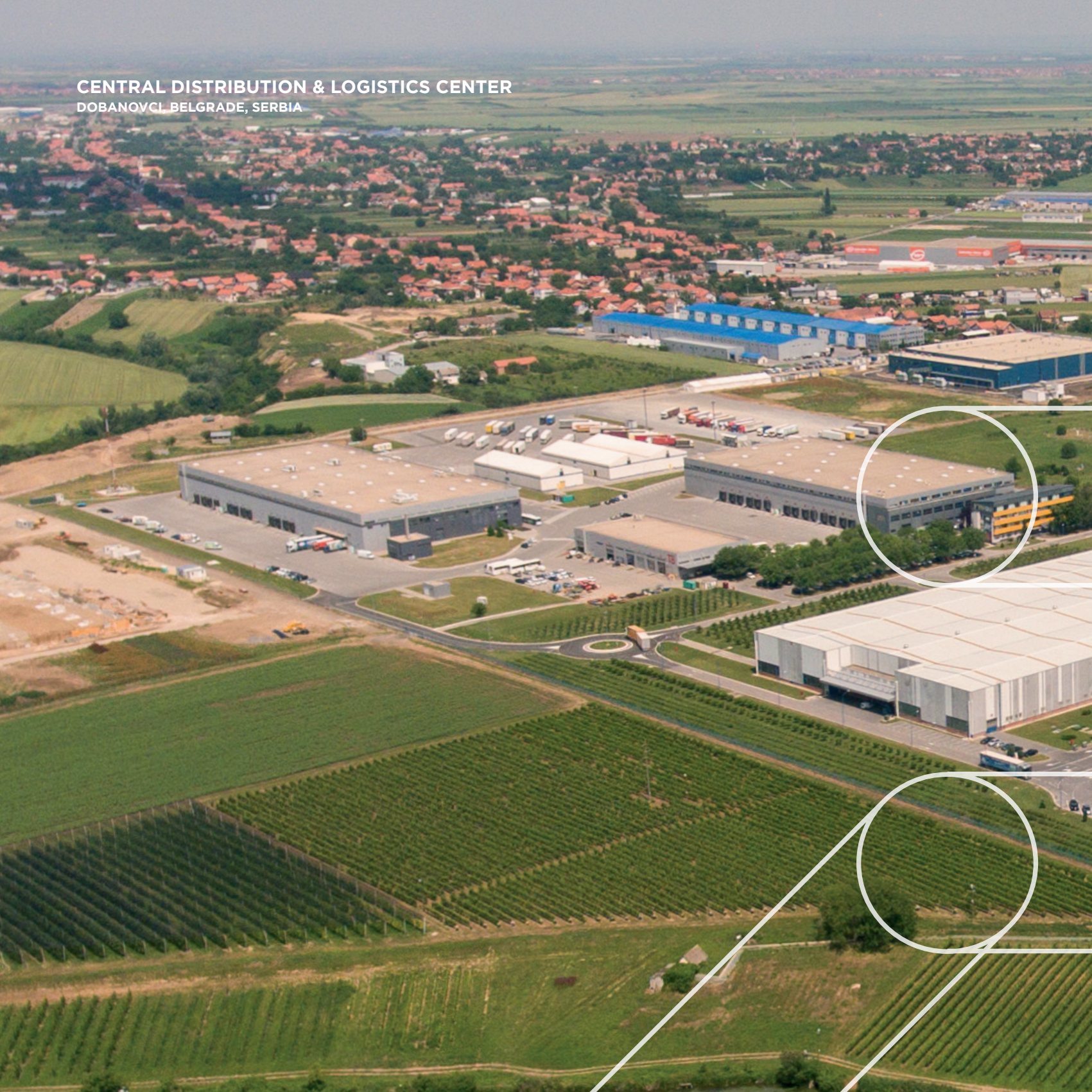


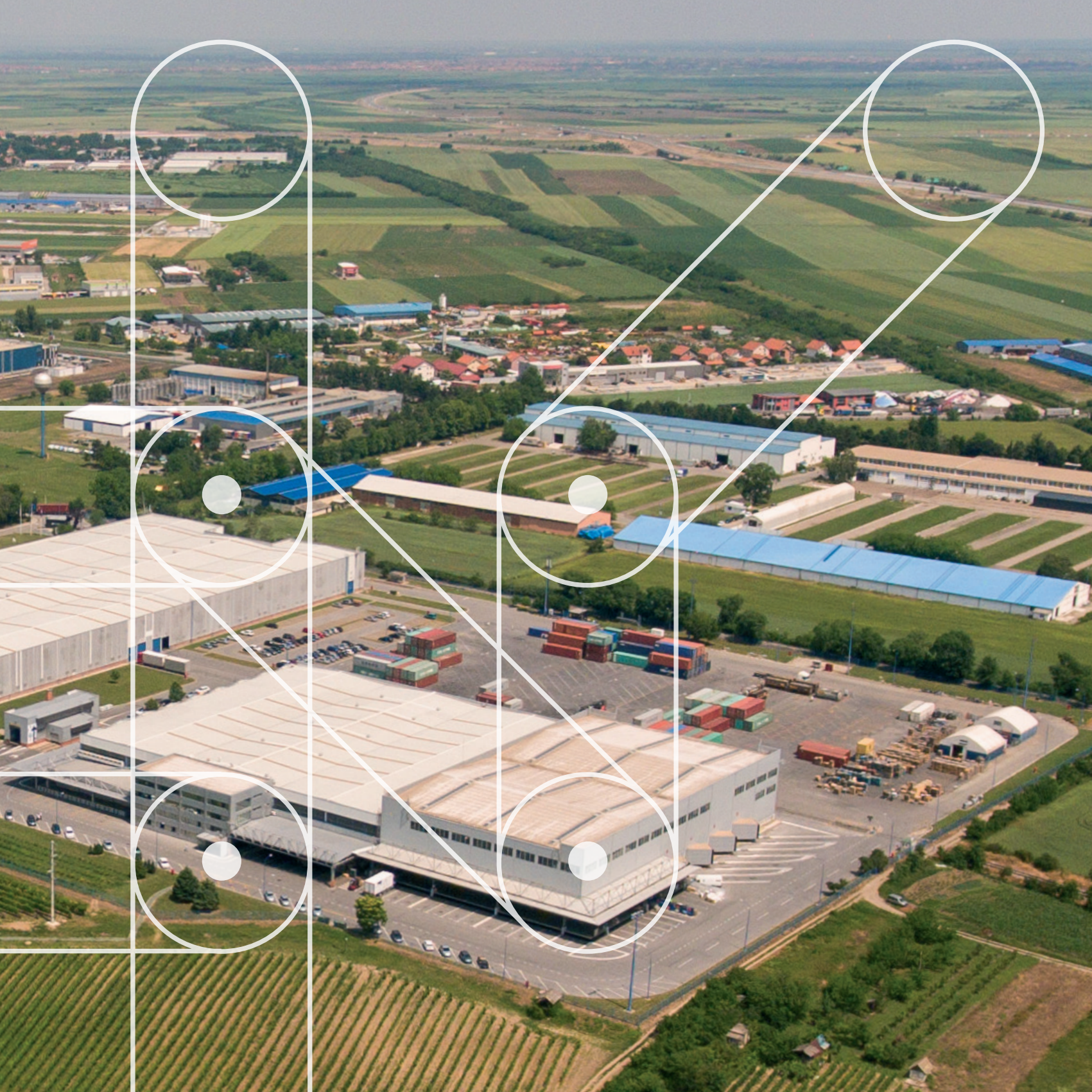
# Nelt

SUSTAINABILITY REPORT  
2016/17

HEALTHY ORGANIZATION

**CENTRAL DISTRIBUTION & LOGISTICS CENTER**  
DOBANOVCI, BELGRADE, SERBIA







## IMPRESSUM

HEALTHY ORGANIZATION SUSTAINABILITY REPORT  
NELT GROUP Maršala Tita 206, Dobanovci, Belgrade  
Edited by Nada Stamatović, Corporate Communications at  
Nelt Group  
Printed by Finegraf, Nikole Marakovića bb, 11090 Belgrade

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# Leader in change

We are proud that after a quarter of a century Nelt has become the synonym for a successful local company. We have our employees to thank for that success. They are our core resource and the ambassadors of our values, but we also have to thank all of our partners for their support and faith.

In 2017, we began a business transformation in order to improve our operations. We recognized the need to change in the decision making and corporative management sections, as well as the need to introduce the principle of family business management. The focus of the transformation was to improve the level of organizational health and the development of our employees, as well as to work on the strategy of further development.

Strategically speaking, our business operations lay on five pillars: distribution, logistics, African markets development, brand investing and supporting startup companies.

Distribution and logistics will remain our core businesses we plan to further develop through organic growth and acquisitions. Improvement and diversification of services, operational excellence, and focus on buyers needs are the key elements of our growth.

Nelt Group has always based its operations on the principles of ethical, responsible and sustainable business and has tried to support the growth of the local and wider community. We invest in educational projects for young talents that give them multidisciplinary knowledge with which they can grow and help the communities they live in. We are responsible towards our employees, the country and the environment and by delivering high-quality products in the safest and fastest possible way we improve the quality of everyday life of people in all the markets we do business with.

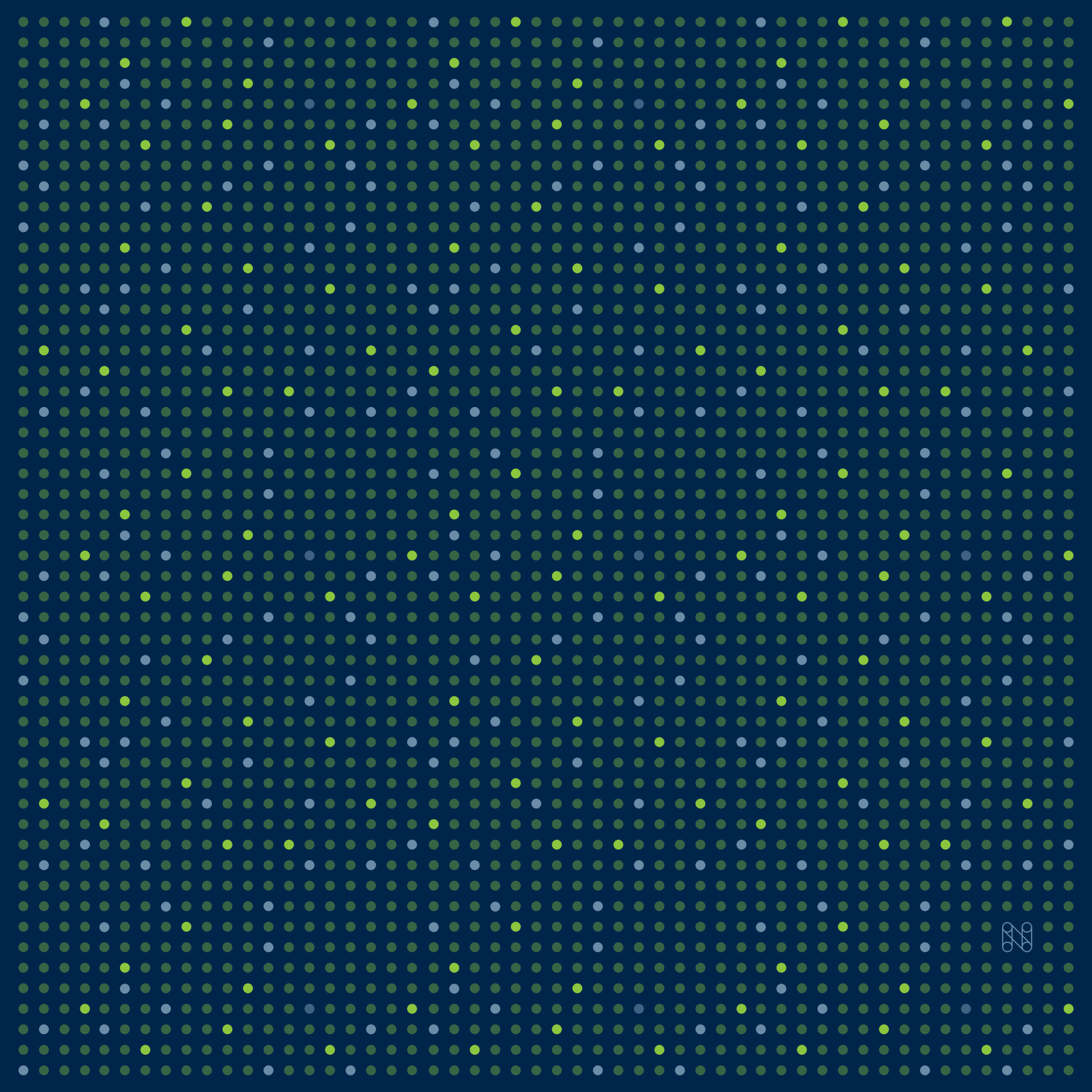
As the confirmation of our success, our focus on innovations and our responsible relationship with the community, we were awarded the "Leader in change" title as the business community recognized in us the important member of the community.

The report before you was written in line with the standards and requests of the GRI methodology that supports the relevance and the quality of the content presented.

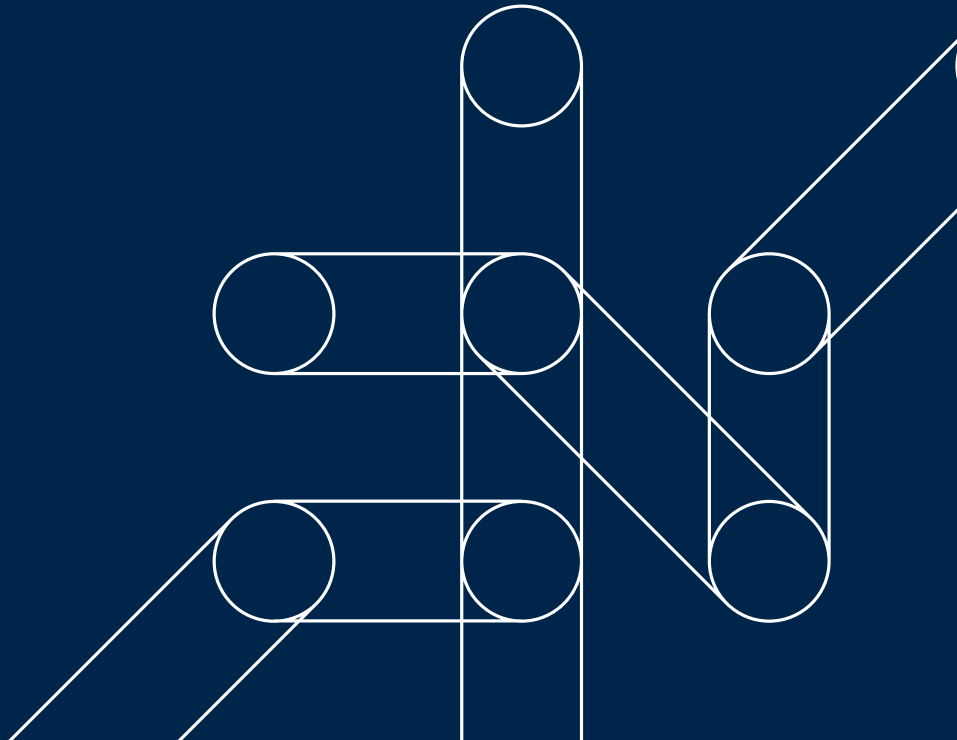
Thank you for your time and attention.

**Milos Jelic**  
Nelt Group CEO





# COMPANY PROFILE





## Nelt Group

Nelt, founded in Belgrade in 1992, is now the leading company in distribution of consumer goods, tobacco and pharmaceutical products as well as logistics services and trade marketing. With the growth of business and expansion on other markets, in 2013 Nelt Group was formed as a system that includes all the companies of shared ownership.

With the transformation of the organization, began in 2018, it was decided that Nelt Group will be the organizational system of companies that deal with logistics and distribution, while companies with other activities will be part of the broader Nelt system. There are 14 companies of different profiles that work in Western Balkans and Africa and employ more than 3,900 people.

Cooperation with partners, large local and international companies, and synergy with their experiences and knowledge bring growth and success to all Nelt Group companies.

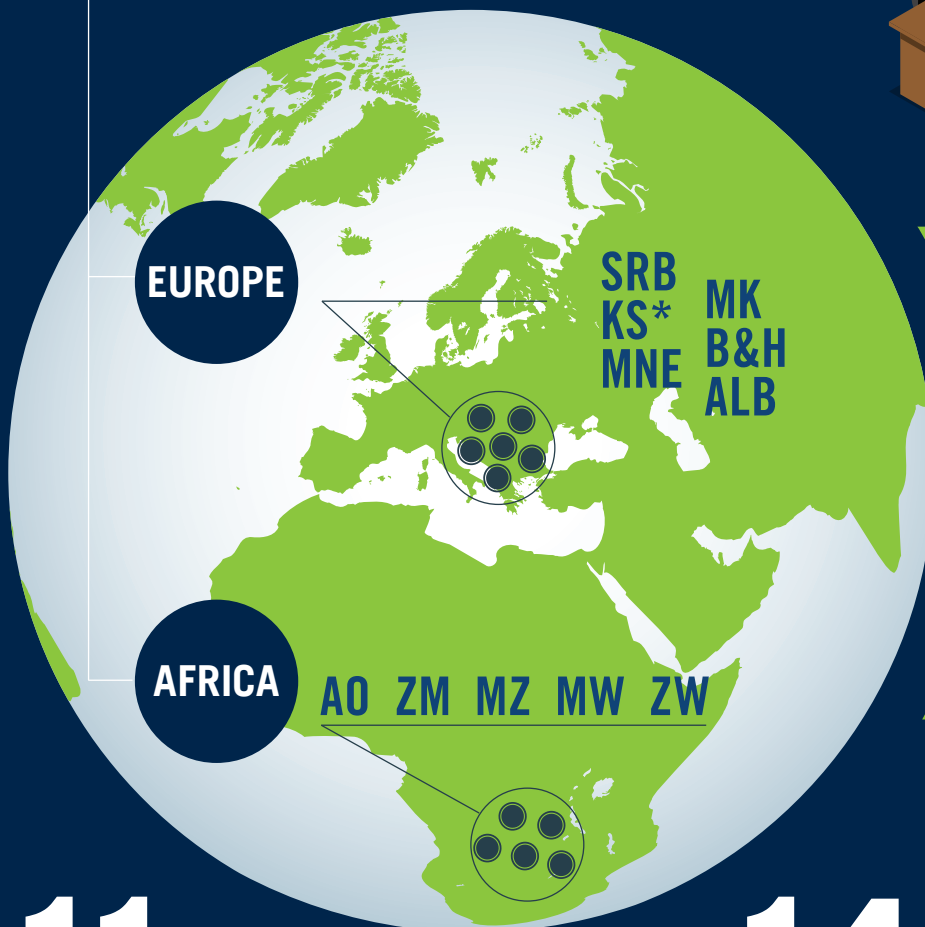


**2**  
CONTINENTS

**55,000**  
POINTS OF SALE

**28,000**  
CUSTOMERS

**80+**  
PRINCIPALS



**3,900**  
EMPLOYEES



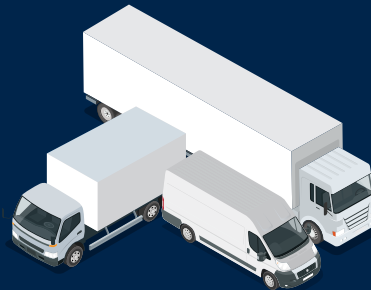
**11**  
MARKETS

**14**  
COMPANIES



Kosovo abbreviation KS\* was placed without prejudicing the status and is in line with the United Nations Security Council's Resolution 1244 and the opinion of the International court of justice on Kosovo's declaration of independence.

450 DELIVERY  
VEHICLES  
**1,330**  
VEHICLES



**132,000m<sup>2</sup>**  
STORAGE  
SPACE

## DISTRIBUTION & LOGISTICS



## OTHER BUSINESSES



DATA PRESENTED ARE THE AVERAGE MEASURED ON JUNE 30, 2018

# Cooperation with business partners

Nelt uses high business standards equivalent to the standards of the principals it does business with.

For all sales programs that Nelt distributes, the availability of goods to final consumers is guaranteed at any time and any place. Committed to its goals, Nelt strives to achieve an ideal distribution - 100% of the recommended portfolio, to 100% of the facilities, 100% of the time. Focus on the quality of services, organization, knowledge of the local market and a good geographical

coverage of the Western Balkans are what sets Nelt apart and make it the leading distribution company in the region. In addition to distribution, Nelt has extensive experience in providing all kinds of logistics services to clients from various industries. Through faster processes, time-saving, transparency, less administration, Nelt provides the optimization of logistics costs. That is how Nelt enables its clients to optimize the effectiveness and minimize costs. If necessary, Nelt can create complete logistics support for its clients, tailored to their specific requirements.

## Our Principals

**P&G**

**SONY**



**Mondelēz**  
International

**Reckitt Benckiser**



**MARS**



**JDE**

**BRAUN**

**DeLonghi**

**DURACELL**



**PHILIPS**



*Kvalitet je najbolji recept.*



**FMCG**

**FATER**



**kent**



**IPEK KAĞIT**



## PHARMACEUTICAL AND BEAUTY PRODUCTS

P&G

SPORTEX

M.M. PHARMA

Johnson & Johnson

mister  
BABY

ISOMAR

HiPP

FlogoSkin

AtopiSkin



sopharma

coswell

4U pharma  
SWISS COMPANY

sebamed

SANOFI

Kneipp

HARTMANN

Nestlé  
Good Food, Good Life

NATURA  
SIBERICA  
COSMETICS OF HERBS  
AND FLOWERS

Reckitt  
Benckiser

COTY

NIVA

uti

COLIC

BOSNALIJEK

DentX  
za zdrave zube i desni

## TOBACCO PRODUCTS

PHILIP MORRIS  
INTERNATIONAL

KARELIA  
Fine Tobacco Since 1888

JTI

TDU  
TVORNICA  
DUHANA  
UDBINA

# Logistics clients



MONTENEGRO



Kvalitet je najbolji recept.



SERBIA





BOSNIA AND  
HERZEGOVINA



MACEDONIA



# Development

1992

Nelt was founded in Belgrade with commerce as its primary service.

1996

Neregelia was founded in Podgorica, Montenegro.  
  
Distribution of Procter&Gamble products in Serbia and Montenegro begins.

1998

Nelt ST was founded in Skopje, Macedonia.

2000

Distribution of Kraft Foods products in Serbia, Montenegro, and Macedonia begins.

2001

Distribution of Wrigley products in Serbia and Montenegro begins.

2006

New distributional center in Dobanovci - Belgrade was opened.  
  
Distribution of Durex and Scholl products in Serbia begin.  
  
The provision of logistics services started in Serbia.  
  
The new distribution center in Montenegro - Donja Gorica, Podgorica was opened.  
  
Nelt acquired 50% ownership of the Orbitko from Bosnia and Herzegovina.

2007

Nelt became the majority shareholder in Neoplanta Meat Industry Novi Sad, and started with product distribution in four Western Balkan countries.  
  
Distribution of pharmaceutical products begins.  
  
A new Distribution Center opened in Skopje, Macedonia.  
  
Distribution of BAT products in Bosnia and Herzegovina begins.

2008

Nelt acquired the Public Warehouses Subotica.  
  
Distribution of Dr. Oetker products in Serbia and Macedonia begins.  
  
Nelt implemented and certified its quality management system in line with ISO 9001:2008 standard in Serbia.  
  
Trade marketing services begin in Mecadonia.

2009

Nelt implemented and certified the HACCP system in Serbia.  
  
Trade marketing services begin in Montenegro.  
  
New distribution centers in Bosnia and Herzegovina open at Banja Luka and Sarajevo.  
  
Orbitko from Bosnia and Herzegovina changes name to Nelt Ltd.



2010

Nelt established and registered a company in Angola.

Distribution of Bambi and Jaffa products in Macedonia begins.

Distribution of Arla products and Fabrika duhana Sarajevo products in Bosnia and Herzegovina begins.

2011

Distribution of Ambi Pur products in Serbia begins.

Neoplanta begins exports in Russia.

Distribution of Phillips and Vitalie products in Montenegro and Bosnia and Herzegovina begins.

Distribution of P&G products in Angola begins.

2012

SAP business software is implemented.

A long-term strategy of the socially responsible business is determined.

Distribution of Neoplanta products in Angola begins.

Nelt established and registered a company in Zambia.

Distribution of P&G products in Zambia begins.

2013

Nelt celebrates 20 years of doing business in Serbia.

Nelt Group is formed.

Nelt introduces HACCP certificate in Montenegro and Bosnia.

Initiated cooperation with Philip Morris International in the logistics segment.

Neoplanta was awarded Global GAP and IFC certificates.

Nelt established and registered a company in Mozambique.

Distribution of P&G products in Mozambique begins.

Distribution of Wrigley and Nestle products in Angola begins.

Trade marketing services begin in Serbia.

2014

Distribution of Mars Foods products in Serbia begins.

The first issue of Nelt Group's internal magazine published - Nelt Magazzin.

Nelt's educational programe starts.

Neregelia voted one of the most desirable companies to work with in Montenegro.

Neoplanta awarded with HALAL certificate for its product range.

In Macedonia Nelt implemented and certified the HACCP system.

In Bosnia and Herzegovina, Nelt started with the distribution of Mondelez and SC Johnson products.

2015

Distribution of Philip Morris products in Serbia and Montenegro begins.

Pick by Voice system of commissioning goods in Serbia and Montenegro introduced.

Nelt becomes the owner of internet store Tako Lako Shop.

Interactive exhibition on Mihajlo Pupin opened.

Actavis becomes new logistics client.

Nelt becomes the owner of Banim Reklame, company from Kraljevo.

In Bosnia and Herzegovina new Regional Distribution Center opened in Bijeljina

2016

Logistics intermodal terminal opens.

Nelt becomes a member of UN Global compact.

Cooperation with Sekopak agreed in terms of disposing of package waste and recycling.

Lactalis becomes new logistics client

2017

Survey of organization health conducted.

Montenomaks becomes the new member of Nelt Group.

Nelt was given the status of Authorised Economic Operator in Serbia and the Status of a privileged customs procedure participant in Montenegro.

In Serbia, Regional Distribution Centers celebrate 20 years of doing business.

Simphony Gold, a new software solution for supplies management, implemented in Serbia.

Nelt becomes a member of Association of exporters and distributors of medical devices.

Distribution of Selpak products in Serbia begins.

Cooperation with logistics leaders and companies begins: Dachser (GER), COSCO (CHN), CMA CGM (FRA), MAERSK (DNK)



# IMPORTANT EVENTS



## Regional distribution center opened in Bijeljina

One million euro investment in the construction of warehouse in Bijeljina opened in December 2015, ended a six-year investment cycle that began with opening of distribution centers in Sarajevo and Banja Luka. By opening these centers, the infrastructure for distribution and sales operations in Bosnia and Herzegovina was established.

Nelt enhanced its 5,000 m<sup>2</sup> of storage capacities in Bosnia and Herzegovina with another 2,000 m<sup>2</sup> of different temperature regimes in Bijeljina. Center covers sales and distribution in northeastern Bosnia, including both entities, Brcko district and cities of Bijeljina, Tuzla, Zvornik, Brcko, Modrica and surroundings.

Warehouses are equipped with state of the art equipment - forklift trucks, WMS G.O.L.D. software and Pick by Voice technology for commissioning goods through voice commands.



# **New Neregelia warehouse in Podgorica**

In line with business needs of Neregelia, a new storage facility was opened in September 2016. The existing infrastructure was expanded with 2,800 m<sup>2</sup>, out of which 2,100 m<sup>2</sup> is ambient storage with 1,500 pallet places, 350 m<sup>2</sup> of shelved storage and 350 m<sup>2</sup> of office space. Storage is equipped with state of the art equipment and technology, including WMS Gold and Pick by Voice. Neregelia now disposes with 7,500 m<sup>2</sup> of storage space. That enabled company to enhance the logistics services and entire business process in Montenegro.





# Intermodal terminal in Belgrade

In December 2016, Nelt opened first private intermodal container terminal in Belgrade. Central distribution & logistics center in Dobanovci is equipped with industrial train tracks that enabled opening this kind of terminal.

Nelt's terminal is connected by rail with every port in the region but also with European ports and land terminals. Highways E-75 and E-70 intersect 6 km from the terminal.

Nikola Tesla Airport is 10 km away and industrial zones Simanovci, Krnjejevci, Stara Pazova and Indjija are 15 to 40 km away. Inside Nelt's logistics center there is a customs office with a warehouse that fully supports different processes and flow of goods.

Benefits that intermodal terminal provides to the clients are lower costs of transport, faster, safer and better quality transport of goods from manufacturers to consumers, lower costs of energy. At the same time, the emission of gases is lower, road infrastructure is less burdened and the business is more effective.

The terminal is open for all participants in import, transit and export of goods, from shipyards and train operators to logistics and transport companies and manufacturers, brand owners and other distributors.





# Montenomaks C&L new member of Nelt Group

By acquisition of 80% of share in Montenomaks C&L, logistics leader in Montenegro, the scope of Neregelia, member of Nelt Group and largest distributive company in Montenegro, has been expanded.

Business excellence in distribution, built during the two decades, with long-term experience in logistics and freight transport of Montenomaks have been introduced on the market as a unique offer of integrated logistics services.

Responsibility towards market demands, following world logistics trends as well as engaging expert and responsible employees, brought Montenomaks C&L on leading spot. By investing in Distribution & Logistics center in Danilovgrad, with Customs office operates within it, has enabled the company to offer integrated services, unique in Montenegrin market. The network today consists of Podgorica, Danilovgrad and 10 other offices on key border crossings, two airports and Port of Bar. The company is a licensed IATA cargo agent and the representative of FedEx company for Montenegro.



A group of people are hiking on a dirt trail through a dense forest. The trail is covered with fallen logs and moss. In the bottom left corner, there is a large, white, stylized number '1' graphic composed of thin lines and circles.

# **Nelt** **GREAT TRANSFORMATION**

The constant growth of the company and the complexity of its organization signaled a need for change. The decision for transformation was the result of company's wish and determination to continue working successfully in the next 25 years, relying on clearly defined values and growth.



## OHI - organizational health index

During the year 2017, a research of organizational health was conducted in Nelt Group using the methodology of consulting company McKinsey. The data obtained through surveys and interviews were analyzed and compared to over 1,200 largest world companies.

The responses of all employees provided the basis for further development of Nelt's organizational culture and the way of managing the organization. Vision and values have been enhanced in order to be closer to all employees, regardless of whether they are working in the field, warehouse or office. A new strategy has been defined that should properly direct everyday efforts and make the work of all employees more productive and with better quality.

Organizational health research confirms company's commitment to base its transformation and future development on strong organizational culture and the value system.

# LIČNA ODGOVORNOST

Vodi tim

Vodi organizaciju

Resursima kompanije kao da su njegovo lično vlasništvo

Resursima kompanije ponaša se kao da su njegovo lično vlasništvo

- Ličnim primjerom pokazuje kako se treba odnositi prema resursima kompanije
- Stara se da se njegov tim ponaša odgovorno prema resursima kompanije

- Postavlja i razvija procese za odgovorno upravljanje resursima kompanije koji su mu povereni u nadležnost

U svakoj nadležnosti, prevratna odgovornost za tuđu i upravljanje ponašanjem je da u njima diskutuje

Odluke na bazi dovoljnog broja potvrđenih u skladu sa ovlaštenjima i nadležnostima i zadatke prema efektima na i prvo rešava najvažnije odgovornost za svoje postupke i odluke i o njima razgovara

- Podržava članove tima u donošenju odluka sa ciljem da ih osnaži i dodatno razvije
- Kreira atmosferu u timu koja podržava otvoreno razgovaranje i uvažava različitost u mišljenjima

- Razvija i stvara sistem u kom se od granicama sopstvene nadležnosti odgovornost za preuzete aktivnosti

Pravilno bezbednosti i bezbednosti svojih kolega

Pravilno o bezbednosti sebe i drugih procedure i pravila za rad i nadležnu osobu ukoliko primeti rizik po bezbednost

- Vodi računa da se u njegovom timu poštuju pravila i procedure za rad
- Svojim odlukama ne dovodi druge zaposlene u opasnost po njihovu bezbednost

- Stvara kulturu zaposlenih

Upravljanje  
Grupe



## The basis for Nelt Group transformation

Company's concept is the concept of the family business through which heirs of owners are included to accept key values and principles of the company.

Through management's competence and development of corporate governing the stability of the company should be secured.



## Ideas and goals of the process

Basic idea was to create a governing network of companies where Nelt Group owners have an ownership stake. The vision was to create a space, under the wider system, that will develop existing and build new companies that will become leaders in their field of expertise. Nelt Group now has two paths of development which are equally important - distribution and logistics. Those paths should enable faster growth, easier management and clear lines of communications. Companies from other fields function within a broader system.

## Key changes in the organization of Nelt Group

Within the core business units are formed: distribution, logistics, African markets and Corporate centers that serve as support for all business units.

Business units should give logistics and African business space and possibilities to develop outside of distribution borders. They have the management on Group level and on the market level, as it was the case since the beginning of transformation.

The corporate center handles all functional units that need to be centralized - finance, HR, IT and other departments for business support.

## A new vision of Nelt Group

We are the NUMBER ONE company in providing complete solutions in distribution and logistics services.

Through delivery of high-quality products in the safest and fastest possible way, we are striving to improve the quality of everyday life for people of Southeastern Europe and Sub-Saharan Africa. In our work, we rely on motivation, energy, winning mentality, competence, innovation, personal responsibility and teamwork of our employees; modern technologies; as well as longterm partner ties with global leaders in their own fields of expertise.

We are a healthy and socially responsible corporation with a long-term perspective, a corporation that invests in its growth, treats its employees with respect, has the ability to react quickly to changes and challenges of the markets, and whose goal is sustainable growth.

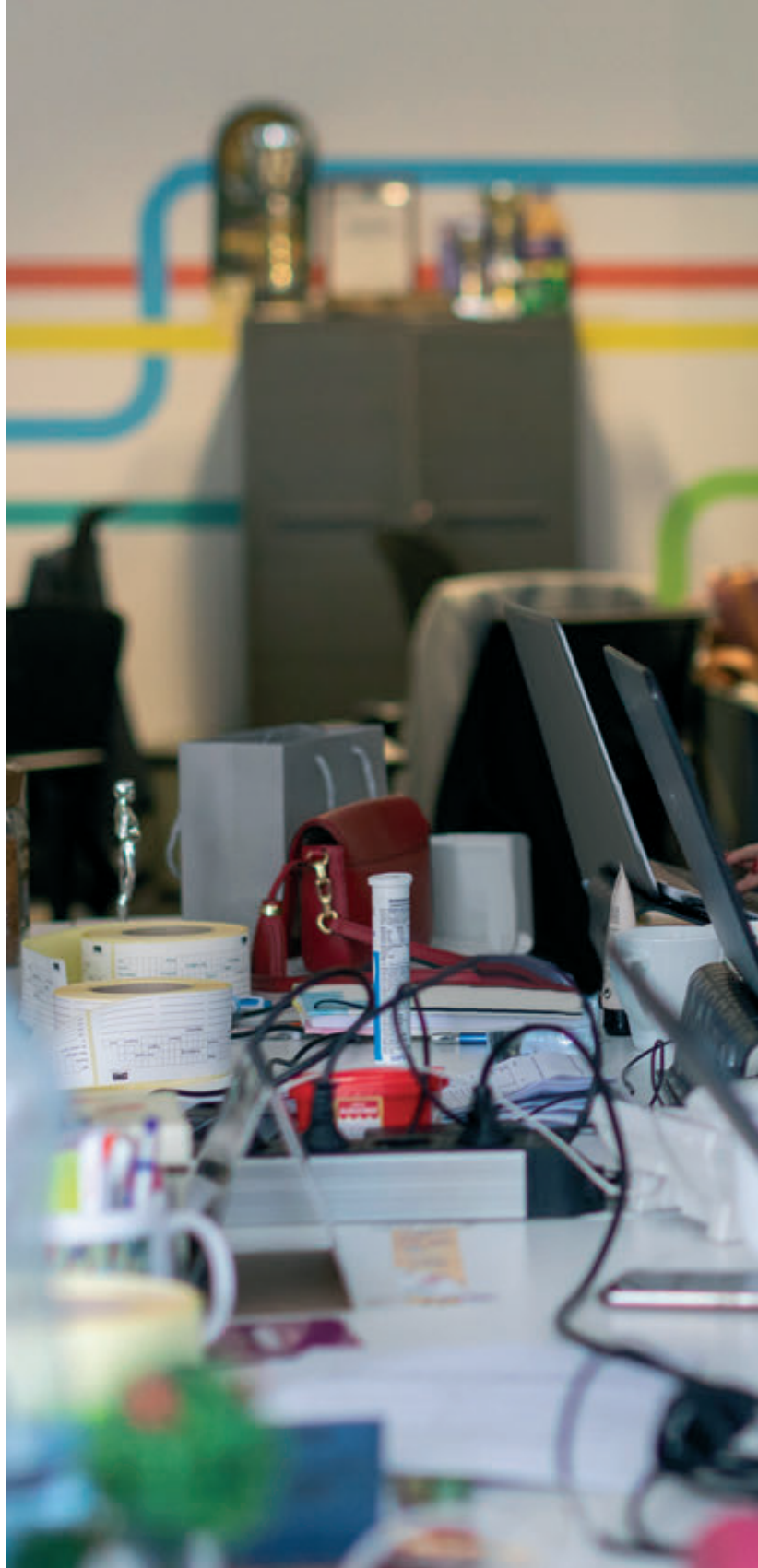
## Importance of changes for every individual, team, division and company within Nelt Group

**Individually**, the transformation gives employee the potential to advance faster and get more experiences in new markets, the focus is on productivity and clear organizational roles; possibilities for personal development and fluctuation between jobs are greater; personal responsibility as the result of clearly defined responsibilities is also larger.

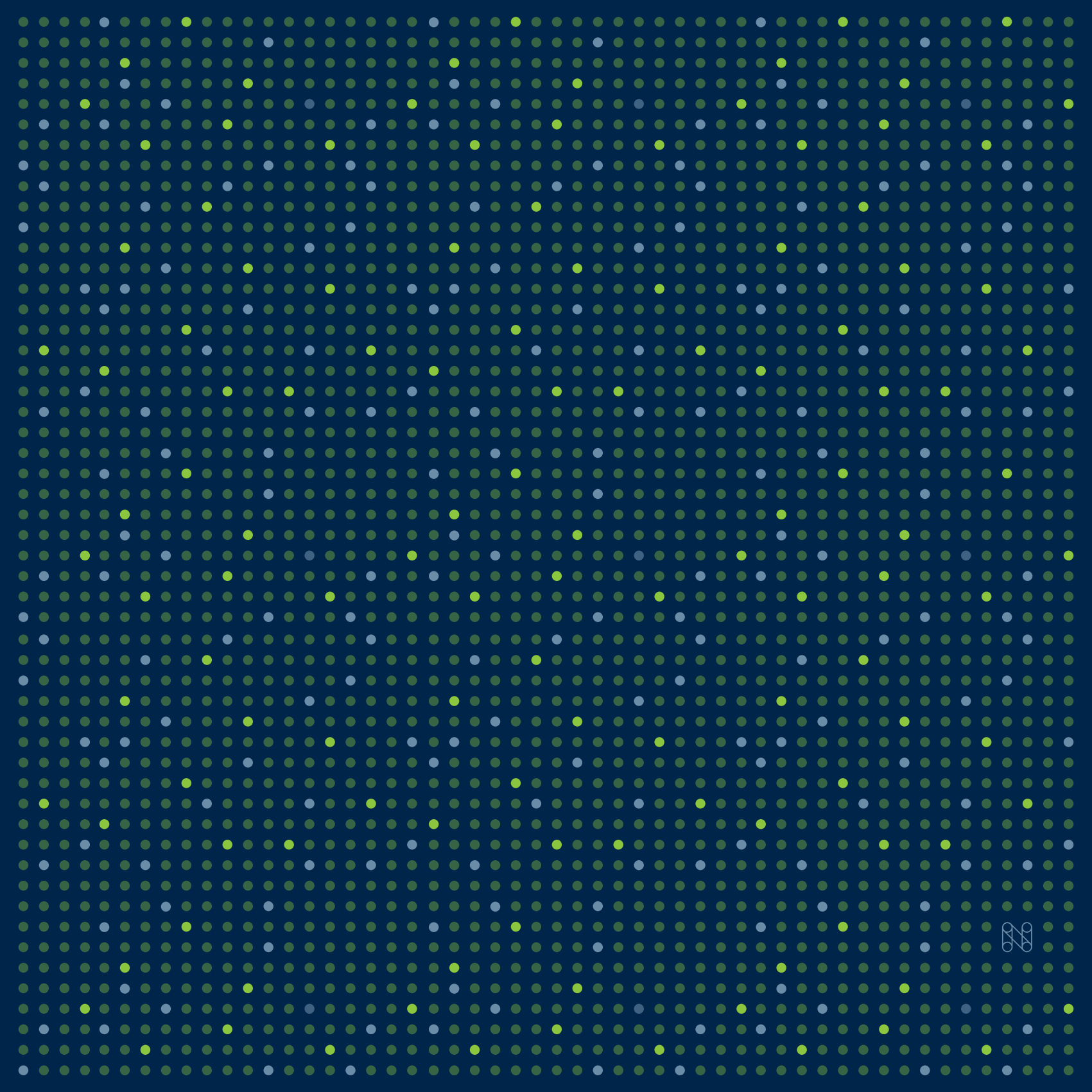
**Teams** have better cooperation and interaction due to more defined roles; greater understanding of the roles of all employees within the Group strategy; better communication between different parts of the organization and faster decision making.

**Organizations** have a more clear development direction and greater possibility to implement previously designed plans; roles in the organization are clearer and the relationships between different sectors in the Group are simpler; tasks and responsibilities are delegated more freely as well the possibility of making decisions.

In the **community**, Nelt remains strong and stable organization, a supporter of local community and a company that fulfills its promises outlined in Group's new vision.



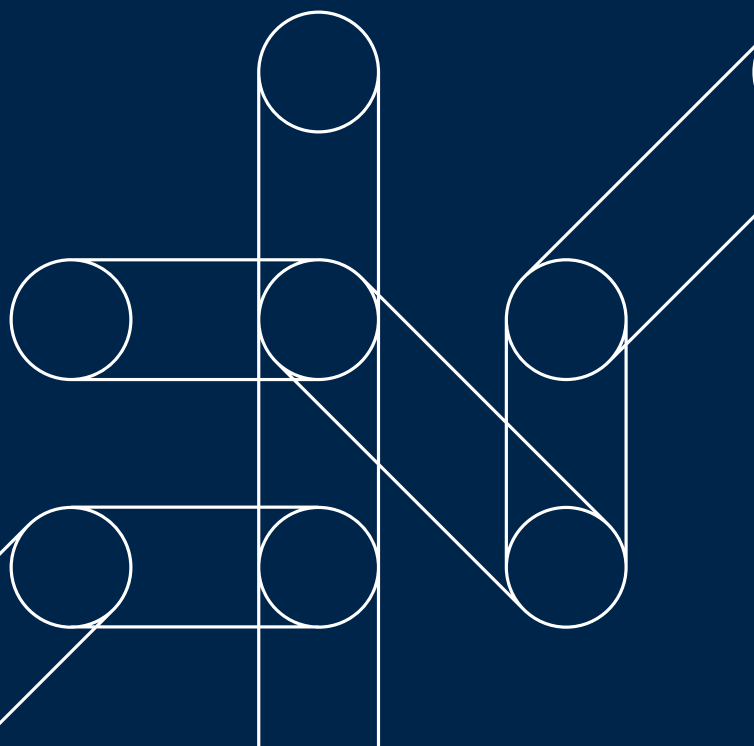




# ABOUT THE REPORT

Together with redefining basic growth directions and business organization, by setting strategic priorities and taking into account the effects of its business, Nelt Group remained consistent to its practice of making sustainability reports that began in 2016 with the first sustainability report for 2014/2015.

Nelt Group companies do business in line with the principles of sustainable growth and constantly develop its practices. Also, they are determined to report regularly about their results and effects on sustainability. In doing that, they rely on the most relevant methodology for sustainability reporting, Global Reporting Initiative (GRI) that gives stakeholders a clear picture of organization's effects with standard and more precise reports of goals achieved.



The 2016/2017 report, unlike the previous one, deals with all Nelt Group companies in Western Balkans: Nelt Co, Serbia; Nelt ST, Macedonia; Nelt doo, Bosnia and Herzegovina; Neregelia, Montenegro. The report is a significant step forward because it includes Nelt Group companies from the same region. The plan for the future reports is to include Nelt Group companies from Africa. The report is in line with current GRI standards and core reporting option.

Nelt's report for 2014/2015 was in line with the core, fourth version of GRI G4 guidelines and deals with Nelt Co doo based in Serbia. It is available on webpage:

**<http://www.nelt.rs/en/downloads/index/Download>**

The person in charge of both reports is Nada Stamatovic from the Nelt Group's communications sector. All questions regarding the published materials can be sent to **[stamatovic.n@nelt.com](mailto:stamatovic.n@nelt.com)**.





# Acknowledgment of success

At the end of 2016, international conference dedicated to socially responsible companies- CSR Forum, was organized for the seventh time in Belgrade. During this event, companies that issued reports for 2015 in line with GRI methodology, were given awards. Nelt was awarded for its first report "Distribution with care" for 2014/2015.





**Nelt**

# **NELT CO, SERBIA**

Nelt Co, Ltd Belgrade (Nelt) was founded in 1992 as primarily trade company. From there, Nelt developed into a leading company in the fields of distribution of consumer goods, tobacco and pharmaceutical products, logistics services and trade marketing in Serbia. In 2006, Nelt opened new, modern distribution & logistics center in Dobanovci, in the heart of Belgrade industrial zone where company's headquarters are located.

**1,850**  
EMPLOYEES

**100,000m<sup>2</sup>**  
OF WAREHOUSE SPACE

**30**  
PRINCIPALS

**90**  
BRANDS

**14**  
LOGISTICS CLIENTS

**13,000**  
CUSTOMERS

**22,000**  
POINT OF SALES

**6,000**  
DELIVERIES PER DAY

**183**  
DELIVERY VEHICLES

**2**  
BUSES FOR EMPLOYEES  
TRANSPORT

**16**  
PULLERS

**22**  
SEMITRAILERS

**749**  
VEHICLES FOR  
FIELD SALE AND  
BUSINESS SUPPORT

In distribution business Nelt cooperates with Procter&Gamble, Philip Morris, Mars, Mondelez, Dr.Oetker, Neoplanta, Reckitt Benckiser, Sebapharma, Panacea, Sanofi, Johnson&Johnson.

In logistics, Nelt cooperates with P&G, Dr. Oetker, Actavis, VIP Mobile, Mondelez, Wrigley, Ball Packaging, Mars, Lactalis.

Nelt is focused on providing high-quality services to its buyers and consumers. Partnerships based on mutual trust are the foundation for the long-term development of the company. Nelt is trying to maintain and strengthen good and professional relationships with its partners, with whom it creates common value - national and international retail chains, wholesalers, small and large private stores, kiosks, pharmacies, gas stations and other retail shops.

The certified system of quality management, in line with standard ISO 9001 was implemented in 2008 and a year later HACCP system. Business-information system SAP was implemented in 2012 with plans to replace

the existing ERP with a solution that can completely accept and support the strategy of sustainable business and development as well as all process within the company. All systems ERP-SAP, TMS-Sky Track (fleet management), WMS-GOLD (storage management) are connected and provide optimal solutions for the logistics tasks Nelt is dealing with.

By introducing Pick-by-Voice technology in 2015, Nelt once again proved its determination to accept, use and improve informational solutions.

By the end of 2016, the first private intermodal terminal in Belgrade was opened. Cooperation with world logistics leaders such as companies COSCO, Dacher, CMA GM, MAERSK was established.





# Anniversary year in Serbia

During 2017, regional distribution centers (RDC) Nis, Kraljevo, Novi Sad and branch in Subotica celebrated two decades of doing business. In all these years, Nelt has improved its business operations, developed new sectors, introduced advanced technological solutions, improved the quality of services, and all of this reflected in growth and development of regional centers and branches.

**RDC Kraljevo** began its operations with 15 employees and a storage unit of 850 m<sup>2</sup>. Twenty years later, RDC Kraljevo, including offices in Sevojno and cross dock in Kragujevac, has 200 employees and 2,500 m<sup>2</sup> of storage space.

**RDC Nis** began with 14 employees. Today, center in Nis spreads on 3,2 ha of land and has 12,500 m<sup>2</sup> of business space. RDC Nis employs 177 people and has 105 vehicles. Within it works a branch in Bor with 980 m<sup>2</sup> storage and office space, 25 employees and 18 vehicles.

**RDC Novi Sad** had 10 employees two decades ago. Today it has 230 employees and storage capacity of more than 5,000 m<sup>2</sup>. Using the cross dock in Zrenjanin, RDC Novi Sad distribute goods on the territory of Zrenjanin, Vrsac, Kikinda.

Nelt's **branch office in Subotica** started operations with 8 employees, using 640 m<sup>2</sup> storage space. Today, the number of employees is over 65 and it has almost 800 m<sup>2</sup> of storage space. Business expansion in the direction of development of logistics services came in 2007 when Public warehouses in Subotica, a company that successfully operates in that area and which has 23,000 m<sup>2</sup> of storage space, was acquired.



# NELT ST, MACEDONIA

Nelt ST Ltd. was founded in 1998 as a company that deals primarily with trade of consumer goods. Based in Ilinden county, the company now employs more than 200 people. Business excellence in distribution, which become Nelt's trademark, is based on the supply chain. Expert knowledge and technologies that were adopted during distribution development are now used in logistics as well.

**218**

EMPLOYEES

**6,500m<sup>2</sup>**

WAREHOUSE SPACE

**20**

PRINCIPALS

**76**

BRANDS

**18**

LOGISTICS CLIENTS

**2,700**

CUSTOMERS

**4,200**

POINT OF SALES

**500**

DELIVERIES PER DAY

**27**

DELIVERY VEHICLES

**2**

PULLERS

**100**

VEHICLES FOR FIELD SALE AND BUSINESS SUPPORT

Nelt's fleet in Macedonia consists of 30 vehicles with capacity from 2.5 to 11 tons, in different temperature regimes. More than 8,500 deliveries are conducted per month. Delivery efficiency is possible thanks to technology systems ERP SAP, TMS-Sky Track, WMS-GOLD that are connected in order to give optimal solutions in fulfilling logistics tasks.

Nelt's infrastructure consists of 6,500 m<sup>2</sup> of storage space in different temperature regimes and storage types, with implemented state of the art technologies and softwares. Within logistics complex in Skopje is a warehouse for customs goods, in thermocontrolled and ambient regime. Clients can obtain all the necessary certificates, attests, as well as sanitary, veterinary and markets permits and certificates.

Nelt ST today works with principals: Procter&Gamble, Duracell, Mondelez, Neoplanta, JDE, Mama's, Jaffa Crvenka, Dr. Oetker, BIC, Hipp, Ipek Kagit. Since 2017, cooperation began with principals: Sportex, Filippo Berio, Natura Siberica, SA Infinity, Sebapharma, Europe.

In logistics segment partners are BMW, Vip, Atom, Partner, Stokomak, Enex Inženjering, Vitalia, Casa Italia, Burger King, Tehnomarket.

+ НИЕ СМЕ КОМПАНИЈА

# БРОЈ ЕДЕН<sup>x</sup>

× ВО СПРОВЕДУВАЊЕ НА  
КОМПЛЕТНИ РЕШЕНИЈА  
ЗА ДИСТРИБУЦИЈА  
И ЛОГИСТИЧКИ УСЛУГИ





# NELT, BOSNIA AND HERZEGOVINA

Nelt Ltd. has been operating on the market of Bosnia and Herzegovina since 2006. In addition to the headquarters in East Sarajevo, there are regional distribution centers in Banja Luka and Bijeljina, as well as cross dock in Mostar. The company employs 339 people.

**339**

EMPLOYEES



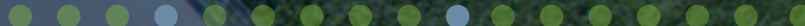
**14**

PRINCIPALS



**26**

LOGISTICS CLIENTS



**8,000**

SALES POINTS



**48**

DELIVERY VEHICLES



**2**

TRAILERS

**7,500m<sup>2</sup>**

WAREHOUSE SPACE



**36**

BRANDS



**4,500**

CUSTOMERS



**1,000**

DELIVERIES PER DAY



**2**

PULLERS



**174**

VEHICLES FOR  
FIELD SALE AND  
BUSINESS SUPPORT

Thanks to continuous improvement of the quality and expansion of the range of services, as well as investment in employee development, Nelt Ltd is today one of the leading companies in the territory of Bosnia and Herzegovina, which provides high quality services in the field of distribution, logistics and marketing, trying to achieve maximum efficiency and effectiveness in the business. Nelt's infrastructure in Bosnia and Herzegovina consists of 2,000 m<sup>2</sup> of office and 7,500 m<sup>2</sup> of storage space in an ambient, cold and frozen regime. Monthly, more than 20,000 deliveries are conducted in Bosnia and Herzegovina.

In distribution, Nelt Ltd. cooperates with principals such as Arla, Bambi, Mondelez, Neoplanta, BIC, Japan Tobacco International, Jacobs Dowe Egberts, Sony, HELT, Karelia, Kent, ZLD, Philips, Bosnaplod, TDR.

In logistics, its clients are Bosnaplod, Lactalis, R&S, Atom, Jami, Lukas Nakic, Fratello, Bonita, JTI, Hepok, Telrad, Calsberg, Alf-Om, Safhal, Bosnet, Pharmamed, Paleta Plus, Vitamnika, Mlijekoprodukt, Japanauto, TMR, Prevent, BB Farm, Select Food, Sammer&Co Shipping Company, Valexin.



# **Decade of successful business in Bosnia and Herzegovina**

Ten years of Nelt's successful business in Bosnia and Herzegovina was celebrated in October 2016. From a small representative in Eastern Sarajevo, Nelt grew into a company with more than 300 employees in Eastern Sarajevo and regional centers in Bijeljina and Banja Luka. Nelt distributes products of well known international and regional brands and is ambitiously embarking in the logistics sector. Nelt d.o.o. is today recognized as one of the most desirable employers in Bosnia and Herzegovina!

Thanks to joint efforts of employees, former and current, initiatives that were implemented and dedicated work, a successful organization was built.

On the day of the anniversary, two-year contract of cooperation with SOS Children's villages in Bosnia and Herzegovina was signed, in line with company's philosophy of responsible business.



# NEREGELIA, CRNA GORA

Neregelia Ltd, founded two decades ago in Podgorica, is today the leading company in Montenegro in the field of distribution of tobacco and pharmaceutical products and consumer goods.

During the first 20 years, Neregelia committedly built ties with its buyers and principals. All the necessary standards and technical innovations are implemented. With careful planning, investments, teamwork and synergy with other Nelt Group companies, Neregelia in Montenegro distributes products from 25 principals. Those are the leading companies in consumer goods, tobacco and pharmaceuticals industries Mars, Philip Morris, Mondelez, Sebapharm, Neoplanta.

NEREGELIA

**184**  
EMPLOYEES



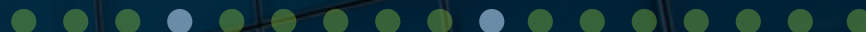
**7,500m<sup>2</sup>**  
WAREHOUSE SPACE

**25**  
PRINCIPALS



**90**  
BRANDS

**30\***  
LOGISTICS CLIENTS



**850**  
CUSTOMERS

**2,100**  
POINT OF SALES



**600**  
DELIVERIES PER DAY

**20**  
DELIVERY VEHICLES



**84**  
VEHICLES FOR  
FIELD SALE AND  
BUSINESS SUPPORT

\*Acquisition of 80% stake in Montenomaks C & L, a logistics leader in the Montenegrin market, significantly expanded the logistics of Neregelia and increased portfolio clients.

Through Neregelia distribution system, 2,300 products are delivered daily to buyers. Within 24 to 48 hours, 400 sales points are visited with 100 distribution vehicles. All have the same goal, to reach the company's ideal - 100% products in 100% facilities in 100% time.

Because of that, the company invested in 2016 in 2,500 m<sup>2</sup> new storage units. Neregelia today has the infrastructure that spreads on 7,500 m<sup>2</sup> with different temperature regimes and ways to store goods. Those facilities have modern storage equipment and technology including WMS Gold and Pick by Voice - a system of commissioning goods through voice command. That way, an operator can focus on selecting the goods without interrupting the process and checking the paperwork. By improving the existing system, the safety of workers is improved as well as productivity and precision of storage.

With customs mediating, Neregelia is recognized in Montenegro Customs office as a reliable partner. This state institution gave Neregelia the status of Authorised Economic

Operator in 2018. That helped company to shorten the amount of time needed for customs processing of goods and thus enabled them faster delivery.

Neregelia in Montenegro distributes products from companies Procter&Gamble, Philip Morris, Mondelez, Wrigley, Jacobs DE, Neoplanta, Duracell, Braun, De Longhi, Ipek Kagit, Fater, Mokamard, Vitalia, Mars Overseas Holding, Reckitt Benckiser, Mars South Central.

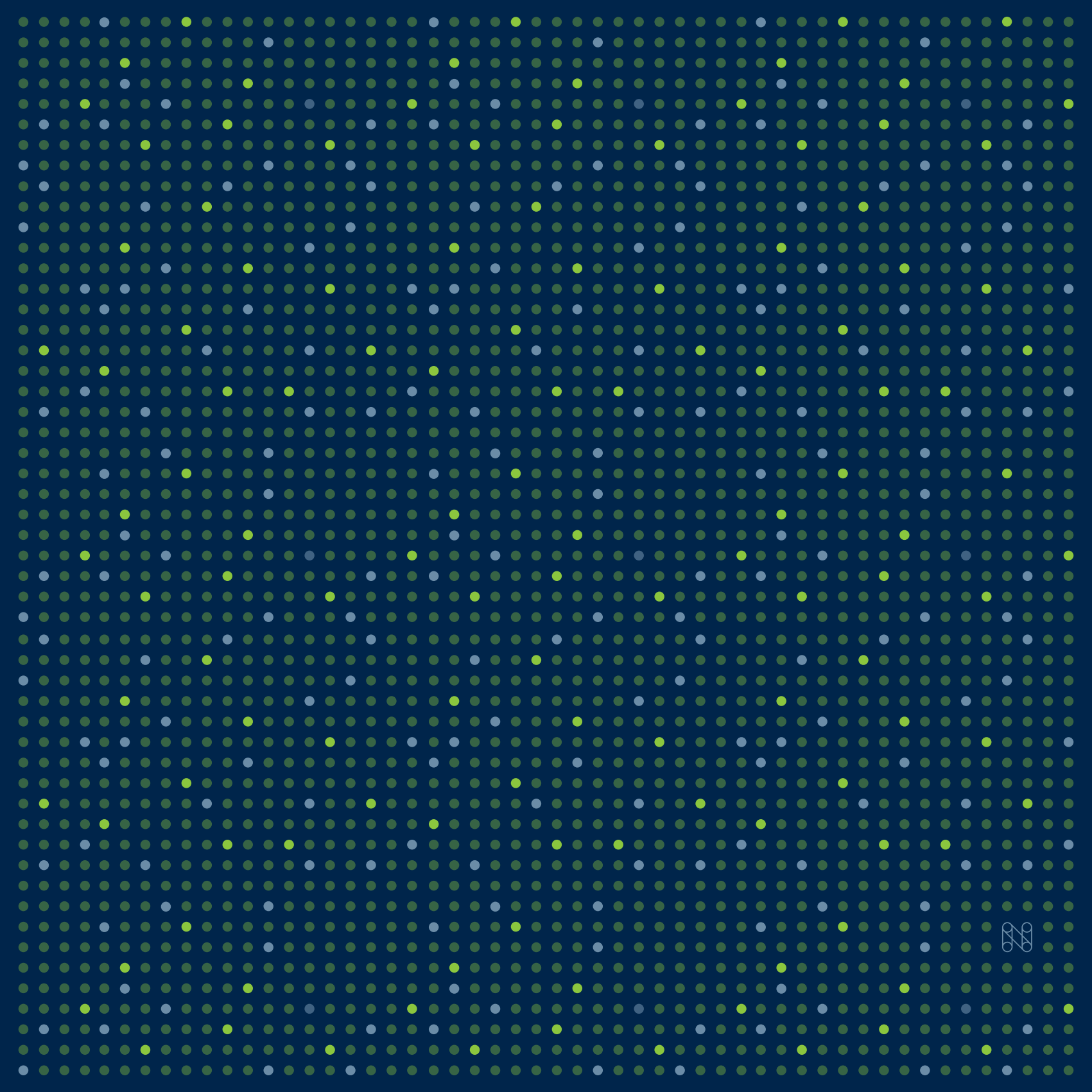
In the field of pharmaceutical brands, Neregelia distributes products by companies Uti, Mr baby, Niva, MM pharm, Isomar, Dr. Colic, Dolorelax, Sebamed, 4U pharma, Johnson&Johnson. New principals are Coswel, Kotty and Kneipp.



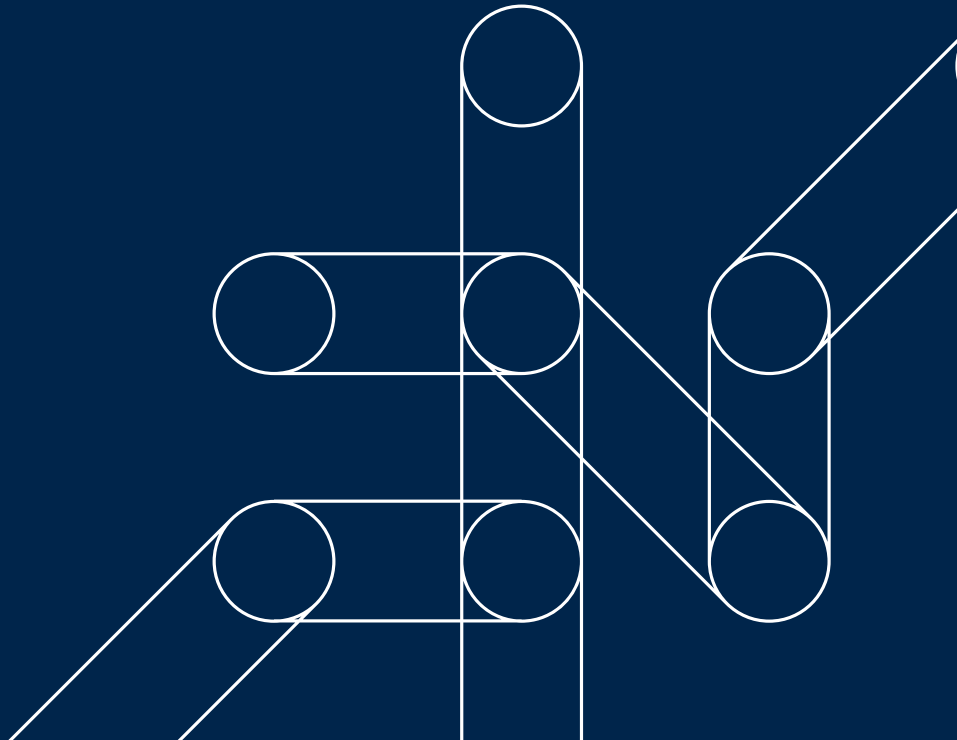


# 20 years of Neregelia

In May 2017, Neregelia celebrated 20 years of successful business. Two decades ago, Neregelia began its journey with only 4 employees. Today, there are almost 200 people in the company and the value of its assets is estimated at around 20 million euros. Neregelia is the biggest distributor in Montenegro with 25 principals and profit of 62 million euros. In the year of jubilee, Neregelia expanded its business on logistics in cooperation with Montenomaks C&L.



# STRATEGIC APPROACH





# STRATEGIC ORIENTATION

Nelt Group is the distribution and logistics leader in Southeastern Europe and Sub-Saharan Africa. The Group's aim is to continue building companies from its portfolio and making them market leaders based on indicators of value and company's health. By distributing high-quality products in the safest and fastest possible way, Nelt Group is seeking to improve the quality of everyday life of people of Southeastern Europe and Sub-Saharan Africa.



## SUSTAINABLE GROWTH

DISTRIBUTION



LOGISTICS



AFRICA



NELT BRAND

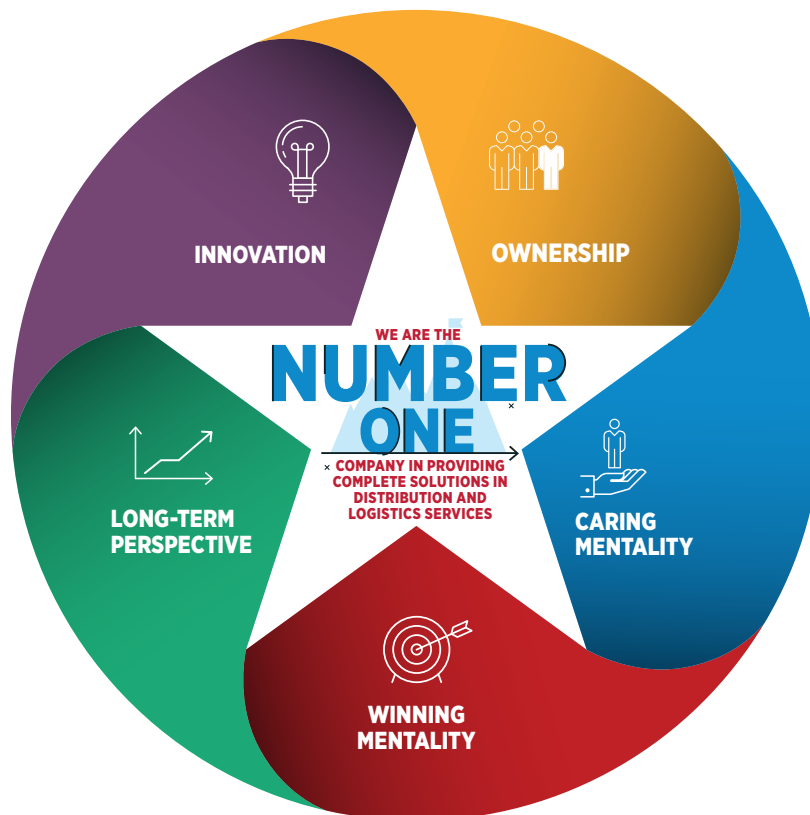


STARTUP  
BUSINESSES



# Vision and values

With OHI research, followed by the transformation process, improvement of existing company values came up as a necessity. Fulfillment of the new vision is now supported with these upgraded values: caring mentality, winning mentality, innovation, ownership, long-term perspective.





# MEMBERSHIPS

For more than two decades, Nelt Group based its work on providing high-quality services in its field of expertise, maintaining good and professional relations with its clients, customers, business partners, employees, as well as actively contributing and supporting community development. Nelt Group companies protect and promote human and workers rights, environmental issues and anti-corruption. In 2016, Nelt became a member of Global Compact in Serbia and thus committed to honoring defined principles of responsible business.

United Nations Global Compact is the biggest global civil initiative aimed at integrating ten principles of social responsibility into the way business is being done, as well as promoting sustainable growth goals. With its membership, companies have to synchronize their activities with 10 principles of human rights, workers rights, environmental protection and anti-corruption. Global compact works through its local networks.

Nelt Group is also active in the work of renowned business associations that promote positive business practices and high business ethics:

- NALED- National Alliance for Local Economic Development
- Serbian Chamber of Commerce and Industry
- AmCham Serbia
- AHK- German-Serbian Chamber of Commerce and Industry
- SSCC- Swiss-Serbian Chamber of Commerce
- Confindustria - Italian economic association in Serbia
- EFN- The European Food Network
- Montenegrin Chamber of Commerce
- Business Association of Montenegro
- Institute of Internal Auditors of Montenegro
- Montenegrin Federation of Accountants
- Manager Association Montenegro
- AmCham Montenegro
- AmCham Bosnia and Herzegovina
- FIC- Foreign Investors Council Bosnia and Herzegovina
- Macedonian Chamber of Commerce

All countries-members of Nelt Group are dedicated to promoting responsible business practices in local communities. Companies' representatives are active participants of work groups and associations that deal with work regulations, corporative and business law, suppressing gray economy, fair competition, environmental protection, waste and health care. Within NALED Serbia, Nelt is one of the founding companies of Fair Competition Alliance while in Macedonia it is a member of Board of governors GS1, Macedonian Association for numbering articles.

In 2016 Nelt also became a member of Serbian National Association of freight forwarding companies and agents "Transport and Logistics". Next year, Nelt became a member of Serbian Association of importers and distributors of medical devices. The association works on creating medical devices legislative.





# **Nelt hosted members of Swiss-Serbian chamber of commerce**

Representatives of the Swiss embassy in Belgrade and members of Swiss-Serbian Chamber of Commerce visited Nelt's business complex in Dobanovci.

The visit included the tour of the business complex and presentation of company's infrastructure capacities as well as its extensive experience in providing all types of logistic services including national and international transportation, customs mediation, warehousing and delivery, as well as additional services and consulting. Guests also had an opportunity to discover the company's activities dedicated to environmental protection, local community development and CSR programmes.



# **Nelt and Dachser presented new service for transport of food products**

Representatives of Nelt logistics sector and management team of German company Dachser, a global leader specialized in food logistics, held a presentation on weekly deliveries of food from Europe to Serbia, Macedonia, Montenegro, Bosnia and Herzegovina, through Nelt logistics and distribution centers.

Representatives of the company, members of the German-Serbian Chamber interested in this service, as well as media were all present. The event was organized in cooperation with the German-Serbian Chamber of Commerce. After the presentation, the guests had the opportunity to visit Nelt's business complex in Dobanovci and get acquainted with the Nelt logistics services.

This service was made possible thanks to the partnership of Nelt and The European Food Network whose head is Dachser. The network covers 34 EU countries, has 1.74 million m<sup>2</sup> of food storage space and some 10,500 refer trucks.

Presentation of a new logistics service to the companies, members of the German-Serbian Chamber of Commerce.





# AWARDS AND RECOGNITIONS



- Magazines Ekonometar and Biznis awarded Milos Jelic, Nelt Group CEO with **"Planet Business"** for successful managing of the company (2016).
- Annual award of American Chamber of Commerce in Serbia **"Leader in Change"** was given, after a secret vote of members of Chamber, to Nelt Serbia. This recognition is given for outstanding contribution to the economy through good business results, annual growth and investment, employment, innovations, ethics and community service (2016).
- Within annual top 50 best online destination choice, organized by PC Press magazine, Nelt Group was awarded for **the best company LinkedIn page** (2016).
- Nelt Serbia was awarded a **certificate for reduction of carbon dioxide gases** by Waste management operators Sekopak (2016).
- Nelt Group was given an award **"Best local initiatives for talent development"**. The award is given by Stanton Chase to the companies that have education programs for their employees (2016).



**LEADER  
IN CHANGE**

**AMCHAM SERBIA ANNUAL AWARD**

**THE LEADER IN CHANGE  
2016**

**NELT**

**2016  
THE LEADER IN CHANGE**

**AMCHAM SERBIA ANNUAL AWARD  
2016**

\* Nebojsa Saponjic one of Nelt's co-founders at the VIRTUS award ceremony.





- In Montenegro, Neregelia was awarded for exceptional **contribution to voluntary blood donations** (2017).
- The executive director of Neregelia Ljilja Pizurica was given an award for **the best manager in the category of middle business** in Montenegro (2017).
- For the past six years, Nelt in Bosnia and Herzegovina has been voted five times as **the best employer** according to Posao.ba! portal's survey. Poll results showed that Nelt was recognized as an ideal place for professional growth. Participants in the survey learned about Nelt through media and on career shows, but they got the key info from employees, true ambassadors of the company.
- FIPA declared Nelt in Bosnia and Herzegovina as **one of the most important investors** in 2017.
- Nelt in Macedonia was recognized as **one of the 200 biggest and most successful firms**. It was ranked 60 based on income and 100 based on profitability for 2016 and 2017 according to Euro Biznis center from Skopje.

## Recognitions from the principals

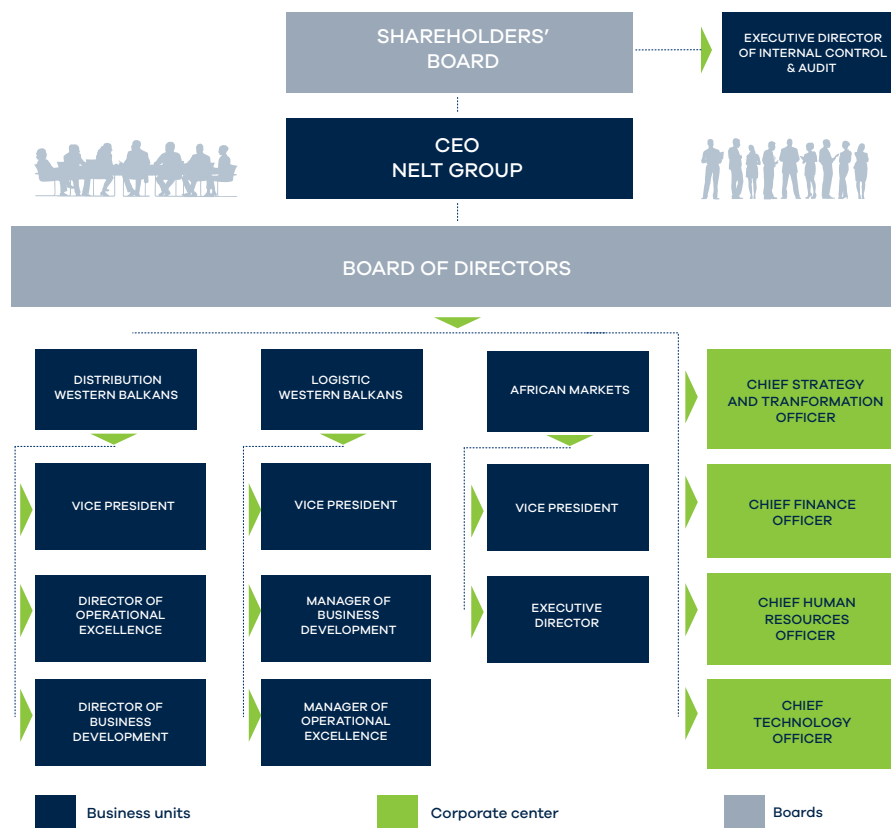
- International transport sector of Nelt Serbia was given Mars award for its **contribution to international transport in Europe**. This was a recognition to the high quality of international transport service and flexibility in cooperation. Also, Nelt was recognized as one of the leading logistics companies in Europe.
- Braun annually awards its distributors for their success. Nelt was, for the second time, given an award for **"Best implementation of masculine products"** during the meeting of Central and Eastern Europe distributors in Ljubljana.

# MANAGEMENT AND BUSINESS ETHICS

## Governing structure

Survey of organizational health, conducted within Nelt Group in 2016, gave the basis for further development of business culture and the way to run the organization. Visions and values have been harmonized in order to remain close to everyone in the company, regardless whether they work in the field or in the office. A strategy aimed at making the everyday effort and work better and productive has been defined.

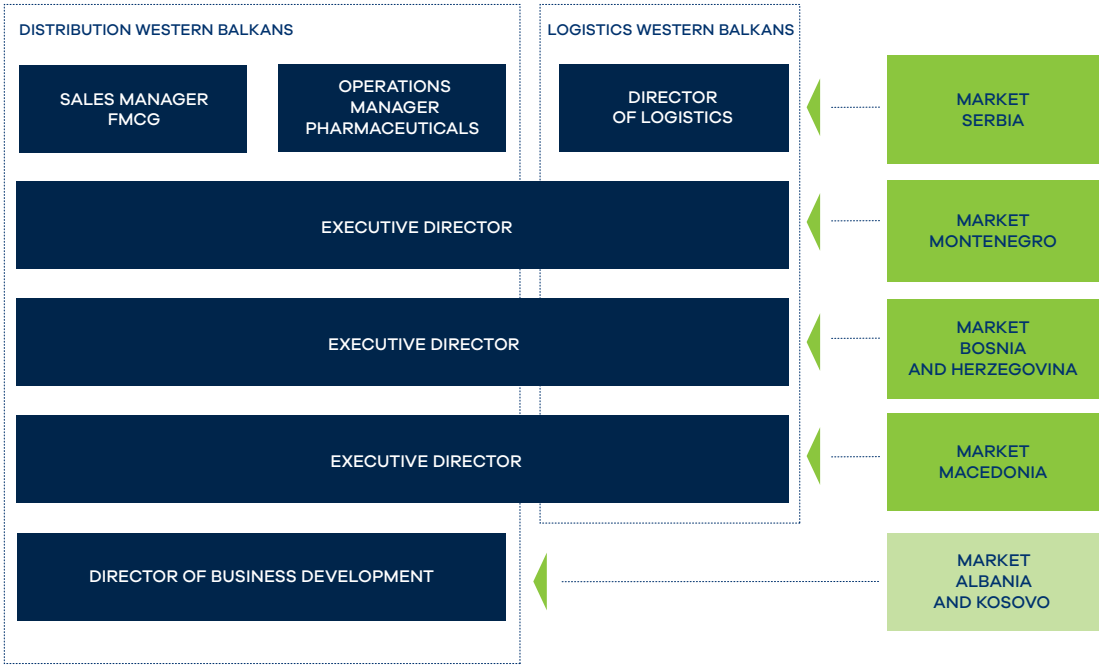
### Nelt Group - organizational chart



Within Nelt Group, business units of distribution, logistics, African market and Corporative center have been founded with an idea to support all business units. The Corporative center consists of centralized functional units common to every business units. Those are finance, human resources, informational technologies as well as the Office of Director General. This office includes support sectors - strategy, organization and transformation, supplies, legal sector, quality control, safety sector, communications.

All business units within the Group in their management have sectors that work on operative efficiency as well as the development of new services and markets.

**Nelt Group organizational chart - markets**



# Code of Conduct





# Anti-corruption and antitrust

All business operations in Nelt Group are conducted professionally, ethically and with integrity. Partnerships and fair ties with business partners and associates are being nurtured. Business in line with anti-corruption and competition regulations is one of the priorities in the company which is why the company defined special internal guidelines to regulate these areas:

- **Rules of conduct present the basis of professional conduct and have core elements that deal with the conflict of interest and competition;**

Rulebook recognizes the conflict of interest that can result from the company's activities and those of its employees; and between company interests and other businesses or private interests, the employee has outside his or her work in the company. Therefore, the rulebook defines that employees can work in their free time in other companies as long as they have no direct or indirect conflict of interest and that they have a duty to inform their superiors of their second job.

When talking about prevention of corruption the employees are obliged to defend company's interests when dealing with competition, suppliers, clients and third parties and cannot use the position in the company, business or other information for personal gain. Bribery, false information and statements, as well as withholding information, are strictly prohibited.

Information on competition, products and services of the competition can be gathered only legally. Contacts with employees from the potentially competitive companies are possible only in specific circumstances and with the authorization and approval of superiors.

Also, employees, as well as governing body, have to be introduced to anti-corruption and competition laws and regulations through internal training conducted by the Legal sector and through external training of the eminent law office. Ten members of the board, as well as four executives in the sales department, have been trained to fight corruption. Managers from all Western Balkans markets where Nelt operates have also passed the training: 50 employees from Serbia, 30 from Bosnia, Macedonia and Montenegro each. All in all, 158 employees - 154 executives and four non-executives from the legal sector. Executives then introduce their employees with relevant information.

This way every employee works in line with the laws and regulations. Any conduct that is not in line with regulations is met with disciplinary measures defined by Nelt's internal rules and regulation but also administration's law.





Apart from the Code of Conduct, in performing its business activities Nelt relies on:

- Principles and rules of anti-corruption laws and regulations (2015)
- Antitrust Rulebook

Each executive and employee in Nelt Group companies are obliged to read and study the Antitrust Rulebook and work in line with the law, to consult legal aid if in doubt, to participate in the training and meeting regarding regulations on competition protection.

Legal sector recognized the importance of competition protection early on and has taken determined steps to synchronize Nelt groups work with the law. The antimonopoly team, established in 2015, has preventive function. The result of their activities can be seen in the lack of any negative consequences of Group's action when it comes to competition protection and activities of the Commission for competition protection in 2016 and 2017.

The antimonopoly team during this period worked on further developing their activities. Especially in:

- Developing internal procedures and upgrading existing;
- Recognizing the potential risks and defining solutions;
- Continually helping all sectors in identifying potential risks;
- Change of risky policies;
- Holding special meetings;
- Education of employees and members of the legal team.

The antimonopoly team in 2016 worked with external legal advisors and implemented Competition Compliance Audit. During 2016 internal tools have been developed and changed such as:

- **Glossary of antimonopoly law**
- **Program of compatibility of Nelt Group and competition rights**
- **Guidebook on competition protection of Nelt**
- **Anticorruption rulebook**
- **Guide for lawyers (internal document)**
- **Guide for employees (program + e-learning test)**

The plan was to implement the entire program in other countries of the region during 2018.

In Nelt's Register of risk, the risk is defined as "actions contrary to the rules of the antimonopoly and anticorruption policy of the company. "In order to prevent it, members of Nelt's legal team are controlling the contracts while an external house is controlling whether business operations are in line with the principles of the anti-corruption and antimonopoly way of doing business.

External consultancy within external audit reviewed Nelt's business and issued a report on company's synchronization with the conventions of Serbia and potential risks when it comes to future business - report CCA 2016 (Compliance Audit 2016).

The resume of the external audit was given within every key aspect of antimonopoly right / restrictive agreements, abuse of dominant position, concentration / recognized risks and recommendations to cut down those risks.

The conclusion showed that Nelt Group has extremely high knowledge of competition rights and especially within its specialized antimonopoly team. It was recommended that employees in sales and commercial sectors continue with education and communication, especially those employees who are identified as key risk factors because of the scope of their duties.



# Internal control and audit

Nelt Group is one of the few organizations in Western Balkans with organized internal control and audit.

The purpose of this sector is to independently and objectively provide information to capital owners and act as an advisor to all members of Nelt Group.

The role of Internal control and audit sector is to determine whether controls introduced by the governing board are adequate, whether policy and procedures are respected, as well as rules and regulations and whether there is a space for fraud and manipulation. The focus of internal control is to determine what the company could do better and to help employers and employees to work on it through recommendations and actions agreed. After a certain period of time, the internal auditor checks whether the management has managed to implement the agreed activities and whether the company has achieved the desired results.

Internal auditors in Nelt report to capital owners directly, which provides them with support and access to the entire organization.

Internal audit adds value to the company by initiating the improvement of existing processes and the development of mutual trust and respect among employees in the company.



# **Nelt on second annual conference “Establishing fair competition and countering gray economy”**

By the end of 2016, under the patronage of Serbian Government, AmCham and Naled organized second annual conference “Establishing fair competition and countering gray economy”. Communications manager of Nelt Group Marko Milnkovic moderated the panel “Coordination of inspections and judiciary epilogue.”

Nelt is the founder of Fair Competition Alliance that initiated and worked in creating a National strategy for the fight against gray economy and is one of 15 companies that supports activities the Government is implementing in the fight against gray economy.

The purpose of the Alliance, one of NALED working bodies, is to help Government define and implement the introduction of fair competition and suppress gray economy, but also to inform the public about consequences of illegal businesses. The organization is working on introducing institutional governmental support for companies that work legally and contribute to the local industry.



# International Annual Competition Conference

Annual Competition Conference was held for the 21st time in Florence in 2017. Suncica Milic, Legal Department Manager and Jovica Buncic, Deputy Manager of Nelt Group's Legal Department were present.

International Bar Association (IBA), founded in 1947, gathered renowned legal experts and lecturers in order to discuss the novelties in the field of competition protection. The conference is organized as a roundtable thus enabling more open discussions with lawyers, bank representatives, committees and commission for competition protection from all over the world.

The aim of Nelt team was to get familiar with new tendencies in antimonopoly policy in the world. The plan was to use the knowledge gained and implement it in the principles of Nelt's antimonopoly team and use them through prevention and education. For years, this conference has been one of the most important summits for legal experts all over the world who see it as a unique opportunity to exchange reliable information.



# QUALITY POLICY AND RISK MANAGEMENT

## Key areas in quality policy

### **Risk management**

The prevention and systematic approach, implemented by Risk Management team, provides timely information which can help in making decisions on acceptance, limitations or reductions risks that can be negative for the company business, image and effect on the stakeholders (employees, social surroundings, environment). By including employees on every level in identifying potentially risky events helps keep the system updated, risks manageable and the company provided with relevant inputs for making strategic decisions. Risk management work is based on best practices and international risk management standards.

### **Food safety**

Responsibility and determination of company management when it comes to food safety can be seen in fulfillment of every necessary condition in process of preserving the safety of food products while under company control.

### **Occupational health and safety**

The quality of work environment is based on active participation of employees in OHS\* team in order to create programs and implement health and safety measures. The programs are integrated into regular company activities.



## Environment protection

All process owners are oriented to rationally use natural resources. With regular and integrated activities, and the usage of selected technology, equipment and materials, the adverse impact on environment is being reduced.

\*OHS - Occupational health and safety.

## Risk management

In line with standard ISO 31000, Nelt Group was among the first that introduced the methodology of risk management based on the best practices of developed European countries. Thanks to this technology Nelt has a good basis for business decisions and planning based on risk management and possibilities, that are measured both internally and externally.

Risk Management team was formed in May 2015 out of representatives of different sectors from the company. Those are experts in their field of work with great knowledge and experience.

The first activity was the education of a wider team through workshops and advisory works with consultant house GS. This way, the good practices of European countries, especially Great Britain were introduced. The project was finished in February 2016.

Benefits of systematic risk management are more effective recognition of business threats and opportunities, quality decision making and planning, better recognition of influences on goals, more efficient resource usage, improvement of safety and protection of employees, protection of assets.

The company constantly and intensively works on strengthening the system, education, promotion and raising awareness with employees. The aim is to introduce risk management into regular business practice.

# Annual risk review

During 2016 and 2017, annual revisions of risk management plans have been implemented in Serbia and Montenegro. The situation and processes with a change of risk level have been reviewed. Also, new

risks were recognized. Based on the results, top management processes and then implements new treatments it uses during the business plan for the next year.

	NELT SERBIA		NEREGELIA MONTENEGRO	
	2016	2017	2016	2017
PROCESSED RISKS	1101	659	552	425
RISKS WITH LOWER VALUES	40	18	6	13
REALISED TREATMENTS	38%	44%	50%	80%
NEW TREATMENTS	11	23	0	8
NEW RISKS	12	39	4	12
EMPLOYEES IN TRAINING	27% (447) EMPLOYEES	31% (523) EMPLOYEES	9% (15) EMPLOYEES	11% (19) EMPLOYEES



# STRATEGIC APPROACH TO SUSTAINABILITY

Nelt Group strategy of social responsibility was adopted in 2012 and is based on ethical business and desire to help create a better environment for employees, partners and social community as well as provide better business results and high-level of environmental responsibility.



The strategy defines a wider area within which Nelt implements various initiatives and activities.

### **MARKET**

The products Nelt distributes are a constant and of high quality and the entire business is focused on fulfilling requests from clients and consumers. Cooperation with partners is built on mutual trust and respect. Nelt has implemented a certified system of quality control based on standards ISO 9001 and HACCP, aimed at constantly improving and maintaining competitiveness.

### **WORK ENVIRONMENT**

Relationship with employees is based on the respect for workers' and human rights, measures of work protection, education and training, possibility of personal and professional growth and advancement in a system.

### **ENVIRONMENT**

A business object built on highest standards enable preservation of energy and protection of the environment. Waste management and the usage of unrenewable sources are an integral part of business strategy and quality policy.

### **LOCAL COMMUNITY**

The support to education entails strategic projects that include young people of different educational and professional profiles, talented students and pupils. Direct cooperation with faculties and cultural centers, as well as Nelt education program, are the indicators of the company's determination to empower young people and modernize the community where the company is working.



# MATERIAL ASPECTS AND STAKEHOLDER ENGAGEMENT

Considering wider influences, the second cycle of sustainability reporting was focused on redefining materiality by implementing systematic instructions on materiality defining within GRI methodology.

From the broader scope of sustainability topics, those that identify Nelt's most important economic, social and ecological impacts or have a profound influence on stakeholders decisions have been identified. Because of the diversity of its business Nelt follows and manages the broader scope of topics connected with sustainability but the key was for the report to be turned to questions of utmost importance for the company's goals, as well stakeholders. Several topics emerged from this process and it turned out that there were no major discrepancies from the previous report in all Western Balkans countries Nelt is doing business.





# List of material topics

## **ECONOMIC IMPACTS**

- Economic performance

## **ENVIRONMENTAL RESPONSIBILITY**

- Energy
- Emissions
- Waste and Effluents
- Transport

## **WORK ENVIRONMENT RESPONSIBILITY**

- Employment
- Occupational health and safety
- Education and training

## **SOCIAL IMPACT**

- Anti-corruption

## **PRODUCT RESPONSIBILITY**

- Labeling products and services
- Marketing and communication

\*According to GRI methodology on sustainability reporting, materiality is the threshold upon which certain subject of sustainability becomes important enough for reporting. The new version of GRI standards further emphasizes the need for reports to focus on the topics material for the company's functioning and its stakeholders.

When it comes to influences, all material topics are important for Nelt Group companies in the Western Balkans and every category of stakeholders the company recognizes. In defining material topics, vital role have key stakeholders who are recognized as long-term partners and for whom the report is for.



# Digital communications

With public Nelt communicates through Internet portals and social networks, transparently and professionally informing about brands from its distribution portfolio or logistics services. It also seeks to develop relationships with its clients, customers, business partners and other stakeholders.

With LinkedIn, Nelt builds relationships with the current and future employees and business partners. Followers are informed about latest news, Nelt's business trends and open jobs positions. Nelt Group LinkedIn page follows over 10,000 LinkedIn users.

Nelt Group Facebook page is a place of relevant information about companies, picturesque photos, employee impressions, as well as open communication with followers through commenting and correspondence. With a simple and friendly tone of communication, Nelt represents its activities and attracts almost 10,000 users of this network.

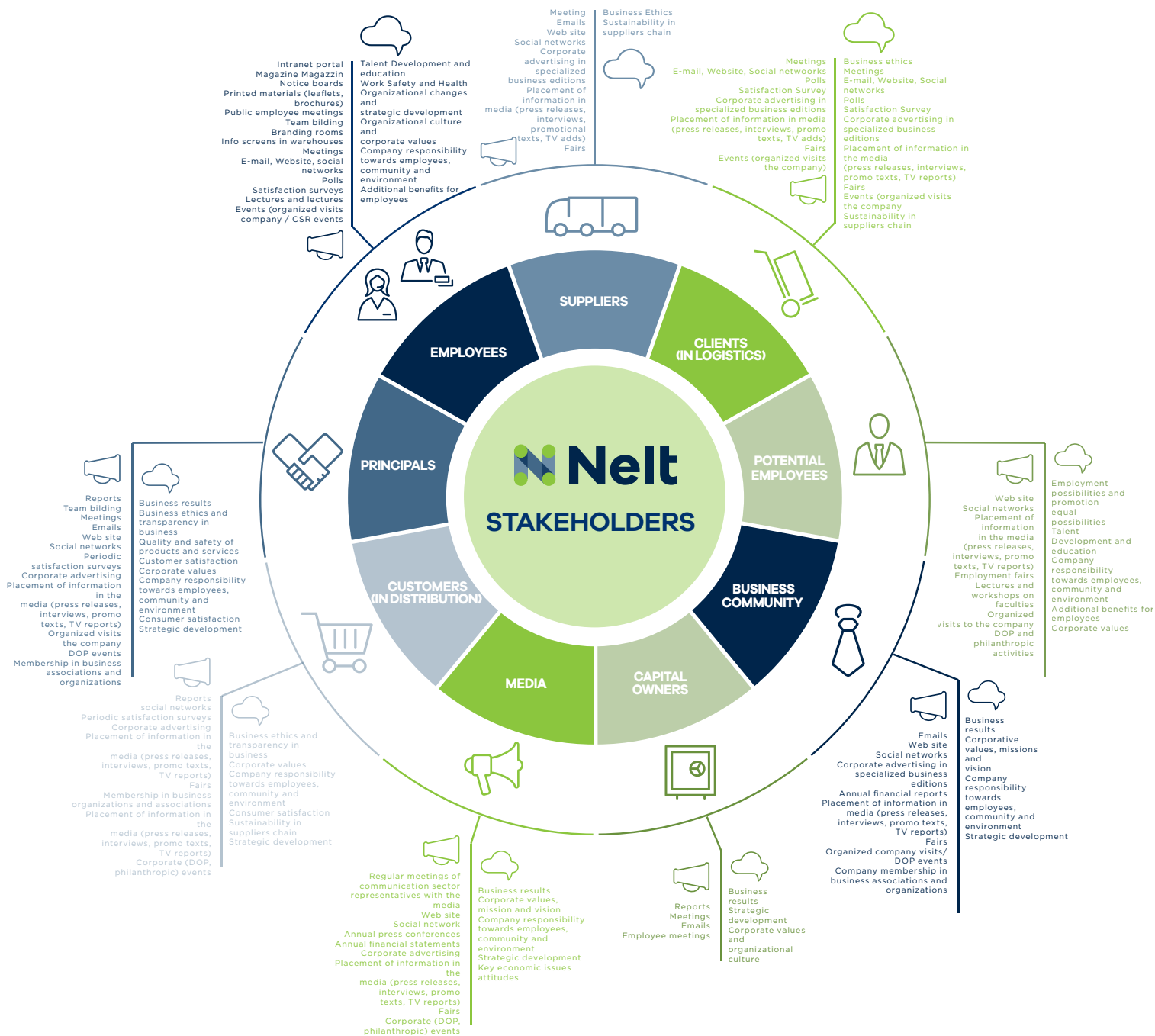
Corporate films about Nelta can be viewed on YouTube company channel. Video materials are available in Serbian, English and Portuguese. The content presents key business data and significant projects of the Nelt Group.

## Stakeholder involvement

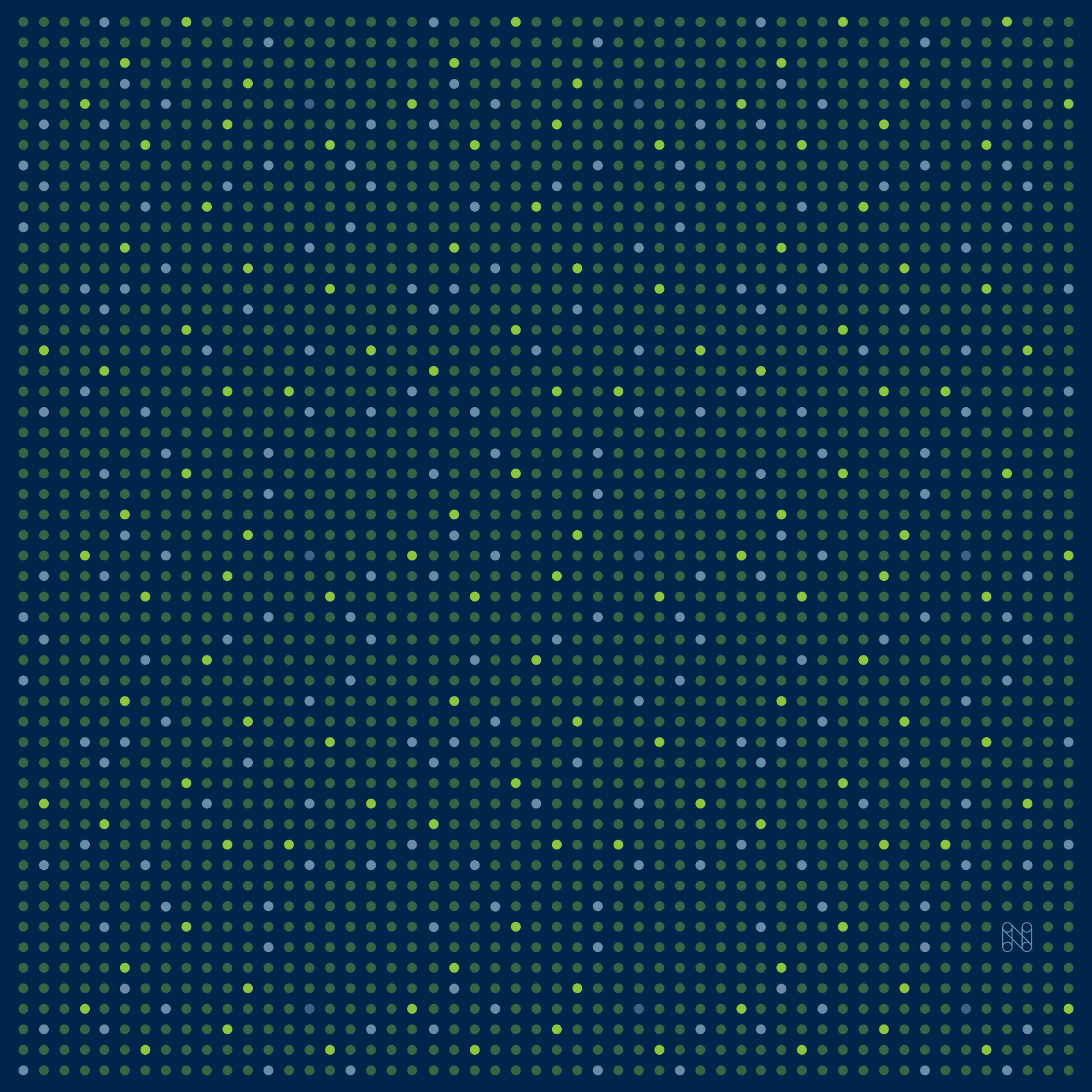
Responsibility toward stakeholders means taking into account their attitudes and interest and the constant dialogue is the means of open, two-way communication. Some of the mechanisms Nelt is using are regular consultations with representatives of relevant groups of stakeholders. Business sustainability largely depends on the company's ability to recognize the needs and expectations that are expressed like this.

## Stakeholders map

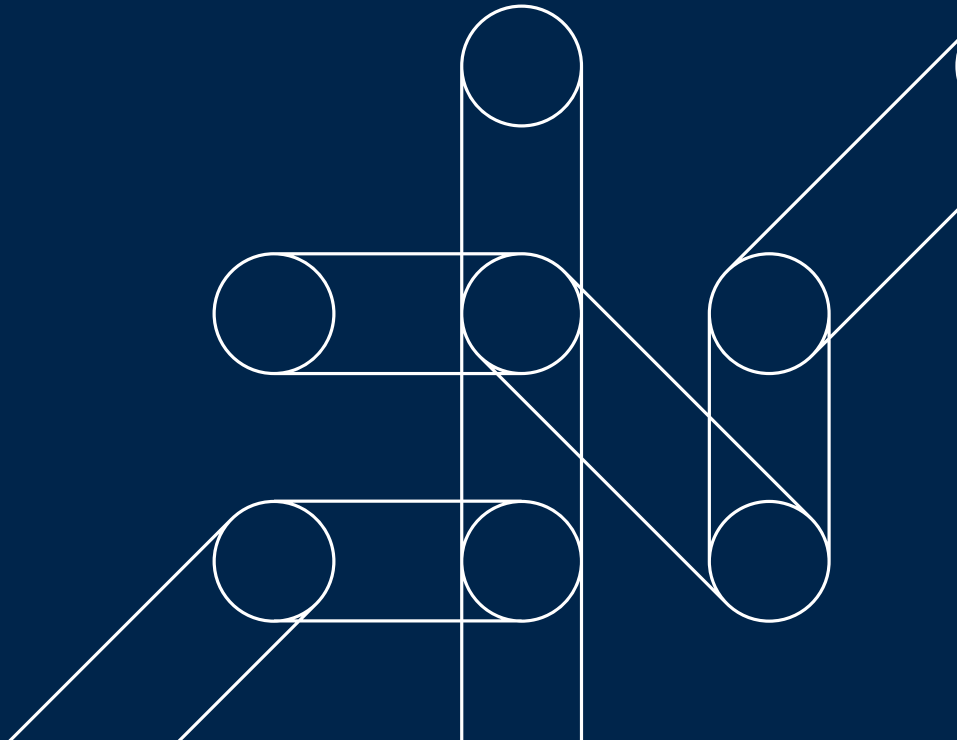
Stakeholder map is defined in line with Global Reporting Initiative standards and AA1000 (Institute of Social and Ethical Accountability) stakeholder standards. Different relevant topics have been introduced in various segments of this report.



CHANNELS OF COMMUNICATION THEMES



# ECONOMIC IMPACTS





# Community care as part of company's identity

For more than two decades Nelt Group has been successful and determined to be recognized not only by its business excellence but also as a socially responsible company. The care about community has become part of the identity of all companies that work within Nelt Group in the Western Balkans. Nelt Grup activities are based on the capacity to recognize the needs of the community and act upon them. That way, Nelt Group is trying to invest in capital investments with long-term impact that have a positive impact on the environment and society. In the context of sustainable growth, these investments have indirect economic influences and present an important aspect that shows how much the company is dedicated to social-economic changes, especially in the local community.

All Nelt Group companies are valuable to their local communities through salaries and regular taxes and payment to its suppliers. They are also constantly looking for ways to contribute long term to their communities.

**DISTRIBUTION**

**LOGISTICS**

**MARKETING**



AS RESULT OF TRAFFIC INTERSECTION,  
NLT'S VEHICLES ENERGY SAVINGS IS

**5,000** GJ PER YEAR



TRAFFIC INTERSECTION IN DOBANOVCI



# The importance of infrastructure investment

One of the biggest and most important community projects was financing the intersection in Dobanovci. In cooperation with the Surcin Municipality, Nelt donated funds for land acquisition and has been actively contributing to making changes in the spatial planning documents in 2009 and 2010. The value of the investment amounts ca. 418,000 EUR.

The construction of intersection shortened the journey for 11 kilometers (22 in both ways) for several hundred Nelt vehicles, their movement through urban areas has

been rerouted which had a drastic effect on the level of traffic jams, pollution and noise and the safety of the local population. Also, significant savings in fuel consumption were made for both Nelt's vehicles and for vehicles of other companies located within the industrial zone of Dobanovci using this road.

Estimates are that Nelt vehicles alone travel 1,200,000 kilometers less (30 times around Earth) in one year. This results in energy savings of some 5,000 GJ.



During 2016 and 2017, Nelt Group invested in:

NELT SERBIA*	2014	2015
SALARIES, TAXES AND DEVELOPMENT OF WORKERS	19,254	21,255
COOPERATION WITH LOCAL SUPPLIERS	59,000	60,000
STATE TAXES	1,028	1,522

NELT SERBIA	2016	2017
SALARIES, TAXES AND DEVELOPMENT OF WORKERS	23,215	26,225
COOPERATION WITH LOCAL SUPPLIERS	46,040	51,941
STATE TAXES	1,497	2,535

### NELT BOSNIA AND HERZEGOVINA

SALARIES, TAXES AND DEVELOPMENT OF WORKERS	3,225	3,558
COOPERATION WITH LOCAL SUPPLIERS	3,607	3,262
STATE TAXES	968	835

### NELT MACEDONIA

SALARIES, TAXES AND DEVELOPMENT OF WORKERS	2,233	2,562
COOPERATION WITH LOCAL SUPPLIERS	879	1,632
STATE TAXES	371	258

### NELT MONTENEGRO

SALARIES, TAXES AND DEVELOPMENT OF WORKERS	2,317	2,480
COOPERATION WITH LOCAL SUPPLIERS	1,280	1,495
STATE TAXES	223	269

Generated and distributed value in thousands of euros

\*The data were taken from the publication "Distribution with care" Nelt Serbia's Sustainability Report for 2014-15 in order to be compared with 2016 and 2017 data presented in this publication.

Information on generated and distributed value make a detailed economic profile of the organization and show how through basic financial activities stakeholder value is being created.

<b>NELT SERBIA</b>		<b>2014</b>	<b>2015</b>
1.	TOTAL INCOME	234,392	414,848
1.1.	NET INCOME FROM INTERESTS	212	475
1.2.	NET INCOME FROM PROVISIONS AND PAYMENTS	3	13
1.3.	NET TRADE RESULTS		
	BUSINESS INCOME	234,177	414,360
2.	EXPENSES	227,235	408,161
2.1.	OPERATIVE EXPENSES		
	BUSINESS SPACE	346	413
	DAILY EXPENSES	17,198	13,018
	IT EXPENSES	706	852
	MARKETING AND COMMUNICATION EXPENSES	7,504	4,356
	LEGAL FEES	433	264
	OTHER OPERATIONAL EXPENSES	173,835	359,390
	NON-OPERATIVE RESULTS	992	1,508
	TOTAL OPERATING EXPENSES:	201,014	379,801
2.2.	EMPLOYEES EXPENSES		
	SALARIES	17,944	20,087
	BUSINESS TRAVELS AND EDUCATION	1,310	1,168
	TOTAL EMPLOYEES EXPENSES:	19,254	21,255
2.3.	CAPITAL EXPENSES		
	DIVIDEND	666	2,326
	CREDIT INTERESTS	1,661	1,042
	OTHER INTEREST	89	90
	OTHER FINANCIAL RESULTS	422	-1,213
	TOTAL CAPITAL EXPENSES:	2,838	2,245
2.4.	STATE EXPENSES		
	TAXES AND STATE AND LOCAL TARIFFS	1,028	1,522
	FEES	16,50	5,15
	TOTAL STATE EXPENSE:	1,045	1,527
2.5.	COMMUNITY EXPENSES		
	DONATIONS	35	131
	INFRASTRUCTURE INVESTMENTS INCLUDING FINANCES AND VALUE OF GOODS DONATED AND WORK HOURS (NOT INCLUDING THE INVESTMENTS DIRECTLY CONTRIBUTING TO BUSINESS)	94,14	8,20
	CONSULTANT SERVICES REGARDING LOCAL PROJECT	0	0
	OTHER INVESTMENT	0	0
	TOTAL COMMUNITY EXPENSES:	129	139
2.6.	AMORTIZATION EXPENSES	2,956	3,196
3.	KEPT ECONOMIC VALUE (INVESTMENTS, ACTIONS, ETC 1-2)	7,157	6,687

Generated and distributed economic value in thousands of euros  
 \*The data presented here is in line with the GRI methodology model and indicators.

NELT SERBIA		2016	2017
1.	INCOME	615,052	644,078
1.1.	NET INCOME FROM INTERESTS	1,050	956
1.2.	NET INCOME FROM PROVISIONS AND PAYMENTS	19	80
1.3.	NET SALES RESULTS	613,983	643,042
2.	EXPENSES	610,225	641,487
2.1.	OPERATIVE EXPENSES		
	BUSINESS SPACE	460	623
	DAILY EXPENSES	13,553	19,187
	IT EXPENSES	821	814
	MARKETING AND COMMUNICATION EXPENSES	3,973	4,077
	LEGAL FEES	322	968
	OTHER OPERATIONAL EXPENSES	555,009	574,736
	NON-OPERATIVE RESULT	6,283	2,107
TOTAL OPERATING EXPENSES:		580,421	602,512
2.2.	EMPLOYEES EXPENSES		
	SALARIES	22,174	25,107
	BUSINESS TRAVELS AND EDUCATION	1,041	1,118
TOTAL EMPLOYEES EXPENSES:		23,215	26,225
2.3.	CAPITAL EXPENSES		
	DIVIDEND	2,128	6,880
	CREDIT INTERESTS	651	581
	OTHER INTEREST	24	82
	OTHER FINANCIAL RESULTS	-854	-578
TOTAL CAPITAL EXPENSES:		1,949	6,965
2.4.	STATE EXPENSES		
	TAXES AND STATE AND LOCAL TARIFFS	1,494	2,486
	FEES	3	49
TOTAL STATE EXPENSE:		1,497	2,535
2.5.	COMMUNITY EXPENSES		
	DONATIONS	41	38
	INFRASTRUCTURE INVESTMENTS INCLUDING FINANCES AND VALUE OF GOODS DONATED AND WORK HOURS (NOT INCLUDING THE INVESTMENTS DIRECTLY CONTRIBUTING TO BUSINESS)	38	2
	CONSULTANT SERVICES REGARDING LOCAL PROJECT	-	-
	OTHER INVESTMENT	-	-
TOTAL COMMUNITY EXPENSES:		79	40
2.6.	AMORTIZATION EXPENSES	3,064	3,210
3.	KEPT ECONOMIC VALUE (INVESTMENTS, ACTIONS, ETC 1-2)	4,827	2,591

Generated and distributed economic value in thousands of euros



## NELT BOSNIA AND HERZEGOVINA

		2016	2017
1.	INCOME	97,592	82,161
1.1.	NET INCOME FROM INTERESTS	1	-
1.2.	NET INCOME FROM PROVISIONS AND PAYMENTS	-	-
1.3.	NET SALES RESULTS	97,591	82,161
2.	EXPENSES	95,436	80,381
2.1.	OPERATIVE EXPENSES		
	BUSINESS SPACE	34	39
	DAILY EXPENSES	1,567	1,847
	IT EXPENSES	54	61
	MARKETING AND COMMUNICATION EXPENSES	707	659
	LEGAL FEES	26	13
	OTHER OPERATIONAL EXPENSES	87,984	71,393
	NON-OPERATIVE RESULT	-1	-89
	TOTAL OPERATING EXPENSES:	90,371	73,923
2.2.	EMPLOYEES EXPENSES		
	SALARIES	3,140	3,476
	BUSINESS TRAVELS AND EDUCATION	85	82
	TOTAL EMPLOYEES EXPENSES:	3,225	3,558
2.3.	CAPITAL EXPENSES		
	DIVIDEND	-	1,134
	CREDIT INTERESTS	108	98
	OTHER INTEREST	106	36
	OTHER FINANCIAL RESULTS	41	39
	TOTAL CAPITAL EXPENSES:	255	1,307
2.4.	STATE EXPENSES		
	TAXES AND STATE AND LOCAL TARIFFS	636	716
	FEES	332	119
	TOTAL STATE EXPENSE:	968	835
2.5.	COMMUNITY EXPENSES		
	DONATIONS	1	12
	INFRASTRUCTURE INVESTMENTS INCLUDING FINANCES AND VALUE OF GOODS DONATED AND WORK HOURS (NOT INCLUDING THE INVESTMENTS DIRECTLY CONTRIBUTING TO BUSINESS)	1	-
	CONSULTANT SERVICES REGARDING LOCAL PROJECT	-	-
	OTHER INVESTMENT	-	-
	TOTAL COMMUNITY EXPENSES:	2	12
2.6.	AMORTIZATION EXPENSES	615	746
3.	KEPT ECONOMIC VALUE (INVESTMENTS, ACTIONS, ETC 1-2)	2,156	1,780

Generated and distributed economic value in thousands of euros

NELT MACEDONIA		2016	2017
1,	INCOME	32,305	32,435
1,1,	NET INCOME FROM INTERESTS	75	68
1,2,	NET INCOME FROM PROVISIONS AND PAYMENTS	-	-
1,3,	NET SALES RESULTS	32,230	32,367
2,	EXPENSES	32,053	31,448
2,1,	OPERATIVE EXPENSES		
	BUSINESS SPACE	4	36
	DAILY EXPENSES	958	982
	IT EXPENSES	3	25
	MARKETING AND COMMUNICATION EXPENSES	1,609	307
	LEGAL FEES	8	11
	EXPENSES OF SOLD GOODS AND MATERIALS	25,329	26,179
	NON-OPERATIVE RESULT	262	188
	TOTAL OPERATING EXPENSES:	28,173	27,728
2,2,	EMPLOYEES EXPENSES		
	SALARIES	2,156	2,499
	BUSINESS TRAVELS AND EDUCATION	77	63
	TOTAL EMPLOYEES EXPENSES:	2,233	2,562
2,3,	CAPITAL EXPENSES		
	DIVIDEND	900	470
	CREDIT INTERESTS	-	1
	OTHER INTEREST	18	-
	OTHER FINANCIAL RESULTS	-43	-36
	TOTAL CAPITAL EXPENSES:	875	435
2.4.	STATE EXPENSES		
	TAXES AND STATE AND LOCAL TARIFFS	370	257
	FEES	1	1
	TOTAL STATE EXPENSE:	371	258
2.5.	COMMUNITY EXPENSES		
	DONATIONS	-	-
	INFRASTRUCTURE INVESTMENTS INCLUDING FINANCES AND VALUE OF GOODS DONATED AND WORK HOURS (NOT INCLUDING THE INVESTMENTS DIRECTLY CONTRIBUTING TO BUSINESS)	-	-
	CONSULTANT SERVICES REGARDING LOCAL PROJECT	-	-
	OTHER INVESTMENT	-	-
	TOTAL COMMUNITY EXPENSES:	-	-
2.6.	AMORTIZATION EXPENSES	401	465
3.	KEPT ECONOMIC VALUE (INVESTMENTS, ACTIONS, ETC 1-2)	252	987

Generated and distributed economic value in thousands of euros



NEREGELIA MONTENEGRO		2016	2017
1.	INCOME	55,447	55,975
1.1.	NET INCOME FROM INTERESTS	8	21
1.2.	NET INCOME FROM PROVISIONS AND PAYMENTS	-	-
1.3.	NET SALES RESULTS	55,439	55,954
2.	EXPENSES	55,155	57,576
2.1.	OPERATIVE EXPENSES		
	BUSINESS SPACE	-	17
	DAILY EXPENSES	925	1,140
	IT EXPENSES	43	36
	MARKETING AND COMMUNICATION EXPENSES	563	960
	LEGAL FEES	23	11
	EXPENSES OF SOLD GOODS AND MATERIALS	49,450	49,158
	NON-OPERATIVE RESULT	73	-21
TOTAL OPERATING EXPENSES:		51,077	51,301
2.2.	EMPLOYEES EXPENSES		
	SALARIES	2,235	2,380
	BUSINESS TRAVELS AND EDUCATION	82	100
TOTAL EMPLOYEES EXPENSES:		2,317	2,480
2.3.	CAPITAL EXPENSES		
	DIVIDEND	950	2,993
	CREDIT INTERESTS	1	11
	OTHER INTEREST	1	1
	OTHER FINANCIAL RESULTS	24	-5
TOTAL CAPITAL EXPENSES:		976	3,000
2.4.	STATE EXPENSES		
	TAXES AND STATE AND LOCAL TARIFFS	220	266
	FEES	3	3
TOTAL STATE EXPENSE:		223	269
2.5.	COMMUNITY EXPENSES		
	DONATIONS	-	2
	INFRASTRUCTURE INVESTMENTS INCLUDING FINANCES AND VALUE OF GOODS DONATED AND WORK HOURS (NOT INCLUDING THE INVESTMENTS DIRECTLY CONTRIBUTING TO BUSINESS)	-	-
	CONSULTANT SERVICES REGARDING LOCAL PROJECT	-	-
	OTHER INVESTMENT	-	-
TOTAL COMMUNITY EXPENSES:		-	2
2.6.	AMORTIZATION EXPENSES	562	524
3.	KEPT ECONOMIC VALUE (INVESTMENTS, ACTIONS, ETC 1-2)	292	-1,601

Generated and distributed economic value in thousands of euros

\*The data presented here is in line with the GRI methodology model and indicators.

\*\*Data given here is from March 31, 2018, when the final financial report was not finalized and that could lead to a discrepancy with other reports.

# Responsibility in supply chain

All Nelt Group companies nurture a strong partnership with their suppliers and maintain a stable and long-term cooperation with local communities.

By widening their business, Nelt Group companies have a significant effect on the economic growth of countries they work in through opening regional centers, offices and cross-docks. This way, the number of job openings grow within the companies. At the same time, a number of supplies are shifted from central to the local level enabling the existence, development and safety of job positions within local suppliers.

The largest part of supplies budget is carried out in partnership with local suppliers.

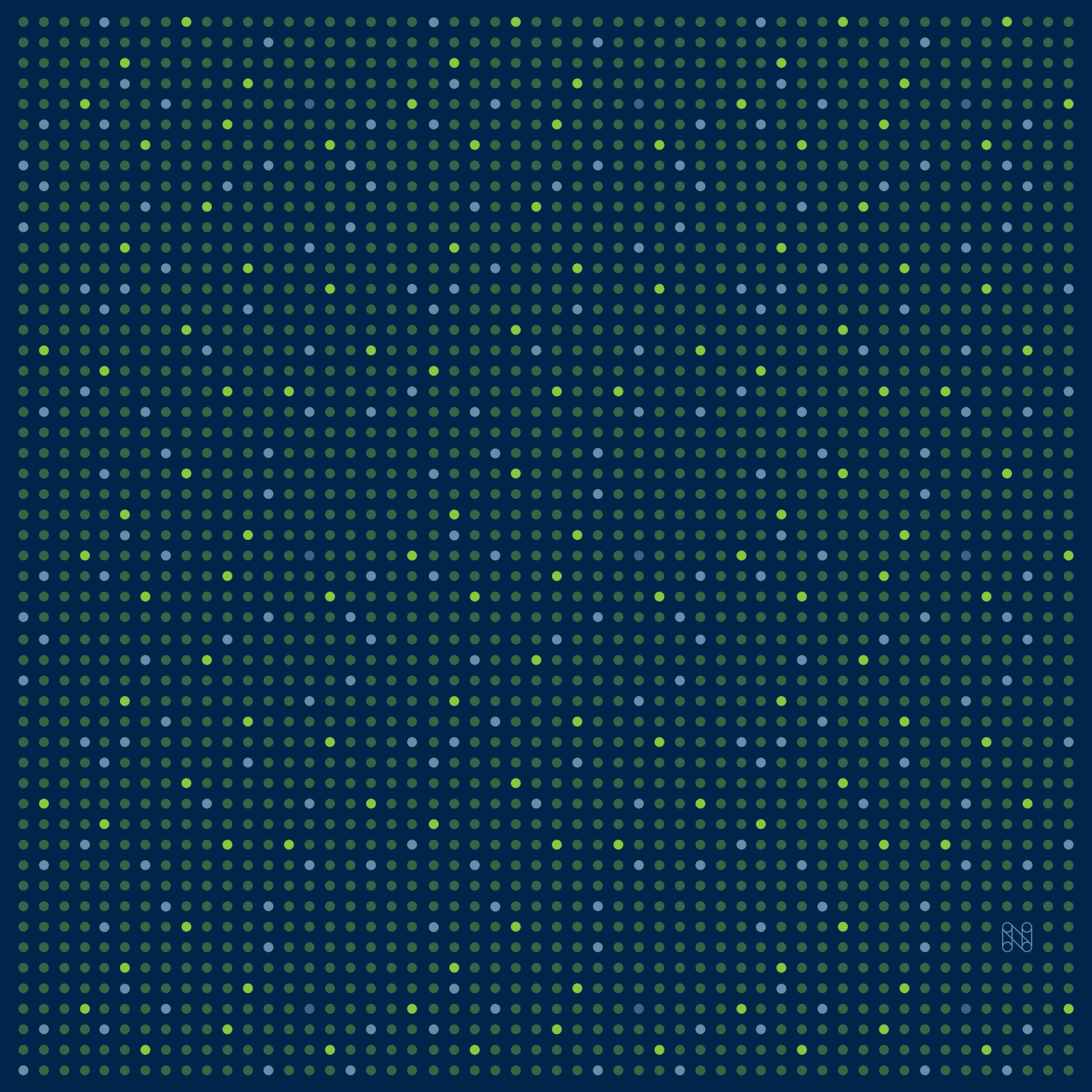
	SRB		B&H		MNE		MK	
	2016	2017	2016	2017	2016	2017	2016	2017
NUMBER OF SUPPLIERS	2,741	2,845	445	371	109	89	172	168
VALUE OF PROCURED GOODS AND SERVICES IN EUROS	46,040,055	51,941,173	3,606,917	3,262,280	1,280,048	1,494,997	879,592	1,632,302

By spreading the network of suppliers, Nelt Group enables profit for small and medium businesses as well as large ones and therefore economic stability, further development and growth as well as the stability of jobs.

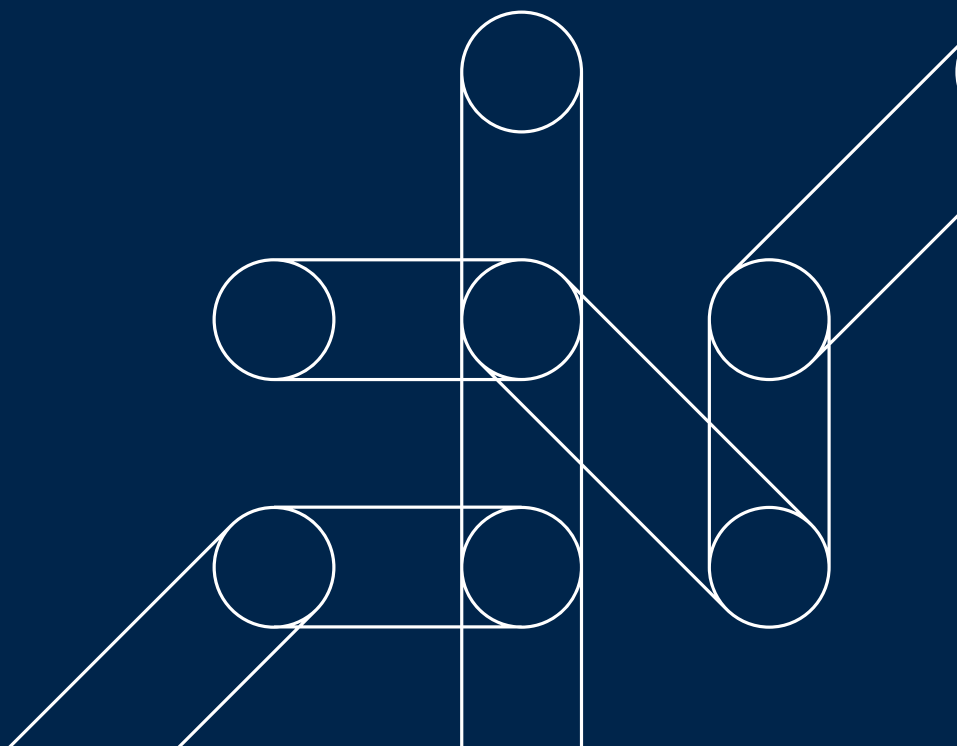
Before establishing cooperation in the countries of business, Nelt Group companies use a number of criteria a supplier must meet. First is the quality and price, and then reputation the supplier has in the market. Step one for the supplier is to fill the Questionnaire and leave basic information about the organization, management, products, services it offers, references, financial indicators, information systems and system management. Upon receiving a positive grade of all the criteria in the Questionnaire, the supplier has to make an offer for the specific product or service that will be taken into account in full (price, quality, deadlines, technical specifications, etc.)

Since 2014, technical goods and services for all Nelt Group companies are provided through Nelt eProcurement portal. This way transparency is secured and all active or potential suppliers can always obtain accurate information about the acquisitions of Nelt Group. By using Nelt's eProcurement, suppliers can send their offers and be timely informed about the state of each acquisition.





# MARKET RESPONSIBILITY





## **25 years of growth and development**

Nelt Serbia success is based on the responsibility of the company that worked dedicatedly and professionally for the past 25 years in every aspect of the business. Its expertise and experience Nelt transferred to all Western Balkans markets where the Nelt Group companies work. Thanks to the professional relationship with its stakeholders as well as ethical and strategic guidelines, Nelt Group companies are the first choice of major international companies when it comes to distribution and logistics.

Nelt Group companies provide import and customs services, storage, sale and delivery and marketing, all the time respecting the needs of every participant in the chain of





suppliers - its principals, buyers and customers.

High standards and compliance with the international regulations, as well as implementing most successful business models are the necessary prerequisites of growth. With it, continuity in innovation implementations gives Nelt Group companies leader position in terms of advanced IT technologies in the markets they operate.



## The Way of Distribution

Nelt Group companies distribute FMCG, tobacco, pharmaceutical and cosmetics products. Major principals are companies Procter&Gamble, Philip Morris, Wrigley, Mondelez, Dr. Oetker, Neoplanta, Reckitt Benckiser, Sebapharma, Panacea, Sanofi, Johnson&Johnson...

Commitment to the quality of service, organization, knowledge and market coverage is what make the difference between Nelt Group companies and the competition, making them the leading distribution and logistics companies in the Western Balkans region. The efficiency of operations in the distribution segment is based on four related functional units: stock planning, sales, trade marketing and customer service.

### **Stock planning - regulations**

Regulations are part of stock planning sector whose job is to follow and implement requests and regulations dealing with the supply of goods. The regulations most often deal with product quality requirements, labeling, product documentation, and also permits for goods distribution, reports to officials, etc.

### **Sales**

Nelt Group companies aim to maximally cover the sales channels and set up high standards in its field of work. Cooperation has been established with all retail chains, wholesales, small and large private shops, markets, pharmacies, perfume shops, gas stations and other retail outlets.



## Trade marketing

For all retail programs that Nelt Group companies distribute, the availability of goods to final customers is guaranteed in every moment and in every place. The aim is to reach the distribution ideal - 100% products in 100% objects in 100% time. By focusing on the quality of service, organization, knowledge and coverage of the market Nelt Group companies stand out compared to the competition. Also, companies provide trade marketing services in order to attract customers attention and increase the interest for the products placed on Western Balkans market. Trade marketing teams use their knowledge of brand and market to design and implement promotional activities that will make Nelt Group products first choice to customers and consumers.

## Customer service – complaints

Customer service center provides complete support in documentation management, requests, and complaints. Customers can contact the center through email [reklamacije@nelt.com](mailto:reklamacije@nelt.com) or through free phone line 0800/12-12-13.

Center is also at disposal to the sales sector and is in charge of price lists.

Customers service works weekdays from 8.00 to 12.00 pm, except on Saturdays when it is open until 14.00. Sunday is a day off.

Since 2018, Customer service was enlarged with LSP service that works as support for the clients using logistics services. The mission of this service is to effectively carry out all customers demands through two-way communication.

LSP service is open workdays 8.00-16.00. During the weekend it is closed.



# Nelt Pharmaceuticals

Nelt has been developing a distribution of medicines, medical devices, supplements and beauty products as a separate business section. A team of pharmacists is taking care of every aspect of distribution towards pharmacies and health institutions - from the storage, through transport and active sale in pharmacies.

Nelt's principals in this section are world's largest pharmaceutical companies. Nelt has been building partnerships with them and exchanged knowledge in order to further upgrade pharmacies business operations and maintain optimal goods availability.

In order to present the products in the best possible way, aside from promotions, education of doctors, pharmacists and medical staff is conducted continually on various expert gatherings.

Aside from sale and marketing, the main pillar of Nelt Pharmaceuticals sectors is regulatory affairs. Regulations oversee activities that deal with medicines and medical devices registration in the Medicines and Medical Devices Agency of Serbia, registration of dietary supplements in the Ministry of Health, following up side-effects, ensuring the regulations are adjusted with the laws, respecting the good practice in distribution and marketing of pharmaceutical products.

Principals Nelt works with are P&G, Reckitt Benckiser, Bosnalijek, 4U Pharma, So pharma, UTI, Nestle, Johnson&Johnson, Hartmann, Niva, Ipek, Sebamed, Coty, Kneipp, Zarf, Dr. Colic, Dent X, Flogoskin, Atopiskin, Vivatinell (Nutrigen).





## The Way of Logistics

With distribution, Nelt has long-term experience in logistics for clients from different industries. Through faster processes, time-saving, transparency, less paperwork, Nelt provides optimized costs of logistics. This way, Nelt Group enables its clients to maximize efficiency and minimize costs. If needed, Nelt Group provides tailor made logistics solutions based on clients specific needs.

### Warehousing

Storage capacities in Serbia, Bosnia and Herzegovina, Montenegro and Macedonia are more than 125,000 m<sup>2</sup> with different temperature regimes, types and storage technologies. By applying modern technologies and logistics software Nelt Group companies are ready to respond to every client request. Various industries require specific logistics and for those clients, unique solutions are being developed.

Nelt Group companies have ISO and HACCP certificates.

In line with regulations and principal's requests, the goods are being stored and shipped based on customers orders. By

continual tracking of warehouse space usage, the company manages available resources used in the logistics segment of business. Along with the distribution operations, in the logistics segment, warehousing department is responsible for receiving, storing and preparing goods for delivery, in accordance to requests of logistics services users.

Efficient management and maximum usage of all storage resources are enabled through a computerized warehouse management system (WMS) G.O.L.D. Stock. This system enabled the company to store over 10,000 products in the best possible way and accurately deliver more than 99.5%. In line with ever-present clients need to offer products that are custom made, Nelt developed a CONOPS\* storage service.

\*CONOPS includes additional services (repackaging, labeling) and adapting (creating specific commercial packages, promo and discount sets) of consumer goods, food, pharmaceutical, technical products and advertising materials.



# Membership in national associations

Nelt is a member of the National Association of freight forwarding companies and business association agents "Transport and Logistics" and the Business Association of goods carrier in international Road Transport of Serbia "International Transport". Thanks to these memberships, the company has the ability to actively participate in solving various challenges in transport and logistics, and through concrete recommendations contributes to the development of this area on the national level.

Associations activities include improving the business of all its members, cooperation with competent state bodies, organizations, chambers and other associations, business information, education, advisory function and expert protection of the interests of its members.

## Customs mediation

Nelt has been developing the service of customs mediation in Serbia and is specialized in customs procedure when it comes to consumer goods, food, pharmaceuticals, technical equipment. The experience was shared with Nelt Group companies in the region and clients can also get necessary certificates, attests, sanitary and veterinary permits.

Nelt has the status of the **Authorised Economic Operator (AEO F)** In Serbia and Neregelia has the status of a **Privileged customs procedure participant** In Montenegro. That makes them a reliable partner because it proves they fulfill specific criteria of the World Customs Organization and local supply chain safety standards. The main advantages of this system are simplified customs procedures and reduced paperwork. In this way, faster and more economic transport of goods are enabled. That increases the level of service quality and further improves the palette of logistics service.

## National transport

It implies delivering goods to customers with implementation of efficient routing plan that ensures the accuracy of deliveries, minimum costs and customer satisfaction. All vehicles are equipped with GPS devices and the organization, control and monitoring of transport and delivery routes are done by





contemporary software solution for transport organisation and optimisation (TMS - Sky Track). Delivery routing or the entire fleet is done through dynamic routing software. Delivery vehicles have PDA devices that enable the driver to have a complete overview of delivery - route details, paperwork, navigation... All systems (ERP - SAP, TMS-Sky Track, WMS - GOLD) are connected and provide optimal solutions for logistics tasks.

## International transport

Nelt's extensive experience in the field of transport, as well as the reference list of the clients, places Nelt among the leaders of Southeast Europe. The company has its own vehicles for the transport of goods of different dimensions. It also cooperates with other carriers throughout the region. In this way, Nelt is able to organize road transport to any European destination. In accordance with the needs of clients, international and domestic freight transport of goods can be organized as direct or as collective transport.

Nelt's vehicles manage to realize over 23,000 FTL annually, in every transport regime. Depending of clients needs, international transport can be organized as direct or as groupage transportation of goods, to any European destination.

Vehicles have the most sophisticated equipment in line with TPA TSR standard A level. That way the company can meet every client demand. All vehicles are insured according to CMR.

## Intermodal container terminal

In December 2016, Nelt opened first private container terminal in Belgrade within its business complex in Dobanovci. During first year of operations partnerships with international sea and logistics giant - Chinese company COSCO, Danish MAERSK and French CMA CGM were made.

Nelt's terminal is connected with every European port and land terminals, highways E-75 and E-70 intersect six kilometers from the terminal, while Nikola Tesla Airport is 10 kilometers away. Within Nelt logistics center is a customs office with a warehouse that gives full support and flexibility to various processes and flow of goods.

With intermodal transport, more economical, efficient and ecological global flow of goods is enabled. The terminal is opened for all participants in the market from shipping companies and train operators through logistic, distribution companies and manufacturers, brand owners and other distributors.







# IMPLEMENTATION OF ADVANCED TECHNOLOGIES

Thanks to its readiness for improvements, Nelt Group is one of the most modern logistics and distribution companies in the region. Investing in development and innovation is seen through:

- sales – tablet devices
- communications – IT phone services, IM, 3G+ data transfers from the field
- logistics – WMS G.O.L.D. and Dynamic routing
- delivery – Sky Track System, PDA devices
- business information systems – SAP.

The advanced system of monitoring energy efficiency SCADA as well as B2B sales portals are implemented in Serbia, so far.

## **SAP - business information system**

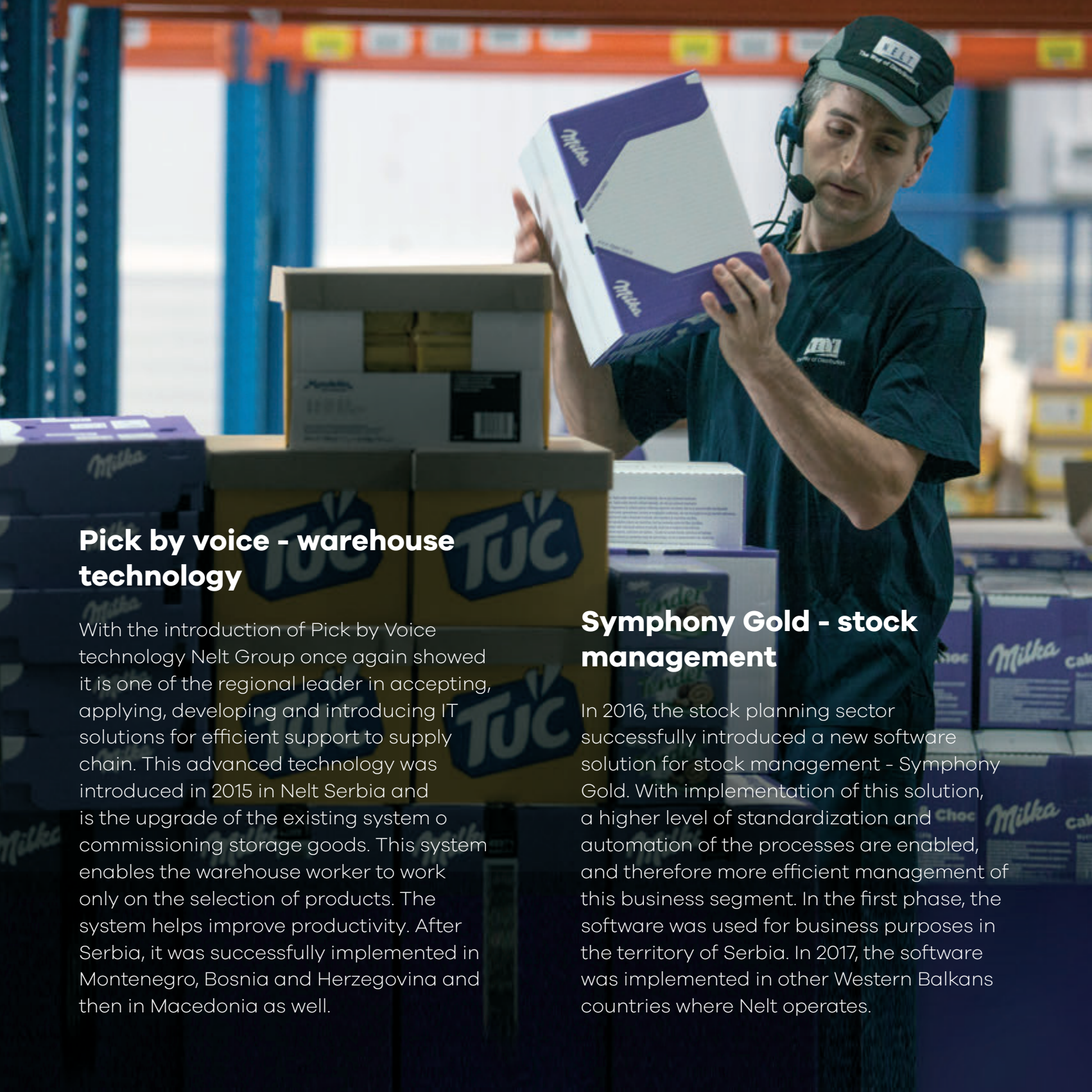
After companies in Serbia, Montenegro, Bosnia and Herzegovina, Nelt in Macedonia was the fourth company within Nelt Group, which started using SAP in its business processes. In this way, in 2017, the cycle

of introducing this system to the Western Balkans companies was successfully completed.

Business IT system SAP was introduced in 2012 in Serbia in order to support the strategy of sustainable growth and development of the business.

Nelt now has its own team of experts made of internal SAP consultants from almost every company sector (finances, controlling, HR, supply management, sales management, reporting) that can swiftly and efficiently respond to various business demands. Some of the basic benefits of SAP software are:

- standardization and consolidation with long-term solution
- better monitoring and process control
- optimized performance
- quality business reporting
- HR management
- procurement and stock management.



## Pick by voice - warehouse technology

With the introduction of Pick by Voice technology Nelt Group once again showed it is one of the regional leader in accepting, applying, developing and introducing IT solutions for efficient support to supply chain. This advanced technology was introduced in 2015 in Nelt Serbia and is the upgrade of the existing system of commissioning storage goods. This system enables the warehouse worker to work only on the selection of products. The system helps improve productivity. After Serbia, it was successfully implemented in Montenegro, Bosnia and Herzegovina and then in Macedonia as well.

## Symphony Gold - stock management

In 2016, the stock planning sector successfully introduced a new software solution for stock management - Symphony Gold. With implementation of this solution, a higher level of standardization and automation of the processes are enabled, and therefore more efficient management of this business segment. In the first phase, the software was used for business purposes in the territory of Serbia. In 2017, the software was implemented in other Western Balkans countries where Nelt operates.



# Nelt

## QUALITY MANAGEMENT

Through efficient quality management system, Nelt Group companies constantly work on improving the processes, maintaining a high quality of services as well as strict health safety of every product.

In line with business needs, Nelt Group members have implemented quality management systems in line with international standards and demands of leading European retail chains.

CERTIFICATES REVIEW	NELT SERBIA	NELT BOSNIA AND HERZEGOVINA	NEREGELIA MONTENEGRO	NELT MACEDONIA
ISO 9001:2015	RECERTIFICATION 2017	NOT CERTIFIED. FIRST CERTIFICATION PLANED FOR 2019	RECERTIFICATION 2018	NOT CERTIFIED
HACCP	RECERTIFICATION 2018	RECERTIFICATION 2016	RECERTIFICATION 2016	RECERTIFICATION 2017
GDP			FIRST CERTIFICATION 2016	



# Updated version of ISO 9001:2015

Nelt Serbia owns the certificate on harmonization of practice with standards ISO 9001 since 2008. Since then every year the harmonization is verified by SGS leading international certification company, and every four years recertification is being done. ISO 9001, world's leading quality management standard, went through the revision process and a new, updated version was published in September 2015. ISO 9001:2015 is significantly altered and updated version of standards, modernized and focused on the conditions under which the company is doing business, the extreme surroundings, strategies and goals of the company and risk management.

In 2017, Nelt Serbia successfully carried out the fourth cycle of recertification in line with ISO 9001:2015 standard in its business complex in Dobanovci, regional distribution centers in Novi Sad and Subotica. During a two-day inspection, several areas have been analyzed:

- leadership
- planning and business development
- resources: people and the organization's knowledge, infrastructure and equipment
- competence and awareness, communications
- documented information
- sales and marketing
- storage, manipulation and transport of goods
- monitoring and improvement.

During the preparations for recertification, the context in which the company is doing business and the expectations of interested parties have been formalized.

Recertification according to new standard demands of ISO 9001:2015 in Montenegro is planned for 2018 and first certification in Bosnia and Herzegovina for 2019.

During 2017, several other external audits from the leading international certification company SGS have been conducted:

- Supervisory HACCP audit in Nelt Serbia when it was determined that food safety systems showed full compliance with the standards and criteria.
- In Bosnia, a supervisory audit of HACCP was implemented in DC Banja Luka after recertification in 2016 when the scope of the certificate was broadened and included Bijeljina location.
- In Nelt Macedonia HACCP system was recertified.

When it comes to Montenegro, during 2016 recertification of the HACCP system in Neregelia was conducted as well as first inspection of the quality management system by certification body SGS from Belgrade. The expert team ruled that the food safety systems and quality management in Neregelia were completely in tune with the standards and criteria of the audit and several recommendations for further improvement of the process were given. The

process of implementation HACCP system in Neregelia began in 2012 and after a while, it was revised and expanded.

Additionally, after the first successful checkup in 2015 by the certified body of Agency for Medicines and Medical Devices of Montenegro (CALIMS), at the beginning of 2016 Neregelia was awarded with GDP (Good Distributive Practice) certificate for the pharmaceutical business. GDP certificate confirms that Neregelia's business system in this area fulfills all criteria regarding organizational structure, staff education, regulatory norms, respect of international standards, procedures and documentation management. This certificate also confirmed that the company fulfills EU directives. Neregelia is the first member of Nelt Group with an approval of the quality of work in pharmaceutical business and is a third wholesale pharmacy in Montenegro with GDP certificate.





# Food quality

The quality policy defines the organization and realization of the process as well as other necessary conditions for preserving the safety of food which Nelt Group companies are distributing. This way companies take care of food safety while the goods are under their control. This means adequate storage and transport conditions, securing the necessary temperature, protection from unauthorized access, food safety and preservation from possible contamination, supplies rotation in line with FEFO principle (First Expired First Out), maintaining sanitary condition in the warehouse, transport and manipulation, periodical lab analysis of imported products and the certificate of their safety and quality.

Additionally, sector and the team that deals with regulatory and technical demands have been expanded. In order to qualify certain product a safe and not a health hazard, it should meet rules and regulations of product placement. Most of these regulations deal with:

- product's appearance
- the possible existence of forbidden substances or elements in the product
- product labeling
- microbiological safety

Since the company is an importer of various goods it has to fulfill several different regulations and laws dealing with food, cosmetics, electrical gadgets and chemistry as well as the Consumer protection act and Product safety act.

Before placing goods on the market their compliance with regulations is determined on the basis of valid documentation of producers, applied standards in production, analysis results (qualitative, microbiological, presence of pesticides and heavy metals, radiation, GMOs, etc.) as well as by physical examination of the products. Also, the existence and integrity of declaration are being checked. The label has to be on local language and have all the information defined by regulations.



# Customer service

All complaints from the customers regarding the quality of the product or service are gathered in the Customers service sector and forwarded to responsible parties. Complaints regarding the quality of the product are forwarded to the principal. The legal deadline for the customer to be informed that his complaint was received is 8 days, while the deadline of the outcome of his complaint is 15 days upon receiving the complaint. Consumers can place their complaints from 8 a.m. to 10 p.m. Monday to Friday, and until 2 p.m. on Saturdays. Sunday is the day off.

When it comes to products labeling, during 2016 and 2017 several cases regarding the non-existence of labels in Serbian were noted. All cases were discovered through company monitoring and customers tips and were promptly dealt by checking the entire stock of disputable products, at the company and at the points of sales where these articles were delivered. The company react swiftly by sticking the declarations to all quantities found without a label, so there were no officially reported complaints.





# Labels on Braille in Montenegro

With the introduction of new Law and Act on labeling in Braille for liquid detergents and shampoos in large packaging, Neregelia placed product information in Braille in every object these products were distributed.





# Principal satisfaction survey

Wanting to gain a better insight into the attitudes and satisfaction of its principals, Nelt Group conducted a survey in 2016 and 2017 through in-depth interviews (IDI). This technique represents a “faster way for better understanding of attitudes and motives of the pollsters.” IDI is a creative method of polling that explores how and why and not only what, when and where.

Analyzed gathered data from qualitative research are included in the final regional report with the findings of quantitative research.

NELT SERBIA	
FMCG*	
ASSESSED ASPECTS OF COOPERATION FROM 1 TO 5	
COMMUNICATION AND UNDERSTANDING OF KEY CONTACTS	(4,6)
EMPLOYEES PROFESSIONALISM	(4,4)
THE UNDENIABLE “KNOW HOW” IN DISTRIBUTION	(4,2)
COMPLETE SERVICE	(4,2)
PHARMA**	
ASSESSED ASPECTS OF COOPERATION FROM 1 TO 5	
COMMUNICATION AND UNDERSTANDING	(4,8)
THE “KNOW HOW” IN DISTRIBUTION	(4,5)
THE SIMPLICITY OF COOPERATION	(4,5)
COMPLETE SERVICE	(4,5)
STRATEGIC PLANNING	(4,5)

NEREGELIA MONTENEGRO, NELT BOSNIA AND HERZEGOVINA, NELT MACEDONIA	
FMCG	
ASSESSED ASPECTS OF COOPERATION FROM 1 TO 5	
COMMUNICATION AND UNDERSTANDING OF KEY CONTACTS	(4,6)
EMPLOYEES PROFESSIONALISM	(4,4)
THE “KNOW HOW” IN DISTRIBUTION	(4,2)
COMPLETE SERVICE	(4,2)

\*FMGC - consumer goods

\*\*Pharma - pharmaceutical products



# Customers satisfaction survey

As in previous years, during 2016 and 2017 Nelt Group conducted a survey among its customers using Loyalty Plus methodology. GfK's Customer Loyalty is a quantitative survey that combines telephone and face to face polls to measure customers satisfaction. The results show attitudes, manners and intensity of customers relationships.

The methodology used relies on the Kano model, which assumes that there are 3 different ones aspect of quality:

- **Expected (dissatisfaction factors)**

Minimum prerequisites that cause severe dissatisfaction if not met. However, their presence does not have the potential to improve the satisfaction of customers / customers.

- **Preferred (dual factors of improvement and excitement)**

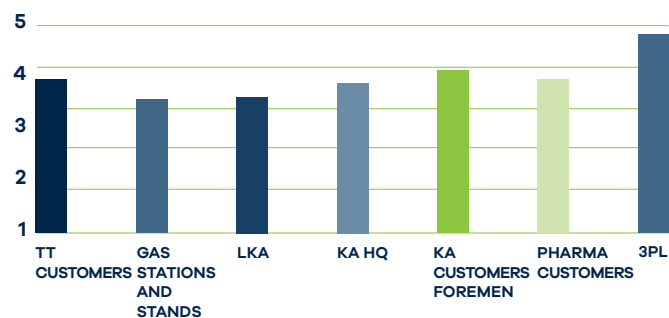
Features that cause satisfaction if their performance is high, but also dissatisfaction if they have it effect low. In this case, the ratio of performance and overall satisfaction is linear and symmetric.

- **Attractive (enthusiasts)**

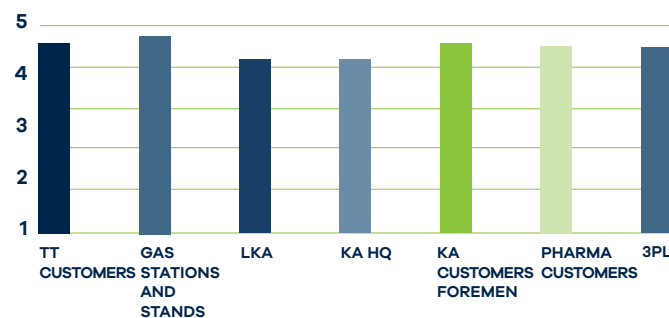
The characteristics that increase their satisfaction with their presence, while their absence does not affect Consumer dissatisfaction. These factors seem surprising to consumers and create enthusiasm with them.

# NELT SERBIA

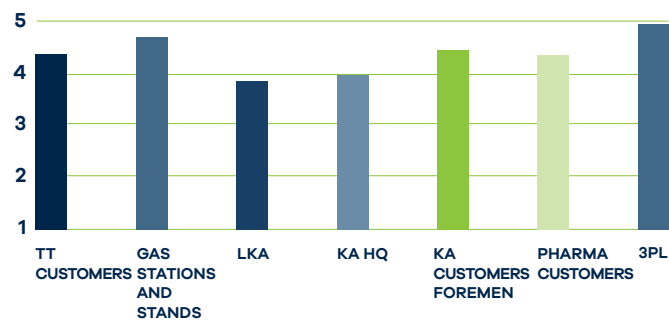
QUALITY OF COOPERATION



PROBABILITY OF RECOMMENDATION



TOTAL SATISFACTION



LEGEND:

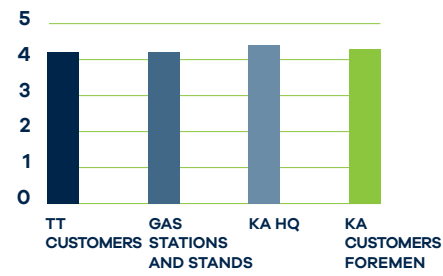
- 1 - very unhappy
- 2 - somewhat unhappy
- 3 - neither happy nor unhappy
- 4 - somewhat happy
- 5 - very happy

TT customers - Traditional trade, small retail stores  
LKA – local key account, large wholesale stores  
KA HQ - key account, large wholesale stores  
KA - key account, large wholesale stores -- foreman  
Pharma customers - pharmaceutical products customers  
3PL - logistics

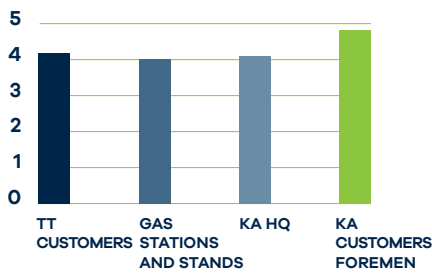
Customers in Serbia ranked the highest: acceptable commercial terms, price competitiveness and innovation, willingness to offer something new. Pharma customers recognized Nelt as a company with whom they have a partnership, accurate, timely and full delivery of goods, company with strong brands and bestselling products.

# NELT BOSNIA AND HERZEGOVINA

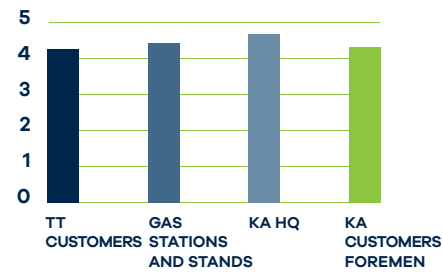
## QUALITY OF COOPERATION



## PROBABILITY OF RECOMMENDATION



## TOTAL SATISFACTION



### LEGEND:

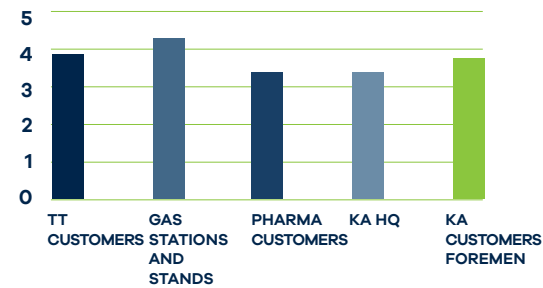
- 1 - very unhappy
- 2 - somewhat unhappy
- 3 - neither happy nor unhappy
- 4 - somewhat happy
- 5 - very happy

TT customers - Traditional trade, small retail stores  
KA HQ - key account, large wholesale stores  
KA - key account, large wholesale stores - foreman

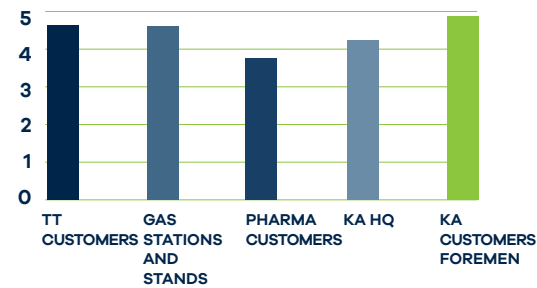
Customers in Bosnia and Herzegovina picked useful information, competitiveness of agents, sales managers in the problem-solving and regular delivery of promo material as things of utmost importance for them. They also highly ranked flexibility in negotiations on terms of trade and the frequency of agents, sales managers calls.

# NEREGELIA MONTENEGRO

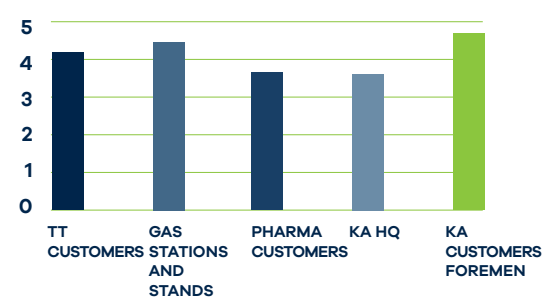
## QUALITY OF COOPERATION



## PROBABILITY OF RECOMMENDATION



## TOTAL SATISFACTION



### LEGEND:

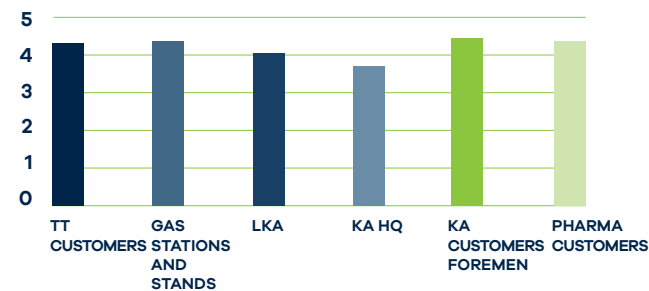
- 1 - very unhappy
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TT customers - Traditional trade, small retail stores  
LKA - local key account, large wholesale stores  
KA HQ - key account, large wholesale stores  
KA - key account, large wholesale stores -- foreman  
Pharma customers - pharmaceutical products customers

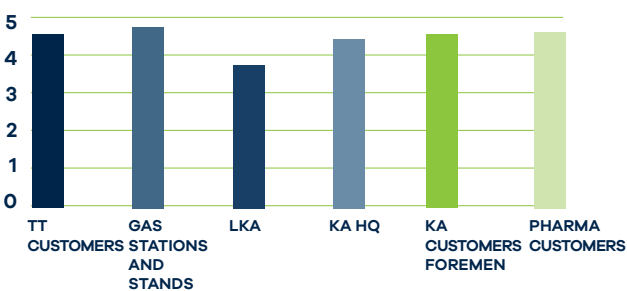
Montenegrin customers gave best grades to the frequency and reliability of agents/sales managers in deal agreements. They see Nelt as a company that takes care of products with weaker exit and products nearing expiration date. They ranked extremely highly agent/sales manager competence in problem-solving and providing useful information that enables understanding, sale and storage of products.

# NELT MACEDONIA

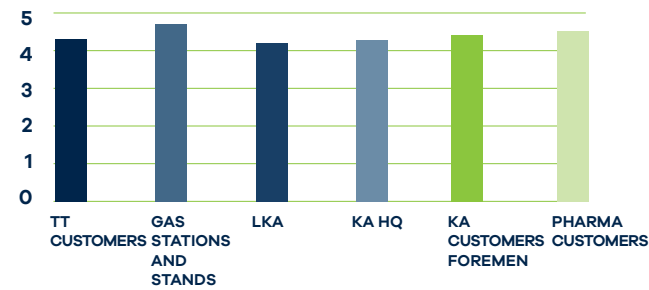
QUALITY OF COOPERATION



QUALITY OF COOPERATION



TOTAL SATISFACTION



LEGEND:

- 1 - very unhappy
- 2 - somewhat unhappy
- 3 - neither happy nor unhappy
- 4 - somewhat happy
- 5 - very happy

TT customers - Traditional trade, small retail stores  
LKA – local key account, large wholesale stores  
KA HQ - key account, large wholesale stores  
KA - key account, large wholesale stores -- foreman  
Pharma customers - pharmaceutical products customers

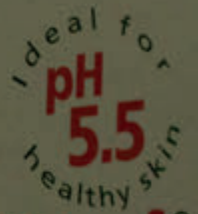
Customers in Macedonia gave the best grades to following categories: willingness to offer something new, efficiency in organizing promotions for customers, help with optimization of assortment a competence of agents/sales managers in problem-solving.



Training Manual



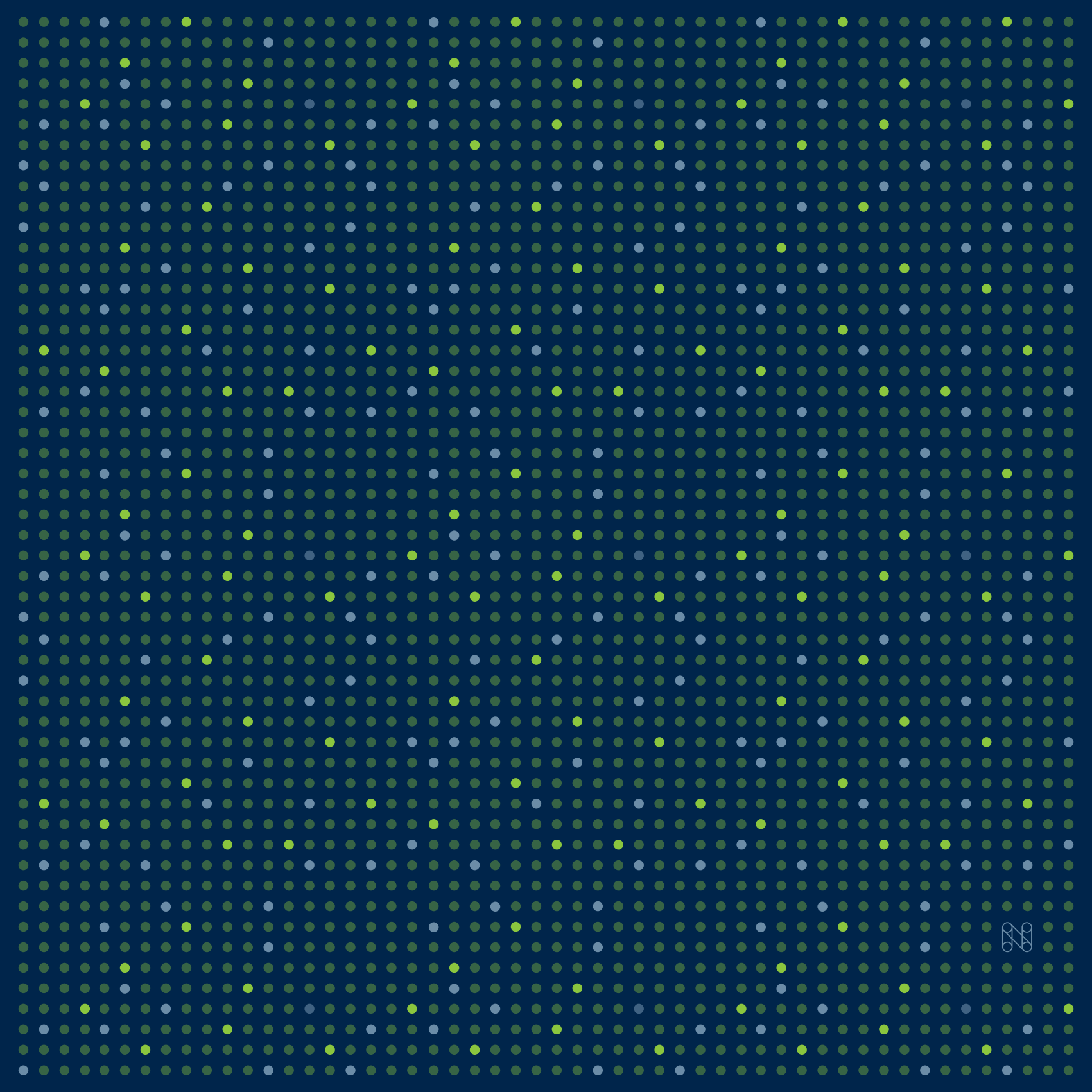
Brand Handbook



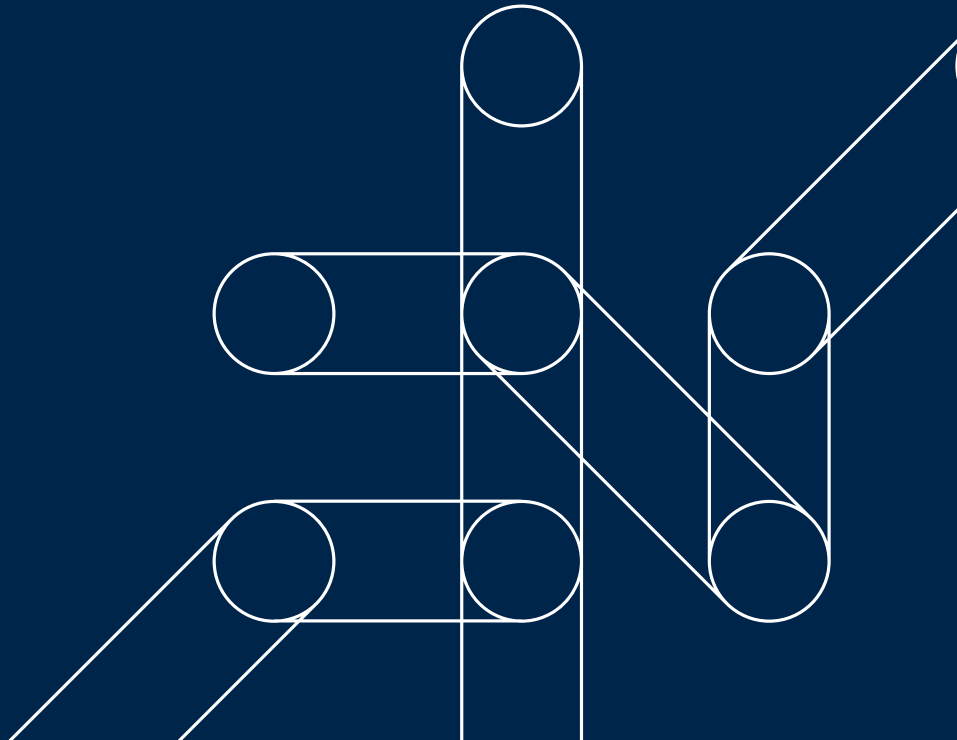
sebamed®

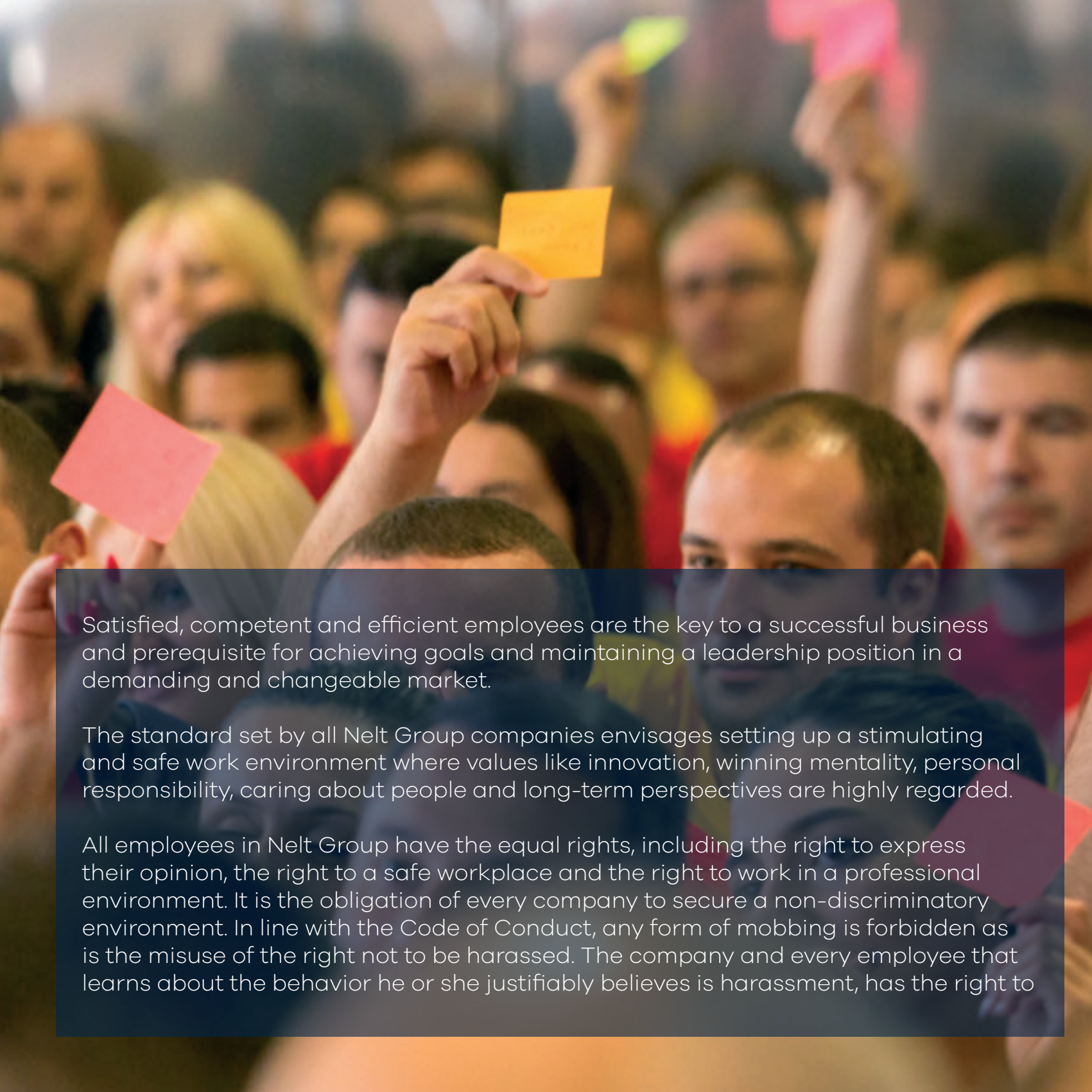
Brand Handbook





# WORK ENVIRONMENT RESPONSIBILITY






Satisfied, competent and efficient employees are the key to a successful business and prerequisite for achieving goals and maintaining a leadership position in a demanding and changeable market.

The standard set by all Nelt Group companies envisages setting up a stimulating and safe work environment where values like innovation, winning mentality, personal responsibility, caring about people and long-term perspectives are highly regarded.

All employees in Nelt Group have the equal rights, including the right to express their opinion, the right to a safe workplace and the right to work in a professional environment. It is the obligation of every company to secure a non-discriminatory environment. In line with the Code of Conduct, any form of mobbing is forbidden as is the misuse of the right not to be harassed. The company and every employee that learns about the behavior he or she justifiably believes is harassment, has the right to

A large crowd of people is shown from the chest up, holding up small, brightly colored sticky notes (yellow, pink, red) in their hands. The background is blurred, focusing attention on the people and the notes they are holding. The scene appears to be a public gathering or a corporate event.

initiate the procedure to secure protection from harassment.

All employees at Nelt are hired for a full-time work. The company does not employ permanent third parties\*. There is no collective agreement in Nelt between the company and employees representatives.

There is no collective agreement in Nelt made between the company and employee representatives.

When it comes to employment, Nelt offers equal opportunities to all candidates, it supports and encourages diversity and does not discriminate based on sex, age, religion, nationality and race.

\*permanent third parties - persons who are regulars at the company but not employees of the company (workers hired through employment agencies, or hired for maintaining and security services through other company)

# NELT SERBIA\*





\*Fluctuation rate is calculated through a formula: number of employees that have left the company/total number of employees when the report was made x 100.

# NEREGELIA MONTENEGRO



\*Fluctuation rate is calculated through a formula: number of employees that have left the company/total number of employees when the report was made x 100.

# NELT BOSNIA AND HERZEGOVINA



# NELT MACEDONIA



\*Fluctuation rate is calculated through a formula: number of employees that have left the company/total number of employees when the report was made x 100.





# Health and Safety management system

Maintaining and securing safe work conditions is one of Nelt Group priorities. It includes following all legal procedures as well as introducing all employees with their responsibilities and role in maintaining the safe working environment.

Health and Safety management system of employees in Nelt Group is based on the principles of preventing accidents at work, professional maladies or any kind of health hazard and is implemented in the workplace and work environment. The system is run by OHS\* team that consists of team coordinator, deputy and 9 members. The team covers all hazardous occurrences, health and safety issues as well as injuries at work. They process and analyze, complete reports and implement corrective measures.

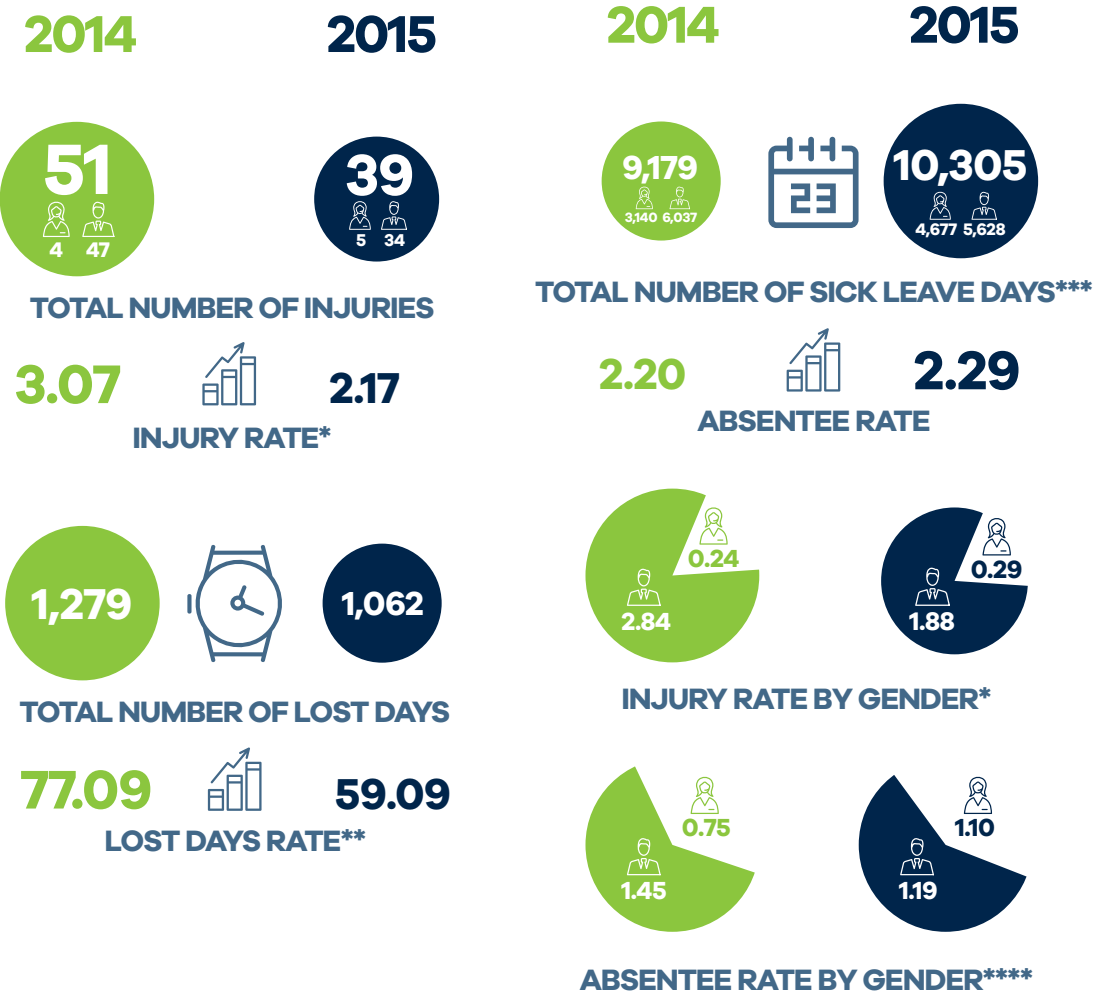
Employees can contact team members personally or via phone or email in case they have suggestions and questions concerning health and safety management at work.

All employees at Nelt Group have an insurance policy in case of an accident, during or outside work hours the entire year round. Nelt notes and reports all dangerous situations, light or heavy injuries and other health hazards. All cases are analyzed yearly. No professional health issues nor fatalities have been recorded in the period report covers.



**AMBULANCE**

# NELT SERBIA\*



\*The data were taken from the publication "Distribution with care" Nelt Serbia's Sustainability Report for 2014-15 in order to be compared with 2016 and 2017 data presented in this publication.

2016

2017



TOTAL NUMBER OF INJURIES



INJURY RATE\*



TOTAL NUMBER OF LOST DAYS



LOST DAYS RATE\*\*

2016

2017



TOTAL NUMBER OF SICK LEAVE DAYS\*\*\*



ABSENTEE RATE



INJURY RATE BY GENDER\*



ABSENTEE RATE BY GENDER\*\*\*\*

Injury rate is the frequency of injuries per 100 employees in the reporting period .

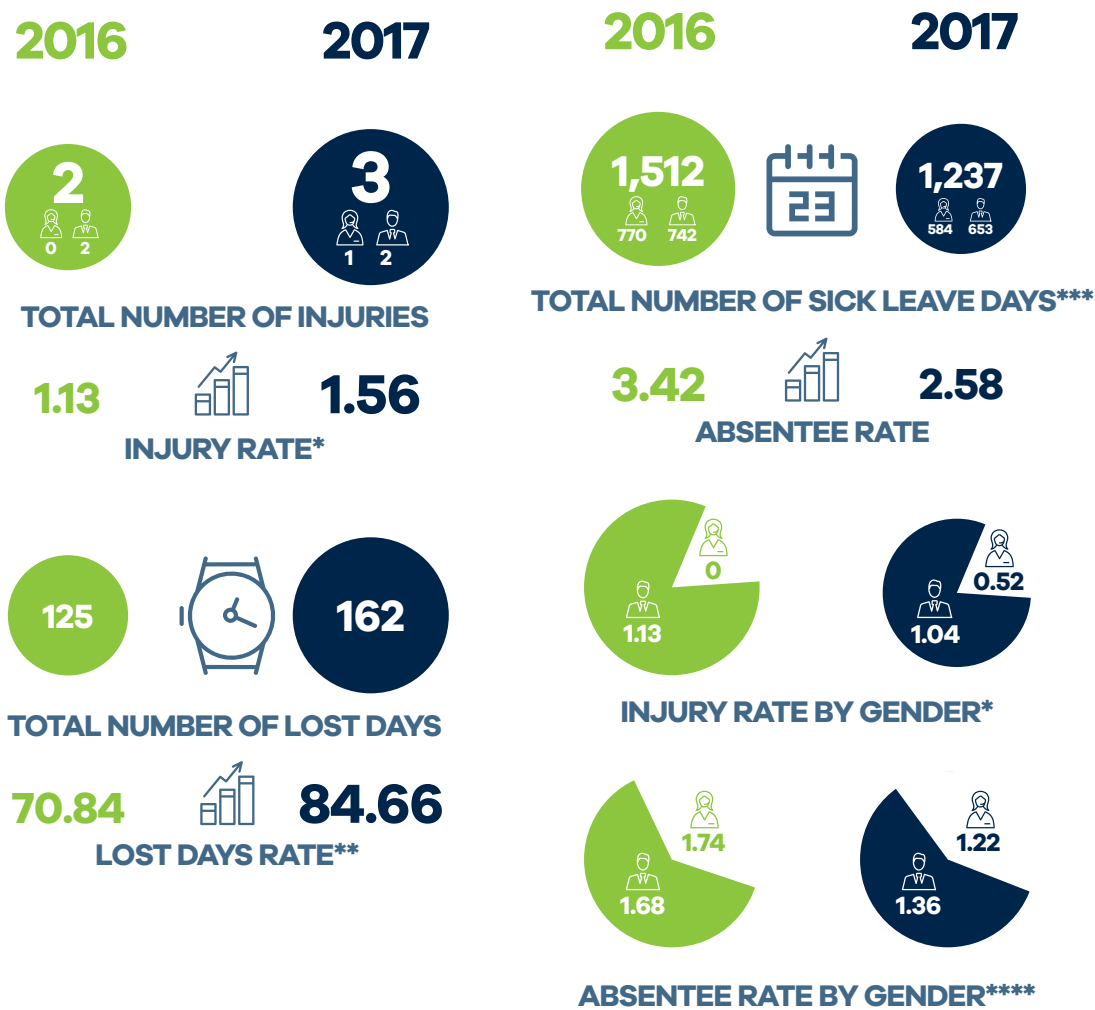
It is calculated by using the formula: total number of injuries / total number of working hours × 200,000.

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

\*\*\* Sick leave excludes maternity leave

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

# NEREGELIA MONTENEGRO



Injury rate is the frequency of injuries per 100 employees in the reporting period .  
It is calculated by using the formula: total number of injuries / total number of working hours x 200,000.  
\*\* Lost days is the frequency of lost work days due to injuries per 100 employees. It is calculated by using the formula: total number of lost work days / total number of working hours x 200,000.  
\*\*\* Sick leave excludes maternity leave  
\*\*\*\* Absentee rate is the percentage of days lost as a result of absence. It is calculated by using the formula: total number of sick leave days / total number of working days of persons employed x 100.

# NELT BOSNIA AND HERZEGOVINA

2016

2017



TOTAL NUMBER OF INJURIES

1.44



INJURY RATE\*

1.42



TOTAL NUMBER OF LOST DAYS

120.88



LOST DAYS RATE\*\*



2016

2017



TOTAL NUMBER OF SICK LEAVE DAYS\*\*\*



2.19



ABSENTEE RATE

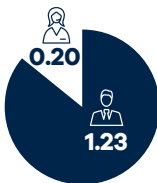
1.43



INJURY RATE BY GENDER\*



ABSENTEE RATE BY GENDER\*\*\*\*



# NELT MACEDONIA

2016

2017



TOTAL NUMBER OF INJURIES

0.48



0.44

INJURY RATE\*



TOTAL NUMBER OF LOST DAYS

3.13



3.97

LOST DAYS RATE\*\*

2016

2017



TOTAL NUMBER OF SICK LEAVE DAYS\*\*\*

0.93

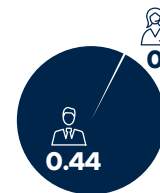


1.59

ABSENTEE RATE



INJURY RATE BY GENDER\*



ABSENTEE RATE BY GENDER\*\*\*\*



# **"Safety day" in Nelt Group**

"Safety day" event is held once a year in all Western Balkans countries where Nelt Group operates and is aimed at raising awareness of the importance of health and safety at work.

In Central distribution & logistics center in Dobanovci, "Safety day" was organized for the third time in April 2017. This time 450 employees participated in the program. Through orientations and training, theoretical and practical knowledge of employees was improved. Evacuation, first aid, traffic safety and fire protection drills were held. After Dobanovci, "Safety day" was organized in regional centers Novi Sad, Nis, Kraljevo and company JSS in Subotica.

In Bosnia and Herzegovina, in a regional distribution center in Laktasi, "Safety day" was organized in September 2017. Employees were introduced to the evacuation procedure and safety risks of transferring people from endangered site to safety and, most importantly, how to behave in a risky situation. The employees also participated in a fire drill. Fireworkers volunteers also supported the event with 8 members and two vehicles. They presented a fire extinguishing exercise with chemical foam. After Laktasi, the program was organized in Bijeljina and Sarajevo.

First Safety day in Montenegro was organized in October 2016, aimed at raising awareness on the safety of workers. The event was held in Neregelia under the slogan "Safety, that's me!". More than 100 employees participated in the program. With the help of officers from the Emergency situations sector and Montinspekt agency, two seminars on conduct in an emergency situation and safety at work were organized. Employees had the opportunity to learn how to provide assistance to injured persons, extinguish fire and change a tire.

Rescue service from Podgorica, Red Cross and Alliance Renault service supported the event. On the info stand, representatives from the Quality Sector gave information to employees on the Risk management project in Nelt Group. The employees could also report potential risks they have identified. The event was highly graded and received a number of positive comments. The importance and usage of these and similar events were recognized.





\* Frontal and rolling simulation at lower speeds

Another day on safety measures was held in Macedonia mid-November 2017 in Nelt Macedonia. Hundred of employees participated in this, now traditional event. Employees went through first aid, fire and evacuation drills. Expert inspections were given by representatives of clinic Medika plus and company Peni inzenjering. Employees also practiced taking out the fire.



# **Best drivers awards**

Considering that transport is in 2015 Nelt established a "Rulebook on conditions and manner of use of company owned motor vehicles". According to this guidelines, drivers who on a quartal level don't have negative points in the central record and don't have negative data in reports from GPS system for tracking company vehicles, receive a monetary award. Points are given for positive approach to vehicle maintaining - sticking to the plan of maintenance, preservation of interior and exterior of the vehicle, basic maintenance, timely reporting od breakdowns. The aim to promote those employees who have shown responsibility for the vehicles for the ambassadors of conscious behavior in traffic

In Serbia, the award is being given since the guidelines were approved in 2015 to 8 drivers, 4 from the transport sector and 4 from sales. In Bosnia and Herzegovina, this award was established in 2016 and is given to 4 drivers - two from the transport sector and two who use passenger vehicles. In Macedonia and Montenegro, adaptation and implementation of guidebook is being conducted. From 2018, the same principle of rewarding the best drivers will be applied.





# Award for best forklift operator

The program was completed with "Forklifters clash" a dynamic challenge where all forklift operators were given the opportunity to show their skills. The gold medal was awarded to Petar Trumbetas. Silver to Lazar Acimovic and bronze to Dejan Knezevic.







# EMPLOYEES SATISFACTION

Nelt Group takes care of the satisfaction and motivation of employees and provides them with additional benefits and numerous activities. All employees, regardless of the type of work contract, have medical care, the right to a maternity leave and are insured from injuries and accidents at and beyond work throughout the year. For employees who end their career in one of Nelt Group companies receive a retirement bonus while those who celebrate a jubilee year receive gift vouchers. In order to support its employees in the most difficult moments, companies of Nelt Group provide financial help in case of illness or death of a family member.

Employees in Nelt Group also have shopping benefits in the stores where partnership cooperation was achieved. Thus, they get discounts on theatre tickets, tourist arrangements, fitness club memberships, clothes. In Nelt's company discount store in Dobanovci, employees get a monthly 10% discount for shopping worth 11,000 RSD, as well as discounts on Neoplanta products two times a year in five monthly installments.

For employees children, until they reach the age of 10, the company provides New Year's Eve presents.

Business complex in Dobanovci has a company restaurant "Kod Purketa" where 1000 employees who work at this location can have breakfast and lunch for a affordable price. Along with regular meals, the restaurant has a monthly practice of preparing national dishes from various areas.

# Employees health

Through campaign "Company doctor" Nelt Group enables its employees to get the medical checkups they need. In partnership with private clinics, several times a month checkups are organized in Nelt's Dobanovci center where more than 1000 people work.

In the regional centers and branches in Serbia as well as in Montenegro, Bosnia and Herzegovina, systematic medical checkups are organized once a year.

Employees in Nelt Macedonia have mandatory medical examination regulated by law. Targeted checkups are organized in line with specific demands of a workplace as defined by Risk management company act.



# Employees events

In order to promote company values, Nelt Group organizes various events and activities for employees from all sectors. Apart from presenting results and important events in business, introducing new managers and business strategy, these events include various entertainment activities and competitions. In an informal surrounding, employees have the chance to get better acquainted through teamwork and socializing.





# "Praise your colleague"

The search for the Best colleagues began with "Praise your colleague" event in 2014 in Serbia. Three years later, this event spread outside the region's borders. Apart from Serbia, Bosnia and Herzegovina, Montenegro and Macedonia, events were organized in 2017 in African countries where Nelt operates - Angola, Zambia and Mozambique.

The aim of the event is to recognize the employees who represent the behavior the company nurtures. All employees are called to recommend colleagues whose behavior and work motivate and encourage them.

The award established for this opportunity is named "Neven Skoric" in honor of an exceptional man who suddenly died in 2012 after spending 16 years in Nelt. Neven's nature was the core of Nelt - he was a good colleague to everyone, but also a friend, someone who knew how to listen, to be happy for everybody, to support them in dire straits. Someone who saw Nelt as his home. The award is given to an employee in whom his colleagues see all the qualities of Neven Skoric.

THE BEST COLLEAGUE 2016	THE BEST COLLEAGUE 2017
<b>SRB</b> RADOVAN ĐUKIĆ, WAREHOUSEMAN	<b>SRB</b> DALIBOR TASIĆ, FORKLIFT OPERATOR
<b>B&amp;H</b> ZDRAVKO PELEMIŠ, DELIVERY TIM LIDER	<b>B&amp;H</b> MARKO MINIĆ, DELIVERER
<b>MK</b> GORJAN ATANASOVSKI, SUPPLY CHAIN ASSISTANT	<b>MK</b> FILIP PETREVSKI, WAREHOUSEMAN
<b>MNE</b> JOVANA NEDIĆ, ADM. ASSISTANT OF EXECUTIVE DIRECTOR	<b>MNE</b> NIKOLA PETROSKI, SALES AGENT



## **“One heart, one team”**

Initiative “One heart, one team” was organized for the first time in June 2017 in Serbia. It was the result of desire to enhance communication between management and employees in sales and delivery sector. One day they spend together, on the field, enables managers to understand delivery and sales jobs and meet with different challenges. On the other hand, employees in sales and delivery sector have the opportunity to meet with officials and learn something about their way of thinking.

More than 130 employees participated in the first event. In December, a second event was organized with more than 170 participants from management, delivery and sales sectors. It is planned that this activity become a regular practice, not only in Serbia, but also in other markets.

“It is not the same to look at excel sheets and to be on the field. This action enables us to see real challenges when dealing with customers, to sens the colleagues and customers expectations. This provides more efficient management of business operations and provides satisfaction to all sides,” said Milenko Ribic, financial manager and one of the participants.



## **“Kids’ Day” in Nelt Group**

A lot of children participate in the manifestation “Kids’ Day”, organized for the fourth year in a row in all Nelt Group companies. This event is a unique opportunity for employees children to spend the day at their parents workplace, meet, play and enjoy in the entertainment organized for the children age 3 to 10. “Kids’ Day” was organized in Belgrade, Novi Sad, Nis, Kraljevo, Bor, Uzice, Skopje, Podgorica, Banja Luka and Sarajevo.

“Kids’ Day” also has a humanitarian character. Parents have the chance to bring toys and clothes that are donated to institutions like Children’s village in Sremska Kamenica, Children’s safe house in Novi Sad, Center for children in Belgrade, Home for developmentally impaired children and youth in Veternik, Red Cross in Nis, Centar established to protect the children who have lost parental care, or who stand at risk of losing it – SOS Children’s village in Kraljevo, Home Home for children and youth without parental care “Rada Vranjesevic” in Banja Luka and Children’s home Mladost in Bijela.

The program conception is the same in all companies. With fun and games, kids also have the chance to participate in creative workshops and make art. Also, in Dobanovci, in cooperation with Sekopak, in 2016 and 2017 theatrical show „Set the routine, keep your enviroment clean!” was organized. Through songs and witty dialogues, children learned about the importance of recycling, keeping the parks clean and how to correctly separate waste.



## **Participation in sports events**

In May 2016, a team of employees from Nelt in Macedonia participated for the third time in Skopje marathon's 5km race. Total of 7,000 runners from 45 countries participated in the 12th marathon race. The manifestation was organized under the patronage city of Skopje, EU mission and Agency for sports and youth. All 15 Nelt competitors finished the race successfully. Employees of Nelt in Macedonia were also among runners from 50 countries who participated in Wizz Air marathon in Skopje, a humanitarian race held in May 2017.

First Adidas female run #why/ runbelgrade was held in May 2016 in Kalemegdan Donji Grad. The purpose of the race was to gather female runners and help their voices to be heard - to say publicly why they want to run and what makes them look forward. Nelt company had 4 representatives who run the entire race.

Over 40 employees from Nelt Serbia participated in 30. Belgrade marathon in April 2017. Before the race, they warmed up together. In recognizable gear branded with Nelt brands and cheerful mood, all Nelt participants run the half marathon race and satisfaction race.



## **Nelt Serbia on P&G soccer competition**

Since 2015, a soccer team made out of 19 Nelt employees participates in Procter & Gamble World Soccer Championship. Other competition teams come from P&G distribution companies and P&G centres from all around the world. The 23rd world championship was organized in Vienna in 2016. There were 32 men's and 13 women's teams participated in this event . Nelt team ranked 9th.

In Montenegro, Neregelia team of 15 employees participated successfully since 2012 in the championship. In 2013/2014 season, the team was vice-champion in the Business league under Football Association of Montenegro. They now participate in Mini league that has two groups with 23 teams.



## **Bowling business league**

Nelt Serbia team, under the patronage of its principal - Duracell company - participates in Bowling business league with 20 other teams. League members are employees of various international and local companies. Nelt team ended 11th in 2016, while in 2017 it won bronze.





# INTERNAL COMMUNICATIONS

Timely and adequate exchange of information is extremely important for achieving business results but also for building team spirit, especially in a large, complex structure like Nelt Group. That is why development and constant upgrading of internal lines of communication is necessary.



Digitalisation in all aspects of business also transformed internal communications in Nelt Group. Since 2015, Nelt Serbia introduced **internal television in warehouses** and in 2016 this project was implemented in all Western Balkans companies. Through this monitors, employees are receiving news from all Nelt Group companies, as well as service information such as timetables of the internal ambulance, changes in public transportation, benefits for employees, discounts in the company store, info on internal activities. The content is updated at least once a week.

In 2016 **InfoNelt** was launched - Nelt's new internal information portal. As well as providing information, this portal is also a platform for employees orientation. The company, as well as important news, are available in English and Portuguese for employees in the African market. Content is updated constantly in line with organizational needs.

With digital channels, traditional ones are being used as well. **Info boards** are placed in visible places in offices and warehouses, as well as **posters** with important information, notifications and internal events invitations.

Employees can also get informed through **internal journal Magazzin** that is published every three months, as well as through **newsletter** that is being sent once a month through email. Having in mind the international character of the company, newsletter contents are relevant to the market where it is sent which means that every edition is published in Serbian, Macedonian, Montenegrin, Bosnian, Portuguese and English language. Also, all newsletters are bilingual as they are published in the mother tongue of the country where it is sent and also in English. Through newsletter readers get basic info on the subject and then by clicking on the link "more", they are rerouted to an Infonelt page where they can get additional information.

The companies are very proud of their practice of organizing **public meetings for employees** of Nelt Group. In the period between November 2015 and May 2016, public meetings were held in Nelt Group companies in Serbia, Bosnia and Herzegovina, Macedonia and Montenegro. The purpose of these meetings is for the employees to get informed about the results, challenges and learn more from representatives of top management about the company's plans for the future. A public meeting was organized in May 2017 in Montenegro when the company celebrated 20 years of Neregelia and in September in CDC Dobanovci in Belgrade. Employees from other centers in Serbia followed the meeting via live broadcasting.



# Have an idea? Tear it up!

While promoting the initiative, Nelt Group began collecting ideas from its employees through the motto "Have an idea? Tear it up!". Employees were given the opportunity to present the ideas, their goals and benefits, through electronic and printed forms. During the three months of the initiative, more than 300 innovative proposals have been received regarding the improvement of working space or existing business processes. All proposals were evaluated and scored according to feasibility, applicability, creativity and originality. Also, by encouraging company values. Nine proposals were awarded. Three share the first and second place. Three special awards were given for raising awareness about the importance of social responsibility.

One of the awarded ideas - Travel log, enables all employees in Nelt Group to connect with their colleagues in a few easy steps and share his or her information about the business trip they plan. By simply checking up of dates and destinations, employees can find travel companions or share a ride. This was the initiative of Ana Pavlovic, Internal Communications Specialist in Nelt Group. In addition to savings in travel and mail costs, Travel Log can contribute in better connectivity, cooperation and fellowship among colleagues.





# EMPLOYEES DEVELOPMENT

In order to achieve certain goals and maintain a leadership position in a very demanding and changeable market, it is essential that employees be motivated and have the necessary knowledge and skills. That is why Nelt Group is planning the development of its employees by organizing functional, expert and soft skills training. Taking into account the individual and specific needs of the employees, educational programs are designed to develop those competencies needed for a quality job performing. Every employee has a work plan and is being evaluated. All employees who work in Nelt Group for more than 6 months have their work evaluated - in 2016 87.97% of all employees and in 2017, 91.86% of all employees.

The goal of each training is to help employees perform their job better, faster and with more quality, be motivated and constantly improve their knowledge. Orientation portfolio offers training that is conducted internally or in cooperation with external consultants. Also, many employees during the year have the opportunity to go to seminars, conferences and training in a country and abroad.

# **P&G Logistics College**

First P&G Logistics College was organized in December 2016 in Cairo, as part of the “Distributor of the future” project. Participants were distributors of P&G brands in Africa. Nelt Group had three representatives. Training and workshops provided participants with new knowledge in logistics and the possibility of getting the broader context of logistics processes and a better understanding of their networks and codependence. The aim was to use new knowledge and practices to develop and optimize the business process.





# Some of the training organized regularly in Nelt

## Learning Excel

The aim of the training is to improve the knowledge of this necessary tool used in everyday business. Employees have the chance to learn new functions, formulas, shortcuts, how to interpret results they get in Excel and present their records in the clearest possible way. This internal training is conducted by sales analysts, supply planners and financial analysts.

## Finances for non-financiers

The purpose of this training is for employees to get acquainted with financial terms and understand them better, learn how to properly read financial reports, get help in making the budget, planning and following up expenses. Nelt financial managers hold this internal training.

## Human management

The purpose of this training is to take leadership competencies of the participants to a higher level. Participants get the knowledge of communication skills, delegating, providing with return information, motivating employees, in order to get the best team results. Training encourages employees to determine the strong points of the team and their development needs and to understand how to efficiently adjust their style of management to each team member and situation.

## Profitable negotiation

The training is organized for employees who daily have to agree on the best terms of cooperation and maintain longterm partnerships. The aim is to provide participants with tools that will help them to plan their negotiation strategy and to effectively implement them to reach an agreement.



## **Leadership program**

Is designed for team leaders. The focus of the training are standards that have to be implemented when estimating the skills of the sales team and in creating an action plan. First training day is focused on improving sales and communication skills. Second is reserved for practical training and updating the standards of the On the Job training.

## **Presentational skills**

This training is meant for the employees whose job description is to present a certain idea, result or offer to a broader auditorium. The purpose of the training is for participants to learn how to adjust their presentation to a certain target group and how to simply and efficiently get the message through. Participants also improve their verbal and non verbal communication skills, learn how to suppress anxiousness, because those aspects also have an effect on the quality of the presentation.

## **Project management**

Training is meant for employees who work on projects and need extra knowledge to maintain the process more efficiently. Through practical training, participants learn how to initiate, plan and conduct the project, analyze and manage risks, plan time and resources, budget the costs.

## **Interviewing training**

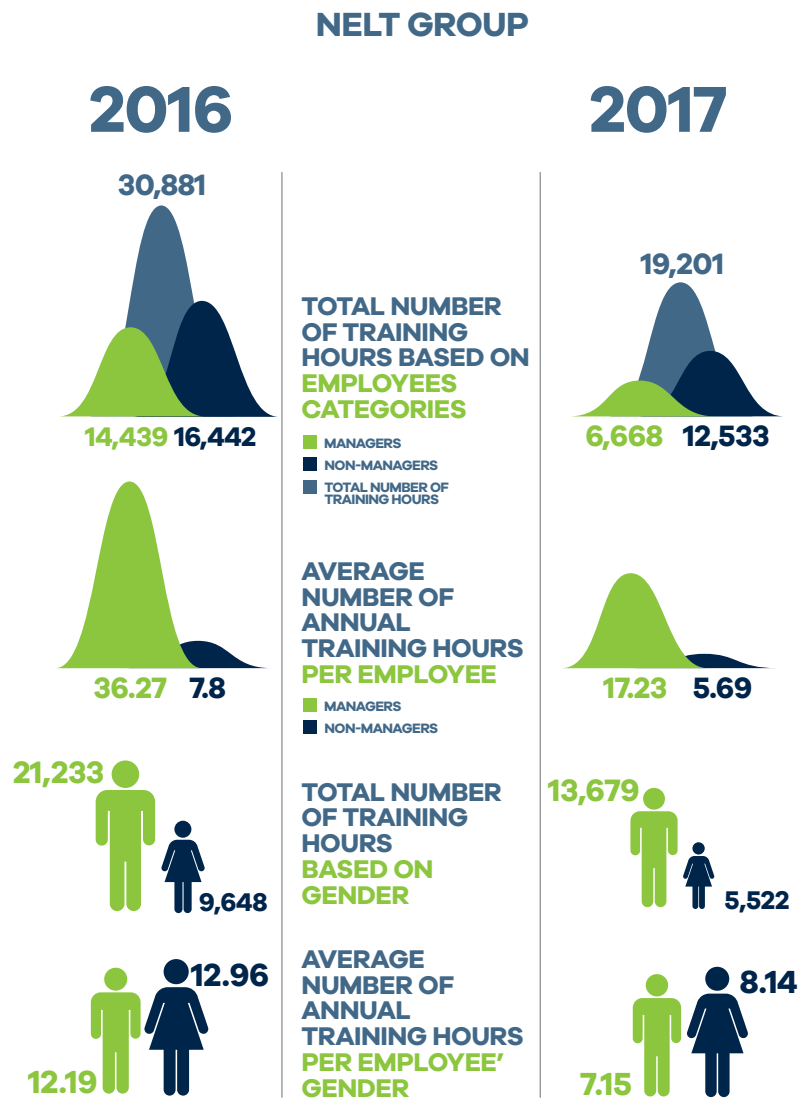
The aim of this training is for those who interview candidates to get acquainted with the process of selection through as many techniques and examples as possible that will enable them to be as objective as possible through the interview, to adequately judge the sought after competencies and find the best possible candidate.

## **Change management**

The purpose of this training is to get familiar with the process and ways of introducing changes in a business organization, to manage the implementation in work and among people. The end goal is to maintain sustainable growth and development of the business system.

Big help and support in implementing the training come from employees as well as internal trainers whose knowledge and experience help learning process.

During 2016 there were 30,880 hours of training organized in Nelt Group and in 2017, 19,200 hours.



\* Number of training hours in 2016 is significantly higher compared to 2017 because of the program "You create success".





## **Nelt Sales Academy**

Within Nelt Group, in 2015 Nelt Sales Academy was organized to educate employees in all positions in the sales and marketing sector. By mixing materials, training, best practices and knowledge of Nelt partners, interactive training were created with examples, exercises and field situations.

Training is held by the Sales Capability Team that consists of Sales Capability Manager, Executive Director for Sales and Marketing and 18 internal trainers-employees in Nelt Group.



The training program aims to help employees in skills, knowledge and career development. The Nelt Sales Academy includes training such as:

- **Introduction** - Training for all new employees in order to get familiar with the history of the company, products portfolio, mission, vision, values, quality control, procedures and markets where Nelt operates.
- **Merchandising Program** - is a set of training for employees who work in positions Refiller, Merchandiser and Supervisor Merchandising. This program is interactive and combines the standards of merchandising in various objects with various sales channels. Practical exercises are organized and held in classrooms and in the field.
- **Customer Training Program** - Its aim is to improve the skills of sales, planning and communication. It provides knowledge about the efficient implementation of different activities in objects in order to improve the sale and deal with complaints. Communication techniques are also studied.
- **Leadership Training Program** - Is meant for supervisor and management positions in the sales department. It aims to develop team management skills, people management, communication, teamwork, management styles, giving the return information, building team networks.
- **Key Account Management Training** - is meant for positions Key Account manager, marketing manager, Local Key Account Manager, Portfolio Manager, National Key Account Manager. The purpose is to help develop skills of planning, organizing, communication, sales, effective negotiations, providing return information and building customers relations in the key account and local key account channel of sales.
- **Category Management** - are meant for employees at a manager position. The purpose is for participants to learn about the aspects of managing product categories. Managing and creating the plan for the category by defining the role, analyzing and determining tactics for each category is being taught in this class.

Aside from those training, within the Academy, training such as Retail Math, Basic Selling Skills, Time Management, Negotiation Skills are also conducted.





# Merchandising school

Within Nelt Sales Academy, In August 2017 Merchandising School was opened in Central Distribution and Logistics Center of Nelt in Dobanovci. This unique showroom is a place where employees in the positions of the Merchandiser, Key Account Manager, and Refiler have the opportunity to acquire the certain knowledge and practically apply them.

“The opening of this school represents our great advantage over other companies in the market. Besides internal, in the near future we are going to organize external trainings for our customers, as well”, Zeljko Savic, Sales Capability Team Manager said during the opening.







# E-learning - Nelt educational platform

Within Nelt Sales Academy, an e-learning program was developed. The benefits gained by using e-learning are saving of human resources, time and money, fast improvement of knowledge and getting the necessary information. Also, e-learning programs are interesting and easy to use, as learners can acquire knowledge through video materials and other dynamic forms of learning.

So far two e-learning training were developed within Nelt Sales Academy. First is the introduction training where new employees get familiar with Nelt, its principals, corporative values and vision. The second is designed to introduce employees to products Nelt distributes. Currently, Nelt is holding training for introducing the products from Mars company portfolio, as well as Mondelez and there are also training for analyzing tobacco market, strategy and realization of the PMI products. These principals supported Nelt in providing the necessary material for quality education through an e-learning platform.

In 2017, more than 300 employees used this programming platform. Evaluation of knowledge is held after every training. After launching the e-learning platform in Serbia, its implementation is planned for other markets, as well.

# Online library

With the implementation of one of the awarded initiatives by Ivica Nikolic, who works in Nelt warehouse in Nis in the program "Tear it up", the online library was created on the internal portal. This way all employees can get access to literature needed for their education. The library consists of materials for foreign language studies, lectures and papers.





# **“You create success”**

The campaign “You create success” was introduced in 2016 for the team leaders, with the idea to emphasize the importance of developing people and organization, to empower team leaders and offer them tools for systematic and quality people development. Satisfied, competent and efficient employees are necessary for the success of the company. That is why it is necessary for their superiors to understand their needs and ambitions, strengths and weaknesses and properly focus their development. This campaign enabled all leaders to get the tools they need to motivate and develop their teams in order to achieve a common goal - company development.

Workshops, specially created for this purpose, dealt with subjects such as effective communication, delegating, providing with return information, work evaluation, all with focus on specific techniques and tools. Employees were also given special educative notebook with creative representations of good and bad leaders, advice for creating development plans, for providing information and other useful tips. Part of the campaign was also a series of inspirational e-mails “Little Secrets of Great Leaders” which were sent once a week, to all employees who manage teams. These emails included brief tip, lesson, or an interesting quote about leadership.

The campaign covered all team leaders within the Group, more than 500 employees- shift managers, warehouse managers, delivery dispatchers, branch managers, team leaders, supervisors, officials, members of management.





# **Exchange of experiences „Sales & Marketing Management Meeting“**

Tenth Sales & Marketing Management Meeting was held mid-October 2017 in Montenegro. More than 50 sales and marketing management employees from Serbia, Montenegro, Macedonia and Bosnia and Herzegovina participated. Through the quartal meetings, Nelt Group is trying to encourage people in its organization through the exchange of experiences, ideas and best practices in FMCG industry that have to be adapted to the markets and implemented in all companies.



Good start, launched in 2015 in Serbia, was created as a program for employee development on Key Account Manager position. It is meant for external candidates as well as for employees within the Sales sector in Nelt Serbia who want to improve their skills and knowledge, and to advance in career .

During the eight-month course, employees work in several positions within the Sales sector and learn about the jobs through cooperation with mentors, the so-called job shadowing. A well-defined system of moving through the organization enables the understanding of each individual position, easier adaptation to the position that follows, and most importantly getting the bigger picture when it comes to sales in a large business system. Participants work with teams and mentors but also work as a group, cooperating between themselves on periodically organized joint training activities, presentations and informal gatherings. In each phase of the program, adequate evaluation of knowledge is conducted.

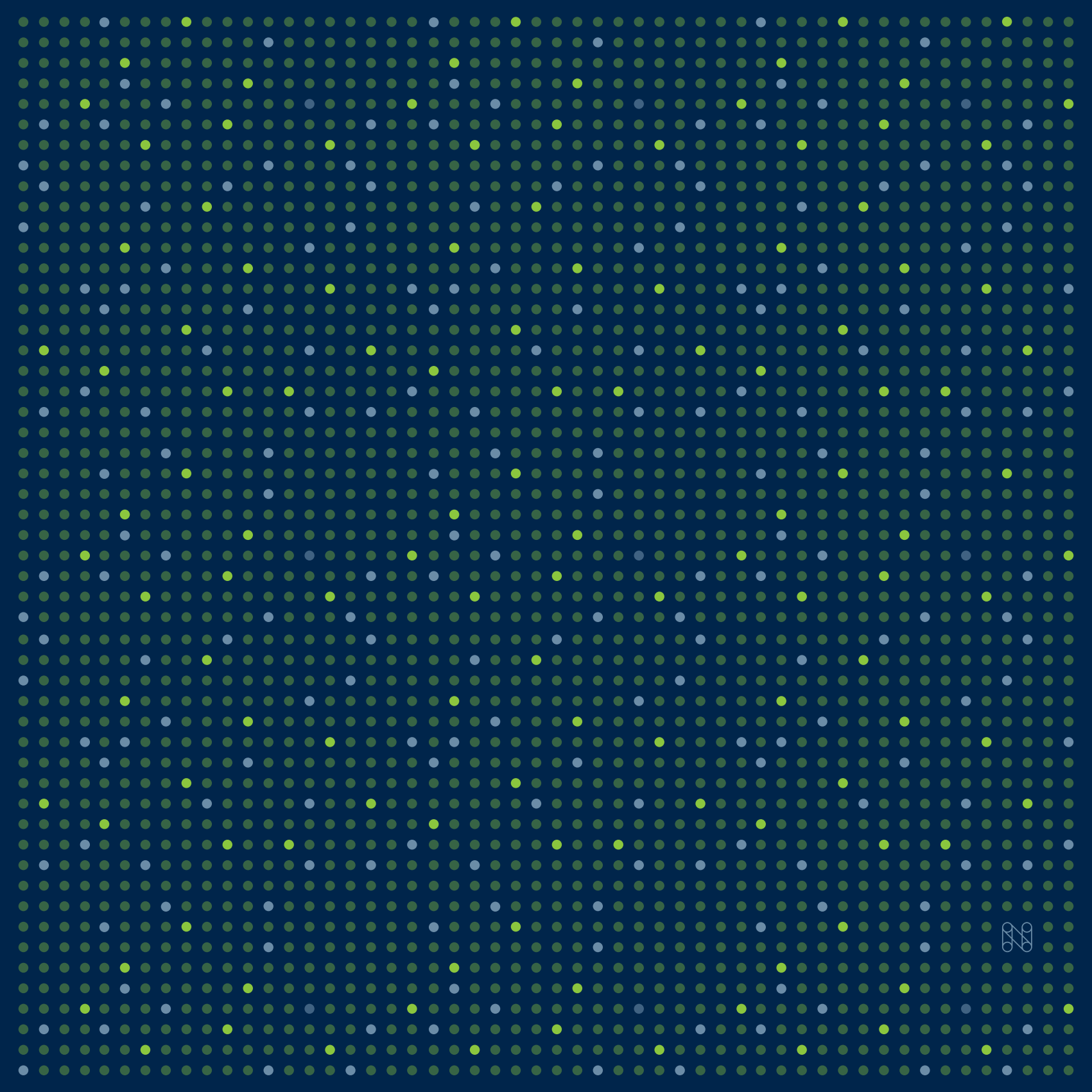
After the first successful generation, the second generation of participants began with the program on August 1, 2016. From over 300 external and 30 internal candidates, the best 7 were chosen and given the opportunity to gain experience of field work with the constant presence of mentors, to participate in training within Nelt Sales Academy, to work together on presentations and tasks and to visit Nelt's principals. All 7 candidates who participated in the program got the job on the position Key Account Manager. The practice was continued in 2017 with the selection of candidates for the third generation of Good start program.

"My impressions about the program are very positive and I am really glad to be a part of the company that invests like this in the employees' development. I would advise future participants to ask more experienced colleagues for help and support because those are the people they will learn from," said Danilo Simic, first generation 2015/2016.

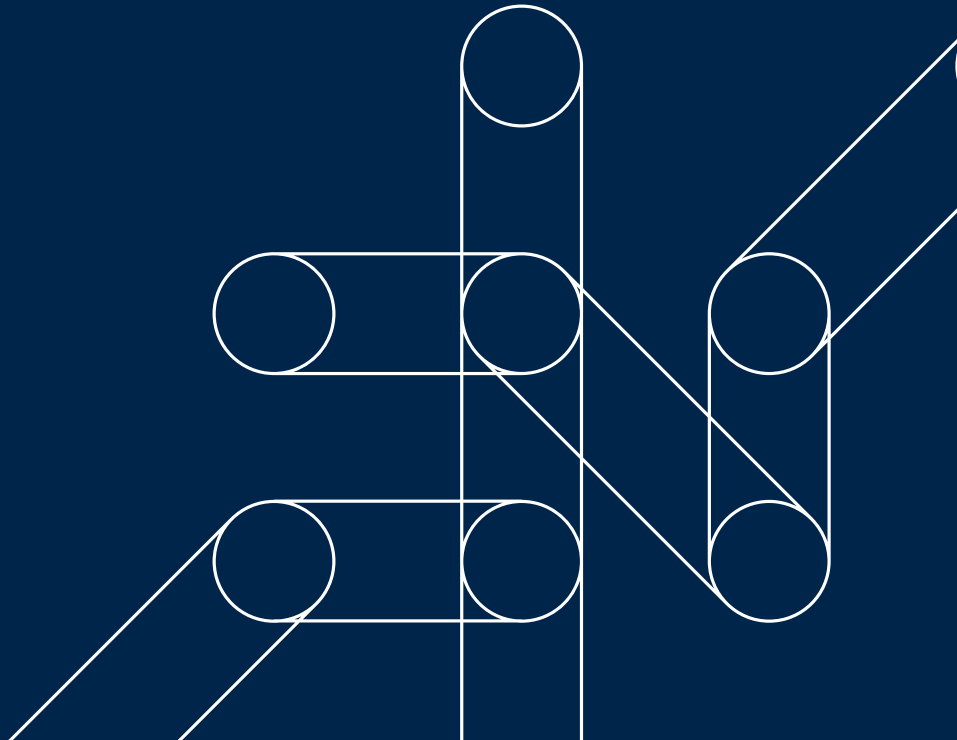
"I would like to thank our mentors and colleagues behind Good start program for their commitment and how they worked with us. I had very inspiring conversations with them that led me to develop thinking in the effective way" Nikola Mihailovic, second generation 2016/2017.



\* Second and third generation attendees of the Good start program



# LOCAL COMMUNITY RESPONSIBILITY







A desire to actively contribute to the local community is the drive behind numerous events and initiatives in this area, and one of the most important principles of socially responsible conduct of Nelt Group.

Investing in young generations, that will drive forward the entire society, represents the core direction determined by the Nelt strategy of socially responsible business in 2012.

By recognizing the importance of education as the main resource for a long-term and sustainable growth of communities, Nelt Group companies are dedicated to investing in projects that are introducing young people to modern and multidisciplinary knowledge they can use to further develop their communities.

A different aspect of support for socially endangered groups represents second, extremely important area of socially responsible conduct of Nelt Group companies in the markets they work. Children from different social groups, that need special care and support, are of special interest.





# YOUTH CAREER DEVELOPMENT

With their strategic approach Nelt Group companies are trying to develop connections with educational institutions, to communicate with young people and create special educational programs for talented students. The goal is to contribute to the education of youth through encouraging the development of their skills and creative potentials.

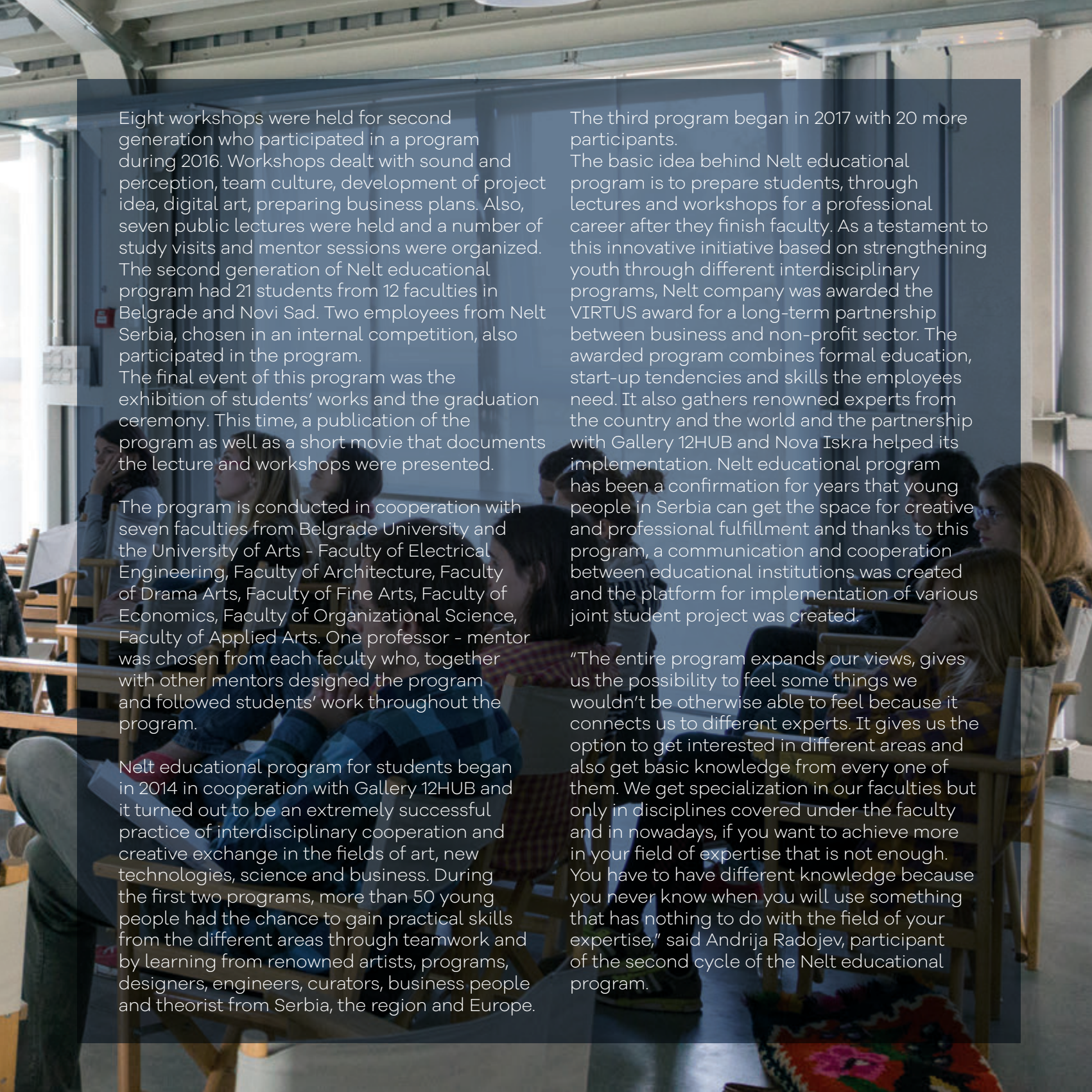
During 2016 and 2017, Nelt Group companies were active in supporting youth in career development through the organization of seminars, workshops or visits to their distributive and logistics centers, participation in business fairs and other similar events throughout Western Balkan.

An especially important initiative is Nelt's educational program that encourages intersection cooperation, exchange of experience and development of skills in line with the development of professional surroundings that envisages the mix of art, new technologies and science.



## Nelt educational program

Nelt in Serbia continued with its educational program by organizing activities for the second generation of students. The program was implemented in cooperation with the 12Hub Gallery and the design of the Nova Iskra incubator, in order to support creativity and professional growth of young talents.



Eight workshops were held for second generation who participated in a program during 2016. Workshops dealt with sound and perception, team culture, development of project idea, digital art, preparing business plans. Also, seven public lectures were held and a number of study visits and mentor sessions were organized. The second generation of Nelt educational program had 21 students from 12 faculties in Belgrade and Novi Sad. Two employees from Nelt Serbia, chosen in an internal competition, also participated in the program. The final event of this program was the exhibition of students' works and the graduation ceremony. This time, a publication of the program as well as a short movie that documents the lecture and workshops were presented.

The program is conducted in cooperation with seven faculties from Belgrade University and the University of Arts - Faculty of Electrical Engineering, Faculty of Architecture, Faculty of Drama Arts, Faculty of Fine Arts, Faculty of Economics, Faculty of Organizational Science, Faculty of Applied Arts. One professor - mentor was chosen from each faculty who, together with other mentors designed the program and followed students' work throughout the program.

Nelt educational program for students began in 2014 in cooperation with Gallery 12HUB and it turned out to be an extremely successful practice of interdisciplinary cooperation and creative exchange in the fields of art, new technologies, science and business. During the first two programs, more than 50 young people had the chance to gain practical skills from the different areas through teamwork and by learning from renowned artists, programs, designers, engineers, curators, business people and theorist from Serbia, the region and Europe.

The third program began in 2017 with 20 more participants. The basic idea behind Nelt educational program is to prepare students, through lectures and workshops for a professional career after they finish faculty. As a testament to this innovative initiative based on strengthening youth through different interdisciplinary programs, Nelt company was awarded the VIRTUS award for a long-term partnership between business and non-profit sector. The awarded program combines formal education, start-up tendencies and skills the employees need. It also gathers renowned experts from the country and the world and the partnership with Gallery 12HUB and Nova Iskra helped its implementation. Nelt educational program has been a confirmation for years that young people in Serbia can get the space for creative and professional fulfillment and thanks to this program, a communication and cooperation between educational institutions was created and the platform for implementation of various joint student project was created.

"The entire program expands our views, gives us the possibility to feel some things we wouldn't be otherwise able to feel because it connects us to different experts. It gives us the option to get interested in different areas and also get basic knowledge from every one of them. We get specialization in our faculties but only in disciplines covered under the faculty and in nowadays, if you want to achieve more in your field of expertise that is not enough. You have to have different knowledge because you never know when you will use something that has nothing to do with the field of your expertise," said Andrija Radojev, participant of the second cycle of the Nelt educational program.

# Cooperation with universities

All Nelt Group companies are dedicated to networking with universities in the countries they operate in order to help students begin their careers in the best possible way.

During their visits to Nelt Group companies, apart from being introduced with the company and the youth programs it offers, the students also had the chance to learn more about sales and negotiation skills, the way employees further develop their knowledge and skills, the organizational culture, quality management, etc. Also, they could learn how to best position themselves in the labor market and present to the potential employer. The plaque Faculty of Economics in Belgrade awarded to Nelt Serbia is a testament to the success of the company's cooperation with faculties.

In addition to Faculty of Economics, Nelt company Serbia cooperates with Faculty of Transport and Traffic Engineering, Faculty of Electric Engineering, Faculty of Mechanical Engineering, Faculty of Organizational Sciences, and the Faculty of

Finance and Administration in Belgrade and Faculty of Mechanical Engineering in Kraljevo. Cooperation was also realized with Faculty of Pharmacy, Faculty of Mechanical Engineering and Faculty of Economics in Montenegro and Macedonian Faculty of Mechanical Engineering, Faculty of Electro-Engineering and Faculty of Economics.

Each Nelt Group company, together with faculties from the markets where it operates, organize seminars and trainings, visits to the company and student practice thanks to which young people get practical knowledge about how business process work in a large company, especially in trade, sales, logistics, account and finance sector as well as in pharmaceutical business. For the students, the goal is to get acquainted with all aspects of modern and successful business and also get the chance to grow professionally within the company.





# **Nelt Supports Idvorsky Electric Team at Global Entrepreneurship Summit at Stanford University**

Three young electrical engineers Nikola Popov, Dalibor Markovic and Ivan Jovanov designed an electric tractor that doesn't pollute the environment, isn't loud, is cheaper to maintain and easier to use. Instead of an internal combustion engine, it uses electrical drive - a battery that gets charged in a few hours and can last one day.

More than 1,000 projects from 104 developing countries applied to an innovation contest organized by the American government. Only 30 applicants made it to the finals after an evaluation by an expert panel and online voting. The award was the production of the project prototype.

Nelt provided support for the Idvorsky team's trip to the Stanford's Global Entrepreneurship Summit. It was the only Serbian project that made it to the finals. Although they did not get the award, representatives of the Idvorsky Electrics had the chance to participate in dynamic, educational programs and present their innovations.



## **Neregelia's participation in program "Expert training of university students"**

In 2016 Neregelia participated in the expert training of university students financed by the Montenegrin government. Seven students were given the chance to polish and develop the knowledge gained at faculty through practice that lasted 9 months.



## **Lecture at Konzept Institute**

In May 2017 representatives of Nelt held a lecture in cooperation with Konzept institute in Macedonia, a well-known training center that deals with informal education. The idea was to introduce interested students with the logistics concept and the way logistics system can be applied in everyday business.



## **Classical music in Guarnerius**

For five years Nelt Serbia has been supporting the affirmation of best students from basic, master and Ph.D. studies at the Faculty of Musical Art in Belgrade. More than 120 young people who excelled in local and international music scene had the opportunity to present themselves to Belgrade audience on concerts organized in Centre of Fine Arts Guarnerius.



## **Nelt partner of AmChamps program 2016**


Nelt was the partner in the third year of the annual educational program "AmChamps - Young Leaders in Change" of the American Chamber of commerce in Serbia. The program was designed for young managers and students who wanted to develop their leadership skills. Representatives of Nelt's human resources sector organized lectures and workshops. Participants also visited Nelt business complex in Dobanovci.

# HELP AND SUPPORT OF ENDANGERED GROUPS

In line with its strategy of socially responsible business, Nelt Group companies conduct a number of activities aimed at helping and supporting endangered social groups. The main focus of action is support for the youngest. That support is conducted primarily through donations and by developing long-term cooperation with organizations that systematically and responsibly take care of the wellbeing of children. The company aims to respond to the specific needs of these institutions and thus improve the living conditions of their wards.

One of the organizations Nelt Group companies in Serbia and Bosnia and Herzegovina support is "SOS Children's villages" that, through various programs, take care of children without parental custody as long as they are minors. Nelt Group also supports health facilities for children. Pharmaceutical division of Neregelia, in cooperation with principal Sebapharm, during the second part of 2017 regularly donated Sebamed product to the maternity hospital in Clinical Center Montenegro. Donations were given monthly and included baby care products.

This company is also one of the main partners of NGO "Pcelica" and their New Year' Eve humanitarian action "Feel the magic" during which presents are given to the children who spent the holidays at the Institute for children's maladies and for children from rural areas. The company supported the actions by donating products.

A close-up photograph of a pair of hands gently cupping a small plant. The plant has a dense cluster of tiny white flowers with yellow centers, growing from a mound of dark, rich soil. The hands are positioned to support the plant from below, with fingers visible on the sides. The background is softly blurred, showing more of the hands and the plant's base. The lighting is warm and natural, highlighting the textures of the soil and the delicate petals of the flowers.

In order to give attention to the children who suffer from rare maladies and disorders, Neregelia supported "Kids fashion week" event aimed at raising of awareness about the children suffering from Down syndrome. In that way, the company confirmed its dedication to social integration and acceptance of every child.



## **„Cap for handicap“ initiative**

Employees in Nelt, for the third year in a row, collect plastic bottle caps for recycling and in that way supporting the „Cap for handicap“ action initiated by Banat society of paraplegic and quadriplegic persons Zrenjanin. The aim is to collect the money for wheelchairs and other orthopedic equipment for persons with special needs.



## **Voluntary blood donations in Neregelia**

In 2016 employees of Neregelia organized two voluntary blood donations in Blood Transfusion Institute of Montenegro with more than 40 volunteers. For their contribution to voluntary blood donations, the Institute and Red Cross Montenegro awarded Neregelia.

# **Support to SOS Children's Villages**

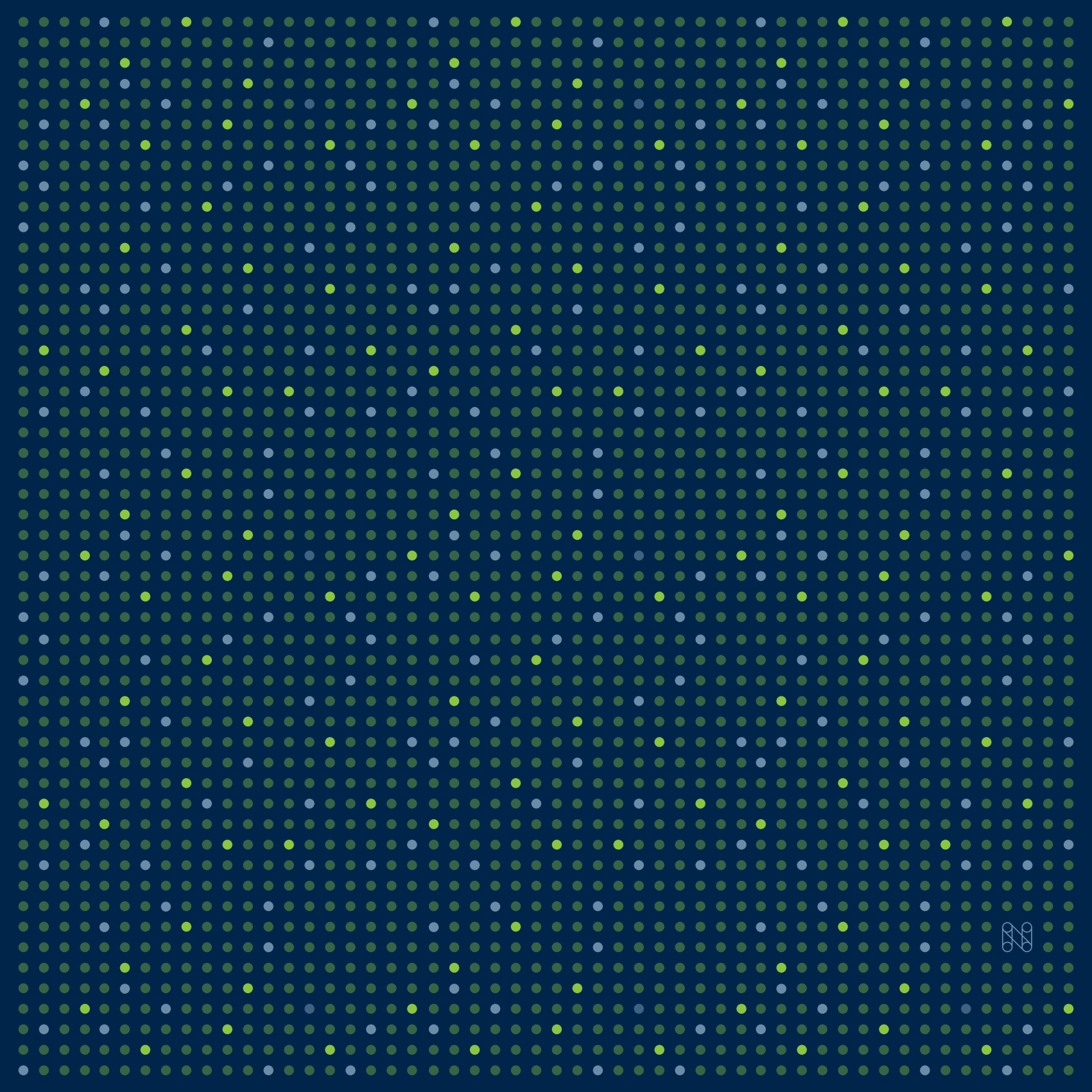
One of the organizations supported by Nelt in Serbia and Bosnia and Herzegovina is "SOS Children villages," which, through various programs, takes care of children and youth without parental care until they become completely independent. Determined to support this organization in the long run, Nelt signed a cooperation agreement in Bosnia and Herzegovina in 2016 with this organization. Collaboration other than direct humanitarian aid, includes joint work on the SOS youth program called "YES Center". The goal of this project is to give knowledge and skills to young people, which will provide them in the long run economic perspective and social integration.



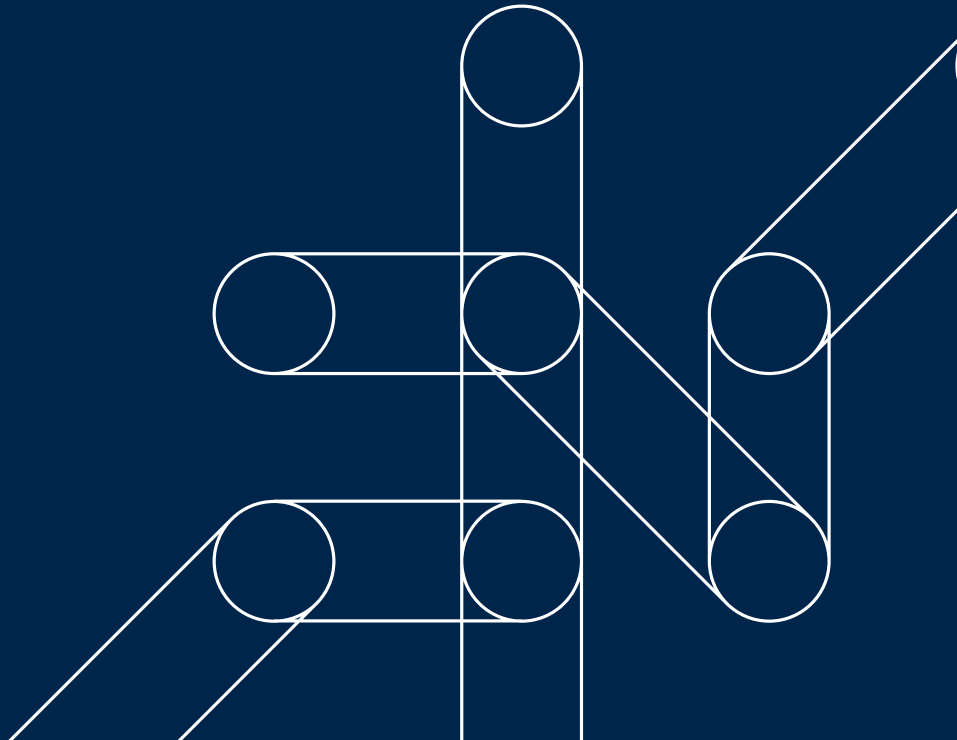


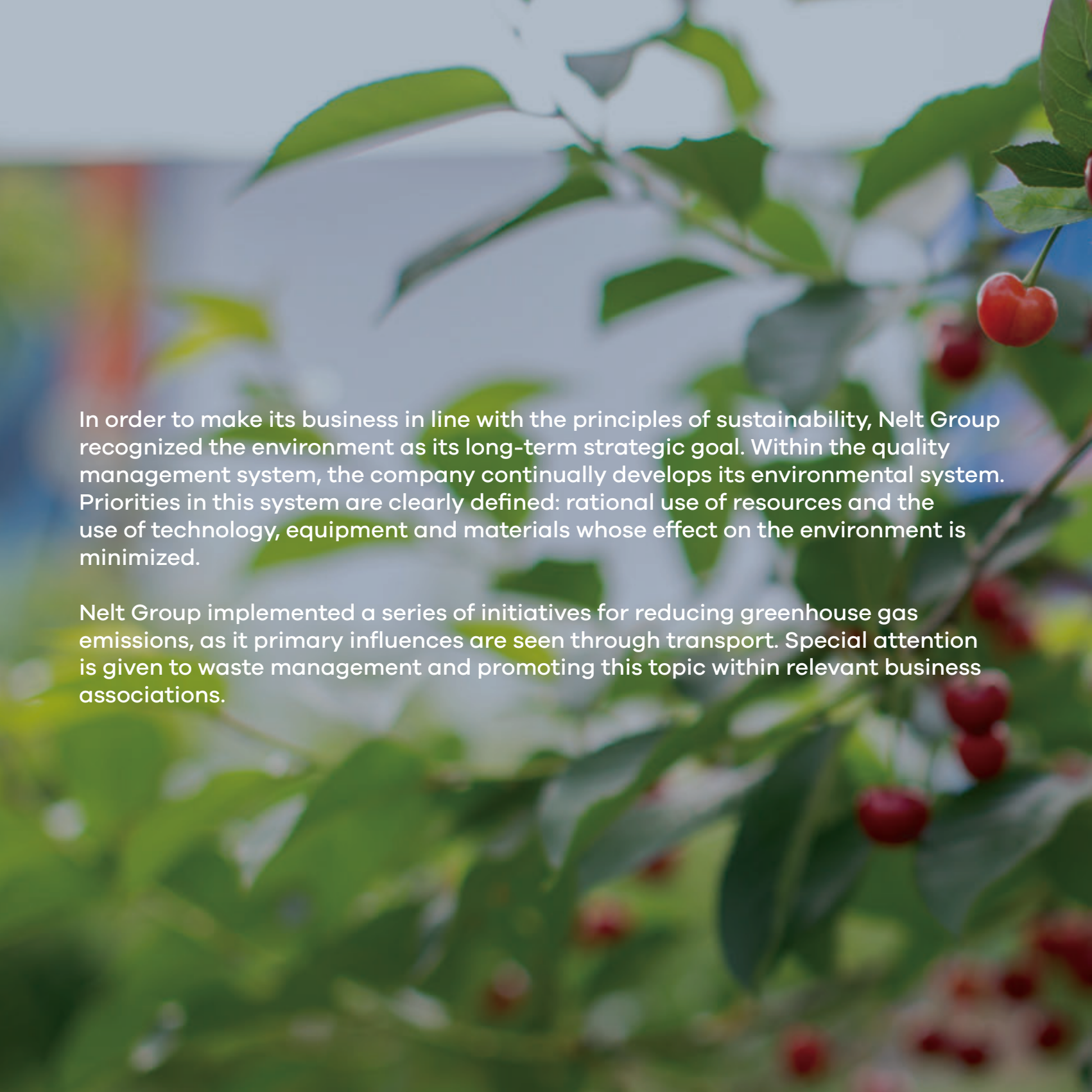
## **Socially responsible activities in Macedonia**

During 2016 and 2017 Nelt Macedonia conducted several humanitarian initiatives for young people and people with special needs. Employees prepared present for children from the marginalized group, participated in the race for people suffering from Down syndrome and supported the program "Give a book - get an Easter egg." They also gave their support to the Macedonia 2025 "Get in the Ring" campaign, a competition for students and entrepreneurs with innovative ideas.



# ENVIRONMENTAL RESPONSIBILITY





In order to make its business in line with the principles of sustainability, Nelt Group recognized the environment as its long-term strategic goal. Within the quality management system, the company continually develops its environmental system. Priorities in this system are clearly defined: rational use of resources and the use of technology, equipment and materials whose effect on the environment is minimized.

Nelt Group implemented a series of initiatives for reducing greenhouse gas emissions, as its primary influences are seen through transport. Special attention is given to waste management and promoting this topic within relevant business associations.





## **Nelt Serbia member of AmCham board for environment**

By recognizing the environmental challenges, in 2016 Nelt Serbia became a member of the Board of environment formed by the American Chamber of commerce in Serbia. With its active role in the Board, Nelt, together with other members, works on raising awareness on key issues regarding the protection of the environment, such as overcoming regulatory obstacles in waste management, circular economy and other eco policy issues. The aim is to get local regulations in line with the European Union's and implement them.



## **Importance of strategic investments for environment conservation**

Almost ten years ago, Nelt Serbia supported the construction of Surcin intersection in Dobanovci with 418,000 euros and thus contributed to rerouting a vast amount of traffic from this area. Aside from saving fuel, Nelt and other companies in the area benefited from a drastic drop in pollution as well as noise, while infrastructure was preserved.

Estimates are that Nelt vehicles alone shorten their trip by over 1,200,000 km (30 times around Earth), by using this intersection. The result is an annual energy saving of close to 5,000 GJ.



TRAFFIC INTERSECTION IN DOBANOVCI



**1,200,000** km per year

**NELTS' VEHICLES ANNUAL MILEAGE IS REDUCED AS A  
RESULT OF USING TRAFFIC INTERSECTION IN DOBANOVCI**

# Nelt TRANSPORT

The greatest impact on the environment is materialized through the company's main field of work - transport, both local and international.

The goods are transported via a fleet of over 350 vehicles of different temperature regimes and capacity. All vehicles have GPS devices and the organization, control and tracking of entire transport and a delivery route is conducted through a modern software solution for transport organization and optimization. The routing of delivery for the entire fleet is done through a software for dynamic routing Sky Track - a system that receives data from ERP (SAP) based on which the optimal delivery routes are calculated.

In domestic transport, dynamic routing system transfers data through ERP (SAP) into a software for warehouse management WMS (Gold) where products are being selected for delivery. Delivery vehicles have PDA devices that give the driver a complete insight into all delivery parameters such as route details, paperwork, delivery tasks, navigation. In order to reduce the spending of fuel, software plans the optimal route. The program delegates the goods in the optimal way, which has the direct effect on the mileage.





When talking about international transport, Nelt manages a fleet of different types of vehicles - 16 pullers and 22 semitrailers with the capacity of 24 tonnes. Clients are provided with accurate and timely supplies for their customers in Eastern and Southeastern Europe. All vehicles have GPS devices and the organization, management and tracking of entire transport and delivery routes is managed through software solution for organization and optimization of transport.

Nelt Group companies always choose the most optimal vehicles. Project Eco driving was implemented in Serbia. Through this project, drivers with the most economical way of driving are awarded. Other companies within the Group should implement the program during 2018.



# Energy consumption - petroleum consumption per country (GJ)

2014*	PETROL	DIESEL	GAS	TOTAL
NELT SERBIA	4,373	48,344	24,831	77,548
2015*	PETROL	DIESEL	GAS	TOTAL
NELT SERBIA	5,874	43,886	28,252	78,012

2016	PETROL	DIESEL	GAS	CNG	TOTAL
NELT SERBIA	8,871	56,865	34,634	208	100,578
NEREGELIA MONTENEGRO	64	9,053	/	/	9,117
NELT BOSNIA AND HERZEGOVINA	2,571	15,090	11	/	17,672
NELT MACEDONIA	339	11,218	77	/	11,634
TOTAL	11,845	92,226	34,722	208	139,001

2017	PETROL	DIESEL	GAS	CNG	TOTAL
NELT SERBIA	10,382	55,364	34,821	544	101,111
NEREGELIA MONTENEGRO	63	9,368	/	/	9,431
NELT BOSNIA AND HERZEGOVINA	1,340	16,774	1,012	/	19,126
NELT MACEDONIA	483	10,467	506	/	11,456
TOTAL	12,268	91,973	36,339	544	141,1241

\*The data were taken from the publication "Distribution with care" Nelt Serbia's Sustainability Report for 2014-15 in order to be compared with 2016 and 2017 data presented in this publication.

Nelt keeps tracks of the alternative types of fuel on the market. In order to be integrated into a system, new drive must contain all previous performance of the vehicle and at the same time be cleaner, safer and inexpensive. There are several technologies for vehicle drive that are available. Some of them are just at the beginning and at almost experimental level. One of the solutions better than gas is compressed natural gas (CNG). Even though it is fossil fuel, it is the cleanest fuel there is. The products of natural gas, the biggest part of it is methane,

are carbon dioxide and water steam unlike other fuel derivatives with significant amounts of carbon, nitrogen oxide and sulfur dioxide that do more damage to the Earth's atmosphere. In 2015 Nelt Serbia began a project of implementing vehicles with CNG drive in its fleet in order to test the possibilities of this fuel. So far, there are 15 vehicles with CNG drive in Nelt's fleet and with better supply infrastructure for this type of fuel, the company plans to increase the number of these vehicles.





# Nelt ENERGY

Rational usage of unrenewable energy sources is an integral part of all Nelt Group companies' strategies. With transport, significant energy consumption results from using natural gas for heating and consumption of electrical energy.

## NATURAL GAS CONSUMPTION FOR HEATING ON LOCATIONS

	amount (m <sup>3</sup> )	amount (m <sup>3</sup> )	GJ	GJ
NELT SERBIA	2014.	2015.	2014.	2015.
BELGRADE	397,071	451,248	14,786	16,804
KRALJEVO	6,889	12,680	256.54	472.19
NIS	17,339	20,807	645.71	774.86
NOVI SAD	5,000	6,000	186.20	223.44
SUBOTICA	1,000	1,140	37.24	42.45
BOR	0	0	0	0
UZICE	0	0	0	0
<b>TOTAL</b>			<b>15,912</b>	<b>18,317</b>

	amount (m <sup>3</sup> )	amount (m <sup>3</sup> )	GJ	GJ
NELT SERBIA	2016	2017	2016	2017
BELGRADE	466,822	428,095	17,384	15,941
KRALJEVO	12,927	16,201	481.39	603.31
NIS	27,309	27,762	1,016	1,033
NOVI SAD	1,000	1,000	37.24	37.24
SUBOTICA	1,100	1,100	40.96	40.96
BOR	0	0	0	0
UZICE	0	0	0	0
<b>TOTAL</b>	<b>509,159</b>	<b>474,159</b>	<b>18,960</b>	<b>17,657</b>

**FIREWOOD CONSUMPTION FOR HEATING  
NELT BOSNIA AND HERZEGOVINA**

	<b>kWh</b>	<b>GJ</b>
<b>2016</b>	658,108	2,369
<b>2017</b>	792,711	2,853

**PETROL CONSUMPTION FOR HEATING  
NELT MACEDONIA**

	<b>kWh</b>	<b>GJ</b>
<b>2016</b>	107,222	386
<b>2017</b>	171,389	617

**ELECTRICITY CONSUMPTION PER COUNTRY**

	<b>kWh</b>	<b>kWh</b>	<b>GJ</b>	<b>GJ</b>
	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>
<b>NELT SERBIA</b>	6,851,111	6,977,222	24,664	25,118
<b>NEREGELIA MONTENEGRO</b>	527,580	591,160	1,899	2,128
<b>NELT BOSNIA AND HERZEGOVINA</b>	782,117	847,682	2,815	3,051
<b>NELT MACEDONIA</b>	513,055	582,500	1,847	2,097
<b>TOTAL</b>	<b>8,673,863</b>	<b>8,998,564</b>	<b>31,225</b>	<b>32,394</b>



# Energy consumption

<b>NELT SERBIA*</b>	<b>2014 (GJ)</b>	<b>2015 (GJ)</b>
PETROLEUM PRODUCTS - GAS	24,831	28,252
PETROLEUM PRODUCTS - PETROL	4,373	5,874
PETROLEUM PRODUCTS - DIESEL	48,344	43,886
<b>PETROLEUM PRODUCTS - TOTAL</b>	<b>77,548</b>	<b>78,012</b>
<b>NATURAL GAS FOR HEATING</b>	<b>15,912</b>	<b>18,317</b>
<b>ELECTRIC ENERGY</b>	<b>20,937</b>	<b>22,261</b>
<b>ELECTRIC ENERGY SOLD</b>	<b>-12,367</b>	<b>-13,235</b>
<b>NATURAL GAS SOLD</b>	<b>-7,716</b>	<b>-8,879</b>
<b>TOTAL</b>	<b>94,314</b>	<b>96,476</b>

<b>NELT SERBIA</b>	<b>2016 (GJ)</b>	<b>2017 (GJ)</b>
PETROLEUM PRODUCTS - GAS	34,634	34,821
PETROLEUM PRODUCTS - PETROL	8,871	10,381
PETROLEUM PRODUCTS - DIESEL	56,864	55,364
PETROLEUM PRODUCTS FOR HEATING	0	0
CNG	208	544
<b>PETROLEUM PRODUCTS - TOTAL</b>	<b>100,578</b>	<b>101,111</b>
<b>NATURAL GAS FOR HEATING</b>	<b>18,960</b>	<b>17,657</b>
<b>FIREWOOD FOR HEATING</b>	<b>0</b>	<b>0</b>
<b>ELECTRIC ENERGY</b>	<b>24,664</b>	<b>25,118</b>
<b>ELECTRIC ENERGY SOLD</b>	<b>- 14,733</b>	<b>- 15,101</b>
<b>HEATING ENERGY SOLD</b>	<b>- 11,895</b>	<b>- 11,096</b>
<b>TOTAL</b>	<b>117,575</b>	<b>117,690</b>

The increase in the energy consumption in Nelt Serbia in 2016, compared to 2015, was the result of 16.7% increase of a number of vehicles used in field sales and those used by the support services.

\*Fuel consumption was calculated from money spent according to the specified account and compared to the fuel price. Consumption of electrical energy was calculated from the electricity bill. Distribution centers Novi Sad, Subotica, Uzice, and Bor were excluded as the company is leased there, so an estimate was made. The consumption of gas derives from gas bills except in Novi Sad and Subotica centers where the company is leased, so an estimate was made. Consumption of electricity for cooling was taken from the difference between electricity spent during the summer and winter season. The company does not use energy from renewable sources except 0.64% of the electricity.





# Energy consumption

<b>NEREGELIA MONTENEGRO</b>	<b>2016 (GJ)</b>	<b>2017 (GJ)</b>
PETROLEUM PRODUCTS - GAS	0	0
PETROLEUM PRODUCTS - PETROL	64	63
PETROLEUM PRODUCTS - DIESEL	9,053	9,368
PETROLEUM PRODUCTS FOR HEATING	0	0
CNG	0	0
<b>PETROLEUM PRODUCTS - TOTAL</b>	<b>9,117</b>	<b>9,431</b>
<b>NATURAL GAS FOR HEATING</b>	<b>0</b>	<b>0</b>
<b>FIREWOOD FOR HEATING</b>	<b>0</b>	<b>0</b>
<b>ELECTRIC ENERGY</b>	<b>1,899</b>	<b>2,128</b>
<b>ELECTRIC ENERGY SOLD</b>	<b>0</b>	<b>0</b>
<b>HEATING ENERGY SOLD</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>11,016</b>	<b>11,559</b>

<b>NELT MACEDONIA</b>	<b>2016 (GJ)</b>	<b>2017 (GJ)</b>
PETROLEUM PRODUCTS - GAS	77	506
PETROLEUM PRODUCTS - PETROL	339	483
PETROLEUM PRODUCTS - DIESEL	11,218	10,467
PETROLEUM PRODUCTS FOR HEATING	386	617
CNG	0	0
<b>PETROLEUM PRODUCTS - TOTAL</b>	<b>12,020.00</b>	<b>12,073.00</b>
<b>NATURAL GAS FOR HEATING</b>	<b>0</b>	<b>0</b>
<b>FIREWOOD FOR HEATING</b>	<b>0</b>	<b>0</b>
<b>ELECTRIC ENERGY</b>	<b>1,847</b>	<b>2,097</b>
<b>ELECTRIC ENERGY SOLD</b>	<b>0</b>	<b>0</b>
<b>HEATING ENERGY SOLD</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>13,867</b>	<b>14,170</b>





# Energy consumption

<b>NELT BOSNIA AND HERZEGOVINA</b>	<b>2016 (GJ)</b>	<b>2017 (GJ)</b>
PETROLEUM PRODUCTS - GAS	11	1,012
PETROLEUM PRODUCTS - PETROL	2,571	1,340
PETROLEUM PRODUCTS - DIESEL	15,090	16,774
PETROLEUM PRODUCTS FOR HEATING	0	0
CNG	0	0
<b>PETROLEUM PRODUCTS - TOTAL</b>	<b>17,672</b>	<b>19,126</b>
<b>NATURAL GAS FOR HEATING</b>	<b>0</b>	<b>0</b>
<b>FIREWOOD FOR HEATING</b>	<b>2,369</b>	<b>2,853</b>
<b>ELECTRIC ENERGY</b>	<b>2,816</b>	<b>3,051</b>
<b>ELECTRIC ENERGY SOLD</b>	<b>- 389</b>	<b>- 389</b>
<b>HEATING ENERGY SOLD</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>22,468</b>	<b>24,642</b>

<b>NELT GROUP</b>	<b>2016 (GJ)</b>	<b>2017 (GJ)</b>
PETROLEUM PRODUCTS - GAS	34,722	36,339
PETROLEUM PRODUCTS - PETROL	11,845	12,268
PETROLEUM PRODUCTS - DIESEL	92,225	91,973
PETROLEUM PRODUCTS FOR HEATING *	386	617
CNG **	208	545
<b>PETROLEUM PRODUCTS - TOTAL</b>	<b>139,387</b>	<b>141,742</b>
<b>NATURAL GAS FOR HEATING</b>	<b>18,961</b>	<b>17,657</b>
<b>FIREWOOD FOR HEATING ***</b>	<b>2,369</b>	<b>2,854</b>
<b>ELECTRIC ENERGY</b>	<b>31,226</b>	<b>32,395</b>
<b>ELECTRIC ENERGY SOLD</b>	<b>- 15,122</b>	<b>- 15,490</b>
<b>HEATING ENERGY SOLD</b>	<b>- 11,895</b>	<b>- 11,096</b>
<b>TOTAL</b>	<b>164,926</b>	<b>168,061</b>

\*Just Macedonia

\*\*Just Serbia

\*\*\*Just Bosnia and Herzegovina

Data on the consumption of electricity is based on measuring instruments while the total amount of fuel spent was calculated based on invoices. The standards are implemented throughout Nelt Group.  
Electricity spent on cooling was calculated as a difference between summer and winter electricity consumption.



# Energy intensity

Energy intensity is a measure of the energy efficiency of a company seen through the necessary amount of energy per unit (m<sup>3</sup>, t). Energy intensity is calculated by dividing the entire amount of energy consumed with the product unit represented in m<sup>3</sup> or tons.

NELT SERBIA	2014	2015
TOTAL ENERGY CONSUMPTION (GJ)	94,314	96,476
TOTAL WEIGHT OF DISTRIBUTED GOODS in t	47,274	44,289
TOTAL CUBAGE OF DISTRIBUTED GOODS in m <sup>3</sup>	142,446	133,951
ENERGY INTENSITY (GJ/t)	1.99	2.17
ENERGY INTENSITY (GJ/m <sup>3</sup> )	0.66	0.72

NELT SERBIA	2016	2017
TOTAL ENERGY CONSUMPTION (GJ)	117,575	117,690
TOTAL WEIGHT OF DISTRIBUTED GOODS in t	47,161	48,690
TOTAL CUBAGE OF DISTRIBUTED GOODS in m <sup>3</sup>	174,780	161,760
ENERGY INTENSITY (GJ/t)	2.49	2.42
ENERGY INTENSITY (GJ/m <sup>3</sup> )	0.67	0.73

The increase of energy consumed in 2016, compared to 2015, was the result of a 16.7% increase of a number of vehicles used in field sales and those used by the support services.

NELT MACEDONIA	2016	2017
TOTAL ENERGY CONSUMPTION (GJ)	13,867	14,170
TOTAL WEIGHT OF DISTRIBUTED GOODS in t	9,905	11,070
TOTAL CUBAGE OF DISTRIBUTED GOODS in m <sup>3</sup>	31,516	35,425
ENERGY INTENSITY (GJ/t)	1.4	1.28
ENERGY INTENSITY (GJ/m <sup>3</sup> )	0.44	0.4

NEREGELIA MONTENEGRO	2016	2017
TOTAL ENERGY CONSUMPTION (GJ)	11,016	11,559
TOTAL WEIGHT OF DISTRIBUTED GOODS in t	7,774	8,482
TOTAL CUBAGE OF DISTRIBUTED GOODS in m <sup>3</sup>	22,200	23,904
ENERGY INTENSITY (GJ/t)	1.42	1.36
ENERGY INTENSITY (GJ/m <sup>3</sup> )	0.5	0.48

NELT BOSNIA AND HERZEGOVINA	2016	2017
TOTAL ENERGY CONSUMPTION (GJ)	22,468	24,642
TOTAL WEIGHT OF DISTRIBUTED GOODS in t	11,654	14,244
TOTAL CUBAGE OF DISTRIBUTED GOODS in m <sup>3</sup>	39,785	44,750
ENERGY INTENSITY (GJ/t)	1.93	1.73
ENERGY INTENSITY (GJ/m <sup>3</sup> )	0.56	0.55

# Direct emissions

Greenhouse Gases (GHG) heat the Earth by absorbing energy and slowing the speed at which energy is released into space. Global warming potential (GWP) has been developed to enable the comparison of the effects of global warming on various gases. GWP compares the amount of heat captured with a certain mass of gas to the amount of heat captured with a similar mass of CO<sub>2</sub>. The higher the GWP, the more specific gas heats the Earth in relation to CO<sub>2</sub>.

## NELT SERBIA

2016	CO <sub>2</sub> T	CH <sub>4</sub> T	N <sub>2</sub> O T	GWP
M1	12,900	0.067	0.019	12,908
M3	1,450	0.0099	0.0093	1,450
N1	33,158	0.763	1	33,530
N2	16,957	0.028	0.026	16,966
N3	10,007	0.009	0.008	10,009
<b>TOTAL</b>				<b>74,863</b>
2017	CO <sub>2</sub> T	CH <sub>4</sub> T	N <sub>2</sub> O T	GWP
M1	14,666	0.075	0.022	14,675
M3	1,448	0.001	0.001	1,449
N1	35,763	1	1	36,238
N2	15,813	0.025	0.023	15,821
N3	10,067	0.010	0.009	10,071
<b>TOTAL</b>				<b>78,254</b>

## NELT SERBIA

	2014	2015	2016	2017
M1	10,600	13,009	12,908	14,675
M3	1,198	1,311	1,450	1,449
N1	27,376	31,359	33,530	36,238
N2	23,496	18,411	16,966	15,821
N3	14,034	11,757	10,009	10,071
<b>TOTAL</b>	<b>76,704</b>	<b>75,848</b>	<b>74,866</b>	<b>78,254</b>

\*The United States Environmental Protection Agency model was used in calculating direct and indirect greenhouse gas emissions, in order to get the opportunity to compare the results with other companies. The calculating model is the most widely spread model for acquiring info on the global warming potential. That is why the records vary compared to those from the 2014/2015 Nelt Serbia report.

# **NELT BOSNIA AND HERZEGOVINA**

2016	CO <sub>2</sub> T	CH <sub>4</sub> T	N <sub>2</sub> O T	GWP
M1	3,076	0.005	0.0029	3,076
N1	10,197	0.028	0.025	10,204
N2	6,487	0.009	0.0088	6,489
N3	349	0.00034	0.00032	348
<b>TOTAL</b>				<b>20,117</b>
2017	CO <sub>2</sub> T	CH <sub>4</sub> T	N <sub>2</sub> O T	GWP
M1	3,274	0.0028	0.0025	3,275
N1	8,375	0.0482	0.0735	8,397
N2	7,760	0.0112	0.0105	7,763
N3	729	0.00061	0.00057	729
<b>TOTAL</b>				<b>20,164</b>

# **NELT MACEDONIA**

2016	CO <sub>2</sub> T	CH <sub>4</sub> T	N <sub>2</sub> O T	GWP
M1	1,686	0.004	0.002	1,686
N1	3,461	0.006	0.010	3,465
N2	4,419	0.015	0.014	4,424
N3	572	0.002	0.001	573
<b>TOTAL</b>				<b>10,149</b>
2017	CO <sub>2</sub> T	CH <sub>4</sub> T	N <sub>2</sub> O T	GWP
M1	1,872	0.004	0.002	1,872
N1	4,066	0.023	0.042	4,079
N2	4,998	0.017	0.016	5,003
N3	450	0.001	0.001	450
<b>TOTAL</b>				<b>11,404</b>

# **NEREGELIA MONTENEGRO**

2016	CO <sub>2</sub> T	CH <sub>4</sub> T	N <sub>2</sub> O T	GWP
M1	1,166	0.00117	0.00121	1,167
N1	4,344	0.00299	0.00449	4,345
N2	3,584	0.00425	0.004	3,585
N3	167	0.00018	0.00017	168
<b>TOTAL</b>				<b>9,265</b>
2017	CO <sub>2</sub> T	CH <sub>4</sub> T	N <sub>2</sub> O T	GWP
M1	1,375	0.00123	0.00134	1,376
N1	4,236	0.00324	0.00486	4,238
N2	3,710	0.00489	0.00460	3,711
N3	69	0.00018	0.00017	70
<b>TOTAL</b>				<b>9,395</b>

\*M1 – passenger vehicle, <9 seats with driver, M3, class II – heavy buss, >9 seats with the driver, max mass >5t, local , N1 – light truck, max mass <3.5t, N2 – medium size truck, max mass >3.5t <12, N3 – heavy truck, max mass >12t

## GWP - PETROLEUM PRODUCTS USED BY VEHICLES

	GWP 2016	GWP 2017
NELT SERBIA	74,863	78,254
NEREGELIA MONTENEGRO	9,265	9,395
NELT BOSNIA AND HERZEGOVINA	20,117	20,164
NELT MACEDONIA	10,149	11,404
<b>TOTAL</b>	<b>114,394</b>	<b>119,217</b>

Car park in 2017 was enhanced for 88 vehicles, aka 6.57% and the mileage was increased by 6.1% compared to 2016.

## GWP - NATURAL HEATING GAS

NELT SERBIA	CO <sub>2</sub> (T)	CH <sub>4</sub> (T)	N <sub>2</sub> O(T)	GWP
2014	460	0.00	0.00	460
2015	529	0.00	0.00	529
2016	396	0.00	0.00	396
2017	368	0.00	0.00	368

## GWP - FIREWOOD

NELT BOSNIA AND HERZEGOVINA	CO <sub>2</sub> (T)	CH <sub>4</sub> (T)	N <sub>2</sub> O(T)	GWP
2016	11,653	0.894	0.447	11,809
2017	14,037	0.107	0.538	14,224

## TOTAL GLOBAL WARMING POTENTIAL

NELT GROUP	2016	2017
GWP - PETROLEUM PRODUCTS	114,394	119,217
GWP - NATURAL GAS	396	368
GWP - FIREWOOD	11,809	14,224
<b>TOTAL</b>	<b>126,599</b>	<b>133,809</b>

Nelt fleet in 2017 was expanded with 88 more vehicles, or 6.57% and the mileage was increased by 6.1% compared to 2016. Global Warming Potential was enhanced in 2017 by 5.69%. By optimization of routes and renewing part of passenger and cargo vehicles fleet with higher Euro norm of engines and lesser emission of gases, GWP was reduced. GWP accumulated by combusting energy products is directly in line with the need to achieve the required temperatures during winter time.







## **20,000 seedlings project**

In order to reduce the eco print, Nelt company planted in its business complex in Dobanovci 20,000 seedlings of different plants - vine, apples, pears, cherries, apricots, plums, peaches, aronia berries . That way, the Nelt company contributed to the neutralization of gas emissions but also helped brighten the work environment.

## **Two-wheel fleet**

Since 2015, employees at the Central Distribution & Logistics Center in Dobanovci have at their disposal bicycles, as an alternative transport within 20ha Nelt complex. So far, the fleet has 10 bicycles, making moving around the complex easier, functional and healthier.

# Indirect gas emissions

Indirect greenhouse gas emissions come from electric energy acquired from thermal power plants and hydro plants. First use unrenewable energy sources while other use renewable sources.

## The share of renewable energy sources in electricity consumption

NELT SERBIA	2016 (GJ)	2016*	2017 (GJ)	2017*
RENEWABLE SOURCES	3,118	31.40%	3,246	32.40%
NONRENEWABLE ENERGY SOURCES	6,813	68.60%	6,771	67.60%

NEREGELIA MONTENEGRO	2016 (GJ)	2016*	2017 (GJ)	2017*
RENEWABLE SOURCES	674	35.50%	768	36.10%
NONRENEWABLE ENERGY SOURCES	1,225	64.50%	1,360	63.90%

NELT BOSNA I HERCEGOVINA	2016 (GJ)	2016*	2017 (GJ)	2017*
RENEWABLE ENERGY SOURCES	987	40.65%	1,082	40.65%
NONRENEWABLE ENERGY SOURCES	1,440	59.35%	1,580	59.35%

NELT MAKEDONIJA	2016 (GJ)	2016*	2017 (GJ)	2017*
RENEWABLE ENERGY SOURCES	656	35.50%	757	36.10%
NONRENEWABLE ENERGY SOURCES	1,191	64.50%	1,340	63.90%

\* The national goal for renewable sources - Energy ministry



# Electricity GWP

NELT SERBIA	2014	2015	2016	2017
TOTAL GJ*	5,982	6,300	6,813	6,771
GWP Total	604	636	688	683

## ELECTRICITY - THERMAL PLANTS

NEREGELIA MONTENEGRO	2016	2017
TOTAL GJ*	1,225	1,360
GWP Total	123	137

## ELECTRICITY - THERMAL PLANTS

NELT BOSNIA AND HERZEGOVINA	2016	2017
TOTAL GJ*	1,440	1,580
GWP Total	145	159

## ELECTRICITY - THERMAL PLANTS

NELT MACEDONIA	2016	2017
TOTAL GJ*	1,191	1,340
GWP Total	120	135

\*The United States Environmental Protection Agency model was used in calculating direct and indirect greenhouse gas emissions, in order to get the opportunity to compare the results with other companies. The calculating model is the most widely spread model for acquiring info on the global warming potential. That is why the records vary compared to those from the 2014/2015 Nelt Serbia report.

#### TOTAL INDIRECT EMISSIONS

NELT GROUP	2016	2017
NELT SERBIA	688	683
NEREGELIA MONTENEGRO	123	137
NELT BOSNIA AND HERZEGOVINA	145	159
NELT MACEDONIA	120	135
<b>TOTAL</b>	<b>1,076</b>	<b>1,114</b>



# The intensity of GWP

The intensity of greenhouse gas emissions was obtained by dividing the total amount of emissions with a product unit where the product unit is presented in cubic meters and tons. The obtained data represent the measure of the intensity of the company's emissions per unit of product (m<sup>3</sup>, t).

## NELT SERBIA\*

	2014	2015
<b>DIRECT GAS EMISSIONS (GWP) *</b>	77,165	76,378
<b>INDIRECT GAS EMISSIONS (GWP) *</b>	604	636
<b>TOTAL WEIGHT OF DISTRIBUTED PRODUCTS in t</b>	47,274	44,290
<b>TOTAL CAPACITY OF DISTRIBUTED PRODUCTS in m<sup>3</sup></b>	142,446	133,951

<b>GWP INTENSITY DIRECT</b>	<b>BY WEIGHT</b>	<b>BY VOLUME</b>
<b>2014</b>	1.63	0.54
<b>2015</b>	1.72	0.57

<b>GWP INTENSITY INDIRECT</b>	<b>BY WEIGHT</b>	<b>BY VOLUME</b>
<b>2014</b>	0.012	0.004
<b>2015</b>	0.014	0.005

\*The United States Environmental Protection Agency model was used in calculating direct and indirect greenhouse gas emissions, in order to get the opportunity to compare the results with other companies. The calculating model is the most widely spread model for acquiring info on the global warming potential. That is why the records vary compared to those from the 2014/2015 Nelt Serbia report.

\*The data were taken from the publication "Distribution with care" Nelt Serbia's Sustainability Report for 2014-15 in order to be compared with 2016 and 2017 data presented in this publication.

## NELT SERBIA

	2016	2017
DIRECT GAS EMISSIONS (GWP) *	75,259	78,622
INDIRECT GAS EMISSIONS (GWP) *	688	683
TOTAL WEIGHT OF DISTRIBUTED PRODUCTS in t	47,161	48,690
TOTAL CAPACITY OF DISTRIBUTED PRODUCTS in m <sup>3</sup>	174,780	161,760

GWP INTENSITY DIRECT	BY WEIGHT	BY VOLUME
2016	1.59	0.43
2017	1.61	0.48

GWP INTENSITY INDIRECT	BY WEIGHT	BY VOLUME
2016	0.0145	0.0039
2017	0.0140	0.0042

**NEREGELIA MONTENEGRO**

	2016	2017
DIRECT GAS EMISSIONS (GWP) *	9,265	9,395
INDIRECT GAS EMISSIONS (GWP) *	123	137
TOTAL WEIGHT OF DISTRIBUTED PRODUCTS in t	7,510	7,798
TOTAL CAPACITY OF DISTRIBUTED PRODUCTS in m <sup>3</sup>	22,849	22,269

GWP INTENSITY DIRECT	BY WEIGHT	BY VOLUME
2016	1.23	0.40
2017	1.20	0.42

GWP INTENSITY INDIRECT	BY WEIGHT	BY VOLUME
2016	0.0163	0.0053
2017	0.0175	0.0061

**NELT BOSNIA AND HERZEGOVINA**

	2016	2017
DIRECT GAS EMISSIONS (GWP) *	31,926	34,388
INDIRECT GAS EMISSIONS (GWP) *	145	159
TOTAL WEIGHT OF DISTRIBUTED PRODUCTS in t	11,842	14,366
TOTAL CAPACITY OF DISTRIBUTED PRODUCTS in m <sup>3</sup>	40,280	45,140

GWP INTENSITY DIRECT	BY WEIGHT	BY VOLUME
2016	2.69	0.79
2017	2.39	0.76

GWP INTENSITY INDIRECT	BY WEIGHT	BY VOLUME
2016	0.0122	0.0035
2017	0.011	0.0035

## NELT MACEDONIA

	2016.	2017.
DIRECT GAS EMISSIONS (GWP) *	10.150	11.405
INDIRECT GAS EMISSIONS (GWP) *	120	135
TOTAL WEIGHT OF DISTRIBUTED PRODUCTS in t	8.894	10.773
TOTAL CAPACITY OF DISTRIBUTED PRODUCTS in m <sup>3</sup>	30.661	28.882

GWP INTENSITY DIRECT	BY WEIGHT	BY VOLUME
2016	1,14	0,33
2017	1,05	0,39

GWP INTENSITY INDIRECT	BY WEIGHT	BY VOLUME
2016	0,0134	0,0039
2017	0,0125	0,0046



# Initiatives for reducing energy consumption

Having in mind the complexity of the system and equipment in Central Distribution and Logistics Center in Dobanovci, Nelt recognized the need to centralize control and management of certain support systems in the company.

Therefore in 2015, a system for managing and tracking parameters of energy spending SCADA was implemented. Its goal is to save energy spent on heating and cooling.

**SCADA is saving energy, water and gas and is making parameters progress reports.** It also gives information on the status and the condition of the equipment at a certain point.

The energy savings are based on:

- analysis of the equipment and implementation of options for automatized managing in line with parameters
- faster reaction enabled through SCADA system parameters and informing the key users in real time
- timely reaction to achieve the desired output.

It has been estimated that SCADA saves around 32,000 m<sup>3</sup> of natural gas per month in a winter season. For the entire season of 4.5 months, that's 144,000 m<sup>3</sup> or 5,362 GJ.

In 2017 the same initiative was conducted in offices. Setting up analyzing machine for electricity is the plan for 2018.

In order to further influence saving electricity, the company introduced **LED lights** in one of its warehouse in Dobanovci in 2015. This system enabled the regulation of the lights level through motion sensors and daylight sensors. That saved up to 400,000 kWh/per year. In the next two years, LED lights were set up in two more warehouses. With this technology, **more than 1,000,000 kWh** is being saved. The change of lights in the offices began in 2017 and will continue in 2018 and 2019 while the external lights in Dobanovci business complex will be replaced in 2018. In Bosnia and Herzegovina, this type of lights is implemented in Bijeljina. During 2018, plans are for LED lights to be introduced in Montenegro, Macedonia and regional centers in Serbia - Kraljevo and Nis.

In addition to saving energy, LED lights have positive effects on the environment. This type of lights is produced according to RoHS system (Restriction of Hazardous Substance Directive) and does not have lead, mercury, cadmium, chrome that are hazardous for the environment and people's health.

When it comes to transportation of employees, **organized transportation with company bus** lowers CO<sub>2</sub> emissions and energy consumption.

With opening new **cross-dock** locations in 2016 and 2017, fuel **consumption and CO2 emissions were reduced**. Goods are transported from regional centers to the cross docks, then loaded into smaller vehicles for further delivery to the customers. Through this bridge the number of delivery vehicles is minimized, delivery efficiency is increased and the fuel consumption is reduced.

Delivery through cross-docks in Serbia exists in Sabac, Pozarevac, Valjevo, Zrenjanin, Kragujevac, Vranje. In Bosnia cross dock exists in Mostar and in Macedonia in Strumica. A cross dock in Bijelo Polje, Montenegro is planned for 2018.



# Nelt WASTE

RECIKLAŽNO  
DVORIŠTE

SEKOPAK

NELT



Uštedeli smo  
360 tona CO<sub>2</sub>

Aside from implementing legal procedures in waste management, all Nelt Group companies regularly implement initiatives of reducing waste materials that are the result of company' business activities. By promoting recycling and systematic management of package waste, Nelt Group is setting up standards in distribution and entire business.

By signing a cooperation agreement in 2016, Sekopak became Nelt's operator for the management of packaging waste in Serbia. The goal of cooperation is more efficient sorting and preparation of packaging waste for further recycling thus reducing the company's environmental impact.

Two eco islands and an eco yard were set up within Nelt business complex in Dobanovci as a result of partnership with authorized waste operator Sekopak. Eco islands enable sorting cardboard, paper, pet packaging, metals and glass while in the eco yard packaging waste is pressed and stocked. In cooperation with Sekopak, the necessity of environment

protection and waste management is presented to employees through educational programs, leaflets, workshops, presentations. Numerous separators have been positioned in employees offices too, so they are given the opportunity to act in an ecological way.

Employees in business complex in Dobanovci showed willingness and desire to participate in recycling. By the end of 2017, employees gathered and sorted 1000 kg off paper and cardboard, 750 kg of PET packaging, 18 kg of an and 19 kg of glass. This way, packaging waste was prepared for further steps in the recycling process.

In Bosnia and Herzegovina, Montenegro and Macedonia packaging waste is being separated in site and transferred to a local operator for further recycling.



## Responsible treatment of wastewaters

One of the important initiatives in protecting the environment was setting up filters for wastewaters. Several separators were installed in Dobanovci – for technology water from vehicle repair shops, for technology water from the car wash, for greasy waters from the company's restaurant and oily waters from the plateau where cars and trucks are parked. All these separators clean wastewaters from the specific sewage systems.

Central Distribution and Logistics Center also has the plant for recycling wastewaters. By monitoring these waters and periodically lab testing their quality, local natural pollutants are additionally protected against pollution.



# Total amount of waste based on methods of depositing

NELT SERBIA*		2014		2015	
		NONHAZARDOUS WASTE	HAZARDOUS WASTE	NONHAZARDOUS WASTE	HAZARDOUS WASTE
TOTAL AMOUNT OF WASTE		327.54	16.289	387.481	18.18
		343,829		405.661	
COMPOSTING		4.06	-	15.03	-
BURNING (or used as fuel)		-	10.609	-	16.04
WASTE DUMP		5.38	0.06	4.08	-
TOTALLY RECYCLED		318.1	5.62	368,371	2.14
		323.72		370.511	

NELT SRBIJA		2016		2017	
		NONHAZARDOUS WASTE	HAZARDOUS WASTE	NONHAZARDOUS WASTE	HAZARDOUS WASTE
TOTAL AMOUNT OF WASTE		375.879	42.743	456.07438	22.28
		418.622		478.35438	
COMPOSTING		1.013	-	1.680	-
BURNING (or used as fuel)		-	18.98	0	10.84
WASTE DUMP		2.88	-	6.40	-
TOTALLY RECYCLED		371.986	23.763	370.034	11.440
		395.749		381.47438	

\* Waste quantities are displayed in tonnes

\*The data were taken from the publication "Distribution with care" Nelt Serbia's Sustainability Report for 2014-15 in order to be compared with 2016 and 2017 data presented in this publication.

NEREGELIA MONTENEGRO		2016		2017	
	NONHAZARDOUS WASTE	HAZARDOUS WASTE	NONHAZARDOUS WASTE	HAZARDOUS WASTE	
TOTAL AMOUNT OF WASTE	6.64	6.83	38.52	38.86	0.34
WASTE DUMP	4.34	-	37.52		0.34
OTHER*	-	0.19	-		-
TOTALLY RECYCLED	2.3	2.3	1	1	-

\*Total amount of hazardous waste in 2016 was transferred to the company Hemosan to destroy it.

NELT BOSNIA AND HERZEGOVINA		2016		2017	
	NONHAZARDOUS WASTE	HAZARDOUS WASTE	NONHAZARDOUS WASTE	HAZARDOUS WASTE	
TOTAL AMOUNT OF WASTE	105.008	105.515	104.881	105.63	0.749
COMPOSTING	56.25	-	-		-
BURNING (or used as fuel)	-	-	56.25		-
TOTALLY RECYCLED	48.75	49.26	48.63	49.37	0.74

NELT MACEDONIA		2016		2017	
	NONHAZARDOUS WASTE	HAZARDOUS WASTE	NONHAZARDOUS WASTE	HAZARDOUS WASTE	
TOTAL AMOUNT OF WASTE	28.25	29.3	26.23	27.2	0.97
WASTE DUMP	0	0.032	0		0.0185
BURNING (or used as fuel)	1.328	0	1.92		0
TOTALLY RECYCLED	26.93	27.94	24.31	25.27	0.96

\* Waste quantities are displayed in tonnes

\* The selection and separation of waste is organized by the company, while the care is entrusted to professional or licensed external partners. Valid for all Nelt Group companies operating in the Western Balkans market.



# Sertifikat o doprinosu u uštedi emisije CO<sub>2</sub>

Kompanija:

NELT CO. DOO

iz

-361,57 tona CO<sub>2</sub>

Navedena količina uštede u emisiji gasova sa efektom staklene bašnje, kompanija je postigla  
svojom aktivnošću u skladu sa ciljevima za rezultate u poslovanju u skladu sa svojim ambicioznim ciljevima



U skladu sa standardom  
ISO 14064-1

www.sekopak.com





# **Nelt Serbia receives Certificate for reducing the emission of CO<sub>2</sub>**

With systematic packaging waste management through authorized operator Sekopak, Nelt secured the reuse of 1,161.88 tons of that type of waste in 2016. This directly reduced the amount of waste in garbage dumps and thus the emission of CO<sub>2</sub> by 360 tons. That is why Nelt received Certificate for reducing emissions of CO<sub>2</sub>.



## Innovation in transport packaging system

In order to reduce the amount of packaging waste from the used cardboard transport boxes, Nelt Serbia introduced in 2017 a new system of delivery. Cardboard boxes were replaced with polypropylene boxes. This is a certified and safe material for transporting food. This packaging was introduced in order to increase the safety and the quality of delivered goods, reduce waste and use storage and transport space more economically. Since new boxes were introduced a year ago, the amount of packaging waste was reduced by 67t.





**By recycling 894 tons of packaging waste, Nelt Group has preserved more than 15,000 trees.**

The process of paper decomposition in nature lasts for 6 months. When the used paper or cardboard is deposited in a landfill, in the absence of oxygen, a methane has being producing which has the greenhouse effect 24 times more than the carbon dioxide. On the other hand, if paper and cardboard are recycled, forests are being saved! Also, the energy for production is saved up to 40% and there is no release of methane. One ton of old paper and cardboard when recycled, saves 17 trees, and one ton of office paper even 24! As for production process, this means that about 34,000 l of water and about 3 MW of electricity are being saved.





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✓ Indicator fully completed  
→ Partially filled indicator

\*FORMER INDICATOR G4 EN 30 AND PR5 WERE NOT PRESENTED IN NEW GRI INDEX IN THE FORM OF INDICATORS BUT THROUGH THE SUBJECT MANAGEMENT APPROACH: ENERGY AND EMISSIONS, MARKETING AND PRODUCT AND SERVICE LABELING. GRI INDEX FOR 2016/2017 COVERS NELT GROUP COMPANIES THAT WORK IN THE WESTERN BALKANS: SERBIA, MACEDONIA, MONTENEGRO, BOSNIA AND HERZEGOVINA.

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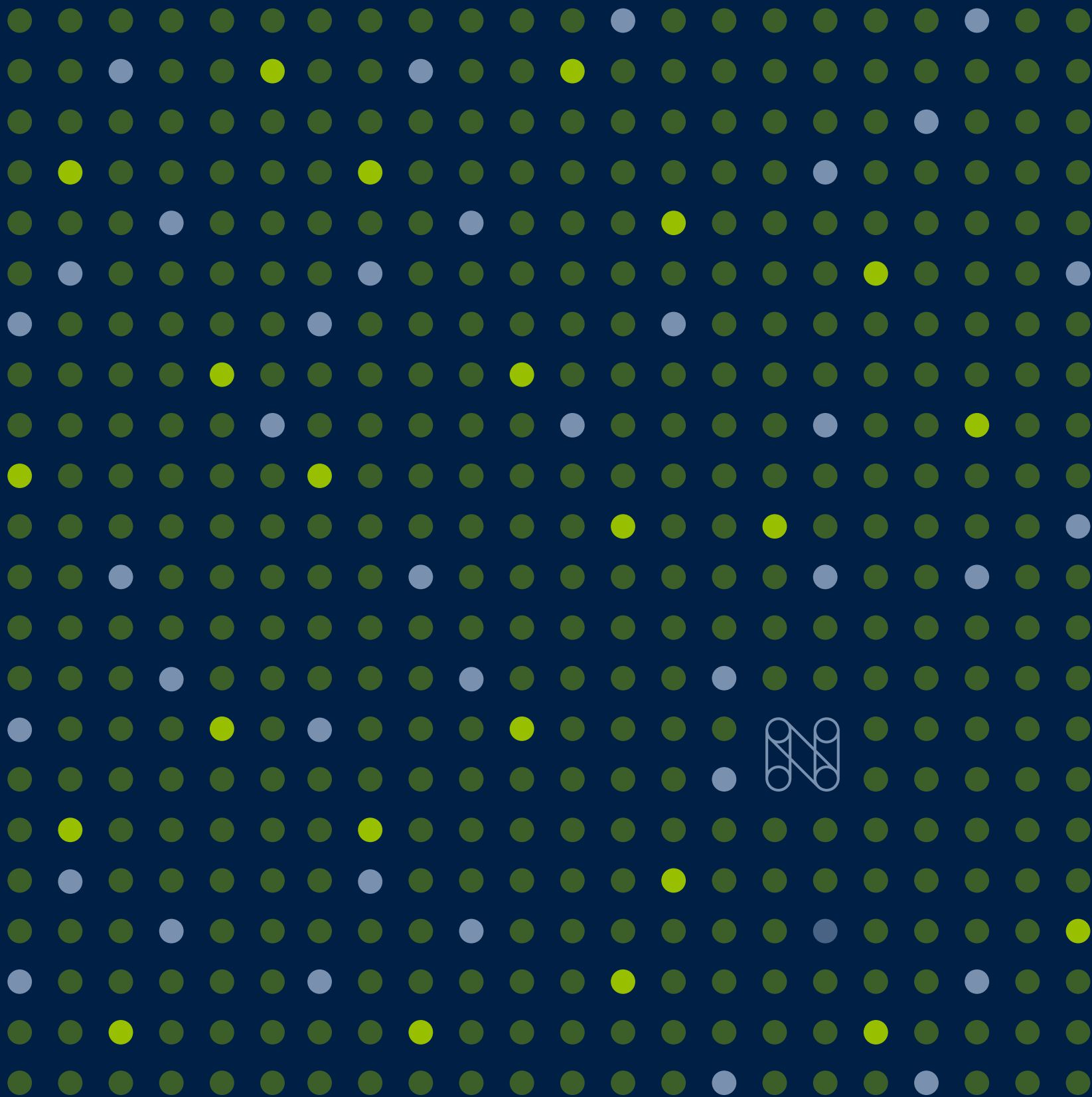
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