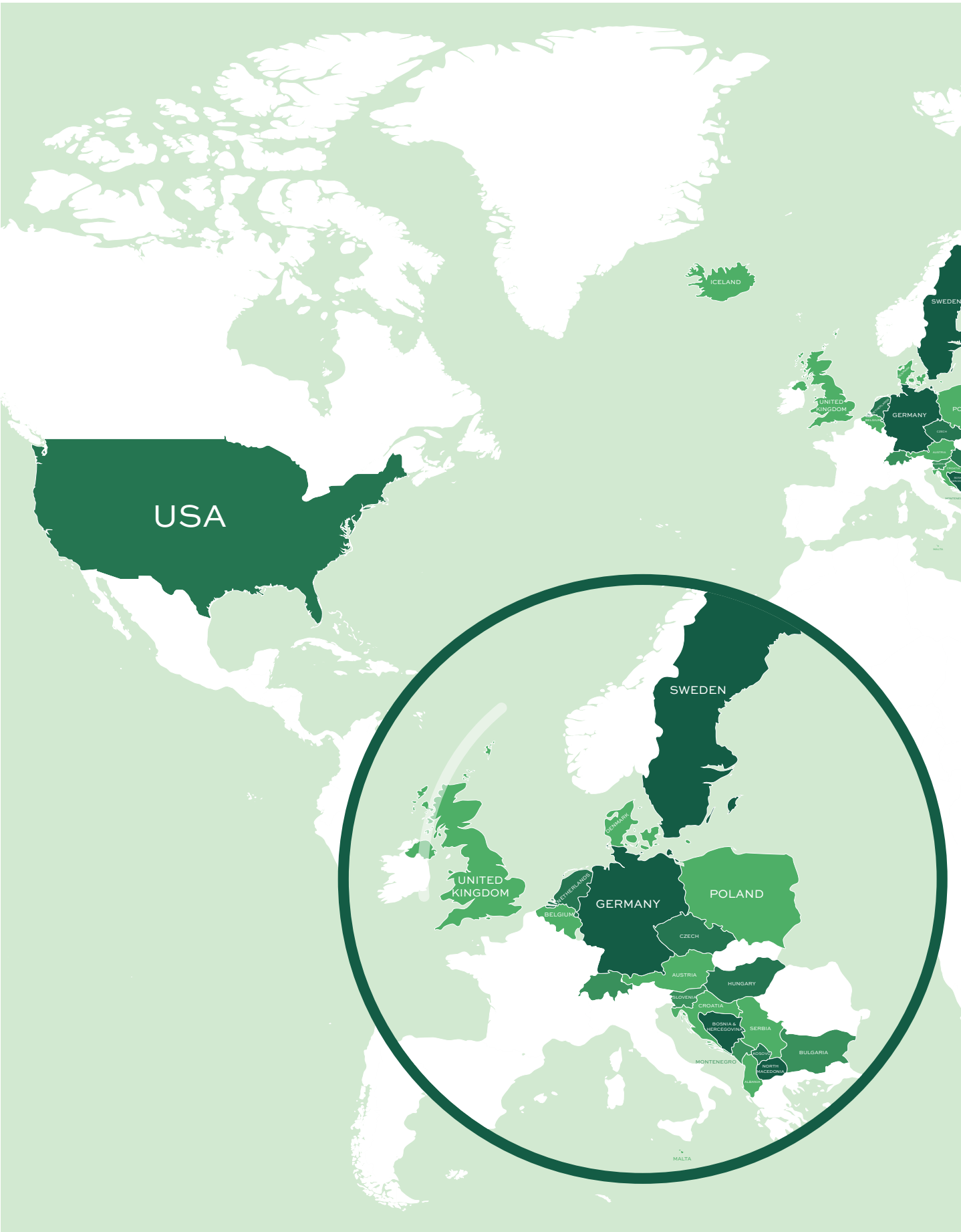
## “Global Presence in four continents”

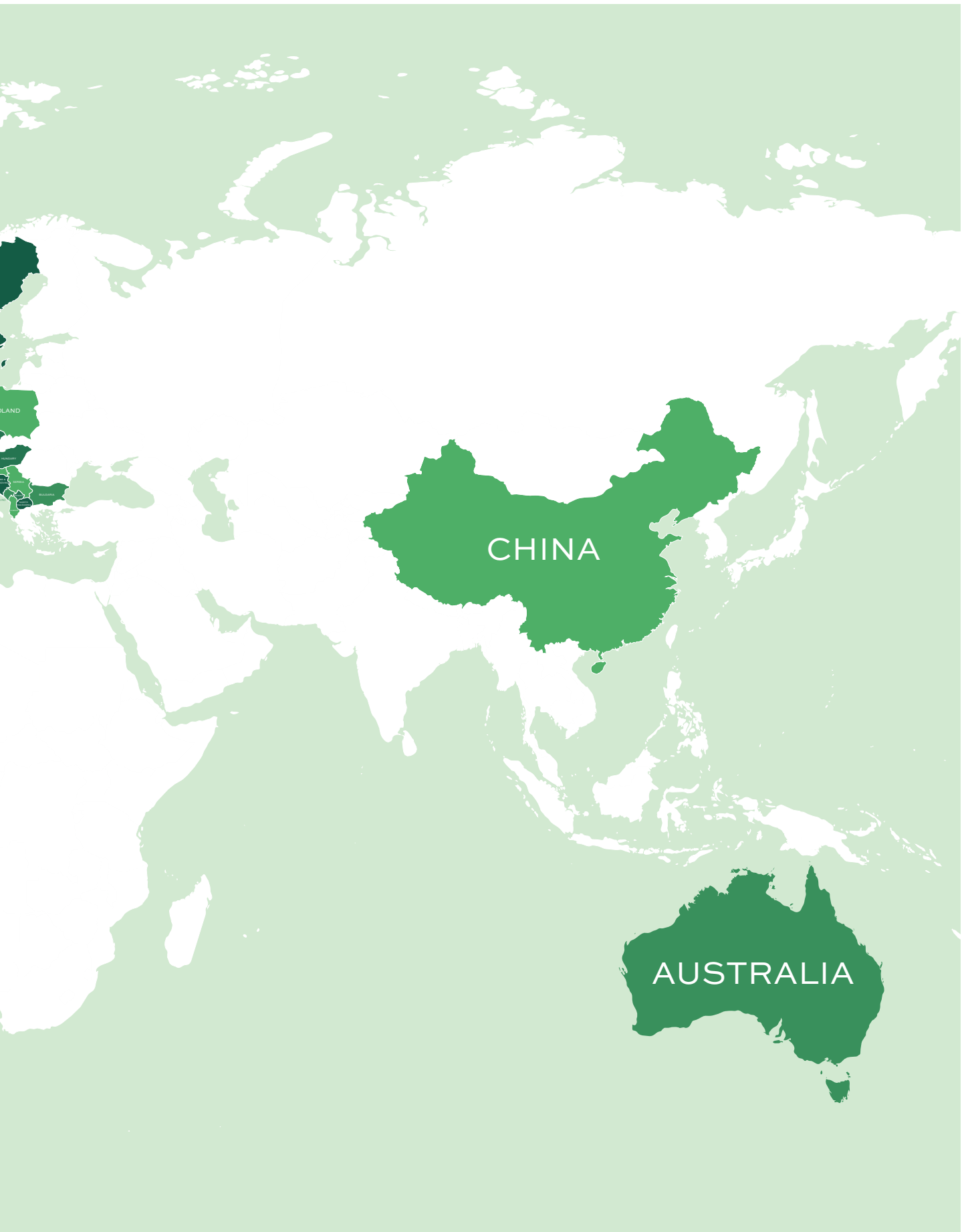
We aim to be more than just another wine supplier. We act as a valued partner, bringing you not only great wines, but also unrivalled service and in-depth product, producer, and industry knowledge to help you flourish.

Tikveš Winery expands its international presence with exports of terroir wines in countries across the **European Union (EU), the United Kingdom (UK), the United States of America**

**(USA), Australia, Canada, and China.** We are also targeting key international markets such as the Nordic countries. By increasing its footprint in these markets, the winery aims to raise awareness of the exceptional quality of its wines. Tikveš Winery’s focus on highly awarded wines from prestigious competitions such as Decanter and Mundus Vini serves as a testament to its commitment to delivering excellence.

# Map With Global Export Markets





## 2.4 Commitments to International and Sectoral Initiatives and Standards

We are committed to supporting the United Nations Sustainable Development Goals (SDGs) and participating in international sustainability initiatives such as the International Wineries for Climate Action. At regional level, we actively

participate and support initiatives such as the Wines of Macedonia. While for our ESG disclosure, we also take into account the GRI Standards and the Macedonian Stock Exchange ESG Reporting Guidelines.



INTERNATIONAL  
WINERIES FOR  
CLIMATE ACTION



*“Strengthening the Country’s Position as a Recognised Wine-Producing Region”*



Tikveš Winery plays an integral role in supporting the “Wines of Macedonia” the association body that represent 86% of the wine export of the country, through various initiatives, including events and training programs. We actively organise and participate in **promotional events and tastings**, showcasing the diverse range of Macedonian wines to both domestic and international audiences. Additionally, Tikveš Winery organises **educational workshops and trainings for local winemakers**, sharing best practices and fostering collaboration within the Macedonian wine industry. By championing the wines of Macedonia and investing in the development of its winemaking community, we continuously raise awareness and recognition of Macedonian wines in global markets.

*“Representing our Region in International Initiatives”*



Tikveš Winery works diligently towards contributing to a more sustainable future for the global wine industry. By embracing innovative technologies, enhancing energy efficiency, and collaborating with industry partners, we accelerate our efforts to combat climate change and align with the net zero goal of the **International Wineries for Climate Action (IWCA)**. To achieve this objective, Tikveš implements a multifaceted approach focused on gradually reducing greenhouse gas emissions throughout its operations. This includes investing in renewable energy sources, such as solar power to minimize reliance on fossil fuels. Additionally, Tikveš Winery prioritizes sustainable viticulture practices, such as water conservation and biodiversity preservation, to minimize its environmental impact.

## Contributing to the United Nations Sustainable Development Goals

### UN SDGs



### Tikveš Contribution

#### SDG 6: Clean Water and Sanitation



By implementing responsible water management practices, TIKVEŠ contributes to ensuring the availability and sustainable management of water resources.

#### SDG 7: Affordable and Clean Energy



TIKVEŠ reduces its carbon footprint by using renewable energy sources, promoting energy efficiency, and reducing energy consumption.

#### SDG 8: Decent work and economic growth



Tikveš contributes to the local economy growth by creating jobs, educating young people and grape growers, while promoting local production and the country's brand name across the world.

#### SDG 9: Industry, Innovation, and Infrastructure



Investments in sustainable winemaking techniques and infrastructure contribute to industry growth and innovation.

#### SDG 12: Responsible Consumption and Production



Tikveš adopts sustainable production practices and promotes responsible consumption of its products to reduce waste and environmental impact.

#### SDG 13: Climate Action



By accelerating efforts to adopt clean technologies, digital solutions to address climate risk, as well as efforts to monitor, and gradually mitigate carbon emissions, Tikveš helps address climate change.

#### SDG 15: Life on Land



Tikveš supports biodiversity and conservation efforts by preserving natural habitats in their vineyards.

#### SDG 17: Partnerships for the Goals



Tikveš is collaborating with other organisations and engaging in local and global sustainability initiatives that promote sustainability and partnership building.

# 2.5 Awards and Recognitions







# CHEERING INTEGRITY

3.1 Corporate Governance Structure

3.2 ESG Governance

3.3 Business Ethics, Standards, and Policies

3.4 Responsible Supply Chain Management

3.5 Stakeholder Engagement and

Materiality Analysis





## 3.1 Corporate Governance Structure

Tikveš Winery is listed on the Macedonian Stock Exchange (ISIN: MKVVTK101013). The table below shows the Shareholder Capital Structure of Tikveš Winery.

### Shareholder Capital Structure

Shareholder name	Percentage
M6 doo skopje	80.08%
Other shareholders (free float)	19.92%
Total	100%

Tikveš Winery has two-tier management system, Management Board consisted of 7 (seven) members and Supervisory Board consisted of 5 (five) members of which 2 (two) are independent members of the Supervisory Board.

### Management Board

The Management Board manages the company, and within that framework, conducts the operations of the company at its own responsibility. The Management Board has the broadest au-

thorizations in managing the company, undertaking all matters related to the management of the operations and the day-to-day activities of the company, and acting, in all circumstances, on behalf of the company, within the scope of operations of the company, except as to the authorizations explicitly granted to the assembly and the supervisory board. The Management Board conducts and executes the matters in accordance with the law provisions and the provisions of the company's statute.

### Management Board Composition (31.12.2023)

Name	Capacity
<b>Svetozar Janevski</b>	President, authorized person
<b>Djon Kiril Jonovski</b>	Member
<b>Ljupcho Krstevski</b>	Member
<b>Iskra Klinkarova</b>	Member
<b>Dragan Tilev</b>	Member
<b>Zoran Jovanovski</b>	Member

## Supervisory Board

The supervisory board supervises the management of the company performed by the management board. The authorizations of the supervisory board are determined according to the law and the company's statute.

### Supervisory Board Composition (31.12.2023)

Name	Capacity
Zoran Martinovski	President
Mile Bundovski	Independent Member
Tihomir Atanasovski	Member
Borche Ilioski	Member
Hristina Ruzhinovska	Independent member



## 3.2 ESG Governance

Our commitment to sustainability is firmly embedded within our governance structure. We uphold transparent, ethical business practices that are guided by national and global sustainability initiatives. Our ongoing stakeholder engagement ensures that we listen, learn, and adapt our strategies to meet the evolving needs of our stakeholders.

During 2023, Tikveš Winery took bold steps towards the establishment of ESG governance structure and procedures, with the introduction of an ESG Steering Committee, and a dedicated ESG Task Force.

### Two-level esg governance at Tikveš

#### 1. ESG Steering Committee

##### ESG Steering Committee (2023)

The ESG Steering Committee comprises the following members:

- **Svetozar Janevski, President of the Management Board**
- **Jane Janevski, Chief Financial Officer (CFO)**
- **Katerina Kostovska, Head of Global Sales and ESG Coordinator**

The purpose of establishing an ESG Steering Committee is to support the Company's leadership and decision-making for actions that contribute to its ESG performance and are linked to the Company's ESG Action Plan and Key Performance Indicators (KPIs).

It aims to **design, coordinate, and monitor** the actions that contribute to the successful implementation of the company's ESG strategy.

#### 2. ESG Task Force

##### ESG Task Force

The ESG Task Force is coordinated and supervised by our two **(2) ESG Coordinators, our Quality Control and Project Management Manager, and our Head of Global Sales**. The ESG Task Force Team consists of thirteen (13) representatives of the following core organisational units:

1. Human Resources
2. Production
3. Grape Management
4. Vineyards Management
5. Quality Control and Project Management
6. Sales
7. Supply Chain
8. Marketing
9. Communications
10. Legal
11. Logistics
12. Internal Audit
13. CEO Office

The members of the ESG Steering Committee **meet annually** with the General Assembly of Shareholders and report to the Management Board and Supervisory Board on the progress of the Company's ESG performance.

The members of the ESG Steering Committee **collaborate with the members of the ESG Task Force** to carry out the necessary actions, collection of data and implementation of internal procedures and **meet with the ESG Task Force** for progress reporting at a quarterly basis.

### **Duties and Responsibilities of the ESG Steering Committee**

1. **Reports to the Assembly of Shareholders, the Management Board, and the Supervisory Board** on the effectiveness of the ESG Strategy.
2. **Informs the Assembly of Shareholders, the Management Board, and the Supervisory Board** about developments on responsible investment practices.
3. Oversees the implementation of the **ESG strategy and ensure that the CAPEX and OPEX planning are aligned with the ESG targets.**
4. **Meets with the ESG Task Force at a quarterly basis** to get feedback regarding the implementation of the ESG Action Plan and the progress on the ESG targets.
5. **Ensures transparent ESG disclosure/reporting lines** internally and externally.
6. **Ensures that management procedures are in place to assess ESG risks and opportunities** relating to wine production.
7. **Ensures the budget for adequate training** in matters of social and environmental responsibility.
8. **Promotes corporate responsibility** within the company.
9. **Evaluates, proposes, coordinates, and supports** the company's social responsibility initiatives and actions.
10. **Participates in regional and international events for ESG advocacy and promotion** of the Company's ESG efforts.

The ESG Task Force **reports on a quarterly basis** to the ESG Steering Committee. Its main objective is the implementation of the Company's ESG Action Plan, the ESG KPIs monitoring and the data collection for the preparation of the annual ESG Report.

### **Duties and Responsibilities of the ESG Task Force**

1. **Collects and analyses data from all departments** of the Company.
2. **Designs and implements systems and procedures** for cross-referencing ESG data.
3. **Ensures the delivery of training** of the company's staff with the support of external experts in matters of social and environmental responsibility, including the use of new, clean technologies, energy saving practices, drills, fire safety and first-aid training for employees.
4. **Investigates through public opinion surveys** the results of the implemented programmes, to direct its actions towards those areas that really interest it and have results.
5. **Proposes to the ESG Steering Committee initiatives and programmes** related to sustainability and corporate responsibility with a short and medium-long term horizon.
6. **Monitors and reports to the ESG Steering Committee on best practices of the wine industry, peer companies** as well as associations, chambers, agencies and research and academic institutions.
7. **Monitors and reports to the ESG Steering Committee on developments at national and international level.**
8. **Provides to the ESG Steering Committee qualitative and quantitative data** for the implementation of the company's ESG Strategy.
9. **Performs tasks and responsibilities assigned by the ESG Steering Committee** to support the implementation of the ESG Strategy.
10. **Participates in regional and international events for ESG advocacy and promotion** of the Company's ESG efforts.

## 3.3 Business Ethics, Standards, and Policies

Tikveš Winery complies with laws and regulations related to corporate governance and operates under a transparent governance structure with clear roles and responsibilities.

### Code of Conduct

In 2023, Tikveš updated its Code of Conduct to outline the principles and standards that govern the behaviour and actions of all employees, emphasizing integrity, transparency, and respect in every aspect of operations. The Code encompasses guidelines on fair business practices, compliance with laws and regulations, environmental sustainability, and the promotion of a safe and inclusive workplace. During the reporting year there were **no incidents** of breaches of the Code of Conduct.

### Supplier Code of Conduct

In 2023, Tikveš also formed its Supplier Code of Conduct as part of its core Code of Conduct, outlining the standards and expectations we uphold for all our suppliers regarding ethical sourcing and sustainable business practices. It encompasses principles such as compliance with local laws and regulations, respect for human rights, fair labour practices, environmental sustainability, and integrity in all business transactions. By adhering to our Supplier Code of Conduct, suppliers become integral partners in our mission to produce high-quality wines while promoting social responsibility and environmental stewardship. Together, we strive to build a supply chain characterized by transparency, accountability, and mutual respect, ensuring the continued success and sustainability of our operations.

### Anti-corruption Policy

Our Anti-corruption policy is part of our Code of Conduct and outlines our Company's position on bribery and corruption, conflict of interest,

facilitation payments and any form of unethical behaviour in all business dealings. Through rigorous monitoring, and reporting mechanisms, Tikveš Winery ensures that all stakeholders uphold the highest standards of ethical conduct. During the reporting year there were no incidents of corruption.

### Whistle-blower Policy

Our Whistle-blower Policy regulates the protected internal whistleblowing in the Company, the rights of whistleblowers, the actions and duties of the Company in relation to protected internal whistleblowing, ensuring protection of whistleblowers, referral to protected external whistleblowing, i.e. protected public whistleblowing, determination of an authorized person for receiving reports, the way of conducting the procedure regarding the notification and other issues of importance for protected internal whistleblowing. During the reporting year there were **no reports** submitted via the whistleblowing channels.

Tikveš prioritizes the satisfaction of its employees and strives to resolve grievances in a timely and equitable manner, fostering trust and long-term relationships within its business ecosystem. In 2023, Tikveš has circulated its Whistle-blower Policy to enable stakeholders' transparent and effective reporting of suspected or actual breaches of law, violations of rules or other misconduct. When a complaint is raised internally, it is promptly documented and investigated by designated personnel, ensuring confidentiality throughout the process. Employees are encouraged to report any concerns by direct email or meeting with the relevant manager. For any sensitive issue such as sexual harassment, Tikveš is forming a defined process for submitting an anonymous form, fostering a culture of transparency and accountability within the Company. Upon thorough investigation, appropriate actions are taken to address the issue,

whether through corrective measures, or policy adjustments. Throughout the resolution process, clear communication channels are maintained to keep employees informed of progress and outcomes.

### Grievance Mechanism Procedures

At the same time, Tikveš Winery implements a comprehensive grievance mechanism process to effectively manage concerns, complaints received from **external stakeholders, such as clients and suppliers**. Upon receiving a complaint through direct communication with Tikveš rep-

resentatives, **phone call, email at (contact@tikves.com.mk) or by submitting it in the contact form at Tikveš official website**, the Company promptly acknowledges it and assigns a dedicated team to investigate the issue thoroughly. Throughout the investigation, the winery maintains open lines of communication with the complainant to ensure transparency and provide updates on the progress. Once the investigation is complete, Tikveš Winery takes appropriate actions to address the complaint, such as offering solutions and implementing corrective measures, as necessary.

## Quality Management System

*Tikveš Winery has in place comprehensive management systems to ensure quality assurance, food safety, as well as environmental and energy management across its production area. The production area in Kavadarci has been certified with the corresponding ISO Standards.*

### Quality Management System



Tikveš Winery proudly upholds the esteemed ISO 9001:2025 - Quality Management System, showcasing its unwavering commitment to excellence and customer satisfaction, while ensuring that each stage of its operations, from grape cultivation to bottling, meets stringent quality benchmarks. By implementing relevant procedures, the company not only maintains consistent quality but also fosters continuous improvement across all facets of its production process, aligning with key sustainable development principles.



### Food Management System



Showcasing its dedication to food safety and quality, Tikveš Winery upholds the ISO 22000:2018 Food Management System, meeting the highest standards of food safety and quality assurance. The company implements relevant procedures to ensure the highest standards of hygiene and safety in its production processes. From grape cultivation to bottling and distribution, Tikveš Winery adheres to strict protocols to mitigate risks and maintain the integrity of its products, aligning with key sustainable development principles.



### Environmental Management System



Embracing ISO 14001:2015 - Environmental Management System underscores Tikveš Winery’s dedication to not only crafting exceptional wines and spirits but also safeguarding the environment for future generations. With a firm commitment to sustainability at its core, Tikveš integrates environmentally conscious practices into its operations, such as efficient water usage, waste management, and the increasing use of renewable energy sources. In this way, Tikveš accelerates its efforts to improve its environmental impact and sets a commendable example for the wine industry.



### Energy Management System



Tikveš Winery implements rigorous procedures to optimize energy efficiency throughout its operations, exemplified by its ISO 50001:2018 - Energy Management System certification. From vineyard management to wine production and distribution, Tikveš Winery employs innovative technologies and best practices to gradually minimize energy consumption from non-renewable sources while enhancing operational performance. By adhering to ISO 50001:2018, Tikveš Winery demonstrates its commitment to responsible energy management, ensuring a greener future while maintaining the highest standards of quality in wine-making, aligning with key sustainable development principles.





## 3.4 Responsible Supply Chain Management

*Our Supply Chain management is driven by the aim of achieving efficiency and effectiveness across the entire supply chain.*

Our goal is to ensure timely delivery of products to our customers, maintaining the expected quality, all while keeping costs reasonable. This involves **efficient planning, precise control, and continuous optimization of procurement, storage, and transportation processes.** By focusing on these key areas, we strive to enhance customer satisfaction, uphold product standards, and maximize value throughout our supply chain operations.



### More Sustainable Transportation Services

Beyond the vineyard, sustainability extends to every aspect of the supply chain, including transportation services for delivering packaging materials. Through strategic planning and the implementation of sustainable practices, it is ensured by Tikveš Winery that its transportation operations minimize environmental impact while efficiently meeting supply chain demands. Eco-friendly transportation methods, such as **optimizing delivery routes** to reduce fuel consumption and emissions, are prioritized by Tikveš Winery. Additionally, logistics partners who share its commitment to sustainability are collaborated with by the winery, selecting carriers with **modern fleets (EURO 5 & 6) that adhere to rigorous environmental standards.** By integrating sustainable transportation practices into its supply chain operations, Tikveš Winery not only reduces its carbon footprint but also contributes to a greener future for the wine industry. Through these efforts, Tikveš demonstrates its dedication to environmental stewardship while ensuring the timely delivery of packaging materials to support its winemaking process. Tikveš applies a traceable process for its logistics, including collection of data, and monitoring of the logistics methods, type of vehicles, and emissions generated from its logistics partners.

## Sustainability: The Forefront of Packaging Solutions at Tikveš

### Realized quantities by Procurement Group- Packaging Materials

	2022	2023		2023 vs 2022
Glass Bottles	20,143,782	18,691,706	-1,452,076	-7.21%
BIB foils	758,000	406,000	-352,000	-46.44%
Metal closures for wine	17,456,492	13,329,535	-4,126,957	-23.64%
Metal closures for brandy	2,105,870	2,021,800	-84,070	-3.99%
Cork Stoppers	1,131,000	1,378,000	247,000	21.84%
PVC and PLX Capsules	1,300,656	1,513,125	212,469	16.34%
Transport cardboard boxes	2,293,750	2,114,114	-179,636	-7.83%
Total Front+Back Labels	40,711,682	39,560,903	-1,150,779	-2.83%
BIB boxes	674,506	534,110	-140,396	-20.81%

At Tikveš Winery, continuous improvement in **sustainable packaging materials** is a top priority to minimise environmental impact. Through ongoing **research and development** efforts, the winery is committed to finding innovative solutions that reduce waste, carbon emissions, and resource consumption. This includes exploring eco-friendly alternatives such as **lightweight glass bottles**, **recycled packaging materials**, and **biodegradable options**. By collaborating with suppliers and investing in sustainable technologies, Tikveš Winery aims to enhance its packaging practices while maintaining the quality and integrity of its products. Through these initiatives, Tikveš Winery demonstrates its dedication to environmental stewardship and sustainable business practices, contributing to a healthier planet for future generations.

### Glass Bottles



A crucial role is played by glass bottles as a sustainable packaging material at Tikveš Winery. Glass bottles are endlessly recyclable without compromising quality, aligning perfectly with Tikveš Winery's commitment to environmental stewardship. By utilizing glass bottles, waste generation is minimized by Tikveš, carbon emissions are reduced, and natural resources are conserved, ensuring a greener footprint for its operations. Furthermore, the quality and flavour of Tikveš wines are preserved by glass, offering an elegant and timeless packaging solution. Through its choice of sustainable packaging, Tikveš Winery underscores its dedication to sustainability and contributes to a healthier planet for future generations to enjoy.

**Up to 56% recycled glass is used by the glass packaging supplier of Tikveš in its manufacturing process.**

## Carton Boxes



Crafted with sustainability in mind are carton boxes. Made **entirely from 100% recycled materials**, they embody the commitment of Tikveš to reducing waste and preserving natural resources. What's more, eco-conscious production is prioritized by Tikveš, using water-based adhesives and varnishes that are free from oils. By adopting these environmentally friendly practices, it is ensured by Tikveš that its packaging not only protects its wines but also minimizes its environmental impact. At Tikveš, sustainability isn't just a goal—it's a way of doing business.



All suppliers of labels and cardboard packaging that TIKVEŠ cooperates with have implemented - **FSC® CHAIN OF CUSTODY**.

## Product Labelling

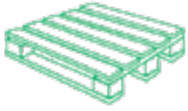


In every aspect of its packaging, including its choice of labels, sustainability is prioritized by Tikveš. Its **self-glue** and regular paper labels (non-glue) carefully selected to minimize environmental impact while maintaining the highest standards of quality and aesthetics. Responsibly sourced paper materials are used for these labels, and adhesives are utilized according to all world standards, ensuring that they can be easily recycled without harming the environment. By choosing self-glue and regular paper labels, Tikveš Winery demonstrates its commitment to sustainable practices, providing its customers with wines that are not only exquisite in taste but also environmentally conscious from vine to bottle.

- The papers used in the production of self-labels for our needs are mainly Virgin Paper or papers made from pulp. Of course, they are FSC certified (FSC-C004451).
- They are glued to an acrylic base and a rubber base according to international standards such as Food and Drug Administration (FDA) 175.105, and the German Federal Institute for Risk Assessment (BfR) XIV recommendations.
- Paints and varnishes are manufactured and comply with EC Regulation No. 1907/2006, commonly known as the REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals), and the European Chemicals Agency (ECHA).

## Pallets for Storage and Transportation of Goods

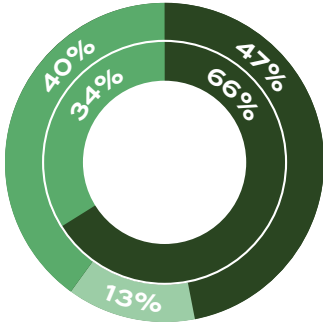
	2022	2023
	Total quantity	Total quantity
Pallet EPAL1200 x 800 Procurement of Second hand	23,499	16,694
Pallet EURO 1200 x 800 Procurement of Brand New	0	4,471
Pallet 1200 x 800 Revolve Pallets - placed in cycle of use and reuse	12,293	14,013
Total:	35,792	35,178



At every opportunity, including its choice of pallets for storage and transporting goods, sustainability is embraced by Tikveš Winery. **Second-hand returnable wooden pallets** are proudly utilized by Tikveš as a part of its commitment to reducing waste and promoting resource efficiency.

## Pallet Procurement

(In circle 2022 Out circle 2023)



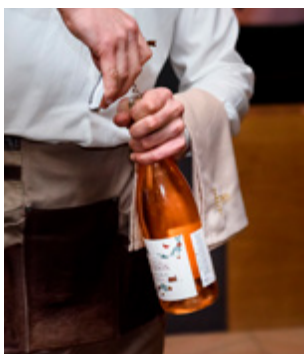
- Pallet EPAL 1200x800 Procurement of Second hand
- Pallet EURO 1200x800 Procurement of Brand New
- Pallet 1200x800 Revolve Pallets - placed in cycle of use and reuse

These pallets are not only cost-effective but also environmentally friendly, as they help minimize the demand for new timber resources and reduce carbon emissions associated with pallet production. By opting for second-hand wooden pallets that can be reused multiple times, Tikveš Winery plays its part in creating a more sustainable supply chain while ensuring the safe and efficient transportation of its products.



### Aluminium Closures

A sustainable sealing solution at Tikveš Winery is represented by **aluminium closures**, embodying a commitment to environmental responsibility and quality preservation. A range of benefits is offered by these closures that align with Tikveš' sustainability objectives, making them an essential choice in the winemaking process. One of the primary advantages of aluminium closures is their recyclability. By choosing aluminium closures, Tikveš Winery reduces its environmental footprint and promotes resource conservation. Furthermore, effective protection against oxygen and other external factors is provided by aluminium closures, ensuring the freshness and integrity of the wine. This preservation capability not only maintains the quality of Tikveš' wines but also extends their shelf life, reducing the likelihood of product wastage. In addition to their sustainability and quality benefits, aluminium closures offer practical advantages such as ease of use and reseal ability, enhancing the overall consumer experience. Tikveš collaborates with waste management companies and in their turn with recycling companies. From the 2023 Report, it is documented that **60%** of the aluminium closures are being recycled.



### Cork Stoppers for Terroir Wines

A hallmark of quality and sustainability at Tikveš Winery, particularly for high-quality and Terroir wines, is **cork stoppers**. Recognized for their natural properties and ability to preserve wine integrity, cork stoppers contribute significantly to the overall experience of enjoying fine wines. Sourced from cork oak forests, cork stoppers offer a **recyclable and biodegradable alternative**, aligning perfectly with Tikveš' sustainability ethos. Moreover, cork stoppers play a crucial role in maintaining the unique characteristics of Terroir wines, allowing them to breathe and evolve over time.

## PVC & PLX Capsules

### Realized PVC and PLX Capsules for 2022 and 2023 - Packaging Materials

	2022	2023	2023 vs 2022	
			%	Quantity
Total PVC capsules	1,081,836	1,173,456	8.47%	91,620
Total PLX capsules	218,820	339,669	55.23%	120,849
<b>Total PVC and PLX Capsules</b>	<b>1,300,656</b>	<b>1,513,125</b>	<b>16.34%</b>	<b>212,469</b>



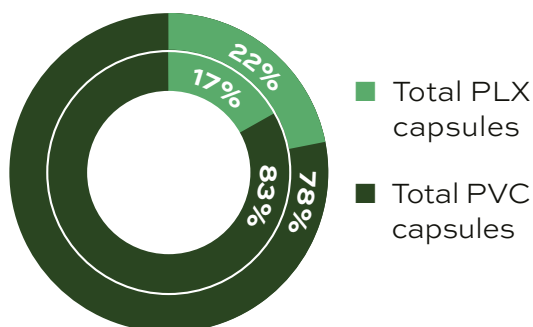
**Vinilux (PVC) heat-shrinking capsules**, as a decorating element for wine while effective in sealing wine bottles, may not be considered sustainable due to their composition. However, some efforts have been made to improve the sustainability of PVC capsules, such as utilizing recycled PVC or implementing recycling programs. Nevertheless, the overall sustainability of PVC capsules remains a topic of debate within the wine industry, with increasing interest in exploring alternative materials that offer similar functionality while minimizing environmental impact.



**Poly laminate capsules** that Tikveš uses are made of poly laminate material (skirt material which is a 3 layered film Aluminum/PE/Aluminum) and aluminum (top disc material). Based on the European Decision 97/129/EC, the capsule is categorized as composite packaging, plastic/aluminum, numbering 90, abbreviation is C/Alu 90 (meaning that the capsule consists of poly laminate material which is the skirt/side material and aluminum is the top disc material and the predominant material in weight in the capsule is the Aluminum).

## Procurement of PVC and PLX Capsules

(In circle 2022 Out circle 2023)



Poly laminate capsules are an attractive and effective option for wine bottle sealing, distinguished from PVC capsules by their construction and benefits. In essence, poly laminate capsules provide sustainability choice over PVC, merging visual appeal, practicality, and awareness in the packaging of wine. Tikveš is set to expand its adoption of PLX over PVC by 2024 for its Luda Mara line, emphasizing a shift towards more environmentally friendly packaging choices.

Wooden Barrels

Wine & spirits program barrels (2022-2023)

	Procurement of barrels 2022	Procurement of barrels 2023	2023 vs 2022	
Barrels for white wine	46	60	14	30.43%
Barrels for red wine	170	461	291	171.18%
Barrels for spirit	10	40	30	300.00%
<b>Subtotal:</b>	<b>226</b>	<b>561</b>	<b>335</b>	<b>148.23%</b>



Wooden barrels are integral to the winemaking process at Tikveš Winery, embodying both tradition and sustainability. These barrels serve as essential vessels for wine fermentation and aging, imparting unique flavours and characteristics to the final product. From a sustainability standpoint, wooden barrels offer several advantages. Firstly, they are often crafted from **recyclable resources such as oak**, contributing to the preservation of forest ecosystems.

In essence, wooden barrels are not just containers for wine; they are a testament to Tikveš Winery’s dedication to sustainability and craftsmanship.

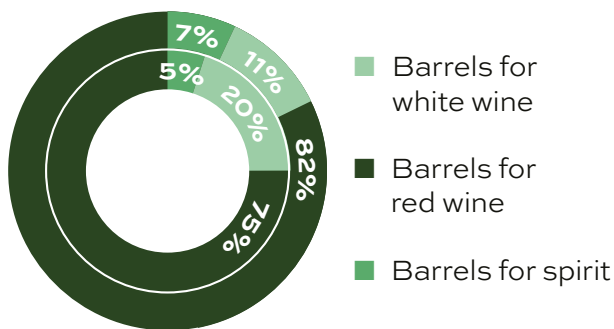


By embracing this traditional winemaking practice, Tikveš continues to produce exceptional wines that captivate the senses while respecting the environment.

Wooden Barrels suppliers obtained **PEFC™ certification**: this certification promotes the forest heritage via a forest replanting and sustainable development policy.

Procurement of Barrels

(In circle 2022 Out circle 2023)



## Bag-in-Box packaging



At Tikveš Winery, sustainability is at the forefront of packaging solutions, exemplified using **Bag-in-Box packaging** for wine. This innovative packaging format combines sustainability with practicality, offering numerous benefits for both consumers and the environment. The Bag-in-Box packaging is **lightweight and compact**, reducing transportation costs and carbon emissions associated with logistics. Moreover, it requires **less energy to produce** compared to traditional glass bottles, further lowering its environmental impact. Additionally, this packaging solution is fully recyclable, aligning with Tikveš Winery's commitment to minimizing waste and promoting circular economy practices. Beyond its sustainability aspect, Bag-in-Box packaging ensures wine **freshness and longevity**, thanks to its **airtight design** that prevents oxidation. This means consumers can enjoy high-quality wine over an extended period, reducing the likelihood of wastage. In essence, Bag-in-Box packaging represents a sustainable packaging solution at Tikveš Winery, offering environmental benefits while maintaining wine quality and convenience for consumers. By embracing this innovative packaging format, Tikveš Winery continues to lead the way in sustainable practices within the wine industry.





## 3.5 Stakeholder Engagement and Materiality Analysis

*We engage with our stakeholders regularly to understand their concerns, incorporate their feedback into our sustainability efforts and increase the level of engagement with stakeholders, including investors, customers, and communities, on ESG and climate-related matters.*

Accordingly, in 2023 only, we conducted the following activities in close collaboration with our internal and external stakeholders:

- **Customer Satisfaction Survey** to gauge stakeholder satisfaction with the company's governance practices (see more in 5.1 Customer & Consumer Satisfaction).
- **Consultations for the grapes production** twice during 2023 with our partners/cooperants to discuss the protection and production of quality grapes. The following objectives were communicated at the meetings:
  1. Introduction to grape quality standards for the needs of Tikveš.
  2. Criteria for grape quality including the vineyards, yields, agro technical operations, and the harvest.
  3. Yield Control Guidelines and price conditions.
  4. Protocol to deal with water stress, time, and rate of watering.
  5. Observations, Guidelines for identification and protection from diseases and pests.
- **Stakeholder Engagement** – Tikveš held **two (2) public consultations** with different focus groups including regulators, lenders, investors, peers, suppliers, grape growers.

- **Internal Materiality Assessment** – Tikveš conducted a thorough materiality assessment through an online survey to collect feedback from all internal stakeholders (employees, management team, shareholders). The internal stakeholders were asked to prioritise 17 identified material issues in terms of the Company's impact on the environment and the society as well as the impact of those issues on the Company's performance.
- **External Materiality Assessment** - Tikveš successfully implemented a materiality assessment through an online survey to collect feedback from all external stakeholders. Our Company is proud of the active participation of external stakeholders as we received with **more than 370 responses** from clients, regulators, lenders, investors, peers, suppliers, and grape growers.

To identify Tikveš Winery's Material issues a benchmarking Analysis was conducted to identify the best Environmental, Social, and Governance (ESG) sectoral practices from peers within the industry. An online ESG survey was developed to capture insights from key stakeholders regarding ESG Material Issues.

Responses were received from various stakeholder groups, including:

- Shareholders
- Management team
- Employees
- Winery's suppliers
- Customers
- Financial institutions
- Other external stakeholders

### Stakeholder Participation

The survey engaged 372 internal and external stakeholders in the process. Tikveš encouraged diverse participation across all stakeholder groups to ensure a comprehensive understanding of material issues from various perspectives.

### Data Collection and Analysis

To assess the Material Issues the Company gathered the responses from stakeholders to assess their importance. Data were analysed to identify recurring themes, trends, and areas of consensus among stakeholders. Qualitative and quantitative analysis techniques were utilised to prioritise material issues based on their significance and relevance to Tikveš Winery's business operations and stakeholder interests.

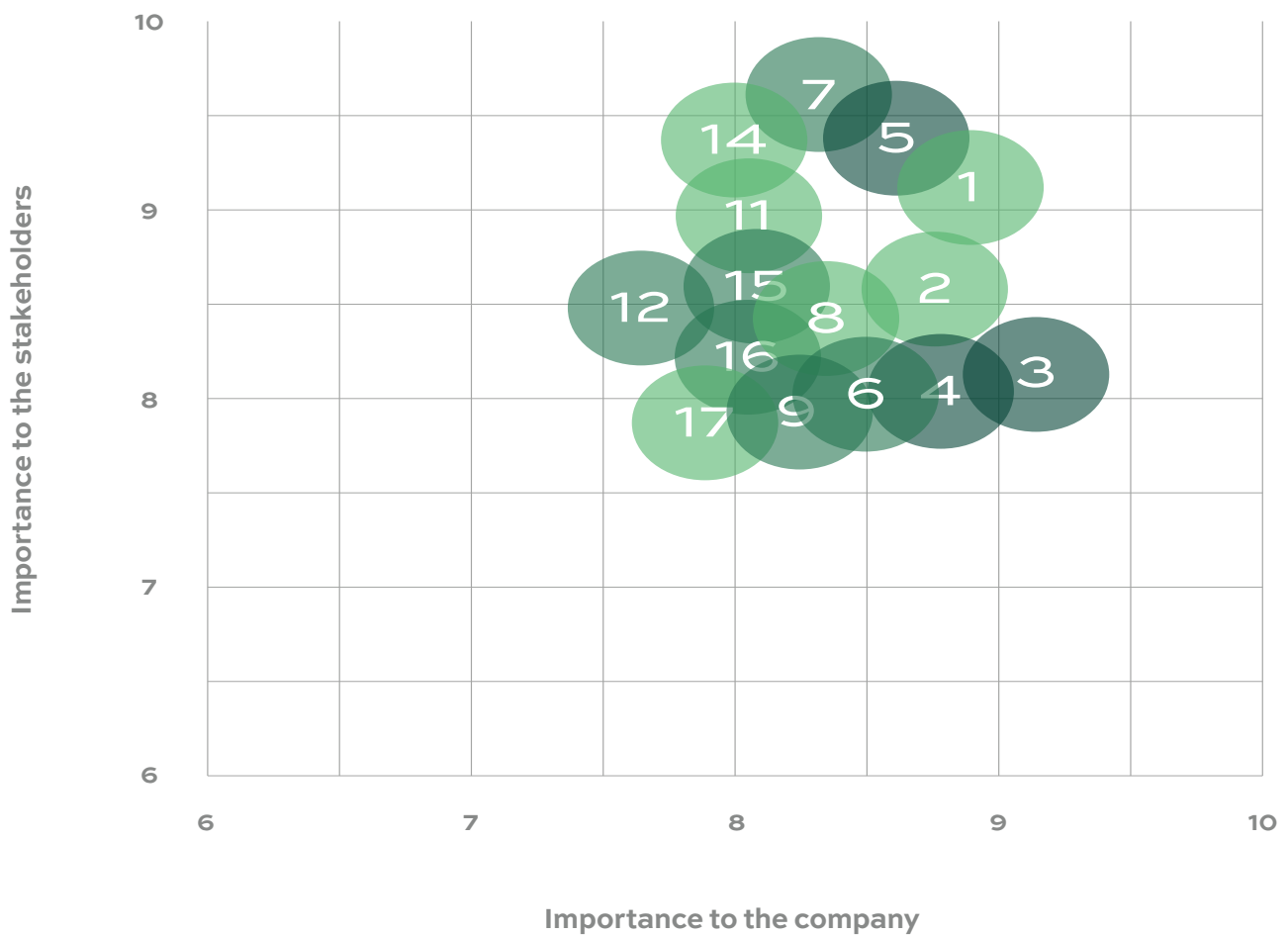
### Materiality Assessment Results

The survey results of our materiality assessment are presented below, highlighting key findings and insights. Materiality assessment results contributed to the mapping and development of Tikveš Winery's Strategy and Action Plan.

No.	Tikveš Winery - ESG Material Topics
1	Sustainable winegrowing
2	Climate risk
3	Human Capital
4	Health, safety and well being
5	Product safety procedures
6	Product safety for consumers
7	Customer and Consumer satisfaction
8	Energy management
9	Sustainable Growth
10	Transparency and Disclosure, Business Ethics, and Policies
11	Waste management and Circular Economy
12	Responsible Supply chain management and Distribution
13	Risk Management
14	Water Management
15	Stakeholder engagement
16	Corporate Governance
17	Materials Sourcing



## Tikveš Materiality Matrix



# 4 CHEERING NATURE

4.1 Sustainable winegrowing

4.2 Environmental & Energy  
Management System

4.3 Energy Efficiency Measures

4.4 Water Use and Conservation

4.5 Waste Management & Circular Economy



## 4.1 Sustainable winegrowing

### Tikveš introduces first wine from certified organic grapes



In 2023, we introduced our first certified organic wine, a Chardonnay 2022 vintage, from certified organic grapes at the boutique winery Lepovo, emphasizing indigenous varieties, excellent terroir, and an artisanal approach.

During this year's traditional celebration of St. Tryphon—the holiday of growers and winemakers—we unveiled Domaine Lepovo Chardonnay 2021, our first wine produced from certified organic grapes. Starting with the 2021 harvest, all other wines from the Lepovo estate will also be made from organic grapes.

The organic production at the Lepovo estate reflects our commitment to following the most modern global trends in grape cultivation and wine production. It is also an integral aspect of our strategy and activities for sustainable development and green transformation of the winery.

Organic grapes are cultivated under strict regulations that mandate limited use of protective measures and treatments. The organic production certificate guarantees that these wines are made from grapes grown in harmony with nature. Additionally, special oenological procedures have been implemented, such as using wild yeasts that naturally occur on grapes and aging and maturing wine in special concrete tanks and amphorae.

*Organic vineyards in Lepovo*



## Accelerating Organic Wine Production and Precision Viticulture

In alignment with our strategy to implement ESG principles by the end of next year and position Macedonian wine on the global wine map, we have initiated a partnership with Perleuve, one of the world's most renowned consulting firms in viticulture, based in Italy. This esteemed company is led by Giovanni Bigot, a world-leading researcher and promoter of viticulture innovations, who also serves as a consultant for top wineries in Italy and other countries.



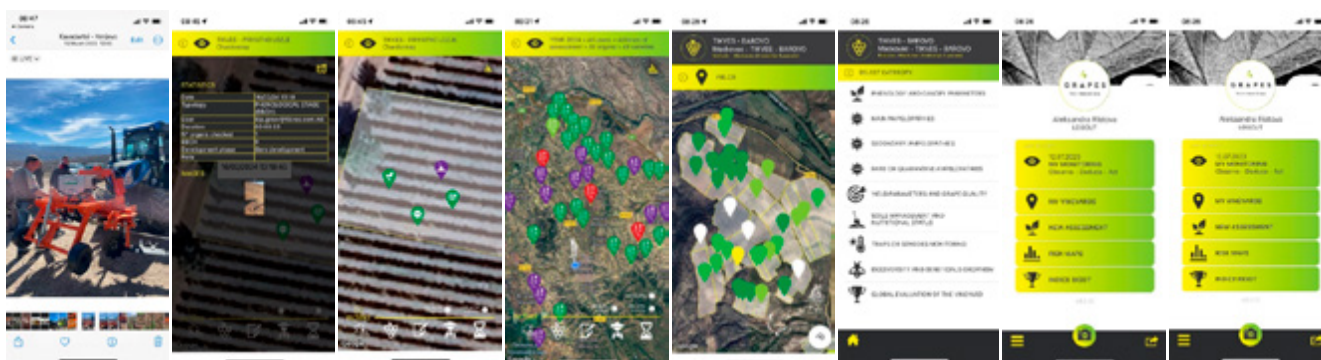
**PER** Coltiviamo  
**LE +** grandi  
**UVE** vini

## AI and Digital Solutions in Viticulture

Tikveš Winery showcased its implementation of innovative digital solutions and artificial intelligence in viticulture at the AI Tech Summit. This event took place in Skopje from September 29 to 30, organized by TBM Group from the Czech Republic, with the M6 Educational Center as a co-organizer.

At this prominent summit, renowned speakers from around the world discussed AI's transformative role across various industries. Tikveš Winery, a regional pioneer in employing digital solutions and AI in viticulture, shared its experiences and insights, demonstrating the significant benefits for the wine sector. A highlight was the introduction of a **software application called 4Grapes**, designed for real-time vineyard monitoring, which plays a crucial role in enhancing vineyard quality, early detection of grape diseases, assessing climate change acts, and facilitating swift responses.





AI & Digital Solutions for Sustainable Winegrowing

*“Tikveš collaborates with leading global experts to open a new chapter in viticulture”*

As part of this five-year collaboration, which is supported by the **European Bank for Reconstruction and Development (EBRD)**, Perleuve’s expert team, headed by Bigot, provided

observations, and share cutting-edge practices with the Tikveš team for producing healthy, high-quality grapes that yield premium wines.

*“Our efficient vineyard monitoring system gathers data for all significant parameters affecting grape quality”*

Tikveš has already established an efficient system for monitoring the vineyards that provides data on all important parameters for the quality of the grapes, starting with the method of cultivation, the correct use of soil resources, irrigation, protection against diseases and pests, as well as data from the agro-meteorological stations and satellite images of the plots.

All these data are processed in a software application for monitoring - “4Grapes”, which allows monitoring the state of each vineyard in real time. This is of crucial importance in making timely and correct decisions in viticulture.

*With the digitization in grape production and our expertise we are raising the control of the vineyards to the highest level*

The natural conditions we have for growing grapes in our country, as well as the increasingly pronounced impact of climate change, force us to make adjustments and introduce new modern practices in viticulture.

- Improving pruning methods
- Soil Analysis
- Cover crops
- Water stress
- Canopy Management.



*“Transitioning to organic farming practices that replace the use of synthetic chemicals and focus on sustainable viticulture – to make our vines more resilient”*

## Lepovo’s Organic production certified.



Organic Production Certificate

Since 2023, Barovo has started the conversion to organic production of grapes on a surface of 101.6 ha (12.3% of the surface of TCD) and diverse irrigation systems to preserve natural resources.

Irrigation System	Vineyards (ha)	Vineyards (%)
Drip irrigation system	323	39%
Furrow irrigation	142	17%
Dry farming	356	43%

*“We monitor the impact of climate risk on biodiversity”*

Wine producers in North Macedonia’s experienced the effects of climate change on their crops in 2023, with production dropping by up to 40 percent, being one of the lowest vintages in the past few years.

Climate Risks include: floods, hale, extreme rain, extreme heat/draught, frost, temperature volatility, flowering disruption, diseases.

Wine production reduced by 40% (one of the lowest in the past years)



## 2023 Extreme Weather Events

In 2023, extreme weather events resulted in flowering disruption during the spring and a rainy vegetative and flowering season, leading to the occurrence of downy mildew, which almost halved the yields with the local grape varieties. The spraying required to protect the remaining crop against the consequences of heavy rainfalls increased the cost for protection (increased cost of goods sold - COGS).

*“Climate Change is ultimately leading to an increased price per kg of grape of 15-20% for the brought-in quantities”*

Additional issues were raised at certain areas like BAROVO (uneven ripening), caused mainly by water stress and untimely water management.

*“To address climate risks, precision irrigation and Artificial Intelligence will be used, contributing to predictable healthy and quality crops”*



The high differences between the last few vintages (heavy rains or severe droughts) shall be addressed by precision agriculture **and Artificial Intelligence (AI) – agriculture application**, increasing the predictability for healthier grapes and quality and stable yields for the next and forthcoming years.

## Protecting Biodiversity

The environment is recognized as a whole agro-ecosystem in which the vineyards are immersed. This is why, as part of Tikveš's commitment towards the environment, the conservation of biodiversity around the vineyard is deemed critical to the production systems. The **agricultural management plan** aims to accompany the agricultural process, enhancing and integrating the biodiversity in the locations where Tikveš operates, with a focus on quality production.

In terms of weed control, investments have been made in mechanization for substituting conventional weed killers with mechanical removal. Growing cover crops between vine rows decreases erosion, increases organic matter, and improves biodiversity, as the cover itself becomes a natural habitat for several beneficial species.

## *“Preventing soil erosion is key to maintaining biodiversity”*

When planting the vines, the orientation with the lowest possible slope is selected.

**Compost - Investments** have been made in mechanization for mulching and collecting the pruning wood. With the addition of grape pomace and manure, the first production of compost is ready to start. The benefits from the addition of compost include improving soil health (structure and biology), reducing soil and vine variability, enhancing soil water holding capacity, increasing water availability to plant roots, and developing soil microbial activity.

In the vineyards of Barovo and Babuna, bees are raised as **beneficial insects**. Encouragement is given to the presence of beneficial insects like bees that help in Pollination, Increased Floral Diversity, and Genetic Diversity, by facilitating cross-pollination among plant species, bees contribute to genetic diversity. This genetic diversity can enhance the resilience of plant populations, making them more adaptable to changing environmental conditions.

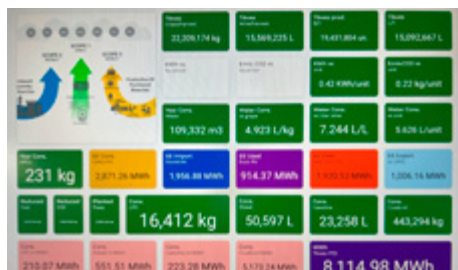
*As part of our five-year collaboration, supported by the European Bank for Reconstruction and Development (EBRD), we adopt cutting-edge practices for producing healthy, high-quality grapes that yield premium wines.*



## 4.2 Environmental & Energy Management System

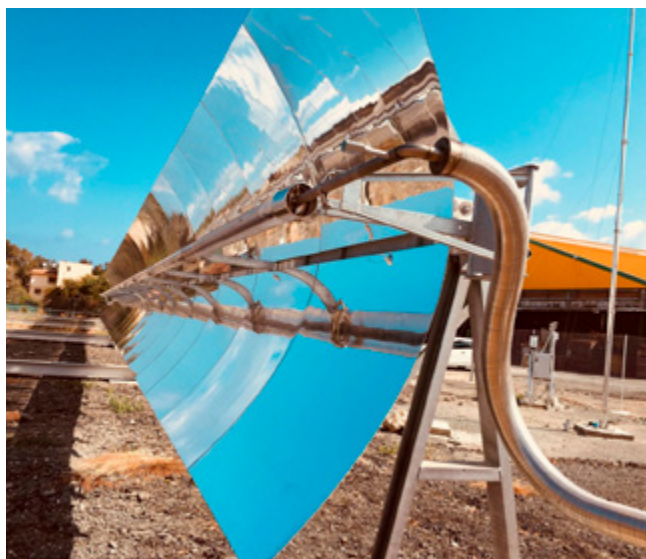
*In 2023, an energy management system was introduced for the production process in our headquarters in Kavadarci. Tikveš is certified with the ISO 50001 for Energy Management in the production area. The Company submits an energy report to competent authorities.*

### Energy Monitoring and Management



Tikveš monitors its **energy sources, and production data in the production area in Kavadarci** on a daily basis, through an electronic system of monitoring and performance measurement. The snapshot on the left shows our software interface. Tikveš is continuously working on further improvements for energy and production data collection and analysis through the use of innovative technologies

### Our Transition to Clean Energy Sources



Transitioning from fuel oil to clean energy sources in the long term in the production process is one of our priorities, aligning with the goal to minimize environmental impact while ensuring efficient energy usage.

In the medium term, upgrading **solar panels and implementing renewable energy solutions** in the future such as Concave mirrors focus the sunlight on a tube containing a heat transfer fluid heating it to around 400°C. This is used to produce steam, emphasizing dedication to increasing renewable energy sources.

Moreover, progressively replacing steam generated from fuel oil with electricity is planned in water heating and sterilization processes. Investments in new machinery to facilitate concentration using electricity are planned. Additionally, the installation of heating pump utilizing electricity for both cooling and heating signifies dedication to innovative, sustainable solutions.

Strategic plans to upgrade solar panels, enhance renewable energy infrastructure, and transition the corporate fleet to hybrids and electric vehicles underscore the commitment to sustainable energy practices.

## Expanding our Renewable Energy Sources

### Renewable Energy Production

To bolster the renewable energy capacity, plans include increasing solar energy generation by 0.4 MW initially, with an additional 0.3 MW in the pipeline.

A comprehensive feasibility study to harness energy from waste is being conducted, further diversifying the renewable energy portfolio. Ongoing efforts include utilizing electricity production and heating for various facilities, including the factory in Kavadarci, with a profound positive impact on the environment and local com-

munity. Incorporating these practices aims to reduce the carbon footprint while benefiting local communities.

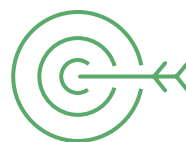
2023 ended successfully for us with an installed a **1.6-megawatt** renewable energy capacity. Our plans for 2024 is the installation of a **0.4-megawatt** and until 2025 another **0.3-megawatt**.

Our ultimate strategic goal is a future capacity of **100% energy consumption from clean energy** sources.



**1.6 MW**

renewable energy already installed until 2023

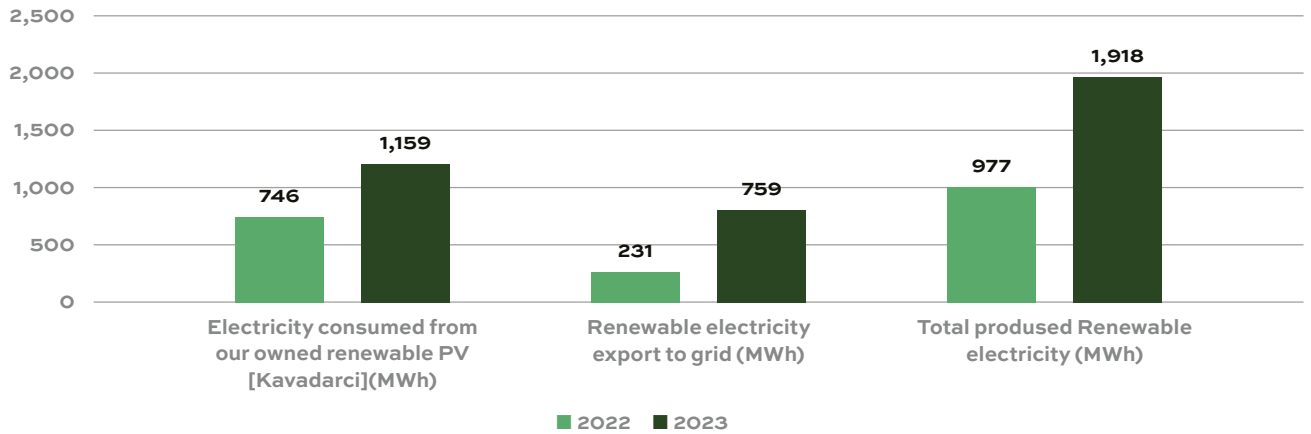


**Target:**

100% energy consumption from clean energy sources



Renewable energy consumption



	2022	2023
Renewable electricity consumed vs Total electricity consumed (%)	23%	34%

*Compared to 2022, this is a 11 percentage point increase in renewables.*



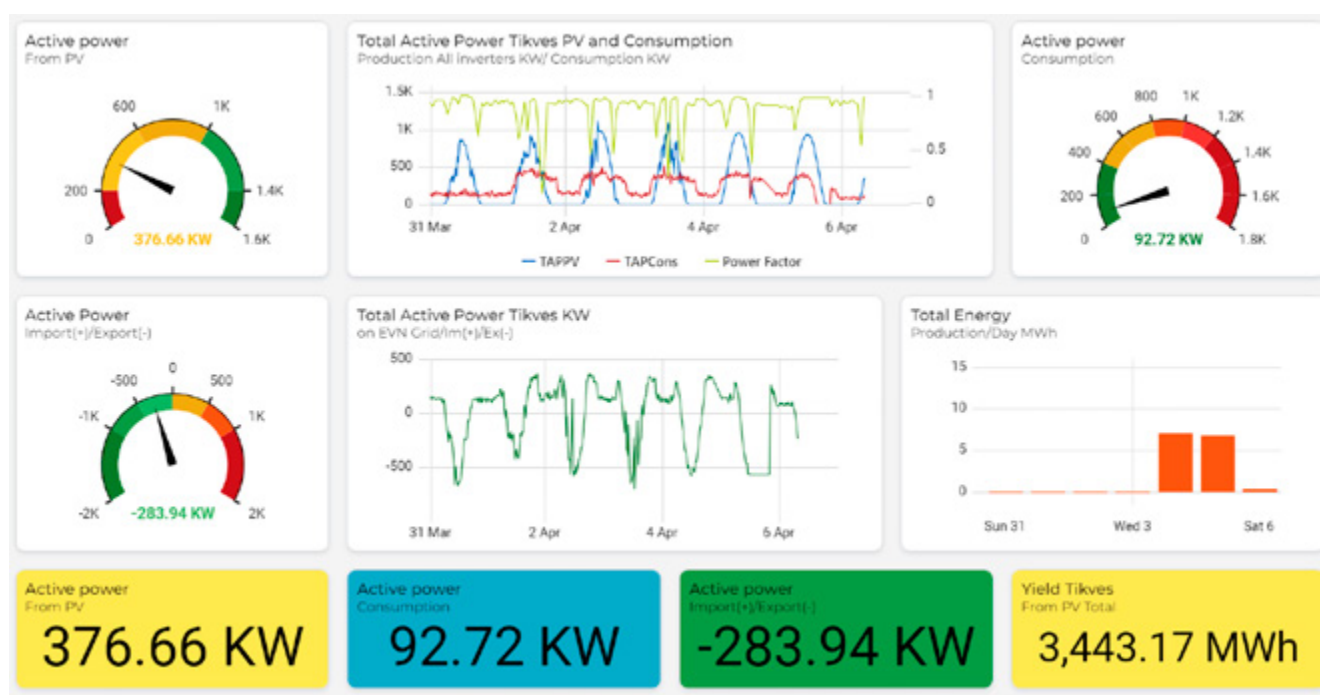
## 4.3 Energy Efficiency Measures

Tikveš is committed to ongoing improvement in energy management. Practices are regularly reviewed and updated, incorporating emerging technologies and methodologies to ensure operations remain at the forefront of sustainability.

*“In the pursuit of energy efficiency, we used 34% less electricity consumption from the grid in 2023 through the adoption of renewable energy and the upgrading of equipment”*

Practices to increase energy efficiency are being enhanced, and internal consumption is being evaluated through both **internal assessments and third-party audits** in the HQs.

The following **snapshot illustrates an example of how we daily monitor** our solar power capacity of our installed solar panels at our production are in Kavadarci.

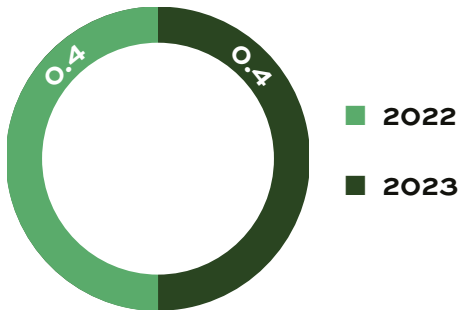


### Energy Consumption Figures\*

	2022	2023
Total electricity consumed from grid (Kavadarci + Skopje) (MWh)	2,452	2,264
<b>Electricity consumed from our owned renewable PV [Kavadarci] (MWh)</b>	<b>746</b>	<b>1,159</b>
Fuel oil consumed in the process (MWh)	3,612	5,156
Total fuel consumed (diesel ;petrol ;LPG) (MWh)	991	986
<b>Total amount of energy consumed (MWh)</b>	<b>7,801</b>	<b>9,565</b>

\*Energy indicators refer to Tikveš Winery and Tikveš Winery office -Skopje

## Total Energy Intensity Ratio (Total)(KWh/L wine)

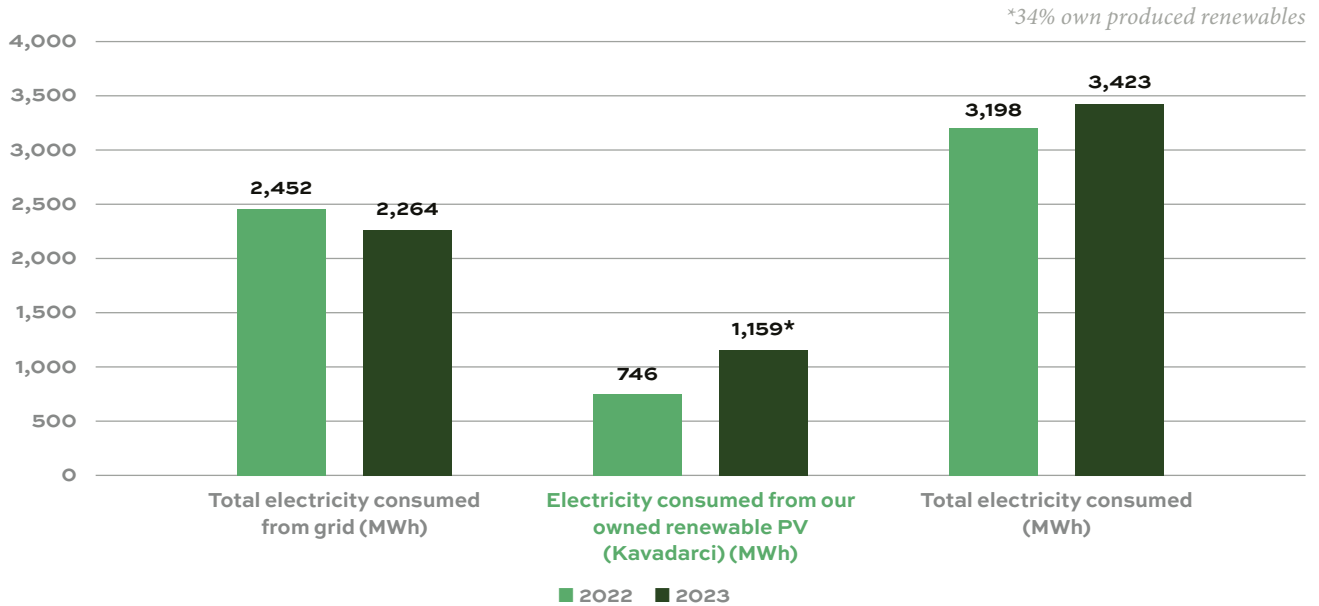


Comparing 2022 with 2023, we have an increase in energy in quantity, but we also have an increased production of wine and grape processing.

Our energy efficiency per liter of product remains the same both in 2022 and 2023 and it moves within the limits of 0.4 (KWh/L wine).

	2022	2023
Renewable electricity vs Total energy consumed	9.6%	12.3%

## Electricity Consumption



	2022	2023
Electricity intensity ratio ( Total )( KWh/L wine)	0.16	0.16



Comparing 2022 with 2023, we have an increase in electricity in quantity, but we also have an increased production of wine and grape processing. Compared to 2022, we have a better mix of used electricity from renewable sources.

Our electricity intensity ratio per liter of product remains the same both in 2022 and 2023 and it moves within the limits of 0.16 (KWh/L wine).

In the following tables they are given separately:

### Fuel oil indicators

	2022	2023
Total of Fuel oil consumed ( MWh)	3,612	5,156

Comparing 2022 with 2023, we have an increase in fuel oil in quantity, but we also have an increased production of wine and distillation process.

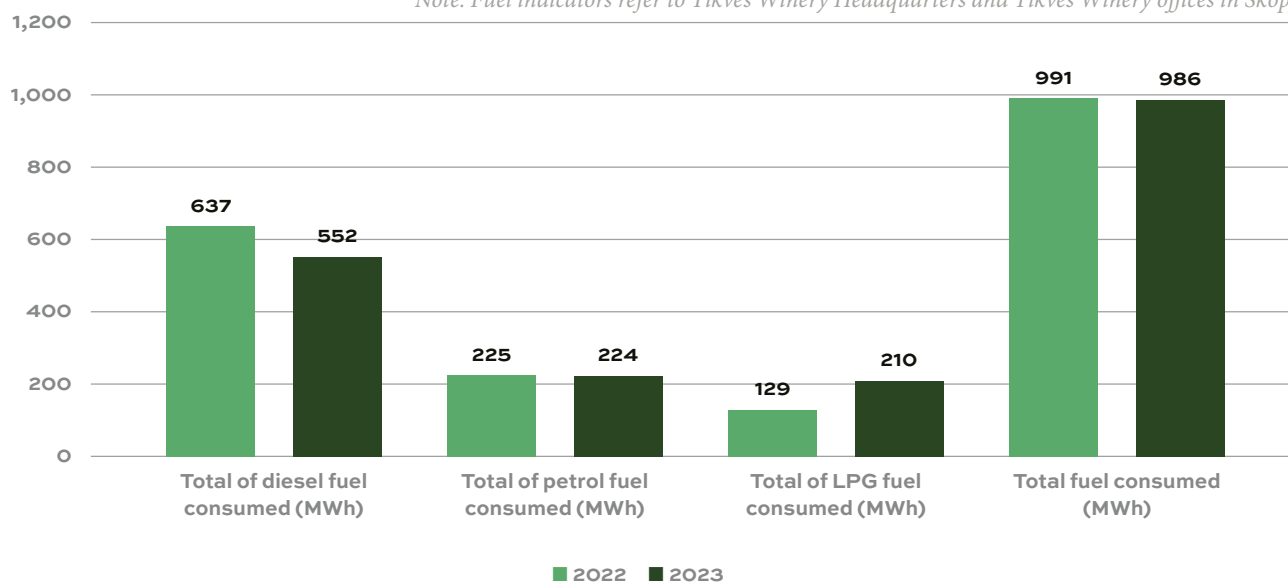
Our energy intensity ratio per liter of product remains the same both in 2022 and 2023 and it moves within the limits of 0.69 (KWh/L wine).

	2022	2023
Energy Intensity Ratio for the process of distillation (KWh/L wine)	0.69	0.69

Our continuous efforts for the transition the corporate fleet to hybrids and electric vehicles is illustrated in the reduction of diesel fuel consumed in 2023, replaced with four hybrid and three electric vehicles. In 2024, we are planning to boost our corporate fleet with more hybrid and electric cars.

### Corporate Fleet Fuel Consumption

*Note: Fuel indicators refer to Tikveš Winery Headquarters and Tikveš Winery offices in Skopje*



# Emissions Measurement

Total direct and indirect emissions are categorised into Scope 1, Scope 2 and Scope 3 emissions as follows:

**Scope 1 Emissions:** direct emissions from owned or controlled sources, including stationery combustion (**fuels and heating sources**), mobile combustion (**vehicles**), fugitive emissions (resulting from refrigeration or air conditioning leakages), and process emissions from industrial processes.

**Scope 2 Emissions:** indirect emissions from purchased or acquired electricity, heat, or steam.

**Scope 3 Emissions:** other indirect emissions that occur in the value chain of TIKVEŠ both “upstream” and “downstream” of its operations.

**Scope 1, Scope 2, and Scope 3 GHG emissions of the production area** are presented for the last **two reporting** years. Our baseline for GHG calculation is **2022**.

**CO<sub>2</sub> emissions measurement is conducted only at Tikveš Winery area in Kavadarci** and offices in Skopje for production and what is bottled in liters (L) to represent volume.

The reduction of our total CO<sub>2</sub> emissions in 2023 results from the challenges in this year’s harvest due to limited grape production -caused by climate change- in conjunction with our efforts to minimise our environmental footprint.

GHG Emissions		2022	2023
Scope 1 emissions <sup>3</sup>	[MTCO <sub>2</sub> e]	4,050	3,636
Scope 2 emissions <sup>3</sup>	[MTCO <sub>2</sub> e]	824	559
Scope 3 emissions <sup>3</sup>	[MTCO <sub>2</sub> e]	17,349	12,488
<b>Total CO<sub>2</sub> emissions <sup>3</sup></b>	<b>[MTCO<sub>2</sub>e]</b>	<b>22,224</b>	<b>16,683</b>

	2022	2023
<b>Carbon emissions intensity ratio[kgCO<sub>2</sub>e/L wine]</b>	<b>1.45</b>	<b>1.07</b>



## 4.4 Water Use and Conservation

*“Tikveš paves the way to a digital future and sustainable viticulture for other wineries in the region”*

Irrigation and quality of vine can be influenced by the amount of water. The vine is a hardy plant that grows deep roots.

- Smart drip irrigation systems are typically used to irrigate vines.
- Drip Irrigation Systems: Utilization of drip irrigation systems to deliver water directly to the base of the vines. This targeted approach minimises water wastage and ensures efficient water use.

Five wells are utilized for irrigation, with 75% of the surface irrigated through the drip irrigation system. Collaboration with experts from Italy, France, and Slovenia in grape production and viticulture processes extends new knowledge and experience to a large part of the vineyards of the partners/entities and winegrowers with whom the winery has long-term partnership relations.

*“Integrating digitalisation, and modernization of domestic viticulture will inevitably result in a positive impact on the Macedonian wine industry”*

With the introduction of these innovations, Tikveš plays a leading role in creating real conditions for long-term, sustainable development of domestic viticulture and the wine industry.

Water indicators refers to Tikveš Winery -Kavadarci and Tikveš Winery office -Skopje

Tikveš monitors water consumption on a monthly basis. In 2023, our total water consumption was **105,974 m<sup>3</sup>**

### Water consumption

	2022	2023
Total water consumed (Tikveš Kavadarci Skopje)(m <sup>3</sup> )	106,023	105,974

### Water efficiency<sup>1</sup>

	2022	2023
Water Intensity ratio (L water/ L wine)	6.94	6.81

### Wastewater Treatment System

Activities to reduce water use, increase water circularity (through water reuse and recycling) and preserve water resources such as a wastewater treatment system is used to treat effluent from wineries before it is discharged to the environment.

Firstly, the Company collects the wastewater from wineries. We keep the solid waste in two separate rooms and in the end the biggest solid part of

wastewater goes to the city landfill. The liquid waste goes to the city’s sewage.

Tikveš adheres to the relevant legislation and conducts audits on wastewater treatment twice a year. This process takes place in April and on the “high season” of Tikveš’s production (August – October). The scope for improvement is the automatization, the measurement, and low parameters.

## 4.5 Waste Management & Circular Economy

Waste management policies and program, including the B-ecological permit, were first established in 2011, and the new one is valid until 2025, with renewal every 7 years. The waste management program was initially established in 2015, and the new one is valid until 2026, with renewal every 3 years. A certificate for EMS ISO 14001 is held by Tikveš. An environmental report is submitted to competent authorities by TIKVEŠ. Recycling and sustainable waste management practices are promoted.

	2022	2023
Comunal waste (tonne)	84	83
Waste from processed grape (tonne) Recycling waste from processed grape 95% in 2023	4,350	3,005
Packaging Waste from a product on the market after use (on the market in Macedonia) (tonne)	2,960	3,025

### Waste to Energy & Circularity

*“We give organic waste to a methane factory in Kavardaci to produce thermal energy and a byproduct is compost which is returned to TIKVEŠ to use compost as a fertilizer in the vineyards”*

Tikveš in harvest 2023 have **3,005,000 kg** waste from processed grape which was recycled by a collaborating company to produce methane and solid fertilizer which in turn will be used at the vineyards.

Tikveš Winery is a member of a non-profit organization that has the task of dealing with packaging waste, after using our products.

Packaging materials are collected through authorized companies and most of this waste is recycled. For 2023, this percentage is 60% recycled packaging waste

	2022	2023
Packaging waste recycling	55%	60%



# CHEERING COMMUNITY

5.1 Customer and Consumer satisfaction

5.2 Employment and Labour Practices

5.3 Health, Safety and Well-being

5.4 Community Engagement



# 5.1 Customer and Consumer satisfaction

*Customer satisfaction is not merely a metric for measuring our success; it is a cornerstone of our ESG Strategy.*

To measure our progress, research is conducted through several tools, including:

- **Face-to-face** interviews with buyers in HORECA channels in North Macedonia to measure their satisfaction with Tikveš products and services, including **customer satisfaction rate**.
- **Daily interaction with clients and consumers** through onsite visits by **Tikveš Sales** to receive their feedback and address their needs.
- A **Usage and Attitude Study** is conducted every two or three years in North Macedonia to identify consumer preferences and trends in the market.
- **Focus groups** are conducted with customers and/or consumers with specific habits or income status, to taste different products before launching them to the market.
- **Neuromarketing tools** are utilized to measure and assess the perception of customers and consumers regarding issues such as labelling, branding, and communication of the products.



In 2023, a **Usage & Attitude study** was conducted for the domestic market to observe the habits and preferences of wine consumers. All data will be used to understand how wine is experienced by consumers, what their expectations are, their favorite wines, and whether organic production is important to them. The following conclusions were drawn:

## Renewable Energy Sources:

Stimulated awareness

94%

Preferred winery

55%

We engage an independent research agency that conducts face-to-face interviews with our buyers in HORECA channels in N. Macedonia to measure their satisfaction by Tikveš products and services. The last survey (December 2021) reported a **customer satisfaction rate of 95%** amongst 360 clients.

We also measure the **customer retention rate**, which was recorded at **96.5%** (last survey took place in 2021, including more than 5,000 points of sales).



## Consumer Safety and Responsible Drinking

*“Tikveš ensures product quality and safety, providing consumers with information on responsible consumption”*

As a responsible producer, Tikveš ensures that consumers are provided with comprehensive information on its products, going beyond legal requirements to include **details on responsible drinking, technical specifications, and vineyard origins**. Moreover, the company prioritizes **consumer safety** by including **labels specifically tailored to pregnant women** and incorporating **recycling symbols** to promote environmental sustainability. By adhering to these stringent standards and practices, Tikveš Winery not only fosters consumer trust and loyalty but also contributes to a culture of responsible consumption. Through its dedication to transparency and responsible marketing, Tikveš Winery sets a benchmark for ethical business practices within the wine industry, further solidifying its position as a leader in economic performance and sustainability.

Tikveš is planning to establish a hotline for customers to submit complaints and feedback. The hotline number and email will be included on the invoice, website, and product. An online application will be developed for our Sales Team to receive formal feedback from clients on the spot. Rewards with TIKVEŠ products will be offered for providing feedback.



## 5.2 Employment and Labour Practices

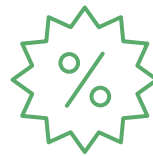
We uphold the highest standards for our workforce, providing fair wages, comprehensive benefits, and continuous training and development opportunities.

Tikveš Winery recognises that the employees are the cornerstone of its success and achievements. Its commitment to labor practices and employment reflects the Company's unwavering dedication to creating a supportive and inclusive workplace environment where every individual can thrive.

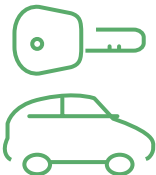
### Employee Benefits



Private Health Insurance



Discounts for Purchases



Company Cars



Seasonal and Holiday Presents



Daily Allowance



Employee Mental Wellbeing Support



Networking and Engagement Activities

## Valuing our Employees

The Company firmly believes that staff's dedication and expertise play a pivotal role in driving the winery's success. Their passion for winemaking and commitment to excellence form the bedrock of Tives's operations.

To express its gratitude and support, the Company offers a range of employee benefits designed to enhance their well-being and quality of life. As part of its commitment to ensuring employees' nutritional needs are met, Tikveš provides one free meal to all staff members during their shifts, fostering a sense of camaraderie and shared experience. Acknowledging the importance of accessibility, transportation costs are covered for employees residing far from the winery, ensuring they can commute to work comfortably and reliably.

Understanding the significance of mobility, Tikveš provides company cars to its employees, facilitating their daily commute and job-related travel needs. These vehicles are divided into two categories:

**Company Cars:** Dedicated solely for business and work-related purposes, ensuring efficiency and convenience in fulfilling job responsibilities.

**Benefit Cars:** Available for personal use 24/7, offering flexibility and convenience for employees' personal transportation needs outside of work hours.

## Empowering Tikveš's Team

Beyond these tangible benefits, Tikveš strives to empower team members by fostering a culture of trust, respect, and continuous growth. The Company actively encourages open communication, collaboration, and professional development opportunities to nurture their potential and support their career aspirations.

## Fostering Fairness and Equity

Fairness, equity, and dignity for all employees are prioritised. Central to this commitment is Tikveš's

unwavering dedication to ensuring fair wages for every member of the workforce.

## Fair Wages

In Tikveš fair wages are a moral imperative. The Company's employees are the heart and soul of the winery, and their invaluable contributions to Tikveš's success are recognised. Every team member receives a wage that is commensurate with their skills, experience, and the prevailing market rates. Tikveš strongly believes that providing fair compensation that reflects the value of their work and enables them to support themselves and their families.

## Equity and Inclusion

The Company's commitment to fair wages extends beyond mere compensation; it is embedded in its broader efforts to foster equity and inclusion within the workforce. Tikveš strives to create an environment where all employees, regardless of background or identity, have equal opportunities for advancement, recognition, and professional growth.

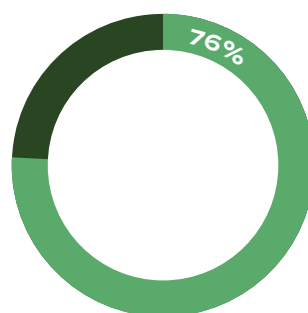
## Continuous Improvement

Tikveš is committed to regularly reviewing and updating its wage policies to ensure that they remain competitive, equitable, and aligned with its values.

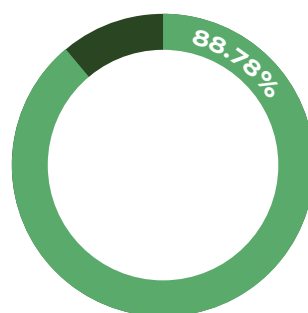
Tikveš Winery's commitment to labor practices and employment extends far beyond mere compliance. Tikveš' employees are viewed as integral partners in the Company's Sustainability journey and success. Tikveš remains steadfast in its dedication to providing them with a supportive, rewarding, and fulfilling work environment. Through its comprehensive employee benefits and supportive workplace culture, the Company aims to empower its team members to thrive professionally and personally, ensuring their well-being and contributing to the continued prosperity of the winery.

Type of workforce composition	Point of differentiation	Percentage
By gender	Male	57%
	Female	43 %
By age group	Up to 29 years old	17.5 %
	30-54 years old	62.1 %
	55 years old and above	20.4 %
By geography	Located in Skopje	23.6%
	Located in Kavadarci	76.4%

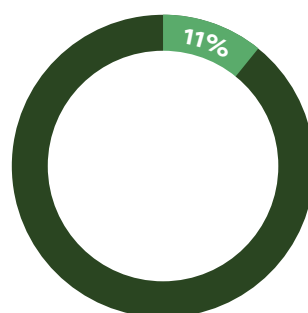
By nationality	Macedonian	201
	Albanian	4
	Turkish	1
<b>Total average number of employees</b>		<b>206</b>



Employee Satisfaction Rate



Employee Retention Rate



Employee Turnover

## 5.3 Health, Safety and Well-being

*Ensuring a safe workplace is a top priority, and our safety programs have reduced accidents by 30%.*

Tikveš Winery continuously enhances systems ensuring the health and safety of its products. Additionally, it expands its processing capacity and consistently invests in innovative infrastructure and technology for production and sales. The company seeks to provide employees with a safe environment and takes all necessary measures to prevent injuries and health hazards. The total number of accidents in 2022 was 3, while in 2023 are registered 2 accidents.

Health and safety of our employees by providing comprehensive private health insurance coverage, offering peace of mind and access to quality healthcare services.

For both injuries no one was hospitalised and both workers received home treatment

Number of accidents

2022	2023
3	2

### Upholding Safety and Responsibility

The safety and well-being of both the employees and consumers are prioritized. Tikveš's commitment to labour practices and employment extends to ensuring product safety, promoting consumer health, and fostering responsible drinking practices.

### Product Safety and Consumer Health

The Company understands the paramount importance of product safety in safeguarding consumer health. Through rigorous quality control measures and adherence to industry standards, Tikveš maintains the highest standards of product safety across its Brands. During the reporting period, Tikveš is pleased to report no incidents or reports concerning consumer health.

### Responsible Drinking Practices

As advocates for responsible drinking, Tikveš is committed to promoting a culture of moderation and awareness among consumers. Through educational campaigns and responsible marketing practices, the Company strives to encourage responsible alcohol consumption and mitigate alcohol-related harm within its communities.



## Supporting our Consumers

Tikveš is planning to introduce a Help/Support Line with the following objectives in mind:

1. The abusive use of alcohol will be addressed through the Help/Support Line, aiming to provide guidance and resources to individuals struggling with problematic alcohol consumption.
2. The impact on human health will be addressed through the Help/Support Line, with information and support services offered to minimise adverse health effects associated with alcohol consumption.
3. The responsible drinking policy will be promoted through the Help/Support Line, advocating for and encouraging responsible drinking practices within the community.
4. Psychological assistance will be provided through the Help/Support Line, offering counseling services to individuals experiencing mental health challenges related to alcohol consumption.

5. The “don’t drink and drive” policy and communication will be emphasized through the Help/Support Line, raising awareness about the dangers of impaired driving and encouraging responsible behavior behind the wheel.

## Health and Safety Compliance

Tikveš’s dedication to labor practices also encompasses ensuring the health and safety of its employees. The Company is proud to report that no penalties for health and safety issues from governmental agencies during the reporting period were incurred. This achievement reflects Tikveš’s proactive approach to maintaining safe working conditions and compliance with relevant regulations.

No report/incident with regard to consumer health during the reporting period.

No penalties for H&S issues from governmental agencies.

## A new office space in Kavadarci promoting efficiency and well-being



In alignment with its commitment to sustainable development and adherence to ESG principles, Tikveš Winery has inaugurated a new office facility in Kavadarci. This contemporary workspace is a harmonious blend of functionality and modern architectural aesthetics, underpinned by sustainable principles. The construction of the office space prioritized ecological and sustainable materials while fully incorporating energy efficiency standards. Renewable energy sources, including a photovoltaic plant dedicated to the winery’s needs, contribute to the facility’s environmentally conscious practices.

The office space design prioritizes spaciousness and comfort, catering to the well-being of employees. An ergonomic interior layout has been implemented, featuring designated areas for breaks, rest, and various amenities to enhance the overall working experience. This investment in a multifunctional business space underscores Tikveš Winery’s dedication to creating an environment that fosters employee health and satisfaction. The total investment for this sustainable and employee-centric business space is one million euros.

## 5.4 Community Engagement

At Tikveš Winery, it is firmly believed that responsibility extends far beyond the production of exceptional wines. The well-being and prosperity of the communities in which operations are conducted are deeply committed to. Dedication to community engagement is ingrained in core values, driving the initiation and participation in various activities that uplift and support surrounding communities.

From volunteering initiatives to blood donation drives, active contributions to the betterment of society are made by Tikveš Winery. The importance of lending a helping hand is understood, and efforts are made to make a meaningful impact through actions. Commitment to community engagement is reflected in participation in cultural and sporting events, where various endeavours that promote local talent and foster community cohesion are sponsored and supported.

More specifically the events that Tikveš organised, participated and supported are the following:

### *Tikveš Winery in Kavadarci Hosts Successful Blood Donation Drive, providing 22 Units of Blood.*

In a remarkable display of community engagement, Tikveš Winery in Kavadarci partnered with the Red Cross to organize a blood donation drive that saw an impressive turnout. A total of 22 units of blood were generously donated, showcasing the collective commitment to giving back and supporting the health and well-being of others. This initiative not only highlights Tikveš Winery's dedication to social responsibility but also underscores the power of unity in making a positive impact within the community.



## *Tikveš Winery Prioritizes Grower Support and Ensures High-Quality Grape Production.*



Tikveš Winery successfully completed payment for the 32.2 million kilograms of grapes – this quantity represents a third of the overall harvest in Macedonia in 2022 – purchased from the last harvest before the legally determined deadline, which falls at the end of April. Payments began immediately after the harvest ended and as required by law, were made in three consecutive tranches.

To ensure the quality production of grapes, Tikveš supports growers throughout the year. This support includes various activities, such as expert advice and education on modern agro-technical methods and practices for vineyard cultivation and protection, assistance in procuring production materials at favorable prices, and offering flexible payment methods for the grapes purchased in shorter terms than the legal ones.

Tikveš provides long-term cooperation agreements, guarantees purchase, and offers incentive bonuses for payment of high-quality grapes to those winegrowers who adhere to the guidelines and standards of grape cultivation, ensuring premium wine production.

## *Struga Poetry Evenings in celebration of the 50<sup>th</sup> anniversary of T'ga za jug.*

For five decades, a timeless bond has existed between Tikveš, renowned for its best-selling wine T'ga za jug, and the Struga Poetry Evenings. The commemoration of the wine's 50<sup>th</sup> anniversary this year is a testament to this enduring connection that began in 1973. At the behest of the festival organizers, Tikveš enologists drew inspiration from Konstantin Miladinov's poem, naming the special wine T'ga za jug.

In celebration of this milestone, poets recited the poem in all its translated foreign languages, and a special label was crafted, faithfully recreating its original appearance from half a century ago. The partnership between Tikveš and the Struga Poetry Evenings stands as a tribute to Macedonian culture and tradition. This collaboration continues to serve as a source of inspiration for emerging generations of poets and wine enthusiasts, ensuring the enduring legacy of both art and wine.







### *Diplomatic Harvest 2023: Ambassadors contributed to the creation of the quality wines of Tikveš.*

In a unique and special gathering, members of the diplomatic corps were invited to participate in the Diplomatic Harvest 2023 at the Lepovo vineyards. This exclusive event provided diplomats with a firsthand experience of grape harvesting and an opportunity to actively contribute to the crafting of Tikveš Winery's premium wines. The longstanding tradition, curated by Tikveš Winery, aims to showcase Macedonian wine excellence and highlight the exceptional climatic conditions conducive to producing top-tier wines. By involving ambassadors in the grape harvesting process, the event fosters a deeper connection between the diplomatic community and the winemaking heritage of the region, creating a memorable and collaborative experience.

### *The world's film elite enjoyed the top wines of Tikveš*



Laureates and participants of this year's International Cinematographers Film Festival "Manaki Brothers" enjoyed the top wines of Tikveš during their visit to the winery in Kavadarci. Immersed in the enchanting ambiance, they delved into the region's extensive wine history and the winery's

rich heritage, gaining a brief yet captivating glimpse into the artistry behind crafting top-tier wines. The experienced team from Tikveš expertly guided them through an exploration of authentic wine flavors, featuring tastings of Temjanika Luda Mara, Domaine Lepovo Chardonnay, Babuna Red, and Terrasse à l'Ombre. To complete the experience, guests indulged in the distinct taste of VS yellow brandy.

As a longstanding tradition, Tikveš Winery consistently lends its support to the International Cinematographers Film Festival "Manaki Brothers", aiming to contribute to the development of Macedonian contemporary culture in this unique and meaningful way.

### *Tikveš Winery part of Wizz Air Skopje Marathon 2023*



Promoting a culture of well-being and healthy living, Tikveš Winery enthusiastically joined the Wizz Air Skopje Marathon on October 1, 2023. In a vibrant display of resilience and teamwork, Tikveš employees actively participated in the race, underscoring the company's dedication to the health and overall well-being of its team members. The marathon serves as a symbolic representation of Tikveš Winery's steadfast commitment to fostering a healthy lifestyle among its employees. Prioritizing the wellness of its workforce is a core value for the company, integral to the organizational culture it cultivates.

### *International conference for Vranec World Day*



Tikveš actively participated in an international conference on October 5, dedicated to celebrating Vranec World Day. The goal of this annual event is to enhance global recognition of the Vranec variety and rising to the level with the other well-positioned varieties worldwide. The conference, focusing on Vranec, was followed by a wine salon showcasing a diverse array of wines crafted from this distinctive variety. Representatives from Tikveš engaged actively in the conference, sharing their experiences in producing Vranec wines and their successful placement in foreign markets.

### *Tikveš, with Conference support at M6 Educational Center, addresses gender gap.*



Tikveš Winery was a proud partner of the conference “Women’s leadership - it’s time to break the ‘glass ceiling’ by bridging the gender gap”, which was held yesterday at the M6 Educational Center. The focus of the event was gender equality from a different perspective.

The male and female participants not only dealt with sensitive topics related to the gender gap, but also presented solutions to bridge these differences. Branka Slaveska, the newly appointed General Director of Tikveš, shared her extensive international experience as one of the panelists, contributing to the discourse on this current topic.

## 14<sup>th</sup> Annual Young Wine Festival 2023

The 14<sup>th</sup> edition of the Young Wine Festival, traditionally hosted by Tikveš Winery, was held on November 18<sup>th</sup> and 19<sup>th</sup> 2023, drawing a diverse crowd of public figures, business leaders, and both local and international associates of Tikveš. This event celebrated the new season's young wines from selected micro-locations, offering guests a delightful tasting experience.

This year's festival not only provided attendees with the opportunity to enjoy young wines' vibrant flavors but also continued the event's humanitarian tradition. Guests contributed to charitable causes, supporting SOS Children's Village and the Enterprise music school, under the leadership of Valentino Skenderovski.



## Tikveš partner of the seventh season of Prespav.

Tikveš is a proud supporter of the seventh season of the cult series Prespav which started broadcasting on December 18, 2023.



Prespav, an interesting blend of entertainment, drama, and magical realism, is directed by Igor Ivanov and written by the dynamic duo Eleonora Veninova and Sasho Kokalanov. With its unique storytelling, the series has become a cultural phenomenon, offering viewers a charming escape filled with light-hearted content and intriguing plots.

In aligning with Prespav, Tikveš reaffirms its commitment to social responsibility and community support, showcasing its dedication to enhancing the cultural fabric of the community it cherishes. As a proud partner of this enchanting series, Tikveš aims to contribute to the joy and smiles that Prespav brings to its audience.



# CHEERING SUSTAINABILITY

GRI Table



GRI Standard	Disclosure	Reference Paragraph
GRI 102-1	Name of the organisation	2. Organisational Profile
GRI 102-2	Primary brands, products, and services	2.2 Our Brands
GRI 102-3	Location of headquarters	2. Organisational Profile
GRI 102-4	Nature of ownership and legal form	2. Organisational Profile
GRI 102-5	Markets served	2.3 Markets served
GRI 102-6	Scale of the organisation	2. Organisational Profile
GRI 103-1	Governance structure	3.1 Corporate Governance Structure
GRI 103-2	Commitments to external initiatives	2.4 Commitments to International and Sectoral Initiatives and Standards
GRI 103-3	Stakeholder engagement	3.5 Stakeholder Engagement and Materiality Analysis
GRI 2-9	Governance structure and composition	3.1 Corporate Governance Structure
GRI 2-14	Role of the highest governance body in sustainability reporting	3.2 ESG Governance
GRI 205	Anti-corruption policy	3.3 Business Ethics, Standards, and Policies
GRI 205-2	Communication and training about anti-corruption policies and procedures	3.3 Business Ethics, Standards, and Policies
GRI 301	Energy	4.2. Environmental & Energy Management System
GRI 301-1	Energy consumption	4.2. Environmental & Energy Management System
GRI 301-2	Energy intensity	4.2. Environmental & Energy Management System
GRI 301-3	Energy efficiency initiatives	Energy Efficiency Measures
GRI 303	Water	Water Consumption
GRI 303-1	Water use and conservation	Water Consumption
GRI 304	Biodiversity	Protecting Biodiversity
GRI 304-2	Interactions with biodiversity	Protecting Biodiversity
GRI 305	Emissions	Emissions Measurement

GRI Standard	Disclosure	Reference Paragraph
GRI 305-1	Direct (Scope 1) GHG emissions	Emissions Measurement
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Emissions Measurement
GRI 305-3	Other indirect (Scope 3) GHG emissions	Emissions Measurement
GRI 305-4	GHG emissions intensity	Emissions Measurement
GRI 306	Effluents and Waste	4.4. Waste Management & Circular Economy
GRI 306-2	Waste by type and disposal method	4.4. Waste Management & Circular Economy
GRI 306-5	Waste directed to disposal	4.4. Waste Management & Circular Economy
GRI 401	Employment	5.2 Employment and Labour Practices
GRI 401-1	New employee hires and employee turnover	5.2 Employment and Labour Practices
GRI 401-2	Benefits provided to full-time employees	5.2 Employment and Labour Practices
GRI 403	Occupational Health and Safety	5.3. Health, Safety and Well-being
GRI 403-1	Occupational health and safety management system	5.3. Health, Safety and Well-being
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety Compliance
GRI 404	Training and Education	Continuous Improvement
GRI 413	Local Communities	5.4. Community Engagement
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	5.4. Community Engagement
GRI 414	Supplier Social Assessment	Supplier Code of Conduct
GRI 201-1	Direct economic value generated and distributed	Economic Impact
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Financial Performance
GRI 600-2	Complaints about breaches of customer privacy and losses of customer data	Grievance Mechanism Procedures

GRI Standard	Disclosure	Reference Paragraph
Sectoral GRI 13: Agriculture		
13.1.1	Management of Material Topics	Materiality Assessment Results
13.1.2	Direct (Scope 1) emissions	Emissions Measurement
13.1.3	Energy indirect (Scope 2) emissions	Emissions Measurement
13.1.4	Other indirect (Scope 3) emissions	Emissions Measurement
13.1.5	GHG Emissions intensity	Emissions Measurement
13.2.2	Financial implications and other risks and opportunities due to climate change	Financial Performance
13.3.2	Impact on Biodiversity	Protecting Biodiversity
13.8.3	Management of significant waste-related impacts	4.4. Waste Management & Circular Economy
13.8.6	Waste directed to disposal	4.4. Waste Management & Circular Economy
13.12.2	Operations with local community engagement, impact assessments, and development programs	5.4. Community Engagement
13.12.3	Operations with significant actual and potential negative impacts on local communities	5.4. Community Engagement
13.19.2	Occupational health and safety management system	5.3. Health, Safety and Well-being
13.19.3	Hazard identification, risk assessment, and incident investigation	5.3. Health, Safety and Well-being
13.22.2	Direct economic value generated and distributed	Economic Impact
13.26.3	Communication and training about anti-corruption policies and procedures	3.3 Business Ethics, Standards, and Policies





**TIKVEŠ**

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Tikveš Winery AD Kavadarci  
8-mi Septemvri 5 1430 Kavadarci,  
Republic of North Macedonia  
[www.tikves.com.mk](http://www.tikves.com.mk)