

EXCELLENCE AND RESPONSIBILITY FOR THE FUTURE

CENTRAL DISTRIBUTION & LOGISTICS CENTER
DOBANOVCİ, BELGRADE, SERBIA



IMPRESSUM

EXCELLENCE AND RESPONSIBILITY FOR THE FUTURE
SUSTAINABILITY REPORT
NELT GROUP Maršala Tita 206, Dobanovci, Belgrade
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Printed by Finegraf, Nikole Marakovića bb, 11090 Belgrade

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INVESTMENTS FOR THE SUSTAINABLE FUTURE

28.
YEARS

**Brand
Leader
Award
2019**

**"The highest
level of social
responsibility and
care for the local
community."**

For the company that has been organically growing for more than 28 years, sustainable business is one of the key strategic goals that enable us to move forward in that direction. Through the all-encompassing business plan, new technologies, and affirmation of our employees, we are focused on the subjects and projects that will have a long-lasting positive impact both in our organization and in the wider community.

By building "smart" warehouses and business space in Belgrade and East Sarajevo, through the expansion of the intermodal terminal in Belgrade, renewal of vehicles freight in line with current eco-standards and focusing on the importance of recycling, we built the level of eco-conscience in all the markets, helped reduce the pollution and global warming effects.

In the past two years we have invested 15 million Euros in the further development of integrated logistics. At the same time, we continue to support the education and professional growth of young people in all the countries we do business. By supporting the universities we support the youth in achieving their full potential and also promote the importance of education for their further career development. We want to help young, ambitious people to gain knowledge, take responsibility and create a better society for all of us.

We are also committed to our employees and their professional development through internal and external trainings. We are constantly working on

creating better work conditions through a series of benefits such as „Company doctor“, private health insurance, new moms care program, work from home. The innovative app "PULS" is based on the '360 degrees' grading principle and gave great results, enabling all our employees the fast and quality feedback. This way Nelt Group employees are among the first in the region that have the opportunity to communicate amongst themselves constructively through the prism of corporative values and in real-time influence the personal growth and development of their colleagues. We began the transformation of our business, both digital and value-like, with a clear goal of growing as individuals but also as an efficient, desirable organization for both employees and new business partners.

For us, 2019 was the year of accomplishments. At the Sarajevo Business Forum, we received the prestigious regional award **"Business Of The Year"**. For our contribution to the **"One Belt One Road"** initiative adopted by the Chinese government we received the **"Brand Leader Award 2019"**. As another confirmation that digitalization is our

strategic goal, during the annual Serbian Logistics Association summit, Nelt was recognized as the **"Top logistics project of the year"** for its implementation of SymphonyRetail AI tools. Implementation of education projects and support for the culture projects led us to the **Business partner award for "Highest level of social responsibility and care for local community"** that has been given by Mass Media International for 25 years.

Our strategic plan is to continue with business process optimization and investment in people. In 2019 our net value was 950 million Euros, a 50 million growth compared to the year before. In this report, we will present parts of our organization and processes that are the cornerstones of Nelt Group's success. Today, we employ 4,000 people in 15 companies in 11 markets in Europe and Africa.

Thank you for believing in us.

Respectfully,
Milos Jelic
Nelt Group CEO



COMPANY PROFILE

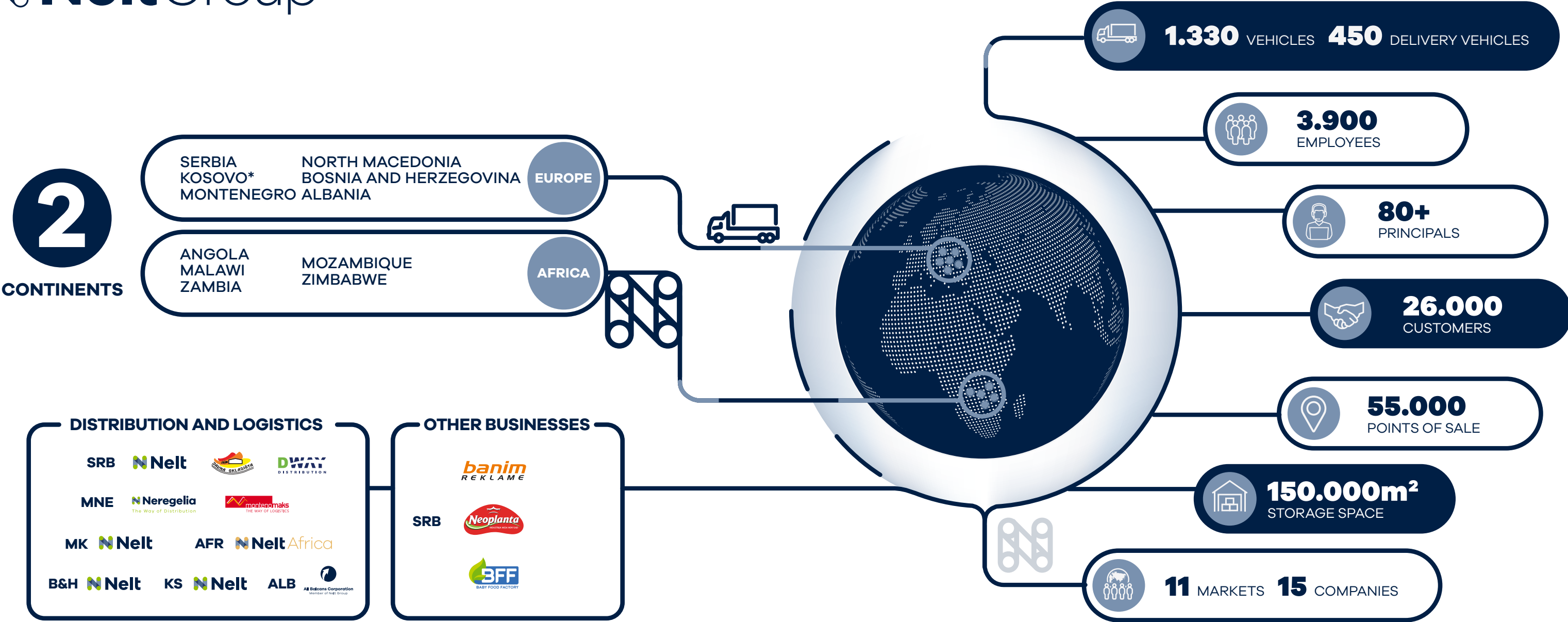
NELT GROUP

NELT GROUP IS ONE OF THE MOST SUCCESSFUL WESTERN BALKANS BUSINESS SYSTEMS IN THE FIELD OF LOGISTICS AND DISTRIBUTION OF FMCG, TOBACCO, PHARMACEUTICALS AND BEAUTY PRODUCTS. AS AN INTERNATIONAL GROUPATION, IT EMPLOYS 4,000 PEOPLE IN 15 COMPANIES IN 11 EUROPEAN AND AFRICAN MARKETS.

Leader position and all accomplishment achieved during 28 years in business are the results of constant investment in the development of services, new technologies, education and growth of employees. By relying on the principles of ethical, responsible, and sustainable business, Nelt Group grew organically by entering new markets and expanding the portfolio of products it distributes and services it provides in logistics. In addition, the focus is on local community projects in the field of education which is why Nelt Group companies are recognized as an important member of wider society.

In order to ensure the growth in the future, the transformation process began in January 2018 on the basis of organizational health research conducted a year earlier. A new vision has been defined and existing values have been redefined.

Nelt Group companies entered a new era with a new visual identity and new CSR strategy that envisages greater employee engagement and joint projects of wider social impact with business partners. Group's companies are focused on the care of their employees which is why they are continually working on creating different benefits such as care for new moms, company doctor, private healthcare, one-time financial support due to a birth of a child, compensation.



* This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

COOPERATION WITH BUSINESS PARTNERS

The quality of service, knowledge, and good market coverage make Nelt Group companies the leading distributors in Western Balkans markets. Nelt Group also has years of knowledge in providing different logistics services to clients from various industries. Through faster processes, time-saving,

transparency, less administration, Nelt Group companies provide optimization of logistics costs. That way they provide a maximum of efficiency and minimum costs. Clients are provided with complete logistics in line with their specific needs.

PRINCIPALS



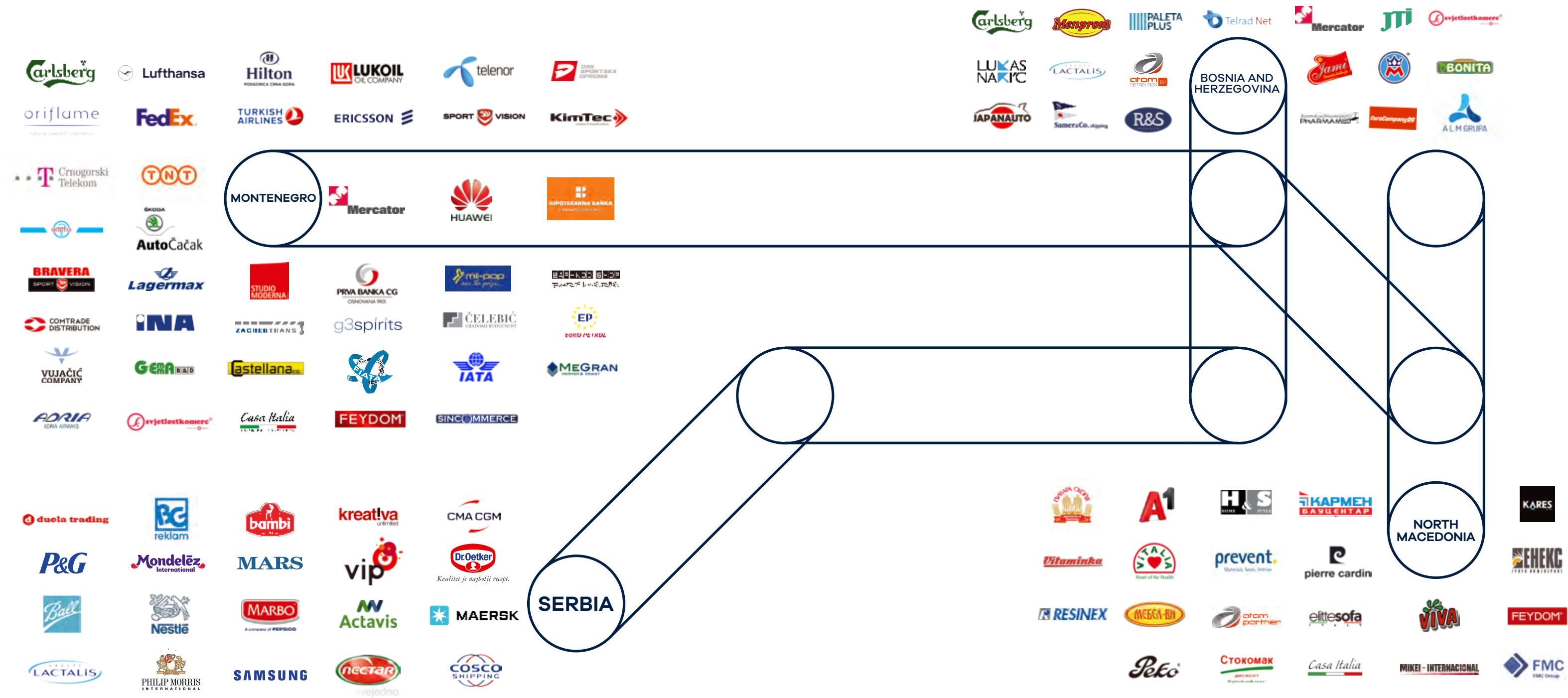
PHARMACEUTICAL AND BEAUTY PRODUCTS



TOBACCO PRODUCTS



LOGISTICS CLIENTS



DEVELOPMENT

1992.

Nelt was founded in Belgrade, with trade as its primary business.

1996.

Neregelia was founded in Podgorica, Montenegro.

Distribution of Procter & Gamble products in Serbia and Montenegro began.

1998.

Nelt ST was founded in Skopje, Macedonia.

2000.

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

2001.

Distribution of Wrigley products started in Serbia and Montenegro.

2006.

New distribution center in Dobanovci- Belgrade was opened.

Distribution of Durex and Scholl products started in Serbia.

The provision of logistics services started in Serbia.

A new distribution center in Montenegro was opened in Donja Gorica, Podgorica.

Nelt acquired 50% ownership of the Orbitko company 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 started.

A new Distribution Center in Skopje- Macedonia was opened.

Distribution of BAT products in Bosnia and Herzegovina started.

2008.

Nelt acquired the Public Warehouses Subotica.

Distribution of Dr. Oetker products started in Serbia and Macedonia.

Trade marketing services launched in Macedonia.

Nelt implemented and certified its quality management system in line with ISO 9001:2008 standard in Serbia.

2009.

Nelt implemented and certified the HACCP system in Serbia.

Trade marketing services launched in Montenegro.

New distribution centers in Banja Luka and Sarajevo- Bosnia and Herzegovina were opened.

Orbitko from Bosnia and Herzegovina changed name to Nelt Ltd

2010.

Nelt established and registered a company in Angola.

Distribution of Bambi and Jaffa products in Macedonia started.

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

2011.

Distribution of Ambi Pur products started in Serbia.

Neoplanta started exporting to Russia

Distribution of P&G products started in Angola.

2012.

SAP business software is implemented.

Long-term strategy of the socially responsible business was determined.

Distribution of Neoplanta products started in Angola.

Nelt established and registered a company in Zambia.

Distribution of P&G products started in Zambia.

2013.

Nelt Group is formed.

Cooperation with PMI in the logistics services segment has begun.

Neoplanta was awarded Global GAP and IFC certificates.

Nelt established and registered a company in Mozambique.

Distribution of P&G products in Mozambique began.

Distribution of Wrigley and Nestle products in Angola began.

Trade marketing services in Serbia have been launched.

2014.

Distribution of Mars Foods products started in Serbia.

CSR Nelt's educational programe started.

Neoplanta awarded with HALAL certificate.

HACCP system was implemented and certified in Macedonia.

Distribution of Mondelez and SC Johnson products started in Bosnia and Herzegovina.

2015.

Distribution of Philip Morris products started in Serbia and Montenegro.

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

Nelt became the owner of ecommerce platform- Tako Lako Shop.

Interactive exhibition on Mihajlo Pupin opened.

Actavis became new logistics client.

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

A new regional distribution center in Bijeljina- Bosnia and Herzegovina was opened.

2016.

Logistics intermodal terminal was opened in Belgrade.

Nelt became a member of the UN Global Compact.

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

Lactalis became logistics client.

New warehouse of Neregelia was opened in Podgorica, Montenegro.

2017.

The organization health survey conducted.

Montenomaks became new member of Nelt Group.

Nelt is awarded the status of Authorized Economic Operator in Serbia and Status of a privileged customs procedure participant in Montenegro.

20 years of Regional Distribution Centers in Serbia have been celebrated.

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

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

Distribution of Selpak products started in Serbia.

Cooperation with global logistics leaders, Dochser (GER), COSCO (CHN), CMA, CGM (FRA), MAERSK (DNK), started.

2018.

Infrastructure capacities are widened with the construction of Halls in Serbia and Bosnia and Herzegovina.

New distribution company D Way was founded in Serbia and Montenegro.

Business operations started in Albania market.

Distribution of Nutrino products made by new-founded company Baby Food Factory started in Western Balkans markets.

Distribution of Evropa and Coty products started in Macedonia, G Medical and Dr.Oetker products in Angola.

Logistics cooperation with Nectar in Serbia and ALM Group in Bosnia and Herzegovina started.

Distribution of Nestle Nutrition portfolio products (baby formulas and food) started in Serbia.

2019.

Distribution of Dahlia, Ribela, Mitsides products started in Serbia, Ferrero in Mozambique, Naboru Brands in Angola, Dr. Oetker in Albania, adegs Pak in Serbia and Bosnia and Herzegovina.

eDIS software, which enables digitalization of logistics processes at Nelt's Intermodal Terminal, was implemented.

Cooperation in the field of logistics with the Bambi was established in Serbia.

Montenomaks C&L celebrated 20 years of business.



IMPORTANT EVENTS

2018.

Nutrino, high-quality products for children

In 2018, Nelt began distribution of Nutrino brand in Serbia and Montenegro, while in 2019 its products appeared in all Western Balkans markets. This brand offers a complete range of children's food – porridges, juices, mash potatoes in glass, and whole new, "pouch packaging". Nutrino is produced in the Baby Food Factory, a "greenfield" investment of 34 million Euros which makes it one of the biggest investments in Serbia in 2018. Families Socanac and Saponjic, owners of Nelt Group, are also the co-owners of the factory.

The factory is equipped with state-of-the-art technology that guarantees production in line with the highest world standards regarding the quality and safety of baby food. The raw materials are in line with the highest quality standards and are procured through certified suppliers only. Within a year, Nutrin's share in the baby food markets of Serbia and Montenegro reached almost 20%.

Business operations in Albania

By mid-2018 All Balkans Corporation from Tirana became a member of Nelt Group and thus helped the Group cover all Western Balkans markets. Founded in 1995, All Balkans Corporation is one of the leading distribution companies in Albania and cooperates with large multinational and regional companies such as Beiersdorf, Mondelez, GSK. Further plans in Albanian market envisage developing the offer of FMCG and pharmaceuticals products, as well as entering the HoReCa sector.

2019.

15 million euros the investment cycle in infrastructure has been completed

The construction of halls in Belgrade and East Sarajevo has increased the storage and office capacities of the Nelt Group in Serbia and Bosnia and Herzegovina. Infrastructure in Serbia has been expanded with 13,000m² of storage and 3,000m² of office space, and in Bosnia and Herzegovina for 1,500 m² of office and over 4,500 m² of storage space in ambient, refrigerated and frozen mode. The newest technology and standards of the Nelt Group are implemented in the new warehouses. Software for storage managing, (WMS) G.O.L.F. Stock as well "Pick by Voice" system all enable efficient management and optimal usage of all storage resources in all temperature regimes. Storage and distribution processes are all in line with HACCP standards that are certified by SGS.

Bambi, a new logistics client

In July 2019, the cooperation between the companies Nelt and Bambi in Serbia began. At the tender for the selection of logistics service providers, Nelt was recognized as a company that provides safe, quality, sustainable and flexible logistics service. The service includes the receipt of goods from Bambi Pozarevac factories, storage of goods, central and capillary delivery to over 1,000 delivery points per day as well as reversible logistics services (return of goods and advertising material from customers). Bambi was founded in Požarevac in 1967. That year began the production of Plazma biscuits. At the beginning of 2007 the company merged with one of the oldest chocolate and candy factories in Serbia – Banat, Vrsac and the two companies formed a confectionary concern Bambi-Banat. Today, this company is the leader in the regional biscuits market. Since February 2019 Bambi is part of Coca Cola HBC Group.

ORIENTATION TOWARDS THE GOALS OF SUSTAINABLE DEVELOPMENT



Sustainable Development Goals are a balanced group of goals that are globally recognized as a basis for equal development of international society. They were created by the United Nations and became operational in 2015 when they replaced the Millennium development goals in Paris. In 2000, the UN Global Compact was formed as the biggest global civil initiative whose aim is to promote

sustainable development goals. Nelt is a member of Global Compact since 2015. Through its membership, companies are obliged to synchronize their businesses with ten universal principles from areas of human rights, work, environment and anti-corruption. Global Compact operates worldwide through its local networks.



As part of the “Company Doctor” initiative, Nelt enables its employees all necessary specialist examinations.



Nelt Group companies are strategically developing partnerships with education institutions, communicate with students, and work on presenting the practical usage of knowledge. Especially interesting is Nelt Educational Program (NEP) launched in Serbia in 2014, which encourages inter-sectoral cooperation, exchange of experiences and skills upgrading. It is in line with the contemporary development of a professional environment that includes a merger of art, new technologies and science.



All employees in Nelt Group have equal rights, including a right to free expression, safety at work and a right to work in a professional environment. Each company is obliged to ensure a discrimination-free working environment. Under the Code of Conduct, any form of mobbing is banned as well as misuse of the right of protection. The company as well as any employee who learns about this behavior has a right to initiate a protection process.



Several separators have been installed in company headquarters in Dobanovci – for technical water used to service vehicles, for technical water from car washer units, for greasy water from the company restaurant as well as for greasy atmosphere water from the parking lot. Aside from these separators, the Central distribution-logistics center also has a facility for recycling wastewater. By monitoring all types of wastewater and by checking their quality through periodical lab testing, the local environment is being preserved from pollution.



In 2015 in Serbia Nelt started a project of implementing CNG vehicles in all its fleet to test the possibilities of using this type of fuel. That same year, a system for managing and tracking energy waste SCADA was implemented. This system aims to reduce the usage of gas for heating and electricity for cooling. SCADA envisages reports on all achieved parameters and gives info on status and the state of the equipment. With the desire to reduce fuel consumption, Nelt Group is

using software route optimization when delivering goods for its customers. The program suggests a possible route, taking into account all the stops the vehicle has to make (last in-first out). That way, the number of miles and vehicles is minimized.



Year after year, Nelt Group companies mark economic growth while striving to maintain the stability of business organically and also invest in the development and education of its employees. Education programs in Nelt Group are designed to further develop competencies of employees, maintain the strategic focus of the company, and also keep in mind the specific needs of the employees. Nelt Group employees have the opportunity to grow within the company. All employees who have been employed at least one year in Nelt Group can apply on opened positions if they meet all the conditions. Internal ads can be found on the company's portal and bulletin boards. A large number of managers were promoted from lower positions.



Ten years ago, Serbian company Nelt allocated 418,000 Euros for the project of building Surcin intersection in Dobanovci and thus helped move heavy transport from this part of the city. Aside from fuel savings for Nelt and other surrounding companies, a drastic drop in pollution have been recorded, as well as the level of noise while infrastructure was preserved. It's estimated that using this intersection Nelt vehicles alone save more than 1.2 million kilometers in transport (30 times around planet Earth). The result is an annual energy savings of close to 5,000 GJ. In December 2016. the first private Intermodal logistics terminal in Nelt's Central Distribution and Logistics Center in Dobanovci was opened. This enables economical, efficient and environmentally sustainable global movement of all types of goods.



All Nelt Group companies are highly dedicated to the promotion of responsible business practices in all the markets they operate. Company representatives are active participants in many workgroups through associations that deal with work regulations, corporative and business law, fight against the grey economy, fair competition, environment protection, waste management, and health care. In Serbia, Nelt is one of the founding members of the Fair competition association within NALED (National Alliance for Local Economic Development)



In 2014 Nelt together with Galery 12 HUB started Nelt's education program „Interdisciplinary cooperation as a potential for the development of young professionals in the fields of art, science, and new technologies“. During the second cycle of the program in 2016/2017, design incubator Nova Iskra joined in. The basic idea of Nelt's education program is to help prepare students, through lectures and workshops, for a successful professional career. The goal is to open a space for interdisciplinary cooperation, exchange of experiences, and development of skills in line with the modern business environment that envisages a merger of arts, new technologies, and science and also upgrade traditional studies focused on more precisely defined areas.

TRANSFORMATION FOR THE FUTURE

The growth so far showed the challenges that arise from the complexity of an organization and it influenced the approaches to the further development. The changes are a way of responding to these challenges and they started January 1st, 2018.

Within Nelt Group business units of distribution, logistics and the African market have been formed as well as Corporative center that provides support to all business units. Business units have been formed to help logistics and African businesses to develop independently from the Western Balkans distribution and offer their services independently. All business units within the Group have departments that manage operation development (operational efficiency) and new services and markets (development of new businesses).

The goal is to ensure faster development of employees and provide them with the experience of new surroundings, define more clearly their responsibilities within the organization and simplify relationships between different departments, make decision faster, support independent decision making, enhance the system of corporative management and make the company a healthy organization that provides safety and security for its employees and communities in all the markets.

To secure future growth, in 2018 it is defined a new vision and redefined existing values.



Nelt transformation video

OUR VISION

**„WE ARE THE NUMBER ONE
IN PROVIDING COMPLETE
SOLUTIONS IN DISTRIBUTION
AND LOGISTICS SERVICES.“**

“Through safe and fast delivery of high-quality products, we improve the quality of life of people in the markets of Europe and Africa in which we operate. We rely on the motivation, energy, winning mentality, expertise, innovation, personal responsibility, and teamwork of our employees; newest technologies; long-term partnerships with global leaders in their fields of expertise.

We are a healthy, socially responsible corporation with a longterm perspective which constantly invests in its development, cares for its employees and can respond quickly to changes and challenges with a goal of sustainable development and growth.”

**WE ARE THE
NUMBER
ONE**

**COMPANY IN PROVIDING
COMPLETE SOLUTIONS IN
DISTRIBUTION AND
LOGISTICS SERVICES**

OUR VALUES

After successfully conducted survey of organizational health, launching the transformation process and introduction of changes in the business system, the time has come for Nelt Group to review basic values that are the core of all relationships within Group's companies.

The values are what support vision fulfillment and shapes corporate culture. They are the core of company's identity. Values define the way of doing, how employees treat each other and also customers, partners, the company itself.



LONG-TERM PERSPECTIVE

Future starts today

Because we want to be here for another 25 years.



INNOVATION

**New ideas,
new possibilities**

Because we have to use new technologies and face challenges with modern and efficient solutions.



WINNING MENTALITY

Always a step ahead

Because we want to keep winning.



OWNERSHIP

TEAM starts with YOU

Because each one of us represents Nelt, wherever we are. We want to promote a positive attitude towards the company and responsible business.



CARING MENTALITY

**We are here for each other
to remain on the top**

Because we insist on respecting all people wherever they work, no matter the position they occupy.



ABOUT THE REPORT

WITH ITS THIRD REPORT NELT GROUP CONTINUES WITH THE PRACTICE OF SUSTAINABILITY REPORTING IT BEGAN IN 2016

Nelt Group's report on results and influences on sustainability is in line with the most relevant international methodology on sustainability reporting – Global Reporting Initiative (GRI) which enables stakeholders to get a comprehensive picture of an organization impact, with standard and accurate indicators effect.

Sustainability report for 2018/2019 includes all Nelt Group companies in Western Balkans: Nelt Co, Serbia; Nelt ST, North Macedonia; Nelt doo, Bosnia and Herzegovina; Montenomaks and Neregelia, Montenegro. The report is made in line with the current version of the GRI Standards and Core option of reporting. The first report on Nelt's sustainable business

for 2014/2015 was in line with the Core option of the fourth version of GRI G4 guidelines and covered Nelt Co d.o.o based in Serbia. It is available on www.nelt.com/en/media-center/reports

The second report included other distribution and logistics companies of Nelt Group from Western Balkans. This report is available on www.nelt.com/en/media-center/reports

Nada Stamatovic from the Nelt Group Communications departments created all three reports. If you have any questions regarding the published materials you can send your inquiries to stamatovic.n@nelt.com



SERBIA - NELT CO

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 FMCG, tobacco and pharmaceutical products, logistics services and trade marketing in Serbia. Since 2006, the company's headquarters and main distribution-logistics center is in Dobanovci, industrial part of Belgrade where it covers an area of 60 ha.

Distribution & logistics network consists of regional centers in Belgrade, Novi Sad, Nis, Kraljevo, branches in Subotica, Bor, Uzice and cross docks in Valjevo, Vranje, Zrenjanin, Pozarevac, Sabac, Kragujevac, Pancevo.

2.185
EMPLOYEES

104.000 m²
WAREHOUSE SPACE

30
PRINCIPALS

100+
BRANDS

60+
LOGISTICS CLIENTS

11.000
CUSTOMERS

23.000+
POINTS OF SALE

7.000
DELIVERIES PER DAY

229
DELIVERY VEHICLES

16
PULLERS

22
SEMI TRAILERS

800
VEHICLES FOR FIELD
SALE AND BUSINESS
SUPPORT

BOSNIA AND HERZEGOVINA - NELT

Nelt Ltd is present in the market of Bosnia and Herzegovina since 2006. Along with the company's headquarters in Sarajevo, Nelt has regional distribution centers in Banja Luka, Bijeljina, and cross docks in Mostar and Bihac. The company employs almost 400 people.

Nelt in Bosnia and Herzegovina is a synonym for successful human resources management and is a recipient of numerous "Most desirable employer" awards given by employment portal posao.ba.

394

EMPLOYEES

14

PRINCIPALS

20+

LOGISTICS CLIENTS

8.000+

POINTS OF SALE

61

DELIVERY VEHICLES

2

PULLERS

12.000 m²

WAREHOUSE SPACE

40+

BRANDS

4.600

CUSTOMERS

1.000

DELIVERIES PER DAY

2

SEMI TRAILERS

183

VEHICLES FOR FIELD
SALE AND BUSINESS
SUPPORT

NORTH MACEDONIA - NELT ST

Nelt ST Ltd was founded in 1998 as a trading company. Today, the company employs 233 people. Nelt in North Macedonia is known for its business excellence in distribution. Thanks to a highly functional delivery network the logistics division was founded.

Technological innovations and expertise in distribution are now at the disposal in the logistics market. The distribution and logistics network in North Macedonia includes regional center in Skopje and cross docks in Bitolj and Strumica.

The Way of
Logistics

nelt.com



233
EMPLOYEES

6.500 m²
WAREHOUSE SPACE

22
PRINCIPALS

80+
BRANDS

25+
LOGISTICS CLIENTS

2.700
CUSTOMERS

4.200+
POINTS OF SALE

500
DELIVERIES PER DAY

30
DELIVERY VEHICLES

2
SEMI TRAILERS

2
PULLERS

84
VEHICLES FOR FIELD
SALE AND BUSINESS
SUPPORT

MONTENEGRO - NEREGELIA

Neregelia Ltd was founded two decades ago in Podgorica. Today, it is one of the leading distribution companies in Montenegro. Neregelia is dedicated to its business and professional ties and partnerships with its customers and principals. To modernize the process, the company implemented all the necessary standards and technological innovations.

Neregelia

173
EMPLOYEES

7.500 m²
WAREHOUSE SPACE

25
PRINCIPALS

90+
BRANDS

2.100+
POINTS OF SALE

850
CUSTOMERS

21
DELIVERY VEHICLES

600
DELIVERIES PER DAY

1
TRUCK

1
TRAILER

80
VEHICLES FOR FIELD
SALE AND BUSINESS
SUPPORT

MONTENEGRO - MONTENOMAKS C&L

By acquisition 80% of share in Montenomaks C&L, logistics leader in Montenegrin market, logistics services of Neregelia have been significantly improved. Distribution-logistics network consists of regional centers in Podgorica and Danilovgrad

and 10 branches on key border crossings and airports – Bijelo Polje, Niksic, Tivat and Podgorica airports, Port Zelenika, Port Bar, border crossings Dobrakovo, Debeli Brijeg, Ilino Brdo, Bozaj.

140
EMPLOYEES

3.500 m²
WAREHOUSE SPACE

3.000+
CLIENTS

70.000+
CUSTOMS CLEARANCE^{*}
CASES ANNUALLY

200.000
DELIVERIES PER YEAR

32
DELIVERY AND COURIER
VEHICLES

3.100+
INTERNATIONALLY TRANSPORTED
DELIVERIES PER YEAR

20
VEHICLES FOR FIELD
SALE AND BUSINESS
SUPPORT

SUCCESSFUL EXPANSION TO THE AFRICAN CONTINENT



ANGOLA



ZAMBIA



MOZAMBIQUE



ZIMBABWE



MALAWI

POPULATION	30,81 mil.	17,35 mil.	29,5 mil.	14,44 mil.	18,14 mil.
URBAN POPULATION	65.5%	43.5%	36%	32.2%	16.9%
CAPITAL	Luanda 8.3 mil.	Lusaka 2.7 mil.	Maputo 1.1 mil.	Harare 1.53 mil.	Lilongwe 1.12 mil.
GDP/capita (ppp)	\$ 5,725	\$ 3,747	\$ 1,180	\$ 2,688	\$ 1,163
GDP annual growth	-0.8%	2.2%	2%	4%	5%
Inflation rate	16.9%	12.5%	3.5%	521%	11.5%
Local currency vs. USD	Kwanza 496/1\$	Kwacha 14.70/1\$	Metical 63.83/1\$	\$	Kwacha

Macroeconomic data - source tradingeconomics.com (January 2020)



Partnership with the P&G in Western Balkans enabled Nelt to expand its cooperation in Africa, fulfilling its vision of international expansion and P&G’s strategy to cover new markets. Through joint analysis of market potential, long-term growth perspectives, and business risks, Nelt decided to focus on P&G’ Sub-Saharan cluster of countries – Angola, Zambia, Zimbabwe, Mozambique, and Malawi.

Nelt’s business operations in Africa began in Angola in 2011. Angola is a country with the biggest economic growth and potential in the region. All company departments in Serbia supported this business venture, as well as a specialized office for African operations.

As the leading distribution and logistics business system in the Western Balkans, Nelt Group has patiently and dedicatedly shared its knowledge in the field of distribution and marketing, offering the African market an international portfolio of high quality products at competitive and affordable prices. In addition, social responsibility Nelt achieves through cooperation with the Ministry of Health and the Ministry of Education. Through products donations to hospitals and schools, as well as through educational workshops on the importance of maintaining personal hygiene, the health of the local population is constantly improving.

**NELT – AN EXAMPLE OF
SUCCESSFUL BUSINESS IN AFRICA**

At the conference „Possibilities of trade and investments between Africa and Western Balkans“ organized in October 2019 by the Serbian Chamber of Commerce and Embassy of Egypt, Nelt was presented as an example of successful business in Africa. The goal of the conference was to connect, improve trade activities and investments through a free trade agreement that most African countries signed in May 2019 turning the continent into a liberal trading zone.



**NELT IN SUB-SAHARAN
AFRICA**

DISTRIBUTION & LOGISTICS CENTERS
Luanda, Lusaka, Maputo

BRANCHES IN BENGUELA
Kitwe, Beira

SUB - DISTRIBUTOR
Harare

EXPORT
from Zambia to Malawi



ANGOLA

The company headquarter is in Luanda, the capital of Angola. Situated on the Atlantic coast, Luanda has more than 8 million inhabitants. Nelt Angola distributes goods to more than 2,000 customers. The distribution portfolio includes brands from companies such as P&G, Mars, Nestle, Duracell, Ferrero, SC Johnson, Noboru Brands and Dr. Oetker. In June 2012 Neoplanta began exporting its products in Angola and thus became the only meat industry from Serbia whose products can be found in Sub-Saharan Africa.

80
EMPLOYEES

5.000 m²
WAREHOUSE SPACE

350+
PRODUCTS

27+
DELIVERY VEHICLES

16
VEHICLES FOR FIELD SALE
AND BUSINESS SUPPORT

ZAMBIA

Nelt's company in Zambia was founded in May 2012, while the first delivery was made in June of the same year. The distribution portfolio includes P&G brands such as: Gillette, Ariel, Pampers, Always, Head & Shoulders, Oral-B, as well as brands of SC Johnson, Duracell, ETI and others.

The company is headquartered in Lusaka, the capital of Zambia with a population of about 1.7 million and is one of the fastest growing cities in southern Africa.

100
EMPLOYEES

4.900 m²
WAREHOUSE SPACE

300+
PRODUCTS

15
DELIVERY VEHICLES

12
VEHICLES FOR FIELD SALE
AND BUSINESS SUPPORT





MOZAMBIQUE

Nelt's operations in Mozambique began in 2013. Shortly, a successful collaboration with key customers such as Game-Wallmart, Spar, Shoprite, Cogef, and other wholesale chains, was made. Today, Nelt Mozambique distributes products from P&G, Nestle, Reckitt Benckiser, Mars, and Ferrero.

Port of Maputo with 2 million inhabitants is the capital of Mozambique and the headquarters of Nelt.

86
EMPLOYEES

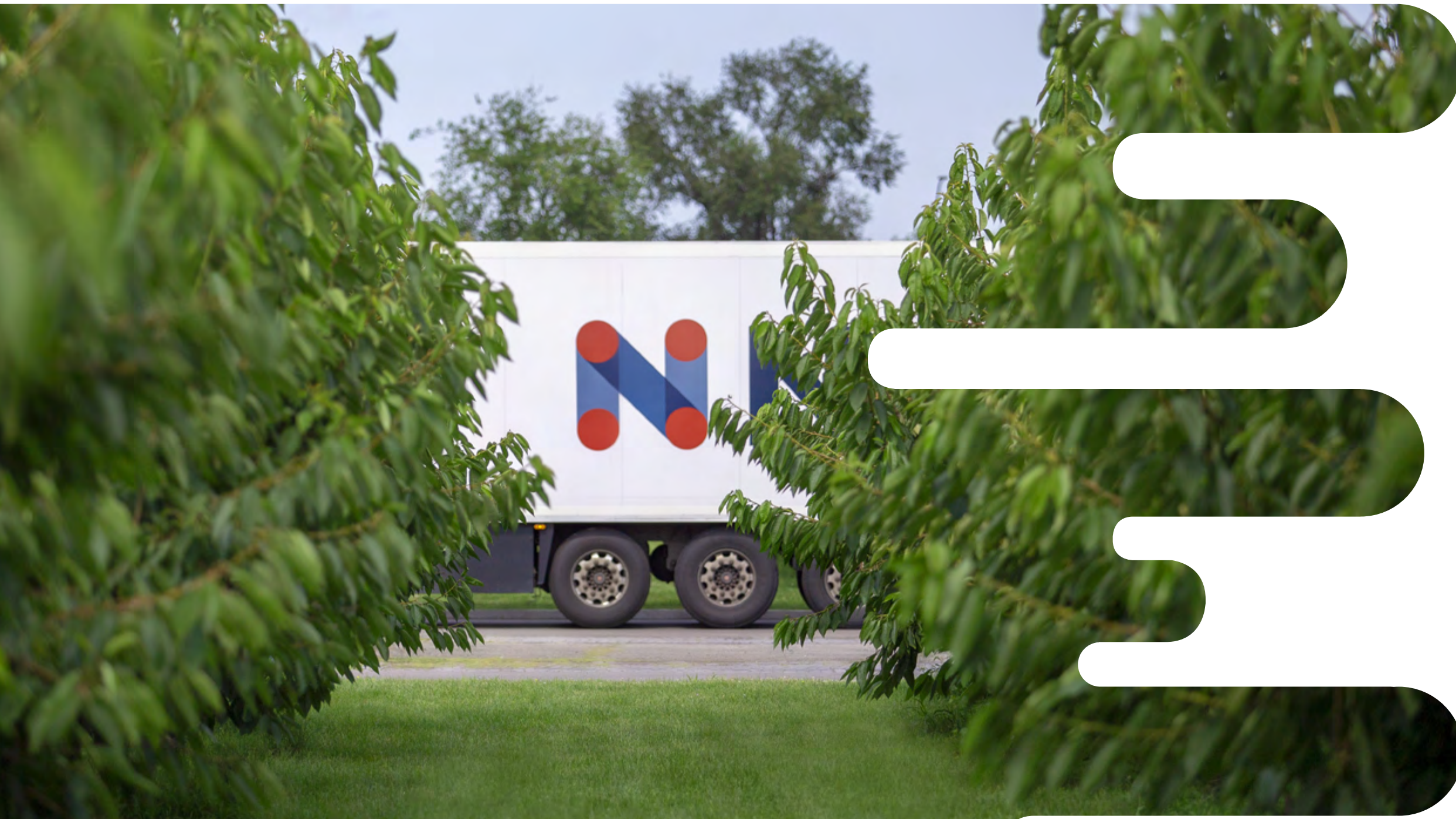
4.350 m²
WAREHOUSE SPACE

330+
PRODUCTS

22
DELIVERY VEHICLES

11
VEHICLES FOR FIELD SALE AND
BUSINESS SUPPORT

STRATEGIC ORIENTATION



NELT GROUP IS THE LEADER IN DISTRIBUTION AND LOGISTICS IN SOUTHEASTERN EUROPE AND SUB-SAHARAN AFRICA MARKETS.

Through the delivery of high-quality products, Nelt Group in the safest, fastest way improves the quality of everyday life of people in Southeastern Europe and Sub-Saharan Africa. In its work, Nelt Group relies on **winning mentality, innovation, ownership, long-term perspective and caring mentality.**

MEMBERSHIPS

Nelt Group bases its business on providing top quality services in the areas in which it operates, maintaining good and professional relationships with its clients, customers, business partners, employees, as well as on active contribution and support to community development. Nelt Group companies are committed to the protection and promotion of human and labor rights, environmental protection, as well as anti-corruption. In addition, the Nelt Group actively participates in the work of several reputable business associations, that promote positive business practices and high business ethics.

- NALED – National Alliance for Local Economic Development
- UN Global Compact
- 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
- CCIFS French-Serbian Chamber of Commerce
- Serbian association of shipping societies and agents PU “Transport and logistics”
- Union of importers and distributors of medical devices
-
- Montenegrin Chamber of Commerce
- Montenegrin Employers Federation
- The Institute of Internal Auditors of Montenegro
- ICAM Institute of Certified Accountants of Montenegro
- AMM Association of Montenegrin Managers
- AmCham Montenegro
-
- AmCham Bosnia and Herzegovina
- FIC- Foreign Investors Council Bosnia and Herzegovina
- North Macedonian Chamber of Commerce

All Nelt Group companies are dedicated to the promotion of responsible business practices in local communities. Company representatives are active participants of numerous workgroups from business regulations to corporative and business law, fight against the gray economy, fair competition, environment, waste management, health care.

Within NALED, Nelt is one of the founders of Fair competition alliance, while in North Macedonia is a member of the Governing board of GS1, Macedonian association for items numeration.

“AMCHAMPS - YOUNG LEADERS IN CHANGE” VISITED NELT

Participants of the “AmChamps - Young leaders in change” program, for the third year in a row visited Nelt headquarters in Dobanovci, in mid 2019. This opportunity allows participants to get acquainted with the company’s business through presentations, business complex tour and organized HR workshops. “AmChamps - Young leaders in change” is a unique project of the American Chamber of Commerce that is designed to bring together students and young managers of member companies, in order to develop young people who will one day lead the business community in Serbia.

REPRESENTATIVES OF NORTH MACEDONIAN CHAMBER OF COMMERCE VISITED NELT

The representatives of North Macedonian Chamber of Commerce visited Nelt in Skopje. On this occasion, they presented the planned activities and priorities for the next period, while the representatives of Nelt presented plans for future development, key challenges that the company faces in its daily business and emphasized their readiness to be more actively involved in the projects of the North Macedonian Chamber of Commerce.

AWARDS AND RECOGNITIONS

2018.

- Nelt was the winner of the **“Belgrade Victor”**, which has traditionally been awarded by the Serbian Chamber of Commerce for the past 33 years to the best companies and individuals for the achieved annual results in development and contribution to the Belgrade and Serbian economy.
- Nelt Group won the **Talent Management** award for its programs and processes in the Human Resources department and especially for its implementation locally.
- At the Ceremonial Academy in the National Library of Serbia, on the occasion 70th anniversary of the **Faculty of Applied Arts** in Belgrade, Nelt was awarded a **certificate of appreciation for successful cooperation**, assistance and exceptional contribution to the work of this institution.
- Neregelia was named the most successful company in the category of medium-sized companies in the project **“The 100 largest in Montenegro”** thanks to the revenues it generated in 2017.
- Montenomax C&L was the winner of the Montenegrin Employers Federation Union **award for its contribution to the environment**, in the category of medium enterprises.
- Radovan Radulovic, CEO of Montenomaks C&L, was named the **best manager in the category of small companies** in Montenegro.
- Nelt was in the top **3 most desirable employers** in the distribution sector in Bosnia and Herzegovina.
- SOS Children’s Villages awarded Nelt in Bosnia and Herzegovina with recognition for **the long-term partnership**.



2019.

- Diplomacy & Commerce magazine, a publication of The Economist magazine, awarded Nelt Group and Coca-Cola with the award for **the best socially responsible companies**.
- Nelt received Brand Leader Award 2019 for contribution and cooperation within **“One Belt One Road”** project of the Chinese government. The prize is established by Dragon Maritime Group, a representative of the logistics giant of the Chinese company COSCO, and is based on a set of standardized criteria which includes professionalism, innovation and a high degree of market recognition. COSCO, partner of Nelt since 2017, is one of the main contractors of China’s national project “One Belt One Road” which envisages the strategic connection of the port of Piraeus with various destinations in the Balkans and the countries of Central Europe. **Nelt’s intermodal terminal in Belgrade** has become the Balkan logistics hub thanks to its excellent location, technical and technological advantages.
- Faculty of Mechanical Engineering on its 71st anniversary awarded Nelt with a **certificate of appreciation for long-term cooperation and collaboration on the project** of modern logistics facility.
- Nelt was recognized as one of **“The 100 greatest”** companies in Serbia based on its income, gain, number of employees, and export.
- At the regional award ceremony **Business Partner Plus**, Nelt Group was awarded for the **“Highest level of social responsibility and care for the local community”**. The award is the result of the extraordinary contribution of Nelt Group in education projects and the support of innovative projects in culture.
- At the conference of the Serbian Logistics Association in Belgrade, Nelt was awarded for the **“Top logistics project of the year”** for implementation of Symphony RetailAI tools that enable automatic inventory management.
- Montenegrin Employers Federation awarded Montenomaks C&L and Neregelia - first one for **Employee care**, second one for **Environment care**.
- **Nelt Group** was given regional “Sarajevo Business Bridge Award 2019” in category **“Business of the Year”**.
- For the second year in a row, Nelt was placed among **top 3 most desirable employers** in the distribution sector in Bosnia and Herzegovina.



BRAUN AWARD FOR THE BEST PROMOTION INITIATIVE ON THE MEN'S LINE

At the traditional Europe Quarterly Acceleration meeting in Budapest in October 2019, Nelt sales team in charge of Braun portfolio won the award for the best initiative on the men's line.

Initiative "Basketmania" was the best among all other European initiatives. The campaign consisted of setups in sales points but also a virtual basketball game and a competition of shooting hoops. The winners were awarded Braun products.

The meeting in Budapest lasted three days and 72 people participated in it, sharing a common goal – exchange of experiences, discussing new possibilities, and awarding the best teams who worked dedicatedly in the last few years.

P&G AWARDS NELT FOR BEST RESULT IN MODERN TRADE CHANEL IN ANGOLA

Sales growth of 120% as well as the extraordinary implementation of distribution initiatives qualified Nelt in Angola for the best result in the Modern Trade channel. At the meeting of representatives of the P&G Africa White Space cluster that covers 34 African markets, Nelt was recognized for exceptional results in 2019 by Procter & Gamble company.

MANAGEMENT AND BUSINESS ETHICS

Since January 1st, 2018, the novelty in the system of Nelt Group's corporative management was the introduction of managing boards - Supervisory Board, Executive Board, and Board for the Transformation of the Nelt Group.

The Supervisory Board is responsible for the stable and sustainable growth of the company. In its work it relies on four pillars:

- (1) Strategy and Investment Management
- (2) Company Performance Management
- (3) Human Capital Management
- (4) Risk management and Implementation of Business Policies.

Currently, Supervisory Board members are owners of the capital and Nelt Group CEO with a plan to expand in the future with independent members who would further increase the quality of management with their expertise. The Board meets once a month.

The Executive Board (EB) headed by Nelt Group CEO is responsible for the operational management of the business. The EB was formed with two main goals:

- To provide a forum for making the most important operational decisions in business
- To accelerate bureaucratic procedures in all companies.

Beside CEO, the members of the Executive Board are Nelt Group Vice Presidents. Decisions are made by majority voting. The right to vote have all members of the Executive Board. Meetings are held once every two weeks.

The Transformation Board (TB) is responsible for managing change and company development. The board is monitoring the implementation of strategic initiatives to improve Nelt Group performance and ensure the quality of the solutions that are being implemented. CEO, Executive Director for Strategy and Transformation as well as permanent members and sponsors of strategic initiatives are members of the Board which meet at least once a month.



ANTI-CORRUPTION AND ANTITRUST

Operating in accordance with the legal framework, including competition law, is one of the core values on which the business of all Nelt Group companies is based. Therefore, in 2007, the Antimonopoly Team was established with the primary task of continuously spreading awareness of the importance of competition law, bearing in mind the negative consequences that non-compliance with these rules may have on the business of the Nelt Group. Since its establishment, the team has designed and implemented a large number of activities aimed at educating employees in the field of competition law. Special internal guidelines regulating the areas of anti-corruption and protection of competition have been defined, which are documented in publications: Code of Conduct, Principles and Rules for Compliance with Anti-Corruption Laws and Regulations (2015), Rulebook on Protection of Competition (2015).

The Code of Conduct contains basic elements related to conflict of interest and competition and is the basis of professional conduct. The ordinance recognizes any conflict of interest that may arise directly between the activities of the company and the employees, and between the interests of the company and other business or private interests in which the employee is involved outside of his work in the company.

When it comes to prevention of corruption, employees are obliged to work in the interest of the company in relations with competitors, suppliers, clients and third parties. They must not use their position in the company, business or other information at their disposal to achieve personal benefit. Bribery is strictly prohibited as well as providing false information and statements, as well

as concealing information. Competition information, products and services may be collected only within the law define recommendations.

In cooperation with consulting companies specializing in this field, workshops are being conducted for all employees in the Nelt Group who, within the scope of their responsibilities, participate in negotiations with principals.

During the reporting period, trainings were conducted throughout the region for 80 participants in 2018 and the same number during 2019.

In this way, it is ensured that employees carry out all their work activities in accordance with laws and regulations. Not following the rules will result in disciplinary measures in line with internal rules and regulations but also with civil, legal, and other laws.

Each executive and employee in Nelt Group is obliged to read and study the Rulebook on Protection of Competition to provide at all times compliance of its operations with the Law. Employees have the possibility of consulting the Legal department when they are in doubt about the competition protection issue, to participate in workshops and meetings regarding regulations on competition.

COMPLIANCE, INTEGRITY AND ANTI-CORRUPTION

Nelt Group's Legal department, in cooperation with the Serbian Chamber of Commerce, organized a lecture on "Compliance, Integrity and Anti-Corruption" as part of a series of presentations of the Legal Compliance segment. The goal is to maximize risk prevention and control in the field of Anti-Corruption, which is recognized as one of the most important aspects of the

modern corporate governance model of multinational companies. Participants were introduced with rules and principles of corruption prevention which is one of the key elements of quality management, business excellence and integrity.



INTERNAL CONTROL AND AUDIT

During the period covered by this report, the Antimonopoly Team made improvements to the Group's operations by:

- Regular monitoring of the Commission for Protection of Competition (and similar agencies in the markets) and getting acquainted with the methodology of work to fully comply with the law and regulations.
- Mapping of dominant products to determine which products are dominant and what rules apply while negotiating a sale of these products.

During 2019, the Antimonopoly Team, in cooperation with external legal advisors and colleagues from other markets, conducted review of the compliance of the Nelt Group with all the most significant positive legal regulations applicable in all markets in which Nelt Group operates, including updating all

internal documents and rules related to anti-corruption and antitrust regulations such as:

- Glossary of Antimonopoly Law
- Nelt Group compliance program with Competition Law
- Rulebook on compliance with Competition Regulations
- Anti- Corruption Rulebook
- Manual on Competition Protection Rights
- Legal Guide (internal document)
- Employee guide (program + e-learning test).

Also, once a year a presentation of Antimonopoly Laws and Regulations is organized and is held by eminent external lecturers.

With current trends of globalization and trade in different markets and dynamic economies, the Internal Control and Audit of Nelt Group is a tool that provides capital owners accurate, reliable and objective information. It is also a support and help for capital owners and management in reviewing current and future risks. Internal control and audit department also has a correction role as it reviews the quality of internal controls and thus lowers potential business risks.

During 2018 and 2019, the Internal Control and Audit department constantly worked in line with the annual plan and controlled the company's compliance with legal regulations and internal rules and documents. The focus was on the implementation of plans in those segments of Nelt Group's business regarding the identified risks assessed by the risk management. Of utmost importance were reliable financial indicators and other information that was in line with corporative goals, economical business, data and

resources protection. Recommendations and advice were given regarding potential corrections.

Since the Internal Control and Audit department is responsible for the revision of the company's processes and activities, it shared good business practices with other companies within the Group. Reporting on potentially damaging events largely contributes to that and Group management is obliged to report the audit department if such a thing occurs. That way, events prior, during and after the damaging event are reviewed, analyzed and conclusions are sent to other companies within the Group. That way, the internal audit department improves Nelt Group's business management.

QUALITY POLICY AND RISK MANAGEMENT

RISK MANAGEMENT

The Risk Management team through its constant preventive and systematic approach provides timely information based on which fact-based decisions are made, thanks to which fact-based decisions can be made to accept, limit, reduce and transfer the impact of risk, which can be negative for business, image and impact on stakeholders (employees, social environment, environment). Involving employees at all levels in the identification of potentially risky events enables the system to be kept up to date and improved, to manage risks and to continuously provide relevant inputs for strategic decision-making in the company, based on best practice guidelines and an international standard for risk management.

FOOD SAFETY

Responsibility and company management's determination on food safety is evident in meeting all the necessary conditions, adequate organization and implementation of food safety processes for products under the company's control.

OCCUPATIONAL HEALTH AND SAFETY

Raising the quality of the work environment is based on the active participation of employees in the OHS team. The employees and the team create programs and implement measures of health protection and safety at work. The programs are integrated into the regular process activities of the company.

ENVIRONMENT PROTECTION

All process owners rationally use natural resources which is why regular and integrated activities, technology, equipment and materials are design to protect the environment.

RISK MANAGEMENT METHODOLOGY

Following ISO 31000 standard, Nelt Group was among the first to introduce Risk Management methodology based on the examples of best practices of similar companies from developed European countries. Thanks to its implementation, Nelt set up a good grounds for business decision making and planning, based on risk assessment and possibilities, both internal and external.

The Risk Management team was formed in May 2015. and is made of different departments representatives who are experts in their field, with great knowledge and experience. Based on dynamic changes in the internal and external environment, the Risk Management team members are changing so that the efficiency in risk management is always at the top level. The benefits that come from systematic risk management are more effective comprehension of business threats and opportunities, better views on how to reach set goals, more effective use of resources, improvement of health care and safety of employees, protection of assets.

The company is constantly and intensively working on strengthening the system, education, promotion and raising awareness of all employees.

ANNUAL RISK REVIEW

During 2018 and 2019, an annual risk management survey was conducted in companies in Serbia and Montenegro where Montenomaks for the first time implemented the Nelt Group methodology. First systematic risk management was introduced in Bosnia and Herzegovina by the end of 2019.

In 2018 all risks were surveyed also in the context of insurance and risk transfers and damage control. During 2019, Report on Risk Insurance coverage was created with specific recommendations for the improvement of processes that were adopted by top management.

The focus in 2019 was on timely recognition and a detailed survey of strategic risks that can jeopardize the company’s performance. The novelty is that the plans and reports on risk management were presented on collaboration platform Smartsheet which facilitated its recording and tracking. That way, along with the enlargement of the Risk Management team, the system, and methodology of risk survey were updated. The plan is to introduce systematic risk management in Nelt ST company in North Macedonia by the end of 2020.

Market	Serbia		Montenegro			Bosnia & Herzegovina
Company	Nelt Co		Neregelia		Montenomaks C&L	Nelt
Year	2018.	2019.	2018.	2019.	2019.	2019.
PROCESSED RISKS	283	324	94	67	58	63
NEW RISKS	11	39	9	5	n/a	n/a
EMPLOYEES IN TRAINING	27.7% (535)	25.2% (550)	12.7% (21)	13.3% (23)	47% (67)	4.1% (16)

SUSTAINABILITY STRATEGIC APPROACH

The corporate social responsibility policy for all Nelt Group companies, adopted in 2012, is based on ethical business practices and strives to help create a better environment for employees, partners and the wider community, while achieving good business results and a high level of responsibility towards the environment. The policy defines wider areas within which Nelt implements numerous initiatives and activities.

MARKET
The products distributed by Nelt are of high and constant quality. The overall business is focused on meeting customer and consumer requirements. Cooperation with partners is based on mutual respect and confidence. Nelt implements a certified system of quality management in line with standards ISO 9001 and HACCP with the aim of continuous improvement and preservation of competitiveness.

WORK ENVIRONMENT
Relationships with employees are based on the principles of human and workers rights, work safety, training and education, chances of personal and professional growth and advancement.

ENVIRONMENT
Business facilities meet highest standards that ensure energy conservation and environmental protection. Care for waste and consumption of non-renewable resources is an integral part of the business strategy and policy quality.

LOCAL COMMUNITY
Support for the education development and training includes strategic projects involving young people of different ages, educational and professional profiles, talented pupils and students. Direct cooperation with universities and cultural centers as well as the Nelt education program are examples of the company’s determination to empower young people and modernize the working environment.

MATERIAL ASPECTS AND STAKEHOLDER ENGAGEMENT

Since this edition included the same limits of influence as the previous report, the same material themes have been defined through the close implementation of recommendations for determining materiality stated in the GRI methodological framework.

*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.

STAKEHOLDER INVOLVEMENT

Business sustainability is largely dependent on the company's ability to recognize the needs and expectations of its stakeholders, and constant dialogue is a means of open, two-way communication.

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

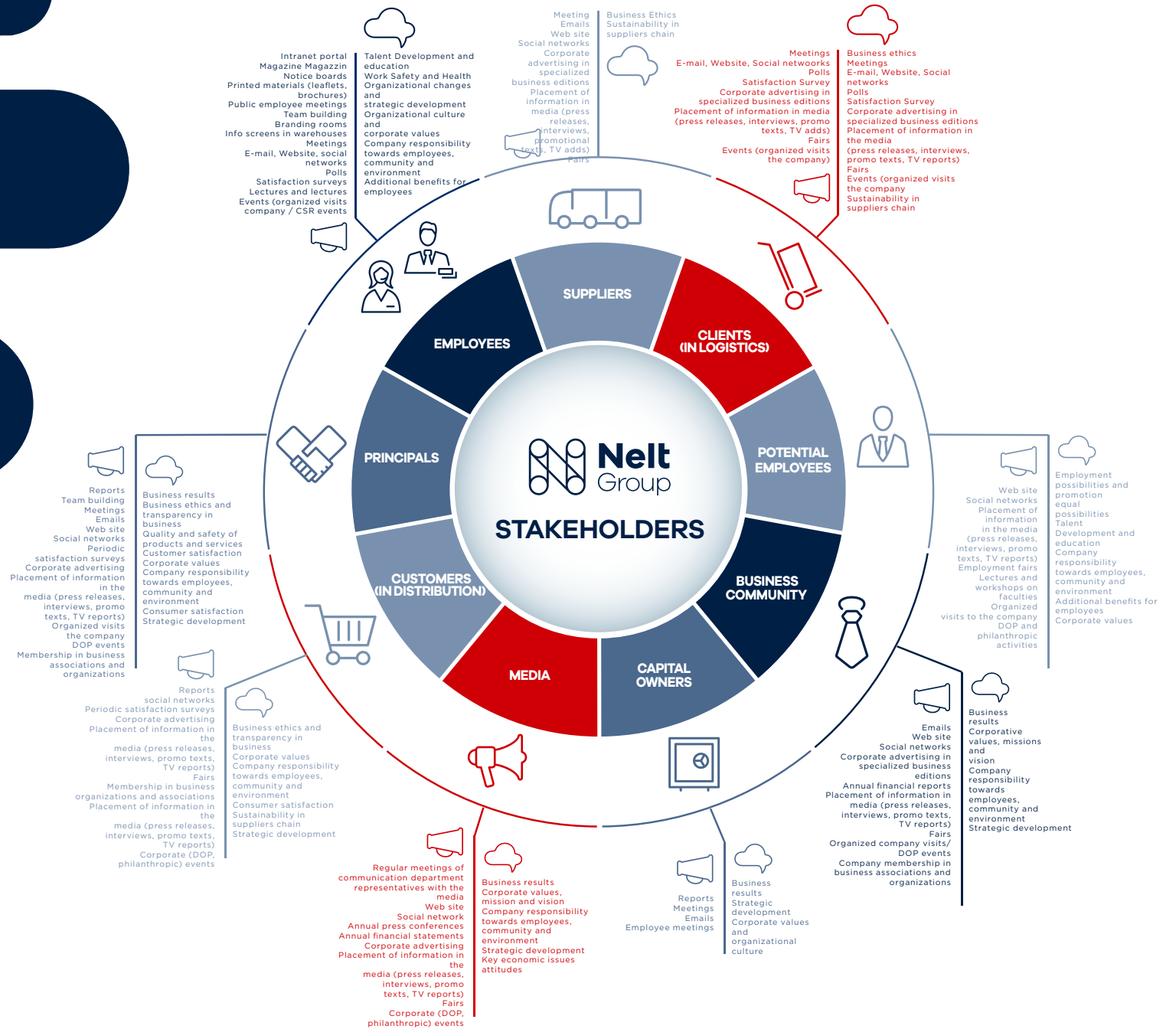
- Anti-corruption

PRODUCT RESPONSIBILITY

- Labeling products and services
- Marketing and communication

STAKEHOLDERS MAP

Stakeholders map is defined under the recommendations of international methodology Global Reporting Initiative (GRI Standards) and standards for stakeholder accountability AA1000 (Institute of Social and Ethical Accountability). The subjects relevant for stakeholders have been presented in different segments of this report.



NELT GROUP DIGITAL COMMUNICATION – NEW WEB SITE

After months of development in 2019, a new web site was launched, www.nelt.com. The initial idea was successfully implemented – all services and markets Nelt Group operates have been presented in one place. By creating one website that replaced the previous seven, user experience have been improved and appropriate alternative to different Nelt Group companies websites has been provided.

The content is available in five languages, while the website itself recognizes the location of visitors and will offer them first the site in their preferred language. Three clicks are needed to reach every content on the site. The new website is the crown of a two-year process of redesigning Nelt company's visual identity. That is why the main navigation at the home page uses a new logo with clickable points that work as "buttons" on mobile phones.

The new website is also the easiest way to contact Nelt representatives. The form offers a choice between Distribution, Logistics or Career, as they sparked the

most interest among visitors of Nelt websites. Visitors can also choose a market they want to explore.

The new website now has a special section for media representatives. Through the redefined offer of official photographs, logos, info, and video materials, the information on our business is now more available.

Nelt Group also communicates with the public through social networks – Facebook (12,700 followers), LinkedIn (17,000 followers), YouTube. New platforms regularly feature content from all Nelt Group companies. On one side, there is company news and on the other, authentic photographs of daily business and interaction between departments. Between them is a public board with information on current job offerings as well as changes within the company. Nelt online followers are most interested and interact the most with posts on team meetings, business ventures, and employee benefits.



ECONOMIC IMPACTS

FOR THREE DECADES, NELT GROUP HAS BEEN ACHIEVING BUSINESS SUCCESS AND REVENUE GROWTH, ALL THE WHILE WORKING ON DEVELOPMENT AND IMPLEMENTATION OF ACTIVITIES IMPORTANT FOR THE LOCAL COMMUNITIES IN THE MARKETS WHERE IT IS PRESENT.

All Nelt Group companies in the Western Balkan region use their incomes and expenditures to create value in the communities they work by investing in jobs and fulfilling their obligations to the state and its suppliers.

Nebojsa Saponjic, Andjelko Batinic and Ranko Socanac at the grand opening of the new Nelt Hall in East Sarajevo.

RECOGNITIONS FOR BUSINESS RESULTS

Nelt Serbia is among the best companies in Central, Eastern, and Southeastern Europe according to Coface and Seenews for 2018 and 2019. International company for credit insurance Coface published its Top 500 list of companies in Central and Eastern Europe ranking them using criteria such as circulation, number of employees, market coverage, etc. Nelt was ranked 315th as one of 11 ranked companies from Serbia. Seenews published Top 100 list of companies from Southeastern Europe using incomes as its criteria. Nelt

was 68th. Eleven more companies from Serbia found their way on the list.

Neregelia declared the most successful company for 2018, in the medium category companies on the project "The 100 largest" in Montenegro, thanks to the income achieved. This projects promotes most successful companies which, thanks to excellent business results, contribute to the country's economy and new jobs.

„BELGRADE VICTOR“ AWARD TO NELT

Nelt Serbia is one of the six companies, recipients of “Belgrade Victor” recognition for 2018. During 33 years, the Serbian Chamber of Commerce – Belgrade Chamber of Commerce- has been awarding this recognition to the best companies and individuals for their business results in trade, development, and contribution to Belgrade and Serbian economy. Marko Milankovic, Nelt Group’s Corporate Communications Manager received the award on behalf of the company.

During 2018 and 2019, Nelt Group invested in:

SERBIA

	2016.	2017.	2018.	2019.
Salaries, taxes and development of workers	23,215	26,225	30,162	31,958
Cooperation with local suppliers	46,040	51,941	56,298	64,246
State taxes	1,497	2,535	1,833	1,258

BOSNIA AND HERZEGOVINA

	2016.	2017.	2018.	2019.
Salaries, taxes and development of workers	3,225	3,558	4,219	5,197
Cooperation with local suppliers	3,607	3,262	4,164	5,595
State taxes	968	835	626	389

NORTH MACEDONIA

	2016.	2017.	2018.	2019.
Salaries, taxes and development of workers	2,233	2,512	2,590	2,699
Cooperation with local suppliers	879	1,632	1,091	932
State taxes	371	258	300	160

*Generated and distributed value in thousands of euros

MONTENEGRO

Neregelia	2016.	2017.	2018.	2019.
Salaries, taxes and development of workers	2,317	2,480	2,542	2,707
Cooperation with local suppliers	1,280	1,495	835	1,145
State taxes	223	269	261	221

Montenomaks C&L*	2018.	2019.
Salaries, taxes and development of workers	1,289	1,468
Cooperation with local suppliers	405	1,091
State taxes	103	15

*Generated and distributed value in thousands of euros

*Montenomax C&L was not included in the scope of the Nelt Group's 2016/17 report. Hence, the data for that period were missing in this reporting.

ECONOMIC VALUE GENERATED AND DISTRIBUTED IN '000 EUROS

SERBIA - NELT CO		2016.	2017.	2018.	2019.
1.	TOTAL REVENUES	615,052	644,078	665,915	666,502
1.1.	NET REVENUES FROM INTERESTS	1,050	956	1,446	1,307
1.2.	NET REVENUES FROM PROVISIONS AND PAYMENTS	19	80		5
1.3.	NET SALES	613,983	643,042	664,469	665,190
2.	TOTAL EXPENSES	610,225	641,487	667,402	661,547
2.1.		OPERATING EXPENSES			
	PREMISES COSTS	460	623	592	911
	CURRENT OPERATING COSTS	13,553	19,187	18,829	24,233
	IT COSTS	821	814	865	816
	MARKETING AND COMMUNICATIONS COSTS	3,973	4,077	3,437	2,578
	LEGAL AND CONSULTANCY FEES	322	968	647	351
	OTHER OPERATING COSTS				
	COSTS OF SOLD GOODS AND MATERIALS	555,009	574,736	600,963	595,789
	NON-OPERATIVE RESULT	6,283	2,107	1,026	1,353
TOTAL OPERATING EXPENSES:		580,421	602,512	626,359	626,031
2.2.		EMPLOYEE-RELATED EXPENSES			
	SALARIES	22,174	25,107	29,317	31,071
	BUSINESS TRAVELS AND EDUCATION	1,041	1,118	845	887
TOTAL EMPLOYEE-RELATED EXPENSES:		23,215	26,225	30,162	31,958
2.3.		PAYMENTS TO PROVIDERS OF CAPITAL			
	DIVIDENDS TO SHAREHOLDERS	2,128	6,880	5,415	
	INTEREST PAYMENTS TO PROVIDERS OF LOANS	651	581	814	694
	INTEREST PAYMENTS TO ALL FORMS OF DEBT	24	82	285	248
	OTHER FINANCIAL RESULT	-854	-578	-885	-1,582
TOTAL PAYMENTS TO PROVIDERS OF CAPITAL		1,949	6,965	5,629	-640
2.4.		EXPENSES RELATED TO STATE OBLIGATIONS			
	STATE AND LOCAL TAXES COSTS	1,494	2,486	1,798	1,241
	PENALTIES COSTS	3	49	35	17
TOTAL EXPENSES RELATED TO STATE OBLIGATIONS		1,497	2,535	1,833	1,258
2.5.		COMMUNITY INVESTMENTS			
	DONATIONS	41	38	38	25
	INFRASTRUCTURE INVESTMENTS IN THE COMMUNITY, INCLUDING FINANCIAL VALUED AND VALUE OF IN KIND DONATED GOODS, PRODUCTS AND WORKING HOURS (EXCLUDING THE INVESTMENTS DRIVEN PRIMARILY BY BUSINESS NEEDS)	38	2		3
	COMMUNITY PROJECTS CONSULTANCY				
	OTHER COMMUNITY INVESTMENTS				
TOTAL COMMUNITY INVESTMENTS:		79	40	38	28
2.6.	AMORTIZATION COSTS	3,064	3,210	3,381	2,912
3.	ECONOMIC VALUE RETAINED (INVESTMENTS, SHARES, ETC. 1. – 2.)	4,827	2,591	-1,487	4,955

*Data given here is from December 31, 2019, when the final financial report was not finalized and that could lead to a discrepancy with other reports.

BOSNIA AND HERZEGOVINA - NELT DOO		2016.	2017.	2018.	2019.
1.	TOTAL REVENUES	97,592	82,161	94,582	102,189
1.1.	NET REVENUES FROM INTERESTS	1		16	0
1.2.	NET REVENUES FROM PROVISIONS AND PAYMENTS				12
1.3.	NET SALES	97,591	82,161	94,566	102,177
2.	TOTAL EXPENSES	95,436	80,381	92,468	102,026
2.1.	OPERATING EXPENSES				
	PREMISES COSTS	34	39	44	75
	CURRENT OPERATING COSTS	1,567	1,847	2,349	2,526
	IT COSTS	54	61	97	99
	MARKETING AND COMMUNICATIONS COSTS	707	659	620	861
	LEGAL AND CONSULTANCY FEES	26	13	19	12
	OTHER OPERATING COSTS				
	COSTS OF SOLD GOODS AND MATERIALS	87,984	71,393	83,329	91,110
	NON-OPERATIVE RESULT	-1	-89	-235	146
	TOTAL OPERATING EXPENSES:	90,371	73,923	86,223	94,829
2.2.	EMPLOYEE-RELATED EXPENSES				
	SALARIES	3,140	3,476	4,083	5,016
	BUSINESS TRAVELS AND EDUCATION	85	82	136	181
	TOTAL EMPLOYEE-RELATED EXPENSES:	3,225	3,558	4,219	5,197
2.3.	PAYMENTS TO PROVIDERS OF CAPITAL				
	DIVIDENDS TO SHAREHOLDERS		1,134	367	504
	INTEREST PAYMENTS TO PROVIDERS OF LOANS	108	98	103	135
	INTEREST PAYMENTS TO ALL FORMS OF DEBT	106	36	3	1
	OTHER FINANCIAL RESULT	41	39	85	33
	TOTAL PAYMENTS TO PROVIDERS OF CAPITAL	255	1,307	558	673
2.4.	EXPENSES RELATED TO STATE OBLIGATIONS				
	STATE AND LOCAL TAXES COSTS	636	716	621	387
	PENALTIES COSTS	332	119	5	2
	TOTAL EXPENSES RELATED TO STATE OBLIGATIONS	968	835	626	389
2.5.	COMMUNITY INVESTMENTS				
	DONATIONS	1	12	2	5
	INFRASTRUCTURE INVESTMENTS IN THE COMMUNITY, INCLUDING FINANCIAL VALUED AND VALUE OF IN KIND DONATED GOODS, PRODUCTS AND WORKING HOURS (EXCLUDING THE INVESTMENTS DRIVEN PRIMARILY BY BUSINESS NEEDS)	1		-	
	COMMUNITY PROJECTS CONSULTANCY				
	OTHER COMMUNITY INVESTMENTS				
	TOTAL COMMUNITY INVESTMENTS:	2	12	2	5
2.6.	AMORTIZATION COSTS	615	746	840	933
3.	ECONOMIC VALUE RETAINED (INVESTMENTS, SHARES, ETC. 1. – 2.)	2,156	1,780	2,114	163

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

NORTH MACEDONIA - NELT ST		2016.	2017.	2018.	2019.
1.	TOTAL REVENUES	32,305	32,435	33,373	31,539
1.1.	NET REVENUES FROM INTERESTS	75	68	72	68
1.2.	NET REVENUES FROM PROVISIONS AND PAYMENTS			0	19
1.3.	NET SALES	32,230	32,367	33,301	31,452
2.	TOTAL EXPENSES	32,053	31,397	31,572	30,994
2.1.	OPERATING EXPENSES				
	PREMISES COSTS	4	36	47	175
	CURRENT OPERATING COSTS	958	982	1,379	1,222
	IT COSTS	3	25	40	43
	MARKETING AND COMMUNICATIONS COSTS	1,609	307	239	206
	LEGAL AND CONSULTANCY FEES	8	11	12	19
	OTHER OPERATING COSTS				
	COSTS OF SOLD GOODS AND MATERIALS	25,329	26,179	26,219	25,815
	NON-OPERATIVE RESULT	262	188	264	208
	TOTAL OPERATING EXPENSES:	28,173	27,728	28,200	27,688
2.2.	EMPLOYEE-RELATED EXPENSES				
	SALARIES	2,156	2,449	2,537	2,658
	BUSINESS TRAVELS AND EDUCATION	77	63	53	41
	TOTAL EMPLOYEE-RELATED EXPENSES:	2,233	2,512	2,590	2,699
2.3.	PAYMENTS TO PROVIDERS OF CAPITAL				
	DIVIDENDS TO SHAREHOLDERS	900	470		0
	INTEREST PAYMENTS TO PROVIDERS OF LOANS			1	1
	INTEREST PAYMENTS TO ALL FORMS OF DEBT	18		2	0
	OTHER FINANCIAL RESULT	-43	-36	-17	-13
	TOTAL PAYMENTS TO PROVIDERS OF CAPITAL	875	434	-14	-12
2.4.	EXPENSES RELATED TO STATE OBLIGATIONS				
	STATE AND LOCAL TAXES COSTS	370	257	299	153
	PENALTIES COSTS	1	1	1	7
	TOTAL EXPENSES RELATED TO STATE OBLIGATIONS	371	258	300	160
2.5.	COMMUNITY INVESTMENTS				
	DONATIONS			-	-
	INFRASTRUCTURE INVESTMENTS IN THE COMMUNITY, INCLUDING FINANCIAL VALUED AND VALUE OF IN KIND DONATED GOODS, PRODUCTS AND WORKING HOURS (EXCLUDING THE INVESTMENTS DRIVEN PRIMARILY BY BUSINESS NEEDS)				6
	COMMUNITY PROJECTS CONSULTANCY				
	OTHER COMMUNITY INVESTMENTS				
	TOTAL COMMUNITY INVESTMENTS:	0	0	0	6
2.6.	AMORTIZATION COSTS	401	465	496	453
3.	ECONOMIC VALUE RETAINED (INVESTMENTS, SHARES, ETC. 1. – 2.)	252	1,038	1,801	545

*Data given here is from December 31, 2019, when the final financial report was not finalized and that could lead to a discrepancy with other reports.

MONTENEGRO - NEREGELIA		2016.	2017.	2018.	2019.
1.	TOTAL REVENUES	55,447	55,975	51,370	49,559
1.1.	NET REVENUES FROM INTERESTS	8	21	0	0
1.2.	NET REVENUES FROM PROVISIONS AND PAYMENTS			0	11
1.3.	NET SALES	55,439	55,954	51,370	49,548
2.	TOTAL EXPENSES	55,155	57,576	52,243	48,582
2.1.	OPERATING EXPENSES				
	PREMISES COSTS		17	19	23
	CURRENT OPERATING COSTS	925	1,140	1,464	1,324
	IT COSTS	43	36	57	57
	MARKETING AND COMMUNICATIONS COSTS	563	960	449	473
	LEGAL AND CONSULTANCY FEES	23	11	10	11
	OTHER OPERATING COSTS				
	COSTS OF SOLD GOODS AND MATERIALS	49,450	49,158	44,868	43,231
	NON-OPERATIVE RESULT	73	-21	4	16
	TOTAL OPERATING EXPENSES:	51,077	51,301	46,871	45,135
2.2.	EMPLOYEE-RELATED EXPENSES				
	SALARIES	2,235	2,380	2,466	2,643
	BUSINESS TRAVELS AND EDUCATION	82	100	76	64
	TOTAL EMPLOYEE-RELATED EXPENSES:	2,317	2,480	2,542	2,707
2.3.	PAYMENTS TO PROVIDERS OF CAPITAL				
	DIVIDENDS TO SHAREHOLDERS	950	2,993	2,055	0
	INTEREST PAYMENTS TO PROVIDERS OF LOANS	1	11	30	36
	INTEREST PAYMENTS TO ALL FORMS OF DEBT	1	1	0	0
	OTHER FINANCIAL RESULT	24	-5	-1	-8
	TOTAL PAYMENTS TO PROVIDERS OF CAPITAL	976	3,000	2,084	28
2.4.	EXPENSES RELATED TO STATE OBLIGATIONS				
	STATE AND LOCAL TAXES COSTS	220	266	244	218
	PENALTIES COSTS	3	3	17	3
	TOTAL EXPENSES RELATED TO STATE OBLIGATIONS	223	269	261	221
2.5.	COMMUNITY INVESTMENTS				
	DONATIONS		2	1	1
	INFRASTRUCTURE INVESTMENTS IN THE COMMUNITY, INCLUDING FINANCIAL VALUED AND VALUE OF IN KIND DONATED GOODS, PRODUCTS AND WORKING HOURS (EXCLUDING THE INVESTMENTS DRIVEN PRIMARILY BY BUSINESS NEEDS)				
	COMMUNITY PROJECTS CONSULTANCY				
	OTHER COMMUNITY INVESTMENTS				
	TOTAL COMMUNITY INVESTMENTS:	0	2	1	1
2.6.	AMORTIZATION COSTS	562	524	484	490
3.	ECONOMIC VALUE RETAINED (INVESTMENTS, SHARES, ETC. 1. – 2.)	292	-1,601	-873	977

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

MONTENEGRO - MONTENOMAKS C&L		2018.	2019.
1.	TOTAL REVENUES	4,026	4,372
1.1.	NET REVENUES FROM INTERESTS	0	0
1.2.	NET REVENUES FROM PROVISIONS AND PAYMENTS	0	0
1.3.	NET SALES	4,026	4,372
2.	TOTAL EXPENSES	3,945	4,123
2.1.	OPERATING EXPENSES		
	PREMISES COSTS	102	163
	CURRENT OPERATING COSTS	1,625	1,465
	IT COSTS	26	53
	MARKETING AND COMMUNICATIONS COSTS	2	57
	LEGAL AND CONSULTANCY FEES	-	-
	OTHER OPERATING COSTS		
	COSTS OF SOLD GOODS AND MATERIALS	94	96
	NON-OPERATIVE RESULT	(13)	5
	TOTAL OPERATING EXPENSES:	1,836	1,839
2.2.	EMPLOYEE-RELATED EXPENSES		
	SALARIES	1,283	1,464
	BUSINESS TRAVELS AND EDUCATION	6	4
	TOTAL EMPLOYEE-RELATED EXPENSES:	1,289	1,468
2.3.	PAYMENTS TO PROVIDERS OF CAPITAL		
	DIVIDENDS TO SHAREHOLDERS	639	579
	INTEREST PAYMENTS TO PROVIDERS OF LOANS	36	44
	INTEREST PAYMENTS TO ALL FORMS OF DEBT	44	-
	OTHER FINANCIAL RESULT	(3)	(1)
	TOTAL PAYMENTS TO PROVIDERS OF CAPITAL	716	622
2.4.	EXPENSES RELATED TO STATE OBLIGATIONS		
	STATE AND LOCAL TAXES COSTS	100	15
	PENALTIES COSTS	3	-
	TOTAL EXPENSES RELATED TO STATE OBLIGATIONS	103	15
2.5.	COMMUNITY INVESTMENTS		
	DONATIONS	-	-
	INFRASTRUCTURE INVESTMENTS IN THE COMMUNITY, INCLUDING FINANCIAL VALUED AND VALUE OF IN KIND DONATED GOODS, PRODUCTS AND WORKING HOURS (EXCLUDING THE INVESTMENTS DRIVEN PRIMARILY BY BUSINESS NEEDS)		-
	COMMUNITY PROJECTS CONSULTANCY		
	OTHER COMMUNITY INVESTMENTS		0
	TOTAL COMMUNITY INVESTMENTS:	-	-
2.6.	AMORTIZATION COSTS	1	179
3.	ECONOMIC VALUE RETAINED (INVESTMENTS, SHARES, ETC. 1. – 2.)	81	249

*Data given here is from December 31, 2019, when the final financial report was not finalized and that could lead to a discrepancy with other reports.

RESPONSIBILITY IN SUPPLY CHAIN

Through innovation and business development, Nelt Group companies have a significant effect on economic growth in the countries they conduct business. Certain number of acquisitions have been transferred from central to local level and thus enabled the existence, development and preservation of local suppliers jobs.

The largest part of the procurement budget, which is under the jurisdiction of the Nelt Group Procurement department, is realized with local suppliers.

Market	SERBIA*		BOSNIA & HERZEGOVINA		MONTENEGRO				NORTH MACEDONIA	
	2018.	2019.	2018.	2019.	Neregelia		Montenomaks C&L		2018.	2019.
Year					2018.	2019.	2018.	2019.	2018.	2019.
Number of suppliers	2,912	2,857	347	320	106	134	213	207	238	181
Value of procured goods and services in euros	56,297,611	64,246,593	4,164,539	5,796,315	835,842	1,145,739	450,031	421,788	932,636	1,091,431

* 2018. and 2019 marked the construction of halls in Belgrade and East Sarajevo, the expansion of the Intermodal Terminal in Belgrade, as well as the renovation of fleet of vehicles.

Through continuous cooperation with existing suppliers but also by enhancing its supply network, Nelt Group helps not only big but also small and medium size companies to gain profit and secure economic stability, further growth and development as well as the stability of existing jobs.

Before establishing cooperation, Nelt Group companies take into account a number of selection criteria. In the first place are the quality and price of offer, and than the reputation that the supplier has on the market. The first step for the supplier is the completion of the Questionnaire in which the supplier submits basic information about its organization, management of the organization, products or services it offers, references, financial indicators, information systems and system management. After a positive assessment of all criteria in the Supplier Questionnaire, the supplier is required offer for a specific product or service, after which the offer itself is considered and everything that it includes (price, quality, delivery times, technical specification, etc.)

Since 2014, procurement of technical goods and services for all companies within Nelt Group is conducted through Nelt eProcurement portal. It is transparent and allows active and potential suppliers to get information on Nelt Group procurements at any time. Through Nelt’s eProcurement portal, suppliers can send their offers and get timely information on the status of each individual acquisition.

By the end of 2018 it was decided to further modernize and update the system. Years of experience and the analysis of eProcurement platform performance were used to identify the spots that needed to be updated. In order to have more practical and simpler tool for communication with suppliers and internal users, it was decided that the new version has to be more practical and simpler to use. The plan is to start with the implementation of the new, upgraded version of acquisition software in 2020.

MARKET RESPONSIBILITY

Thanks to professional attitude and partnership with its stakeholders, Nelt Group companies are the first choice when it comes to distribution and logistics. Implementation of international regulations, standards and best business models were the key to companies' development. Also, constant innovations make Nelt Group companies IT leaders in markets they do business.



The Way of Distribution

Nelt Group companies distribute FMCG, tobacco, pharmaceuticals and beauty products. The quality of service, good knowledge of the brands and wide market coverage make them the first choice for a partner in the field of distribution and logistics. Business efficiency is based on four mutually connected segments: stock planning, sales, trade marketing and customer service.

STOCK PLANNING - REGULATIONS

The stock planning department deals with regulations and its job is to monitor and implement all the regulations regarding consumer goods distribution – the quality of products, tagging, documentation, distribution licenses, reports, etc.

SALES

The quality of service, process efficiency, knowledge and good coverage of the market make Nelt Group companies leading distribution and logistics companies in the Western Balkans region. The goal is to cover most of the market while implementing the highest standards. Nelt Group companies distribute FMCG, tobacco, pharmaceuticals and beauty products from Procter & Gamble, Philip Morris, Wrigley, Mondelez, Dr.Oetker, Neoplanta, Reckitt Benckiser, Sebapharma, Panacea, Sanofi, Johnson & Johnson etc. They cooperate with all national and international sales, wholesales, small and large-sized private stores, stands, pharmacies, beauty shops, gas stations and other stores.





TRADE MARKETING

Nelt Group companies provide trade marketing services to its principals in order to attract consumers' attention and enhance interest in products that are being placed in the Western Balkans market. Trade marketing teams have a good brand and market knowledge and use it to create and implement all promotional and other activities that will make the products, that Nelt Group companies distribute, buyers' first choice.

CUSTOMER SERVICE

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

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

Customer service working hours are Monday to Friday from 8h until 00h, and Saturdays from 8h until 14h. Sunday is a day off.

Since 2018, the Service was expanded with LSP service that provides support to logistics clients. The goal is to efficiently resolve all client demands through two-way communication.

LSP service is open workdays 8-16h.



Nelt developed an additional segment of its business - distribution of medicines, medical supplies, supplements and cosmetics. To present the products in the best possible way, along with promotions, the company is constantly working on educating doctors, medical staff and pharmacists in hospitals and different conferences.

Along with sales and marketing, an important pillar of Nelt Pharmaceuticals is regulation. The regulation department covers the registration of medicines and medical devices with Medicines and Medical Devices Agency, registration of dietary supplements with

Ministry of Health, keeps track of possible side effects, legislation and good practice in distribution and marketing of pharmaceutical products.

Nelt Group principals are Bosnalijek, 4U Pharma, Nestle Medical Nutrition, Johnson&Johnson, Reckitt Benckiser, P&G, Niva, Ipak, Sebamed, Coty, Galaxo Smith, Dr. Colic, Vivatinell (Nutrigen). Within its pharmaceutical program, Nelt is also developing and promoting its own brands Flogoskin, Atopiskin, Dent X.



“OPEN DOOR AT NELT”

Representatives of Domestic Trade Chain in Serbia, visited Nelt headquarters in Dobanovci in June 2018 to get acquainted with the warehouse processes in Nelt, the functioning of the Intermodal terminal and with the newly built Baby Food Factory. In June 2019, a visit was organized for representatives of the Mercator-S retail chain within which operate retail chains Mercator, IDEA and Roda megamarkets.

These visits are part of the “Open door at Nelt” initiative, one of the winning proposals of the internal competition „Have an idea? Rip it up! “ The initiative aims to strengthen ties with partners via the introduction of business capacities and procedures, socialization and exchange of ideas.



P&G MANAGEMENT VISITED MARKETS IN SERBIA, MONTENEGRO, NORTH MACEDONIA

P&G management representatives used their three-day visit to Serbia and Montenegro in September 2018 to see as many as possible outlets from the Traditional, Modern Trade and Pharmaceuticals channel. The visit was an opportunity to exchange information on the business, good practices and room for improvement.

More than 50 people from the P&G and Nelt management visited 20 point of sales. Along with Antonie Brun, P&G Vice President for Southeastern

Europe, the delegation also included representatives of the P&G headquarters in Serbia and the P&G management team in charge of developing all brands and product portfolios. A year later, representatives of P&G visited North Macedonia and were pleased with the way products were presented at the sales points.



Specialization and differentiation of logistics, operational excellence and understanding of clients' needs are the basis of Nelt's logistics development strategy, its growth and performance in the Western Balkans market. Through faster processes, time-saving, transparency and less paperwork, Nelt Group

enables optimization of logistics costs. That way, its clients get maximum efficiency and minimum costs. If needed, clients can get a complete logistics based on their specific needs.

100 +
CLIENTS

23.000+
FTL ANNUALLY

10.000+
DELIVERIES DAILY

150.000 m²
WAREHOUSE SPACE

72.000
CUSTOMS PROCEDURES ANNUALLY

10.000+
PRODUCTS



WAREHOUSING AND VAS

The capacities of storage space in markets of Western Balkans and Sub-Saharan Africa are 150,000 m² and they operate in different temperature regimes, types and technologies of storage. By using modern technologies and software for logistics management, Nelt Group companies can answer all their clients' needs. Clients' different industries require specific logistics which is why unique solutions are developed for them. Nelt Group companies have ISO and HACCP certificates.

In line with clients' need to offer products that are customized for their consumers, Nelt developed VAS services (Value Added Services). VAS includes packaging, marking and adapting (special commercial packages, promo packages) of wholesale goods, food, pharmaceuticals, technical products and advertising materials.

CENTRAL DISTRIBUTION & LOGISTICS CENTER

Nelt headquarters are based in Belgrade's industrial zone where more than 1,000 people work. It is situated next to the international airport "Nikola Tesla" with more than 60,000 m² of storage space. Regional distribution centers and subsidiaries are placed in Novi Sad, Subotica, Kraljevo, Nis, Bor, Uzice with cross docks in Valjevo, Vranje, Zrenjanin, Pozarevac, Pancevo, Sabac and Kragujevac that enable more than 7,000 shipments daily in Serbia.

The goods are received, storage and prepared for shipment in line with legal procedures and customers demands.

Through constant monitoring of storage, available capacities are managed. Apart from distribution, the storage department also receives goods, storage, and prepare it for delivery in line with logistics clients requirements.

Efficient management and maximum usage of all storage resources are enabled through the computerized system of storage (WMS) G.O.L.D. Stock. This multipurpose system enables the company to storage over 10,000 products using best storage practices and with above 99.5% delivery accuracy.



CUSTOMS MEDIATION

In Serbia, Nelt is specialized for customs mediation for FMCG, food products, technical equipment and general purpose goods. Its experience Nelt Serbia shared with the Nelt Group companies in the region. Clients can now get a service of acquiring all necessary certificates, attests, sanitary, veterinary and market permits.

In Serbia and North Macedonia, Nelt received the status of Authorised Economic Operator (AEO) while in Montenegro, Neregelia has the status of Privileged customs procedure

participant. This way, they are defined as reliable partners as they fulfill specific criteria and standards of World Customs Organization and equivalent local safety standards. The basic advantage of this system is simplified customs and less paperwork. Clients also get faster and less expensive transport of goods which raises the level of services and the quality of integrated logistics services.

AEO status has three levels: AEO C, AEO S and the highest AEO F which stands for a high level of safety and security in the transfer of goods. In 2017, Nelt was awarded the highest AEO F status, a ranking that shows the implementation of the highest security requests in the company's chain of support. AEO status is a result of teamwork of several Nelt departments – logistics, foreign trade, safety, finances, IT and HR. Thanks to the Authorized Economic Operator status, clients now go faster through customs and are guaranteed high standards in safety and security.

CEFTA DELEGATION IN NELT

Since Nelt ST participates in the Macedonia Customs pilot project, the company hosted a delegation of CEFTA Customs and European Customs, in September 2018. The visit was also the beginning of the process of awarding Nelt ST with the status of an Authorized economic operator.

A month later, representatives of Montenegro, Moldavia, Albania, North Macedonia, Bosnia and Herzegovina and Kosovo Customs visited Nelt's distribution & logistics center in Dobanovci. The delegation visited Public customs storage where they gained insight into the conditions and security of storage of goods in the customs warehousing procedure. The visit was initiated by Serbian Customs and the German organization for international cooperation GIZ to exchange information and get acquainted with existing certificates, and especially the status of Authorized Economic Operator.

The certificate enables simplified and faster customs procedures which in turn means shorter transport time, cost reduction and better service.

*AEO certificate is accepted by the US and Japan, the EU, Switzerland, Norway and China. The goal of the World Customs Organization is to include more countries in the agreement. The broader concept of an Authorized Economic Operator will create unique customs and safety standards in the international flow of goods within the SAFE program (Standards for safety and easier global trade). The European Union recommends the concept in its international agreements with third countries to protect the chain of supplies, from producer to end customers.

NATIONAL TRANSPORT – DELIVERY

The goods are delivered via a fleet of 450 vehicles with a capacity of 2.5 to 11 tons in different temperature regimes. All vehicles have a GPS and the routing delivery for the entire fleet is done through software for dynamic routing (Sky Track). The info on delivery routes is carried through ERP (SAP) into the storage software (WMS Gold) that separates the delivered goods. Delivery vehicles have PDA devices that enable a complete overview of delivery parameters such as route details, invoices, the status of deliveries, navigation.

INTERNATIONAL TRANSPORT – ROAD

The fleet of vehicles Nelt Group owns enables 23,000 shipments per year – in all temperature regimes and other means of transportation. The company owns its vehicles for delivery but it also works with other truckers across the region. That way, Nelt can organize transport to any European destination in the shortest time possible. In line with clients' needs, international and local road transport can be organized as an individual or as groupage transport.

GROUPAGE TRANSPORT

Since November 2019, Nelt included road transport between Serbia and Montenegro to its portfolio of logistics services. Groupage road transport means lower costs, greater security in transport, more flexibility when shipping, and incorporation of several services into one.

Each Tuesday and Thursday shipments to Monenomaks company in Danilovgrad are organized. From there, after passing import customs, the goods are delivered to Montenegro customers. Nelt provides import customs clearance for each of its clients.



INTERMODAL TERMINAL

Nelt's Intermodal terminal is located in the central distribution and logistics center in Dobanovci. The terminal is connected with all European ports and land terminals via railroad. Highways E-75 and E-70 intersect 6 kilometers from the terminal, while the International airport "Nikola Tesla" is 10 kilometers away. The intermodal terminal enables economical, efficient and ecological global shipment of all types of goods. It is

open to all participants in import, transit and export operations- from shipping companies and railway operators to logistics companies, freight forwarders, manufacturers, brand owners and other distributors. To improve customer satisfaction, in 2019 Nelt implemented eDIS software made by the eminent Sarda company and introduced Reach Stacker Hyster in the processes of its intermodal terminal. That way, information

flow and system reliability have been further improved, as well as the speed and efficiency of the terminal operations. By implementation of Sarda's software, the digitalization of terminal processes have been enabled as well as the communication with external clients. The ultimate effect is the process acceleration and the information accuracy. Greater efficiency of the terminal was also secured by investing in American

company Hyster's Reach Stacker, model 46-33 IH that can lift 46t and handle all types of containers and truck shells. This investment was made with the help of the Ministry of Construction, Transport and Infrastructure's subvention for improvement of combined transport in 2018.

RECOGNITION FOR NELT'S CONTRIBUTION TO „ONE BELT, ONE ROAD“ INITIATIVE

At the business conference "Transport and Logistics 2019", Nelt received the "Brand Leader Award 2019" for outstanding cooperation and contribution to the development of the Chinese project "One Belt, One Road". The award is given by Dragan Maritime Group, representative of the logistics giant, Chinese company COSCO based on a set of standardized criteria, including professionalism, innovations, high level of the market image.

COSCO, that Nelt cooperates since 2017, is one of the main contractors of China's national project "One Belt, One Road", which involves the strategic connection of the port of Piraeus with various destinations in the Balkans and Central Europe. Through this cooperation, Nelt's Intermodal terminal in Belgrade became the logistics Balkans crossroad, thanks to its great location and technical and technological advantages.



ADVANCED TECHNOLOGIES

ECM (Enterprise Content Management)

software for business data management was created to facilitate document management and business making decisions.

The implementation of the ECM project began in 2017 and was conducted through in three phases – the introduction of: decision-making process (authorization) within the system, electronic archive and registry, contract adjustment process.

ECM segments enable Nelt Group to:

- Introduce all relevant management and expert levels and functions into a formalized process of decision making
- Facilitates manipulation of paperwork – less “walking” from office to office and losing documents
- More efficient process of contract adjustment thanks to a simple and custom-made e-forms for different types of requests

Through the successful implementation of business content management, six key elements for a successful business are introduced:

- Specified roles of decision-makers
- Each member of the chain has its own, clearly defined authorities and responsibilities
- Improvement of the decision-making process in the company
- More efficient processes
- Creating a digital archive with clearly defined rules of access
- Safe storage of documents and reduced possibility of misuse

By recognizing and following digital trends, Nelt Group can keep its leadership role and be competitive. Information structure as well as clearly defined decision-making processes are a key requisite for successful and sustainable business. Aside from document management, this project also included BPM tools (Business

Process Management), a software module that enables automatization of business processes (workflows) from the simplest to very complex. It also enables transparency of processes and management of a large amount of data.

Investment in development and innovations is a constant for Nelt Group companies. Advanced technologies are being implemented for years in different departments:

- Sales – tablets
- Communications – IP phones, IM, 3G+ field data transfer
- Logistics – WMS G.O.L.D., Dynamic routing, Pick by Voice
- Delivery – Sky Track System, PDA devices
- Business-information systems – SAP
- Storage management – SymphonyRetailAI

An advanced system of energy efficiency monitoring SCADA as well as B2B sales portals have now been implemented in Serbia.



AWARD FOR TOP LOGISTICS PROJECT OF THE YEAR

At the conference of the Serbian Logistics Association at the end of 2019, Nelt was recognized as a “Top logistics project of the year” for the implementation of the SymphonyRetailAI tool that introduces automatized storage management. The team that implemented the SymphonyRetailAI also worked on the integration by introducing **Symphony WMS G.O.L.D Stock software** to regional center locations and implementing “Pick-by-Voice” system in the entire region.



QUALITY MANAGEMENT

The quality is the basis of Nelt Group and thus all its member companies are constantly investing in the process to provide their clients with high-quality services and safe products. In line with business needs, Nelt Group members certified quality management systems ISO 9001, HACCP for food safety and GDP (Good Distribution Practices) system for medicines and medical devices.

Environment protection system ISO 14001, for now, is implemented and certified only in Montenomaks C&L in Montenegro. All systems are in line with international standards, as confirmed by the certificates of certification authorities.

CERTIFICATES REVIEW	SERBIA	BOSNIA & HERZEGOVINA	MONTENEGRO		NORTH MACEDONIA
	NELT CO	NELT	NEREGELIA	MONTENOMAKS C&L	NETL ST
ISO 9001:2015	RECERTIFICATION 2017	NOT CERTIFIED. FIRST CERTIFICATION PLANED FOR 2020	RECERTIFICATION 2018	RECERTIFICATION 2017	NOT CERTIFIED
HACCP	RECERTIFICATION 2018	RECERTIFICATION 2018	RECERTIFICATION 2019	RECERTIFICATION 2019	RECERTIFICATION 2017
GDP			FIRST CALIMS CERTIFICATION 2015		
ISO 14001:2015				CERTIFICATION 2017.	

IMPROVED VERSION ISO 9001:2015

All Nelt Group companies have the ISO 9001 certificate since 2008. From then, each year SGS is monitoring the implementation of ISO standards except for Montenomaks which is reviewed by the StandCert. Both SGS and StandCert are leading companies for certification and every third year, recertification is performed and the validity of the certificate is extended if the company meets all the requirements of the standard. ISO 9001:2015 is an improved and altered version of this standard. It is focused on the conditions under which the company operates, external influences, strategies and goals as well as risk management. Nelt Group companies were recertified in line with the requests of the new version of standards.

During the two-day audit, Nelt Group companies were monitored for:

- leadership
- business plan and development
- resources: people and knowledge, infrastructure and equipment
- competency and communications
- documented information
- sales and marketing
- storage and manipulation of stored goods and transport
- monitoring, measuring, promotions.

While preparing for the recertification, all business contexts were formalized, as well as the expectations of the interested parties which are also the basis for effective risk management.

The first certification of companies in North Macedonia and Bosnia and Herzegovina is planned for 2020.

During 2018 and 2019 a set of external reviews by international certification companies SGS and StandCert was completed:

Recertification HACCP audit in Nelt Serbia was done in September 2018 when it was determined that the food safety systems are totally in line with the standards and criteria and HACCP certificate was extended.

In May 2019, HACCP recertification was finalized in Neregelia, and in September in Bosnia and Herzegovina (Sarajevo and Bijeljina) and it was determined that all food safety systems are in line with the standards and the certificate was extended.

By the end of the same year, the HACCP system was reviewed in North Macedonia through a second audit when it was determined that the food safety criteria have all been completely met.



In July 2018, Montenomaks C&L was successfully recertified for the HACCP system, and supervision of the integrated management system IMS (QMS and EMS) was conducted.

FOOD QUALITY

The policy of quality, procedures and instructions defines the way process is organized and implemented, as well as all other necessary conditions for healthy distribution and manipulation of food products within Nelt Group. This way, the companies take care of the food products safety while under their control. That implies adequate conditions of storage, transport and handling, provision of required temperature depending on the goods, protection against unauthorized access, potential contamination food safety, stock rotation in accordance with FEFO principle (First Expired First Out), maintenance of the highest hygienic and

sanitary conditions in storage, transport and handling, periodic laboratory analysis of imported products as a confirmation of their health and quality.

For the products distributed to be qualified as safe and non-dangerous, they have to meet certain regulations which mostly apply to:

- the look of the product
- the possible existence of banned substances or elements in the product
- product tagging
- microbiological safety

Since the company imports different types of goods, it has to fulfill numerous different rules, regulations, and requests regarding food, cosmetics, appliances, chemical products and follow the Law on consumer protection and the Law on general product safety. The extent of which the products are in line with these rules is determined based on valid documentation of producers, the implementation of production standards, the results of the analysis (quality, microbiological, the existence of pesticides and heavy metals, radiation, GMO, etc) as well as the physical examination of the product. Also, the product has to have a proper declaration in the official language of the market in which it is placed with all the necessary data as proscribed by law.

As one of the key logistics providers in the region, the company distributes the goods from its portfolio but also the goods of its clients. In line with this section of business, the company follows all the regulations and good practices for different types of products and goods, from canned food to raw materials and packaging for the food industry, pharmaceuticals, etc.

As a confirmation that the products the company distributes are safe, each client is obliged to deliver evidence in the form of analysis, certificates, statements that the product is in line with laws and regulations.



CUSTOMER SERVICE- COMPLAINTS

All complaints on the product quality or services are collected in the Customer Service department and transferred to authorized persons. Complaints regarding the quality of the product are transferred to the principal. The legal deadline to notify the customer that their complaint was filed is 8 days until the reception, while the deadline for the customer to get an answer is 15 days. The consumer can complain Monday to Friday from 8 until 22h.

In the logistics department, a special team was formed that deals with clients but is also responsible for potential complaints about the service of the company as a logistics provider.

WORK ENVIRONMENT RESPONSIBILITY

PEOPLE ARE MOST IMPORTANT IN NELT!

The success of a company is achieved through good and motivated employees. That is why Nelt Group companies aspire to hire, educate, and keep people with potential, and create a pleasant, inspiring work environment that will inspire employees in their work. Care for people, long-term perspective, innovations, personal responsibility, and winning mentality are the values that have been promoted and which are the basis of excellence and professional growth.

To be an employee of Nelt company means to be a part of a renowned international system that invests in its employees through training and education programs.

A chance for promotion within the company is one of the key principles in Nelt Group. All employees who have been working for a year can apply for openings if they meet the criteria.

All employees in Nelt are hired full time. The company does not employ third parties.* A collective agreement between the company and employee representatives does not exist in Nelt.

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

All employees in Nelt Group have equal rights, including a right to personal expression, a right to have a safe work environment, a right to work in a professional environment. Each company is obliged to ensure a work environment without discrimination. According to the Code of Conduct each form of mobbing is prohibited as well as any violation of the right for protection against harassment. The company, as well as any employee who learns about this behavior, has a right to initiate a procedure for protection against harassment.

*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)

SERBIA NELT CO



*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.

The large labor deficit in the Western European market has significantly affected the labor market in Serbia, and thus Nelt as one of the largest employers. The departure of a large number of staff abroad resulted in increased fluctuation throughout 2019.

MONTENEGRO - NEREGELIA



*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.

MONTENEGRO - MONTENOMAKS C&L

DANILOVGRAD  112

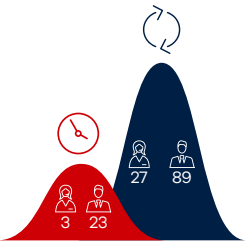


DANILOVGRAD  109

2018.
142

TOTAL
NUMBER OF
EMPLOYEES

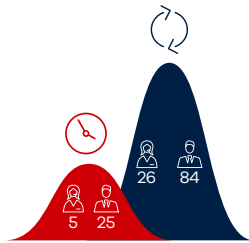
2019.
140



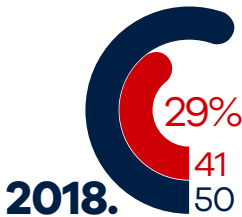
26 116
2018.

NUMBER OF
EMPLOYEES
BASED ON THEIR
CONTRACTS

 TEMPORARY CONTRACT
 PERMANENT CONTRACT

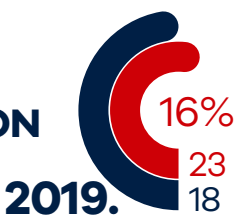


30 110
2019.



EMPLOYEE
FLUCTUATION

TOTAL NUMBER OF EMPLOYEES
WHO LEFT THE COMPANY
TOTAL NUMBER OF
NEWLY EMPLOYED

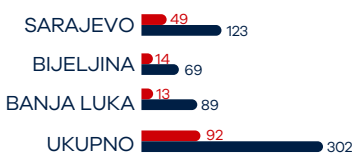
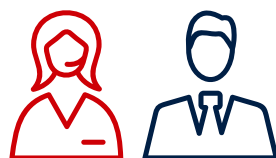
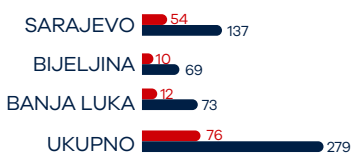


TOTAL NUMBER OF EMPLOYEES
WHO LEFT THE COMPANY
TOTAL NUMBER OF
NEWLY EMPLOYED

*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.



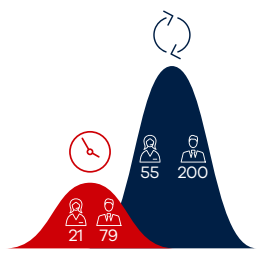
BOSNIA & HERZEGOVINA - NELT



2018.
355

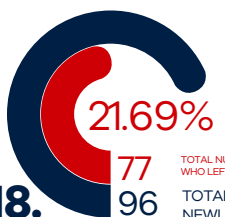
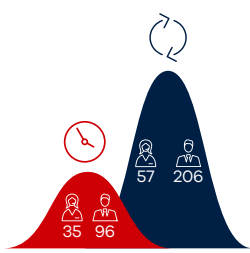
TOTAL
NUMBER OF
EMPLOYEES

2019.
394



NUMBER OF
EMPLOYEES
BASED ON THEIR
CONTRACTS

TEMPORARY CONTRACT
PERMANENT CONTRACT

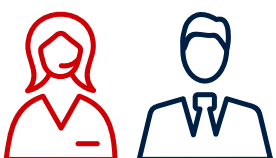


EMPLOYEE
FLUCTUATION



*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.

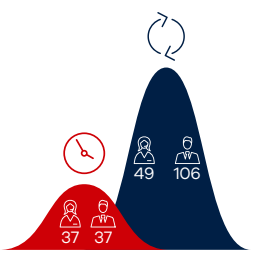
NORTH MACEDONIA - NELT ST



2018.
229

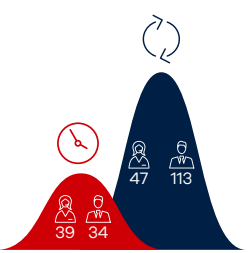
TOTAL
NUMBER OF
EMPLOYEES

2019.
233

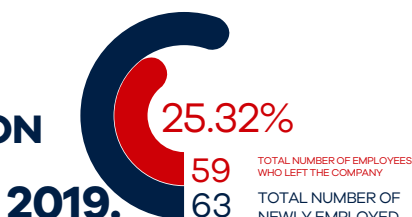


NUMBER OF
EMPLOYEES
BASED ON THEIR
CONTRACTS

TEMPORARY CONTRACT
PERMANENT CONTRACT



EMPLOYEE
FLUCTUATION



*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

Health and Safety Management System of employees in Nelt Group is based on the prevention of work injuries, professional maladies and health deterioration. Occupational Health and Safety (OHS) team manages the system. The team consists of a team coordinator, deputy and eight members. The team recognizes dangerous and harmful occurrences, files them, processes, analyzes, files reports and implements necessary measures.

Employees can, at any time, contact team members regarding proposals or questions about health and work safety.

In March 2018, the Ministry of Labor conducted an inspection and awarded the maximum number of points to the Health and Safety Management System in Serbia.

All employees in Nelt Group have insurance policies in case of an accident during and outside work, all year long. Nelt keeps tracks and reports all dangerous situations, minor and heavy injuries and other safety hazards. Annually, all reported cases are analyzed. So far not one case of fatality was reported.

BEST DRIVERS REWARDS

Under Guidance on terms and manner of the use of company's vehicles, introduced in 2015, every three months drivers are awarded for their positive approach to vehicle maintenance – basic care, maintenance, regular reporting of malfunctions. Those with no negative points in the central record or no negative records in GPS reports are awarded. The goal of the reward is to promote employees who have shown responsibility to the vehicles they use, as the company's ambassadors of conscious behavior in the traffic.

In Serbia, eight drivers are awarded, four from the Transport department and 4 sales representatives. In Bosnia and Herzegovina, North Macedonia and Montenegro, four drivers are awarded, two from the transport of goods segment and two for passengers and van vehicles.

FIRST AID IN THE RIGHT WAY!

In March 2018, the Serbian Red Cross held first aid training in Nelt's distribution & logistics center in Dobanovci. More than 180 employees completed the first aid program and learned how to administrate first aid, whether it was a sudden seizure, unconsciousness, or bleeding. After their training, the employees' skills were tested.



SERBIA NELT CO

2018.

2019.



TOTAL NUMBER OF INJURIES

2.54



2.45

INJURY RATE*



TOTAL NUMBER OF LOST DAYS

45,20



74,61

LOST DAYS RATE**

2018.

2019.



TOTAL NUMBER OF SICK LEAVE DAYS***

2.20

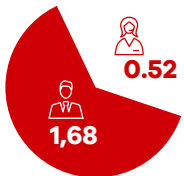


2.48

ABSENTEE RATE



INJURY RATE BY GENDER*



ABSENTEE RATE BY GENDER****



MONTENEGRO - NEREGELIA

2018.

2019.



TOTAL NUMBER OF INJURIES

0.56



1.66

INJURY RATE*



TOTAL NUMBER OF LOST DAYS

7.93



58.79

LOST DAYS RATE**

2018.

2019.



TOTAL NUMBER OF SICK LEAVE DAYS***

3.24

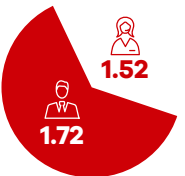


3.05

ABSENTEE RATE



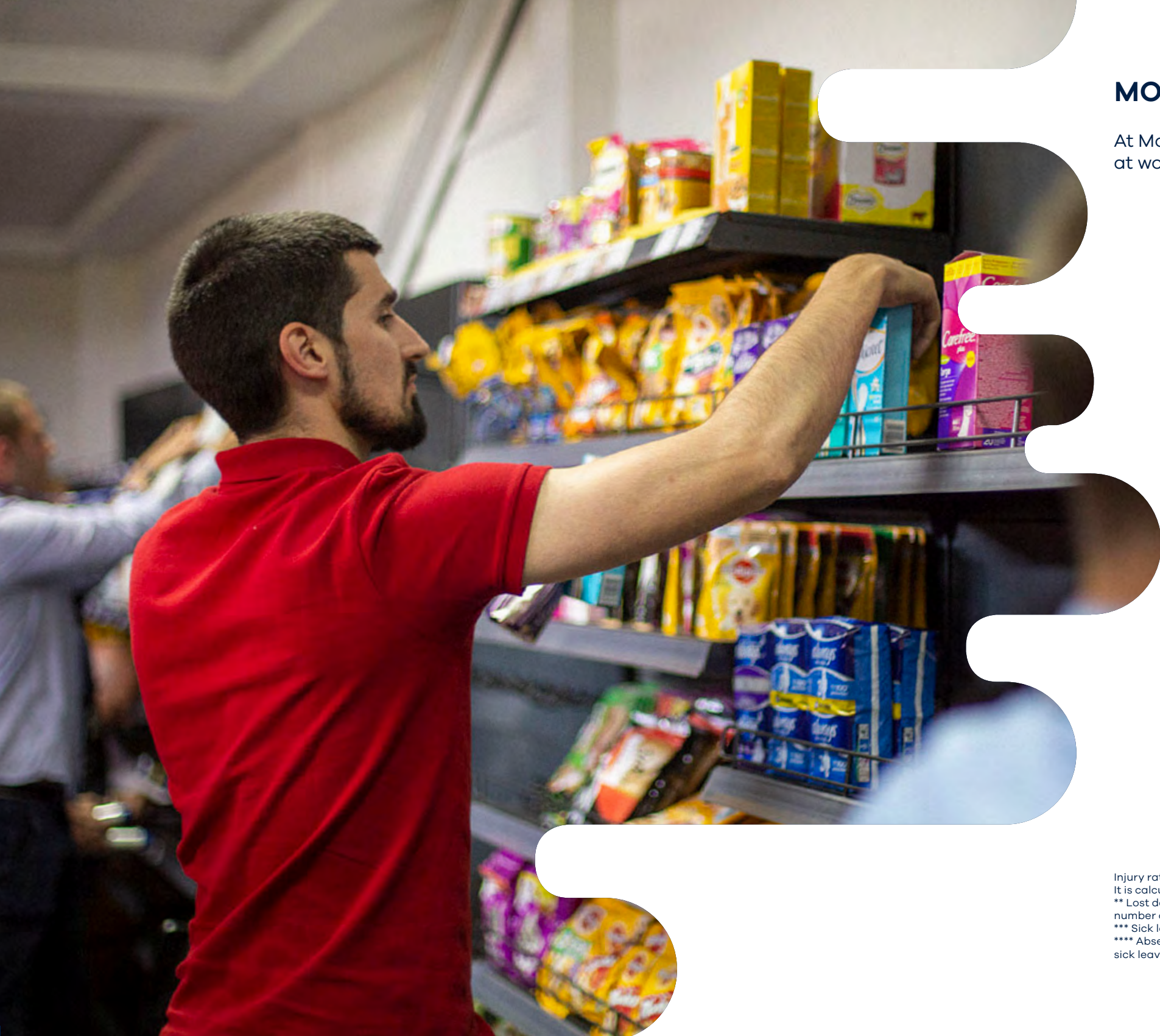
INJURY RATE BY GENDER*



ABSENTEE RATE BY GENDER****

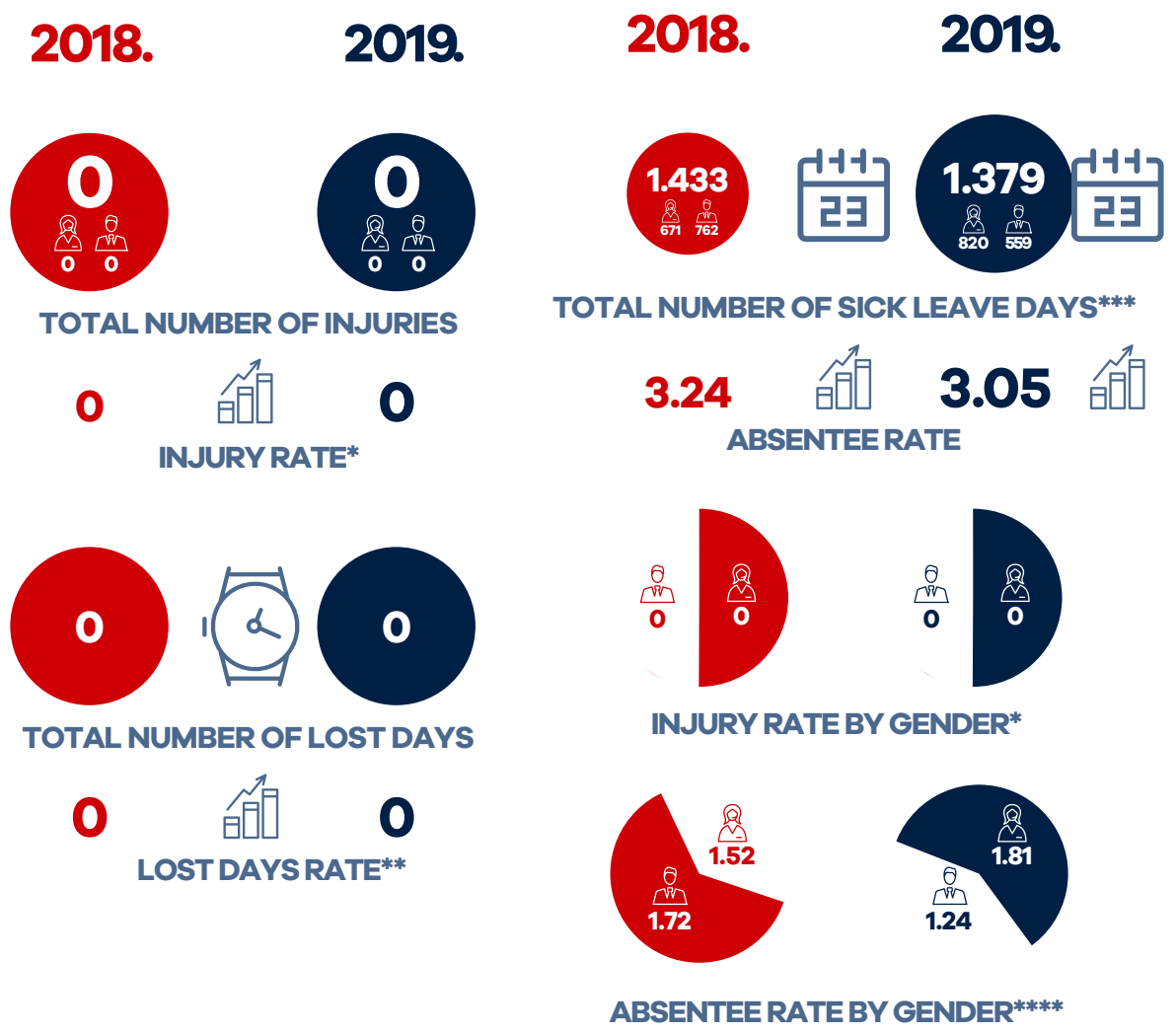


Injury rate is the frequency of injuries per 100 employees in the reporting period .
It is calculated by using the formula: total number of injuries / total number of working hours × 200,000.
** Lost days is the frequency of lost work days due to injuries per 100 employees. It is calculated by using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



MONTENEGRO - MONTENOMAKS C&L

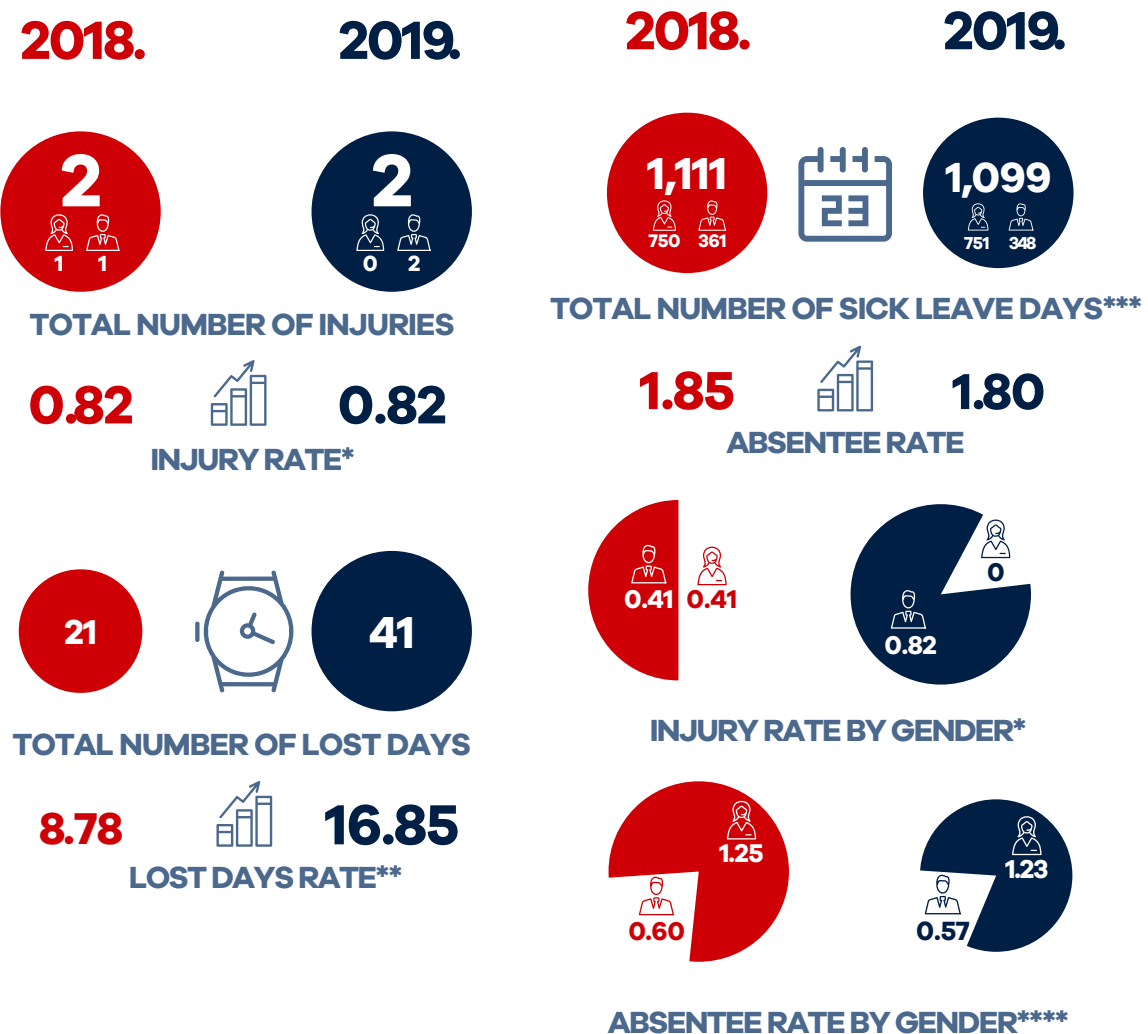
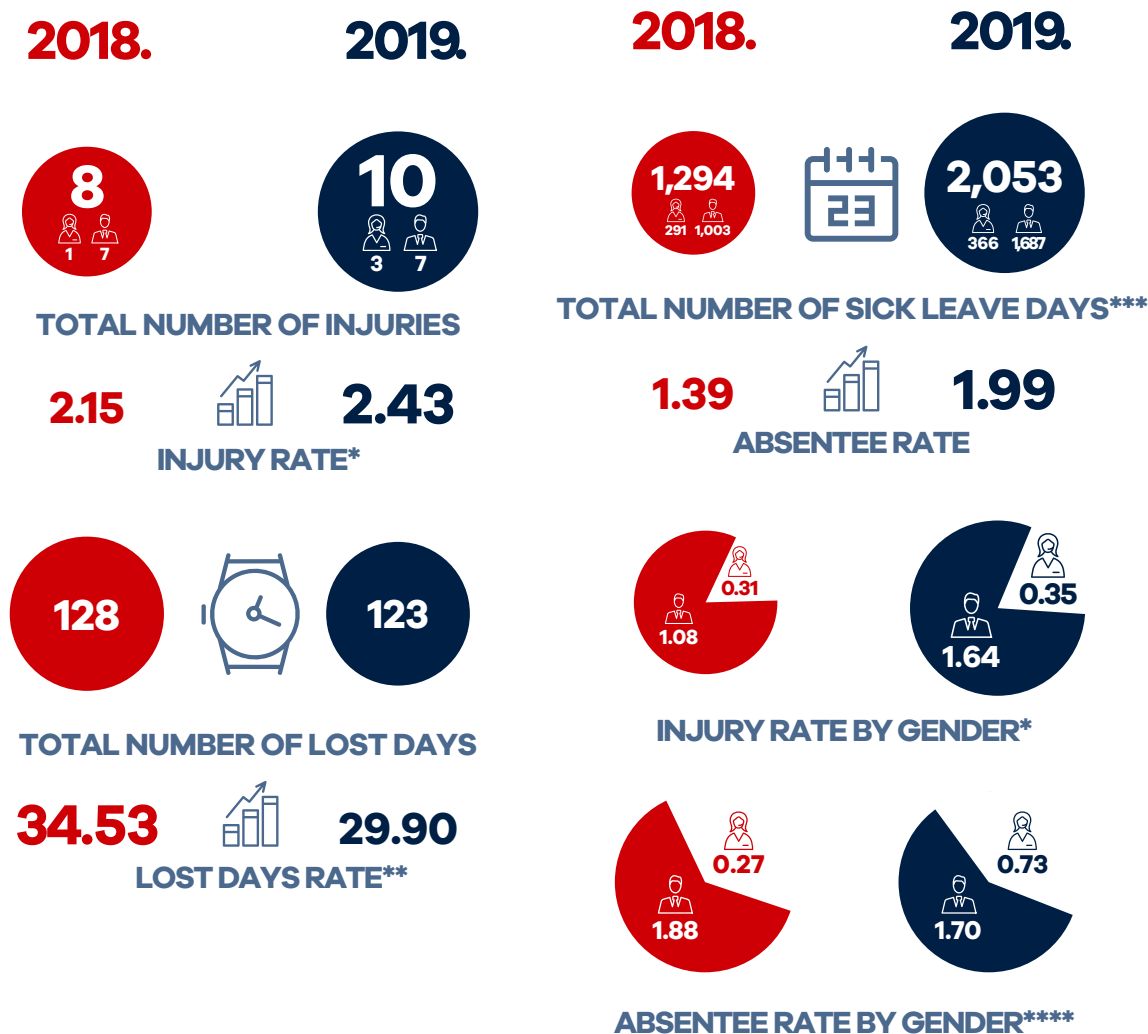
At Montenomaks C&L, there were no injuries at work in 2018 and 2019



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
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BOSNIA & HERZEGOVINA - NELT

NORTH MACEDONIA - NELT ST



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.

SAFETY DAY

SAFETY TRAINING FOR EMPLOYEES IN ANGOLA

As in all Nelt Group companies, where care for people and personal responsibilities are the core of company values, on December 13th, the company in Angola organized its second training on fire safety and conduct in case of a fire. The employees had a unique chance to learn how to behave in case of a fire but also how to protect themselves from a fire in the workspace.

Once a year in all the countries in the Western Balkans where Nelt operates, the "Safety day" event is organized to raise awareness among the employees on the importance of safety and health at work. In the African market, the practice was applied by a company in Angola.

In March 2018, Red Cross Serbia held a first aid training for the Nelt employees at the distribution-logistics center in Dobanovci. During several days of training, more than 180 employees learned how to properly administer first aid, whether it was sudden seizures, unconsciousness or bleeding. After each training, a test was conducted for the employees to see what they've learned.

In Bosnia and Herzegovina, Safety Day was organized in September 2018, and the focus was on traffic safety. With the help of the Auto-Moto Association of the Republic of Srpska, a lecture on "Safe driving" was held,

with a special focus on the preparation of drivers and vehicles for winter. After the lecture, a practical segment followed when partners from the Auto-Moto Association of the Republic of Srpska showed how to use all that was learned in practice. The training was divided into two workshops. Within the first workshop, a presentation of the frontal crash was presented with an emphasis on the necessity of safety belts. The second workshop demonstrated how to properly secure winter chains on tires and change a tire.

Safety Day in Podgorica was held on October 12, 2019, for employees of Neregelia and Montenomaks companies. After a successful evacuation exercise, the employees learned how to administrate first aid, extinguish the fire and implement workplace safety measures. Several smaller, local events preceded the event.

In February, in Montenomaks storage in Daniloovgrad a presentation "Health care at work" was organized with the help of the Safety department and the Tehno-Control company specialized in work safety. The focus of the presentation organized for the warehouse workers was to help them learn how to administrate first aid in Montenomaks business complex, how to use the gear and protective equipment while working on fork lifter. In April, fire safety training was organized in Neregelia. Employees in the Quality department, maintenance, security, logistics and sale participated in the program. The theoretical part of the program was focused on the causes, types and ways to extinguish a fire, how to react in emergencies and evacuations. Candidates were then given a test to see how much they've learned. The practical part of the training was a simulation of fire. The employees were given a fire extinguisher S-9A to put out a fire and

learn about the extinguisher. Authorized personnel also gave instructions on how to put out fire most efficiently. The trainees were then given certificates they've completed the fire training. In October in Neregelia, an evacuation exercise was conducted and the employees learned how to extinguish the fire with a fire extinguisher and administer first aid. The drill was concluded with the evacuation of all persons present at the company complex at the time.



EMPLOYEES SATISFACTION

Nelt Group companies are focused on creating conditions where employees will be able to give their maximum and see how their work contributes to the goals of the entire company. Since 2018, Nelt Group has been implementing different initiatives aimed at working moms on leave, better home-work traffic connection. A new employee's day was created, while those who are most dedicated and achieve the best results are rewarded and praised.

All employees regardless of the type of contract, have a right to healthcare, a right to go on maternity leave, and insurance from injuries and accidents during and outside work hours all year long. For employees who

retire while working in Nelt Group receive a settlement while gift vouchers are given to those who celebrate a jubilee in the company. The company also provides money grants for those who have an ill family member or a death in the family.

Employees in all Nelt Group's Western Balkans companies also have benefits and discounts when buying theatre tickets, tourist arrangements, fitness center membership, shoes or clothes from partner stores. For the employees children, up to the age of 10, the company provides New Year's packages, and for parents whose children go to school, a distribution of packages with school supplies has been organized.

EMPLOYEES HEALTH

Nelt Group's Company Doctor initiative enables employees to have specialized checkups. In partnership with private clinics, several times a month checkups are organized in the Nelt distribution-logistics center in Dobanovci where more than 1.000 people work. In other regional distribution-logistics centers and branches in Serbia, Bosnia and Montenegro, annual checkups are organized.

Employees in Nelt, Macedonia have mandatory medical checkups. Targeted checkups are conducted in line with the needs of specific positions, as defined by the company's Act of risk assessment.

In 2019, a free pediatric examination was provided for the children of Nelt employees in Dobanovci under the age of 18, thanks to a collaboration of the Nelt Pharmaceuticals division, SebaMed brand, and Policlinic Medikom.

MOM SUPPORT

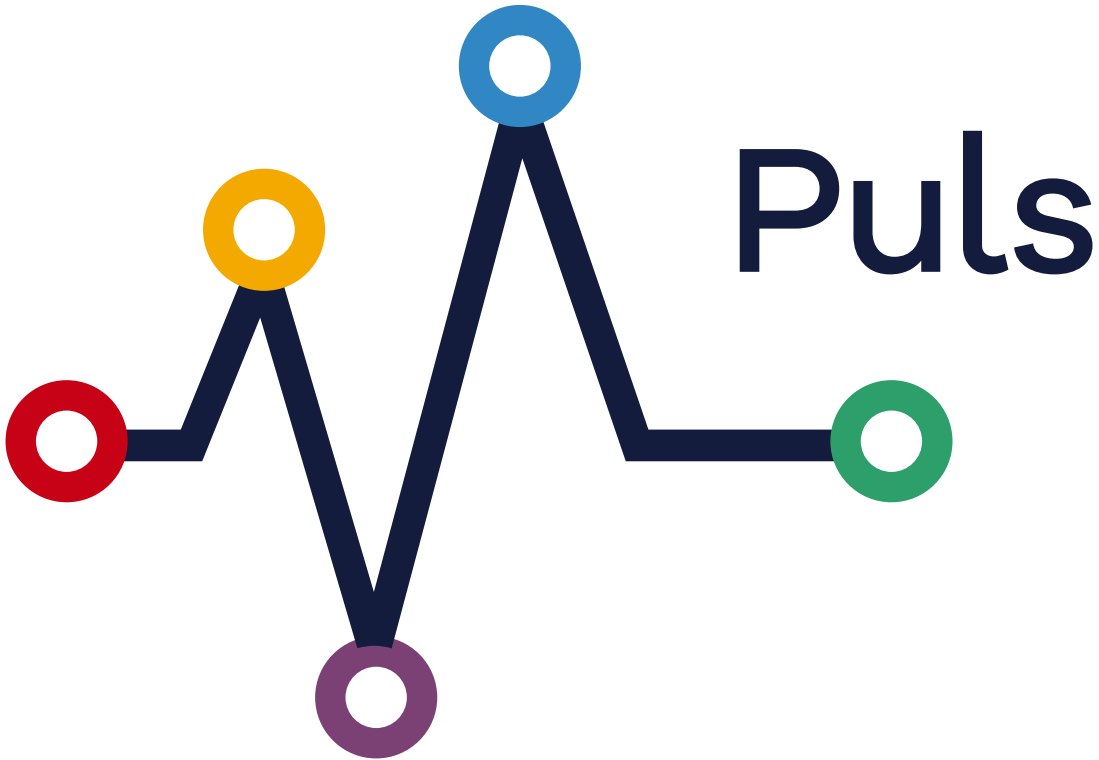
Nelt Group supports all working moms to make their private and professional life more comfortable. In all Nelt Group companies, working mothers who are on maternity leave receive full pay for up to 12 months. During this period, all those who earn part of their salary through stimulation, receive a six-month average of stimulations. All other benefits they would receive while working are also secured.

The company takes special care for moms who are returning to work. Those moms can work the first month 60% of work hours and receive a 100% salary. In the second and third month, they can work 80% of the time with 80% of the salary. The same benefits apply to those who are on maternity leave.

EMPLOYEE PULSE IN 360 DEGREES

Since mid-2019, employees in Nelt Group can, through mobile and web apps, give each other feedback regardless of the position, function or market. Each employee's voice is equally important and every employee of Nelt Group can give feedback, not only to their superior but also to their colleagues in the organization. The process of yearly evaluations and structured feedback management represents one of the most demanding internal processes in each

company and helps human resources, careers, compensations, organizational design. From the employee perspective, structured feedback provides clear guidelines for growth and advancement.



“PRAISE YOUR COLLEAGUE”

The goal of the action is to identify employees who are examples of corporate behavior and the values that the company wants to nurture. All are employees invited to praise colleagues whose behavior and work motivate and encourage them. The action was launched

five years ago in Serbia. Three years later employees in Bosnia and Herzegovina, Montenegro, Macedonia joined, and since 2017 the best colleague is also being elected in Angola, Zambia and Mozambique.

THE BEST COLLEAGUE 2018.		THE BEST COLLEAGUE 2019.
SERBIA	Milan Krupnikov, Forklift Driver at CDLC in Dobanovci, Belgrade	Zoran Susa, Warehouse Worker at CDLC in Dobanovci, Belgrade
MONTENEGRO	Senka Vukovic, Sales Agent (Neregelia) Milos Markovic, IT System Specialist (Montenomaks C&L)	Anica Brezanin, Pharmaceutical Technician - Warehouse Worker (Neregelia) Jelena Zulevic, IT System Administrator (Montenomax C&L)
NORTH MACEDONIA	Krste Kostas, Finance Specialist	Katerina Kirilova Grkovska, Customer Service Specialist
BOSNIA & HERZEGOVINA	Tomislav Prastalo, Warehouse Manager, Banja Luka	Nikola Jovovic, Warehouse Worker East Sarajevo
ANGOLA	Branca Manuel Lourenço, Sales Coordinator	Leandro Marques, Salesman Francisco Simão, Merchandiser
ZAMBIA	John Chomba, Sales Representative	Oriental Chiyabi, Storage Supervisor, Ben Siyamana, Deliverer, Nicholas Jatva, Preseller
MOZAMBIQUE	Leandra da Dorcas Mondlane	Felix Markos Magagula, Administrative Assistant

* In Mozambique, the official process of nominating the best colleagues by filling out a commendation form was interrupted, in honor of our colleague Leandra Mondlane, who unfortunately passed away in 2017.



**PARTICIPATION IN
SPORTS EVENTS**

During 2018 and 2019, Nelt Group employees participated in numerous sports events in Serbia, Montenegro, North Macedonia, Bosnia and Herzegovina. Employees from Serbia participated in the Belgrade marathon, biggest sports event in Belgrade, and Belgrade Business Run, a race for employees from different companies. Nelt employees in Bosnia and Herzegovina joined the half-marathon in Banjaluka and B2B run in Sarajevo. In Macedonia, they participated in the Skopje marathon, and in Montenegro in Podgorica marathon whose sponsor is Neregelia.

Apart from promoting competitive spirit, these events also help in team bonding, employee health and socialization.

“KIDS’ DAY” IN NELT GROUP

For the past seven years, Nelt Group organizes Kids’ Day in all its centers – Belgrade, Novi Sad, Subotica, Nis, Kraljevo, Bor, Uzice, Skopje, Podgorica, Banjaluka, Sarajevo. Children’s day is a unique opportunity for kids to spend a day at their parents’ workspace, participate in educational programs, workshops that promote healthy living and care for the environment.

The event also has a humanitarian part – clothes, shoes, cosmetics, toys are collected for underprivileged children in Serbia. In 2019, representatives of humanitarian organization „SOS Decja sela“ participated in several Kids’ day events on different locations in Serbia.

BOWLING BUSINESS LEAGUE

After participating in the league on March 11, 2016, and eight place in 2017, the Nelt team reached the playoff in 2018 and then a bronze medal in the Zabac Bowling business league! Team spirit and winning mentality of the team (Marko Nikolic, Marko Jolovic, Milos Stanisavljevic, Mirko Vucevic and Veljko Jakovljevic) contributed to a successful finals placement and the third place. "Our bronze shines like gold," said Marko Nikolic. "With playoffs and third place we reached the goal of Nelt teams," he added.

Under the sponsorship of its principal Duracell, Nelt participates in the Zabac Bowling business league with 20 teams whose members are employees of different local and international companies.

NELT WINS A CUP AT P&G FOOTBALL CHAMPIONSHIP

Since 2015, football team Nelt P&G Serbian Eagles have been participating in Procter&Gamble football world cup organized under UEFA rules. On the 25th cup organized in 2018, at the Olympic complex in Wroclaw, Poland, Nelt P&G team won the first place in the Challenge cup. 32 teams from different parts of the world participated in the male competition, and first place was won by the Croatian team.

INTERNAL COMMUNICATIONS

At Nelt Group, great attention is paid to internal communication channels, so that all employees are accurately and timely informed. Through **InfoNelt, the company's internal portal**, employees receive all company news, internal events, announcements (schedule of the internal ambulance, traffic changes, employee benefits, discount actions, etc). For employees who don't have constant access to computers, such as warehouse employees or delivery workers, **internal television – LED screens** were introduced in all Western Balkans storages.

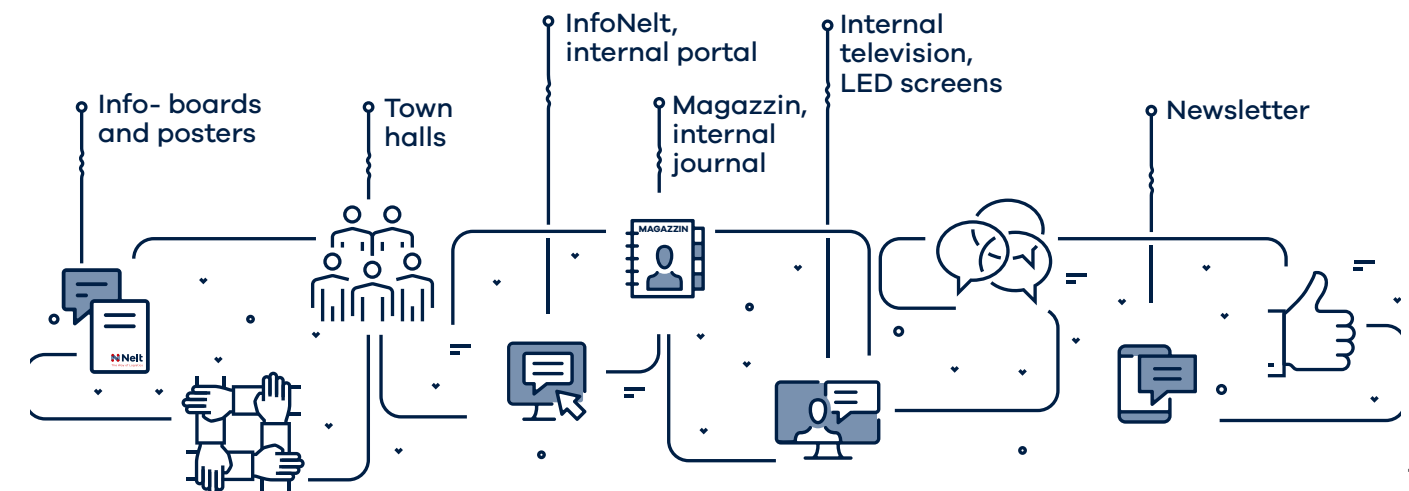
Traditional channels of communication are also used. **Boards and posters** are placed in all offices and warehouses with calls for internal events and regularly updated information.

Employees can learn all information through **internal magazine Magazzin**, published quarterly, as well as through a newsletter that is being emailed once a month. The content of each **newsletter** is adapted for the market where it is sent, which means it is written in Serbian, Macedonian, Montenegrin, Bosnian & Herzegovian, Portuguese and English language. Also, every newsletter is written in English as well. Through newsletters, employees are informed about a certain subject and can get more information on the Infonelt webpage..

Town Hall **employee meetings** in all Western Balkans companies and Angola are organized once a year to present the results and plans for the future.

"ONE HEART, ONE TEAM"

To improve communication between management and employees in the sales and delivery department, an initiative "One Heart, One Team" was taken in 2017 in Nelt Serbia. The practice was continued in 2018 and 2019 and was "imported" in Montenegro, North Macedonia and Bosnia and Herzegovina. The goal is to encourage care for people - one of Nelt's key values and a better understanding of management and employees in Sales and Delivery departments through open communication and teamwork.





RIP-IT AT PANEL DISCUSSIONS!

The “Have an idea? Rip it” initiative was established in 2016 as a result of one of Nelt Group’s organizational values – initiative. Employees could present their ideas, goals, and benefits through electronic and printed forms. The 2018 idea “Panel discussions” came from an employee in the sales division, Predrag Djuran who believed this model of communication was beneficial for employees and their education.

During the reporting period, Serbian and Bosnian companies organized panels: Category management process, Article’s path from producer to consumer, Trade marketing, Personal responsibility in budget implementation, Employee role in the company, Sell out forecasts/Sell in shipment forecasts, and optimization of internal logistic processes to maximize profit.

EMPLOYEES DEVELOPMENT

Openness to employee growth and development within the company is one of Nelt’s most important principles. All employees who have been working for one year can apply for openings, providing they meet all the criteria. Internal job openings can be found on the company’s portal and public boards. Many managers came from lower positions, which is a source of pride for the company.

A good balance between employees who began their career or have been working for Nelt for years and outsiders who have been recognized as suitable is the basis for the company’s stable growth.

That is why Nelt Group’s employment is planned through functional, expert and soft skills training.

Education programs in Nelt Group aim at developing employees’ competencies they need for good-quality work, the strategic focus of the company, but also each employee individual and specific needs are taken into account. A work plan and work performance survey are conducted for each employee. All employees who have been with Nelt Group for more than six months have their productivity analyzed – in 2018, 75% of employees have been surveyed and in 2019, 90% of the employees.

Some training is implemented internally, in cooperation with business partners of external consultants. Also, many employees have a chance to go to expert seminars, conferences, and training in-country and abroad.

“SHOPPER PSYCHOLOGY TRAINING” WITH P&G COMPANY

At the beginning of April 2018, Shopper Psychology Training was held in collaboration with P&G company for employees from the Sales Management, Trade Marketing Team, Good Start and Key Account Managers. P&G created the training which was the result of years of surveys. Participants received useful tools and information on current and potential buyers: how, when, what and where they shop, what motivates them, how they perceive and respond to prices, promotions, actions, new products and promo material. In contemporary business, all FMCG companies try to understand better their customers and analyze their needs to help them decide which product to buy.

EMPLOYEE TRAININGS IN NELT GROUP

“On the Job” training

The training is intended for managers who head a team. The role of managers in employee development is important which is why “On the Job” training is designed to set clear goals and high standards of skill assessment and action plan. The first day is dedicated to sales skills. The second day is for practical training and “On the Job” standard training.

Project management

This training is designed for employees who deal with projects and need extra knowledge to run the process in the best possible way. The goal is for participants to learn how to recognize the business need for projects and develop a project as a tool for business change, to recognize different interests and influences from interested parties and run them to successfully implement a project. Through practical training and with the help of experienced lecturers, participants learn how to tactically initiate, plan and run a project, analyze and manage business risks, plan time and resources for a project, budget costs and keep track of the income.

Interviewing training

The goal is for those employees who are interviewing candidates to learn about the process of selection through several techniques and examples which will enable them to be as objective as possible and adequately assess candidate’s competences and thus find the best possible candidate.

Change management

The goal of the training is to introduce the role of changes in the company’s growth and development, to learn how to manage the changes in work but also in relationships with people we are doing business with. Great help and support in this training come from employees who, as internal trainers, use their skills and knowledge to help in the training process. Internal trainers first learn how to lead training and then implement standardized training in their markets.

Work organization

The goal of this training is to improve the skills employees will use in work organization, people management and everyday challenges. The training offers different tools for employees and covers several topics, from setting the priorities, urgency and importance of a task, to decision making, responsibility-sharing, meeting organization and time management.

Communicational skills

The training is focused on communication and overcoming different obstacles in communication. The training focuses on confidence in communication, concision, assertive communication, team communication, business communication, negotiations, etc.

YOUR CAREER, YOUR CHOICE

Over the past few years, the business context changed significantly and Nelt Group recognized a need to improve its training. Apart from the training itself, the goal was to create an environment in which employees will take initiative for their growth.

Under the slogan “Don’t fantasize, take your career in your hands”, a set of eight interactive workshops was created. Each training lasted three to four hours so that the employees could go on about their work but also take time for personal growth.

Some of the workshops under the project “Your career, your choice”:

Good feedback is always a good solution and a cure
The goal of this workshop is to show the participants the importance of timely and correct information exchange in business correspondence.

Adjust the way you talk because there are no two people alike
The training teaches good, fluent and productive communication. The focus is on how to convey the message depending on the type of personality it is being conveyed to. Employees were recommended to be themselves in the conversation but to adjust to the other party.

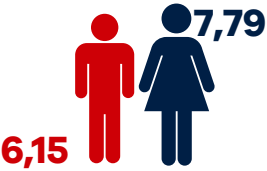
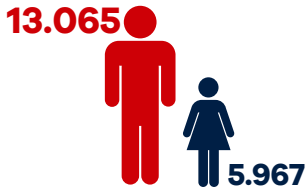
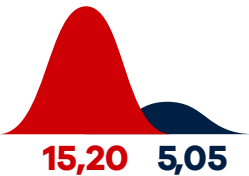
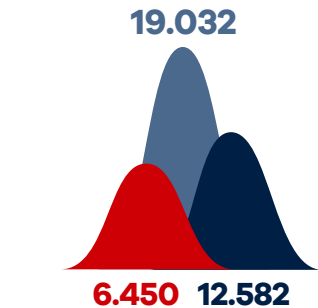
All employees could join and choose a workshop that suited best their current position and aspiration for a future career. During the first cycle, 47 workshops were concluded with 500 employees. The training will continue in 2020.

Tricks are there to help priorities meet, you can do anything with good organization
Precise tools and ways to set priorities of tasks and jobs are presented.

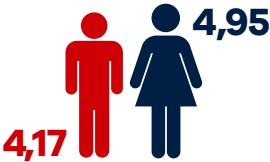
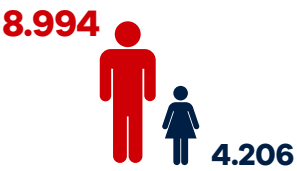
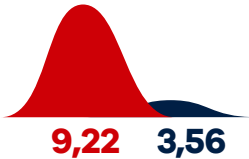
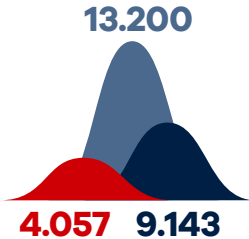
Say goodbye to stage fright because the key is good prep
Employees are learning about the basics of presentation – determining the way a presentation is done, choosing key messages to convey to the audience and a manner in which they are presented.

NELT GROUP

2018.



2019.





Within Nelt Group in 2018 and 2019, the development of Nelt Sales Academy was continued. The academy is an all-encompassing and precise training of employees in all positions within the Distribution department. By a combination of materials, exercises, best practices, and knowledge of Nelt's partners, interactive training has been created with examples and real-life situations that can happen when working with customers.

Training is held by the Sales Capability Team which consists of Nelt' sales capability manager, HR director and 16 internal trainers who work in different markets and positions within the Distribution department.

All internal trainers go through Train the Trainer training aimed at perfecting their presentation skills and giving them basic training and tools they can later use. Training programs are constantly updated in line with needs, new trends, strategies and skills needed in the sales department. Nelt sales academy offers different training:

- **Basic training** organized for all newcomers so they could get to know the history of the company, portfolio of products, vision, values, quality control, market procedures

- **Merchandising program** for employees working on positions of Refiler, Merchandiser and Merchandising Team leader. After the theoretical part, trainees go through practical training where they learn how to display a product or a promo material. During the practical part of this interactive training, colleagues learn new skills they can use in sales.

- **Executive training** is designed for employees working in supervision or manager positions in the sales department. The focus is on leadership skills, people management, communication, teamwork, management styles, providing additional information, building team relationships.

- **Key buyers management** is designed for colleagues on Key Account Manager, Marketing Manager, Organizational Manager, Portfolio Manager, National Key Account Manager positions. The goal is to help them improve their skills in planning, organization, communication, sales, effective negotiation, giving feedback and building relations with buyers within Key Account and Organizational channel of sales.

- **Product management training** is designed for managers. The goal is to introduce participants to all aspects of product management, from creating and managing category plans to role defining, analysis and determining tactics for each product category.

Within Nelt Sales Academy there is also training in Communication skills, Sales mathematics, Basic sales skills, Time management and Negotiation.



MERCHANDISING SCHOOL

Merchandising school is located in the Nelt Distribution & Logistics Center in Dobanovci. This unique show-room is a place where Merchandiser, Key Account Manager and Refiler have the opportunity to improve, gain relevant knowledge and practically apply them. "This school gives our company a great advantage in the market. Besides theoretical knowledge, our

employees can improve their skills and tricks of the trade in a real-life environment and learn about Merchandising, Category Management, positioning of promo materials and products. The school helps us prepare and practice Marketing principle 4P – Product, Place, Price and Promotion," said Zarko Savic, Nelt Group Sales Capability Development Manager.

E-LEARNING – NELT EDUCATIONAL PLATFORM

Within the Nelt Sales Academy, an e-learning program was created. E-learning contributes greatly to saving human resources, time and money, quickly improve knowledge, and provides timely information. E-programs are also easy to use and flexible since employees can perfect their knowledge through movies and other dynamic educational tools. Our principals helped us develop an e-learning platform and its training.

So far within the Nelt Sales Academy, several e-learning workshops were held. The first one was Introduction training for new employees. The participants learned about the Nelt company, its principals, corporative values, and vision. Employees also learned about the products Nelt distributes.

At the moment, trainees are learning about products from Mars, Mondelez companies portfolios, but are also analyzing tobacco market and the strategy for the presentation of PMI products. These principals contributed to the e-learning platform by securing all the necessary materials needed for top quality training.

During the reporting period, more than 300 employees used the established program platform. Evaluation of knowledge is done after every workout. Also, after the launch of the e-learning platform and implementation in Serbia, the development and use of these trainings is planned in other markets.

EXCHANGE OF EXPERIENCE – DISTRIBUTION MANAGEMENT MEETING

Sales Distribution Management meetings are organized in all Nelt Group markets. During 2018 and 2019, six meetings were held with more than 50 distribution department employees from Serbia, Montenegro, North Macedonia, Albania, Bosnia and Herzegovina. The purpose of these meetings is the

development of people, ideas and best practices. The goal is to strengthen the organization through education of distribution management, examples of +1 mentality, SOP results, development projects, On The Job training presentation and best practices in the FMCG industry.



Good Start was envisioned as a program that allows the best and ambitious students to develop their business skills and specialize in the Key Account Manager position. The program began in 2015 in Serbia and consists of several training programs within the Sales department, workshops, individual training. By learning about different levels of organizations, participants have eight months to learn about each position and get a chance to improve their skills while working on the position they are most interested and thus get the bigger picture on the overall functioning of sales in a large business system. So far, after completing the training, more than 90 percent of trainees were offered a chance for a permanent position within our company and are now part of Nelt’s sales department. The training is also being held in Montenegro since 2018.

Stanko Igrosanac, National Sales Manager for Key Buyers and one of the mentors within the program: “As a mentor, I was able to see first hand how an atmosphere of unity is being formed among the colleagues and how that unity becomes the greatest force of the team and thus, the company. I am looking forward to new training and to all those who want to participate I recommend having a positive attitude and to be open for new experiences.”

Djordje Kuzmanovic, Key Account Manager and member of the fourth generation of the program: “I couldn’t imagine a better way to start a career. The richness of this program and the way it is designed helped me learn more about sales. I would especially like to thank my mentors for their constant support and dedication throughout the program. For all those who like active teamwork and especially fieldwork, this program is gold.”

THE KEY IS IN A GOOD START



LOCAL COMMUNITY RESPONSIBILITY

CORPORATE SOCIALLY RESPONSIBLE PROGRAM OF NELT GROUP COMPANIES IS DESIGNED FOR YOUNG PEOPLE WHOSE CREATIVE SPIRIT, POSITIVE ATTITUDE AND ASPIRATION TO IMPROVE THEMSELVES IS IN LINE WITH THE COMPANY'S KEY VALUES.

Nelt Group's activities in CSR field are aimed at establishing strategic cooperation with faculties in the countries where operates, through introducing students to the real sector, the practical application of what has been learned, as well as through the organization of specialized programs for talented students.

Different programs of supporting socially endangered groups are another, extremely important area where Nelt Group shows it is a socially responsible company. Underprivileged children from different social groups needing extra care and attention are specifically targeted.

YOUTH CAREER DEVELOPMENT

Through a strategic approach, Nelt Group companies cherish their ties with education institutions, they communicate with students and help them use in practice what they've learned. This way, companies want to inspire young people to further develop their skills and potentials. During 2018 and 2019, Nelt Group companies organized several lectures, workshops and visits to distribution-logistics centers. They also supported young people in their career choices through organization

and participation in work fares and similar events in Western Balkans. Special attention is given to the Nelt Educational Program (NEP) which was founded in Serbia in 2014 to encourage intersection cooperation, exchange of experiences and improvement of skills in line with a contemporary business environment that envisages a union of art, new technologies and science.



NELT EDUCATIONAL PROGRAM

Nelt educational program- NEP, as an experimental interdisciplinary educational format for students from different Serbian universities, concluded four one-year cycles with four generations of students, more than 90 young people. Nelt company is implementing this program in cooperation with 12HUB Galery and design incubator Nova Iskra.

Activities, initiatives and professional careers of alumni testify of the importance of the program that connects different disciplines, constantly asks questions, incites critical capacity and empowers young people and their different skills which are often marginalized within the regular studies.

Designed as a horizontal platform where ideas and knowledge are exchanged, the program differentiates from the hierarchy logics of professor-student relation and the core of the program are meetings, discussion and talks with artists, scientists, professionals from different sectors – economy, IT, ecology, science, urbanism, contemporary art, design, theatre, performance, entrepreneurs and businessmen. During the past four years, the program was changed depending on the interests and needs of students and the team of lecturers and associates constantly grows.

The speed of social, technological and ecological changes that shape our reality and demand thorough reforms of education and it

is exactly the innovative potential of informal education that NEP program tests and questions in collaboration with all trainees. Through constant mentorship, open discussions on different subjects and practical training that empower different contemporary skills of the students, we develop a democratic environment of freedom and responsibility through learning and maturing, making it equally inspirational for both students and teachers.

The program remains consistent with these values and with equal enthusiasm, enriched with cooperation with previous trainees, we are now entering our fifth adventure of learning, growth, experiments and development to build a community of curious and courageous individuals who are responsible and ready to fight for a better tomorrow.

The question was “How did NEP influence you?” This is that students said:

Srecko Gusic, 1997, Faculty of Organizational Sciences: I’ve learned some rules and techniques necessary for successful group work. I’ve learned a lot about individuals and initiatives that deal with subjects that impact the broader community. I’ve met people with similar interests with whom I can work or get help. Thanks to this I am increasingly capable of finding a solution for the problems that are important and interesting to me and for which

there are no set answers.

Sonja Trajkovic, Faculty of Architecture: NEP program helped me a lot in getting to know myself, my qualities and capabilities I never saw as relevant. It helped me understand my role in a team and work on both myself and others. I also learned a lot about the areas that interest me and met some amazing people who are motivated and eager to create a better environment for all of us. People are the most important factor in any initiative and NEP provided me with a network of new friends and future colleagues.



"NETWORKING TO CHANGE" CONFERENCE

With a conference "Networking to change" in Nova Iskra premises in Dorcol, the fourth cycle of the Nelt Education Program was concluded. The fourth generation of NEP students created, organized and moderated open discussions on current topics and challenges.

The importance of informal education in "filling the gaps" of formal education, initiatives on the environment more and more come from young

people, as well as the possibility of interdisciplinary cooperation in both physical and digital space were the subjects of the conference. Curiosity and NEP students' desire to openly discuss these subjects that are important for the broader community speaks volumes on young people's desire to recognize the challenges and find proper solutions.

ARE YOU FOR NELT IT?

In 2019, Nelt began a program of IT scholarships for four different profiles: developer, business analyst, SAP and operations. The program is intended for ambitious students from five faculties- FON, PMF, ETF, Faculty of Machine Engineering and Comtrade IT Academy who wants to improve their knowledge in the working environment. The participants of the program were provided with scholarships, 20 hours of work per week, work with mentors and work on the company's projects.

Applications were received in May and thanks to a successful campaign that included visits to faculties, promotions at career fairs, and on social media, 250 candidates applied. Following the selection process, 24 candidates were invited for an assessment and 12 of them participated in the final interviews. The best four candidates joined Nelt's IT team three months after the program was announced.

Are **YOU**
for Nelt **IT**?



WHAT STUDENTS HAD TO SAY

Jovana Terzic, Developer student: Get out of your comfort zone and take a step towards perfecting and developing your abilities.

Aleksandra Gajic, Business Analysis student: The most important thing is to be interested in the job you're doing. When that is the case, you can learn a lot from Nelt mentors.

Dusan Mladenovic, SAP team: Nelt is a system with many dynamic projects. It offered me a chance to be in real-life situations that you cannot expect in faculty.

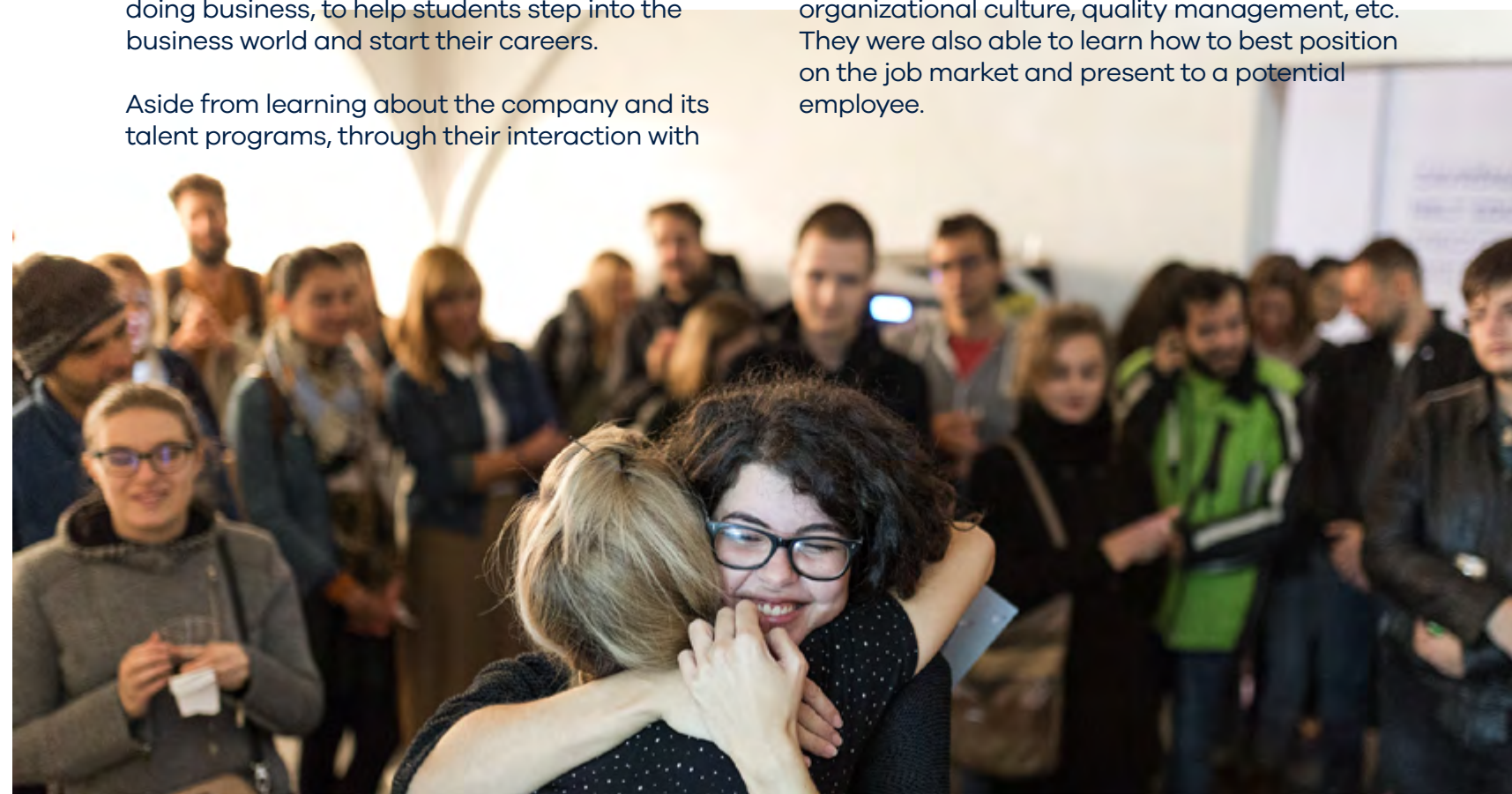
Luka Navijalic, Operations student: The program gave me new knowledge, work experience, new friends and a chance to show my potential.

COOPERATION WITH UNIVERSITIES

Over the past years, Nelt Group companies have been dedicated to cooperation with various educational institutions in the countries they are doing business, to help students step into the business world and start their careers.

Aside from learning about the company and its talent programs, through their interaction with

employees, students had the chance to upgrade their knowledge participate in expert lectures and learn about sales and negotiation skills, organizational culture, quality management, etc. They were also able to learn how to best position on the job market and present to a potential employee.



IN COUNCIL OF THE FACULTY OF ECONOMICS

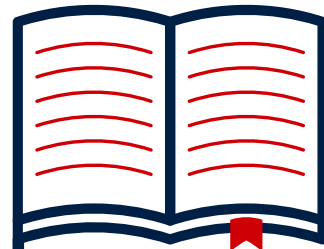
In 2019, the Faculty of Economics in Belgrade founded the Council of Employers, which should provide the faculty with information and advices on modern trends and situation on the labor market. Among nine Council members is Nikola Corsovic, Nelt Group Executive Director for Strategy and Transformation. The Council was established to improve the faculty curriculum and to harmonize students' competences with the needs of the modern market.

NELT BUSINESS LAB

The Lab, founded in November 2019, is designed as a month-long program that enables students from the Faculty of the Economy to work with mentors and receive advice for career planning. In December 2019, the participating students received certificates for the acquired knowledge and successfully completion of tasks set by the Nelt representatives through the Case Study.

Nelt Serbia also cooperates with the Faculty of Transport and Traffic Engineering, Faculty of Electrical Engineering, Faculty of Organizational Sciences Faculty for Finances and Administration in Belgrade, Faculty of Mechanical Engineering in Belgrade and Kraljevo. In Montenegro, cooperation was established with Pharmaceutical, Machine Engineering, and Faculty of Economics. In North Macedonia Nelt cooperates with Machine, Electro-technical and Economic Faculty, while in Bosnia and Herzegovina it works with Sarajevo University's Faculty of Economy.

Together with faculties, Nelt Group organizes lectures and training, company visits and student practice through which students receive practical knowledge on how a large business system works, especially sales, trade, logistics, accountant and finance sector, as well as a pharmaceutical business. The students are introduced to all aspects of modern and successful business and have an opportunity to develop themselves professionally within the company.



STUDENTS FROM FACULTY OF TRANSPORT AND TRAFFIC ENGINEERING VISITED NELT'S DISTRIBUTION & LOGISTICS CENTER

Nelt welcomed students of the third and fourth year of the Faculty of Transport and Traffic Engineering. Sixty students spent a day in Dobanovci where they had a chance to learn about Nelt's key business processes. Students learned about Nelt's strategy, markets, organization, values, and promo activities. Also, logistics was in the focus of the visit, as well as new technologies that contribute to more efficient business and save money and the importance of container terminal.

Students were given advice they can use when preparing for a job interview, information on the process of selection and in the end, a simulation of a job interview was held. Students visited the intermodal terminal and one of Nelt's warehouses where they learned about new technologies, work processes, supply chain, storage planning.

40 STUDENTS FROM TEXAS VISITED NELT

The University of Texas contacted Nelt with a desire to send 40 of its students to visit Nelt Serbia. While searching for answers regarding advanced business systems in Serbia, students learned of Nelt and were interested in the company's work. That is why, during their one month tour of Balkans, they stopped in Serbia and visited Nelt.

NELT PARTICIPANT OF THE PANEL "LOGISTICS-BUSINESS STARTER"

During the Day of the Faculty of Economics in Belgrade in March 2018, a panel discussion "Logistics as a business starter" was held.

Nelt representative Ivan Milicevic, Logistics Manager, was one of the participants. He introduces company's success in the field of logistics to students and pointed out to key factors in logistics development – digitalization and automatization of business processes (ERP SAP), storage (WMS Gold and Pick by Voice), business excellence (AEO, QMS, HACCAP), regionalization and internationalization of business (cooperation with COSCO, CMA CMG, DACHER), the introduction of new services in the region (first private intermodal terminal in Belgrade, united transport in temperature regime), expansion of logistics' capacities (Halls in Belgrade and Sarajevo).

While speaking about new technological trends within the logistics industry he singled out the Internet of Things and blockchain as an influential factor in supply chains. He also commented on the better implementation of global transport trends in the Western

Balkans – COSCO activities through Pireaus port, as well as additional connecting of Belgrade with Koper and Rijeka ports, and the transcontinental train from Changsha in China to Budapest.

As a global trend, he pointed out that companies engaged in production or marketing are focused on their core business, and that they leave logistics or some parts of it to logistics companies, thus achieving greater efficiency, better quality and lower operating costs.

LETTER OF RECOGNITION FROM THE FACULTY OF MECHANICAL ENGINEERING

During the 71st anniversary of the Faculty, Nelt received a letter of recognition for longterm cooperation and joint work on a project of building a contemporary logistics-process facility.

"Faculty of Mechanical Engineering was always a synonym for the cooperation of science and commerce which is why this cooperation is one of our strategic priorities," said the president of faculty's Council, prof. dr. Vlada Gasic.

On behalf of Nelt, Ljubomir Jovanovic, Nelt Group Maintenance Manager and former student of the Faculty received the letter. "Our cooperation over the past years was very positive. The students visited our headquarter in Dobanovci and learned of contemporary business processes and advanced technologies we use. Also, Nelt's logistics department worked with professors from this faculty on the joint contemporary logistics-

COOPERATION WITH EDUCATIONAL INSTITUTIONS IN MONTENEGRO

High school students visited Montenomaks

Montenomaks C&L supports young people with organized visits to the company's facilities. Second and third-grade of high-school students who attend shipping and customs study program and their professors spent a day within the company and learned more about the company customs center and shipping procedures.

Neregelia on marketing and consumer understanding at Faculty of Economics

Neregelia portfolio manager Ugljesa Vujovic was a guest lecturer on several occasions in 2018 and 2019 at the Faculty of the Economy in Podgorica. One of his most popular lectures was on the subject of "Marketing and understanding of consumers." He briefed the students on relations between principals and distributors in the Marketing department, ATL/BTL marketing tools of principals/distributors, 4P marketing mix, distributors experiences. He also presented activities that boost product demand and pointed out the best ways to implement practical knowledge in real-life situations.

process facility. In line with our strategy of long-term and sustainable development, we will continue our cooperation," he said.

COOPERATION AGREEMENT WITH FACULTY OF ECONOMICS IN SARAJEVO

Nelt in Bosnia and Herzegovina and Faculty of the Economics in Sarajevo signed a cooperation agreement in 2018, as an extension of previous successful activities such as Career and Entrepreneurship Opportunities conference and numerous practical training for students. Nelt day was organized following the signing ceremony during which students and professors were able to learn of the company's work.

COOPERATION BETWEEN NELT AND FACULTY OF ECONOMICS IN SKOPJE

At the 69th anniversary ceremony of Faculty of Economics in Skopje in 2019 Aleksa Saponjic, a Member of Shareholders' office and Project Manager at Nelt Group awarded the best students and signed a memorandum of cooperation between Nelt Group and Faculty of the Economy at the University Kiril and Metodij. "We are opening the door to students to enable them to discover the practical side of the business and

motivate them to start their careers in stable systems like Nelt," said Aleksa.

The goal is to provide students with an opportunity to learn and develop their skills. "Our students can be excellent candidates for Nelt company. That is the long-term perspective of this cooperation," said dean Predrag Trpeski.

As a result of huge contribution and encouragement in projects focused on education and in innovative culture projects, Nelt Group was the recipient of Business Partner Plus 2019 award for "Highest level of social responsibility and care for the local community."

Mass Media company has been giving the Business Partner award since 1995, under the

slogan "In business, as in life, a partner is most important." The aim is to promote companies and institutions with high professional standards, ethical norms, social responsibility, care for employees, and excellent business results.

HELP AND SUPPORT OF ENDANGERED GROUPS

Activities in supporting and helping underprivileged categories of society are focused on improving the living conditions of the youngest through donation and long-term cooperation with organizations that have been systematically caring for the wellbeing of the children.

One of the organizations Nelt Group companies support in Serbia and Bosnia & Herzegovina is „SOS Children's Villages", an organization that through various programs cares for children without parents. Cooperation in Bosnia and Herzegovina began in 2016 and aside from help through money and goods, it also includes joint work on the SOS program for young "YES Center". The purpose of the project is to provide young people with skills and knowledge and thus secure them a long-term economic perspective and social integration. By the end

of 2019, "SOS Children's Villages" in Bosnia & Herzegovina awarded Nelt with a letter of appreciation for their partnership in programs for children without parents.

In Serbia, the support is provided through the „Strong Youth Center" established by the „SOS Children's Villages ". Experts from the Nelt Human Resources department are helping in setting up simulations of job interviews for protegees of the center. During the "Children's day 2019" event, Nelt promoted activities of „SOS Children's Villages" and parents had an opportunity to donate food, cosmetics, clothes, and learn about the activities and ways to support the children.

NELT AND BINGO TOGETHER FOR CHILDREN FROM SOS FAMILIES

Joint humanitarian campaign of Nelt and Bingo companies "Glade – joint magic in every home" was organized to secure donations for ski school and horse therapy for children from Sarajevo's SOS village.

Thanks to the donation, children from 15 families in Sarajevo had a magical winter.



NELT IN UNICEF BUSINESS COUNCIL

By the end of 2019, Unicef Serbia organized a Business council that will, in cooperation with the business community, work on greater implementation and recognition of children's rights. One of the members is Milica Socanac from Nelt Group. While relying on their business experience, council members are expected to provide guidelines for creating a strategy

for greater participation of the business sector in the improvement of children's position and promotion of their rights.

By mid-2019, members of the Autism Association in Kragujevac received a donation of Oral B toothbrushes. Donation from Nelt and P&G companies was intended to make oral hygiene easier for people with autism as it represents one of the major obstacles in their everyday activities. Electrical toothbrush is the best possible way to protect oral health and does not require manual capacities while

brushing teeth which makes oral hygiene much easier for people with autism who are mostly unresponsive, hyperactive, anxious and have a short attention span.

Nelt Group companies also support the elderly, socially vulnerable people. At the beginning of 2019, Neregelia joined the humanitarian event "Who doesn't have – here we are" organized by the Foundation of Montenegrin volunteers. The goal was to help socially deprived families in Montenegro through donations of food and necessities.

SOCIALLY RESPONSIBLE ACTIVITIES IN NORTH MACEDONIA

For the past few years, Nelt has been taking part in local humanitarian activities. Within the Easter initiative of the municipality of Ilinden "Give a book for an Easter egg" Nelt donated book to the municipal library. Three valuable books –one lexicon and two dictionaries were given to the library.

The company participated in the third "Run to Down" race for people suffering from Down syndrome. Employees in Nelt prepared symbolic gifts with products from the Nelt portfolio and that way showed their support.

MONTENOMAKS HELP COLLECT SCHOOL SUPPLIES FOR CHILDREN

Every September when the school starts children from poor families in Montenegro get their school supplies through an initiative "Share because together we can do more". "Parents" association has been organizing this event for eight years and it is a unique opportunity for companies to help schoolchildren. Among the companies that support this initiative is Montenomaks. Donations in the form of notebooks, pencils, school

bags, wardrobe, shoes were given to the children participants of the learning project Ucionice Druzionice and services the Association manages through the Development Center. Donations were also given to children from single-parent homes and poor families that the Association has a record of. In the past two years, 800 schoolchildren from various parts of Montenegro received a donation.

ENVIRONMENTAL RESPONSIBILITY

NELT GROUP RECOGNIZES THE ENVIRONMENT AS A LONG-TERM STRATEGIC GOAL WHICH IS WHY WITHIN ITS QUALITY MANAGEMENT IT CONSTANTLY DEVELOPS THE ENVIRONMENT MANAGING SYSTEM

Priorities have been defined – rational use of natural resources as well as regular and integrated activities and the use of selected technology, equipment and materials that reduce the pollution and damaging effects on the environment.

Nelt Group implemented series of initiatives to reduce the emission of greenhouse gases, and especially waste management and promotion of this business segment within business associations.

TRANSPORT

Considering the nature of basic activities, the greatest impacts on the environment are realized through transport - international and domestic.

Domestic transport of goods is performed by a fleet of over 400 vehicles, with different cargo temperature regimes. All vehicles are equipped with GPS, and the organization, control and monitoring of entire transport and delivery routes are organized through modern software solution for transport organization and optimization. Routing for a complete delivery fleet is done through dynamic routing software within Sky Track system that receives data from ERP (SAP) based on which optimal delivery routes are calculated.

Internationally, Nelt manages a fleet of different types of transport vehicles – 20 tow trucks and 26 semi-trailers with a capacity of 24t. That way clients' goods are delivered to their buyers in Central and Southeastern Europe in a timely and precise manner. All vehicles have GPS and the organization and control of delivery routes are done through modern software solutions for organization and optimization of this type of transport.

Nelt Group companies, when purchasing new vehicles, go for the most optimal choice in terms of capacity and business needs. In Serbia in 2017, an Eco driving project was implemented under which drivers with the most economic style of driving are rewarded and in 2019, this project spread to other markets. In Serbia, the Eco Driving project was implemented in 2017, where drivers with the most economical driving style are awarded, and in 2019, this project was applied in other markets as well.



PETROLEUM CONSUMPTION PER MARKET (GJ)

2018.	PETROL	DIESEL	LPG	CNG	TOTAL
SERBIA	8,321	53,036	34,171	781	96,309
MONTENEGRO	217	13,255	0	0	13,472
Neregelia	0	8,971	0	0	8,971
Montenomaks C&L	217	4,284	0	0	4,502
BOSNIA & HERZEGOVINA	467	17,163	2,119	0	19,749
NORTH MACEDONIA	526	12,194	1,161	0	13,881
TOTAL	10,279	96,195	37,609	781	144,864

2019.	PETROL	DIESEL	LPG	CNG	TOTAL
SERBIA	9,520	56,751	38,444	1,206	105,921
MONTENEGRO	208	13,941	0	0	14,148
Neregelia	0	9,672	0	0	9,672
Montenomaks C&L	208	4,268	0	0	4,476
BOSNIA & HERZEGOVINA	676	17,045	2,395	0	20,116
NORTH MACEDONIA	474	10,044	1,071	0	11,590
TOTAL	9,944	98,267	36,364	785	145,360

Nelt Group is constantly monitoring the market of vehicles with alternative drives and assessing its potential performance on company goals regarding the environment. In 2015 in Serbia, the implementation of vehicles using Compressed Natural Gas (CNG) began in order to test this alternative fuel and thus secure cleaner, safer and cheaper transport. Even though it is a fossil fuel, it is the purest type of fuel. The products of burning natural gas – methane- are carbon dioxide and water fume, compared to other fuels that have a high percentage of carbon, nitrogen-oxide,

sulfur-dioxide that are damaging to Earth’s atmosphere. So far Nelt fleet has 17 vehicles with CNG drive – 15 for field sale and 2 cargo vehicles introduced in 2019. With better infrastructure for supplying this type of fuel, the number of these vehicles will grow.



The usage of Liquid Petroleum Gas (LPG) since 2004 for all field sale vehicles proved effective in the reduction of carbon imprint of the company. That is why since 2018 this type of fuel is tested for delivery vehicles as well. Electric vehicles were also an option

but for now, there aren’t enough chargers for these vehicles that would enable normal delivery and sale system. Also, electric vehicles available do not suit the company’s needs when it comes to delivery capacity.

ENERGY

Rational use of unrenewable energy resources is an integral part of the strategy and everyday processes and activities of all Nelt Group companies. With transport, a significant energy consumption comes from using natural gas for heating and from the consumption of electricity. In 2018 and 2019 Nelt Group began using infrastructure in which it invested 15 million euros – “smart warehouses” in one

of distribution-logistics center in Dobanovci (Serbia) and East Sarajevo (Bosnia and Herzegovina). The facilities on both locations are built using new technologies that enable optimization and energy-saving and monitoring the processes within the facility.

The introduction of the SCADA system in 2015 contributed to the optimization of gas consumption and the reduction of energy costs. To further optimize and improve these processes, the SCADA system was improved with smart devices and sensors which further help reduce carbon imprint of the company. Systems that independently monitor internal and external temperatures were connected to decide when to activate certain systems. This resulted in saving energy for heating, cooling

and ventilation in warehouses. The system was so perfected it can use air from the outside to secure desired conditions in the warehouse. Temperature and humidity sensors were set up for the system to report on using table form of measurement. Selected employees within Nelt Group receive SMS notifications in case of an emergency.

NATURAL GAS CONSUMPTION FOR HEATING

	amount (m³)	amount (m³)	GJ	GJ
SERBIA	2018.	2019.	2018.	2019.
BELGRADE	386,351	344,889	14,387	12,843
KRALJEVO	18,238	16,746	679	623
NIS	29,561	32,155	1,101	1,197
NOVI SAD	1,000	1,000	37	37
SUBOTICA	1,100	1,100	41	41
BOR	0.00	0.00	0.00	0.00
UZICE	0.00	0.00	0.00	0.00
xDOCK	0.00	0.00	0.00	0.00
TOTAL	436,259	395,890	16,245	14,741

ENERGY MANAGERS’ TRAINING IN SERBIA

Serbian Chamber of Commerce within „EUREM Next 2019” project organized training for energy managers in the period March–September 2019. Among 17 participants Nelt had its representative. The program is designed for middle and large companies with energy consumption of over 4,000MWh. The goal was to improve the knowledge and skills of employees, who already have experience in the field of energy, so that they can recognize the potentials for optimization of

energy processes in their companies and help reduce business costs. Trainees were able to analyze current energy balance and make argument-based decisions to improve energy efficiency and implement renewable energy sources.

FIREWOOD CONSUMPTION FOR HEATING BOSNIA & HERZEGOVINA

	kWh	GJ
2018.	665,833	2,397
2019.	682,778	2,458

In the second half of 2019, a new hall in East Sarajevo was opened. To heat this hall, a heating system using energy-efficient fuel – pellet was introduced which

PETROL CONSUMPTION FOR HEATING NORTH MACEDONIA

	kWh	GJ
2018.	101,341	365
2019.	163,413	588

contributing to the preservation of the environment.

ELECTRICITY CONSUMPTION

	kWh	kWh	GJ	GJ
MARKET	2018.	2019.	2018.	2019.
SERBIA	6,687,861	7,856,751	24,076	28,284
MONTENEGRO	870,052	747,450	3,132	2,691
Neregelia	571,202	500,300	2,056	1,801
Montenomaks C&L	298,850	247,150	1,076	890
BOSNIA & HERZEGOVINA	1,036,081	1,244,158	3,730	4,479
NORTH MACEDONIA	626,670	530,058	2,256	1,908
TOTAL	9,220,664	10,378,417	33,194	37,362

ENERGY CONSUMPTION

SERBIA - NELT CO	2018. (GJ)	2019. (GJ)
PETROLEUM PRODUCTS - GAS	34,171	38,444
PETROLEUM PRODUCTS - PETROL	8,321	9,520
PETROLEUM PRODUCTS - DIESEL	53,036	56,751
PETROLEUM PRODUCTS FOR HEATING	0	0
CNG	781	1,206
PETROLEUM PRODUCTS - TOTAL	96,309	105,921
NATURAL GAS FOR HEATING	16,245	14,741
FIREWOOD FOR HEATING	0	0
ELECTRIC ENERGY	24,076	28,284
ELECTRIC ENERGY SOLD	-14,718	-17,214
HEATING ENERGY SOLD	-9,196	-8,235
TOTAL	112,716	123,497

The increase in the total energy consumption of Nelt in Serbia in 2019 compared to 2018 was due to the expansion of logistics operations with the introduction of new customers, an increase in the number of vehicles used in field sales and the commissioning of a new 16,000 m² Hall.

BOSNIA & HERZEGOVINA - NELT	2018. (GJ)	2019. (GJ)
ETROLEUM PRODUCTS - GAS	2,119	2,396
PETROLEUM PRODUCTS - PETROL	467	676
PETROLEUM PRODUCTS - DIESEL	17,163	17,044
PETROLEUM PRODUCTS FOR HEATING	0	0
CNG	0	0
PETROLEUM PRODUCTS - TOTAL	19,749	20,116
NATURAL GAS FOR HEATING	0	0
FIREWOOD FOR HEATING	2,397	4,618
ELECTRIC ENERGY	3,730	2,458
ELECTRIC ENERGY SOLD	-610	-610
HEATING ENERGY SOLD	0	0
TOTAL	25,266	26,582

MONTENEGRO - NEREGELIA	2018. (GJ)	2019. (GJ)
PETROLEUM PRODUCTS - GAS	0	0
PETROLEUM PRODUCTS - PETROL	0	0
PETROLEUM PRODUCTS - DIESEL	8,971	9,672
PETROLEUM PRODUCTS FOR HEATING	0	0
CNG	0	0
PETROLEUM PRODUCTS - TOTAL	8,971	9,672
NATURAL GAS FOR HEATING	0	0
FIREWOOD FOR HEATING	0	0
ELECTRIC ENERGY	2,056	1,801
ELECTRIC ENERGY SOLD	0	0
HEATING ENERGY SOLD	0	0
TOTAL	11,027	11,473

MONTENEGRO - MONTENOMAKS C&L	2018. (GJ)	2019. (GJ)
PETROLEUM PRODUCTS - GAS	0	0
PETROLEUM PRODUCTS - PETROL	217	208
PETROLEUM PRODUCTS - DIESEL	4,284	4,268
PETROLEUM PRODUCTS FOR HEATING	0	0
CNG	0	0
PETROLEUM PRODUCTS - TOTAL	4,502	4,476
NATURAL GAS FOR HEATING	0	0
FIREWOOD FOR HEATING	0	0
ELECTRIC ENERGY	1,076	890
ELECTRIC ENERGY SOLD	0	0
HEATING ENERGY SOLD	0	0
TOTAL	5,578	5,366

*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.

NORTH MACEDONIA – NELT ST	2018. (GJ)	2019. (GJ)
PETROLEUM PRODUCTS - GAS	1,161	1,071
PETROLEUM PRODUCTS - PETROL	526	475
PETROLEUM PRODUCTS - DIESEL	12,194	10,044
PETROLEUM PRODUCTS FOR HEATING	365	588
CNG	0	0
PETROLEUM PRODUCTS - TOTAL	14,247	12,178
NATURAL GAS FOR HEATING	0	0
FIREWOOD FOR HEATING	0	0
ELECTRIC ENERGY	2,256	1,908
ELECTRIC ENERGY SOLD	0	- 364
HEATING ENERGY SOLD	0	0
TOTAL	16,503	14,450

NELT GROUP****	2018. (GJ)	2019. (GJ)
PETROLEUM PRODUCTS - GAS	37,451	41,911
PETROLEUM PRODUCTS - PETROL	9,531	10,879
PETROLEUM PRODUCTS - DIESEL	95,648	97,779
PETROLEUM PRODUCTS FOR HEATING *	365	588
CNG **	781	1,206
PETROLEUM PRODUCTS - TOTAL	143,777	152,363
NATURAL GAS FOR HEATING	16,245	14,741
FIREWOOD FOR HEATING – PELLETS ***	2,397	4,618
ELECTRIC ENERGY	33,194	35,341
ELECTRIC ENERGY SOLD	-15,328	-18,188
HEATING ENERGY SOLD	-9,196	-8,235
TOTAL	171,088	180,639

*Just North Macedonia

**Just Serbia

***Just Bosnia and Herzegovina

**** The data processed in this report in the context of the term Nelt Group are taken from the markets that are the scope of this reporting - Serbia, Montenegro, North Macedonia, 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 energy efficiency of the company through the necessary amount of energy for the product unit (m3, t). Energy intensity is calculated by

dividing total energy consumption with the product unit represented in cubic meters and tonnes.

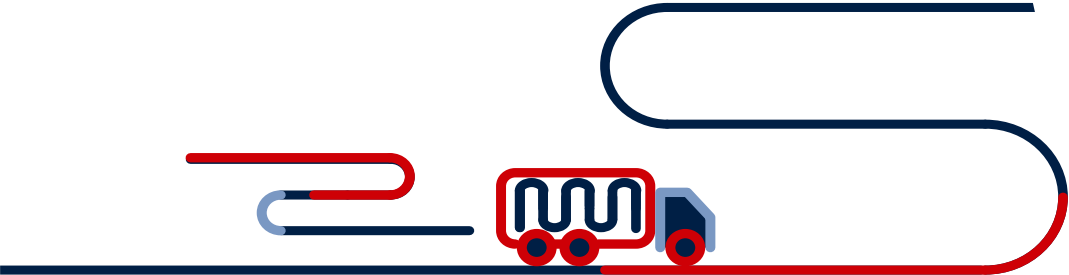
SERBIA - NELT CO	2018.	2019.
TOTAL ENERGY CONSUMPTION (GJ)	112,716	123,497
TOTAL WEIGHT OF DISTRIBUTED GOODS in t	194,488	236,921
TOTAL CUBAGE OF DISTRIBUTED GOODS in m³	608,669	696,133
ENERGY INTENSITY (GJ/t)	0.58	0.52
ENERGY INTENSITY (GJ/m³)	0.18	0.17

MONTENEGRO - NEREGELIA	2018.	2019.
TOTAL ENERGY CONSUMPTION (GJ)	11,027	11,473
TOTAL WEIGHT OF DISTRIBUTED GOODS in t	8,682	9,108
TOTAL CUBAGE OF DISTRIBUTED GOODS in m³	25,182	24,457
ENERGY INTENSITY (GJ/t)	1.27	1.25
ENERGY INTENSITY (GJ/m³)	0.43	0.46

MONTENEGRO - MONTENOMAKS C&L	2018.	2019.
TOTAL ENERGY CONSUMPTION (GJ)	5,578	5,366
TOTAL WEIGHT OF DISTRIBUTED GOODS in t	4,932	5,401
TOTAL CUBAGE OF DISTRIBUTED GOODS in m³	59,720	66,550
ENERGY INTENSITY (GJ/t)	1.13	0.99
ENERGY INTENSITY (GJ/m³)	0.09	0.08

BOSNIA & HERZEGOVINA - NELT	2018.	2019.
TOTAL ENERGY CONSUMPTION (GJ)	25,266.28	26,443.30
TOTAL WEIGHT OF DISTRIBUTED GOODS in t	15,936.78	21,098.86
TOTAL CUBAGE OF DISTRIBUTED GOODS in m³	49,268.81	60,225.75
ENERGY INTENSITY (GJ/t)	1.59	1.25
ENERGY INTENSITY (GJ/m³)	0.51	0.44

NORTH MACEDONIA - NELT ST	2018.	2019.
TOTAL ENERGY CONSUMPTION (GJ)	16,503	13,722
TOTAL WEIGHT OF DISTRIBUTED GOODS in t	11,551	8,458
TOTAL CUBAGE OF DISTRIBUTED GOODS in m³	36,394	24,505
ENERGY INTENSITY (GJ/t)	1.43	1.62
ENERGY INTENSITY (GJ/m³)	0.45	0.55



DIRECT EMISSIONS

Greenhouse gas emissions (GHG) heat the Earth by absorbing energy and reducing the speed the energy is released in the universe. Global warming potential (GWP) was developed to predict the effects of global warming of different gases.

GWP compares the amount of heat trapped by a certain mass of the gas in question to the amount of heat trapped by a similar mass of carbon. The greater the GWP the more certain gas heats the Earth compared to CO₂.

SERBIA - NELT CO

2018.	CO ₂ T	CH ₄ T	N ₂ O T	GWP
M1	174,059	0.0173	0.01	17,409
M3	1,590	0.0005	0.0004	1,591
N1	40,061	0.4109	0.37	40,182
N2	16,578	0.02.45	0.02	16,585
N3	16,615	0.0076	0.01	16,617
Manipulation equipment	1,266	0.0035	0.00.36	1,266
TOTAL				93,650
2019.	CO ₂ T	CH ₄ T	N ₂ O T	GWP
M1	18,911	0.0814	24.2700	18,921
M3	435	0.0003	0.2400	435
N1	44,249	1.2958	1.7513	44,803
N2	220,252	0.1593	0.0397	22,041
N3	15,243	0.0106	9.9900	15,247
Manipulation equipment	1,448	0.0017	0.0009	1,449
TOTAL				102,896

MONTENEGRO - NEREGELIA

2018.	CO ₂ T	CH ₄ T	N ₂ O T	GWP
M1	1,310	0.0005	0.0009	1,310
N1	4,244	0.0032	0.0048	4,244
N2	3,379	0.0045	0.0043	3,379
N3	173	0.0002	0.0002	173
TOTAL				9,105
2019.	CO ₂ T	CH ₄ T	N ₂ O T	GWP
M1	1,314	0.0005	0.0009	1,314
N1	4,412	0.0032	0.0047	4,412
N2	3,236	0.0041	0.0039	3,236
N3	631	0.0005	0.0005	631
TOTAL				9,593

MONTENEGRO - MONTENOMAKS C&L

2018.	CO ₂ T	CH ₄ T	N ₂ O T	GWP
M1	572	0.0011	0.0006	572
N1	2,308	0.0011	0.0017	2,308
N2	1,848	0.0032	0.003	1,848
TOTAL				4,729
2019.	CO ₂ T	CH ₄ T	N ₂ O T	GWP
M1	569	0.0012	0.0006	569
N1	2,383	0.0012	0.0018	2,383
N2	1,719	0.0027	0.0026	1,719
TOTAL				4,671

*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
*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

BOSNIA & HERZEGOVINA - NELT

2018.	CO ₂ T	CH ₄ T	N ₂ O T	GWP
M1	3,044	0.003	0.003	3,045
N1	9,261	0.031	0.010	9,265
N2	6,323	0.009	0.008	6,326
N3	2,142	0.001	0.001	2,142
TOTAL		0.045	0.022	20,780
2019.	CO ₂ T	CH ₄ T	N ₂ O T	GWP
M1	2,986.8071	0.003	0.003	2,987
N1	8,546.7458	0.037	0.011	8,550
N2	7,329.9860	0.010	0.010	7,333
N3	2,278.5291	0.002	0.002	2,279
TOTAL				21,150

NORTH MACEDONIA - NELT ST

2018.	CO ₂ T	CH ₄ T	N ₂ O T	GWP
M1	1,715	0.003	0.004	1,716
N1	3,872	0.033	0.053	3,888
N2	4,876	0.006	0.006	4,878
N3	3,232	0.003	0.002	3,233
TOTAL				13,715
2019.	CO ₂ T	CH ₄ T	N ₂ O T	GWP
M1	1,452	0.002	0.003	1,453
N1	3,238	0.033	0.055	3,255
N2	3,956	0.005	0.005	3,957
N3	2,761	0.002	0.002	2,761
TOTAL				11,426

GWP - PETROLEUM PRODUCTS USED BY VEHICLES

MARKET	GWP 2018.	GWP 2019.
SERBIA	93,650	102,896
MONTENEGRO	13,834	14,264
Neregelia	9,105	9,593
Montenomaks C&L	4,729	4,671
BOSNIA & HERZEGOVINA	20,780	21,150
NORTH MACEDONIA	13,715	11,426
TOTAL	141,979	149,736

GWP - NATURAL HEATING GAS

SERBIA	CO ₂ (T)	CH ₄ (T)	N ₂ O (T)	GWP
2018.	395	0.00	0.00	395
2019.	365	0.00	0.00	365

GWP - FIREWOOD AND PELLET

BOSNIA & HERZEGOVINA	CO ₂ (T)	CH ₄ (T)	N ₂ O (T)	GWP
2018.	11,791.14	0.91	0.45	11,498
2019.	11,762.41	0.90	0.45	11,919

TOTAL GLOBAL WARMING POTENTIAL

NELT GROUP	2018.	2019.
GWP - PETROLEUM PRODUCTS	141,979	149,736
GWP - NATURAL GAS	395	365
GWP - FIREWOOD AND PELLET	11,498	11,919
TOTAL	153,872	162,020



INDIRECT GAS EMISSIONS

Indirect gas emissions are a result of acquired electricity that comes from power plants and hydro plants.

The former uses unrenewable sources of energy while the later use renewable sources of energy.



THE SHARE OF RENEWABLE ENERGY SOURCES IN ELECTRICITY CONSUMPTION

SERBIA - NELT CO	2018. (%)	2018. (GJ)	2019. (%)	2019. (GJ)
RENEWABLE SOURCES	33.55%	3,140	33.55%	3,714
NONRENEWABLE ENERGY SOURCES	66.45%	6,218	66.45%	7,356

MONTENEGRO - NEREGELIA	2018. (%)	2018. (GJ)	2019. (%)	2019. (GJ)
RENEWABLE SOURCES	58.56	1,204	61.39	1,106
NONRENEWABLE ENERGY SOURCES	41.44	852	38.61	695

MONTENEGRO - MONTENOMAKS C&L	2018. (%)	2018. (GJ)	2019. (%)	2019. (GJ)
RENEWABLE SOURCES	58.56	630	61.39	546
NONRENEWABLE ENERGY SOURCES	41.44	446	38.61	344

BOSNIA & HERZEGOVINA - NELT	2018. (%)	2018. (GJ)	2019. (%)	2019. (GJ)
RENEWABLE SOURCES	40.65	1,268	40.65	1,573
NONRENEWABLE ENERGY SOURCES	59.35	1,852	59.35	2,296

NORTH MACEDONIA - NELT ST	2018. (%)	2018. (GJ)	2019. (%)	2019. (GJ)
RENEWABLE SOURCES	36.38	821	35.90	554
NONRENEWABLE ENERGY SOURCES	63.62	1,435	64.10	990

ELECTRICITY GWP

SERBIA - NELT CO	2018.	2019.
TOTAL GJ	6,218	7,356
GWP Total	627	741

MONTENEGRO - NEREGELIA	2018.	2019.
TOTAL GJ	852	695
GWP Total	86	70

MONTENEGRO - MONTENOMAKS C&L	2018.	2019.
TOTAL GJ	446	344
GWP Total	45	35

BOSNIA & HERZEGOVINA - NELT	2018.	2019.
TOTAL GJ	1,852	2,296
GWP Total	187	232

NORTH MACEDONIA - NELT ST	2018.	2019.
TOTAL GJ	1,435	990
GWP Total	145	100

*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.



INDIRECT EMISSIONS (GWP)

NELT GROUP	2018.	2019.
SERBIA	627	741
MONTENEGRO	131	105
Neregelia	86	70
Montenomaks C&L	45	35
BOSNIA & HERZEGOVINA	187	232
NORTH MACEDONIA	145	100
TOTAL	1,445	1,606

THE INTENSITY OF GWP

The intensity of greenhouse gas emissions is calculated by dividing total gas emission with product units in cubic meters and tons. The

result is a measure of a company’s intensity emissions through product unit (m³, t)

SERBIA* - NELT CO

	2018.	2019.
DIRECT GAS EMISSIONS (GWP) *	93,650	102,896
INDIRECT GAS EMISSIONS (GWP) *	627	741
TOTAL WEIGHT OF DISTRIBUTED PRODUCTS in t	194,488	236,921
TOTAL CAPACITY OF DISTRIBUTED PRODUCTS in m³	608,669	696,133

GWP INTENSITY DIRECT	2018.	2019.
BY WEIGHT	0.48	0.43
BY VOLUME	0.15	0.14

GWP INTENSITY INDIRECT	2018.	2019.
BY WEIGHT	0.003	0.003
BY VOLUME	0.001	0.001

*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.

MONTENEGRO - NEREGELIA

	2018.	2019.
DIRECT GAS EMISSIONS (GWP) *	9,105	9,593
INDIRECT GAS EMISSIONS (GWP) *	86	70
TOTAL WEIGHT OF DISTRIBUTED PRODUCTS in t	8,682	9,108
TOTAL CAPACITY OF DISTRIBUTED PRODUCTS in m³	25,182	24,457

GWP INTENSITY DIRECT	2018.	2019.
BY WEIGHT	1.04	1.05
BY VOLUME	0.36	0.39

GWP INTENSITY INDIRECT	2018.	2019.
BY WEIGHT	0.009	0.007
BY VOLUME	0.003	0.002

MONTENEGRO - MONTENOMAKS C&L

	2018.	2019.
DIRECT GAS EMISSIONS (GWP) *	4,729	4,671
INDIRECT GAS EMISSIONS (GWP) *	299	230
TOTAL WEIGHT OF DISTRIBUTED PRODUCTS in t	4,932	5,401
TOTAL CAPACITY OF DISTRIBUTED PRODUCTS in m³	59,720	66,550

GWP INTENSITY DIRECT	2018.	2019.
BY WEIGHT	0.95	0.86
BY VOLUME	0.08	0.07

GWP INTENSITY INDIRECT	2018.	2019.
BY WEIGHT	0,06	0.04
BY VOLUME	0.005	0.003

BOSNIA & HERZEGOVINA - NELT

	2018.	2019.
DIRECT GAS EMISSIONS (GWP) *	32,278	33,070
INDIRECT GAS EMISSIONS (GWP) *	187	232
TOTAL WEIGHT OF DISTRIBUTED PRODUCTS in t	15,936	21,098
TOTAL CAPACITY OF DISTRIBUTED PRODUCTS in m³	49,269	60,226

GWP INTENSITY DIRECT	2018.	2019.
BY WEIGHT	2.02	1.56
BY VOLUME	0.65	0.55

GWP INTENSITY INDIRECT	2018.	2019.
BY WEIGHT	0.01	0.01
BY VOLUME	0.003	0.003

NORTH MACEDONIA - NELT ST

	2018.	2019.
DIRECT GAS EMISSIONS (GWP) *	13,715	11,426
INDIRECT GAS EMISSIONS (GWP) *	145	100
TOTAL WEIGHT OF DISTRIBUTED PRODUCTS in t	11,551	8,458
TOTAL CAPACITY OF DISTRIBUTED PRODUCTS in m³	36,394	24,505

GWP INTENSITY DIRECT	2018.	2019.
BY WEIGHT	1.18	1.35
BY VOLUME	0.37	0.46

GWP INTENSITY INDIRECT	2018.	2019.
BY WEIGHT	0.01	0.01
BY VOLUME	0.003	0.004

EMPLOYEES PROTECTING THE ENVIRONMENT

Since 2016 when Nelt Serbia began cooperating with Sekopak, the employees have been eager and ready to participate in collecting and separating packaging waste. Specifically tagged places for waste separation in office and other locations within Nelt, make it easier for employees to collect cardboard, paper, PET, metal and glass, separating them from other, unrecyclable waste. As a result, during the three years some 28,350kg of white paper, 1,600 kg of PET packaging, 112 kg of aluminum cans, 30 kg of glass were collected and separated. This waste and packaging waste created in storages is collected and pressed in the eco yard next to Hall 2 in Dobanovci.

In Montenegro, Neregelia and Montenomaks joined the lights-off event in 2019. Even though that was Montenomaks' third time to take part in the event, this was the first joint action and the companies plan to continue with such practice in the future. That same year, employees in Montenomaks C&L participated in the cleanup of archaeological site Duklja, near Podgorica. Some 100 bags of waste were collected and deposited. A year earlier, Montenomaks company

donated 330 seedlings and the employees helped plant forest Zlatica near Podgorica.

As a part of the MONTH OF VALUE event that employees from Nelt Bosna and Herzegovina created, October 2019 was the month of the longterm perspective and ended with afforestation initiative. Together with representatives of Sarajevo sume and Sume Istocni Stari Grad, they planted 350 seedlings on Trebevic. In this way, Nelt employees have once again shown that they understand the needs of the community and the willingness to carry out activities related to socially responsibility.



INITIATIVES FOR REDUCING ENERGY CONSUMPTION

SMART WAREHOUSES

Nelt Group's strategic decision was to work on optimization of energy consumption, in line with the business standards. The use of 15 million euros worth infrastructure began in 2018 and 2019. That includes "Smart Warehouses", one in the central distribution and logistics center in Dobanovci (Serbia) and the other in East Sarajevo (Bosnia and Herzegovina). The basic idea of a smart warehouse is to optimize resources through the design of technological processes of transport and storage. This means a well-used volume of space for storage of goods and a well-planned flow of goods through the warehouse. This concept is upgraded by choosing adequate equipment to ensure a high level of energy efficiency.

Both warehouses are equipped with state of the art LED lights with automatic switching on in the worker presence and dim in case there is no movement or strong daylight in the space. Control and management of temperature in the warehouse is done by choosing energy efficient heating solutions, air conditioning and ventilation. Management of all systems is provided by smart devices, and they are connected to the company's central SCADA system for parameter monitoring and remote control.



CONTINUED APPLICATION OF LED LIGHTING

One of Nelt Group's initiatives regarding the reduction of energy use was the introduction of LET technology lights. Over the past few years, lights in several locations in Serbia and Bosnia and Herzegovina were changed.

In October 2018, lights changing were completed in the Central Distribution-Logistics Center in Dobanovci. New solutions were implemented in parks and on the poles that light the complex in Dobanovci. LED lights, apart from cost-saving, also have a possibility of managing and dimming the lights depending on the time of night and thus additionally saving money and energy.

Nelt ST company in North Macedonia changed old lights in two storages and outside the complex in Skoplje, in June 2019. The investment was worth 60,000 euros and it met the goals of energy-saving and at the same time met the minimum criteria for enlightening the entire complex. In Montenegro, Montenomaks C&L through planned investment moved to LET technology in storage and outside lights in its complex in Danilovgrad in 2019. Demands were met and the functionality of the system was enhanced. Neregelia finished installing new technology in 2019, First results showed that the investment worth 25,000 euros provided excellent results in energy savings and illuminating the entire storage space.

IMPROVING THE SCADA SYSTEM

Nelt Group continued with the development of smart devices in its locations during the period this report is focused on. The focus in 2018 and 2019 was on building and connecting voltage analytics on the SCADA system in Dobanovci. These devices can record and report on active power as well as used active and reactive energy. This way parameters can be monitored remotely and thus influence the optimization of used electric energy. By analyzing the profile of usage it is possible to reduce the consumption of electric energy in work processes and recognize which devices are the biggest spenders. Energy consumption is planned in all new investments and will be part of the project of improving energy efficiency in other locations. It is also planned to begin measuring and activation of data on the use of natural gas for heating.





DELIVERY OPTIMIZATION THROUGH CROSS DOCK LOCATIONS

The opening of cross-dock locations from 2016 to 2019 resulted in lower fuel consumption and CO₂ emissions. The goods are transported from regional centers to cross docks where smaller vehicles deliver them to costumers. This “bridge” from the regional distribution center to cross docks and the buyers reduces the number of delivery vehicles, enhances the efficiency of suppliers, reduces fuel

consumption. In Serbia, distribution is done through cross docks in Sabac, Pozarevac, Pancevo, Valjevo, Zrenjanin, Kragujevac, Vranje. In Bosnia and Herzegovina, cross docks are located in Mostar and Bihac and North Macedonia in Strumica. In Montenegro, a cross-dock in Bijelo Polje is operating since 2018.

WASTE

All Nelt Group companies are implementing waste management initiatives in line with waste management regulations. The goal is to reduce the waste that is a result of the company’s business activities. Also, by promoting recycling and systematic management of packaging waste, Nelt raises the standards in the distribution departmentas well as in overall business.

In Serbia, 2016 was marked by cooperation with Sekopak that became Nelt’s operator in packaging waste management. The goal of this collaboration is efficient

sorting and preparing packaging waste for further recycling and thus protecting the environment.

In Bosnia and Herzegovina, Montenegro and North Macedonia packaging waste are also separated and turned to licensed operators for further processing and recycling.

SERBIA - NELT CO	2018.		2019.	
	NONHAZARDOUS WASTE	HAZARDOUS WASTE	NONHAZARDOUS WASTE	HAZARDOUS WASTE
TOTAL AMOUNT OF WASTE (t)	419.10	8.55	598.43	11.69
	427.65		610.12	
COMPOSTING	1.28	0	1.51	0
BURNING (OR USED AS FUEL)	5.08	-	4.40	0
LANDFILL DISPOSAL	0	0.00	5.54	0
TOTAL RECYCLED	412.74	8.55	586.98	11.69
	421.29		598.67	

MONTENEGRO - NEREGELIA		2018.		2019.	
	NONHAZARDOUS WASTE	HAZARDOUS WASTE	NONHAZARDOUS WASTE	HAZARDOUS WASTE	
TOTAL AMOUNT OF WASTE (t)	43.4	3.27	11.71	-	
		46.67		11.71	
COMPOSTING	-	-	-	-	
BURNING (OR USED AS FUEL)	-	-	-	-	
LANDFILL DISPOSAL	34.76	3.27	1.96	-	
TOTAL RECYCLED	8.64	-	9.75	-	
		8.64		9.75	

MONTENEGRO - MONTENOMAKS C&L		2018.		2019.	
	NONHAZARDOUS WASTE	HAZARDOUS WASTE	NONHAZARDOUS WASTE	HAZARDOUS WASTE	
TOTAL AMOUNT OF WASTE (t)	155.94	2.29	119.18	0.2	
		158.23		119.38	
COMPOSTING	-	-	-	-	
BURNING (OR USED AS FUEL)	-	-	-	-	
LANDFILL DISPOSAL	150	1.65	110	-	
TOTAL RECYCLED	5.94	0.64	9.18	0.2	
		6.58		9.38	

* Waste selection and separation is organized by Nelt Group companies while care is entrusted to a professional or licensed external partners. Valid for all Nelt Group companies covered with this report.

BOSNIA & HERZEGOVINA - NELT		2018.		2019.	
	NONHAZARDOUS WASTE	HAZARDOUS WASTE	NONHAZARDOUS WASTE	HAZARDOUS WASTE	
TOTAL AMOUNT OF WASTE (t)	113.83	0.39	109.51	0.51	
		114.22		110.02	
COMPOSTING	0	0	0	0	
BURNING (OR USED AS FUEL)	62.5	0	62.5	0	
LANDFILL DISPOSAL	0	0	0	0	
TOTAL RECYCLED	51.33	0.39	47.01	0.51	
		51.72		47.52	

NORTH MACEDONIA - NELT ST		2018.		2019.	
	NONHAZARDOUS WASTE	HAZARDOUS WASTE	NONHAZARDOUS WASTE	HAZARDOUS WASTE	
TOTAL AMOUNT OF WASTE (t)	38.34	0.97	39.68	3.33	
		39.31		43.01	
COMPOSTING	0	0	0	0	
BURNING (OR USED AS FUEL)	1.60	0	2.90	0	
LANDFILL DISPOSAL	0.01	0	0.05	0	
TOTAL RECYCLED	36.73	0.97	36.73	3.33	
		37.70		40.06	

CONTRIBUTION TO REDUCTION OF CO₂ GAS EMISSIONS

By systematic management of packaging waste through licensed operator Sekopak, in 2019 Nelt contributed to reusing 2,257.62 tons of this waste.

“That is an increase of 1,000 tons compared to the previous year. This way we contributed directly to the reduction of packaging waste in dumpsters and thus CO₂ emissions by 415 tons,” said Nada Stamatovic from Nelt Group’s communication department during the ceremony where companies’ representatives received certificates.

Aside from systematic waste management, all Nelt employees contribute to the protection of the environment – from employees in storages who collect and separate waste while preparing the goods for distribution, to employees in offices who use separators in facilities and recycling islands in Nelt distribution logistics centers in Dobanovci, Nis, Novi Sad and Kraljevo. This way, a classified waste, together with packaging waste are collected and pressed in the eco yard next to Hall 2 in Dobanovci.

MONTENOMAKS C&L AWARDED FOR ENVIRONMENT PROTECTION

By the end of 2018, during the “Strong commerce – successful Montenegro” conference, the Montenegro business alliance rewarded Montenomaks C&L for its protection of the environment, in the category of middle businesses. Socially responsible company activities were recognized by the Alliance members, especially in terms of “green” activities such as donation of 333 seedlings in 2018 and volunteering in their planting, as well as the participation of company’s employees in “Hour for Planet” initiative, waste sorting and prepping for recycling, as well as a certificate of international standard ISO 140012015. Soon after, Montenomaks C&L began sorting PET packaging for further recycling. This activity was organized together with recycling center Deponija d.o.o. and all employees take part in it.



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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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SPECIAL THANKS TO

Stevanu Gojkoviću, Milici Pavlović, Sunčici Milić, Marku Milankoviću, Ivanu Milićeviću, Oliveri Borisavljević, Miroljubu Nenadoviću, Ivani Jovanović, Jeleni Stanjević, Draženu Brajoviću, Sari Fetić Mujagić, Milenku Popoviću

PHOTOGRAPHY

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TRANSLATION

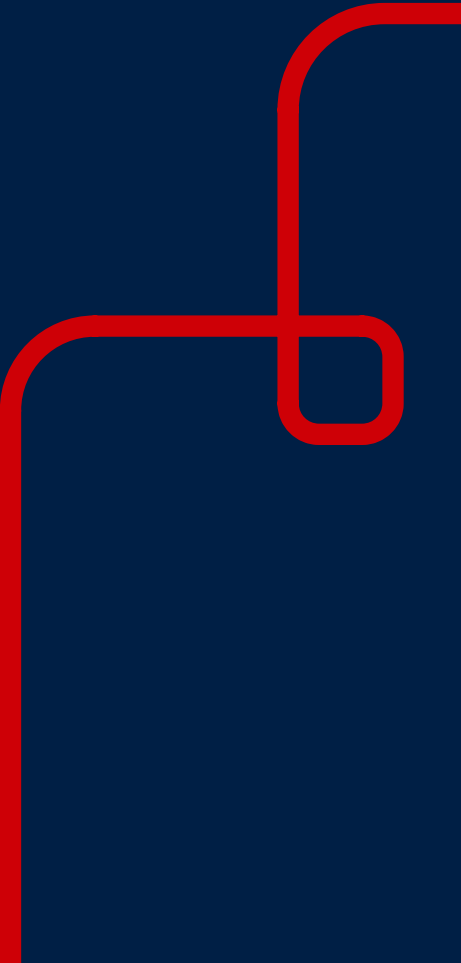
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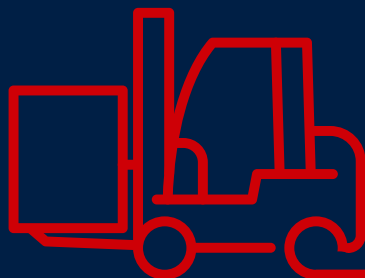
DESIGN AND PREPRESS

Ovation BBDO

PRINT

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