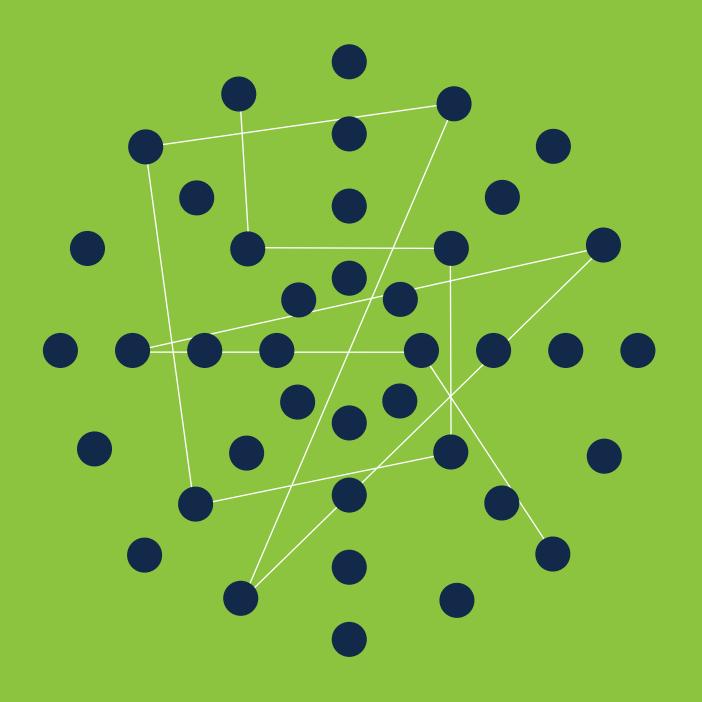
### Sustainability report 2022/2023







### **IMPRESSUM**

#### 30 YEARS ON THE RIGHT ROUTE

Sustainability Report

**NELT GROUP** 

Marsala Tita 226B, Dobanovci, Belgrade

**EDITOR** 

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Corporate Sustainability Expert at Nelt Group

PRINT

Finegraf

PHOTO

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The Nelt Group emphasizes its commitment to sustainability by choosing paper from the supplier Mondi Paper Sales GmbH, whose products bear the EU Ecolabel. Through this selection, we ensure that the printing of the Sustainable Business Report aligns with the highest standards of environmental protection and responsible resource management.

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# CELEBRATING A MILESTONE - 30 YEARS OF OUR COMPANY

Miloš Jelić Nelt Group CEO

uring these three decades, we've transitioned from a small trading company to a leader in distribution and logistics in the Adria region. This success isn't just the result of our group owners' dedication but also the efforts of every individual. The journey has been filled with challenges, but we emerged stronger, more prepared for new ventures. We've grown steadily year by year, and in 2023, we made significant progress, both in terms of value and volume. We achieved a consolidated revenue of 1.3 billion euros, positioning ourselves among the largest companies in Southeastern Europe.

This achievement wouldn't have been possible without the people who are the heart of our organization. I'm proud that during these three decades, 20,000 individuals have worked at Nelt. Many of them are now leaders in renowned companies, but they remain our friends and welcomed guests. Today, we are 5,500 people strong. We constitute a large international community comprising individuals of different cultures, ages, and interests, but bound by the same universal values - long-term perspective, a winning mentality, care for people, personal responsibility, and innovation.

Our journey is marked by long-term partnerships with leaders in various industries. These partnerships are key to our success, as we learn from each other every day, striving to be better and more efficient. Over the past two years, we've become co-owners in Chips Way, formed new partnerships, and expanded existing ones: in Mozambique - with Mondelez, in Zambia - with Colgate, in North Macedonia - with Fortenova Group, in Albania - with Drenik, in Croatia - with Skylab and Roshen. In our pharmaceutical business segment, our longstanding collaboration in Serbia with J&J, now Kenva, has expanded to the Western Balkans region. In the past year, we've defined a strategic plan for the regional development of the pharmaceutical business, through which we'll further develop the portfolio of both existing and new principals.

For the past two years, we have been present in the European Union, specifically in Croatia, which allows us to cover Slovenia and thus complete the entire Adriatic region. African markets are becoming increasingly important for us, with a revenue growth of 25%. We celebrated one year of operation of our Candy Factory in Angola, with good results and a change in strategy that led to a doubling of sales.

In our vision, growth is not just financial. We have embraced ESG practices and standards, implementing them through digitization, new technologies, and other initiatives that have a positive impact on climate and the environment. Actions such as planting 100,000 black pine seedlings in Montenegro in collaboration with our principal company, Mondelez, partnering with educational institutions, and supporting local communities are steps towards sustainable business.

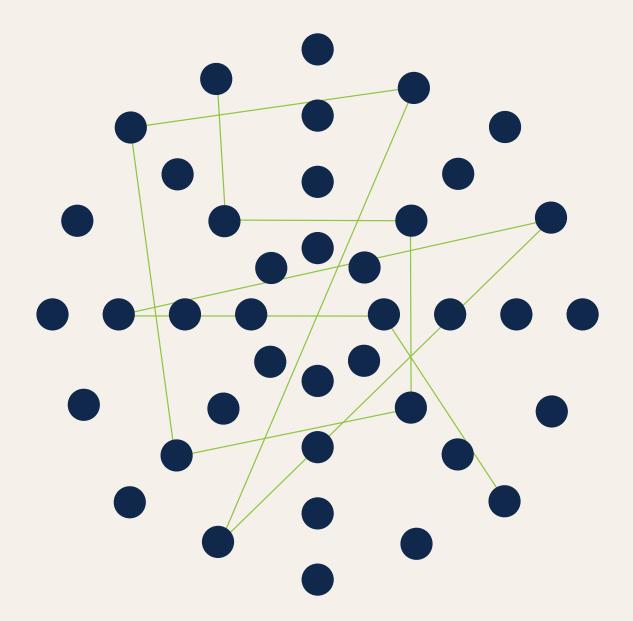
We recently published an Ethics Code dedicated to issues related to antimonopoly, anti-corruption, fair competition, human and labor rights, occupational health and safety, and interpersonal relationships based on equality, trust, and support. We actively address these issues to maintain the integrity of our business.

The awards we have won in 2022 and 2023 testify to the quality and dedication of our teams. We are proud of the recognitions such as the Family Friend Award, Successful Supplier in the regional supply chain, and especially the awards for the best managers - our executive director in Montenegro and the financial manager in Bosnia and Herzegovina.

Thank you for the trust you have in us.

We continue onward, on the right route.

Sustainability Report 2022/2023







#### **ABOUT US**

e are recognized as one of the most successful business systems in the Adriatic region in the areas of manufacturing, logistics, and distribution of fast-moving consumer goods, tobacco, pharmaceuticals, and cosmetics. What sets us apart as a leader is the quality of our products and services, as well as our deep market knowledge and coverage in which we operate.

As an international group, we employ 5,500 people across 22 companies. We are present in 12 markets across Europe and Africa. Our business is built on principles of ethical, responsible, and sustainable growth, which result from continuous investment in improving services, adopting new technologies, and investing in the education and development of our employees.

Collaboration with partners, both domestic and international companies, and the synergy with their experience and knowledge contribute to our growth and success year after year.

#### 30 YEARS ON THE RIGHT ROUTE

n 2023, we celebrated thirty years of our company.

Throughout these long and industrious three decades, thousands of people have passed through Nelt. Each of them holds their precious memories and their version of history, which we continue to build upon today.

What unites all generations of employees is the positive energy and passion with which we have built Nelt. Success is not only measured in the company's turnover and profit, but also in the contribution of each of us to this journey, through our relationships, respect, and dedication to the work we do. These values have been nurtured and we leave them as a mark, each in our own time.

Today, we are colleagues and friends who strive for professionalism, the highest standards, and success. In moments when there are 5,500 of us, we shape the future in our unique way. In this milestone year, we have initiated the implementation of projects that we want to leave as a legacy for future generations. We continue our journey towards the future together. On the right course.

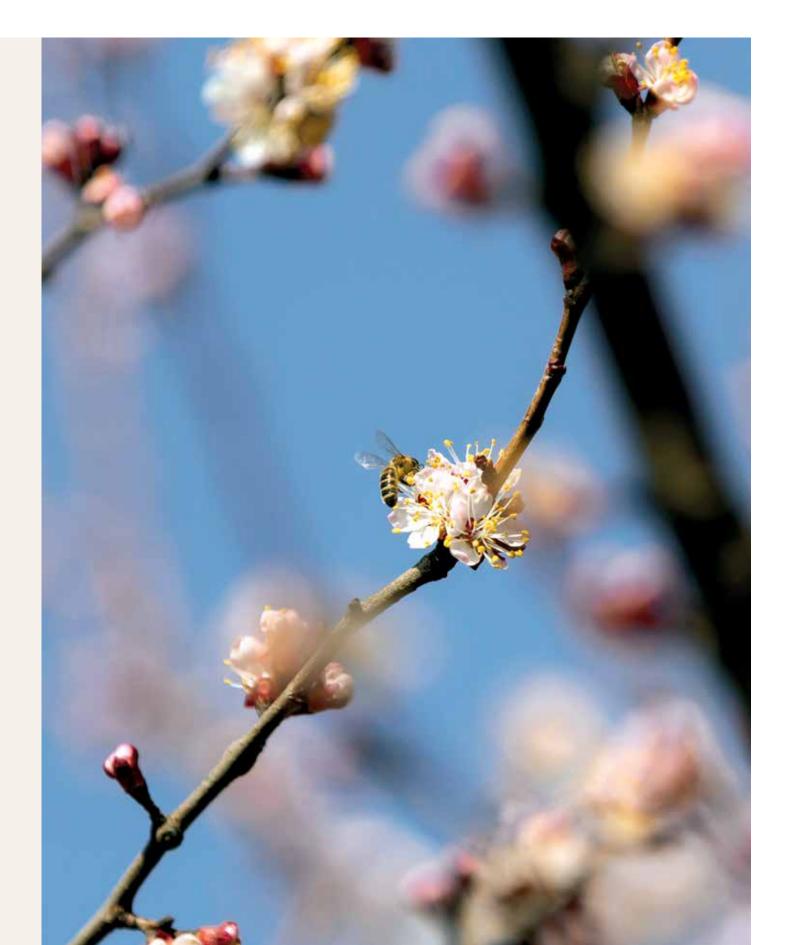


### **OUR VISION**

ur vision is to be the NUMBER ONE company in providing complete solutions in distribution and logistic services. Every day, we strive to improve the quality of life in the communities where we operate by delivering high-quality products in the safest and most efficient manner.

### **OUR VALUES**

alues are what support the fulfillment of our vision and shape our corporate culture. They are the essence of our company's identity. Values define the way we work, how we treat each other, our customers, partners, and the company itself. In our work, we rely on a winning mentality, innovation, personal responsibility, care for people and their development, and a long-term perspective.



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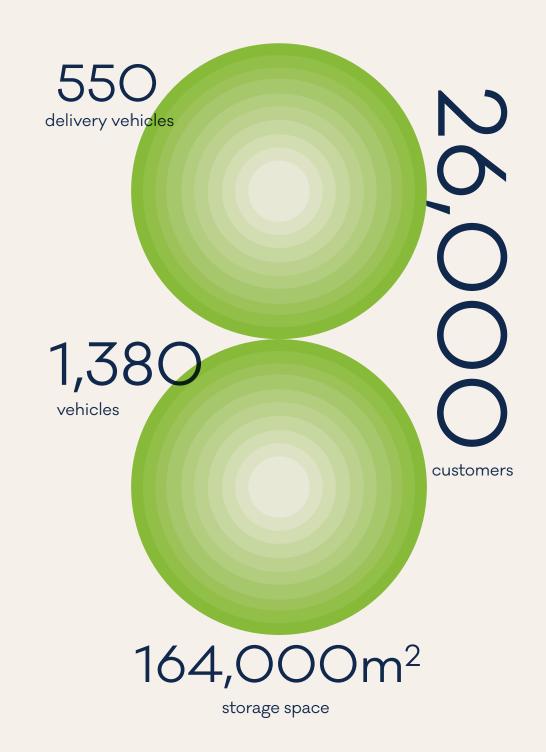






55,000 points of sale

22 companies





#### **COOPERATION WITH BUSINESS PARTNERS**

ontinuous improvement of collaboration with our partners is a key factor for success. Through regular communication, open exchange of ideas and

resources, we build strong relationships that lead us towards common goals.

By combining our knowledge and experiences, we create a platform

for constant improvement and refinement, enabling us to adapt and grow in line with the changing demands of the market.

### **Principals**

**FMCG** 



































































#### **FMCG**































#### Pharmaceutical and beauty products































#### **Tobacco products**











### **COOPERATION WITH BUSINESS PARTNERS**

### Logistics clients

#### Serbia













































#### North Macedonia









#### Bosnia and Herzegovina









#### Montenegro











































































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

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

Nelt ST was founded in Distribution of Skopje, Macedonia.

Mondelez products started in Serbia, Montenegro, and North Macedonia.

Distribution of Wrigley products started in Serbia and

Montenegro.

New distribution center in Dobanovci-Belgrade was opened. Nelt acquired 50% ownership of the Orbitko company from Bosnia and

Herzegovina.

Company established in Mozambique.

Distribution of Mars Foods products started in Serbia.

Distribution of Philip

Morris products started in Serbia and Montenegro. Nelt becomes the owner of Banim Reklame, company from Kraljevo.

Logistics intermodal terminal was opened in Belgrade.

Montenomaks became new member of Nelt Group.

Nelt became the majority shareholder in Neoplanta Meat Industry Novi Sad.

Nelt acquired the **Public Warehouses** Subotica.

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

changed name to

Nelt Ltd.

Nelt established and registered a company in Angola.

Company established in Zambia.

 $\infty$ 

**Business operations** started in Albania market. Distribution of Nutrino products made by newfounded company **Baby Food Factory** started in Western Balkans markets.

Nelt Group acquired the brand Bebi. The start of Kraš brand distribution.

Nelt Europe established - entry into the markets of Croatia and Slovenia. The launch of Nestle brand distribution.

Opening of Candy Factory in Angola. Integration of Chips Way into Nelt Group. The start of Chipita brand distribution.

Opening of the intermodal terminal in Kruševac.



2022

CHIPS WAY HAS BECOME A PART OF THE NELT GROUP



y signing the purchase agreement, our company became a co-owner of one of the leading salty snacks market players - Chips Way.

With this acquisition, we reaffirmed our strategic commitment to long-term development and expanding our portfolio of proprietary brands.

The chips production factory commenced operations in 1971 in Čačak, being the sole domestic factory of its kind at the time. Expert staff, modern technology, and continuous production improvement now position Chips Way as one of the leaders in the snack market.

The company's wide product portfolio, developed over more than 50 years, instills confidence in the right and best choice of products that have become a unique synonym for fun, socializing, and essential snacking. Chips Way's most famous brands include Čačanski čips, Flips, Gricko, and popcorn.

2022

OPENING OF THE CANDY FACTORY IN ANGOLA

2023

WITH THE OPENING OF THE TERMINAL IN KRUŠEVAC, THE NELT GROUP CONTINUES ITS DEVELOPMENT OF INTERMODAL TRANSPORTATION

ecognizing the potential of the African market, in late 2022, the Candy Factory, a factory producing sweets such as lollipops, candies, and chewing gum, was ceremoniously opened in Angola. This greenfield project, with an investment of over 20 million euros, was completed within three years in collaboration with the local partner company Oxbow and with the assistance of the Angolan government and development agencies.

The factory currently employs 90 people, with expectations of increasing to over 150 within two years. With a production capacity of 6,700 tons per year, daily production is expected to quickly surpass 15 tons of products. The Candy Factory aims to be nationally and regionally recognized for producing Angolan brands and is poised to take a leading role in this category with a targeted 20% market share.

Nelt Group strives to implement innovations and modern technologies across all African markets where it operates in order to achieve top-quality services and business operations. y shipping goods via rail through Budapest to the final destination in the European Union, Nelt's Intermodal Terminal in Kruševac has successfully commenced operations. The activation of the first terminal in Central Serbia marks the continuation of Nelt's intermodal transportation network development plan. Located in an industrial zone near the "Morava Corridor" and connected via the Dedina station to the pan-European Corridor 10, it holds strategic importance for Serbia and the region.

The terminal in Kruševac represents a strengthening of the region's logistical infrastructure and territorial expansion of Nelt's logistics services portfolio. Establishing regular railway services with ports in the region and logistic hubs in the EU and Turkey is part of the company's business development plan in this segment.



# ORIENTATION TOWARDS THE UN SUSTAINABLE DEVELOPMENT GOALS

























THE GLOBAL GOALS













environmental protection, and anti-corruption.



#### GOAL 1.

#### **NO POVERTY**

Through donating consumer goods to vulnerable groups and implementing a procurement policy that involves a large number of local suppliers, Nelt Group aims to actively contribute to reducing poverty, strengthening local economies, and building sustainable communities.



#### GOAL 2.

#### **ZERO HUNGER**

We continuously donate food products to those in need.



#### GOAL 3.

### GOOD HEALTH & WELL-BEING

We are dedicated to preserving the safety and health of our employees. We have established a system for managing occupational health and safety (OHS), providing continuous support to ensure a safe and healthy work environment. Our employees have access to regular check-ups, voluntary health insurance, flexible working hours, and more.



#### GOAL 4.

#### **QUALITY EDUCATION**

Through internal and external training, as well as participation in various events, we strive to continuously work on the professional development of our employees. Through strategic partnerships with educational institutions, we conduct numerous activities with students, teachers, and professors, aiming to connect theoretical and practical knowledge to prepare young people for success in their professional lives.



#### GOAL 5.

#### **GENDER EQUALITY**

In our professional environment, it is important for all employees to have equal opportunities for expressing their opinions, working in a safe environment, and accessing professional development. Any form of discrimination, including genderbased discrimination, is prohibited, and we actively work on preventing and addressing all forms of violence, harassment, or abuse in the workplace. Through these measures, Nelt Group is committed to creating an inclusive work environment that promotes respect and equality among all employees, contributing to the achievement of gender equality goals in our community and beyond.



#### GOAL 6.

### CLEAN WATER AND SANITATION

By implementing solutions to preserve water resources and prevent pollution, conducting regular monitoring and laboratory testing of the quality of all types of wastewater, we ensure that local natural recipients are protected from potential pollution. Through these measures, Nelt actively contributes to preserving clean water resources.







#### GOAL 7.

### AFFORDABLE AND CLEAN ENERGY

In order to diversify energy sources and further reduce our ecological footprint, Nelt has introduced solar panels at locations in Serbia and North Macedonia to harness renewable energy sources to support business operations. These initiatives clearly demonstrate Nelt's commitment to achieving the goal of affordable and sustainable energy, while simultaneously contributing to reducing negative environmental impacts. To reduce fuel consumption for delivering goods to customers, Nelt Group uses route optimization software. This program suggests the arrangement of goods in vehicles according to established routes (last in - first out), directly influencing minimizing the distance traveled and the number of vehicles used for delivery.



#### **GOAL 10.**

#### REDUCED INEQUALITIES

By implementing employment programs and training initiatives, we ensure equal opportunities and conditions for all. We actively work on enhancing internal policies to ensure equal opportunities and fair distribution of resources among our employees.

#### GOAL 8.

### DECENT WORK AND ECONOMIC GROWTH

Through continuous improvement of working conditions, fair employment policies, competitive salaries, and additional benefits for employees, training programs, opportunities for advancement, and career development, we create a sustainable and prosperous business environment. This approach contributes not only to the individual development of employees but also to long-term economic growth and prosperity within the community.



#### **GOAL 11.**

### SUSTAINABLE CITIES AND COMMUNITIES

We aim to contribute to the development of urban environments that are sustainable, inclusive, and resilient to challenges. Our initiatives include infrastructure improvement, support for local communities, and the promotion of eco-friendly practices, all geared towards creating cities and communities where every individual can thrive.

#### GOAL 9.

### INDUSTRY, INNOVATION AND INFRASTRUCTURE

Through innovations such as solar power plants, we increase the use of renewable energy sources in our energy mix. Additionally, by implementing digital solutions to optimize sales and delivery routes, we enhance our energy efficiency. With two Intermodal container terminals in Belgrade and Kruševac, we actively contribute to the development of terminal networks for more efficient logistics, supply chain transformation, and transport decarbonization, thereby contributing to sustainable economic growth and infrastructure improvement in the region.



**GOAL 12.** 

# RESPONSIBLE CONSUMPTION AND PRODUCTION

We aim to contribute to the development of urban environments that are sustainable, inclusive, and resilient to challenges. Our initiatives include infrastructure improvement, support for local communities, and the promotion of eco-friendly practices, all geared towards creating cities and communities where every individual can thrive.



#### **GOAL 13.**

#### **CLIMATE ACTION**

We take an active role in combating climate change, striving to reduce greenhouse gas emissions and adapt to the challenges posed by climate change. Through innovative approaches, digitalization, investments in renewable energy sources, and the adoption of eco-friendly technologies, Nelt Group contributes to global efforts to preserve the environment and create a sustainable future.



#### **GOAL 14.**

#### LIFE BELOW WATER

We actively support the preservation of life below water through responsible management of water resources, including consumption control and recipient protection. Our commitment contributes to global efforts to conserve water resources and biodiversity.



#### **GOAL 15.**

#### LIFE ON LAND

Our commitment to nature conservation and ecosystem restoration through reforestation stems from our desire to achieve harmony between our business activities and nature. Through this practice, we not only contribute to biodiversity conservation and the creation of a healthier ecosystem but also actively support environmental sustainability for future generations.



#### GOAL 16.

#### PEACE, JUSTICE AND STRONG INSTITUTIONS

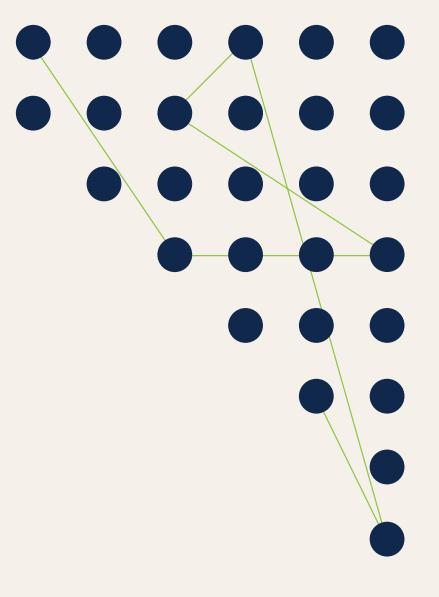
Through transparent business practices, adherence to laws and ethical standards, and support for local communities and social initiatives, we aim to contribute to the building of a stable society based on the rule of law and respect for human rights. Representatives of our companies actively participate in numerous working groups within associations dealing with topics such as labor regulation, corporate and business law, combating the informal economy, fair competition, environmental protection, waste management, and healthcare. In Serbia, Nelt is one of the founding companies of the Fair Competition Alliance within NALED (National Alliance for Local Economic Development).



#### **GOAL 17.**

### PARTNERSHIPS FOR THE GOALS

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



The scope of reporting





#### **ABOUT THE REPORT**

he fifth report of Nelt Group, titled "30 Years on the Right Route," continues the practice of biannual sustainability reporting initiated in 2014. With the next edition, the plan is to transition to an annual reporting schedule. Nelt Group's reporting on achieved results and sustainability impacts aligns with the most relevant global methodology for sustainability reporting, the Global Reporting Initiative (GRI), which enables stakeholders to gain a comprehensive understanding of an organization's impact, with standard and precise performance indicators.

The fifth report includes companies of Nelt Group engaged in distribution and logistics across the Western Balkans region: Nelt Co in Serbia; Neregelia and Montenomaks C&L in Montenegro; Nelt doo in Bosnia and Herzegovina; Nelt ST in North Macedonia; and Nelt Sh.p.k. in Albania.

All reports are available on the website: https://www.nelt.com/en/media-center/reports/.

For all previously published reports, the responsible person is **Nada Stamatović**, Sustainability Expert at Nelt Group. Any inquiries regarding the published material can be sent to the email

stamatovic.n@nelt.com.

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# OUR MARKETS IN THE ADRIATIC REGION



Today's success of Nelt in Serbia is based on the responsibility and trust we have built over 30 years of dedicated and professional work in all aspects of our business. We have shared our experience and expertise from the Serbian market to all markets in the Western Balkans where companies within the Nelt Group operate independently today.

Thanks to our professional approach to stakeholders, as well as the ethical and strategic guidelines we adhere to, we are recognized as the first choice for global companies in providing quality services in distribution and logistics.



#### Company headquarters Marsala Tita 226B, 11272 Dobanovci, Belgrade



Employees	2,558
Principals	30+
Brands	100+
Customers	11,000
Logistics clients	60+
Points of sale	28,900+
Deliveries per day	6,000
Warehouse space	104,000m²
Delivery vehicles	248
Pullers	4
Semi trailers	10
Vehicles for field sales and business support	811
Vehicles for field sales and business support	01

Distribution and logistics network: central distribution and logistics center in Belgrade, regional centers in Novi Sad, Niš, Kraljevo, branch in Subotica and cross docks in Valjevo, Vranje, Zrenjanin, Požarevac, Šabac, Kragujevac, Pančevo, Zaječar and Užice.

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Company headquarters
Bulevar 21. maj 140, 81000 Podgorica



Employees	214
Principals	23
Brands	90+
Customers	950
Points of sale	3,000
Deliveries per day	500
Warehouse space	7,500m²
Delivery vehicles	21
Pullers	1
Semi trailers	1
Vehicles for field sales and business support	81



Company headquarters Curilac bb, 81400 Danilovgrad



Employees	157
Logistics clients	2,300+
Customs clearance cases annually	66,000
Internationally transported deliveries per year	322,520
Internationally transported deliveries per year	28,100
Warehouse space	4,500m²
Deliveries per day	1,200
Delivery and courier vehicles	36
Vehicles for field sales and business support	23





Company headquarters Aerodromska bb, 71123 Eastern Sarajevo

Employees	510
Principals	12
Brands	40+
Customers	3,600
Logistics clients	3+
Points of sale	6,400+
Deliveries per day	650
Warehouse space	12,625m²
Delivery vehicles	69
Pullers	5
Semi trailers	5
Vehicles for field sales and business support	217

Distribution-logistics network: regional center in Eastern Sarajevo, branches in Banja Luka, Bijeljina, and cross-docks in Mostar, Bihać, and Tuzla.





Company headquarters 32 Street, No 2O, Ilinden, Skopje

Employees	277
Principals	15
Brands	80+
Customers	2,700
Logistics clients	4
Points of sale	4,200
Deliveries per day	390+
Warehouse space	12,070m²
Delivery vehicles	36
Pullers	1
Semi trailers	2
Vehicles for field sales and business support	115

Distribution-logistics network: regional center in Skopje and cross-docks in Bitola, Strumica, and Ohrid.



Company headquarters Rr. Dhaskal Todri, Kashar, 203 Tirana



Employees	158
Principals	18
Brands	35
Customers	3,383
Points of sale	4,158
Deliveries per day	500+
Warehouse space	3,750m²
Delivery vehicles	65
Pullers	1
Vehicles for field sales and business support	46



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# AFRICAN MARKET Our operations in the Sub-Saharan region



We commenced operations in the African continent in 2010, starting in Angola, a country with significant economic potential. Expanding into Zambia and Mozambique, Nelt has managed to establish a stable presence in the region.

As a leading distributor and logistics provider in the Western Balkans, we brought decades of experience in product distribution and placement to the African market. Our commitment to knowledge transfer has resulted in an international portfolio of high-quality products, offering a wide range of items to the African market at competitive prices.

Our portfolio includes brands from companies such as Neoplanta, Baby Food Factory, Mars, Nestle, Colgate, Heineken, SC Johnson, Dr. Oetker, Ferrero, Mondelez.



#### Company headquarters Luanda



Employees	125
Principals	9
Brands	37
Customers	6,450
Points of sale	6,780
Deliveries per day*	675
Warehouse space	3,550m²
Delivery vehicles**	52
Vehicles for field sales and business support	15

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<sup>\*35</sup> truck deliveries, 240 van deliveries, 400 motorcycle deliveries

<sup>\*\*31</sup> trucks and vans, 21 motorcycle delivery vehicles



#### **CANDY FACTORY - ANGOLA**

24,250m<sup>2</sup>
FACTORY AREA WITH ASSOCIATED OFFICES

1,400m² PRODUCTION AREA

20mil.€

PRODUCT CATEGORIES:
LOLLIPOPS, CANDIES,
CHEWING GUM

90 EMPLOYEES



1,200m²
WAREHOUSE SPACE

6,700t/annualy

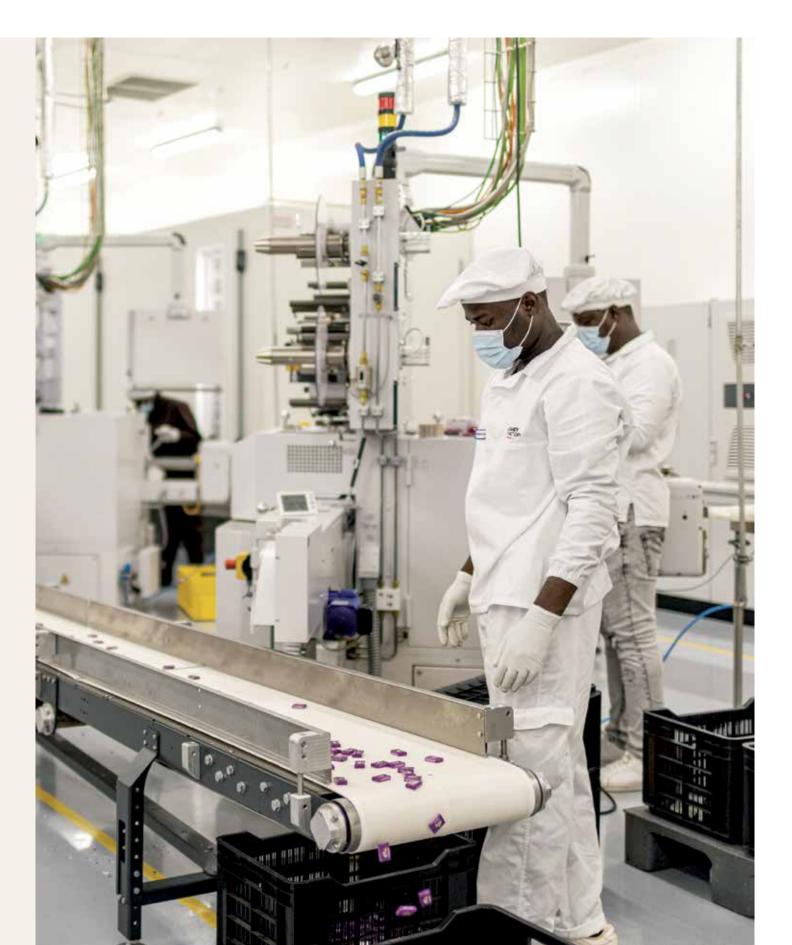
INSTALLED CAPACITY





Scan the QR code and learn more about our confectionery factory in Angola. n October 2022, we opened Candy Factory, a confectionery production facility in Luanda, the capital of Angola. We invested over 20 million euros in this project, creating jobs and contributing to the economic development of Angola. Currently, we employ 90 people, and we expect to have over 150 employees in the factory within two years. The opening of the factory is just one step in our plans. With a production capacity of 6,700 tons annually, Candy Factory has the potential to exceed the production of 15 tons of candies, lollipops, and chewing gum per day. We aim to become a market leader by creating strong domestic brands.

Our brands, such as OKO, are becoming favorites among consumers, and we plan to expand into other markets where we already operate. Through innovative approaches and dedicated work, we aim to remain a key player in the African business landscape and contribute to the development and prosperity of this continent.



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#### Company headquarters Lusaka



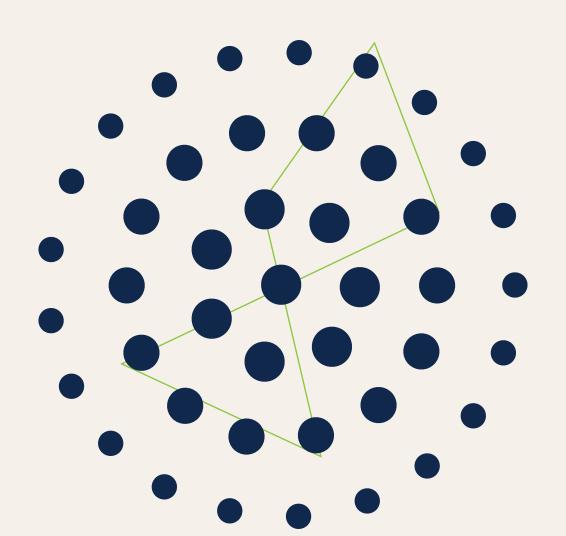
Employees	171
Principals	9
Brands	3
Customers	3,883
Points of sale	3,983
Deliveries per day	246
Warehouse space	6,987m²
Delivery vehicles	10
Vehicles for field sales and business support	38



#### Company headquarters Maputo



Employees	207
Principals	7
Brands	42
Customers	4,139
Points of sale	6,656
Deliveries per day	112
Warehouse space	6,250m²
Delivery vehicles	14
Vehicles for field sales and business support	36







he business approach and practices of the Nelt Group are designed to promote a corporate culture that actively encourages innovation and teamwork. At the same time, this culture is firmly committed to ethics, responsibility, and transparency. To achieve our vision, we are guided by strategic plans and sustainable development goals. This strategy requires a stable organizational structure of the company, which positively influences the development of innovation, agility, flexibility, quick decision-making, and their efficient implementation.

Our corporate governance system is aligned with contemporary management practices. It is based on the knowledge and experience we have gained by applying solutions from leading global companies, supported by modern technological advancements and the growing trend of digitalization. We also have a deep understanding of the need for continuous adaptation to the requirements of the markets in which we conduct our business activities.

Our governance structure consists of the Supervisory and Executive Boards of the Nelt Group.

The Supervisory Board (SB) is responsible for the stable and sustainable development of the company. In its work, it relies on four fundamental pillars:

- 1. Management of strategy and investments
- 2. Management of company performance
- 3. Management of human capital
- 4. Risk management and adherence to business policies.

The capital owners and the CEO of the Nelt Group are members of the Supervisory Board, with plans to expand it in the future with additional independent members who would enhance management quality with their expertise. The Supervisory Board meets once a month.

The Executive Board (EB), led by the CEO of the Nelt Group, is responsible for the operational management of the business.

The EB has been formed with two primary objectives:

- 1. Providing a forum for making the most important operational decisions in the business
- 2. Streamlining bureaucratic procedures within the company.

The members of the Executive Board include the CEO, the Vice President for African Markets, and the executive directors of functions within the Nelt Group. Decisions in the Executive Board are made by majority vote, with all members of the Executive Board having voting rights. Executive Board meetings are held once every two weeks.

The Board of Directors consists of members of the Executive Board, directors, and market managers. Meetings are held quarterly. The goal is to ensure alignment around the goals and activities of the Nelt Group.

#### NELT GROUP EXECUTIVE BOARD



Miloš Jelić CEO



Darko Lukić Executive Vice-President



Robert Jenovai Executive Director for Serbian Market Vice President for African Markets





Chief Financial Officer



Milan Bukorović Chief Technology Officer



Bojana Mucić Chief Human Resources Officer



Chief Strategy and Transformation Officer

#### DIRECTORS AND MARKET MANAGERS



Ljilja Pižurica Market Executive Director. Montenegro, Albania



Goran Cerovina Market Executive Director, Bosnia and Herzegovina



Saško Blaževski Market Executive Director. North Macedonia



Milena Vušak Market Executive Director for Croatia and Slovenia



Artan Durguti Executive Director. Kosovo

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Alban Ujkashej Market Executive Director, Albania



Rade Crnomarković Operations Manager, Zambia



Rade Todorović Sales and Operations Manager, Mozambique



Miloš Mitrović Country Manager, Angola







n accordance with ISO 9001:2015 standard, which entails risk-based thinking, as well as ISO 31000:2018 standard that further describes risk management approach, Nelt Group was among the first to introduce a risk management methodology based on indicators of best practice companies in similar industries from developed European countries. Thanks to their implementation, Nelt Group has established a solid foundation for business decision-making and planning, based on risk and opportunity assessment, measured internally and externally.

The Risk Management team was formed in May 2015 and consists of representatives from all sectors within the company who are experts in their field, with extensive knowledge and experience. Given that changes in the internal and external environment are dynamic, the members of the Risk Management team change to ensure the effectiveness of risk management is always at a high level. The benefits of systematic risk management include more effective identification of business risks and opportunities, better decision-making and planning, a clearer understanding of the impact on goal achievement, more efficient use of resources, improvement of employee protection and safety, and asset protection. The company continuously and intensively works on strengthening the system, education, promotion, and raising awareness of all employees.

### ANNUAL RISK REVIEW FOR 2022.

uring 2022, annual reviews of risk management plans were conducted in companies in Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia. Following the reduced impact of the Covid-19 pandemic on the operations of Nelt Group companies, the focus in 2022 was on timely identification of macroeconomic risks and thorough consideration of strategic risks that could seriously jeopardize the organization's performance. The total number of risk assessments in 2022 was 325. Risk management plans and reports were set up on the collaborative platform Smartsheet, significantly facilitating the continuous recording and monitoring of risks at the Nelt Group level.

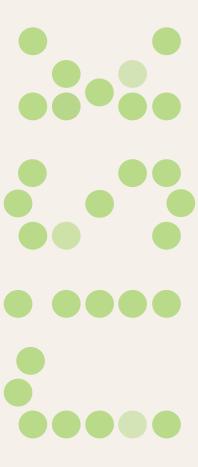
This approach enables a single location for tracking, updating, and managing identified risks, while authorized employees can access information at any time easily. The risk management report with proposed mitigation measures was adopted by the EB and SB in Q4 2022.

uring 2023, a new risk management methodology was adopted and implemented. The process was simplified with a greater focus on undesirable and unacceptable risks.

The "tone from the top" approach was applied, ensuring higher quality of risk information obtained through a more significant role of senior management in the process. Risk assessment is carried out by completing a risk questionnaire distributed to executive directors, function directors, and office managers.

The CEO of Nelt Group is responsible for overseeing the implementation of the process. The questionnaire contains 36 risk questions grouped into 4 categories according to their origin for easier visual recognition and monitoring:

- · Operational risks;
- Business/Sales and Logistics;
- External risks and compliance risks;
- · Financial risks.







### OPERATIONAL RISKS

hey are recognized as risks that threaten to jeopardize daily operations and can lead to financial losses, damage to reputation, legal issues, or even business interruption. They can arise as a result of inadequacies, errors, or failures in processes, people, technology, external events. In Nelt Group, these risks are recognized in the form of employee turnover and fluctuations; lack of skilled personnel and employee training; IT system failures and cyber attacks; unavailability of products, equipment, energy sources, work tools, accidents, and disasters due to inadequate maintenance and security measures.

In a dynamic environment, operational risks are even more significant and require a more proactive management approach. Rapid changes and unforeseen circumstances can increase the likelihood of risk occurrence and their potential impact. Nelt Group pays special attention to this type of risk, considering them in a separate segment during the risk management process.

### BUSINESS RISKS / SALES AND LOGISTICS

hey represent risks related to the business processes within the companies of the Nelt Group, industry risks in which the Nelt Group operates, and risks of the competitive and business environment. At the level of the Nelt Group, the most significant risks identified in 2023 predominantly come from the Business area. The identified risks in sales and logistics with a high rating at the group level include: loss of a key principal/client, entry of a large retail chain into the market, parallel imports, potential M&A activities, consolidation of the retail market, negative publicity.

Given that business risks can significantly impact the business results of the Nelt Group, their continuous monitoring is crucial. By applying the 'tone from the top' approach along with simplification of processes with a greater focus on company-significant risks, the Nelt Group has enabled more effective systematic management of these types of risks with active participation of top management bodies.

### EXTERNAL RISKS AND COMPLIANCE RISKS

ompliance risks arise in case of non-compliance with legal regulations, industry standards, and/ or company internal procedures. An example of this type of risk could be failing to meet industry standards in quality, safety, and services, which could result in contract loss, reputation issues, hindered operations, and payment of fines and penalties. External risks at the company level are recognized as part of risks associated with climate change. Increasingly extreme weather conditions can significantly impact company operations. Due to adverse weather conditions and natural disasters such as severe storms. earthquakes, and floods, companies may incur significant material costs in terms of damages as well as disruptions to business operations.

These mentioned risks are specifically addressed through their complete or partial transfer via appropriate insurance policies. At the Nelt Group level, a strong connection has been established between risk management processes and insurance operations operating within a single organizational unit.

#### FINANCIAL RISKS

inancial risks encompass the risks that a company may face due to liquidity risk, unavailability of funding sources, unexpected currency fluctuations, financing costs from banks, changes in reference interest rates, credit risk, or other macroeconomic risks. Following global events such as the COVID-19 pandemic, warfare, and consequently, escalating global macroeconomic challenges, financial risks are continuously monitored and controlled, while their management is carried out through the implementation of optimization measures aimed at mitigating financial consequences.

The new risk management methodology, introduced in 2023, has been implemented across all markets of the Nelt Group. A risk management report with proposed mitigation measures was adopted by the Management Board and the Supervisory Board in Q4 2023.





# ANTI-CORRUPTION AND COMPETITION PROTECTION

or companies within the Nelt Group, compliance with legal regulations, including competition law, represents a fundamental value that shapes the operations of all Group members. The Antitrust Team, formed over 17 years ago, has the primary task of continuously raising awareness about the importance of competition law, considering the negative consequences that noncompliance with these rules can have on the Nelt Group's operations. Since its establishment, the team has devised and implemented numerous activities aimed at educating employees in the field of competition law. Special internal guidelines have been defined to regulate areas of anti-corruption and competition law. These guidelines are documented in publications such as the Code of Conduct, Principles and Rules for Compliance with Anti-Corruption Laws and Regulations, Competition Protection Regulations, Competition Protection Guidelines, and the Glossary of Competition Law.

The Code of Conduct contains basic elements relating to conflicts of interest and competition and serves as the basis for professional and ethical behavior. The Code recognizes conflicts of interest that may arise directly between the company's activities and employees, and between the company's interests and other business or personal interests in which the employee is involved outside their work in the company. Regarding corruption prevention, employees are obligated to act in the company's interest in their dealings with competitors, suppliers, clients, and third parties, and not to use their position in the company or business and other information they possess to gain personal benefit from these stakeholders. It is strictly prohibited to give or promise bribes, provide false information and statements, as well as conceal information. Information about competitors, their products, and services may only be collected within the limits defined by law. In addition, in collaboration with consulting firms specializing in this field, regular training sessions and workshops are conducted for all employees in the Nelt Group who participate in negotiations with principals and customers as part of their duties.

#### ANTIMONOPOLY AND ANTI-CORRUPTION POLICIES - PREVENTION AND PRACTICES

n order to achieve the highest standards of integrity and compliance, we pay special attention to prevention. One of the tools used to prevent corruption is the MetaCompliance software. Through this platform, employees have the opportunity to regularly participate in training and knowledge testing in the field of anticorruption policy, ensuring that our teams are always informed and equipped to recognize and address challenges related to legally compliant and ethical business practices. During 2023, over 1000 employees completed the training and quiz process of online training in the areas of competition protection law and anticorruption.

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

# TRAININGS ON ANTIMONOPOLY AND ANTI-CORRUPTION PRACTICES

he legal team of the Nelt Group continuously organizes workshops on competition law and anti-corruption. When it comes to presenting new practices in these areas, they often collaborate with consultants and other teams within our organization. One of the numerous examples is the workshop titled "Antitrust and Anti-Corruption Laws and Latest Practices – Importance for the Nelt Group," held for colleagues from the markets of Serbia and Montenegro in collaboration with the law firm Karanović&Partners and the Sales Capability team.

After the presentation of the Legal Guide of Nelt Group in 2021, during 2022 and 2023, it was necessary for employees who communicate and negotiate with company partners to familiarize themselves with the latest practices and laws in the field of anti-corruption and competition law protection. The goal of the workshops is to foster two-way communication, constructive questioning, and debates alongside presentations.

We believe that regular education of employees on competition law is crucial for legally compliant operations. Therefore, we make additional efforts to ensure that Nelt Group employees are well-informed, and that internally accessible materials provide additional information on competition law in general, as well as on possible specific issues they may encounter.







he operations of the Nelt Group are in compliance with laws, sublegal acts, and other regulations, as well as the requirements of principals, internal company policies, procedures, and principles of good business practice. Responsible for monitoring legal compliance is the Legal Compliance & Ethics team of the Nelt Group, formalized in 2019. The Legal Compliance & Ethics team comprises 22 members from various sectors of the Nelt Group, including Neoplanta and the Baby Food Factory, with ongoing collaboration with external consultants in areas requiring specialized expertise, particularly in markets with specific legal regulations and practices.

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

The Steering Committee, composed of the five most experienced team members with legal qualifications, provides legal opinions on the most complex issues.

The LCE Team is joined by members of the antitrust and anti-corruption teams, along with associated members from internal audit, distribution, and internal communications sectors. Since 2016, the Contract Review Committee has been responsible for reviewing, analyzing, and commenting on contracts. As of 2023, LCE has expanded to include members from ESG and tax areas.

#### Nelt Group Legal Compliance & Ethics Team Nelt Group Legal Compliance & Ethics Team The Compliance function -part of the Legal team 2023/ 2025. Contract The Antitrust Team Review Committee - CRC Since 2007 Special teams for • Since 2016 • Main team: active implementing legal • Formed parallel professional members, compliance projects with experts to the Approval System current legislative changes, • Expanded team: core DOA practices and reporting. business members, finance, internal audit Anty-bribery ESG TAX QMS

#### **LCE NEWSLETTER**

ring 2023, the Legal Compliance & Ethics (LCE)
Team of the Nelt Group, responsible for monitoring legal compliance in business operations, launched an informational LCE Newsletter aimed at employees, partners, and associates. It is planned that, once a month, the LCE team of experts will systematically and comprehensively analyze legislation and inform about important updates relevant to the company's operations.



#### NELT GROUP - LEGAL COMPLIANCE & ETHICS TEAM

### ACHIEVEMENTS IN THE REPORTING PERIOD

e analyzed 12 reports in the field of Personal Data Protection Law, Competition Law, antitrust regulations and practices of regulatory bodies in the region and in the area of operation of the Nelt Group, Trade Law, customs regulations, regulations on legal archiving, and electronic invoicing.

With the aim of modernizing and complementing the way employees learn and stay informed, we created and implemented education programs on the topics of competition protection and anticorruption through the e-learning platform.

Additionally, for the first time within Nelt, we initiated LCE Newsletter aimed at providing comprehensive and updated information on new regulations affecting the Group's operations. Our team of experts carefully monitors legislation and provides systematic information on changes relevant to the company's operations. Whether it's tax regulations, customs regulations, or any other aspects of distribution and logistics business, we are here to provide all relevant information in a simple and understandable way because it is important to us that our employees stay up-to-date with the latest changes, as this is crucial for compliant, efficient, and successful operations.

#### PLANS FOR 2024.

The plan includes separating the Compliance function as a separate organizational unit with clearly defined roles and responsibilities, in line with best international practices. The main reasons supporting our plans are the size of the Group, the diversity of jurisdictions, the expansion of the product and service portfolio, the expectations of business partners, and the increasing complexity of the regulatory framework (alignment with European Union regulations, new trends in the ESG sphere, digitalization, hybrid work models, unfavorable geopolitical situation, etc.). The plan involves defining controls to periodically assess, based on risk assessment, whether the established system is actually being adhered to in practice, and we plan to conclude the year by adopting a Compliance program as a way to formally complete the organization of the Compliance function. The online education program is also planned to include a GDPR topic.

Given the importance of the topic, the expansion of the portfolio and activities of the Nelt Group, the decision was made for the year 2024 to be dedicated to healthy competition, practical domains, and strategic aspects of its protection. During 2024, the Nelt Group's AM Team will focus on raising awareness and the importance of competition law to the highest possible level within the Group. The initiative practically began with a workshop for the top management of the Nelt Group in December 2023, thus opening the year 2024 in the spirit of the competition law theme, which we further convey to all levels of the organization, employees, and markets.

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Sunčica Milić Head of Legal at Nelt Group





o achieve consistency in operations across all markets, we have introduced regular meetings of the LCE team members. By joining forces, we have successfully worked on defining and achieving compliance goals in all aspects of our business.. Meetings are held in a hybrid model, while the annual meeting brings together all members in one place. During this time, we focus and work intensively on current topics, initiating discussions to agree on plans for activities and improvements. Last year's meeting was held in Borkovac with the overarching theme "Perspectives and development of the compliance function in the Nelt Group by 2025." Priority areas covered include the development and significance of the legal compliance function, quality, ESG, and logistics.

We particularly emphasize our team approach as a key component of success. Each team member contributes to careful information gathering, data analysis, and material creation for communication with stakeholders. Our goal is not only to motivate our partners but also to promote creative solutions for growth, identify opportunities, and mitigate risks to achieve the long-term, successful legal backbone of our Company's dynamic business model.

As for the achievements in 2023, we conducted an analysis of compliance in key areas and successfully implemented an education program on competition and anti-corruption protection through an E-learning platform. Additionally, we initiated a project called LCE Newsletter to provide comprehensive and up-to-date information on new regulations affecting our business.

Our plans for 2024 focus on establishing the Compliance function as a separate organizational unit with a clearly defined role and responsibility. We plan to define control mechanisms to periodically verify whether the established system is truly being adhered to in practice.

Special attention in 2024 will be devoted to the "Healthy Competition" project, focusing on adhering to rules governing free and fair market competition. We will conduct a detailed analysis of the Group's internal rules, procedures, and policies through the "Under the Microscope of the Nelt Group LCE Team" project to identify and address any deficiencies and improve the legal health of the company.



#### CODE OF CONDUCT

iven the constant changes in the business world and the fact that circumstances in the business environment have been rapidly changing in the last few years, we felt it was time to formalize our ethical policy and code of conduct. With the Ethical Code and Code of Conduct published in 2023, we established clear guidelines so that every employee in our organization knows what is expected of them, both in the business environment and in their interactions with colleagues, partners, and other stakeholders. The Code and Conduct address behavior in the business environment, conflicts of interest, reporting irregularities, and other ethical issues.

Establishing an ethical code alone is not enough. It is necessary to ensure mechanisms for reporting and resolving ethical issues. Therefore, in our company, we have established a channel for questions regarding ethical uncertainties (askethics@nelt.com) and a channel for reporting potential irregularities (voice@nelt.com). The address for questions regarding ethical uncertainties allows employees to seek advice or assistance regarding ethical issues they may face. It also helps employees better understand the organization's ethical guidelines and clarify any ethical uncertainties they may have.

The other channel for reporting potential irregularities allows employees to anonymously report irregularities they have noticed in the organization's operations. This channel is crucial for preventing and detecting embezzlement, corruption, and other illegal activities. Each report is thoroughly investigated, and individuals who have reported irregularities are protected from any reprisals.

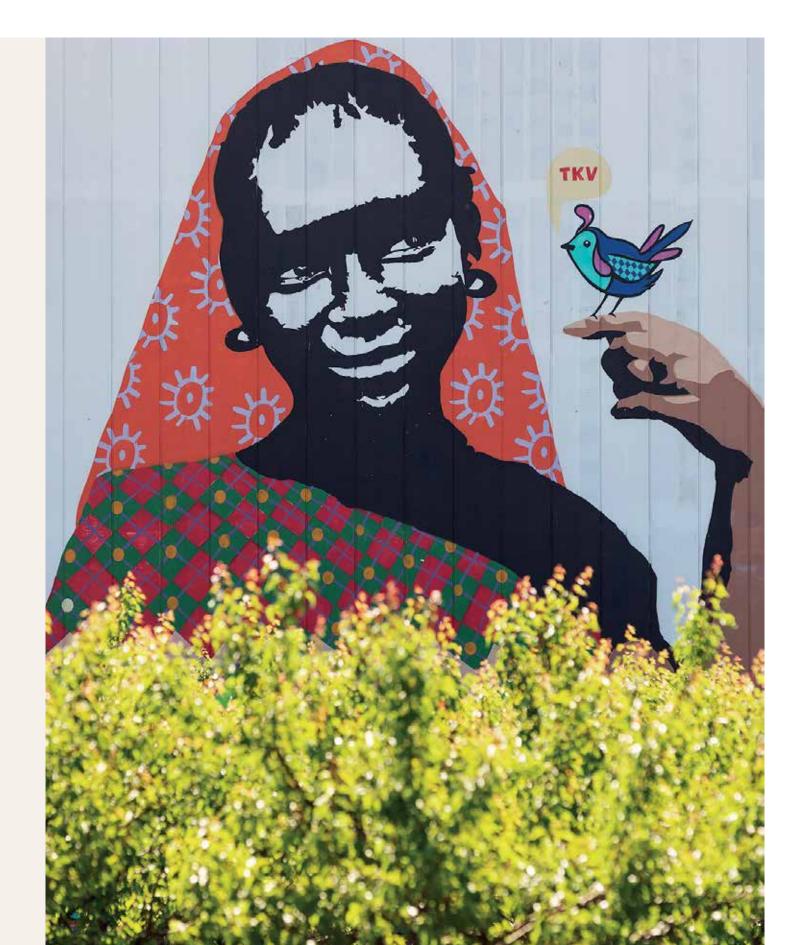
In addition to reporting mechanisms, we are working on educating employees about ethical standards and values of the organization and encouraging them to follow these values in their work. It is important for all of us to adhere to legal and regulatory requirements and to conduct regular reviews to ensure compliance with ethical guidelines.

We are confident that establishing an Ethical Code and Code of Conduct ensures our development in line with the highest ethical standards, aiming for more effective, modern, and successful operations in accordance with our company acceleration strategy.

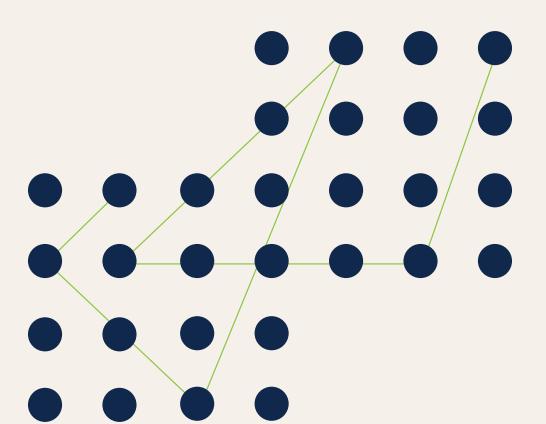
# INTERNAL CONTROL AND AUDIT

he Internal Control and Audit sector represents a crucial link in maintaining high standards of business practices and integrity. Our dedicated team of experts works on continuously improving internal controls, identifying potential risks, and providing support for sustainable operations. Through thorough process audits, we identify potential risks and offer recommendations to ensure efficient resource management. Our primary responsibility is conducting independent audits of key business processes to ensure resources are used efficiently and responsibly. Through these audits, we provide relevant recommendations and support to management in maintaining high standards.

The Internal Control and Audit sector also acts as a partner in ensuring compliance with relevant regulations and business standards and actively contributes to the company's sustainability initiatives by monitoring the implementation of environmental, social, and corporate responsibilities. Through ongoing training and monitoring of industry changes, we ensure that our activities reflect best practices in internal auditing and align with the highest standards of sustainable development.



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n March 2022, the management of Nelt Group introduced the "Accelerate 2025" Strategy for the next three years, aimed at enhancing operations in the distribution, logistics, and Nelt brand segments based on a healthy organization and corporate values. "Accelerate 2025" stands as the primary driving force behind the Strategy, symbolizing the company's commitment to hasten changes, digitalization, education, development, improvement, and revenue growth.



# #ACCELERATE**2025**

#### **INITIATIVES**

ur strategic initiatives build Nelt's competitive advantage and make our business resilient to current and future risks. They are:

- Optimization of sales and delivery routes;
- Implementation of digital delivery note;
- Utilization of advanced analytics and data management;
- Design and implementation of solutions for SFA and B2B applications;
- Enhanced management of processes and tools for planning promotional activities.

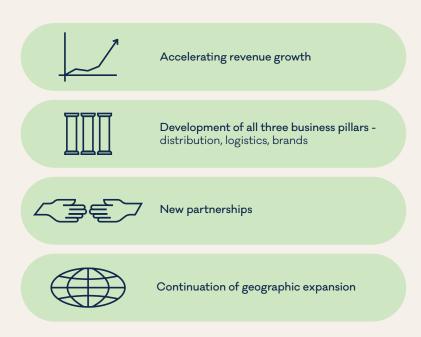
#### **GOALS**

he goals of the strategy include identifying new partners in distribution and logistics, strategic initiatives, sustainable sources for growth with existing businesses, prerequisites for realizing the strategy, as well as rebalancing profits between distribution, logistics, and brands.

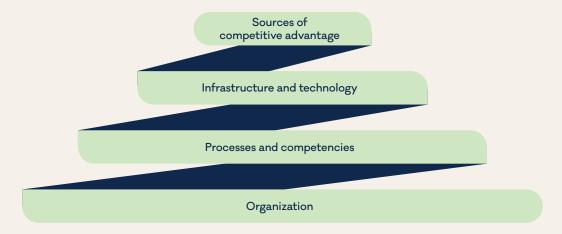
#### **PREREQUISITES**

n addition to defining what we want to achieve in the next three years, we have also determined how we want to achieve it. The strategy outlines prerequisites that need to be met for the goals to be accomplished. These include a healthy organization, improvement of knowledge and skills at all levels, appropriate infrastructure and technology, competitive advantage through a wide portfolio of brands, and a new approach to sales.

#### **OUR GOALS**



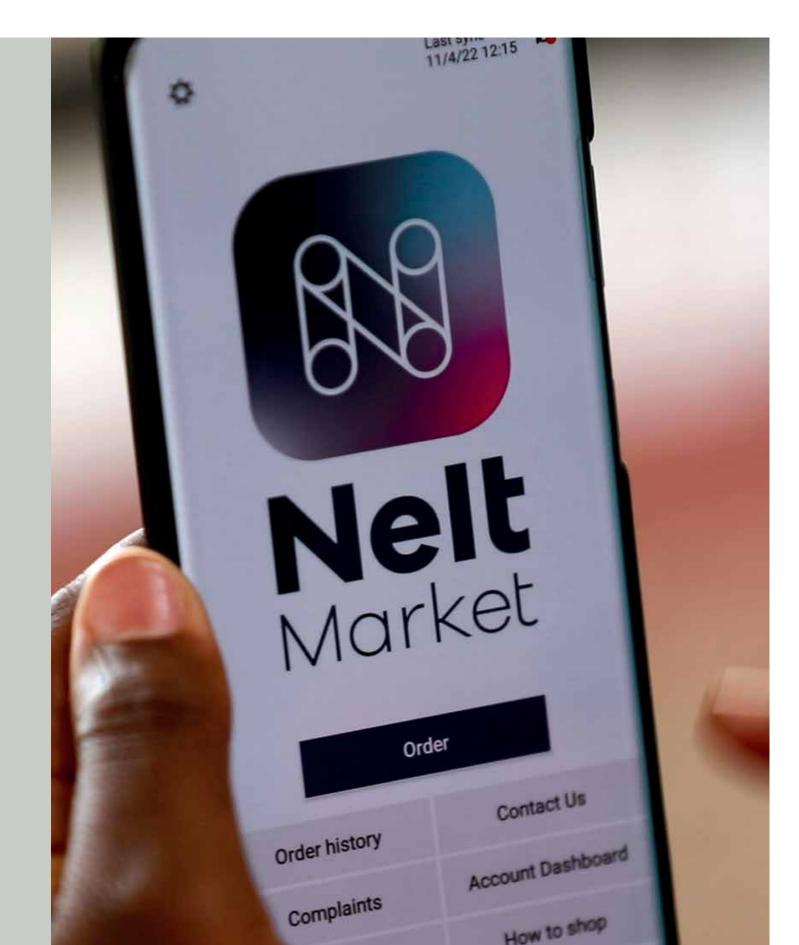
#### **PREREQUISITES**





# DIGITALIZATION IS OUR STRATEGIC COMMITMENT

or years, Nelt Group has been investing in new technologies and process automation. These investments are the top strategic priority to maintain and further strengthen the company's position as a leading distribution and logistics company in the region. The focus is on increasing the efficiency of internal operations and creating the highest quality service for clients. This way, at Nelt, we aim to enhance the satisfaction of existing clients and create new value for the company.



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#### SFA APP SALES FORCE APPLICATION

he primary goal of this digital platform is to enhance the efficiency of the sales organization through optimizing time spent in stores, increasing traffic through new initiatives, improving internal and external communication, and reducing administration. The advantages offered by SFA include process digitalization, providing all necessary information in real-time, as well as facilitating vertical communication within the organization.

#### TRADEX MANAGEMENT

platform, a software solution, enables us to better manage and automate promotional planning.

#### DATA **MANAGEMENT**

he Sales Reporting Transformation project is a Data Management initiative aimed at appropriately collecting, organizing, protecting, verifying, and processing data. This transformation will significantly streamline data management and enhance day-to-day efficiency. In addition to establishing standardized report formats, key benefits of this change include daily automatic updates, interactive data visualization, and cross-referencing capabilities, which will contribute to better understanding of results and faster decision-making.

#### **ROBOTIZATION OF** PROCESSES IN THE FINANCE SECTOR

n the finance sector, a pilot project for implementing the Robotic Process Automation (RPA) platform has been initiated in collaboration with partners Comtrade SI and Simplify. In line with our overarching business strategy, Accelerate 2025, and the advancement of digitalization, the project focuses on automating selected financial processes in the markets of Serbia, North Macedonia, and Montenegro. This is one of the tools we will use in the company's digital transformation efforts, aiming to accelerate, automate, and streamline our processes. The project also includes knowledge transfer as the basis for our future independent work in developing new robots and automating processes, not only in the finance sector but also in other sectors.

IMPROVED SOFTWARE **SOLUTION FOR OPTIMIZING SALES** AND DELIVERY ROUTES FOR MORE EFFICIENT DISTRIBUTION

y investing in development, we aim to progress and become an efficient and reliable organization for both employees and business partners. Our multifunctional project team worked throughout 2021, together with partner INFORA, on developing software solutions to achieve greater efficiency in optimizing sales and delivery routes. The project commenced on January 31, 2022. Through automation provided by the new solution, we have achieved increased efficiency, optimization, and rationalization of time and other resources, ultimately leading to improved service quality. This solution has resulted in reduced fuel consumption, leading to a decrease in CO2 emissions by 300 tons annually.





# DIGITAL DELIVERY NOTE

he launch of the digital delivery note was prepared just in time and aligned with the legal regulations regarding electronic document exchange, which came into effect on July 1, 2022. By implementing the project, we paved the way for further development of new functionalities in this segment and a gradual transition to a digital business model.

The benefits of the digital delivery note include faster information flow, quicker delivery of corrected invoices and placing products for sale, less time spent on manual corrections, reduced space needed for archives, and compliance with legal regulations regarding electronic documents.

In 2023, we recorded a weekly reduction of 160,000 sheets of copy paper, which equals 320 reams or 800 kg of paper. With savings of nearly 65% on corrective documents, this means we use 40 tons less paper annually. This way, we are preserving 1,000 trees that would otherwise be used for paper production!

In parallel, we worked on engaging our logistics clients. One of the largest confectionery producers, Bambi, recognized the potential of the new technological solution and joined in mid-2021. Through this collaboration, we became the first logistics provider to offer this type of service to our logistics clients in the Serbian market.

Expansion of this project to other markets is planned, with Bosnia and Herzegovina being the first in line. Implementation began in mid-October 2023, achieving a 5% digitization rate by the end of that year. This resulted in savings of 24,000 sheets, or 120 kg, of copy paper. We expect a more significant impact in 2024, with planned increases in the digitization percentage.

We continue our dedicated efforts to conserve natural resources and reduce our ecological footprint, contributing to the sustainable development of our business and community.

**-40 TONS** 1,000 **OF PAPER** TREES **ANNUALLY** SAVED

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

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

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

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

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

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

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

#### NELT TOOK PART IN THE FIRST BUSINESS ROUNDTABLE "SOCIAL AND ENVIRONMENTAL SUSTAINABILITY IN SUPPLY CHAINS"

he Organization for Security and Co-operation in Europe (OSCE), in cooperation with the German Helpdesk for Business and Human Rights and the Chamber of Commerce and Industry of Serbia, organized a Business Roundtable titled "Social and Environmental Sustainability in Supply Chains."

Global political and regulatory developments, such as the EU directive on corporate due diligence for sustainability, have sparked numerous discussions. In addition to an open dialogue on the latest legislative, policy, and practical developments in the supply chain, examples of best practices were presented. Nelt was recognized as one such example, and the organizers became acquainted with the company's activities through Nelt's Sustainability Report, which has been published since 2014.

For three decades, Nelt has based its business on providing high-quality services in the field of distribution and logistics, maintaining good and professional relationships with its clients, customers, business partners, employees, and actively contributing to the development of the community.

We advocate for the protection and promotion of human and labor rights, environmental protection, as well as anti-corruption and competition protection. In terms of environmental protection, Nelt focuses on the rational use of natural resources, the use of new technologies, equipment, and materials to reduce negative environmental impacts, managing and recycling packaging waste, and continuously working to reduce our environmental footprint.



#### MEMBERSHIPS IN ASSOCIATIONS

elt Group bases its operations on providing top-quality services in the fields it operates in, maintaining good and professional relationships with its clients, customers, business partners, employees, as well as actively contributing to and supporting community development. Nelt Group companies advocate for the protection and promotion of

human and labor rights, environmental protection, and anti-corruption efforts.

Additionally, we actively participate in the work of several reputable business associations that promote positive business practices and high business ethics.

#### Serbia

NALED – National Alliance for Local Economic Development
Serbian Chamber of Commerce and Industry
AmCham Serbia
AHK- German-Serbian Chamber of Commerce and Industry
SSCC- Swiss-Serbian Chamber of Commerce
Confindustria- Italian economic association in Serbia
EFN- The European Food Network
The British-Serbian Chamber of Commerce
Serbian association of shipping societies and agents PU "Transport and logistics"
Union of importers and distributors of medical devices

#### Montenegro

Forum for Responsible Business

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

#### Bosnia and Herzegovina

AmCham Bosnia and Herzegovina
FIC- Foreign Investors Council Bosnia and Herzegovina

#### North Macedonia

North Macedonian Chamber of Commerce	e
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AmCham North Macedonia



#### **AWARDS AND RECOGNITIONS**

#### **Nelt Group**

«Oscar of Excellence» for the Champion of Excellence (2022).

Recognition for Successful Supplier in the Regional Supply Chain (2023).

Best Employer Branding FMCG Adria Award bestowed by Career Center Croatia (2023).

Award for the Best Performance to Nelt's Jacobs Central Team (2023).

Principal Talent Management Award presented by Stanton Chase (2023).

#### Serbia

Employer Partner Certificate awarded by SELECTIO Group (2022).

Award for Personalized Talent Management Approach (2022).

Plaque from the Faculty of Economics for Longstanding Successful Collaboration marking the 85th anniversary of EKOF (2022).

Red Cross "Charms of Philanthropy" Award (2022).

Certificate from the Temple of Saint Sava (2022).

Grand Prix Employer Brand Award Adria (2022, 2023).

Listed among the Top 20 Employers by Infostud Company (2022).

Acknowledgment for Strategic Contribution to Society and the Academic Community (2023).

Recognition for Energy Efficiency Improvement awarded within the "Young Energy Europe" project (2023).

Friend of the Family Award (2023).

Recognition from the Serbian Association of Managers for Employer of the Year (2023).

Third place at the Nelt Sales Academy at the HRM Congress (2023).

Award from the organizers of the largest businesssports events for the most loyal company (2023).

BizBend, first prize for the best company band (2023).

Good Start - third place for the best HR practice, Human Driven Reshape (2023).

OHI - third place, HR Experience Award Successful Stories (2023).

#### Bosnia and Herzegovina

Most Desirable Employer in the Distribution Sector (2022).

Award for the Most Responsible Taxpayer in the Trade Sector in the RS Entity (2022).

Recognition in the "Top 100" - Second most successful company in revenue and ranked 37th among large enterprises by revenue (2023).

CFO of the Year Award in BiH to Suzana Sikimić, Finance Manager for the markets of Bosnia and Herzegovina, North Macedonia, Montenegro, and Albania (2023).

Appreciation for support in the treatment of children with cancer (2023).

#### Montenegro

Neregelia, Montenomaks, and D Way among the Top 100 in Montenegro (2022).

Ljilja Pižurica, Executive Director of Nelt Group for Montenegro and Albania, awarded Manager of the Year in Corporate Governance and "BEST Manager" in the business category (2022).

Award to Neregelia company for occupational health and safety (2022).

Union of Employers of Montenegro award to Neregelia for socially responsible business in the "Environmental Care" category (2023).

#### North Macedonia

Award for the Best Employer Branding Campaign (2023).

#### Angola

Nestle Company Certificate for Excellent Results and Dedication to Quality Long-Term Collaboration (2023)

#### Zambia

Award for Business Agility and Determination (2022).

Distributor of the Year Award (2023).

#### Mozambique

Recognition for the Best Distributor (2022).



#### RECOGNITION FOR SUCCESSFUL SUPPLIER IN THE REGIONAL SUPPLY CHAIN

The Chamber Investment
Forum of the Western Balkans,
with the support of the European
Commission, awarded our company
the recognition for Successful
Supplier in the Regional Supply
Chain. The commission, comprised of
one representative from each of the
chambers of commerce of the Western
Balkans and representatives of the
Secretariat of the CIF WB6, selected
one company in this category.

The awards ceremony took place in Skopje, and the recognitions aim to promote and celebrate the success of some of the most prominent companies from the Western Balkan countries.



Sixteen awards were presented in various categories, including Highest export growth, Digital champions, Environmental protection champions, Most innovative company, Leading investor in the region and others. The WB6 CIF is a regional association of national chambers of commerce from the Western Balkans countries (WB6: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia), representing the voice of more than 350,000 companies from the region. The chamber is dedicated to increasing the involvement of the business community in initiatives aimed at enhancing economic development in the Western Balkan countries, with a particular focus on supporting the advancement of regional economic integration and cooperation not only among the Western Balkan countries but also their integration with the European Union.

#### NELT HAS BEEN AWARDED WITH EMPLOYER PARTNER CERTIFICATE

ur company has been awarded the prestigious Employer Partner certificate, an HR recognition that guarantees quality in overall human resources management, following standards defined according to the best global HR practices and awarded by SELECTIO Group, a leading HR consulting group in the Adriatic region.

Through the assessment by independent HR experts, we have been recognized as a company with excellent HR practices and proven quality in human resources management. The methodology of the Employer Partner certificate was developed in 2005 and has been continuously revised since then. Today, Employer Partner is implemented in more than 200 organizations across over 10 countries, with a certification team consisting of over 50 independent HR experts.

During the certification process, the human resources system was observed through the employee lifecycle, which tracks the employee experience through seven key phases: attraction and hiring, onboarding and employee development, employee engagement and satisfaction, transformation and development, retention and rewards, as well as departure (offboarding) and employee return. For the first time, such an evaluation equally considers two perspectives - the employer's perspective and the employee's perspective.

# EMPLOYER OF THE YEAR 2023.

he Serbian Association of Managers honored Nelt with the "Employer of the Year" award at the prestigious SAM Gala event, acknowledging the company's provision of top-notch working conditions and professional development opportunities for managers in 2023.







#### OUR COMPANY IN ZAMBIA HAS RECEIVED MULTIPLE PRESTIGIOUS AWARDS

n 2023, our company in Zambia was honored with multiple awards. We received the Distributor of the Year award from SC Johnson during a three-day event held in Johannesburg, attended by distributors from major markets across Africa. Our agility and determination were recognized by our principal Mars, while Colgate awarded our company for excellence in distribution.

#### NELT'S JACOBS CENTRAL TEAM WAS AWARDED FOR BEST PERFORMANCE

elt's team, managing the Jacobs brand across 6 regional markets, recently won a prestigious global award at the JDE company conference, the largest European "Pure player" coffee manufacturer, held in Amsterdam. Representatives from JDE praised our achievement, highlighting that Jacobs brand sales in these markets have doubled in the past few years.

In global competition among over 50 markets, the Jacobs team was awarded for the best performance in the past year, as well as for launching new Jacobs capsules, becoming the category leader in just eight months.

#### NELT WAS RECOGNIZED AS THE BEST DISTRIBUTOR IN MOZAMBIQUE

n Mozambique, Nelt was named the best distributor at the annual "Nestle East and South African Region Distributor Conference 2022." Nelt won the Coverage Achievement Award for achieving the highest level of market coverage among over 50 active distributors from 20 countries. The following year, at the Beiersdorf Nivea Awards Competition, Nelt was named the best distributor in the Sub-Saharan region for 2023, with a special emphasis on business excellence. Among the five largest distributors, Nelt Mozambique stood out as the company that achieved the best sales results and contributed to greater availability, visibility, and credibility of Nivea products.



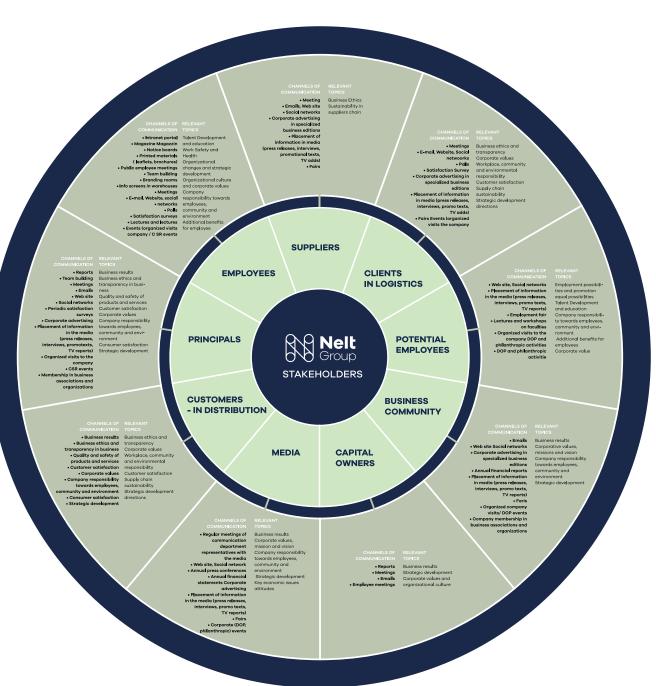


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# CONTINUOUS, TWO-WAY COMMUNICATION WITH STAKEHOLDERS

The sustainability of business largely depends on the company's ability to recognize the expectations and needs of stakeholders, and continuous dialogue is a means of open and twoway communication.





#### **CORPORATE COMMUNICATIONS**

#### TIMELY, ACCURATE, AND TRANSPARENT COMMUNICATION

orporate communications are key players in the success of the company. They achieve this by coordinating communication between the company and target groups, including the media, partners, clients, and the general public. Corporate communications manage the reputation of our company through the creation of communication strategies, caring for the corporate brand, media relations, content creation for internal and external stakeholders, crisis management, as well as event organization.

All external digital channels of the Nelt Group are unified on the Linktree page, accessible by scanning a QR code.



# NELT GROUP'S DIGITAL COMMUNICATIONS

Digital communication channels are essential tools for informing and maintaining a positive reputation and image of the company.

The Nelt Group communicates with the public through social media platforms such as Instagram (@ lifeatnelt - 5300 followers), Facebook (25,000 followers), LinkedIn (37,000 followers), and YouTube. These platforms regularly feature content from all companies within the Nelt Group.

When creating content for social media, we strive to cover various topics tailored to our target audiences or followers on each platform. On one hand, we share company updates and corporate news, as well as authentic photos of everyday business operations from different sectors and companies.

All social media profiles are set up to direct followers and visitors to www.nelt.com, the corporate website of the Nelt Group, as the primary communication channel. The website provides comprehensive information about the markets we operate in and the services we offer, all presented in one place.





#### **NELT TALKS**

n 2023, Nelt Talks, a new communication channel, was launched. The concept stemmed from the intention to provide employees with additional visibility and to present current developments in Nelt's operations to both internal and external audiences. Divna Maletić, a Corporate Branding and Digital Communications Specialist, engages in conversations with colleagues from all markets, sharing inspiring stories, tips, anecdotes, and insights from various aspects of life at Nelt. Nelt Talks also focuses on promoting our corporate values, fostering an open and inclusive communication culture. It confirms Nelt's commitment to promoting the exchange of ideas and empowering synergy across all markets and companies within the Group. The episodes are available on the Nelt Group's YouTube channel.

#### NELT CUSTOMER DAY -DEDICATED TO OUR CUSTOMERS AND BUSINESS PARTNERS

elt Customer Day is an event first organized in 2022 with the aim of becoming an annual tradition. Dedicated to our customers and business partners, its goal is to strengthen collaborations, showcase best practices, and facilitate the exchange of knowledge and experiences. Both events held so far have featured special guests, experts from various fields.



# INTERNAL COMMUNICATIONS

nternal communications represent one of the most crucial segments of corporate communications within the Nelt Group. Timely and adequate information dissemination to employees is of great importance for maintaining a productive, efficient, and pleasant working atmosphere in our company.

Through various channels of internal communication, we inform employees about their roles, organizational changes, company news, and convey all important messages to them. Through different formats of information sharing, we help them understand the organization, its strategy, internal policies, and corporate values.

This approach contributes to fostering a sense of connection among colleagues in different positions and markets, building a common identity, as well as a sense of community and belonging.

Our internal portal - InfoNelt is accessible to all employees. Here, they can find work documents, templates of corporate forms, and memorandums.

Additionally, the portal serves as a source of information on current company news, important announcements, and in the "Your Corner" section, employees can find information about benefits, internal training and workshops, humanitarian actions, and sports events.

For employees who do not have access to a computer in their daily business activities, such as those working in warehouses and delivery, information is communicated through internal television - NeltTV. The program on internal television combines information from the internal portal and email, adapted to specific formats, and includes additional content relevant to operational activities in certain positions.

The content of NeltTV is carefully aligned with the dynamics of work in the warehouses, beginning of work hours, breaks, and shifts. Following a professional TV schedule and daily dynamics, company and noncompany content is incorporated - morning program, news program, entertainment program, service information. In the morning,

colleagues can expect a weather forecast and the most important information from the organization on television. After the morning news, corporate films, Nelt podcasts, reviews of new products, current contests, and interesting photographs of the landscapes where the company operates are shown.

Nelt TV showcases the productivity model of warehouse workers, their achieved targets and accomplishments, and on a monthly basis, employee of the month announcements are made on television.

Nelt TV primarily serves for information dissemination, but also contributes to a pleasant atmosphere, entertainment, and motivation of employees.

This communication channel is also used for advertising purposes, as some screens are located in high-traffic areas, such as the company restaurant. It is often used as advertising space for our principals and clients.





In Nelt Group, we also utilize traditional communication channels such as notice boards and posters. Through these, we inform our colleagues about current internal projects and other important information.

Town Hall meetings are organized across all markets where Nelt Group operates, either in person or via the Teams platform. This is an opportunity for members of the Executive Board and management team to address employees and convey relevant information about business performance, key events in the year, present development plans and activities for the upcoming period, announce new benefits and organizational work regimes, etc.

For over a decade, Nelt Group has been publishing its internal magazine - Magazzin, three times a year. This is another channel of internal communication designed for those who prefer traditional means of staying informed about company news. Each issue contains educational and/or inspirational stories from colleagues across different sectors and from all 12 markets.

In addition to established sections such as Check-in, Colleague Hobbies, From Our Perspective, Strategic Projects, A Day at Work with, each edition focuses on a specific theme and is covered in several sections, providing various approaches. Besides providing information, Magazzin serves as a tool for employees to get to know each other better through interviews and discussions on noncompany topics.

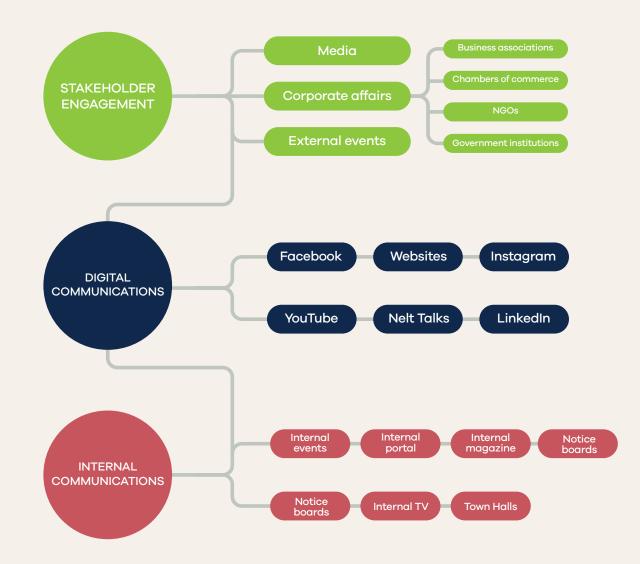














Sustainability of business largely depends on a company's ability to recognize the expectations and needs of stakeholders, and continuous dialogue is a means of open and twoway communication.

Selecting material topics and involving stakeholders in the process of determining priorities are key steps in Nelt Group's engagement towards sustainable and responsible business.

Out of the broader set of sustainability topics, Nelt has identified as priority those that most reflect economic, social, and environmental impacts or significantly influence stakeholder assessments and decisions.

Although Nelt Group's business encompasses various areas of sustainability, the focus is on issues of utmost importance for achieving the company's goals and synchronizing with the needs of key stakeholders.

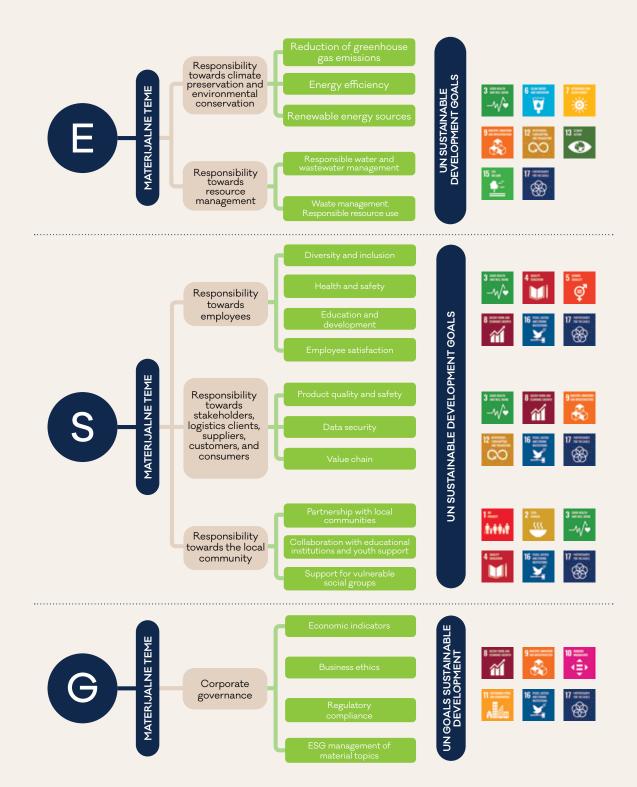
Nelt Group applies a similar approach in all Western Balkan countries where it operates, ensuring consistency and relevance in identifying material topics across reporting cycles.

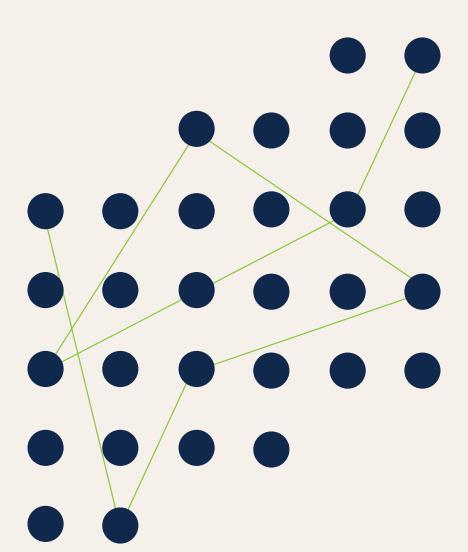
With this approach, we not only meet stakeholder expectations but also establish a solid foundation for sustainable business that considers a wide range of community impacts and interests.





#### MATERIAL TOPICS IN OUR FOCUS







#### **ECONOMIC IMPACTS**

elt Group has been achieving business successes and revenue growth for three decades, while also working on designing and implementing activities that benefit local communities in the markets where it operates.

Data on generated and distributed value provide a detailed economic profile of the organization and demonstrate how value is created for stakeholders through core financial activities.



#### **ECONOMIC PERFORMANCE**

uring 2022 and 2023, significant funds were allocated to salaries, benefits, and employee development, collaboration with local suppliers, and obligations to the state.

#### Serbia

# Nelt Co20222023Salaries, taxes and employees<br/>development43,29749,167Cooperation with local suppliers36,52046,025State taxes1,1641,207

#### Bosnia and Herzegovina

Nelt doo	2022	2023
Salaries, taxes and employees development	7,273	9,738
Cooperation with local suppliers	28,566	27,598
State taxes	405	437

#### Montenegro

Neregelia	2022	2023
Salaries, taxes and employees development	3,679	3,281
Cooperation with local suppliers	2,805	2,003
Obaveze prema državi	127	130

Montenomaks	2022	2023
Salaries, taxes and employees development	2,032	2,321
Cooperation with local suppliers	1,751	2,078
State taxes	63	79

#### North Macedonia

Nelt ST	2022	2023
Salaries, taxes and employees development	3,428	4,407
Cooperation with local suppliers	3,640	5,441
State taxes	127	203

#### Albania

Nelt SH.P.K.	2022	2023
Salaries, taxes and employees development	1,703	2,204
Cooperation with local suppliers	2,055	1,922
State taxes	23	33

Economic value generated and distributed in '000 euros



# ECONOMIC VALUE GENERATED AND DISTRIBUTED IN '000 EUROS

SERBIA - NELT C	0		2022	2023
1.		TOTAL REVENUES	753,128	817,530
	1.1.	NET REVENUES FROM INTERESTS	549	1,302
	1.2.	NET REVENUES FROM PROVISIONS AND PAYMENTS	12	19
	1.3.	NET SALES	752,567	816,209
2.		TOTAL EXPENSES	747,009	816,797
	2.1.		Operating	Expenses
		Premises costs	860	1,228
		Current operating costs	23,573	24,595
		IT costs	1,235	2,086
		Marketing and communications costs	2,868	4,480
		Legal and consultancy fees	745	758
		Other operating costs	-	-
		Costs of sold goods and materials	671,711	722,151
		Non-operative result	-1,869	173
Total Operating Expenses:			699,123	755,471
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	2.2.		Employee-relo	ated Expenses
		Salaries	42,209	48,031
		Business travels and education	1,088	1,136
Total Employee- related Expenses	S:		43,297	49,167
•	2.3.		Payments to Co	apital Providers
		Dividends to shareholders	0	0
		Interest payments to providers of loans	1,017	3,515
		Interest payments to all forms of debt	206	209
		Other financial result	-1,888	182
Total payments to			-665	3.906
capital providers	2.4.		Expenses related t	o state obligations
	2.7.	State and local taxes costs	1,137	1,189
		Penalties costs	27	18
Total expenses		rendities costs	27	10
related to state			1,164	1,207
-	2.5.		Community	investments
		Donations	157	50
		Infrastructure investments in the community, including financial valued and value in donated goods, products or working hours (excluding the investments driven primarily by business needs)	-	-
		Community projects consultancy	-	-
		Other community investments	-	-
Total community	,		157	50
•		Amortization costs	<b>157</b> 3,933	<b>50</b> 6,996

BOSNIA AND HEI	RZEG	GOVINA - NELT DOO	2022	2023
1.		TOTAL REVENUES	143,631	171,527
	1.1.	NET REVENUES FROM INTERESTS	0	35
		NET REVENUES FROM PROVISIONS AND PAYMENTS	0	0
	1.3.	NET SALES	143,631	171,492
2.		TOTAL EXPENSES	138,709	162,900
	2.1.		Operating	Expenses
		Premises costs	46	42
		Current operating costs	3,961	4,215
		IT costs	131	149
		Marketing and communications costs	1,578	1,347
		Legal and consultancy fees	29	30
		Other operating costs	-	-
		Costs of sold goods and materials	123,958	145,612
		Non-operative result	107	-62
Total Operating Expenses:			129,810	151,333
	2.2.		Employee-relo	ated Expenses
		Salaries	7,036	9,311
		Business travels and education	237	427
Total Employee- related Expenses	:		7,273	9,738
	2.3.		Payments to Co	apital Providers
		Dividends to shareholders	-	-
		Interest payments to providers of loans	134	93
		Interest payments to all forms of debt	4	2
		Other financial result	2	3
otal payments to capital providers			140	98
	2.4.		Expenses related t	o state obligations
		State and local taxes costs	393	435
		Penalties costs	12	2
Total expenses related to state obligations			405	437
· ·	2.5.		Community	investments
		Donations	23	70
		Infrastructure investments in the community, including financial valued and value in donated goods, products or working hours (excluding the investments driven primarily by business needs)	-	-
		Community projects consultancy	-	-
		Other community investments	-	-
Fotal community nvestments:			23	70
	26	Amortization costs	1,058	1,224
		7 11 10 1 11 Edition 1 000 to	.,	.,



# ECONOMIC VALUE GENERATED AND DISTRIBUTED IN '000 EUROS

MONTENEGRO -	NERE	GELIJA	2022	2023
1.		TOTAL REVENUES	65,939	42,476
	1.1.	NET REVENUES FROM INTERESTS	35	280
	1.2.	NET REVENUES FROM PROVISIONS AND PAYMENTS	0	0
	1.3.	NET SALES	65,904	42,196
2.		TOTAL EXPENSES	63,616	38,948
	2.1.		Operating	Expenses
		Premises costs	95	15
		Current operating costs	1,623	1,493
		IT costs	128	78
		Marketing and communications costs	1,085	473
		Legal and consultancy fees	11	14
		Other operating costs	-	_
		Costs of sold goods and materials	56,085	32,879
		Non-operative result	230	117
Total Operating Expenses:			59,257	35,069
	2.2.		Employee-relo	ated Expenses
		Salaries	3,539	3,136
		Business travels and education	140	145
Total Employee- related Expenses			3,679	3,281
	2.3.		Payments to Co	apital Providers
		Dividends to shareholders	0	0
		Interest payments to providers of loans	9	11
		Interest payments to all forms of debt	1	0
		Other financial result	0	0
Total payments t capital providers			10	11
	2.4.		Expenses related t	o state obligations
		State and local taxes costs	122	125
		Penalties costs	5	5
Total expenses related to state obligations			127	130
obligations	2.5.		Community	investments
		Donations	2	2
		Infrastructure investments in the community, including financial valued and value in donated goods, products or working hours (excluding the investments driven primarily by business needs)	-	-
		Community projects consultancy	-	-
		Other community investments	-	-
			_	
Total community investments:	1		2	2
		Amortization costs	<b>2</b> 541	<b>2</b> 455

MONTENEGRO - I	MON	TENOMAKS	2022	2023
1.		TOTAL REVENUES	4,568	5,116
	1.1.	NET REVENUES FROM INTERESTS	-	-
	1.2.	NET REVENUES FROM PROVISIONS AND PAYMENTS	-	-
	1.3.	NET SALES	4,568	5,116
2.		TOTAL EXPENSES	4,143	4,751
	2.1.		Operating	Expenses
		Premises costs	85	119
		Current operating costs	1,500	1,759
		IT costs	60	63
		Marketing and communications costs	30	30
		Legal and consultancy fees	5	7
		Other operating costs	-	-
		Costs of sold goods and materials	126	146
		Non-operative result	24	17
Total Operating Expenses:			1,830	2,141
	2.2.		Employee-rel	ated Expenses
		Salaries	2,029	2,319
		Business travels and education	3	2
Total Employee- related Expenses	:		2,032	2,321
	2.3.		Payments to C	apital Providers
		Dividends to shareholders	-	-
		Interest payments to providers of loans	2	0
		Interest payments to all forms of debt	2	7
		Other financial result	1	-3
Total payments to capital providers	5		5	4
	2.4.		Expenses related t	o state obligations
		State and local taxes costs	63	79
		Penalties costs	-	-
Total expenses related to state obligations			63	79
	2.5.		Community	investments
		Donations	-	-
		Infrastructure investments in the community, including financial valued and value in donated goods, products or working hours (excluding the investments driven primarily by by the page agency).	-	-
		by business needs)  Community projects consultancy		
		Other community investments		
Total community investments:			0	0
	2.6.	Amortization costs	213	206
3.		Economic value retained (investments, shares, etc. 1. – 2. )	425	365



# ECONOMIC VALUE GENERATED AND DISTRIBUTED IN '000 EUROS

NORTH MACEDO	NIA -	NELT ST	2022	2023
1.		TOTAL REVENUES	38,139	49,795
	1.1.	NET REVENUES FROM INTERESTS	137	69
	1.2.	NET REVENUES FROM PROVISIONS AND PAYMENTS	1	0
	1.3.	NET SALES	38,001	49,726
2.		TOTAL EXPENSES	37,055	48,320
	2.1.		Operating	Expenses
		Premises costs	139	344
		Current operating costs	1,696	2,430
		IT costs	59	66
		Marketing and communications costs	237	492
		Legal and consultancy fees	11	25
		Other operating costs	-	-
		Costs of sold goods and materials	30,142	39,450
		Non-operative result	328	468
Total Operating Expenses:			32,612	43,275
	2.2.		Employee-relo	ated Expenses
		Salaries	3,379	4,338
		Business travels and education	49	69
otal Employee- elated Expenses	S:		3,428	4,407
	2.3.		Expenses related t	o state obligations
		Dividends to shareholders	501	0
		Interest payments to providers of loans	30	16
		Interest payments to all forms of debt	0	0
		Other financial result	-12	-10
Fotal payments t capital providers			519	6
	2.4.		Payments to Co	apital Providers
		State and local taxes costs	124	200
		Penalties costs	3	3
Total expenses related to state obligations			127	203
	2.5.		Community	investments
		Donations	-	-
		Infrastructure investments in the community, including financial valued and value in donated goods, products or working hours (excluding the investments driven primarily by business needs)	-	-
		Community projects consultancy	-	-
		Other community investments	-	-
Total community nvestments:			0	0
		A manufication and a	369	429
	2.6.	Amortization costs	309	429

ALBANIA - NELT S	SH.P.I	ζ.	2022	2023
1.		TOTAL REVENUES	14,983	16,999
	1.1.	NET REVENUES FROM INTERESTS	-	-
	1.2.	NET REVENUES FROM PROVISIONS AND PAYMENTS	-	-
	1.3.	NET SALES	14,983	16,999
2.		TOTAL EXPENSES	13,140	14,375
	2.1.		Operating	Expenses
		Premises costs	-	-
		Current operating costs	1,044	1,078
		IT costs	52	54
		Marketing and communications costs	43	36
		Legal and consultancy fees	6	28
		Other operating costs	-	-
		Costs of sold goods and materials	9,736	10,497
		Non-operative result	325	223
otal Operating Expenses:			11,206	11,916
•	2.2.		Employee-relo	ated Expenses
		Salaries	1,675	2,167
		Business travels and education	28	37
Total Employee- elated Expenses			1,703	2,204
	2.3.		Expenses related t	o state obligations
		Dividends to shareholders	-	-
		Interest payments to providers of loans	45	16
		Interest payments to all forms of debt	13	9
		Other financial result	-170	-180
otal payments to capital providers	)		-112	-155
	2.4.		Payments to Co	apital Providers
		State and local taxes costs	9	27
		Penalties costs	14	6
Total expenses related to state obligations			23	33
	2.5.		Community	investments
		Donations	-	-
		Infrastructure investments in the community, including financial valued and value in donated goods, products or working hours (excluding the investments driven primarily by business needs)	-	-
		Community projects consultancy	-	-
		Other community investments	-	_
otal community			0	0
	2.6.	Amortization costs	320	377



Il companies within the Nelt Group nurture the principle of good partnership and trust with their suppliers and strive to maintain stable and long-term cooperation in local communities.

More than 90% of the procurement budget, under the purview of the Nelt Group Procurement sector, is spent on local suppliers. In 2022, the total procurement of goods and services amounted to approximately 82 million euros. Procurement was conducted with 4,770 different suppliers in the Western Balkans. In 2023, the total procurement of goods and services amounted to approximately 94 million euros. Procurement was conducted with over 5,400 suppliers from across the Western Balkans.

	Serbia		Bosni Herzeg	a and govina	Nere	Monte gelia	enegro Monter	nomaks		rth donija	Albo	ania
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Number of suppliers	1,880	2,206	1,047	1,273	450	322	461	443	506	746	426	425
Value of procured goods and services in ,000 euros	41,816	53,073	29,264	28,316	3,443	2,143	2,194	2,567	3,740	5,696	2,340	2,340



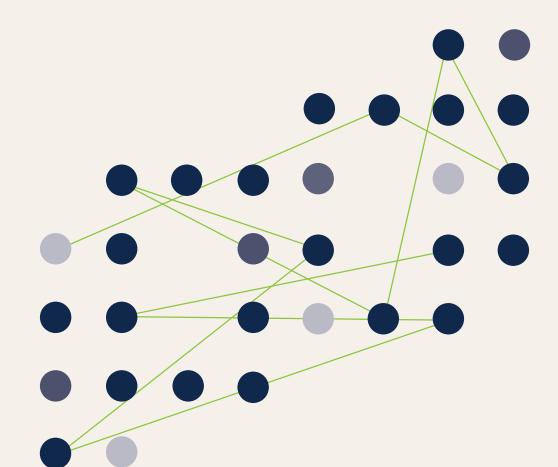
xpanding its supplier network, the Nelt Group enables small and medium-sized enterprises, in addition to large companies, to generate turnover and thereby ensure economic stability, further growth and development, as well as job security for their employees.

Before establishing cooperation, Nelt considers a range of criteria for selecting suppliers. In addition to the quality and price offered by the supplier, criteria include reputation, respect for human and labor rights, and environmental protection.

The first step in selecting a supplier is completing a questionnaire in which the supplier provides basic information about the organization, organization management, products or services offered, references, financial indicators, information systems, and system management. After a positive evaluation of all the specified criteria, the supplier is requested to provide an offer for a specific product or service, followed by an evaluation of the offer itself and everything it contains (price, quality, delivery deadlines, technical specifications, etc.).

Procurement of technical goods and services for all companies operating within the Nelt Group is carried out through Nelt's eProcurement portal. This method ensures transparency and allows all active and potential suppliers to be properly informed about Nelt Group's procurement announcements at any given time. By using Nelt's eProcurement, suppliers are able to submit their bids and be adequately and promptly informed about the status of each individual procurement.





# RESPONSIBILITY RDS THE MARKET 6



#### RESPONSIBILITY TOWARDS THE MARKET



#### **NELT - THE WAY OF DISTRIBUTION**

ompanies within the Nelt Group distribute fast-moving consumer goods, tobacco, pharmaceutical, and cosmetic products. The quality of service, brand knowledge, and good market coverage make us the leading distributor in the markets where we operate.

We collaborate with all market-oriented national and international retail chains,

wholesalers, small and large private shops, kiosks, pharmacies, perfumeries, gas stations, and other retail outlets.

The efficiency of our operations is based on four interconnected functional units: inventory planning, sales, trade marketing, and customer service.

#### STOCK PLANNING – REGULATIONS

Regulatory affairs within the stock planning sector are tasked with monitoring and implementing requirements and regulations related to the release of goods into circulation. These regulations typically concern product quality requirements, labeling, documentation accompanying the product, obtaining permits for market placement if necessary, reports submitted to relevant authorities, and so forth.

#### SALES

Nelt applies high business standards that are equivalent to the standards of principals it operates with. For all sales programs distributed by Nelt, the availability of goods to end consumers is guaranteed at all times and in all places. The company's goal is to achieve an ideal distribution - 100% of products in 100% of locations, throughout 100% of the time.

#### • TRADE MARKETING

The companies of the Nelt Group provide their partners with trade marketing services to attract consumer attention and increase interest in the products they launch in the Western Balkans market. Trade marketing teams

leverage their deep understanding of the market and brands to devise and implement promotional and other activities aimed at making the products distributed by the Nelt Group companies the first choice for customers and end consumers...

#### CUSTOMER SERVICE

Customer service center is available to customers to provide complete support in managing documentation, requests, and complaints. Customers can contact the Center via email reklamacije@nelt.com or through the toll-free phone line 0800/12-12-13. The center also supports the sales sector and is responsible for updating system price lists and customer price lists. The Customer Service operates on weekdays from 8 am to 12 am, except for Saturdays when it closes at 2 pm. Sundays are non-working days. Since 2018, the Customer Service has been expanded to include the LSP service, which aims to support clients using the company's logistics services. The task of this service is to efficiently handle all requests from clients through twoway communication. The LSP service operates on weekdays from 8 am to 4 pm, with weekends off.

hanks to a professional and partnership-oriented approach towards its stakeholders, companies within the Nelt Group are recognized as the top choice for global companies in providing services in the distribution and logistics segment. Compliance with international regulations, applied standards, and the most successful business models have proven to be crucial in the development of our companies. Additionally, continuity in innovation ensures our leadership position when it comes to the utilization of advanced information technologies in the markets where we operate.



#### **NELT PHARMACEUTICALS**

elt Group has been present in the pharmaceutical market since 2008, focusing on the distribution of medicines, over-the-counter (OTC) products, medical devices, cosmetics, and baby products. Today, this sector represents one of the pillars of our Accelerate 2025 strategy. We have defined a strategic plan for the regional development of pharmaceutical business, through which we will further develop the portfolio of both existing and new principals. Nelt Pharmaceuticals operates on a model of providing complete services to reputable global manufacturers of OTC and CHC products. Our principals are Johnson & Johnson (recently Kenvu), Reckitt, Sebamed, P&G, Nestle.

The pharmaceutical team is dedicated to continually improving processes that must align with quality requirements and good distribution practice (GDP) guidelines, starting from warehousing, through distribution to pharmacies and healthcare facilities, to active sales in pharmacies. Together with our principals, we craft marketing strategies for brands and execute them through collaboration with doctors, pharmacists, and medical staff, participating in professional events, providing ongoing education, and conducting promotions at sales points.

In addition to sales and marketing, the Regulatory Affairs sector plays a crucial role in Nelt Pharmaceuticals. A team of experienced professionals diligently carries out activities related to the registration of medicines and medical devices with the Agency for Medicines and Medical Devices, the registration of dietary supplements with the Ministry of Health, monitoring adverse effects (pharmacovigilance), compliance with laws, and adherence to guidelines for good practices in the distribution and marketing of pharmaceutical products.

With a clear vision and regional presence, coupled with years of experience and a professional approach, Nelt Pharmaceuticals has a solid foundation for further development.



## CONTINUOUS DEVELOPMENT OF E-COMMERCE IN NELT

ollowing market trends and innovations, and being aware of changes in consumer behavior and habits, at Nelt, we continuously develop online sales for the brands we represent. The e-commerce market in the region is experiencing year-on-year growth and increasingly influencing distributors and retailers to adapt their strategies, including e-commerce as a new sales channel. Global trends include increased mobile shopping, personalized customer experiences, artificial intelligence technologies for product recommendations, and continuous improvement of online transaction security. Sustainability and fast delivery are also becoming important factors in choosing e-commerce platforms.

In Serbia, trends align with global ones. Growing digitalization and increased internet connectivity contribute to a rising number of online shoppers. The increase in online merchants, improvements in payment infrastructure, and overall increase in digital literacy are contributing to this trend. Consumers have become more comfortable with online shopping, and mobile applications have also increased product availability.

Nelt's e-commerce business has recorded a growth index of 120 for three consecutive years.

All brands distributed by Nelt on the Serbian market are included in our e-commerce operations, with special emphasis on the outstanding growth indices achieved by Nelt's brands:

Neoplanta with an index of 438, Nutrino Baby with 398, and Nutrino Lab with 278 compared to the previous year. This highlights the potential of e-commerce, where Nelt as a company is progressively positioning itself better each year.

Consequently, we continuously work on enhancing collaboration with online services through a comprehensive approach.

We have initiated the integration of systems between our system and e-commerce platforms, providing numerous benefits including efficiency, error reduction, and process automation to decrease manual work. In the perspective, automation will enable price and inventory updates, better order management, and clearer business overview. Tracking inventory, delivery deadlines, and product returns ensure efficient supply chain operation.



# ACTIVITIES FOR FURTHER STRENGTHENING E-COMMERCE

urther strengthening is reflected in better placement of appropriate promotions and discounts in visible areas on platforms and linking with marketing campaigns.

We are intensively working on more accurate identification of the target audience and tailoring content to their preferences and behavior, adapting to seasonal events and holidays, and creating special tailor-made campaigns.

Providing adequate content in collaboration with all our principals and divisions is crucial for attracting visitors. Quality content involves product descriptions focusing on features, benefits, and usage, providing high-quality photographs and videos, guides and tutorials, blog articles, reviews, and customer ratings.

Maintaining up-to-date, relevant, and useful content is crucial for attracting and retaining the attention of consumers on e-commerce platforms. In the upcoming year, a series of workshops are planned to educate the broader sales organization on the way of doing business and the specificities of this sales channel. Given the constant changes, tracking trends in e-commerce is crucial for maintaining a competitive advantage and meeting the needs of modern consumers. Essentially, adaptability, innovation, market understanding, focusing on the end user, and carefully recognizing industry changes enable long-term success in the market, which we at Nelt strive for in all business sectors.

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**Mihajlo Stikić** Senior Manager Dway Division

# WHEN EXISTING BUSINESSES CREATE NEW BUSINESSES



ew partners and businesses within FMCG Serbia have almost become part of our daily routine in recent years. The largest regional and global manufacturers recognize the integrity that the Nelt family possesses, which is based on years of knowledge and experience. The commencement of distributing Nestle and Kraš sales programs in 2021 is just the pinnacle of the trust that Nelt has earned through dedicated work, professionalism, and a continuous strive for acquiring new knowledge and skills while adapting to market circumstances.

"Great things in business are never done by one person. They're done by a team of people," said Steve Jobs, the greatest influencer among businessmen. I've been part of the Nelt Group for eight years now, working in various positions within the sales department. During this time, I've had the opportunity to experience these words firsthand. I believe that people are a special motivator for each of us to strive to be better every day. The teams we create, build, and work with, and with whom we make decisions and take actions with long-term effects, are what drive us forward.

At the end of the first quarter of 2022, during the presentation of the new #Accelerate2025 strategy, we began discussions with our long-term partner Mondelez regarding taking over the distribution of a new sales program within the Mondelez product portfolio – Chipita, whose brands such as 7 days and Chipicao are well-known in the Central and Eastern

European markets. For us, this is something completely new – and completely different from the entire FMCG distribution portfolio. Sales, delivery, and merchandising frequency must meet the needs of such a portfolio fast-moving products with short shelf life. Products consumed on the go, requiring availability at every step. A brand that competes with traditional bakery products. Products with very pronounced seasonality in sales. Products consumed by children, mothers, fathers, but also grandparents. We quickly managed to provide all the prerequisites on our side for a smooth start of distribution. The new business implied new people, a new organization, procurement of basic assets, negotiations and discussions with our customers, existing distributors, old and new business owners. Facing time constraints, encountering obstacles at every turn, aware and unaware of stumbling blocks, we overcame all challenges. Thanks to multifunctional teams and intersectoral support and collaboration, once again, we showed that this team leaps over all obstacles at an accelerated pace.

It is precisely the long-term perspective that we nurture as one of our key corporate values that gives us the right to have the best possible support from our major partners with whom we, as Nelt, started this journey. A journey followed by acceleration. Acceleration that comes from the fact that existing businesses create new businesses.

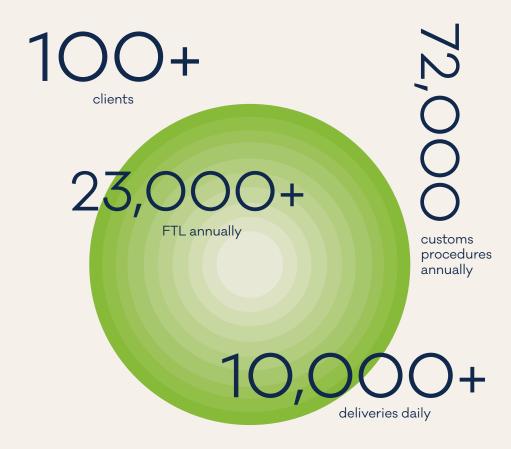


#### **NELT-THE WAY OF LOGISTICS**



elt has years of experience in providing all types of logistic services to clients from various industries.

Through faster processes, time savings, transparency, and reduced administration, we ensure the optimization of logistic costs for businesses.



164,000m<sup>2</sup>

warehouse space

10,000+

#### WAREHOUSING AND VAS

ur storage space capacities in markets of Western Balkans and Sub-Saharan Africa are 164,000 m², with various temperature regimes, warehouse types, and storage technologies. We employ state-of-the-art technologies and software for managing logistic processes, allowing us to promptly respond to our clients' demands. Our operations adhere to international standards (ISO) from the 9000 series and the Codex Alimentarius food safety system (HACCP), for which we are certified.

Within our warehouse capacities, we provide Value Added Services (VAS), including processing services (repackaging, labeling) and customization (creating specific commercial packaging, assembling promotional and action sets) for a wide range of consumer goods, food, pharmaceuticals, technical products, and promotional materials.

#### AUTOMATION OF PROCESSES IN NELT'S SUPPLY CHAIN

n line with our sustainable business approach, during 2023, we worked on automating warehouse operations by introducing an advanced technological solution - Vertical Lift Module (VLM). Four new machines were installed in one of our halls at the distribution-logistics center in Dobanovci and are intended for the Pharma assortment. The VLM represents a closed system for storing and picking items, bringing numerous environmental and operational benefits. Thanks to 96 mobile shelves and a special lift on each of the machines, goods are efficiently distributed, optimizing the use of warehouse space. Additionally, this system enables quick distribution of goods to operators at workstations, shifting the traditional logistics approach from "man to goods" to "goods to man".

Efficient use of warehouse space reduces the need for additional space, resulting in lower resource consumption for building and maintaining warehouse facilities. Furthermore, fast distribution of goods and process optimization reduce energy consumption and emissions of harmful gases generated during handling and transportation of goods. In this way, the implementation of the VLM system supports our commitment to environmental preservation and the creation of a sustainable business model.



Scan the QR code to watch the video on the automated Vertical Lift Module (VLM) warehouse system.



#### **CUSTOMS** MEDIATION

n Serbia, Nelt has specialized in representing clients before customs authorities in customs procedures related to consumer goods, food products, technical equipment, and general-purpose goods. We transfer our experience from the Serbian market to companies in the region. Clients are provided with services for obtaining necessary certificates, attestations, as well as sanitary, veterinary, and market approvals and permits.

#### **AUTHORIZED ECONOMIC OPERATOR** STATUS IN CUSTOMS **PROCEDURES**

s a result of years of service development in customs mediation, we have specialized in representing clients before customs authorities in customs procedures related to consumer goods, food products, technical equipment, and general-purpose goods. Clients are provided with services for obtaining necessary certificates, attestations, as well as sanitary, veterinary, and market approvals and permits.

We have obtained the status of Authorized Economic Operator (AEO) in the markets of Serbia, Montenegro, North Macedonia, and recently in Bosnia and Herzegovina. This declaration certifies us as a reliable partner, as a meticulous examination has confirmed that we meet the specific criteria of the World Customs Organization standards and equivalent local supply chain security standards.

The key benefits of this system include streamlining processes and customs procedures, reducing the number of inspections and data entries. This enables our clients to enjoy even faster and more costeffective transportation of goods, thereby enhancing the level of service and further improving the existing range of integrated logistics services.

#### NATIONAL AND INTERNATIONAL TRANSPORT

he goods are delivered by a fleet consisting of over 450 vehicles with a load capacity ranging from 2.5 to 11 tons, operating in various temperature regimes. All vehicles are equipped with GPS devices, and delivery routing for the entire fleet is managed through dynamic routing software (Sky Track). Delivery route data is transmitted via ERP (SAP) to warehouse management software (WMS Gold), where further separation of goods takes place. Delivery vehicles are equipped with PDA devices that

The fleet of vehicles available for international transport enables us to handle over 23,000 full loads annually, covering all temperature and other transport regimes. We have our own vehicles for transporting goods, but we also collaborate with other carriers across the region. This allows us to organize road transport to any European destination in the shortest possible time.

allow the delivery person to have

a detailed overview of all delivery-

related parameters, such as route

the delivery plan.

details, waybill overview, delivery task

statuses, and navigation according to

#### **GROUPAGE TRANSPORT**

ince 2022, our company has significantly expanded its network to enhance groupage transport services. We offer this service to small and medium-sized enterprises requiring transportation of smaller quantities of goods from Italy, the Czech Republic, Germany, Hungary, Poland, and Serbia to the countries of the Western Balkans.

Groupage transport is the most costeffective type of transportation for small shipments and is a suitable solution for goods that do not occupy the entire capacity of a truck. It can include shipments ranging from half a truckload to a single pallet or box.





# DEVELOPMENT OF INTERMODAL TRANSPORT AT NELT

n recent decades, rail cargo transportation has experienced significant growth worldwide, following the increase in global imports, exports, and regional, domestic, as well as international logistics. This trend highlights the crucial role of the global intermodal freight transport market in creating growth opportunities in the coming years.

The use and improvement of intermodal transport bring various financial, social, and environmental benefits. Intermodal transport, as a combination of maritime, rail, and road transport, has become a key solution in aligning with the European Union regulations in the Green Agenda.

Nelt, as a participant in global supply chains and a logistics partner to leaders in various industries, actively contributes to this trend. With two existing terminals in Belgrade and Kruševac, and one more planned on the TENT-T 10 corridor, we enable the transformation of supply chains. The first terminal is recognized as a dry port and a logistics hub for the Western Balkans, while the second, since 2023, has strengthened the logistics infrastructure of the region. The third terminal, planned for 2025, will be crucial for the territorial expansion of the Serbian market.

Our terminals are equipped with railway tracks and provide full logistic support through container handling, vehicle parking, weighing, customs representation, container delivery, and dispatch. This support is available to all participants in intermodal flows, both existing and future business partners from various industries, ensuring a high level of service quality based on operational excellence,

which is the daily priority of Nelt teams.

In addition to expanding the network of intermodal terminals, Nelt continues to connect European ports and railway corridors through direct rail connections. We have plans to expand towards Thessaloniki and other routes to ports in Western Europe and Turkey, expecting a significant increase in the number of trains arriving at our terminals.

During 2021 and 2022, Nelt transported approximately 40,000 containers by rail on routes to the ports of Rijeka and Piraeus. This approach prevented the emission of nearly 20,000 tons of CO2, which would have been generated by using trucks instead.



Scan the QR code to watch a video about our Intermodal terminals network.



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#### NELT SPONSOR 10TH INTERNATIONAL RAIL BEOGRADE 2023. CONFERENCE

he prestigious international conference ICROMA - RailBelgrade 2023 was held for the first time in our country, in late April in Belgrade, organized by the Faculty of Transport and Traffic Engineering. This event brought together experts. Twenty participants, after the conference, visited our distribution-logistics center in Dobanovci. Robert Jenovai, Executive Director for the Serbian market, initially welcomed professors and associates from around the world, while Vuk Mijanović, Supply Chain Manager, and Logistics Services Development, and Ivan Milićević, Innovation Manager and Development of New Business in Logistics, discussed achievements and current projects in the field of intermodality. The visit concluded with a tour of the intermodal terminal and an exchange of professional opinions on railways in Europe and the world. This conference was organized under the auspices of the International Association IAROR, which encourages innovative theoretical approaches, high-tech concepts, new technological developments, and dynamic decision support systems contributing to greater flexibility, performance, and accuracy of trains in conditions of heterogeneous traffic on railway networks.

#### **EMPHASIS ON THE** SAFETY OF ALL IN THE SUPPLY CHAIN

elt's proactive approach to safety challenges is part of the company's core values. It has been developed and strengthened through collaboration with global brands from which we have had the opportunity to learn. The safety system of the Nelt Group is based on protecting the individuals, businesses, and assets of all companies within the Nelt Group, including the Nelt terminal.

Since 2017, companies within the Nelt Group have been certified by local customs authorities with the Authorized Economic Operator (AEO) certificate for customs simplifications and security. This global AEO-F standard reflects our approach to these challenges. Risk analysis, application of standards, and experience from best practices are used to select protective measures. Specifically, the terminal is located within a fenced area, under 24/7/365 physical-technical surveillance, with controlled access, adequate lighting, and marked with traffic signage.

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# OUR CONTEXT

#### Nenad Diković

Manager of Sales and Development for Domestic Logistics Services



#### LOGISTICS AS ONE OF THE PILLARS OF NELT GROUP'S DEVELOPMENT

he Nelt Group has long been recognized in the market primarily as a distributor. However, in recent years, it has become increasingly present as a provider of logistic services as well.

We are rapidly expanding our range of logistic services, improving them, integrating them, and establishing partnerships with new clients. This sector has experienced the most significant growth within the Nelt Group to date. Nelt's recognition as a logistic service provider in the markets of Serbia and the region is growing year by year and is part of our long-term strategy.

In 2022, we gained the trust of highly reputable clients, manufacturers of various product categories, who chose Nelt as their logistic provider. We are intensively working on improving and further developing intermodal transportation and terminal operations, which have seen the highest growth percentage year by year. Digitization across all segments and the implementation of new technologies are our absolute priority and competitive advantage now and in the future.

We have once again ventured into providing logistic services in the beverage segment. We have learned a lot and made wise and sustainable plans for the future. We have partnered with Molson Coors (Apatin Brewery) to provide intralogistic services in Apatin, as well as in their distribution centers in Novi Sad, Inđija, and Mladenovac. The collaboration has expanded to the south and west of Serbia, where we provide storage and handling services for the client.

When it comes to the food industry, we have entered into partnerships with companies such as Aleva and Podravka in the segment of complex logistic services (primary transport, storage, transportation, and last-mile delivery, as well as reverse logistics, management of promotional materials, etc.). Additionally, we have extended our collaboration with Bambi, which is a 'seal of success' for us and confirmation that we are indeed one of the top logistic providers in this segment in this part

This is also a confirmation of the immense maturity and quality of Nelt's logistics team when it comes to understanding the operations and needs of companies involved in the production and distribution of these types of goods and who wish to 'delegate' their logistics to a provider.

Nelt possesses quality and knowledge, and that is undisputed. Firstly, it is necessary to be aware of this and know how to utilize and present it. What we have worked on more intensively than before is recognizing the needs of our clients. We wanted to understand them better, to comprehend their needs, and to figure out what we should offer them. We wanted to bring Nelt closer to them, to show them what we are capable of doing.

Our focus on clients is significantly greater. Over time, we have become more agile and flexible while, at the same time, not allowing any compromises when it comes to regulations, quality, and the level of service. We remain on the right route.





#### **QUALITY POLICY**

#### ADVANCED TECHNOLOGIES

nvestment in development and innovation is reflected in the use of advanced technologies across all business segments:

- •Business Information Systems SAP
- Sales SFA & B2B applications (omnichannel approach)
- Reporting and Advanced
   Analytics SAS Wire Agure Symposis Review

SAS Viya, Azure Synapse, PowerBI

- Management of promotional investments
- Kantar
- Logistics WMS G.O.L.D , Dynamic routing, Pick by Voice, VLM
- **Delivery** -Sky Track System, PDA devices, Digital Delivery Note
- Inventory Management -SymphonyRetailAI
- Human Resources SAP Success Factors (in implementation)
- Communications -IP telephony, IM, 3G+ data transmission from the field

Structured information and clear decision-making processes are prerequisites for successful and sustainable business operations. In addition to the applied enterprise content management (ECM) software for managing business content in the organization, the automation of financial business processes is enabled by software robotic process automation (RPA) using the Microsoft Power Platform.

#### INFORMATION SECURITY POLICY OF NELT GROUP

ith the development of digitization in our business, we have worked on enhancing information security. By introducing the educational Metacompliance platform, we raise awareness among every employee, while continuously improving technological levels of protection and procedures. The foundation of it all is the Information Security Policy of Nelt Group.

Each employee is required to familiarize themselves with the document and apply the prescribed rules in their work. The document represents the basis of expected and proper behavior of employees when using information systems and computer equipment. By adopting and implementing the rules outlined in the document, the information security of Nelt Group is enhanced.

Through Nelt Group's Quality Policy, we have clearly defined our commitment and focus on the mentioned management systems, all aimed at continuous preventive and systematic approach to business across four segments: risk management, occupational health and safety, environmental protection, and food safety.

Risk management provides timely information on which fact-based decisions can be made regarding the acceptance, limitation, reduction, and transfer of risks that may have negative impacts on business, reputation, and stakeholders (employees, social environment, the environment).

#### Occupational health and safety

aim to enhance the quality of the work environment, based on active involvement of employees in the OHS team, to create programs and implement measures for health and safety protection in the workplace.

Environmental protection ensures that all process owners focus on the rational use of natural resources. Since the beginning of 2023, with the use of selected technology, equipment, and materials, the formal

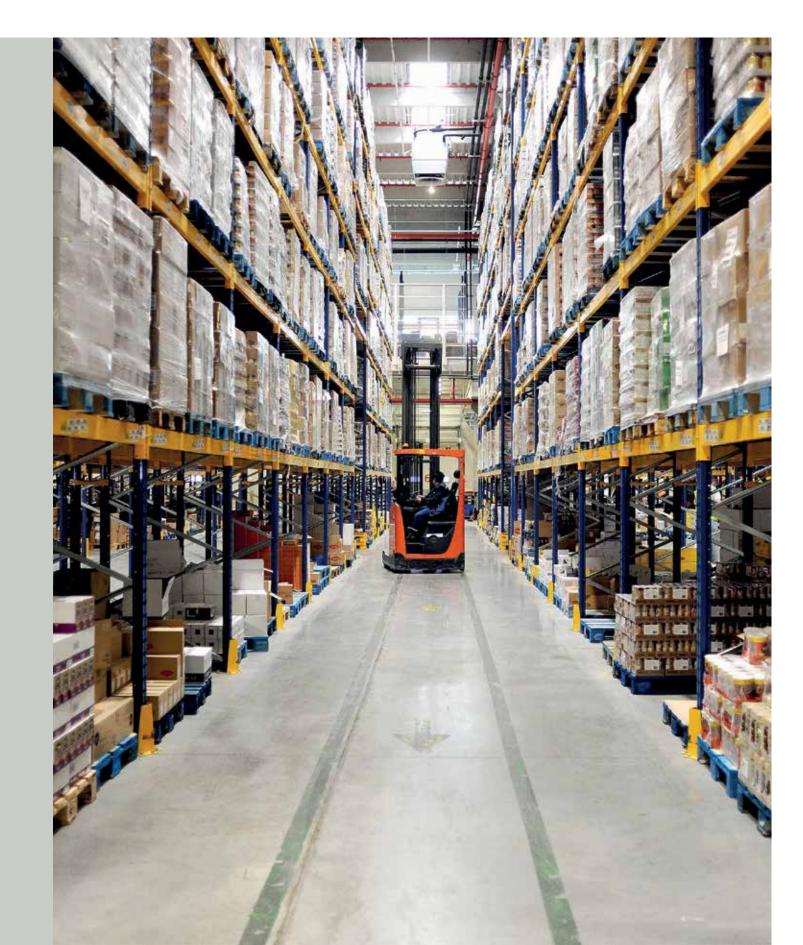
implementation of the environmental management system has started in two markets where Nelt Group operates: Serbia and Montenegro. The implementation of the system is carried out in accordance with the requirements of the international standard ISO 14001.

Food safety is the responsibility and commitment of company management, reflected in meeting all necessary conditions in established processes to ensure the health safety of food products while under the company's control.

Accordingly, through continuous improvement of the quality management system, efforts are made to enhance processes and ensure high-quality services, prioritizing health safety and the integrity of every product.







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#### **CERTIFICATES OVERVIEW**

Serbia

Nelt Co

ISO 9001:2015 HACCP

Organic certificate

ISO 14001:2015

North Macedonia Nelt ST

ISO 9001:2015 HACCP

Organic certificate

Montenegro

Neregelia

ISO 9001:2015 HACCP

GDP

Organic certificate

ISO 14001:2015

Montenomaks C&L

ISO 9001:2015 HACCP

ISO 14001:2015

Bosnia and Herzegovina Nelt doo

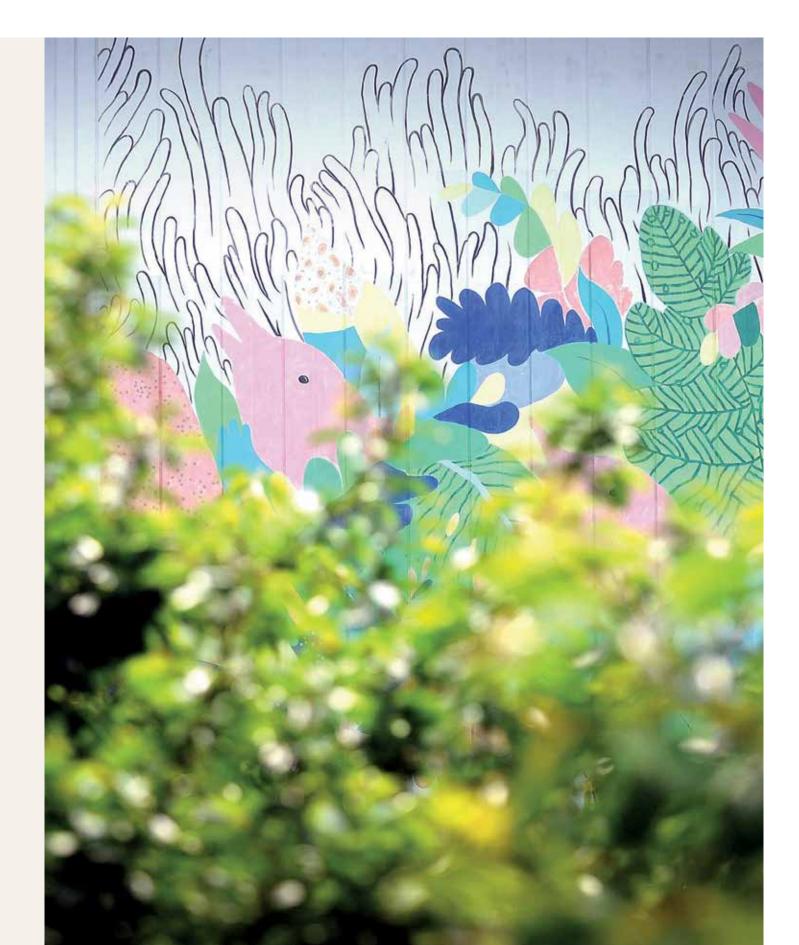
ISO 9001:2015 HACCP

Organic certificate

Albania Nelt Sh.p.k

ISO 9001:2015

HACCP



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n addition to the tabular representations of audits successfully completed by the Nelt Group by certification bodies during 2022 and 2023, the company has also successfully passed numerous audits by our clients and principals. In 2022, there were a total of 29 quality audits, while in 2023, this number slightly decreased to 20 checks.

During systematic audits by certification bodies and clients, the subjects covered included the following areas:

- Leadership
- · Business planning and development
- Resources: people and organizational knowledge, infrastructure, and equipment
- Competence and awareness, communications
- · Documented information
- Storage and handling of packaged products and transportation of goods
- Monitoring and measurement, improvements.

The two main pillars of the quality sector involve quality management systems and food safety systems. To ensure continuous implementation within the organization and to provide ongoing improvements in these areas, the quality sector conducted a series of activities throughout 2022/2023.

During 2022 and 2023, over 40 hours of training on food safety were conducted. Moving towards training colleagues in both mass positions and office positions, together with colleagues from the supply

chain, we created the first video training/ procedure. Digitalization is our future and part of our strategy, and we think about it in all segments. This includes defining and presenting processes to bring them closer to the organization.

Without neglecting the importance of our sales organization in the supply chain, during 2023, we started training in the areas of quality and food safety as part of the Nelt Sales Academy, with support from colleagues in the HR training team. Through training on food safety, we aim for our field sales representatives to demonstrate good handling and distribution practices to ensure the safety and quality of products in all our processes for the end customer.

The Quality Sector of the Nelt Group was active in many fields during 2022 and 2023 and was involved in business as an integral and inseparable part through numerous improvement projects and new business ventures. During the internal audits conducted over these two years, over 110 internal audits, we recognized potential risks, pointed them out in a timely manner, and worked with colleagues from the business to resolve them. Striving to bring defined processes closer to the organization, we systematically improved the functionality of the IntraNelt portal, enabling users to have easier and faster access to the company's documented processes.

#### QUALITY WEEK AT NELT

n line with the Accelerate strategy, the quality sector organizes Quality Week to raise awareness about the importance of standardization and process definition across all business segments. Through various activities during Quality Week, we have managed to raise the bar of our goals, aiming for long-term sustainable business and leadership in quality in the industry Nelt operates in. Among the activities, we particularly praised colleagues who contributed to the improvement of the quality and food safety systems within the company.

#### NELT GROUP WINS THE "OSCAR OF QUALITY" AWARD FOR EXCELLENCE

n 2022, we received the Oscar for Quality in Business Excellence, where our company was highly rated by the expert jury of the Foundation for the Culture of Quality and Excellence, in cooperation with the Chamber of Commerce and Industry of Serbia. This recognition reaffirms that we are on the right path and that we are committed to becoming more successful and better each year. Our goal is to be recognized in the market as the number one company in providing comprehensive distribution and logistics solutions with the highest quality.





# QUALITY OF FOOD PRODUCTS

The quality policy defines the organization and execution of processes, as well as all other necessary conditions for maintaining the health safety of food products distributed by Nelt Group companies. In this way, the companies ensure the safety of food products under their control. This includes adequate storage and transportation conditions, ensuring the required temperature depending on the goods, protection against unauthorized access, potential contamination, a defense system, and food protection to reduce the possibility of intentional contamination in the food chain, stock rotation following the FEFO principle (First Expired First Out), maintaining the highest hygienicsanitary conditions in storage, transportation, and handling, periodic laboratory analysis of imported products as confirmation of their health safety and quality.

Additionally, a separate sector and an expanded team are dedicated to monitoring the regulatory and technical requirements for the products distributed by the company. For a product to qualify as safe and harmless to consumer health, it must meet the provisions of regulations governing the placement of goods on the market.

The requirements of these regulations mainly relate to:

- Product appearance
- Possible presence of prohibited substances or elements in the product
- Product labeling
- Microbiological safety

As the company imports various types of goods, it must comply with multiple regulations and laws related to food, cosmetics, electrical appliances, and chemicals, as well as the Consumer Protection Act and the General Product Safety Act.

The conformity of goods with the provisions of regulations is determined based on valid documentation from manufacturers, applied production standards, analysis results (qualitative, microbiological, presence of pesticides and heavy metals, radiation, GMOs, etc.) conducted in the country where the product is distributed, as well as physical inspection of the product.

Additionally, the presence and correctness of the declaration are checked, which must be in the local language and contain all data prescribed by legal regulations.

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Danijela Dragić Quality Supervisor

# THE IMPORTANCE OF FOOD TECHNOLOGISTS



n a world full of challenges regarding energy, food sufficiency, and environmental sustainability, it's crucial to be rational in consumption, and to achieve that, we must understand how to do it.

In the last decade, the issue of food sufficiency, providing access to safe and healthy food for everyone, has become particularly pronounced. Nelt company has recognized its role and is aware that it plays a crucial part in the food supply chain. In line with this, the company has implemented and certified an HACCP food safety system to optimize and establish a control system fully. This not only ensures a safe product but also maximizes the optimization of food wastage due to inadequate storage and handling conditions.

To maintain and enhance the food safety system continually and to monitor food safety checkpoints, it's necessary to have a multidisciplinary team of professionals with various educational backgrounds. Graduates in food technology work in various sectors within Nelt in important positions to ensure the safety of our food products by meeting various requirements.

The profession of a food technologist entails understanding various technological processes in food production, microbiology, food chemistry, legal regulations, and several other related fields of education. It's a complex process that carries significant responsibility—to produce a healthy, safe, and high-quality product that is sustainable.

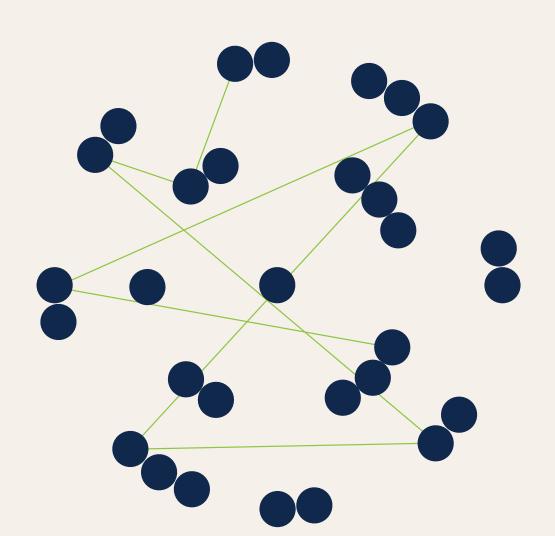
At Nelt, we ensure that food products are stored and distributed in accordance with the requirements of our principals, have adequate laboratory analyses before being placed on the market, possess appropriate labeling, and meet the highest standards of food safety. How do we do this?

The quality sector regularly controls the established food safety system, reviews principal requirements, analyzes risks, establishes control points, and mechanisms to ensure that food products are delivered to end consumers completely safe and intact. They participate in establishing new processes in the company, mapping them, and linking them to other processes.

The regulatory sector ensures that all products distributed by Nelt undergo laboratory testing before being placed on the market to confirm that they are fit for consumption. They ensure that every product distributed by Nelt has an appropriate declaration that complies with legal regulations.

The storage sector provides adequate storage conditions, monitors established control points, and responds in cases of deviations from defined parameters that affect the safety of food products.

Our obligation is to ensure that we always deliver a safe product.



# WORK NSIBILIT HHE ENVIR RESPO /ARDS

#### **FOCUS ON EMPLOYEES**



# TOGETHER WE BUILD AN INSPIRING AND SUPPORTIVE WORK ENVIRONMENT

he success of the company is achieved by skilled and motivated personnel. Therefore, Nelt Group's aim is to recruit, develop, and retain individuals with potential, as well as to create a pleasant and stimulating work environment that inspires employees in their daily work. Our commitment to caring for and developing people, long-term perspective, innovation, personal accountability, and a winning mentality are the core values we promote as the foundation of excellence and professional development.

Being employed at Nelt Group means being part of a renowned international system where everyone has equal rights, including the right to freely express opinions, workplace safety, and work in a professional environment.

We foster a work environment that encourages inclusivity, creativity, and personal development through training, internal mobility, and advancement. We strive to create a work environment of mutual respect, where diverse perspectives are valued and support is provided. In accordance with our Code of Ethics and Conduct, any form of bullying is prohibited, as well as the abuse of the right to protection from harassment. Through designated communication channels, every employee has the right to initiate a procedure for protection from harassment with a reasoned request.

When it comes to employment, Nelt provides equal opportunities to all candidates, regardless of gender, age, religion, nationality, or race. During the hiring process, criteria such as professional qualifications, previous work experience, talent for the job, and specific job-related characteristics are taken into account. Long-term, we are committed to creating an inclusive work environment where all employees will feel welcome, which we believe is both stimulating and creative.

For 30 years, we have been growing continuously, celebrating successes along the way. Together, we conquer new markets, broaden horizons, and expand influence. We bring cultures together and respect diversity. With over 5,000 of us, yet united as one. #WeAreNelt and our acceleration is just beginning! #AcceleratePeople

## SEGMENTATION AND STANDARDIZATION OF THE SELECTION PROCESS

Recruiting top talent for all positions is crucial for the growth and success of our organization. This standardized process is crafted to establish a fair, efficient, and inclusive hiring procedure that champions our values and harmonizes them across all markets in which we operate. The segmentation and standardization of the selection process encompass every stage, ensuring unwavering consistency and transparency.

The guiding principles behind the segmentation and standardization of the process are as follows:

- Targeted and efficient attraction and retention of talent for each specific position
- Mitigation of risks associated with selecting unsuitable candidates
- Enhancement of channels for attracting the best talent to the company
- Standardization of processes and tools across the entire group
- Adherence to the unique characteristics of each market in which we operate.

Through this process, we have meticulously defined the ideal candidates for each position we target, along with the necessary knowledge, skills, and competencies they should possess. Our process involves clearly defined tasks at each stage of selection, output outcomes, and responsibilities of all participants, as well as the tools to be utilized. All of this aims to establish clear standards and process efficiency, optimize resources, monitor defined KPIs, and provide room for continuous process improvement.

In this way, we not only ensure the arrival of the best talent to our company but also provide a positive candidate experience throughout the selection process.





#### WE ATTRACT TOP TALENTS

#### HOW WE WORK

**SPEED** 

4

WEEKLY AVERAGE POSITION CLOSURE **QUALITY** 

83%

RETENTION OF NEW HIRES CANDIDATES

SATISFACTION

79%

**READY TO** RECOMMEND NELT

#### **#ACCELERATE PROJECTS**

- Selection Segmentation
- Futuride
- ...and now is time for Africa!
- Warehouse Action Plan

FIND A COLLEAGUE, CONTINUE THE SEQUENCE

54,8%

RECOMMENDATION

EMPLOYMENT THROUGH REFERRAL SYSTEM

STARTING FROM 2024, THIS PROGRAM WILL EXPAND TO ALL OPERATIONAL POSITIONS AND TO OTHER MARKETS.

SUPPORTING YOUNG TALENTS THROUGH **GOVERNMENT-FUNDED PROGRAMS** 

> • MY FIRST SALARY • DUAL EDUCATION PROGRAMS

**GOOD START** 

1,160

APPLICATIONS INTERNS FOR

**EMPLOYMENT** THE '23 GENERATION AFTER INTERNSHIP **CAMPUS TEAM** 

STRATEGIC COLLABORATION WITH UNIVERSITIES IN SERBIA -

Faculty of Economics (EKOF), Faculty of Organizational Sciences (FON), Faculty of Pharmacy and Faculty of Transport and Traffic Engineering.



PARTICIPATION IN STUDENT EVENTS SELECTION AND RECRUITMENT

903

21,396

**SELECTIONS** 

**APPLICATION TO JOB ADS** 

#### **INTERNAL ASSESSMENTS**



**ASSESSMENTS PARTICIPANTS** 



**INTERNALLY** PROMOTED

**NELT FOR STUDENTS\*** 

<sup>\*</sup>Data pertains to the year 2023.

<sup>\*\*</sup> Pertains to the Serbian market.

<sup>\*\*\*</sup> For positions from merchandise arranger to sales agent

# TOTAL NUMBER OF EMPLOYEES BY MARKET



# TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE

TC - Temporary Contract PC - Permanent Contract

20	22		2023	
Ô	Å		å	Å
1.594 67%	770 33%	Serbia	1.684 66%	874
120 60%	80 pille 80 N	Montenegro	58% 214	90 42%
116 77%	34 \$\frac{\sqrt{9}}{\sqrt{9}}\$	Montenegro	74%	41 26%
333 67%	164 33%	Bosnia and Herzegovina	328 64%	182
141 60%	93 40%	North Macedonia	156 56%	121 44%
108 72%	42 28%	Albania	108	50 32%

20	22		20	23
 тс	PC		тс	PC
326 164 490 21%	1.268 606 - (1.874 79%)	Serbia	378 200 - 578 23%	1.306
52 30 82 41%	68 Dia 68 S S S S S S S S S S S S S S S S S S	Montenegro	51 51 60 60 60 60 60 60 60 60 60 60	73 Å 49 Å
32 \( \) 13 \( \) 45 \( \) 30%	82 gu du	Montenegro	Montenon Me 18 18 26 36%	80 0 21 0 101 64%
88 64 152 31%	245 100 80 345 69%	snia and Herzegovii	62 na 54	266 Å 128 Å 394 77%
37 28 65 28%	104 65 169 72%	North Macedonia	36 30 	120 Å 91 Å 211 76%
å - Å -	108 4	Albania		108 Å 50 Å 158 100%

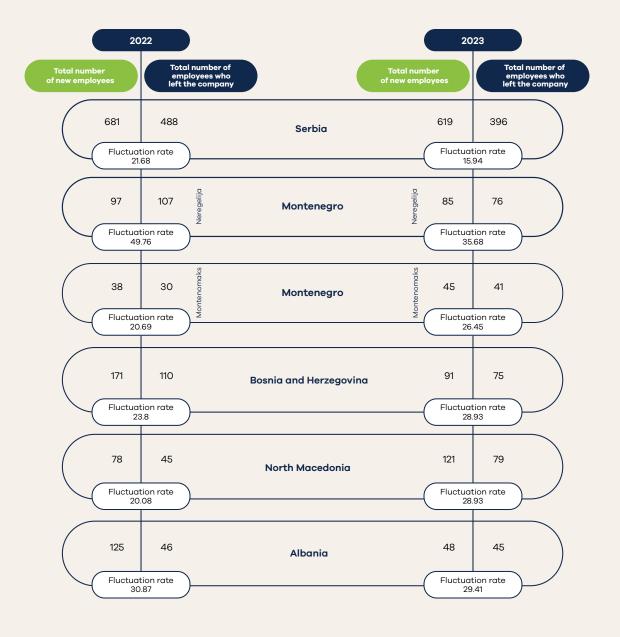


# TOTAL NUMBER OF EMPLOYEES BY AGE GROUP



#### **EMPLOYEE FLUCTUATION**

	2022						2023		
<30	30-50	>50				<30	30-50	>50	
574 24,3%	1.623 68,7%	167 7,1%		Serbia		593 23,2%	1.762 68,9%	203 7,9%	
67 33,5%	120 60%	13 6,5%	Neregelija I	Montenegro	Neregelija	82 38,3%	117 55%	15 7,0%	
34 22,7%	103 68,7%	13 8,7%	Montenomaks	Montenegro	Montenomaks	40 25,5%	96 61,1%	21 13,4%	
140 28,2%	329 66,2%	28 5,6%	Bosnic	and Herzegov	rina	142 27,8%	337 66,1%	31 6,1%	
50 21,4%	175 74,8%	9 3,8%	No	rth Macedonia		60 21,4%	201 74,8%	16 3,8%	
27 18%	97 65%	26 17%		Albania		30 19%	101 64%	27 17%	



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



#### **EMPLOYER BRANDING & EMPLOYEE EXPERIENCE 2023.**

At the end of 2022, we conducted a diagnostic of both internal and external perceptions of Nelt as an employer. Based on this, we defined our EVP (Employee Value Proposition) pillars, which are the strongest characteristics of our brand, namely UNITY CULTURE and PEOPLE DEVELOPMENT. In alignment with our strongest pillars,

we crafted an EB (Employer Brand) strategy and divided activities into 3 phases. Concurrently, we bolstered our entire strategy by strengthening our organization internally through key projects and activities aimed at enhancing the employee experience.

PHASE 1: ESTABLISHING THE FOUNDATIONS OF EMPLOYER BRANDING	PHASE 2: REFRESHING VISUAL PRESENTATION AND TONE OF COMMUNICATION	PHASE 3: TALENT ATTRACTION
External perception diagnosisnosis	Visual presentation redesign	WE ARE NELT campaign
Defining EVP pillars	Bold & funky campaigns targeted at people	Career website and candidate experience
Creating Nelt persona	Redesigning a good start	GOOD START campaign
	Brand promotion at external events	Campus teams

#### **KEY SUPPORT**

#### **EMPLOYEE EXPERIENCE**

OHI-ORGANIZATIONAL HEALTH INDEX **BENEFITS HEARTCOUNT** JENZ PILOT - MONTENEGRO **LEGENDS** INTERNAL COMMUNICATION PRAISE A COLLEAGUE MOTIVATIONAL ACTIVITIES AND EVENTS

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# OUR CONTEXT

#### Olga Žarković

Employer Branding & Employee Experience Manager

#### THE BEST OF BOTH WORLDS



ttracting and retaining high-quality and professional employees is becoming increasingly challenging both in the global and local job markets. Therefore, it is of utmost importance for companies to actively and focusedly work on improving the employee experience, their development, and motivation in order to establish a relationship of trust, dedication, and loyalty that undoubtedly brings productivity and results.

On the other hand, this positive experience needs to be presented externally to showcase our strength, culture, and enormous potential, which will set us apart in the job market as a desirable employer and business partner.

Guided by this idea, in 2022 we started to focus on employee experience and employer brand positioning in a structured manner when my role was introduced, and in 2023, with a small team. In collaboration with the broader HR team and Corporate Communications team, we created a strategy for enhancing the employer brand, which we successfully implemented in 2023, achieving encouraging results and receiving accolades.

By relying on projects and initiatives we have created to improve employee experience and motivation, we have managed to raise internal employee satisfaction to a higher level, which has also reflected externally on the recognition of the Nelt brand as an employer.

Our success is reflected in being recognized internally and externally as a company that offers the best of both worlds: the synergy of a family company that cares about its people and a modern corporation that follows global trends and provides opportunities for development while leaving a personal mark.

We are proud that our efforts, work, and passion have been recognized, and we will continue to actively work on improving the experience of our colleagues. One of the ways we do this is through the new OHI (Organizational Health Index) process, within which we have defined 6 key initiatives as a product of the OHI research

Through quantitative and then qualitative research, we have identified points for improvement and, using design thinking human-centric methodology, created initiatives that target precisely those points. We look forward to seeing the outcome of all activities and the effect they will have on the satisfaction of our employees.



#### **OHI - ORGANIZATIONAL HEALTH INDEX**

t Nelt, Organizational Health Index (OHI) research has been conducted since 2017, every two years. This research, based on McKinsey's proven methodology, assesses the company's perspective compared to the world's largest business organizations, highlighting areas for improvement. Thanks to initiatives stemming from OHI research, our business grows year by year, and employee experience improves.

In 2023, Nelt Group conducted its fourth Organizational Health Index research. Over 4,100 colleagues participated over two weeks, providing over 13,000 individual comments, recommendations, and opinions. This result marks significant progress compared to the previous research in 2021 when 81% of employees participated in the survey across Nelt Group.

The voices of all colleagues are crucial for understanding the state of our organization and defining the direction for future actions. Data obtained from surveys and interviews were analyzed and compared with over 2,600 of the world's largest companies. Organizational Health Index research confirms our company's commitment to basing transformation and future development on a strong organizational culture and value system. The overall organizational health of Nelt Group improved by four index points compared to the results of the previous research in 2021, confirming that previous initiatives and activities have had an effect, but also indicating the need for further engagement with new proposals and ideas.

Record-breaking employee participation



Improvement in organizational health reflected in index growth





#### ORGANIZATIONAL CULTURE AND OUR VALUES

Values are what support the fulfillment of the vision and shape the corporate culture. They define how things are done, how employees interact with each other, with customers, partners, and with the company itself.

#### LONG-TERM PERSPECTIVE

We make decisions that strike a balance between short-term and long-term goals, with clear and transparent communication, taking into account the long-term consequences, sustainability, and growth of the organization.

#### **INNOVATION**

We approach the company with a full sense of ownership, taking responsibility for our own actions and learning from mistakes.

#### **OWNERSHIP**

We treat the company's resources as if they were our own. We make necessary decisions within our authority and take responsibility for them. We show readiness for discussion and care about our own and our colleagues' safety.

#### CARING MENTALITY AND EMPLOYEES DEVELOPMENT

We create a productive environment that fosters personal and team growth, promotes the organization's values, and supports diversity.

#### WINNING MENTALITY

We set ambitious goals and achieve results.

#### **MENTALITY +1**

With the aim of promoting a winning mentality, at the end of each quarter and at the end of the year, we recognize and reward the successes of our colleagues. Some of the criteria include: project longevity, positive impact on increasing the productivity of other sectors, project realization beyond regular business obligations, strengthening the competitive spirit in the organization, visible and positive results in sales.





#### **NELT GROUP LEGENDS**

he greatest asset of any organization is its people, and one of the special treasures of Nelt is the large number of our Legends, colleagues who have been with the company for over 10, 20, or even 30 years. With their long-standing dedication, they have made a significant impact on our organization. Their profound influence on nurturing the company's culture is reflected in the transmission of all Nelt values to generations of new colleagues. Our jubilants are the best witnesses to our development, so their experiences and Nelt stories are of immeasurable importance in creating an authentic picture of our collective achievements. Therefore, by commemorating the company's anniversary, wishing to emphasize our immense gratitude to all employees who have shown their loyalty and dedication during these unforgettable decades, a series of new activities and benefits have been introduced, which will remain available in all future periods of celebrating our employees' milestone years.

You can view the "Nelt Legends 2023 - Inspiring Jubilants" video by scanning the QR code.





#### WOMEN IN LOGISTICS ARE BREAKING STEREOTYPES

n positions such as warehouse and delivery workers, traditionally considered "male-dominated" roles, during 2023, our company in Serbia and Bosnia and Herzegovina employed the largest number of new female colleagues to date.

Rapid social and technological changes have strongly influenced the job market and hiring trends. These shifts urge us to proactively embrace them, fostering innovation and adapting to all challenges. Therefore, in line with one of our core values, caring mentality, Nelt strives to ensure that all positions within the company are tailored equally to both men and women. Our women in logistics are at the forefront of these changes, injecting new energy, perspectives, and vitality into our daily operations.



#### INTERNATIONAL WOMEN'S DAY TALKS

o mark International Women's Day in 2022, we launched the March 8th Talks initiative. On this occasion, we welcomed journalist and author Mirjana Bobić Mojsilović, with whom we discussed the advantages and challenges of women's lives in the modern world, as well as the progress made in the fight for women's emancipation. The following year, our HR Executive Director, Bojana Mucić, and Supply Chain Manager for Logistics Services Development, Vuk Mijanović, engaged in a conversation with Employee Experience Manager Olga Žarković. They discussed what equality means to them, the career challenges women face, and strategies to overcome them collectively. We involved employees in co-creating impactful video content, which we disseminated through internal and external communication channels. Through this initiative, we conveyed messages about equality and the importance of inclusion, fostering deeper organizational reflection on these themes. This effort is aligned with our strategy to enhance the representation of women in the company, particularly in Logistics and Distribution, as well as in managerial roles.



#### ORGANIZATIONAL CULTURE AND OUR VALUES

#### PRAISE A **COLLEAGUE 2.0**

n 2023, the implementation of the eleventh edition of the program set a new record. Across the Nelt Group, we exchanged a total of 15,000 commendations, marking an increase from the previous year's 10,000.

Over 4,500 employees from 11 companies within the Nelt Group praised over 2,300 of their colleagues. The highest number of commendations sent by a single individual was 150.





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#### THE BEST COLLEAGUE

#### 2022

#### **SERBIA**

Dragana Trifunović

Recruitment and Selection Associate

Nikola Čakarević

**Container Terminal Operator** 

#### MONTENEGRO - Neregelia

Dragan Kastratović

Finance Supervisor Marija Dragutinović

Warehouse Worker

#### MONTENEGRO - Montenomaks

Elvira Čekić

Administrative Officer In Customs Sector

Pavle Vuković

Shift Supervisor in Warehouse

#### **BOSNIA AND HERZEGOVINA**

Almin Kovač

Goods Delivery Personnel

Ana Krajišnik

Personnel Administration Specialist

#### NORTH MACEDONIA

Stefani Stojanovska

**Business Assistant** 

Antonio Petrovski

Conops Supervisor

#### ALBANIA

Klelia Havari

**HR** Specialist

Dhurata Lecini

Warehouse Worker

#### KOSOVO

Besnik Shabia

Finanancial Assistant

Muhamet Hasani

Warehouse Worker

#### **ANGOLA**

Isaias Coxe Luhoxe

Jones Goods Delivery Personnel

Jandira Francisco

Warehouse Arranger Supervisor

#### ZAMBIA

Charles Lungu

Street Vendor

Collins Chanda

Goods Delivery Personnel

#### MOZAMBIQUE

Mussa Ali

Customer Service Assistant

Natercia Muamba

Sales Agent

#### 2023

#### SERBIA

Ljubica Zrnzević

Personnel Administration Specialist

Slobodan Horvat Forklift Operator

### MONTENEGRO - Neregelia

Miloš Marković

Sales Supervisor

Marko Lekić Goods Controller

MONTENEGRO - Montenomaks

#### Miloš Marković

IT System Specialist

#### **BOSNIA AND HERZEGOVINA**

Ana Krajišnik

Warehouse Shift Manager

Mihailo Kučinar

Personnel Administration Specialist

#### NORTH MACEDONIA

Renata Želkova

Sales Agent

Miki Iliev

Sales Supervisor

#### **ALBANIA**

Arion Keri

Sales Supervisor

Irena Xhixho

Quality and Procurement Assistant

#### KOSOVO

Aljma Memeti

HR and Administration Specialist

Vlenar Jelriu

Warehouse Worker

#### ANGOLA

Osvaldo Bernardo de Oliveira

Sales Supervisor

#### ZAMBIJA

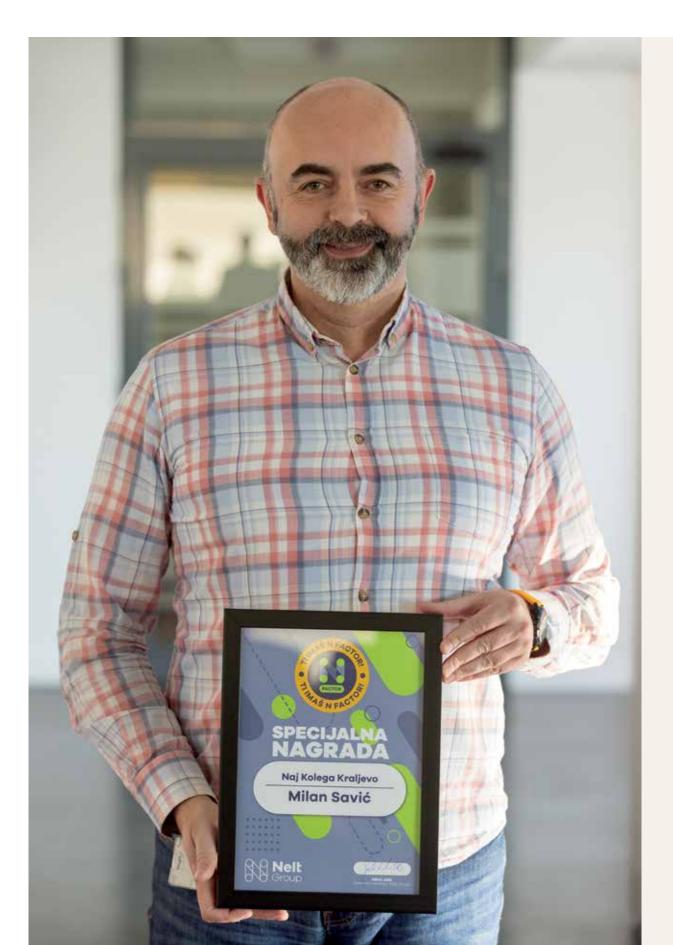
Eshter Mphakati

Customer Service Assistant

#### MOZAMBIQUE

Carlos Muabsa

Warehouse Supervisor



#### SPECIAL AWARDS

#### 2022

#### SERBIA

Branislav Belostenac Delivery Supervisor

For fostering team spirit

Dragana Kolaković

Key Account Sales Manager

For the highest number of compliments sent Nikolina Marković

Sales Agent Supervisor For Key

Customers

For the highest number of compliments sent

at the rdc level

Milica Jević

PR and Communications Specialist

For receiving the highest number of compliments from different sectors in the company

Tatijana Miletić

Sales Services Planning and Regulatory

Manager

For compliments with a personal touch

#### MONTENEGRO - Neregelia

Marko Lekić

Warehouse Shift Supervisor

For personal responsibility and care for people

#### MONTENEGRO - Montenomaks

Andrija Kovačević

Expeditor

For personal responsibility and care for people

#### **BOSNIA AND HERZEGOVINA**

#### Dragana Kajkut,

Commercial Finance Manager

For compliments with a personal touch

Milan Raduli

Portfolio Manager

For highlighting nelt's values

Natalija Drašković Kenjić

Inventory Planning and Procurement Team Leader

For the most creative compliment

#### Neven Rodić

Warehouse Arranger Supervisor For the highest number of compliments addressed to the market

#### NORTH MACEDONIA

Blagojče Mantevski

Sales Supervisor

For outstanding team spirit

Magdalena Mladenovska

Customer Service Specialist

For personal responsibility

Despina Poposka

HR Business Partner

For the highest number of compliments for all

values

ALBANIA

#### Ornela Stafa

Order Processing Operator

For contributing to the organizational culture

#### 2023

#### SERBIA

Dragana Kolaković

Key Account Sales Manager For the highest number of compliments sent

Marinko Vuković

Delivery Team Leader

For the highest number of compliments sent

Dejan Antonić

**Delivery Supervisor** 

For the most caring colleague

Svetlana Medenica

Digital Sales Agents Coordinator

For the most responsible colleague

#### MONTENEGRO - Neregelia

Nikola Petroski

Key Account Sales Manager

For the highest number of compliments sent Ivana Marković

Key Account Sales Assistant

For the highest number of compliments sent Jadranka Vuković

Customer Service Expert For the most caring colleague

#### MONTENEGRO - Montenomaks

Luka Radulović

Commercial Warehouse Manager

For the highest number of compliments sent Nikola Barović

Dispatcher

For the most caring colleague

#### **BOSNIA AND HERZEGOVINA**

Suzana Sikimić

Regional Finance Manager

For the highest number of compliments sent

Neven Rodić

Warehouse Arranger Supervisor For the highest number of compliments sent

Elma Husejnagić

Trade Marketing Specialist

For the most creative compliments

Mile Kuridža

Delivery Team Leader

For promoting Nelt values

#### NORTH MACEDONIA

Emilija Dimitrievska

Sales Agent

For the highest number of

compliments sent

Blagojče Mantevski

Key Account Sales Manager

For the highest number of

compliments sent

Valerija Petruševska

Sales Assistant

For the most responsible colleague

#### KOSOVO

Andi Krasniqi

Logistics Manager For the highest number of

#### ALBANIA

Dhurata Lecini

compliments sent

Warehouse Worker

For the highest number of compliments sent

Edra Temia

Commercial Operations Analyst For the highest number of compliments sent

#### ANGOLA

Eugenia Francisco Warehouse Arranger

For the highest number of compliments sent

#### ZAMBIA

Samirah Pandrison

Customer Service Assistant For the highest number of

compliments sent

MOZAMBIQUE Celia Bila

HR and Administrative Assistant For the highest number of

compliments sent

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#### **COMMUNICATION WITH EMPLOYEES**

Precise and timely exchange of information is crucial for achieving business outcomes and fostering team cohesion, especially within a large and intricate structure like ours. Hence, significant focus is directed towards enhancing and refining internal communication channels.

ll employees receive information through various communication channels such as the internal magazine, Magazzin, and internal television - NeltTV, while the most important service updates are communicated via email or SMS. Notice boards and posters are placed in visible areas in office and warehouse spaces, where announcements and invitations to internal events, regularly updated and published, can be found.

#### **INFONELT**

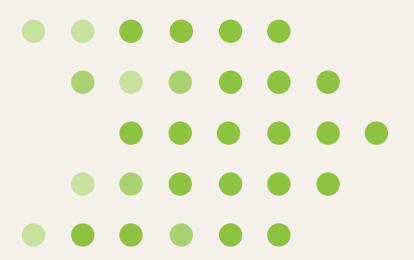
nfonelt is our internal portal where employees can stay informed about news from all companies within the Nelt Group, learn about internal initiatives, and receive service updates and announcements.

#### **TOWN HALLS**

e are especially proud of the practice of organizing Public Meetings for employees. The aim of these meetings is to inform employees about results, acquaint them with challenges, and learn more about the company's future plans from representatives of top management.

NEW COMMUNICATION CHANNELS FOR EMPLOYEE SATISFACTION MEASUREMENT -HEARTCOUNT & JENZ APPLICATIONS

uring 2023, we expanded our communication network by introducing new platforms - web and mobile applications that allowed our employees to freely express their opinions and leave comments. These channels served as a significant source of information for our HR department, which used this feedback as the basis for monthly organizational reviews. This approach enabled planned and focused improvement of processes and atmosphere within our company. We will continue with this approach to keep listening to our employees and create a work environment that motivates and supports them.



# AMBASSADORS OF ORGANIZATIONAL HEALTH: KEY INITIATIVE FOR 2024

ur company continues to invest in the development of organizational health, as evidenced by our long-standing strategic partnership with McKinsey, initiated in 2017. Every two years, we conduct comprehensive research to monitor progress in the health of our business environment, not only within our organization but also in comparison with leading global companies in this field.

In 2023, in addition to quantitative research, we conducted over 150 additional interviews with employees to gain a qualitative perspective and further understanding of the research results. It is important to note that this research was conducted anonymously, and the significant trust of employees is reflected in a record turnout of 93%, as well as in over 13,000 open comments that were provided to us.

Based on the results of the 2023 research, we identified six key initiatives to contribute to the improvement of our company's organizational health. One of the key initiatives is the establishment of a new form of two-way communication through the establishment of a strategic body called Ambassadors of Organizational Health. This team of approximately 100 employees, selected based on criteria that promote equality and diversity, will work together with the Central Organizational Health team to strengthen the company's culture, improve information flow to all levels of the organization, and raise awareness among employees about the company's values, strategy, and vision.



#### **EMPLOYEE SATISFACTION**



All employees, regardless of their contract type, are provided with healthcare, maternity leave, and insurance coverage for injuries and accidents both during work hours and outside of work, throughout the entire year.

ne of our company's values is caring mentality. Through a range of initiatives, we prioritize the satisfaction, health, and safety of our staff, as well as strive to maintain a healthy work-life balance. Each year, our HR department meticulously listens to the needs of our team members and crafts a suite of benefits accordingly.

This includes competitive compensation packages and recognition for both individual and team contributions. We actively support our employees' career aspirations and offer flexibility in their work arrangements to ensure harmony between professional and personal lives. Central to our approach is maintaining open channels of communication, which is our top priority in motivating our employees and fostering a culture of productivity and achievement.

As part of our commitment, employees retiring from any of the companies within the Nelt Group receive retirement benefits, along with special financial rewards for those marking significant milestones in their service. Furthermore, during challenging times, such as illness or bereavement in employees' families, the company provides appropriate compensation and support. Moreover, in all the markets across the Western Balkans where we operate, our employees enjoy a variety of perks, including discounted tickets for cultural events, travel arrangements, gym memberships, and exclusive deals on footwear and clothing through our partnerships with various businesses.



#### SUPPORT FOR MOTHERS

elt Group provides support to all employed mothers with the aim of enabling them to establish a better balance between their personal and professional lives. In all companies within the Nelt Group, mothers on maternity leave receive their full contracted salary for up to 12 months. During this period, all employees who receive part of their salary through bonuses also receive a six-month average of the bonuses they have earned. Additionally, they are allowed to retain all additional benefits they receive in their positions within the company.

The company pays special attention to the period of returning to work, when it is crucial to establish a balance between work tasks and parental duties. Upon returning to work, employees have the option to work 60% of their normal hours and still receive 100% of their salary for the first month. In the second and third months after returning, they have the option to work 80% of their normal hours for 80% of their salary. These benefits also apply to employees currently on maternity leave for the remaining period of their absence. One of the newer benefits is supporting women by providing a day off for the needs of the in vitro fertilization (IVF) process.

#### "FAMILY FRIEND 2023" RECOGNITION FOR NELT

ur company has been awarded the prestigious 'Family Friend 2023' recognition by the Serbian Chamber of Commerce and the Ministry of Family Welfare and Demography. This award is bestowed upon the most successful enterprises and business entities in Serbia that, within the scope of their activities and business results, have contributed to harmonizing family and business obligations and creating a supportive environment for their employees.





#### **EMPLOYEE BENEFITS**

#### INCOME GROWTH AND PRIVATE HEALTH INSURANCE

s a company, we have demonstrated our commitment to the values we promote by making significant investments in our employees. In 2022, more than 3,200 non-managerial employees across the markets of Serbia, Montenegro, North Macedonia, Bosnia and Herzegovina, and Albania received salary increases or the benefit of private health insurance (PHI).

The salary increase covered 2,700 employees, representing an additional investment of €1.8 million annually for the company. We extended the benefit of private health insurance to an additional 500 colleagues, resulting in an additional annual investment of €300,000 for this benefit.



# FAMILY AND HOUSEHOLD BUDGET

- New Year's vouchers for employees and cash gifts for children up to 10 years old
- Children's day celebrations and gifts for the youngest
- Discounts and administrative blocks
- Banking privileges



#### **SALARY AND BONUSES**

- Competitive salary; regular salary adjustments in line with the market
- Monthly variable pay for logistics and sales
- · Annual bonuses for management
- Project awards and recognition for additional employee engagement
- Monetary rewards for referring new colleagues
- Special recognition for the best colleague



#### SIGNIFICANT LIFE EVENTS

- · Cash gifts for weddings and childbirth
- Baby birth gift packages
- Solidarity assistance
- Day off and gift package for a child starting first grade
- · Additional paid leave days\*
- Anniversary awards for 10 and 20 years of service in the company



#### BENEFITS FOR COLLEAGUES ON MATERNITY LEAVE

- Compensation up to full salary
- Reduced working hours upon return from maternity leave
- Participation in annual bonus and car benefit policies



# TRAINING AND DEVELOPMENT

- Professional training tailored to position requirements
- Talent program and academy for developing necessary skills
- Opportunities for vertical and horizontal movement within the Nelt Group
- Take Your Career in Your Hands skill and knowledge development program of employee's choice



# HEALTH, FLEXIBILITY, AND TEAM SPIRIT

- · Additional days of annual leave
- Collective employee insurance 24/7
- Medical check-ups
- Flexible work policy for office positions
- Flexitime
- 40% remote work
- Sports fitpass, space rental, participation in sports events
- Employee restaurant



# OCCUPATIONAL HEALTH AND SAFETY AT NELT GROUP

t Nelt Group, we are dedicated to ensuring the safety and health of our employees. We have implemented an Occupational Health and Safety Management System (OHSMS) in compliance with local laws across our markets, reflecting our company values, compliance with local and international standards such as ISO 9001, ISO 45001, ISO 31001, and contractual commitments with our business partners. The OHSMS across all Nelt Group markets is overseen by the OHS Team, comprising a team coordinator, deputy, and 8 members, with support from accredited agencies specializing in occupational health and safety.

The OHS team systematically collects data, identifies hazards, and assesses risks at every workplace. It also identifies hazardous incidents, employee injuries, and other incidents, documenting and processing them, conducting analyses, compiling reports, and implementing corrective actions. All activities and findings are documented in the Risk Assessment Act. Each employee is required and obliged to report any workplace injury or hazardous incident directly to their supervisor, the occupational health and safety officer, employee representative, or Labor Inspectorate if they are dissatisfied with the measures taken. Additionally, a communication channel for anonymous reports is

facilitated through the "Voice" system. The Risk Assessment Act thoroughly defines activities to mitigate hazards, reduce identified risks, designate responsible individuals, and specify timeframes. In situations requiring significant financial investments, an action plan is developed, and the need for additional training leads to updates in existing training programs. This approach continually enhances the occupational health and safety system.

In addition to drafting the Risk
Assessment Act, we collaborate with
authorized occupational health
services to improve occupational
health and safety by organizing
medical examinations for employees
in specific roles at appropriate
healthcare facilities. All employee
health information is stored in
compliance with GDPR regulations.



#### EMPLOYEE ENGAGEMENT AND TRAINING

Employees play an active role in managing the OHS system. An employee representative, elected by the staff, regularly consults with employees, monitors inspection findings, and shares relevant information. Through this process, all employees are informed about the status and improvement measures of the system.

Additionally, the Nelt Group OHS team ensures that each employee undergoes relevant training according to the training matrix. The effectiveness of training is regularly assessed to ensure its practical application in the workplace. To enhance transparency and prevent and mitigate impacts on OHS, a reporting system has been established. All injuries, including minor ones, are included in reports, enabling analysis and the implementation of improvement measures.

Throughout 2022 and 2023, no occupational illnesses were recorded among employees.

# FORKLIFT SAFETY TRAINING

Professional training for operating forklifts for our colleagues in the storage and delivery sector is conducted with the professional support of instructors and trainers from specialized partner companies in this field, as well as our organization's OHS Team.

The training model emphasizes the correct and safe use of forklifts in daily operations, addressing various specificities of usage, and addressing accompanying challenges and risks in work processes, which has proven highly effective.

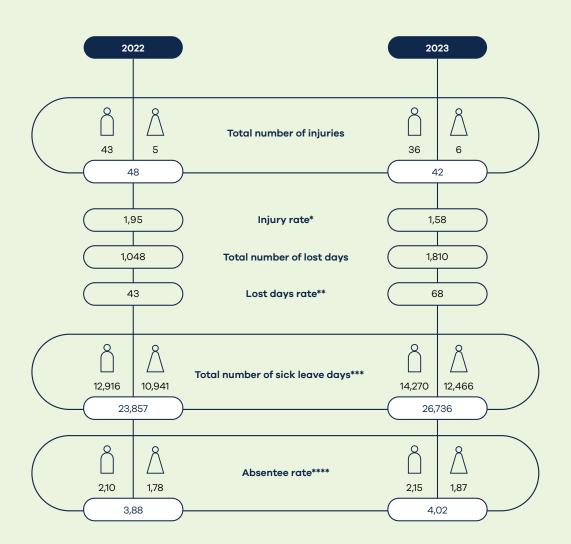
The training for forklift operation includes both theoretical and practical components. In the theoretical part, candidates become familiar with the controls for operating the forklift, proper driving techniques, load handling (proper lifting and lowering of loads), safety standards for forklift operation, proper cargo transport, speed control, and practical and everyday scenarios they may encounter while operating a forklift. Following the theoretical component, candidates undergo a practical examination where, under the supervision of a qualified instructor, they operate forklifts and demonstrate their ability to apply the lessons learned in practice through specific tasks assigned by the examiner.





# **BOSNIA AND HERZEGOVINA**

2022



2023

Total number of injuries 3 0,97 Injury rate\* 0,94 129 Total number of lost days 185 25 Lost days rate\*\* 35 Total number of sick leave days\*\*\* 1.584 1.971 1.418 2.147 3,002 4,118 Absentee rate\*\*\*\* 1,23 1,10 1,62 1,49 2,32 3,11

<sup>\*</sup> 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.

<sup>\*\*\*</sup> Sick leave excludes maternity leave

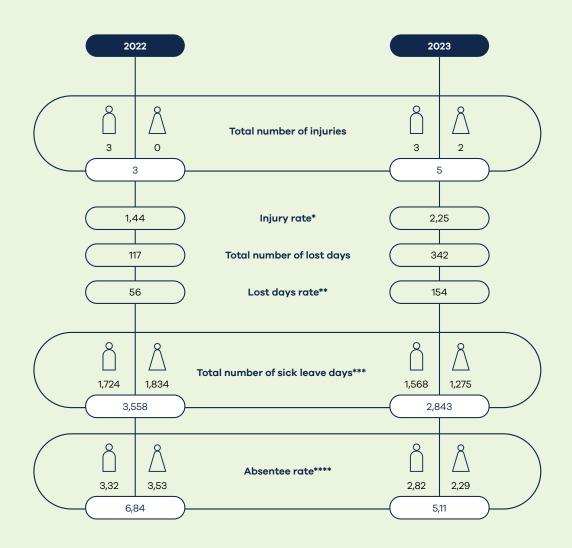
<sup>\*\*\*\*</sup> Absentee rate is the percentage of days lost as a result of absence. It is calculated by using the formula: total number of sick leave days / total number of working days of persons employed x 100



# MONTENEGRO, NEREGELIA



# MONTENEGRO, MONTENOMAKS



<sup>2022</sup> 2023 Total number of injuries 0,64 0,61 Injury rate\* 58 Total number of lost days 37 Lost days rate\*\* Total number of sick leave days\*\*\* 336 630 795 793 1,131 1,423 Absentee rate\*\*\*\* 2,04 0,86 1,54 1,94 2,90 3,49

<sup>\*</sup> 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.

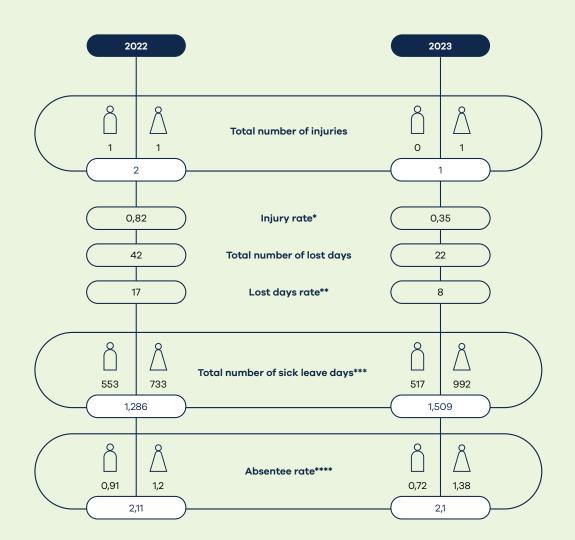
\*\* Lost days is the frequency of lost work days due to injuries per 100 employees. It is calculated by using the formula: total number of lost work days / total number of working hours × 200,000.

<sup>\*\*\*</sup> Sick leave excludes maternity leave

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



# ALBANIA



<sup>2022</sup> 2023 Total number of injuries 0 0 0 0 0 0 Injury rate\* 0 Total number of lost days 0 0 Lost days rate\*\* Total number of sick leave days\*\*\* 184 58 32 217 90 401 Absentee rate\*\*\*\* 0,15 0,08 0,53 0,45 0,23 0,98

<sup>\*</sup> 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.

<sup>\*\*\*</sup> Sick leave excludes maternity leave

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





e celebrate Nelt's jubilee by realizing two inspirational projects: the Event Pavilion at Galovica and the Nelt City Hub.

These structures are not just architectural achievements; they embody our commitment to creating a work environment that fosters creativity, collaboration, and harmony with nature.

#### #NELT3O - EVENT PAVILION AT GALOVICA

One of the projects we've undertaken to celebrate our company's thirtieth jubilee is the Event Pavilion at Galovica, within Nelt's distribution and logistics center in Dobanovci. Designed as a space for Nelt employees and visitors to gather, collaborate, hold meetings, or socialize, the Event Pavilion features a dominant circular element fostering an atmosphere of equality in communication.

The surface finishes include brick, cobblestone, and Corten steel. Brick and stone, materials sourced from the earth, combined with Corten steel, which introduces a dimension of time and variability through its changing patina. All materials used aim to emphasize the connection with nature. Inspired by the idea of participation and connecting all present, one of the most crucial aspects of this project is coexistence with nature. The architecture serves to underscore the importance of unity, creating a place where people, ideas, and nature converge in harmony.

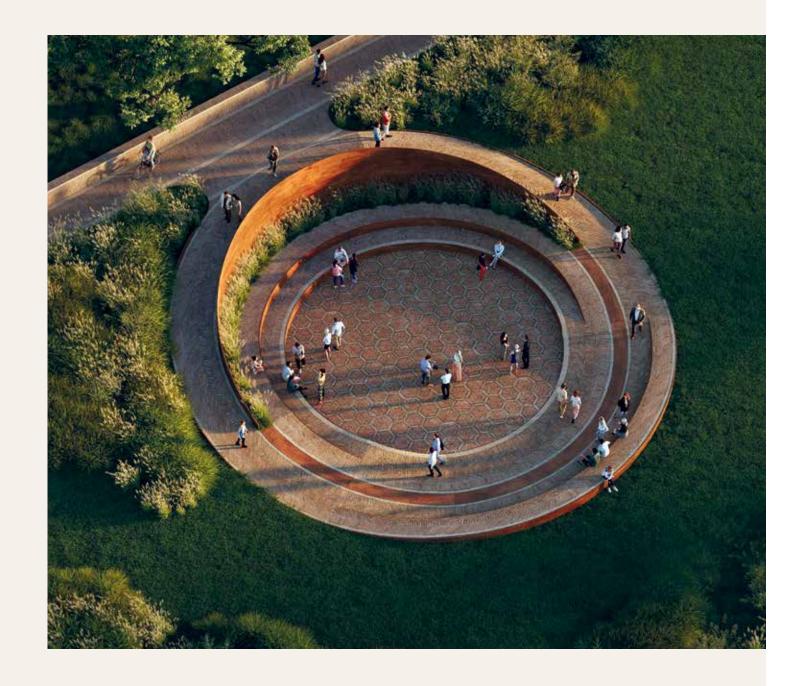
#### #NELT30 -NELT CITY HUB

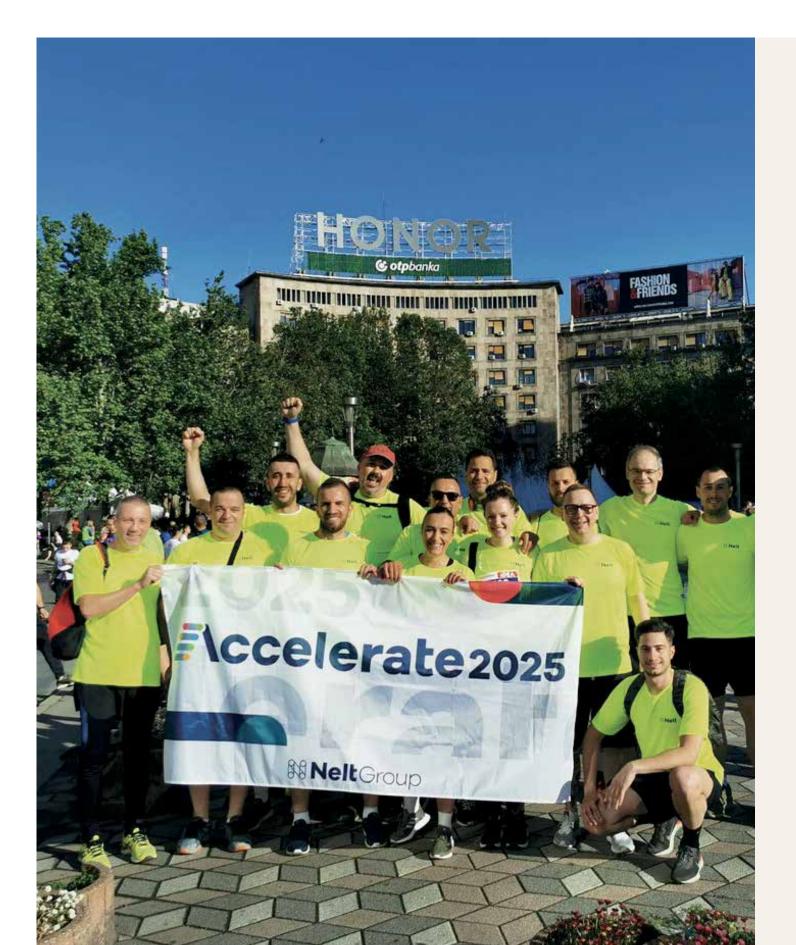
Nelt City Hub is another project dedicated to our colleagues, being realized during the jubilee year of our operations.

Nelt City Hub is a new facility located on Karadordeva Street, bringing life to an old location while reflecting contemporary values of sustainability and quality work environment.

The primary purpose of the project is to provide Nelt employees with an inspiring urban workspace.

Respecting the history of the location, the architectural treatment of the facade retains the spirit of traditional industrial buildings, with the connection to the previous structure achieved through the main material used on the facade - brick. Meeting contemporary needs is accomplished through the green roof, which not only serves as an excellent thermal insulator but also emphasizes ecological consciousness and reflects a modern approach to sustainability.







# PARTICIPATION IN SPORTS EVENTS

#### RECORD NUMBER OF NELT **EMPLOYEES AT THE 36. BELGRADE MARATHON**

articipation in the 36th Belgrade Marathon, marked by a record number of participants, was sealed by Nelt employees who gathered in the largest number to date. Colleagues from Bosnia and Herzegovina, Montenegro, and North Macedonia joined us in Belgrade for the first time.

We had representatives in all race categories - Marathon, Half Marathon, Relay Half Marathon, 10km race, and Fun Run. The Let's Accelerate team showed not only their endurance and strength but also incredible support and a true example of acceleration beyond work.

#### 8. PLACE AT THE **AUDI B2B RACE IN SARAJEVO**

ur colleagues from Bosnia and Herzegovina traditionally participated in the Audi B2B race held in Sarajevo. Out of 119 companies competing, Nelt secured the 8th position.

The Audi B2B Run brings together employees from various companies who, united in teams, foster team spirit and compete for the top spot on the leaderboard. A total of 1123 runners participated. On the 5-kilometer course, which passes through one of the most beautiful parts of Sarajevo, Vilsonovo šetalište, twenty colleagues from Nelt showcased their readiness and sportsmanship.

#### AWARD FOR THE MOST LOYAL COMPANY AT THE SERBIA BUSINESS RUN RACE

ur colleagues from Niš and Belgrade once again participated in the largest sports-business event this year, and our company was awarded as the most loyal company at the Business

Under the slogan 'Let's Accelerate together,' colleagues cheered each other on, shared positive energy, and mutual support. A significant number of them participated in this year's race for the first time.

#### OUR FOOTBALL TEAM IS PART OF THE TIRANA **BUSINESS LEAGUE**

elt's football team is participating in a small football competition organized by the Municipality of Tirana in collaboration with the Football Academy 'Foodball Republic'.

The tournament is intended for representatives of state institutions and the business sector, and the winning mentality has encouraged our colleagues from the Albanian market to participate and compete for victory!

This type of event is significant because, in addition to promoting sports activities and developing amateur sports, it fosters business cooperation among different economic entities.

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#### EMPLOYEE DEVELOPMENT





#### ACTIVITIES DESIGNED FOR THE CHILDREN OF OUR EMPLOYEES

or the past eleven years, Nelt
Group has traditionally organized
Children's Day in all Nelt branches
- in Belgrade, Novi Sad, Subotica,
Niš, Kraljevo, Skopje, Podgorica,
Banja Luka, Sarajevo. Children's Day
provides a special opportunity for
the youngest ones to spend the day
with their parents at work, enjoying
sports, educational and entertaining
programs, and workshops.

The first day of school for first graders is a special day for Nelt companies throughout the region. Children of Nelt Group employees who are starting first grade receive packages with school supplies and interesting gifts to brighten their first days of school. Employees whose children are starting first grade have the opportunity to take an additional day off to share this important moment with their first graders.

# CONTINUOUS EMPLOYEE EDUCATION

n the modern business environment, education stands as one of the pillars of our strategic vision and business practice. Education is not merely a formality for us as a company; it represents one of the instruments for achieving the organization's long-term goals, relying on the continuous development of employees.

The diverse elements of education, encompassing training sessions, seminars, development of functional and soft skills, leadership training, participation in external conferences, and structured development programs, constitute key points for skill enhancement.

This holistic approach not only empowers individuals in performing current tasks but also lays the groundwork for long-term professional growth and provides utility value in the context of work. All these educational efforts become a crucial foundation for innovation and organizational adaptability, providing employees with the tools necessary to effectively tackle challenges. In fact, through our daily work, we strive to build individuals who are not only competent but also proactive in their professional development.

Internal education within the company provides employees with opportunities for advancement.

After one year of employment, every employee can apply for open positions, provided they meet the necessary criteria. Internal job postings are distributed via email and available on the company portal and notice boards.

Maintaining a balance between long-term members of the Nelt team and those coming from external markets is essential for the company's stable development. Each employee has a personalized work plan, with regular performance evaluations. Performance evaluation is conducted for all employees in the Nelt Group with more than 6 months of work experience. In 2022, 83.4% of all employees underwent evaluation, while in 2023, 81.1% of employees went through this process.





#### MANAGE YOUR CAREER

Il employees, regardless of the sector they work in, are part of the transformation. When it comes to education, development, and motivation of employees, the role of HR is to help them adapt more easily to changes in the environment. High specialization and complexity of the system have led to a reduced understanding of how the company operates as a whole, and we faced the challenge of changing that.

We listened carefully to the needs of the organization, and thus the idea was born to launch a project aimed at providing employees with continuity in the learning process and acquiring new skills, creating an additional benefit in the context of employee development and internal lecturers, fostering a greater sense of belonging within the company, achieving greater intersectoral connectivity and understanding of the broader business picture.

The project has been actively implemented since 2019, and as a company, we strive to continuously align it with the needs of employees. Therefore, starting from 2023, the project is conducted twice a year, and the topics within the modules are diverse and tailored to the needs of employees. The workshops are open, and employees voluntarily sign up for those they wish to attend, with each workshop lasting 2 hours. All workshops are recorded so that employees have access anytime and can actively improve their knowledge.

During 2023, 18 workshops were conducted with the participation of as many as 1,970 employees. In 2022, 15 workshops were conducted with the participation of 983 employees. In addition to external lecturers, our employees from various centers of expertise also conduct workshops, and during these two years, as many as 25 of them have taken on the role of trainers.

#### WORKSHOPS CONDUCTED AS PART OF THE 'MANAGE YOUR CAREER' PROJECT

# 2022 · Implementation of new principles from a financial perspective · Credit policy $\cdot$ Taxes · Personal development · Creativity and innovation ·Storytelling · Emotional intelligence · How to initiate and be more proactive · Habit formation · Stress management · Global challenges in the supply chain · Intermodal terminal · Setting personal goals · Designing models and simulating costs of logistics services · E-commerce

· Long-term planning

#### 2023

- Navigating through the maze of categories category management
   Explore design thinking - think creatively!
- · Hakuna Matata how a trip to Africa impacts positive changes in professional and personal careers
- · Setting boundaries why saying "No" is healthy
- $\cdot \ A chieving \ successful \ sales \ through \ trade \ marketing$
- $\cdot$  Where did the super fruit go? Meet the Baby Food Factory!
- · From idea to project realization project management
- $\cdot$  Excel master class - how to boost productivity with artificial intelligence
- · Pharma with a lot of charm
- $\cdot$  Are we on the right path? a guide to change management
- · Delivery point in the supply chain
- · Emotional balance managing emotions at work
- · Finance keeping pace with digitalization



# CHARGE YOUR LEADERSHIP DEVELOPMENT PROGRAM

n Nelt Group, we strive to recognize and nurture the talents of our employees. That's why we've created a leadership development program called "Charge Your Leadership" for all employees who have participated in the Development Center.

The aim of the program is to provide employees with necessary knowledge through continuous education over a period of six months. Employees have the opportunity to develop within this program and acquire the knowledge and skills required for future positions. The education is fully tailored to the organization's needs.

The program is implemented at multiple levels - depending on the level of employee development, current roles, and responsibilities - and includes various topics.

During 2023, 135 employees at different levels participated in the program. The program for each level is organized into four modules - thematic units - and includes both group and individual work. In 2022, 133 employees participated in the program, and three modalities of the program were implemented through 12 different modules.

Leadership, soft skills, functional knowledge, and business are significant areas covered within this development program. Some of the topics addressed during the program include: Active listening, assertive communication, communication skills with impact, EQ and SQ, stress management - techniques for proper response in stressful situations, self-management in times of change, situational leadership approach, goal setting and communication, monitoring and implementation of plans, decision making, employee motivation, coaching approach to work, strategic thinking, crossfunctional collaboration, innovation methods, and change management.

# CORE CURRICULUM TRAINING MATRIX

t the beginning of 2023, Nelt Group introduced a new education program - Core Curriculum. This comprehensive set of education is designed for employees taking on a managerial role for the first time in the organization, aiming to provide them with foundational knowledge and skills necessary for successfully performing new roles and leading teams.

A set of leadership training within this matrix, lasting one year, is specifically tailored to employees based on their seniority and through various modalities adjusted to the level of responsibility.

During 2023, 98 employees participated in 17 different trainings, conducted over 56 training days.

Some of the topics covered by this matrix include: First-time leader, work organization, communication skills, presentation skills, situational leadership, change management, and others.

#### DEVELOPMENT PROGRAM FOR MIDDLE MANAGEMENT

The Middle Management **Development Program represents** a structured initiative with multiple phases. The initial task of the program was to precisely determine and define the key competencies for specific positions, aligned with the business requirements and the strategy of our company. After identifying these competencies, the next step involved a comprehensive assessment of employees through assessments to accurately determine their current level relative to defined standards. Based on the results, a series of targeted training sessions were developed aimed at improving specific competencies and strengthening key skills.

From 2022 to 2023, over 150 employees in various positions went through this program, achieving significant progress in developing their skills and competencies.



# **NELT SALES ACADEMY**

The Nelt Sales Academy represents a comprehensive training program for employees at all levels and positions within the distribution sector. By combining materials, exercises, best practices, and knowledge from Nelt's partners with the company's own expertise, various interactive training sessions have been created,

featuring examples and real-life situations encountered in daily customer interactions. These training programs are conducted by the Sales Capability Team in collaboration with 21 internal trainers who are employed in various markets and positions within the distribution sector.



#### **ONBOARDING**

Through the e-learning platform, new hires have the opportunity to undergo basic training sessions that will help them become familiar with the business operations and facilitate their introduction to the organization. Some of the introductory programs that employees go through include the Induction program - which covers information about the Nelt company, its vision and mission, the principles we work with, quality control, and the +1 Mentality.



#### **RETAIL MATH**

Training focused on improving business and financial skills that can help employees in their daily tasks, such as sales mathematics and presenting our initiatives through sales figures.



### BASICS OF

MERCHANDISING AND MERCHANDISING WORKSHOP

Created with the aim of enhancing knowledge and skills in planning store visits, better understanding and utilization of basic elements for quality positioning, and a strategic approach to improving sales.



# CUSTOMER TRAINING PROGRAM

The aim of this program is to enhance skills in planning and organization, communication, sales, and activation in facilities, DPSM, PSF, setting SMART goals, handling objections, and building long-term relationships with customers.



# LEADERSHIP & ON-THE-JOB TRAINING

A program designed for all employees who lead teams. The program focuses on understanding the manager's role in employee development and standard skill assessment in the sales team, as well as creating an action plan. Practical examples and exercises are used to improve On-the-Job training standards.



#### GIVING AND RECEIVING FEEDBACK: COMMUNICATION AND PRESENTATION SKILLS

Training based on the fundamentals and principles of effective communication and presentation, active listening, assertive communication, nonverbal communication, and handling objections.





#### SFA AND B2B TRAINING

Focused on introducing employees to new applications that will enhance their fieldwork. During the training, employees address any uncertainties and refine their use of applications crucial for their daily field activities.



# CALL CENTER AND TELEPHONE SALES

Training to familiarize employees with call center operations by informing them about the requirements operators receive, exercises in psychological readiness, active listening, and communication with clients. Identifying different types of customers, effective product presentation, and handling objections are important parts of this training.



#### KEY ACCOUNT MANAGEMENT TRAINING

Comprising 14 training modules specifically designed to assist in daily work. The program aims to improve planning and organizational skills, business finance (P&L), communication, sales, effective negotiation, activation in outlets, feedback provision, and customer relationship building. The training includes practical exercises with real-life examples from different markets.



#### TRAIN THE TRAINER

This training provides participants with tools, techniques, and methods necessary for presenting and transferring knowledge to others. The focus is on developing communication skills, group management, and adapting content to participants.



#### NELT SALES ACADEMY IN AFRICA

We have extended the longstanding practice of the Nelt Sales Academy to the African markets where we operate. The focus is on advanced planning, preparation, sales, and implementing agreements with customers. These programs are of great importance as they provide insights into the fundamentals of sales as the foundation of our sales organization and merchandising as one of the most important steps in the sales process.



#### SUPER SELLER

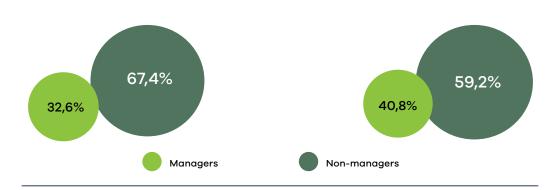
Nelt's educational application for sales learning launched in mid-2020. The "Super Seller" app is designed for employees in our distribution sector. It serves as a tool for easy, interactive, and engaging acquisition and review of sales knowledge. Super Seller is an Android quiz application with a palette of 150 questions, including 100 theoretical and 50 mathematical questions. The questions are taken from the Nelt Sales Academy training program and further adapted for better user experience on phones.



#### TRAINING STATISTICS



#### PERCENTAGE OF EMPLOYEES IN TRAINING BY CATEGORY



#### PERCENTAGE OF EMPLOYEES IN TRAINING BY GENDER



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# Marija Stanković Development and

Development and Education Manager



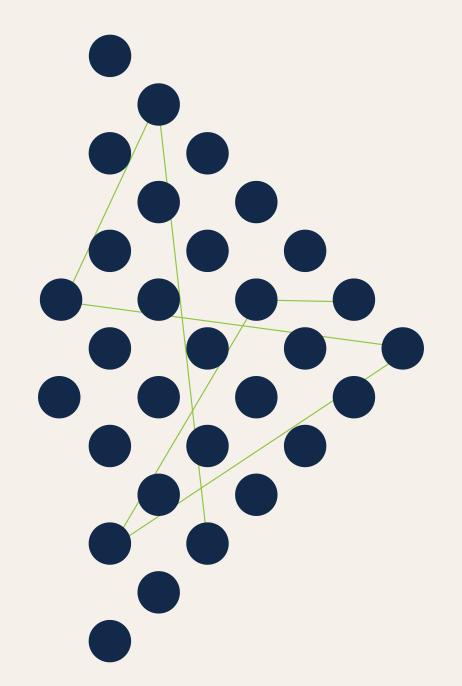
EDUCATION AS THE FOUNDATION OF INNOVATION, BUSINESS AGILITY, AND SUSTAINABILITY

n today's business environment, education stands as one of the pillars of our strategic vision and business practices. Education isn't just a formality for us as a company; it's an instrument for achieving long-term organizational goals, relying on the continuous development of our employees.

Diverse elements of education, including training sessions, seminars, development of both functional and soft skills, leadership training, participation in external conferences, and structured development programs, represent key components for skill enhancement. This holistic approach not only empowers individuals in their current tasks but also builds the foundation for long-term professional growth and provides practical value in the workplace.

All the mentioned education becomes a crucial foundation for innovation and organizational adaptability, providing employees with the tools needed to effectively tackle challenges. In fact, we strive to cultivate a workforce through our daily work that is not only competent but also proactive in their professional development.

In this context, the role of education is not only about knowledge transfer but also about shaping an agile workforce that is ready to face future challenges. This approach not only supports the individual development of employees but also contributes to the long-term success of the organization in a dynamic business environment.



# RESPONSIBILITY CAL COMMUNITY OWARDS TH

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#### **SOCIALLY RESPONSIBLE**

SUPPORTING YOUTH AND EDUCATIONAL INSTITUTIONS

s a socially responsible company, we recognize the importance of education because it is a key driver of social progress. Our strategic partnerships with educational institutions embody our commitment to empowering young generations and modernizing the communities in which we operate. Through various projects and activities, we aim to support education and empower youth to become leaders.

In addition to supporting education, we also engage in assisting vulnerable social groups, with a particular emphasis on children who require special attention and support during their upbringing. Our mission is to create a positive impact in the communities where we operate by providing support and resources to those most in need. Through these activities, we actively contribute to the future development of our communities and build a sustainable future for all its members.

elt enables young people to gain practical knowledge about business processes in large organizations through organizing expert lectures, company visits, and student internships. This initiative is aimed at assisting youth in employment and adaptation to the business environment. We have established long-term partnerships with various faculties, including the Faculty of Traffic, Faculty of Electrical Engineering, Faculty of Organizational Sciences, and Faculty of Finance and Administration in Belgrade, the Pharmaceutical, Mechanical, and Economic faculties in Montenegro, the Mechanical, Electrical Engineering, and Economic faculties in North Macedonia, as well as the Faculty of Traffic and Communication and the Faculty of Economics at the University of Sarajevo in Bosnia and Herzegovina.

#### RECOGNITION FOR STRATEGIC CONTRIBUTION TO SOCIETY AND ACADEMIC COMMUNITY

ur company has been awarded a

Certificate of Appreciation for its

strategic contribution to society in the academic year 2022/23 by the largest Association of consulting professionals, industry experts, and students in Southeast Europe, the Business Case Association Southeast Europe.

The event is organized with the intention of bringing together and rewarding partners from the academic, public, private, and startup sectors. "For years, Nelt has been investing in the development of education and knowledge of young talents, as well as society as a whole. This recognition is just one of the

confirmations that we are on the right

track. In the future, we intend to further

develop and enhance cooperation with

projects that we plan to introduce," said Bojana Mucić, Executive Director of Human Resources, at the award ceremony.

the academic community through various

#### CAMPUS TEAM - STRATEGIC GUIDANCE OF COLLABORATION WITH FACULTIES IN SERBIA

Through collaboration with educational institutions, student organizations, and relevant job fairs, we actively participate in events where we have the opportunity to extensively present all projects and activities of our company. In our effort to establish an even stronger connection with the academic community and contribute to the local community, in 2023, we formed Campus teams for the Faculty of Economics, Faculty of Organizational Sciences (FON), Faculty of Pharmacy, and Faculty of Traffic Engineering.

These teams will engage in the exchange of knowledge and experiences, as well as in the organization of additional activities. Our intention is to provide young people with insight into career growth opportunities within Nelt while simultaneously raising awareness of the technological and strategic innovations that are at the core of our business. This centralized approach reflects our commitment to building bridges between the company and young talent, as well as the broader community.



# ACTIVITIES WITHIN COLLABORATION WITH FACULTIES AND HIGH SCHOOLS IN SERBIA

- · As a strategic partner in the High School Case Competition event, in collaboration with the Case Study Club and the Faculty of Organizational Sciences, our company participated in organizing an educational competition for high school students to solve business challenges.
- · Nelt traditionally participates as a partner in the Case Study Show, organized by ESTIEM and the Youth Speak Forum, a conference organized by Aiesec. These projects are based on educating students and developing a competitive spirit through solving case studies. After the competition, the winners of the Nelt case study are invited to visit our distribution-logistics center in Dobanovci.
- · In collaboration with the Student Organization of the Faculty of Economics (SEFA), Nelt organized a case study competition for students on the topic of "Innovation and Segmented Approach to Greater Profitability."
- · Nelt participated in the FONBoarding event organized by the Faculty of Organizational Sciences. The event brings together more than 1000 students with the aim of providing insights

- into the latest business trends, offering access to current knowledge, and connecting students with future employers. Representatives from Nelt's HR department participated in mock job interviews and provided useful tips to students for successful interviews.
- · In collaboration with the Career Development Center, our company organized visits for students from the Faculty of Economics, Faculty of Organizational Sciences, Faculty of Traffic Engineering, and Faculty of Political Sciences. The goal was to introduce young people to career development opportunities and starting a career, as well as to give them first-hand experience of being part of the Nelt team. They were presented with current programs oriented towards young people, as well as various sectors of the company.
- · As part of the "Choose Success" project, in collaboration with UNICEF, we enable young people to easily enter the job market and gain practical experience.

- · As a strategic partner of AIESEC, we were the general sponsor of the largest annual event of this student organization the National Conference NatCo. During the three-day event, we had the opportunity to hear the thoughts and needs of young people and introduce ourselves as a company where they could start their careers.
- · About 100 second-year students attended the lecture "Private Security Systems in Companies" organized by Nelt. On this occasion, they had the opportunity to connect theoretical knowledge with practice using the example of a large system such as Nelt. The complexity, diversity of laws depending on the market, and cultural differences drew special attention. The rich experience and knowledge of the lecturers interested students to ask questions and learn more about working in the private sector.

#### WITH STUDENTS AND PROFESSORS IN BOSNIA AND HERZEGOVINA

- · In collaboration with the Faculty of Traffic and Communications at the University of Sarajevo, our company in Bosnia and Herzegovina organized a visit for students and professors of this faculty in early June. This visit was an opportunity to establish even deeper connections between our company and the academic community, resulting in the renewal of the cooperation agreement with pleasure.
- · Collaboration with the Faculty of Economics in Sarajevo was also renewed at the end of 2022, when a guest lecture on "Trade Marketing & Key Account Management How We Work at Nelt BH" was held. The lecture took place within the Marketing Channels course and was attended by third-year students who found the topics familiar, understandable, and applicable to further learning.
- · In partnership with AmCham BiH, Nelt participated in the oneyear LeaderRoots program as a sponsor and lecturer in one of its 10 masterclasses. This program, aimed at potential leaders up to 35 years old, aims to strengthen the leadership skills of young promising individuals.
- · By participating in the STARfest fair, the largest event for employment, career development, and skills enhancement for young people, our colleagues shared their insights into labor market trends and provided career advice to over 3000 participating students.

#### EDUCATION THROUGH CASE STUDIES IN MONTENEGRO

- · In collaboration with the student organization of the Sports and Recreation Society of Economics and Management Students (EKOMEN), our company in Montenegro, Neregelia, conducted a workshop titled "Shine Bright Learn How." The workshop focused on skills for presenting oneself to employers, providing students with insights into creating CVs, preparing for initial interviews, and the selection process. Approximately 60 students attended the workshop at the Faculty of Economics in Podgorica.
- · Continuing our collaboration with the student organization Srdsem Ekomen, we participated in a workshop on the topic "Finance as Business Support." Students had the opportunity to learn about developing knowledge and skills necessary for financial management and the practical application of accounting principles and basics.
- · In addition to supporting students, colleagues from Neregelia also assist young entrepreneurs through the Social Impact Award (SIA) program. SIA is the largest international project on social entrepreneurship dedicated to youth, initiated by Impact Hub Vienna in 2009. The project is implemented simultaneously on three continents (Europe, Africa, Asia) and in 19 countries, annually bringing together over 12,000 young innovators who, as the ultimate outcome, establish more than 230 social enterprises each year.





#### CAREER DAYS IN NORTH MACEDONIA AND ALBANIA

In continuing to strengthen our collaboration with the academic community, we've renewed our partnership with the Faculty of Economics at the University of Cyril and Methodius in Skopje. The aim remains to facilitate the integration of the best students into top internships and business operations.

An ideal opportunity for direct engagement with students and the exchange of information are events like Career Days, where Nelt is a traditional participant. The event primarily targets students seeking internship programs, as well as recent graduates in search of their first job. In addition to networking opportunities with students, the event features panel discussions where inspiring motivational speeches are delivered.

#### NELT'S GOOD START PROGRAM

The Good Start program, a talent initiative successfully implemented since 2015, has become the overarching scholarship program of the Nelt Group. Through paid internships, young individuals are provided with the opportunity to kick-start their careers in Nelt's distribution, logistics, finance, strategy, and ICT sectors.

Over the past seven generations of Good Start participants, as well as the programs now integrated with it, such as the Nelt Financial Academy and Are You for Nelt IT, have brought us a large number of new colleagues. All of them have successfully developed through our developmental program and become indispensable members of our system.

The fact that 95% of interns found a place in our company after the program speaks to the quality of these carefully designed initiatives and indicates that students and recent graduates have recognized their significance and quality. The goal of all our internships and programs is for these young individuals to bring knowledge, new trends, fresh ideas, and, on the other hand, for us to develop and build them into leaders of today.





# DONATIONS AND CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES IN THE LOCAL COMMUNITY

upporting local communities represents another significantly important area of corporate social responsibility behavior for companies within the Nelt Group across the markets where we operate. In addition to the attention given to children, we work on programs to aid and empower women, participate in various humanitarian and educational activities

"Homeland is defended with beauty" - Nelt Group and Belgrade Silos dedicated a mural to family and universal values.

The company Nelt supported the painting of a mural inspired by the patriotic poem of Ljubivoje Ršumović, 'Homeland is defended with beauty,' on the Belgrade Silos, the new epicenter of the city's culture. On the occasion of the mural's ceremonial unveiling, the author of the renowned verses emphasized that 'By caring for nature, culture, education, interpersonal relationships, and all aspects that enrich and enrich life, we protect what we call our homeland. Every individual act of kindness, care for fellow citizens, and every contribution to the community is our interpretation of how to build a strong, harmonious, and prosperous society.'

'The mural dedicated to the poem 'Homeland is defended with beauty' faithfully reflects our deep commitment to the values that the poem emphasizes, which should actually be the foundation of every prosperous society. This artistic expression, whose painting we supported, should serve as a reminder that education, every act of beauty, every act of honor and responsibility, is the way we defend our present and our future,' said Milica Sočanac, a member of the owner's office of Nelt Group.



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# DONATIONS AND SOCIALLY RESPONSIBLE ACTIVITIES IN THE LOCAL COMMUNITY



For the fourth consecutive year, in collaboration with the IFMSA organization from the Faculty of Medicine in Belgrade, we have been organizing the distribution of gift packages to children spending New Year's at the Mother and Child Institute and Tiršova Hospital.

# "ANGELS OF THE NORTH" DONATION

Nelt Group donated products worth one million dinars to the "Angels of the North" association.

Through the first solidarity kitchen for children up to two years old, these humanitarians supply socially disadvantaged families from all over Serbia. Twenty pallets of Nutrino, Pampers, Sebamed, and Yogolino products were delivered to Bačka Topola in January 2024.

"Our Baby Food Factory has been continuously supporting the 'Angels of the North' association for 2 years, and this time we have added other brands from our portfolio. I am happy that the action has attracted great public attention, and I invite all companies to join and support the work of these and similar associations," said Luka Šaponjić, Manager of the Nelt Group owner's office.

# VOLUNTARY BLOOD DONATION CAMPAIGN IN MONTENEGRO

Our colleagues from Neregelija and Montenomaks once again demonstrated humanity in action by participating in a voluntary blood donation campaign. Thirteen units of blood were collected in this campaign for those in greatest need. For many years, our colleagues have been participating in voluntary blood donation campaigns organized by the Blood Transfusion Institute of Montenegro, and for the past two years, they have been independently initiating the campaign every four months.

# NELT BIH RECEIVES APPRECIATION AWARD FOR SUPPORT IN THE TREATMENT OF CHILDREN WITH CANCER

Our company in the market of Bosnia and Herzegovina has received an appreciation award for its contribution and support in the treatment of children with cancer.

At a ceremonial event marking the 20th anniversary of the AmCham BiH association, awards were presented to companies that have supported fundraising activities for the purchase of medical equipment for the treatment of children with malignant diseases, including Nelt.

The equipment was donated to the Department of Hematology and Oncology at the Children's Hospital of the University Clinical Center Tuzla, the Department of Pediatric Hematooncology of the University Clinical Center of Republika Srpska, and the Department of Pediatric Hematooncology at the University Clinical Hospital Mostar.

#### COLLEAGUES FROM THE ALBANIAN MARKET MARKED PINK OCTOBER

In honor of the International Breast Cancer Awareness Month, our colleagues from Albania organized a lecture and free screenings, marking Pink October.

Wearing shirts with pink ribbons, the symbol of breast cancer awareness, they spoke about health, the importance of early detection, and providing support to those affected by cancer.

The idea was to remind everyone that breast cancer is the most common cancer among women, and if detected early, it is treatable.

One of the main messages to all colleagues, women, and girls is that daily routines, such as regular exercise and healthy eating, influence future health.

#### DONATION FOR BABIES BORN AT THE CLINICAL CENTER OF MONTENEGRO

Our company in Montenegro, aiming to provide the youngest ones with the best care from day one and to give the staff in the Maternity Ward the opportunity to provide it at any moment, donated gift packages. All babies born at the Clinical Center of Montenegro from April 4th until the end of 2022 received Sebamed and Pampers products, while the Clinical Center itself received a donation of 100 liters of Sebamed baby bath.

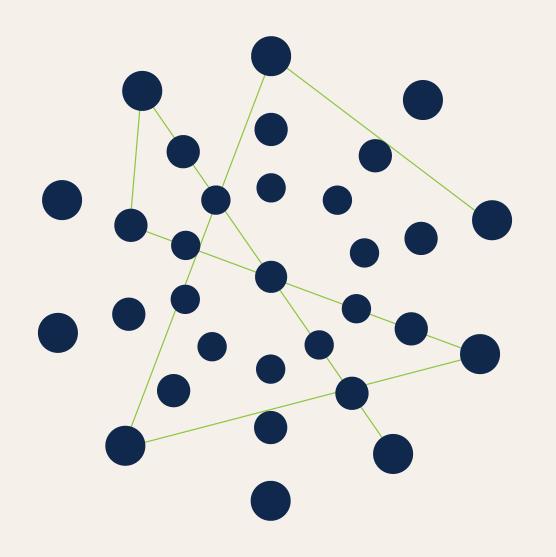
#### **HOLIDAY DONATIONS**

The magic of the holiday season lies in the joy of giving. That's why we want to share that joy with our fellow citizens every year. We distributed New Year's gifts to children spending the holidays in hospitals, students of the school for the hearing impaired 'Stefan Dečanski', the 'Jefimija' Home for Children and Youth, Safe Houses in Belgrade and Pančevo, and the Children's Village

# BINGO AND NELT BOSNIA AND HERZEGOVINA SUPPORT WOMEN'S ENTREPRENEURSHIP

Supporting women's entrepreneurship is crucial for empowering society in many of its segments. Our company in the market of Bosnia and Herzegovina, in collaboration with the retail chain Bingo, celebrated March 8th, International Women's Day, with the initiative 'Bold and Brave, that's you!

The goal of this project is to provide support to female entrepreneurs in the initial phase of starting their businesses. Interested female entrepreneurs who launched their own business between December 1, 2022, and August 1, 2023, could apply for grants to support them with raw materials, equipment, machinery, or tool.



# THE ENV ONSIBIL 9



# DRIVING SUSTAINABILITY WITH FOCUS ON ENVIRONMENT



ith the aim of fully aligning our business with the principles of sustainability, we have recognized environmental protection as our long-term strategic direction. We have defined a strategy that outlines guidelines and activities to reduce greenhouse gas emissions, improve energy efficiency, and increase the use of renewable energy sources. Additionally, we employ efficient waste management methods to reduce our environmental footprint.

#### TRANSPORT OPTIMIZATION

iven the nature of our core activities, the greatest impact on the environment is through transportation, both international and domestic. The transportation of goods is carried out by a fleet consisting of over 450 delivery vehicles with various temperature regimes and load capacities. All vehicles are equipped with GPS devices, and the organization, control, and monitoring of all transportation and delivery routes are conducted using modern software solutions for transportation organization and optimization.

Our competitive advantage lies in our ability to understand what is happening in every part of the supply chain. Digitalization brings us a whole set of application solutions, platforms that enable us to achieve this in real-time. With the latest strategic plan for 2022-2025, we have further strengthened and accelerated the digital agenda. The digital transformation of the supply chain is imperative for a more comprehensive and improved customer experience of our service, bringing value to everyone in the end-to-end supply chain, whether it's in the distribution or 4PL part of the business. In other words, digitalization gives us the ability, thanks to real-time data, to see, understand, and improve the performance of the supply chain, then to intervene in a timely manner and minimize risks, collaborate crossfunctionally and with external customers and clients, significantly enhancing the level of service, better managing capital and costs, and increasing resilience to disruptions in the supply chain.

# PETROLEUM CONSUMPTION PER MARKET (GJ)

	Petrol		Di	sel	1T	TNG		PG .	TOTAL	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Serbia	7,075	10,477	37,841	55,553	51,122	52,839	1,280	1,445	97,319	120,315
Montenegro	195	146	10,719	10,520					10,914	10,667
Neregelia	55	103	7,271	7,088					7,326	7,191
Montenomaks	140	44	3,448	3,432					3,587	3,476
Bosnia and Herzegovina	1,378	1,972	14,749	14,394	5,432	6,996			21,559	23,362
North Makedonia	690	1,730	4,931	5,026	4,331	5,661			9,952	12,417
Albania	568	697	4,583	4,821					5,151	5,518
TOTAL	9,906	15,023	72,823	90,315	60,885	65,496	1,280	1,445	144,895	172,279

# IMPROVED SOFTWARE SOLUTION FOR OPTIMIZING SALES AND DELIVERY ROUTES FOR MORE EFFICIENT DISTRIBUTION

y investing in development, we aim to progress and become an efficient and reliable organization for both employees and business partners. Our multifunctional project team in Serbia collaborated throughout 2021 with our partner, INFORA, on the development of a software solution to achieve greater efficiency in optimizing sales and delivery routes. The project commenced on January 31, 2022.

Through the automation provided by our new solution, we have achieved greater efficiency, optimization, and rationalization of time and other resources, ultimately resulting in an increase in service quality. This solution has also led to reduced fuel consumption, resulting in a decrease of 300 tons of CO2 emissions annually. The plan is to adapt and implement this project across other markets as well.



#### **OUR ECO DRIVERS**

n line with our commitment to sustainable business practices, we have implemented the Eco Drive system, which promotes responsible and environmentally conscious driving among our drivers. We monitor their performance daily in four key aspects:

- Engine management: We analyze their engine and gearbox management, particularly during acceleration and deceleration.
- Adaptation to traffic conditions: We assess their concentration and ability to react promptly to various traffic situations.
- **Smoothness**: We evaluate driving stability, including maintaining a constant speed and safe deceleration.
- **Rest periods**: We emphasize the importance of minimal vehicle idling, encouraging engine shutdown during stops to reduce emissions and save fuel.

Through this system, we not only reward drivers who demonstrate a high level of awareness regarding ecological and safety aspects of driving but also financially incentivize them for further improvement. Our rewarding practice includes financial bonuses and other benefits, thus creating an atmosphere of continuous support and encouragement for responsible and efficient driving.



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The rational consumption of non-renewable energy sources is an integral part of the strategy of all companies within the Nelt Group. Alongside transportation, significant energy consumption arises from the use of natural gas for heating, as well as electricity consumption.

#### **ELECTRICITY CONSUMPTION**

	kV	Vh	G	J
	2022	2022 2023		2023
Serbia	6,747.106	6,642.736	24,290	23,914
Montenegro	713,068	722,136	2,567	2,600
Neregelia	484,041	497,037	1,743	1,789
Montenomaks	229,027	225,098	824	810
Bosnia and Herzegovina	1,188.086	1,470.448	4,277	5,294
North Macedonia	496,853	608,993	1,789	2,192
Albania	264,750	223,793	953	806
TOTAL	9,409,863	9,668,106	33,876	34,805

#### NATURAL GAS CONSUMPTION FOR HEATING IN SERBIA

m	n <sup>3</sup>	G	J
2022	2023	2022	2023
383,285	317,293	14,523	12,022

The implementation of the SCADA system contributes to the optimization of gas usage and, consequently, to the overall reduction in energy consumption. To further optimize and enhance processes, new smart devices and sensors have been added to the SCADA system over time, leading to additional reductions in the company's carbon footprint.

The system connects elements that autonomously monitor internal and external temperatures and decide when certain systems should be activated.

This has led to a decrease in energy consumption for heating, cooling, and ventilation in warehouses. It has been refined to the extent that external air is used as needed to maintain desired conditions within the warehouse space. Temperature and humidity sensors have also been installed, with the system capable of reporting measured values in tabular form.

Additionally, the system enables the sending of notifications via SMS to responsible individuals within the Nelt Group in case of situations requiring urgent attention.

Sustainability Report 2022/2023





# PURE ENERGY FOR A BRIGHT FUTURE

#### SERBIA

INSTALLED: 6,345 KW

PLANNED: 11,780 KW

NORTH MACEDONIA

**INSTALLED: 330 KW** 

**MONTENEGRO** 

PLANNED: 315 KW

n line with global trends, EU Green Agenda, and our own strategic commitment, the Nelt Group is dedicated to activities that contribute to reducing our ecological footprint and fostering sustainable practices. Recognizing the importance of transitioning from fossil fuels to renewable sources, we are laying the foundations for long-term energy security, resilience to change, and reducing CO2 emissions.

Our focus includes the rational use of natural resources, investment in renewable energy sources, the adoption of technologies, equipment, and materials that minimize negative environmental impacts, as well as efficient management and recycling of packaging waste.

One of Nelt Group's key strategic initiatives is the construction of solar power plants, representing a concrete step towards achieving our sustainability goals.

We have invested in solar power plants with a total capacity of 6,6 MW, including 6,345 kW at facilities in Serbia and 330 kW at a facility in Skopje. Our plan is to continue in the same direction by constructing a solar power plant with a capacity of 315 kW in the Montenegrin market.

In addition to diversifying energy sources, this investment directly contributes to reducing harmful gas emissions, actively supporting global efforts to combat climate change. We will continue to invest in projects that support business sustainability and contribute to global environmental preservation goals. The Nelt Group remains committed to responsible and sustainable business practices, playing an active role in accelerating the energy transition towards clean energy sources.

Sustainability Report 2022/2023





#### TOTAL ENERGY CONSUMPTION IN GJ PER MARKETS

	2022 (GJ)									
Nelt Group	SRB		MNE	B&H	MKD	ALB				
	JRD	Neregelia	Montenomaks	Вап	WIND	ALD				
Petrol	7,075	55	140	1,378	690	568				
Diesel	37,841	7,271	3,448	14,749	4,931					
LPG	51,122			5,432	4,331	4,583				
CNG	1,280									
Petroleum products for heating					511					
Petroleum products -Total	97,319	7,326	3,587	21,559	10,463	5,151				
Natural gas for heating	14,523									
Pellets				1,875						
Electricity from the grid	24,290	1,743	824	4,277	1,699	953				
Electricity from solar					89					
Total	136,131	9,069	4,412	27,712	12,252	6,104				

	2023 (GJ)								
Nelt Group	SRB		MNE	в&н	MKD	ALB			
	JRD	Neregelia	Montenomaks	Бол	MIND	ALD			
Petrol	10,477	103	44	1,972	1,730	697			
Diesel	55,553	7,088	3,432	14,394	5,026	4,821			
LPG	52,839			6,996	5,661				
CNG	1,445								
Petroleum products for heating					435				
Petroleum products -Total	120,315	7,191	3,476	23,362	12,853	5,518			
Natural gas for heating	12,022								
Pellets				2,139					
Electricity from the grid	17,532	1,789	810	5,294	1,388	806			
Electricity from solar	6,382				804				
Total	156,251	8,980	4,286	30,795	15,045	6,324			

elt Group is committed to responsible business practices, including actively addressing the challenges of climate change. We implement measures in line with the United Nations 2030 Agenda and the European Green Deal. Our dedication to reducing greenhouse gas emissions is reflected in concrete actions taken at all levels of our organization. We believe it is vital for the business sector to take

responsibility for environmental preservation, and thus, we are working to integrate sustainable practices into all aspects of our operations.

We will continue to explore innovative methods to reduce our environmental footprint to contribute to global efforts to preserve the planet for future generations.

#### CO<sub>2</sub> EMISSION - SCOPE 1, SCOPE 2

	Scope 1 (tCO <sub>2</sub> ) 2022 2023		Scope 2	2 (tCO <sub>2</sub> )	Total (tCO <sub>2</sub> )		
			2022	2023	2022	2023	
Serbia	6,118	8,259	5,713	4,200	11,832	12,460	
Montenegro	1,136	1,112	335	339	1,471	1,451	
Bosnia and Herzegovina	1,834	1,890	867	1,073	2,701	2,964	
North Macedonia	743	861	417	341	1,160	1,202	
Albania	518	552	127	107	645	659	
TOTAL NELT GROUP	10,349	12,675	7,460	6,061	17,809	18,736	
		22%		-19%		5%	

n 2023, the Nelt Group achieved a significant reduction in Scope 2 emissions by 19%, thanks to investments in solar energy. At the same time, there was a 22% increase in Scope 1 emissions due to business growth. Through the implementation of sales and delivery route optimization software in Serbia, the largest market, the energy intensity

was maintained at the same level. This approach demonstrates Nelt Group's commitment to sustainable business practices and responsible resource management.

The overall increase in emissions of 5% represents a minimal rise, emphasizing the steps towards sustainable development that Nelt Group is taking.



#### **ENERGY INTENSITY**



nergy intensity measures the efficiency of energy use in our organization. It is expressed as the ratio between total energy consumption and distributed products per transported ton/m<sup>3</sup>.

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

	2022.								
Nelt Group	SRB		MNE	в&н	MKD	ALB			
	JKD	Neregelia	Montenomaks	Dan	IVIKD	ALD			
Total energy consumption (GJ)	136,131	9,069	4,412	27,712	12,252	6,104			
Total weight of distributed products in tons	152,594	9,460	6,422	29,208	8,650	3,609			
Total volume of distributed products in m3	529,689	27,000	-	89,392	24,473	16,055			
Energy intensity (GJ/ton)	0.89	0.96	0.69	0.95	1.42	1.69			
Energy intensity (GJ/m3)	0.26	0.35	-	0.33	0.35	0.22			

	2023.									
Nelt Grupa	SRB		MNE	в&н	MKD	ALB				
	JKD	Neregelia	Montenomaks	Вап	WIND	ALD				
Total energy consumption (GJ)	156,251	8,980	4,286	30,795	15,045	6,324				
Total weight of distributed products in tons	172,713	9,653	7.307	26,581	17,203	3,218				
Total volume of distributed products in m3	682,383	37,019	n/a	97,003	50,224	12,261				
Energy intensity (GJ/ton)	0.90	0.93	0.59	1.16	0.87	1.97				
Energy intensity (GJ/m3)	0.23	0.26	-	0.27	0.34	0.26				

The Nelt Group has successfully maintained stability or reduced energy intensity in most of the markets covered by this reporting, despite an increase in total energy consumption. This indicates efficient resource utilization and process optimization to reduce environmental impact. Although slight fluctuations in CO2 emissions have been recorded, we have managed to keep emissions at the same level or decrease them compared to the increase in energy consumption. This demonstrates the success of emission control and the implementation of sustainable practices.

We demonstrate our commitment to sustainable business through the stabilization of energy intensity and control of CO2 emissions, despite increasing business volume. The results confirm the efficiency and effectiveness of implemented measures to reduce our environmental footprint. In line with our environmental protection plans, we have set an ambitious goal to reduce CO2 emissions by 40% in the Serbian market by 2030 compared to 2022. For other markets, goals are currently being prepared. Through further monitoring and continuous process improvement, we continue to set standards for sustainable business and contribute to global environmental protection efforts.





#### RECOGNITION FOR IMPROVING ENERGY EFFICIENCY AT THE 'YOUNG ENERGY EUROPE' EVENT IN BERLIN

t the prestigious "Young Energy Europe" event held in Berlin, Nelt's team was awarded recognition for outstanding achievements in improving energy efficiency in the company's operations. Certificates were presented by Stefan Wenzel, Parliamentary State Secretary at the Federal Ministry for Economy and Climate Action, and Dr. Achim Dercks, Deputy Executive Director of the Association of German Chambers of Industry and Commerce.

Representing Nelt in Berlin were Ivan Milićević, Manager of Innovation and Business Development in Logistics, and Nada Stamatović, Sustainability Expert at Nelt Group. They, along with their colleague Mira Komlenić Matejić, Investment Bureau Manager, underwent the "Energy Scout" training at the end of 2022 as Nelt representatives. The team then presented Nelt's comprehensive systemic approach, which connects renewable energy sources and route optimization as a holistic solution for decarbonizing business operations.

Nelt won the first prize, competing with companies participating in the program in Serbia, for its CO<sub>2</sub> emission reduction solution.

The "Young Energy Europe" project

is funded by the European Climate Initiative (EUKI) and the Federal Ministry for Economy and Climate Action, and is implemented in collaboration with foreign chambers of commerce in partner countries - Serbia, Bulgaria, Greece, Croatia, Poland, Slovakia, the Czech Republic, and Hungary. The program includes a series of workshops focusing on energy and cost savings, increasing energy and resource efficiency in operational activities, and raising environmental awareness. The program aims to contribute to environmental protection and promote the exchange of knowledge and experiences on these topics across Europe.



# RESPONSIBLE WATER RESOURCE MANAGEMENT

t the company's headquarters in Dobanovci, several separators have been installed for different types of water: for technological water from motor vehicle services, for technological water from the car wash, for oily water from the company's restaurant, and for oil-contaminated surface water from the parking areas for cars and trucks. In addition to these separators, the Central Distribution and Logistics Center of the company also has a wastewater treatment plant.

To achieve the appropriate quality of treated wastewater, with an organic pollution reduction of over 90%, a biological treatment with activated sludge has been implemented, along with simultaneous, concurrent sludge stabilization. The process is based on the principles of deep aeration with air and the degradation of dissolved organic matter by microorganisms, which use dissolved organic matter as food and thus reduce it to the required concentration.

This wastewater treatment concept consists of an SBR system (Sequencing Batch Reactor), mechanical, and biological treatment. After mixing with atmospheric water, the treated water is discharged into the recipient without disturbing its quality. Monitoring of all types of wastewater and checking their quality through periodic laboratory testing further protects local natural recipients from pollution.





#### WASTE MANAGEMENT AND RECYCLING



waste management and reducing the consumption of non-renewable resources are integral parts of our company's business strategy and quality policy. Across all markets, we collaborate with waste management operators to dispose of various types of waste in the best possible way.

		2022.											
Total amount of waste (t) by disposal method	cı			MNE				. п	MKD		ALB		
	SRB		Neregelia		Montenomaks		B&H						
	Non hazardous waste	Hazardous waste											
Recycling	574.36	8.72	19.40		14.76		49.70		50.65	3.93	5.43	1.60	
Composting	201.88	17.35											
Burning (or used as fuel)	24.35									1.05			
Landfill disposal			3.50	0.39	14.76		8.98		219.58		133.54	4.54	
Total per category	800.59	26.07	22.90	0.39	127.76		58.68		270.23	4.98	138.97	6.14	
Total recycled	583	3.08	19	.40	14	.76	49	.70	54	.58	7.0	03	
Total waste quantity	826	5.66	23	.29	14	.76	14	.76	27	5.21	14	5.11	

						20	23.					
Total amount of waste (t) by disposal method	SI	SRB		М	NE		B&H		MKD		ALB	
	5.05		Neregelia		Montenomaks							
	Non hazardous waste	Hazardous waste										
Recycling	798.61	47.88	5.26		14.27		51		58.98	5.39	1.53	1.60
Composting	115.96	2.70										
Burning (or used as fuel)	49.13											
Landfill disposal			15.36		14.27		11.65		168.14		61.50	4.54
Total per category	963.70	50.58	20.62				62.65		227.12	5.39	63.03	6.14
Total recycled	846	6.49	5.	26	14	.27	į	51	64	.37	3	.13
Total waste quantity	1,01	4.28	20	.62	14	.27	62	65	23:	2.51	69	9.17
quantity	1,01	4.28	20	.62	14	.27	62	2.65	23:	2.51	69	).17

#### PRESERVING NATURE THROUGH REDUCED PAPER USAGE

In order to improve communication and document exchange with our partners, we initiated the Digital Delivery Note project in Serbia in March 2020. Through this project, we significantly automated logistic processes and began the process of phasing out paper documents, aiming to exclusively use digital documentation in the future. In 2023, we recorded a weekly reduction of 160,000 sheets of copy paper, which equals 320 reams or 800 kg of paper. With nearly 65% savings on corrective documents, this means we use 40 tons less paper annually. By doing so, we are preserving 1,000 trees that would otherwise be used for paper production!

We plan to expand this project to other markets, starting with Bosnia and Herzegovina. The implementation began in mid-October 2023, achieving 5% digitization by the end of that year. This resulted in saving 24,000 sheets or 120 kg of copy paper. We expect a more significant impact in 2024, with planned increases in the percentage of digitization.

We continue to work diligently to conserve natural resources and reduce our environmental footprint, contributing to the sustainable development of our business and community.

#### NELT'S CONTRIBUTION TO REDUCING CO2 EMISSIONS THROUGH COLLABORATION WITH SEKOPAK IN SERBIA

or over fifteen years, we have been achieving national environmental conservation goals, with the last six years being in collaboration with Sekopak, a packaging waste management operator. Our company's participation in the packaging waste management operator system contributes to reducing the amount of packaging waste ending up in landfills, thereby reducing CO2 emissions. In 2022 alone, we reduced CO2 emissions by 218.8 tons through the reuse of collected waste.

The collaboration between Nelt and Sekopak in Serbia dates back to 2016. In addition to systemic waste management, all Nelt employees contribute to environmental conservation—from warehouse employees who collect and separate waste during goods preparation for distribution, to office employees who use installed separators and recycling stations at Nelt's distribution and logistics centers in Dobanovci, Niš, Novi Sad, and Kraljevo. This classified waste, along with packaging waste generated from warehouse operations, is collected and compacted in the eco-yard, located next to Hall 2 in Dobanovci.





#### REDUCING PACKAGING WASTE THROUGH RETURNABLE TRANSPORT PACKAGING

n order to reduce the amount of packaging waste from used cardboard shipping boxes, Nelt introduced a new system for delivering goods to traditional stores in Serbia in 2017. Cardboard boxes were replaced with polypropylene boxes. This material is certified and safe for transporting food products.

The introduction of this type of returnable packaging aims to increase the safety and quality of goods delivery, reduce packaging waste, and make more economical use of storage and transportation space. By 2023, 3,000 polypropylene boxes were in use. In 2024, the introduction of an additional 10,000 units of returnable packaging is planned, which will result in a 25% reduction in the use of cardboard boxes.

# NELT RECEIVES PRESTIGIOUS CHEP CERTIFICATE FOR 2023.

Through a joint initiative between our company and CHEP Serbia, we have taken additional steps towards sustainability goals and environmental protection by utilizing the pooling system, an efficient logistics model with minimal environmental impact. This system of sharing and using pallets for transporting goods between different companies enables better pallet management, more efficient transportation, and a smaller ecological footprint, as resources are utilized optimally.

In this way, we achieved savings of 96,270 dm³ of timber, reduced waste by 9 tons, and decreased CO2 emissions by 112 tons, which is a significant step towards reducing our environmental footprint. These results were recognized by the prestigious Sustainability Certificate awarded by CHEP Serbia, confirming our commitment to environmental protection.

\*Calculations are based on independent life cycle assessment studies (CHEP pallets compared to an equivalent of white wood). CHEP LCAs are compliant with ISO 14044 and independently reviewed. The wood sources for CHEP pallets are 100% certified for forest management by the Forest Stewardship Council® (FSC® C104794) or the Program for the Endorsement of Forest Certification (PEFC™ (PEFC/07 32 233).

#### FRUŠKA GORA - CLEANUP INITIATIVE

nder the slogan "Fruška Gora Clean, Shining Wide," Neoplanta Company organized a significant environmental cleaning action in Fruška Gora to join the global World Cleanup Day initiative. This ecological endeavor, conducted in collaboration with the Fruška Gora National Park, aimed to address the challenges posed by the irresponsible behavior of passersby and hikers, who leave behind substantial amounts of waste and debris. As part of the company's ongoing commitment to environmental conservation, this initiative brought together Neoplanta employees, media representatives, and influencers, who worked together to remove waste and garbage from trails and areas within the National Park, thereby advocating for the importance of nature preservation.

During the event, 60 bags of waste were collected. Fruška Gora National Park is renowned for its large number of endangered, rare, and protected plant and animal species, representing one of the most precious natural areas in Serbia. Despite the ecosystem's significance to us all, Fruška Gora faces severe challenges due to the accumulation of waste. Despite the efforts of relevant institutions, collective action is necessary to preserve this unique natural sanctuary.

#### OUR COMPANY PARTICIPATES IN THE REFORESTATION INITIATIVE IN MONTENEGRO

Through a partnership with Mondelēz
International, our company participates in
a large reforestation campaign aimed at raising
awareness about the importance of preserving
Montenegro's forest wealth.

The initiative was launched in July 2023 with the idea of involving consumers. By purchasing Milka products worth 5 euros by the end of August, consumers contribute to the planting of a new black pine tree in Montenegro. The plan is to plant 100,000 pine trees by November 2024, which will adorn our forests for centuries.

This action is another example not only of the strength of the partnership between two companies but also of how joint initiatives demonstrate care for the local community.

# THE GREENEST OFFICE AT MONTENOMAKS

t the distribution and logistics center of our company Montenomaks, in early 2022, the Green Office eco project was launched with the aim of emphasizing the importance of recycling and optimal energy use for environmental protection. Throughout the year, the contributions and attention of employees to environmental preservation are measured, with criteria including waste sorting cleanliness, self-initiated activities supporting environmental conservation, energy efficiency, participation in green initiatives, and achieving good results in a short online test on basic environmental protection principles. Winners are rewarded with vouchers for decoration purchases of their choice.



#### SUSTAINABILITY INITIATIVES

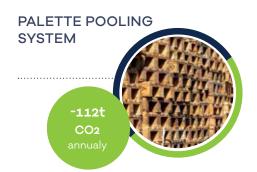
Renewable energy, reforestation, digitalization for efficient resource utilization















Nada Stamatović Corporate Sustainability Expert

A STRATEGIC APPROACH TO ENVIRONMENTAL SUSTAINABILITY



Solar panels on our facilities enable us to use clean electricity from renewable sources, thus reducing our ecological footprint. Waste management and reducing the consumption of non-renewable resources have become integral parts of our company's business strategy and quality policy. By participating in the system of packaging waste management operators, the amount of packaging waste ending up in landfills is reduced, thereby reducing CO2 emissions.

With the Digital Delivery Note project, which we launched in 2020, we have significantly automated our logistics processes, gradually phasing out paper documents in favor of using exclusively digital documentation in the future. Currently, we are recording a weekly reduction of 160,000 sheets of copy paper, which is 320 pages or 800 kg of paper. With savings of almost 65% on corrective documents, this means we use 3.3 tons less paper per month.

In this way, we save 1,000 trees annually that would be used for paper production!
Sustainability in logistics is crucial for creating a sustainable and prosperous future. We continue in the same direction and accelerate the pace, which is in line with our Accelerate 2025 strategy.

ith an increasing focus on sustainability in all aspects of life, the sustainability of distribution and logistics companies, such as Nelt, is becoming an increasingly important topic that needs to be approached and applied in practice thoroughly. Investing in sustainability is a crucial business aspect that helps create longterm sustainability and contributes to a better living environment for all. Therefore, in the Nelt Group, we take a strategic approach to this topic. The priorities of sustainable development include the rational use of natural resources, investments in renewable energy sources, as well as the use of technology, equipment, and materials that reduce harmful impacts on the environment.

Considering our primary impacts made through transportation, we reduce our carbon footprint by procuring vehicles based on the criterion of optimal cargo space utilization and the power required to perform the business task. By investing in software solutions to optimize sales and delivery routes, we reduce CO2 emissions by 300 tons annually.

Regarding international transport, there has been significant growth in rail cargo transport worldwide in recent decades. With a significant increase in global imports and exports and overall growth in regional, domestic, and international logistics, the global intermodal freight transport market, with an emphasis on railways, is expected to be crucial for creating opportunities for growth and decarbonization of transportation. As a participant in global supply

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elt Group emphasizes its commitment to sustainability by selecting paper from Mondi Paper Sales GmbH, whose products bear the EU Ecolabel. Through this choice, we ensure that the printing of the Sustainable Business Report aligns with the highest standards of environmental protection and responsible resource management.





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