

ASCEND TOWARD
A SUSTAINABLE
FUTURE





CENTRAL DISTRIBUTION & LOGISTICS CENTER,
DOBANOVCI, BELGRADE, SERBIA



IMPRESUM

ASCEND TOWARD A SUSTAINABLE FUTURE
Sustainability Report 2024/2025

NELT GRUPA
Maršala Tita 226B, Dobanovci, Belgrade

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SUSTAINABILITY AS A DRIVER OF GROWTH

At the Nelt Group, we believe that sustainable business does not arise from obligation, but from intention. This sixth consecutive ESG report is precisely a confirmation of such an approach. Long before regulatory frameworks required it, we made a conscious decision to align our operations with globally recognized standards of transparency and accountability, guided by the principles that shape the European business environment of which we are a part

From the very beginning, our ambition was clear: to build a system that not only achieves strong business results but does so responsibly toward our employees, partners, communities, and the markets in which we operate. The fact that we were among the first in the region to implement such practices was not a matter of leadership for leadership's sake, but rather laying the foundations for long-term resilience and trust.

Today, as a business system operating across various markets in Europe and Africa, sustainability is deeply integrated into the way we think, make decisions, and act. It is inextricably linked to our key values: a winning mentality that drives us to constantly raise standards; a long-term perspective that directs us precisely toward sustainable development; innovation that enables us to find more efficient and smarter solutions; and a commitment to the development and well-being of our people. Above all, it reflects our belief in personal responsibility, because sustainable progress always begins with the individual.

Our mission – to connect people and brands through distribution excellence, reliable logistics, and innovative brand building – naturally builds upon our ESG approach. Our goal is to create value not only through operational results but also through our contribution to a more sustainable and inclusive ecosystem. At the same time, our vision – to shape the future of distribution, logistics, and brands through a connected, digital, and resilient system – confirms the key role of ESG principles in the transformation of our business.

With the launch of the Ascend 2030 strategy, we have entered a new phase of development – a phase in which ESG becomes not only a solid foundation but also a strategic accelerator of growth. In this context, sustainability is not a parallel track but an integral part of how we grow, innovate, and expand our operations. Through investments in energy efficiency, the development of sustainable logistics solutions, and the strengthening of governance practices, ESG is integrated into the decisions that will define our next decade.

This report presents the progress we have achieved within our distribution and logistics operations, as well as the concrete steps we are taking to reduce our environmental impact, support the development of our employees, and further enhance the integrity of our systems. While we are proud of the results achieved, our focus remains on what lies ahead. The complexity of the markets in which we operate demands continuous improvement, adaptability, and collaboration.

As we continue our rise, we are guided by a clear goal: to grow responsibly, to operate with integrity, and to create long-term value for all our stakeholders.

Marko Cilić
Chief Financial Officer &
Acting CEO

COMPANY
PROFILE

01





OUR OPERATIONS

We are considered one of the most successful business systems in the Adriatic region in the field of logistics, distribution of consumer goods, tobacco, pharmaceutical and cosmetic products, and manufacturing. What makes us a leader is the quality of our products and services, our knowledge, and good market coverage of the markets in which we operate.

As an international group, we employ 5,500 people across 14 companies, with a presence in 12 markets in Europe and Africa.

Our business is based on the principles of ethical, responsible, and sustainable growth, which is the result of continuous investment in service improvement, the application of new technologies, employee education and development.

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

As confirmation of our commitment to improving sustainable business practices, the company participates in the international sustainability assessment organization EcoVadis. In January 2026, we maintained the "Committed" status, with an improved result compared to the previous assessment cycle.

Our vision

„We aim to shape the future of distribution, logistics, and innovative brands by creating a connected, digital, and sustainable ecosystem that uplifts markets, communities, and people.“

Our mission

„We connect people and brands through excellence in distribution, reliable logistics, and expertise in brand management – driving sustainable growth for our partners, the communities in which we operate, and our employees.“

Our values

Values are what support the fulfillment of the vision and shape the corporate culture. They are the essence of the company's identity. Values define how things are done, how employees treat each other, as well as 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.**



NETL GROUP IN NUMBERS

5,500+ employees	12 markets	55,000 points of sale
14 companies	94+ principals	

200,000+m² storage space	150+ logistics clients	26,000 customers
1,300+ vehicles	550+ delivery vehicles	



Cooperation with business partners

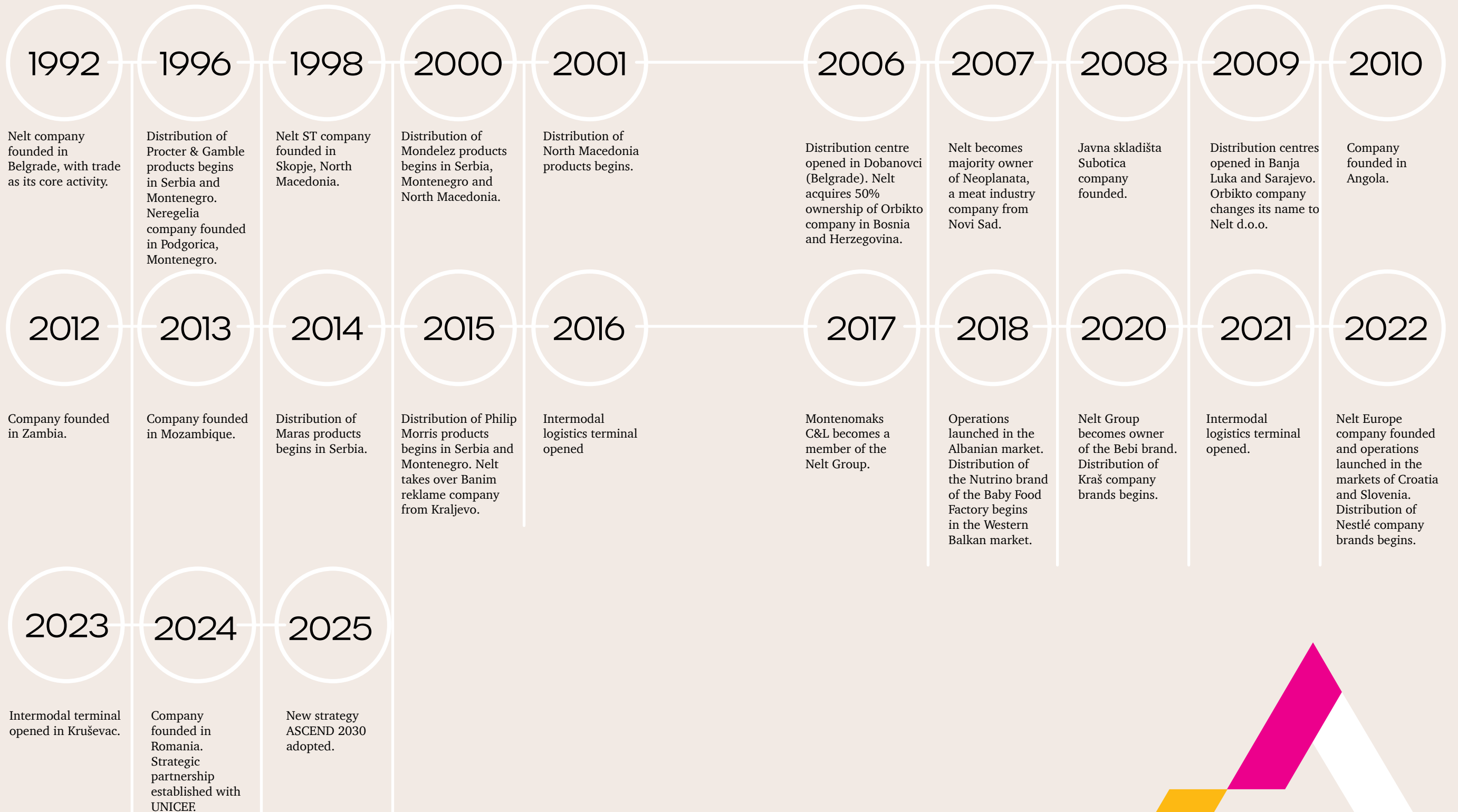
Continuous improvement of cooperation with our partners represents a key factor in the long-term success of the Nelt company. Through regular and open communication, the exchange of ideas and resources, we build relationships based on trust, professionalism, and shared goals.

By consistently fulfilling our commitments and understanding the needs of our partners, we strengthen our reputation as a reliable partner and market leader. By combining knowledge, experience, and market expertise, we create a stable platform for continuous improvements and adaptation to contemporary challenges.

This approach enables us not only to respond to changing market demands but also to build sustainable solutions and long-term value together with our partners throughout the entire business chain.



HISTORY



KEY EVENTS OF 2024/2025

Strategic partnership with UNICEF

A three-year partnership with UNICEF, worth 1.3 million US dollars, was launched, aimed at improving educational systems and developing digital and green skills for children and young people in Serbia, North Macedonia, Bosnia and Herzegovina, and Angola.

The partnership with UNICEF was awarded the 18th Virtus Award for Philanthropy, thereby confirming the importance of this initiative as the Group's central socially responsible project.

Expansion of operations into the Romanian market

During 2024, the Nelt Group began operations in Romania by establishing a company in Bucharest, thereby further expanding its regional distribution and logistics network.

Launch of the "Ascend 2030" strategy

In 2025, the Nelt Group presented its new five-year development strategy "Ascend 2030", which marks the beginning of the next phase of transformation and growth. The strategy envisages investments of over 400 million euros in the development of logistics and distribution infrastructure, digital transformation, the improvement of organisational capacities, and company acquisitions, with a strong focus on the application of advanced technological solutions and the further development of sustainable business.

Further development of production capacities

With the support of financing from the European Bank for Reconstruction and Development (EBRD), the capacities of the Baby Food Factory company were enhanced, thereby further supporting the sustainable development of the Group's production segment.



ALIGNED WITH THE SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (SDGs) represent a global framework for addressing key social, economic, and environmental challenges by 2030. As a company operating in the logistics, distribution, and manufacturing sectors, the Nelt Group recognizes the importance of integrating these goals into its business activities and sustainability strategy.

In order to ensure a systematic approach to sustainability, key business activities are mapped against the relevant United Nations Sustainable Development Goals. This approach enables a better understanding of the impact of our operations, as well as the identification of areas where we can make the greatest positive contribution to society and the environment.

The Nelt Group achieves its greatest impact in the areas of energy efficiency, the development of sustainable logistics infrastructure, responsible resource management, climate action, and employee development, thereby particularly contributing to the achievement of Goals 7, 8, 9, 12, and 13. At the same time, through various business activities and cooperation with stakeholders, we also contribute to the achievement of other Sustainable Development Goals, such as quality education, gender equality, water resource protection, and partnerships for sustainable development.

Contribution of the Nelt Group to the Sustainable Development Goals

SDG	Focus Goal	Key Activities of Nelt Group
SDG 4 Quality Education	Internship programs, cooperation with universities and schools, internal academies and training programs	Internship programs, cooperation with universities and schools, internal academies and training programs
SDG 5 Gender Equality	Promotion of equal opportunities	Non-discrimination policies, equal opportunities for employment and professional advancement
SDG 6 Clean Water and Sanitation	Responsible management of water resources	Monitoring of wastewater quality and implementation of water resource protection measures
SDG 7 Affordable and Clean Energy	Increasing energy efficiency and use of renewable energy sources	Installation of solar panels on logistics facilities, installation of heat pump systems for geothermal energy use, improvement of building energy efficiency
SDG 8 Decent Work and Economic Growth	Employee development and stable employment	Employee training and development programs, improvement of occupational health and safety, competitive working conditions and benefits
SDG 9 Industry, Innovation and Infrastructure	Development of sustainable logistics infrastructure	Development of intermodal terminals, digitalization of logistics processes, optimization of transport and sales routes
SDG 12 Responsible Consumption and Production	Efficient management of resources and waste	Digitalization of processes and documentation, improvement of recycling systems, supply chain optimization
SDG 13 Climate Action	Reduction of greenhouse gas emissions	Investments in renewable energy sources, increasing building energy efficiency, optimization of transport operations
SDG 17 Partnerships for the Goals	Cooperation with stakeholders	Participation in the UN Global Compact network, cooperation with business associations and partnerships with local communities



ABOUT THE REPORT

Reporting Scope

02





ABOUT THE REPORT

This Sustainability Report of the Nelt Group provides an overview of the company's most important activities, results and impacts in the areas of environmental protection, social responsibility and corporate governance during 2024 and 2025.

The Nelt Group has been continuously reporting on its sustainable practices since 2014, thereby confirming its commitment to transparent and responsible business. This report represents a continuation of the sustainability reporting practice and provides an overview of the progress achieved in various ESG areas.

The Nelt Group's reporting on achieved results and sustainability impacts is aligned with the Global Reporting Initiative (GRI) methodology, one of the most relevant international standards for sustainability reporting. The application of this framework enables stakeholders to gain a comprehensive insight into the economic, social and environmental impacts of the company's operations through standardized and comparable performance indicators.

The report covers the operations of Nelt Group companies engaged in distribution and logistics in the Western Balkans: Nelt Co d.o.o. (Serbia), Nelt MNE d.o.o. (Montenegro), Nelt d.o.o. (Bosnia and Herzegovina), Nelt ST d.o.o. (North Macedonia) and Nelt Sh.p.k. (Albania).

All previously published sustainability reports are available on the Nelt Group corporate website: www.nelt.com/o-nama/esg

Nada Stamatović, Sustainability Expert at Nelt Group, is responsible for the preparation and coordination of the report. For additional information or questions regarding the content of the report, you can contact her via email: stamatovic.n@nelt.com

OUR MARKETS IN THE ADRIATIC REGION



The Nelt Group has been developing its operations in the field of distribution and logistics for over three decades, building long-term relationships of trust with business partners, employees and other stakeholders.

The experience and expertise gained in the Serbian market served as the foundation for expanding operations to the markets of the Adriatic region. Today, the Nelt Group operates in the markets of Serbia, Montenegro, Bosnia and Herzegovina, North Macedonia and Albania, where companies within the Group develop logistics and distribution systems in accordance with the specificities of local markets.

During 2024, the Nelt Group further expanded its operations by launching operations in the Romanian market, thereby taking an important step in further regional expansion.

Through a professional approach to business, the application of high ethical standards and long-term cooperation with partners, the Nelt Group has built a reputation as a reliable partner of leading international and regional companies in the field of distribution and logistics.



SERBIA

Nelt Co

Maršala Tita 226B, 11272 Dobanovci, Belgrade

Number of employees	2,773
Principals	30+
Brands	200+
Customers	11,000
Logistics clients	180+
Points of sale	28,000+
Deliveries per day	6,100+
Warehouse space	104,000m²
Delivery vehicles	270+
Vehicles for field sales and business support	1,000

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



MONTENEGRO

Nelt MNE

Bulevar 21. maj 140, 81000 Podgorica
Branch Danilovgrad (ex Montenomaks): Ćurilac bb, 81410 Danilovgrad

Number of employees	389
Principals	18
Brands	78
Customers	4,606
Logistics clients	3,700
Points of sale	2,205
Deliveries per day	1,682
Warehouse space	10,517m²
Delivery vehicles	67
Vehicles for field sales and business support	110



BOSNIA AND HERZEGOVINA

Nelt doo

Aerodromska bb, 71123 East Sarajevo

Number of employees	507
Principals	15
Brands	83
Customers	2,540
Logistics clients	2
Points of sale	5,700
Deliveries per day	690
Warehouse space	14,400m²
Delivery vehicles	66
Vehicles for field sales and business support	232

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

NORTH MACEDONIA

Nelt ST

Ul. 32 br 20, 1041 Ilinden, Skoplje



Number of employees	259
Principals	15
Brands	63
Customers	1,879
Points of sale	3,360
Deliveries per day	271
Warehouse space	9,500m²
Delivery vehicles	34
Vehicles for field sales and business support	143

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

ALBANIA

Nelt sh.p.k

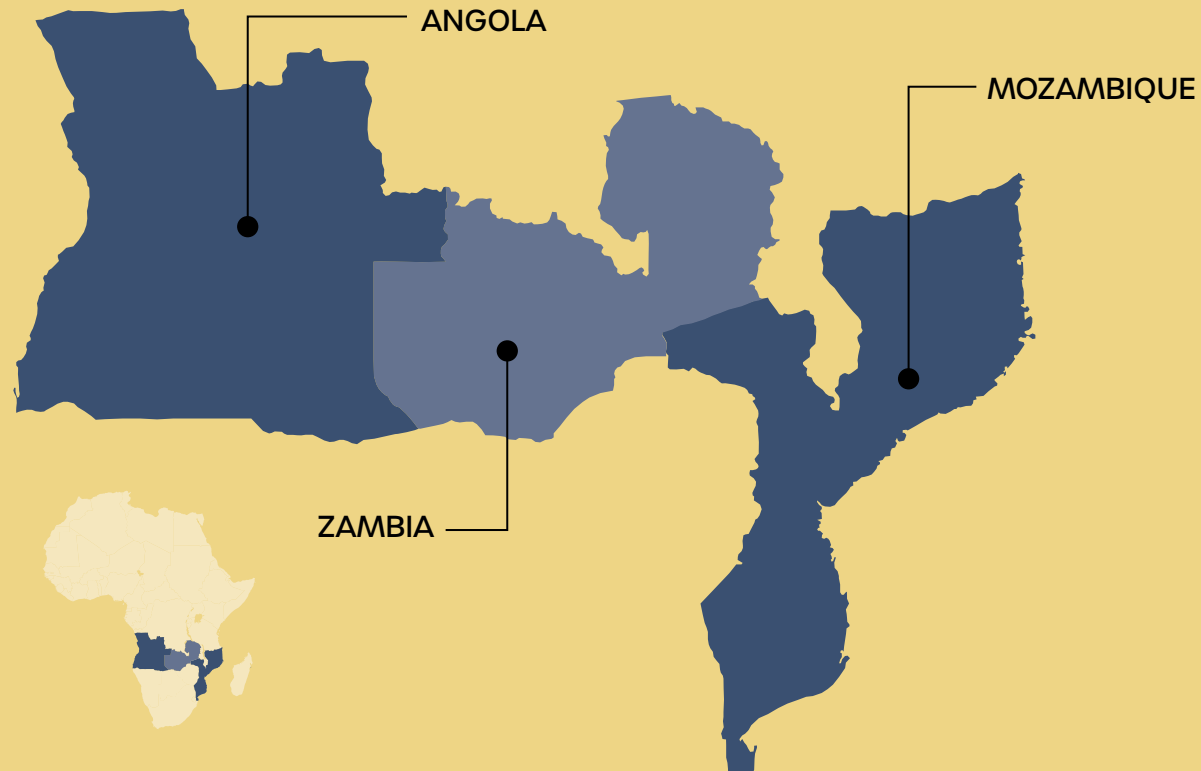
Autostrada Tiranë–Durrës, Km 24, ZK 1242, Borakë, Durres



Number of employees	173
Principals	20
Brands	37
Customers	5,562
Points of sale	4,158
Deliveries per day	500+
Warehouse space	3,750m²
Delivery vehicles	65
Vehicles for field sales and business support	46

AFRICAN MARKET

Our operations in the Sub-Saharan region



The Nelt Group began its operations on the African continent in 2010 by entering the Angolan market. In the following years, operations were expanded to Zambia and Mozambique, thereby establishing a stable regional presence. The operational model developed in the Western Balkan markets was applied and adapted to local conditions, with a focus on efficient distribution, logistics and market development. Through the systematic transfer of knowledge and business standards, an international product portfolio has been built, providing the African market with a wide range of products under competitive conditions. The portfolio includes brands from companies such as Neoplanta, Baby Food Factory, Mars, Nestlé, Colgate, Heineken, SC Johnson, Ferrero and Mondelez.



ANGOLA

ZEE – Zona Económica Especial, Via RadialA1, 6ª Travessa, Luanda

Number of employees	135
Principals	12
Brands	55
Customers	5,783
Points of sale	6,082
Deliveries per day	55
Warehouse space	2,040m²
Delivery vehicles	53
Vehicles for field sales and business support	23

13 trucks, 20 vans, 20 motorcycles

CANDY FACTORY – ANGOLA

ZEE – Zona Económica Especial, Via RadialA1, 6ª Travessa, Luanda

3 product categories (jellies, candies, chewing gum)

1,400m² Production space

€20mil. invested in the factory

6,700t Installed production capacity

24,000m² Factory including accompanying offices

100 employees

1,200m² Warehouse space

1,000m² Expansion capacity

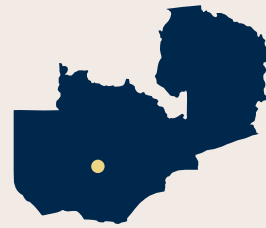
In cooperation with the local partner company Oxbow, Nelt founded Candy Factory in 2018, a pioneer in the confectionery industry in Angola.

The primary goal of Candy Factory is the production and sale of high-quality, innovative and reliable confectionery products, from Angola to the world. The production of candies, lollipops and chewing gum of various flavors began in September 2022.

With a production capacity of over 6,700 tons per year, this investment represented another step towards the diversification of the economy, particularly in the confectionery sector in this country.

Our brands, such as OKO, are becoming favorites among consumers, and we are planning expansion to the other markets where we already operate. Through an innovative approach and dedicated work, we want to remain a key player on the African business horizon and contribute to the development and prosperity of this continent.





ZAMBIA

Mwembeshi Road Plot 12592 B/C, Post Net Box 685 Manda Hill, 10101, Lusaka

Number of employees	244
Principals	12
Brands	88
Customers	6,968
Points of sale	7,278
Deliveries per day	380
Warehouse space	9,800m²
Delivery vehicles	17
Vehicles for field sales and business support	70

*28 vans, 42 passenger vehicles



MOZAMBIQUE

Avenida Mozambique 657d, Maputo

Number of employees	125
Principals	9
Brands	63
Customers	5,178
Points of sale	5,299
Deliveries per day	10
Warehouse space	5,250m²
Delivery vehicles	17
Vehicles for field sales and business support	47

CORPORATE
GOVERNANCE

03

GOVERNANCE MODEL AND ORGANIZATIONAL STRUCTURE

The way of doing business and business practices of the Nelt Group are based on the development of a corporate culture that encourages innovation, cooperation and teamwork. At the same time, this culture is firmly grounded in the principles of ethics, responsibility and transparency. In achieving its vision, the Nelt Group is guided by clearly defined strategic plans and sustainable development goals. This approach requires stable performance of organizational structures, which enables the development of innovations, improves the agility and flexibility of the organization, encourages quick decision-making and their consistent and efficient application.

The corporate governance system of the Nelt Group is aligned with basic standards and best practices of corporate governance. It relies on the knowledge and experience gained through the application of solutions from leading world companies, with strong support from modern technological achievements and continuous digitalization processes. Special attention is paid to constant adaptation to the dynamic demands of the markets in which the Nelt Group operates.

The governance structure of the Nelt Group consists of the Supervisory Board and the Executive Board.

The Supervisory Board is responsible for ensuring stable and sustainable development of the company based on four key pillars:

1. Strategy and investment management
2. Company performance management
3. Human capital management
4. Risk management and compliance with business policies

The capital owners and the General Director of the Nelt Group are members of the Supervisory Board, with a plan that in the future its composition will be expanded to include independent members, whose expertise would further enhance the quality of corporate governance. The Supervisory Board meets once per quarter.

The Executive Board, chaired by the General Director of the Nelt Group, is responsible for the operational management of the business. It was formed with the aim of ensuring an effective forum for making key operational decisions, as well as improving organizational efficiency by accelerating internal procedures. The Executive Board (EB) consists of the President of the EB/ CEO, Vice Presidents responsible for the Adria markets, African markets, the Serbian market and brands, as well as Executive Directors of the corporate and business functions of the Nelt Group. Decisions are made by a majority vote, with all members of the EB entitled to vote.

The Board of Directors consists of members of the Executive Board, as well as market directors. Meetings of the Board of Directors are held once per quarter, with the aim of ensuring full alignment of strategic goals and operational activities of the Nelt Group.

EXECUTIVE BOARD OF THE NELT GROUP



Marko Cilić
Chief Financial Officer & Acting CEO



Nenad Mišević
Vice President for Serbian market



Goran Cerovina
Vice President for Adria markets



Sonja Todorova
Chief Financial Officer & Acting CEO



Boris Mačak
Vice President for African markets



Bojana Mucić
Chief Human Resources Officer



Milan Bukorović
Chief Technology Officer



Vuk Mijanović
Logistics Excellence and Development Director



Aco Tomašević
Sales Excellence and Distribution Development Director

MARKET DIRECTORS



Ljilja Pižurica
Market Executive Director, Montenegro and Albania



Suzana Sikimić
Market Executive Director, Bosnia and Herzegovina



Saško Blaževski
Market Executive Director, North Macedonia



Alban Ujkashej
Market Operations Director, Albania



Artan Durguti
Market Executive Director, Kosovo



Gabriel Barbu
Market Executive Director, Romania



Manvendra Amber Shukla
Country Director, Angola



Igor Milanović
Country Director, Mozambique



Rade Crnomarković
Country Director, Zambia

RISK MANAGEMENT

The way of doing business and business practices of the Nelt Group, in accordance with the ISO 9001:2015 standard, which implies the application of risk-based thinking, as well as the ISO 31000:2018 standard, which defines the approach to risk management in more detail, has led the Nelt Group to be among the first companies to introduce a risk management methodology based on best practice indicators of companies with similar activities in developed European countries. The application of this methodology has enabled the establishment of a solid foundation for business decision-making and planning, based on the assessment of risks and opportunities, both at the internal and external level.

The Risk Management Team was formed in May 2015 and consists of representatives from all sectors within the company – experts in their fields with extensive knowledge and experience. Bearing in mind the dynamic changes in the internal and external environment, the composition of the team is periodically adjusted in order to ensure high efficiency of the risk management system.

The advantages of a systematic approach to risk management are reflected in better identification of business risks and opportunities, higher quality decision-making and planning, a clearer understanding of the impact on achieving goals, more efficient use of resources, improved employee protection and safety, as well as better asset protection. The company continuously and intensively works on further improvement of the system, employee education, its promotion and raising awareness of the importance of risk management at all levels of the organization.

RISK ASSESSMENT

The risk assessment was carried out by completing a risk questionnaire that was submitted to the executive directors, function directors, and managers of the CEO's office of the Nelt Group, who are responsible for the implementation of the process. The questionnaire contains 38 risk questions, grouped into 4 categories according to their origin for easier visual identification and monitoring:

- Operational risks
- Business risks / Sales and Logistics
- External risks and compliance risks
- Financial risks

Operational risks

These are recognized as risks that can jeopardize daily operations and lead to financial losses, reputational damage, legal problems, or even business interruption. They can arise as a result of inadequacies, errors, or failures in processes, people, technology, or external events. In the Nelt Group, these risks are identified in the form of staff outflows and fluctuation; a lack of skilled personnel and employee training; IT system failures and cyber attacks; unavailability of products, equipment, energy, working assets; breakdowns and accidents due to inadequate maintenance and safety 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 probability of risk occurrence and their potential impact. The Nelt Group pays special attention to this type of risk, observing them in a separate segment when conducting the risk management process.

BUSINESS RISKS

Distribution and logistics

These represent risks related to business processes within the Nelt Group companies, risks of the industry 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 2024/2025 predominantly come from the business area. The identified distribution and logistics risks with a high rating at the Group level are: loss of a key principal/client, entry of a large retail chain into the market, parallel imports, government measures that jeopardize operations.

Due to the great importance of business risks that can have a material impact on the company's business results, continuous monitoring of these risks at the Nelt Group level is extremely important. By applying the "tone from the top" approach, along with process simplification and a greater focus on company-significant risks, the Nelt Group has enabled higher quality systemic management of this type of risk with the active participation of the highest management bodies.

External and compliance risks

External risks at the company level are recognized as part of the risks related to climate change. Increasingly frequent extreme weather conditions can certainly have a significant impact on the company's operations. Due to adverse weather impacts and natural disasters such as severe storms, earthquakes, floods, the company may incur significant material costs for damages as well as disruption in the performance of business operations. The aforementioned risks are in special focus through their full or partial transfer via adequate insurance policies. At the level of the Nelt Group, a strong

link has been established between the risk management and insurance processes, which operate within a single organizational unit. Compliance risks arise in the event of non-compliance with legal regulations, industry standards and/or internal company procedures. An example of this type of risk may be non-compliance with industry standards in the areas of quality, safety and services, which can result in loss of contracts, reputational problems, hindered operations, payment of fines and penalties.

Financial risks

Financial risks include risks that the company may face due to liquidity risk, unavailability of financing sources, unexpected currency changes, financing costs from banks, changes in reference interest rates, receivables collection risk or other macroeconomic risks. Following global events such as the COVID pandemic, war conflicts and the consequent growing 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 total number of risk assessments in 2024 was 310. During 2025, the process was extended to include the companies Baby Food Factory and Neoplanta, and the total number of risks amounted to 346.

Key risks identified in 2024 and 2025

- Risk of profitability of a specific business
- Risk of loss of a key principal/client/supplier
- Risk caused by parallel imports
- Risk of entry of a large retail chain
- Risk of emergency situations, government measures and decisions that jeopardize operations
- Risks related to environmental protection

Opportunities

During 2024 and 2025, a certain number of opportunities were identified with the aim of improving business operations and business development, specifically 4 opportunities in 2024 and 8 opportunities in 2025. The opportunities mainly relate to the areas of business and distribution, as well as financing: application of an appropriate business model, profitability growth through business growth (M&A), entry of a large retail chain, reduction of financing costs.



ANTI-CORRUPTION AND COMPETITION PROTECTION

The Nelt Group applies a structured and proactive approach to compliance management in the area of anti-corruption and competition protection, with the aim of minimizing regulatory, operational and reputational risks. The compliance system is based on clearly defined internal policies, procedures and control mechanisms that ensure consistent application of legal and ethical standards in all segments of business operations.

The key elements of the system include:

- **Formalized regulatory framework** (Code of Conduct, Ethics Code, anti-corruption policies and competition protection rules)
- **Zero tolerance policy towards corruption and unethical behavior**
- **Clearly defined guidelines for managing conflicts of interest**
- **Continuous improvement of internal controls and compliance procedures**

The company conducts continuous employee education activities through digital and interactive platforms, with a focus on timely identification and mitigation of risks. During the reporting period, over 1,400 employees completed training in the areas of anti-corruption and competition protection law, thereby further strengthening the culture of integrity and responsible business conduct.

Additionally, specialized workshops and cooperation with external legal experts enable timely alignment with regulatory changes and the implementation of best market practices.

The company applies preventive and corrective measures aimed at reducing risks, including:

- **Strict prohibition of bribery and misuse of business information**
- **Controlled and legal collection of market information**
- **Clearly defined disciplinary and regulatory consequences in case of rule violations**

Risk management in this area is integrated into the broader corporate governance framework, with continuous monitoring of the regulatory environment and improvement of procedures. This approach enables timely identification of potential irregularities and strengthens the company's resilience to legal and reputational challenges.

The Nelt Group remains committed to preserving the highest standards of business integrity, transparency and fair market competition, as key factors for the long-term sustainability and trust of all stakeholders.

OUR CONTEXT

Ivana Rašić
Legal Business Affairs Manager /
Antitrust Lead

Competition protection and strengthening a compliance culture

In order to ensure uniform business standards across all markets in which the Nelt Group operates, the approach to managing competition protection issues at the Group level has been further enhanced, with a clearly defined direction for the development and coordination of this area.

Through continuous alignment with colleagues from different jurisdictions, a framework has been established that enables consistent application of rules, while respecting local regulatory requirements and market specificities. This approach allows us to timely identify risks and take targeted action in an increasingly complex and dynamic regulatory environment.

Special focus has been placed on systematically translating legal requirements from the field of competition protection into practical business guidelines, thereby making this topic an integral part of the decision-making process. Through active linking of the legal function with business teams, it is ensured that the rules do not remain at the level of principles, but are clearly understood and applicable in everyday work.

In the previous period, analyses of reports were conducted, which enabled more precise mapping of key risks and identification of areas for improvement. Concurrently, a comprehensive education program in the field of competition protection and anti-corruption was implemented, both through an e-learning platform and through a series of interactive in vivo trainings in the Western Balkan markets, thereby further strengthening awareness and understanding of this topic within the organization.



As part of the further development and improvement of this topic, a Compliance Program with Competition Protection Rules has been elaborated and aligned at the level of the Nelt Group, with the definition of key principles and guidelines through the Competition and Fair Market Competition Protection Policy. At the same time, the existing rulebook in this area was improved, with the aim of further aligning it with contemporary regulatory requirements and practice. These documents already represent an important support in everyday work and the basis for further formal and operational strengthening of this framework.

In the coming period, the focus remains on the further development and practical application of the established framework, through the improvement of processes, tools and control mechanisms that support consistent compliance with competition protection rules. Special emphasis will be placed on further harmonization of the approach at the level of the Nelt Group and continuous strengthening of awareness of the importance of preserving fair and open market competition. A revision of the composition of the Nelt Group's multi-sectoral Antimonopoly Team, which consists of key participants from the legal, sales, pharmaceuticals, finance and internal audit teams, is also forthcoming.

Through this strategically guided approach, the area of competition protection continues to develop as one of the key elements of responsible and sustainable business, with clearly directed activities and standards across all markets in which the Group operates.

ETHICS AND INTEGRITY AS THE FOUNDATION OF SUSTAINABLE BUSINESS

Ethics, integrity and open communication represent the foundation of sustainable business of the Nelt Group and are an integral part of the way the company makes decisions, builds trust with employees, partners and the community, and manages risks that may affect operations and reputation.

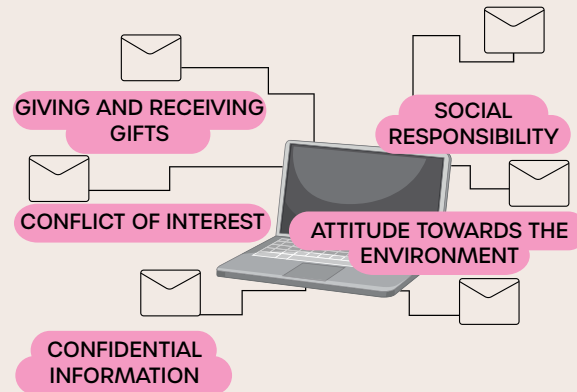
In order to clearly define expected standards of behavior, the Nelt Group adopted the Ethics Code and the Code of Conduct in 2023, as the umbrella documents governing ethical conduct in the business environment, conflict of interest management, relationships with colleagues and partners, as well as whistleblowing.

Starting from the view that formally defined rules are not sufficient in themselves, the company further developed an ethical system that enables their consistent application in practice. This system provides employees with support in situations of professional dilemmas and ensures safe and confidential communication channels for asking questions and reporting potential irregularities, with the goal that ethical principles become part of daily operations, not just a normative framework.

Ethical system and teams

The ethical system of the Nelt Group is based on the work of the Ethics Team, within which two interconnected teams operate – the AskEthics team and the Voice team – with clearly defined and complementary roles in the application of ethical principles, risk prevention and handling of reported potential irregularities.

AskEthics – area of operation

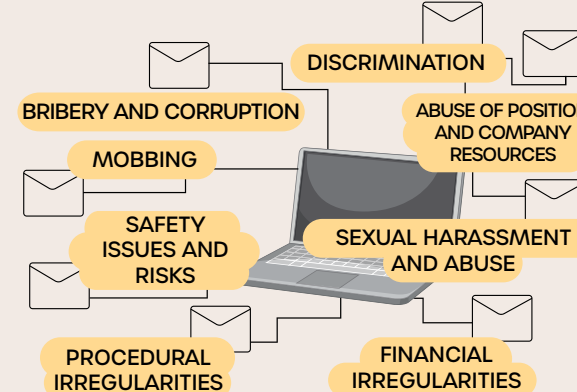


The AskEthics team has a primarily advisory and preventive role, with the aim of providing employees with clear guidance and support in situations where there is a dilemma regarding ethical conduct in daily operations.

It provides support in areas related to conflict of interest, gifts and hospitality, protection of confidential information, business conduct rules, social responsibility and attitude towards the environment, in accordance with applicable internal policies and procedures.

Employees can submit questions and dilemmas via a specially defined email channel: askethics@nelt.com. Received inquiries are considered and responded to within a predefined deadline, with the aim of timely identification and resolution of potential ethical risks before they grow into broader business or reputational challenges. In this way, the company contributes to raising awareness of ethics in daily operations and encourages responsible decision-making.

Voice – focus areas



The Voice team represents a mechanism for reporting potential irregularities and unethical behavior. Its role is to provide a safe, confidential and structured way for employees, as well as other relevant parties, to report suspected irregularities in business operations.

Through the Voice channel, various types of irregularities can be reported, including suspicions of corruption and bribery, discrimination, mobbing and sexual harassment, procedural and financial irregularities, abuse of position and company resources, security issues and risks, as well as other behaviors that are not in accordance with applicable regulations and internal acts.

All reports are considered in accordance with clearly defined procedures, with full respect for the confidentiality and rights of all involved parties. The company provides full protection against retaliation for persons who in good faith report a suspected irregularity.

The goal of the team's work is not only the identification and resolution of individual cases, but also the continuous improvement of systems and processes, through learning from reported irregularities and strengthening the culture of integrity and responsibility.

Key policies supporting the ethical system

The work of the Ethics Team is supported by internal acts that ensure consistent application of ethical principles and clear handling of situations of ethical dilemmas and reported potential irregularities.

Among the key documents supporting the company's ethical system are:

- Acts governing the management of ethical issues and the organization and work of the Ethics Team
- Policies and rulebooks for managing conflicts of interest, including accompanying documentation
- Rulebooks and procedures regarding gifts and hospitality, including maintaining the Gift Registry
- Acts governing the reporting of potential irregularities through the Voice channel
- Policy prohibiting retaliation and protecting whistleblowers

Special attention is paid to the protection of persons who report irregularities. The company does not tolerate any form of retaliation against employees or other persons who in good faith report a suspected irregularity or ask a question regarding ethical conduct, thereby further encouraging a culture of trust and open communication.

Culture of open communication and integrity

Through the established ethical system, the company encourages open and responsible communication and fosters business relationships based on integrity and trust. The goal of the system is the prevention of irregularities and the continuous improvement of business practices, in accordance with the principles of responsible and sustainable business.

INTERNAL CONTROL AND AUDIT

The Internal Control and Audit sector plays a significant role in strengthening transparency, accountability and business stability. Through independent review of key processes, the sector contributes to the improvement of internal control systems, risk management and the preservation of business integrity.

Internal audit activities are focused on assessing process efficiency, rational use of resources and timely identification of risks that may affect the achievement of business and sustainability goals. Based on the conducted audits, specific recommendations are formulated that support management in decision-making and the improvement of business practices.

Special attention is paid to compliance with applicable regulations, internal acts and relevant standards, as well as monitoring the implementation of given recommendations. In this way, the sector contributes to strengthening the management system and continuously improving operations.

The Internal Control and Audit sector supports sustainable development initiatives by monitoring processes related to environmental, social and governance aspects of operations, while continuously improving work methodology and aligning with best professional practices.



STRATEGIC
APPROACH



04



ASCEND 2030 DEVELOPMENT STRATEGY

The ASCEND 2030 strategy represents the long-term development framework of the Nelt Group and defines the key directions of the company's growth and transformation until 2030. The strategy is focused on strengthening Nelt's position as a reliable partner in the field of distribution, logistics and supply chain management in the region, with continuous improvement of operational efficiency and sustainable business.

Through the implementation of the ASCEND 2030 strategy, the Nelt Group aims to improve its business processes, develop innovative logistics solutions and further strengthen its regional presence, while simultaneously creating long-term value for employees, business partners and other stakeholders.

MARKET DEVELOPMENT AND PARTNERSHIPS

Further expansion of operations in existing and new markets, while strengthening long-term partnerships with leading regional and international companies.



OPERATIONAL EXCELLENCE AND DIGITALIZATION

Improvement of logistics capacities, digitalization of operational processes and continuous improvement of supply chain efficiency.



PEOPLE AND ORGANIZATIONAL CULTURE

Employee development, strengthening of organizational culture and creation of a work environment that encourages innovation, collaboration and professional development.



SUSTAINABLE BUSINESS

Integration of sustainable business principles into all segments of operations, with a focus on energy efficiency, reduction of greenhouse gas emissions and responsible resource management.



ASCEND 2030 PLATFORM

The digital platform Ascend2030.com was developed as the central communication hub for the strategic development plan of the Nelt Group – Ascend 2030, presented in 2025. The strategy encompasses investments, digital transformation and sustainable growth of the company.

The website allows employees, partners and the general public to learn about strategic goals and key initiatives, thereby contributing to transparency and strengthening trust among all stakeholders.



DIGITAL TRANSFORMATION

Digitalization and innovation represent one of the key development directions of the Nelt Group. Through continuous investments in digital solutions and technological innovations, the company improves logistics operations, optimizes business processes and develops more efficient cooperation models with customers and partners.

The application of modern digital tools enables better planning of logistics flows, improvement of business process transparency and decision-making based on reliable data. Through this approach, the Nelt Group contributes to greater operational efficiency, improved service quality and more responsible resource management.

Nelt Market – digital platform for cooperation with customers

Nelt Market is a B2B application that enables retailers to easily order products, view offers and plan purchases in real time. The platform improves communication between sales teams, customers and logistics, and enables more efficient management of the ordering process.

During the reporting period, significant results were achieved through the application:

- **779,000 orders** processed through the application
- **6,900 delivery locations** integrated into the digital ordering system

The digital platform represents an important sales channel and contributes to more efficient cooperation with customers.

SFA APP – improving the work of sales teams

The SFA (Sales Force Application) platform enables sales teams to more efficiently plan field activities and access relevant information in real time. The application of this digital tool contributes to better organization of sales activities, reduction of administrative processes and more efficient communication within the organization.

Tradex Management platform

By implementing the Kantar Xtel Tradex Management software solution, the processes of managing promotional activities and customer investments in the markets of Serbia, North Macedonia, Montenegro and Bosnia and Herzegovina have been improved.

The platform enables greater transparency in the planning and implementation of promotional activities, as well as more efficient investment management. Advanced analytical tools enable detailed monitoring of performance and return on investment by customers and sales channels.



Data management, reporting and analytics

In order to improve data management, the Nelt Group implemented the Data Management, Reporting and Analytics project, which established a centralized system for collecting, processing and analyzing business data.

By standardizing data sources and automating reporting, information accuracy has been improved, operational risk reduced, and the ability to make decisions based on reliable data has been further strengthened.

Digital delivery note

As part of the digital transformation of business processes, the Nelt Group has implemented a **digital delivery note system**, which enables electronic document exchange between all participants in the logistics process.

The system was first introduced in **2021 in Serbia**, which marked the beginning of the transition from paper to digital document exchange. **During 2024**, the digital delivery note was also introduced in the markets of **Bosnia and Herzegovina** and **Montenegro**, thereby establishing a unique regional document management model.

The digital delivery note enables faster document processing, more efficient communication between process participants, and a reduced need for physical document archiving.

The regional application of the digital delivery note has enabled the following estimated environmental effects:

- 157 tons of paper consumption avoided
- More than 2,600 trees saved
- 236 tons of greenhouse gas emissions avoided
- 628 MWh of energy consumption avoided
- 4.1 million liters of water consumption avoided

SAP SuccessFactors – digitalization of human resource management

In order to improve human resource management and employee development, the Nelt Group has implemented SAP SuccessFactors, a modern digital platform for managing HR processes.

The introduction of this system has improved key employee management processes, including career development planning, performance management, goal tracking and training processes. The digital platform enables greater transparency and efficiency of HR processes, as well as better information availability to employees and management.

The implementation of the SAP SuccessFactors system contributes to the standardization of HR procedures at the Group level and represents an important step in the further digitalization of internal business processes. In this way, organizational efficiency is further improved and employee development, as one of the company's key resources, is supported.

SAP

INNOVATIONS IN LOGISTICS AND DISTRIBUTION

Optimization of transport routes

The application of digital tools for planning transport routes enables more efficient use of transport capacities, a reduction in the number of empty runs and more rational fuel consumption. This also contributes to the reduction of greenhouse gas emissions.

Intermodal transport

The intermodal container terminals in Belgrade and Kruševac represent an important part of the Nelt Group's logistics infrastructure. By combining different modes of transport, more efficient management of goods flows and reduction of the environmental impact of transport are enabled.

Parcel lockers – a new logistics solution in the Montenegrin market

During the reporting period, the Nelt Group introduced a parcel locker system in the Montenegrin market as an automated solution for parcel collection.

Parcel lockers have been installed in 10 cities at a total of 15 locations, in frequented places such as gas stations, as well as in retail chain facilities.

By centralizing the delivery of a larger number of parcels at a single location, the number of individual deliveries to home addresses is reduced, thereby **reducing fuel consumption and greenhouse gas emissions**. This delivery model also contributes to more efficient planning of transport routes, reduction of operational costs and improvement of the customer experience.

The introduction of parcel lockers further improves the logistics infrastructure and develops innovative distribution models.



INNOVATIVE IT SOLUTIONS

Investment in development and innovation is reflected in the use of advanced technologies in all segments of business.

- **Business information systems** – SAP
- **Sales** – SFA & B2B application (omnichannel approach)
- **Reporting and advanced analytics** – SAS Viya, Azure Synapse, PowerBI
- **Promo investment management** – 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 SuccessFactors
- **Communications** – IP telephony, IM, 3G+ field data transmission

Structured information and clear decision-making processes are prerequisites for successful and sustainable business. In addition to the applied software for managing business content in the organization – **ECM (Enterprise Content Management)**, the automation of business processes in finance has been enabled by **software robotization of processes (RPA) using the Microsoft Power Platform**.

INFORMATION SECURITY AND RESPONSIBLE USE OF ARTIFICIAL INTELLIGENCE

In the modern business environment, which takes place simultaneously in the physical and digital space, information technology represents key support for daily work and strategic development of the company. Aware of growing cyber risks and regulatory requirements, the Nelt Group adopted the Information Security Policy and the Artificial Intelligence Policy during 2024 and 2025, thereby further strengthening the digital risk management system.

The Information Security Policy clearly defines the responsibilities and obligations of employees and external partners, rules of electronic communication and internet use, data classification, user access management, software usage rules, data encryption, standards for mobile devices, physical protection of server rooms, and the sanctioning of prohibited behavior. In this way, the reliability, availability and integrity of information systems have been improved. The Nelt Group has appointed a person responsible for information system security and formed an ITC security team.

The Artificial Intelligence Policy established an AI management team, carried out the classification of corporately approved tools, and defined clear rules for their proper, responsible and ethical use for business purposes. Special emphasis was placed on compliance with the regulatory framework and data protection.

Bearing in mind that the user is the first line of defense against cyber threats, mandatory trainings and short video lessons on information security and safe use of the internet and e-mail are regularly conducted through the MetaCompliance platform. The IT team additionally conducts simulations of malicious attacks in order to test employees' knowledge and response in real conditions. In parallel, the physical and technical protection of persons, property and information is being improved, thereby ensuring a comprehensive approach to security.



NELT GROUP SUSTAINABILITY STRATEGY

Sustainable business is an integral part of the Nelt Group's long-term development strategy. By integrating ESG principles (environment, society and corporate governance) into strategic planning, investment decisions and operational processes, the company aims to simultaneously improve business performance, reduce environmental impact and contribute to the development of society.

The Nelt Group's ESG strategy is focused on creating long-term value through more efficient resource management, employee development, responsible supply chain management and improving business transparency.

By 2030, the Nelt Group's goal is to establish an integrated and measurable sustainability management system, which enables continuous monitoring of ESG performance and contribution to the sustainable development of the markets in which it operates.

KEY TRANSFORMATION DIRECTIONS BY 2030

The Nelt Group's sustainability strategy focuses on five strategic directions:

- 1. Business decarbonization and energy transition**
- 2. Development of circular resource management models**
- 3. Strengthening ESG culture and employee competencies**
- 4. ESG data management and transparent reporting**

These directions represent the basis for the systematic improvement of sustainability and the integration of ESG principles into all business segments.



ESG

Key pillars of the 2030 sustainability strategy

E Environmental protection Decarbonization and resource efficiency

The Nelt Group continuously works to reduce the impact of its operations on the environment by improving energy efficiency, increasing the share of renewable energy sources and optimizing logistics processes.

Goals by 2030	KPI
Reduction of greenhouse gas emissions	-40% CO ₂ emissions compared to 2022
Increase in the share of renewable energy sources	≥40% of energy from renewable sources
Decarbonization of transport	≥20% of fleet using electric or alternative fuels
Improvement of resource circularity	≥33% resource circularity

Key initiatives

- Structured fleet transition
- Optimization of logistics routes and transport flows
- Increase in the share of energy from renewable sources
- Energy efficiency projects in logistics centers
- Development of circular management models for packaging and materials

S Social responsibility Employees, community and consumers

The Nelt Group recognizes employees, customers and local communities as key partners in the development of sustainable business. The company continuously invests in employee development, the improvement of occupational health and safety, and the strengthening of social impact.

Goals by 2030	KPI
Continuous reduction of the work-related injury rate	0 fatal injuries, LTFIR* ≤3, TRIR** ≤5
Improvement of employee satisfaction	satisfaction index ≥3.8 (Luppa score)
Gender equality in management	≥40% women in management
Development of social impact	≥3 long-term partnerships with measurable social impact

Key initiatives

- Strengthening of occupational health and safety practices
- ESG training programs and development of employee ESG competencies
- Women's leadership development programs
- Development of socially responsible programs and partnerships with local communities

G Responsible corporate governance Transparency, ethics and data management

The Nelt Group continuously improves its management, compliance and transparency systems in order to ensure stable and responsible operations.

Goals by 2030	KPI
Integration of ESG criteria into investment decisions	100% of investments with ESG risk assessment
Standardization of supplier assessment	≥50% of key suppliers with ESG assessment
Improvement of the ESG data system	≥95% ESG data coverage
Accuracy and reliability of ESG reporting	≥98% ESG data accuracy
Transparency and business ethics	0 incidents of violation of the Ethics Code

Key initiatives

- Introduction of ESG criteria into investment processes
- Standardization of ESG supplier assessment
- Development of a centralized ESG data system
- Digitalization of ESG reporting

*LTFIR (Lost Time Frequency Injury Rate) – work-related injury rate with absence from work.

**TRIR (Total Recordable Injury Rate) – total recordable work-related injury rate.

MEMBERSHIPS IN ASSOCIATIONS

The Nelt Group bases its operations on providing top-quality services in the areas in which it operates, maintaining good and professional relationships with its clients, customers, business partners, employees, as well as actively contributing to and supporting community development. The Nelt Group companies are committed to protecting and promoting human and labor rights, protecting the environment and fighting corruption. In addition, we actively participate in the work of several renowned business associations that promote positive business practices and high business ethics.

SERBIA

Chamber of Commerce of Serbia

AmCham Serbia

NALED – National Alliance for Local Economic Development

AHK – German-Serbian Chamber of Commerce

Confindustria – Association of Italian Industry in Serbia

Serbian Association of Forwarding Companies and Agents, Union "Transport and Logistics"

Swiss-Serbian Chamber of Commerce

MONTENEGRO

Chamber of Commerce of Montenegro

Employers' Union of Montenegro

Association of Managers of Montenegro

AmCham Montenegro

Institute of Internal Auditors of Montenegro

Institute of Certified Accountants of Montenegro

BOSNIA AND HERZEGOVINA

AmCham Bosnia and Herzegovina

Foreign Investors Council of Bosnia and Herzegovina

Chamber of Commerce of the Republic of Srpska

Union of Employers of the Republic of Srpska

Foreign Trade Chamber of Bosnia and Herzegovina

NORTH MACEDONIA

Chamber of Commerce of North Macedonia

AmCham North Macedonia

ANGOLA

AmCham Angola

Membership in the Committee for Green Economy and Sustainability of AHK Serbia

The Nelt Group is a member of the Committee for Green Economy and Sustainability of the German-Serbian Chamber of Commerce (AHK Serbia), a platform that brings together companies and experts committed to the development of sustainable business practices and the green transition of the economy.

Nada Stamatović, Sustainability Expert at the Nelt Group, is serving her second term as Deputy Chairperson of the Committee. Through active participation in the Committee's work, the Nelt Group contributes to the exchange of knowledge and good practices in the areas of sustainable business, energy transition and circular economy, as well as the development of initiatives that support the transition towards a more sustainable and competitive business environment.

AWARDS AND RECOGNITIONS

Nelt Group

TOP list of the 100 most successful companies in Southeast Europe, according to SeeNews
Award at the KAKTUS Festival in the category of internal communications for the project "You'll Never Walk Alone"
18th VIRTUS Award for Philanthropy for cooperation with UNICEF, awarded by the Trag Foundation

Serbia

Award for "Best Creative Employer Branding Campaign on Digital Channels" for the campaign "You'll Never Walk Alone", Empple Festival
Recognition as "Regional ESG Leader", awarded by the International Expert and Independent Council for companies from Central and Southeast Europe
"Young Manager of the Year" recognition awarded to Nemanja Šalipur by the Serbian Association of Managers
Two Empple Awards: "Best Human-Centric Employer Branding Project" for the InfoNelt platform and "Best Employer Branding Practice in Change Management"

Bosnia and Herzegovina

Recognition as "Most Desirable Employer" in the distribution sector, organized by the company Kolektiv and the portal MojPosao.ba
Recognition as "Most Inclusive Employer"
Top Family-Friendly Employer
Recognition "Vision 100" for achieved cooperation with UNICEF
Recognition among the 10 most desirable employers
"Woman of the Year" awarded to Suzana Sikimić in the business category, awarded by Ladies In magazine

Montenegro

Award for management improvement to the Executive Director of Nelt MNE Ljilja Pižurica, awarded by the Chamber of Commerce of Montenegro
"Employer of the Year – Best Employer for Children and Families", awarded by the Association of Managers of Montenegro
Recognition for exceptional contribution to the development of voluntary blood donation, awarded by the Institute for Blood Transfusion of Montenegro
Plaque for support to blind persons, as a sign of gratitude for the introduction of Braille script on product packaging, awarded by the Union of the Blind of Montenegro

North Macedonia

Award for best HR practice, awarded by MHRA

Mozambique

Recognition as the best distributor in the Sub-Saharan region, within the award program of Beiersdorf Nivea company

NOTABLE AWARDS AND RECOGNITIONS

KAKTUS Award for Internal Communication

In 2025, the Nelt Group won the award at the KAKTUS festival in the Internal Communication category for the project "You'll Never Walk Alone". The campaign was implemented in cooperation with the external agency DME with the aim of strengthening the sense of community, mutual support and connectedness among employees.

Through a simple and recognizable message, the project contributed to strengthening the organizational culture and further empowering the team spirit within the company. The award represents confirmation of the importance of internal communication in building a strong and connected organization.

VIRTUS Award for Philanthropy

The Nelt Group is the recipient of the 18th VIRTUS Award for Philanthropy for 2024, awarded by the Trag Foundation, in the category of Strategic Partnership between the Business and Non-Profit Sectors, for cooperation with UNICEF.

This is the second time the company has received the VIRTUS Award, confirming its continued commitment to philanthropy and socially responsible initiatives.

Through a three-year partnership with UNICEF in Serbia, Bosnia and Herzegovina, North Macedonia and Angola, the company supports programs for the development of digital and green skills for young people, as well as initiatives that contribute to their preparation for education and the labor market. The programs are focused on the long-term empowerment of young people and the creation of sustainable results in the communities where they are implemented.

Empple Awards for Employer Branding

At the regional Empple festival, dedicated to employer branding and HR innovations, Nelt was awarded in two categories.

The Info Nelt platform received the award for the Best Human-Centric Employer Branding Project. It is a digital solution developed with the aim of improving internal communication and supporting employees in their daily work.

The Organizational Health Cycle Management project was awarded in the category of Best Employer Branding Practice in Change Management. The project represents a structured approach to the development of organizational culture, with a focus on process transparency, the role of leaders and the active involvement of employees during organizational changes.

These recognitions confirm the company's continuous work on improving the employee experience and developing an organizational culture that encourages collaboration, development and adaptation to business challenges.

SEE TOP 100

In 2024, Nelt was again included in the SEE TOP 100 list of the largest companies in Southeast Europe, published by SeeNews. The list ranks companies according to achieved annual revenues and represents one of the relevant indicators of business strength in the region.

In a year marked by challenging market conditions and slow economic growth, the company maintained stable business results and continued to develop through business diversification, expansion into new markets and the improvement of logistics and distribution capacities.

Presence on this list confirms the business stability, resilience to changing market conditions and continuity of growth of the Nelt Group in the regional environment.

CONTINUOUS, TWO-WAY COMMUNICATION WITH STAKEHOLDERS

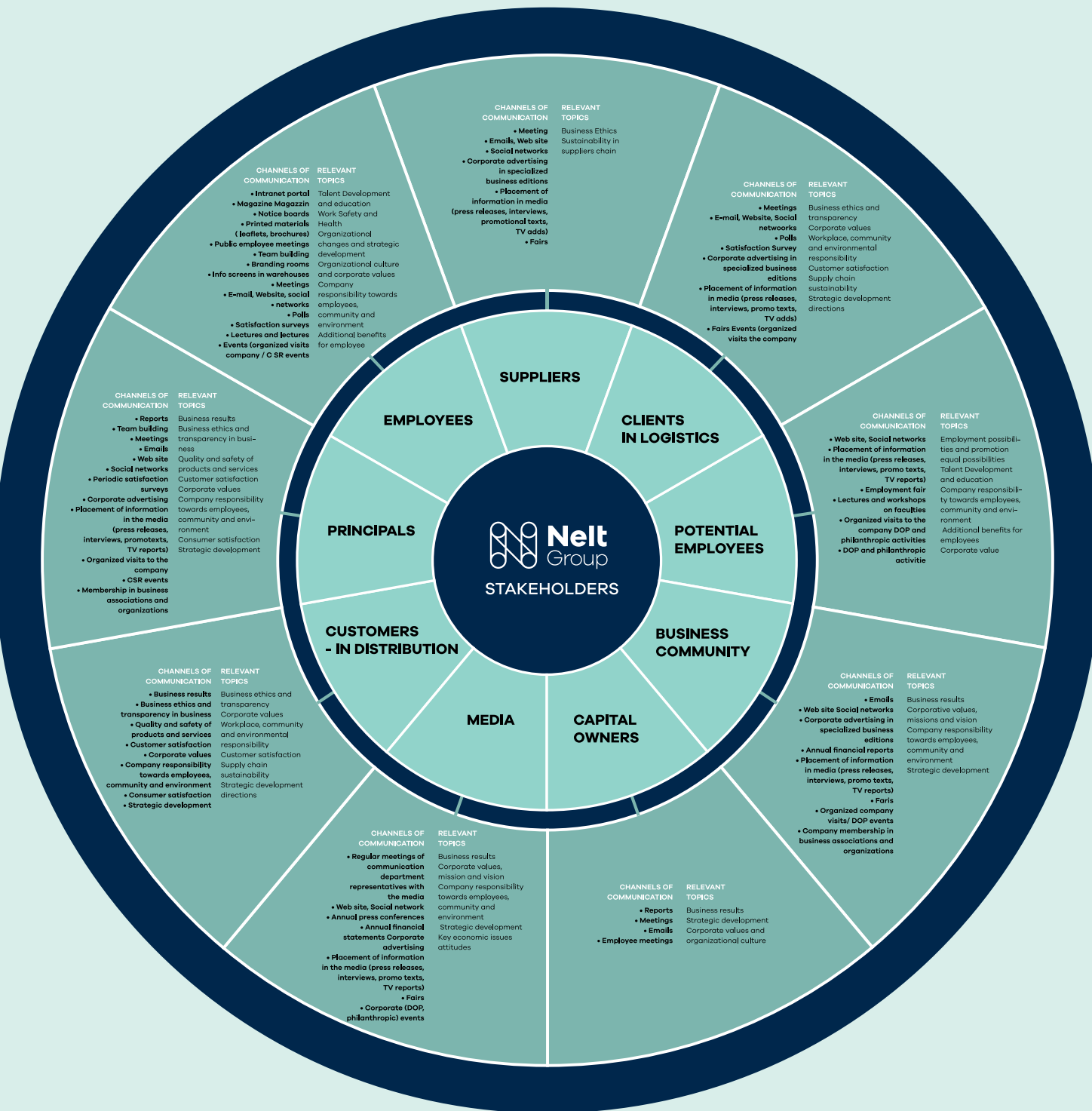
The Nelt Group nurtures continuous and open communication with its stakeholders, recognizing their importance for long-term sustainable business. Through regular dialogue with different stakeholder groups, the company seeks to understand their expectations, identify key topics of importance for business and improve its business practices.

Communication with stakeholders takes place through various formal and informal channels, including regular meetings, satisfaction surveys, business events, partnership initiatives, as well as through digital platforms and internal communication channels.

The feedback received is used to improve business processes, develop new initiatives and identify priority sustainable development topics.

KEY STAKEHOLDER GROUPS

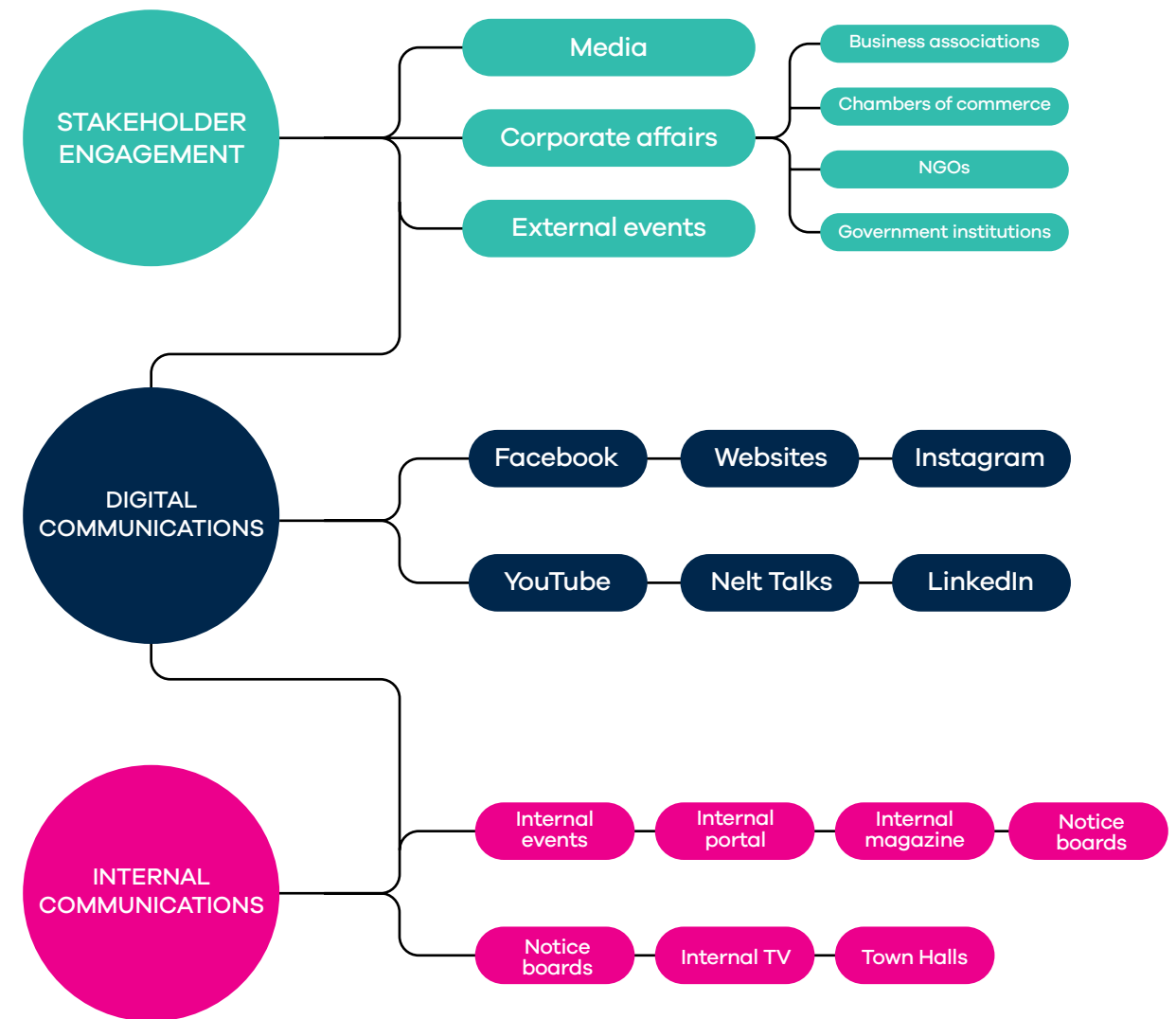
The Nelt Group has identified several stakeholder groups that have a direct or indirect impact on the company's operations.



CORPORATE COMMUNICATIONS

Corporate communications are a team player in the company's success. They achieve this by coordinating communication between the company and its target groups, including the media, partners, clients and the wider public.

Corporate communications take care of the reputation of our companies by creating communication strategies, handling corporate affairs, managing media relations, creating content for internal and external stakeholders, branding, crisis management, organizing internal and external events, as well as implementing CSR projects.



Internal communications

Internal communications represent one of the key segments of corporate communications in the Nelt Group. Timely and adequate information for employees is of great importance for maintaining the atmosphere in our company. Through different formats and information channels, communications help in understanding the organization, its strategy, internal policies and corporate values.

InfoNelt – Web, APP and TV

All employees in the Nelt Group have access to the internal portal InfoNelt, the central platform for information and exchange of important documents. The portal contains corporate forms and memoranda, work documents, information about benefits, surveys, as well as other relevant materials that facilitate daily business for employees.

In addition to documentation, InfoNelt plays a key role in timely informing employees about current events in the company. All important information and notices relating to the entire Nelt Group are published through the portal, thereby ensuring transparency and uniform communication across all markets.

Since 2024, when the portal began operating, the InfoNelt mobile application was simultaneously activated, enabling employees simple and fast access to information via mobile devices, as well as improving two-way communication and the employee experience.

For employees who do not have access to a computer in their daily business activities, such as colleagues in warehouses and delivery, information is also communicated via internal television InfoNelt TV. The Nelt Group currently has a total of 34 screens in all markets where it operates.

The content of InfoNelt TV is aligned with the work dynamics in the warehouses – the start of working hours, breaks and shifts. Modeled on a professional television schedule, the program includes company and non-company content, such as a morning program, information blocks, entertainment content, productivity models and service information.

Traditional internal communication channels

In addition to digital channels, the Nelt Group also uses traditional forms of internal communication, such as notice boards and posters. Through these channels, employees are informed about current internal projects, campaigns and other important information.

During 2024, the jubilee, thirtieth issue of Magazzin, our internal magazine, was published, representing an additional channel for connecting employees and sharing stories, projects and initiatives from different parts of the Group.

Digital communication channels

Digital communication channels represent an important tool for informing the public, as well as for strengthening the reputation and image of the company. The Nelt Group communicates with the wider public also through social networks – LinkedIn (54,000 followers), Facebook (27,000+ followers), Instagram (8,600+ followers) and YouTube (950+ subscribers) – where content from all companies of the Group is regularly published.

When creating content, the Communications team develops topics tailored to different target groups, with a focus on company news, corporate news, projects, initiatives and authentic depictions of daily operations from different sectors and markets in which we operate.

All digital channels direct followers and visitors to the Nelt Group corporate website – www.nelt.com – as the primary communication channel and place where information about the markets, services and operations of the Group is consolidated.

480+
posts

580,000+
page views on nelt.com

78,000+
likes

2nd on the list

"Top 10 brands in Serbia on LinkedIn" list
According to the ranking by the French platform Favikon



All external digital channels of the Nelt Group are consolidated on the Linktree page, which can be accessed by scanning the QR code below.

Nelt Talks

Nelt Talks is the first Serbian corporate podcast and one of Nelt's communication channels, launched in 2023. The idea arose from the intention to provide additional visibility to employees, as well as to present current news from Nelt's operations to the internal and external public. Divna Maletić, expert for corporate brand and communications, talks with colleagues from all markets, and from the fourth season onwards, external guests – Nelt's business partners and associates – have also been included.

Strategically speaking, Nelt Talks has brought a different internal and external perspective to the Nelt Group and significantly improved the reputation of our brand, positioning us as a transparent organization. To date, the podcast retains full editorial independence and authorship by the Corporate Communications Sector of the Nelt Group, thereby guaranteeing the authenticity and transparency of the production.

In 2024, Nelt Talks was also nominated for the best European podcast by the European Excellence Awards, and the episodes can be followed on the Nelt Group's YouTube channel.

Media relations

We regularly communicate with the media in order to timely and effectively disseminate information about our business successes, socially responsible projects, recognitions and awards, but also to present our employees as experts in their professions, successful managers and business leaders.

Corporate affairs

Through membership in relevant business associations, foreign and domestic chambers of commerce, we participate in working groups, conferences and other networking projects in order to present our own views on various regulatory issues and address key challenges for our business and that of our principals.

Branding

Branding within the corporate communications of the Nelt Group is focused on strengthening the recognizability and reputation of the company across all markets. Through strategic management of the visual identity, communication standards and campaigns, a consistent and clear message is ensured towards employees, partners and the wider public. The focus is on authenticity and a recognizable tone that reflects the values and culture of the Nelt Group.

In practice, branding includes the development of visual solutions, digital and printed content, presentations and promotional materials, as well as the consistent application of brand standards across all communication channels. Special attention is paid to the correct and adequate application of the logo in accordance with the guidelines defined in the Nelt Group's brand book.

Events

The organization of internal and external events enables the Nelt Group to interact directly with employees, principals and customers, while strengthening mutual relationships and a shared understanding of strategic goals.

Internal events include public meetings of employees in all markets where the Group operates, events dedicated to presenting the strategic direction and monitoring annual results, the New Year's cocktail, marking company anniversaries, promotion of the Sustainability Report, and other internal formats.

External events, such as Media Day, fairs, partnership and CSR initiatives, are focused on transparent communication and strengthening relationships with key stakeholders. All events are organized with clearly defined communication goals and key messages, in order to ensure communication consistency across all markets.



MATERIAL TOPICS

Process of identifying material topics

Material topics represent sustainability issues that have the greatest significance for the operations of the Nelt Group and its stakeholders. The identification of material topics enables the company to recognize areas where it has the greatest impact on the economy, society and the environment, as well as topics that are most important for long-term business development.

The process of determining material topics was conducted through the analysis of internal strategic documents, relevant industry standards and regulatory requirements, as well as through dialogue with key stakeholders. Trends in the field of sustainability, expectations of business partners and requirements of international sustainability reporting standards were also taken into account in the process.

The identified topics were then analyzed and ranked according to their importance for the company's operations and impact on stakeholders.

Key material topics

Material topics are grouped into three areas of sustainability.

Environment

- Energy efficiency and use of renewable energy sources
- Greenhouse gas emissions
- Waste management and circular economy
- Efficient use of resources and packaging

Society

- Employee health and safety
- Employee development and organizational culture
- Gender equality and equal opportunities
- Social impact and cooperation with the local community

Governance

- Business ethics and compliance
- Sustainable supply chain management
- Transparency and ESG data management

Significance of material topics

The identified material topics represent areas to which the company devotes special attention through its strategies, policies and business initiatives.

Through activities in these areas, the Nelt Group aims to:

- Improve operational efficiency and responsible resource management
- Develop a safe and inclusive work environment
- Strengthen cooperation with business partners and local communities
- Improve business transparency and responsible management.

Material topics represent the basis for defining sustainable development goals and monitoring the company's ESG performance in the coming period.

ESG AREA	MATERIAL TOPIC	RELATED SDG GOALS	KEY KPIS	KEY INITIATIVES
ENVIRONMENT	Energy efficiency and renewable energy sources	SDG 7, SDG 13	Share of energy from OIE, energy consumption per operation	Solar power plants, geothermal heat pumps, energy efficiency projects
	Greenhouse gas emissions	SDG 13	Total CO ₂ emissions, emissions per transport unit	Transport route optimization, fleet efficiency, intermodal transport
	Waste management and circular economy	SDG 12	Amount of waste generated, recycling rate	Digital documentation, packaging recycling, reduction of administrative paperwork
	Efficient use of resources	SDG 12	Paper, water and energy consumption	Digital delivery note, process and logistics optimization
SOCIAL ASPECT	Occupational health and safety	SDG 7, SDG 13	Work-related injury rate, number of OHS trainings	OHS management system, regular training, risk assessment
	Employee development and organizational culture	SDG 13	Number of training hours, employee satisfaction index	Internal academies, leadership development, HR digitalization
	Gender equality and equal opportunities	SDG 12	Share of women in management	Women's leadership development programs, equal opportunity policies
	Social impact and cooperation with local community	SDG 12	Number of socially responsible projects, community investments	Partnerships with UNICEF food donations, educational programs
GOVERNANCE	Business ethics and compliance	SDG 16	Business ethics and compliance	Ethics code, whistleblowing system
	Sustainable supply chain management	SDG 12	Share of suppliers with ESG assessment	ESG supplier evaluation, standardized procurement criteria
	Transparency and ESG data management	SDG 16, SDG 17	Quality and coverage of ESG data	Centralized ESG data system, ESG reporting



ECONOMIC
IMPACTS

05

BUSINESS RESULTS AND CONTRIBUTION

The Nelt Group achieves a significant economic impact through the generation and distribution of economic value in the markets where it operates. Through its distribution and logistics operations, the company contributes to the economic development of the region through employment, cooperation with suppliers, tax payments and investments in local communities.

The total economic value generated by the Nelt Group in 2025 amounted to EUR 1.38 billion, which represents an increase compared to EUR 1.25 billion in 2024. The largest part of the economic value is distributed through operational costs and cooperation with suppliers, as well as through salaries and other benefits to employees.

NELT GROUP KEY FINANCIAL DATA 2025

1.38
billion €
revenue

94.4
million €
for employees

470
thousand €
community
investments

SERBIA

Category	2024	2025
Total revenue	1,010,630	932,578
Salaries, taxes and employee development	58,510	66,748
State taxes	1,174	1,909
Community investments	395	428

MONTENEGRO

Category	2024	2025
Total revenue	57,265	69,763
Salaries, taxes and employee development	4,548	7,229
State taxes	122	225
Community investments	1	2

BOSNIA AND HERZEGOVINA

Category	2024	2025
Total revenue	190,735	212,393
Salaries, taxes and employee development	10,968	11,764
State taxes	486	497
Community investments	78	65

NORTH MACEDONIA

Category	2024	2025
Total revenue	51,490	50,374
Salaries, taxes and employee development	4,999	5,180
State taxes	145	120
Community investments	29	8

ALBANIA

Category	2024	2025
Total revenue	19,154	42,006
Salaries, taxes and employee development	2,642	3,502
State taxes	121	216
Community investments	0	0

Note: Generated and distributed economic value is shown in thousands of EUR.

SUPPLY CHAIN RESPONSIBILITY

The Nelt Group develops a responsible and transparent supply chain based on long-term partnerships, trust and support for local economies in the markets where it operates. Cooperation with suppliers represents an important part of sustainable business, as through procurement the company directly influences the development of local companies and business ecosystems in the region.

During the reporting period, the Nelt Group cooperated with more than 5,000 suppliers in the Western Balkan markets, achieving a total value of procurement of goods and services of approximately 80 million euros annually. The procurement structure is dominated by local suppliers, whose share amounts to about 90%. Cooperation with local suppliers particularly contributes to the development of small and medium-sized enterprises, the strengthening of business partnerships and the stability of local labor markets in the markets where the Group operates.

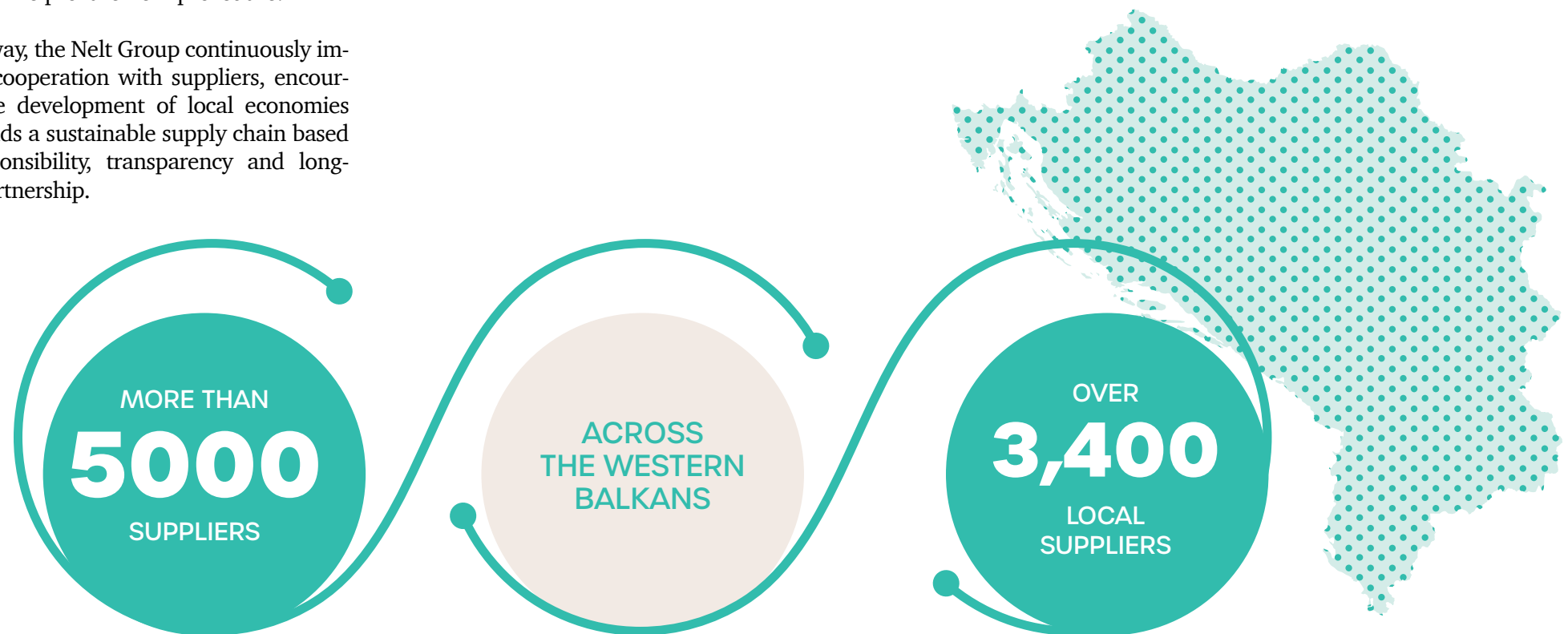
The Nelt Group places special focus on responsible supplier selection. In addition to the price and quality of products or services, the selection process also takes into account the supplier's reputation, respect for human and labor rights, as well as the application of environmental protection standards. The process begins by filling out a questionnaire in which suppliers provide basic information about the organization, management, products and services, references, financial indicators and management systems. After evaluating the submitted information, suppliers submit offers

for specific products or services, which are further assessed through criteria of price, quality, delivery deadlines and technical specifications.

The procurement of technical goods and services for companies within the Nelt Group is carried out through the Nelt eProcurement portal, which ensures a transparent and efficient procurement process. The platform enables all existing and potential suppliers to be timely informed about open procurements, submit their offers and monitor the status of the procurement procedure.

In this way, the Nelt Group continuously improves cooperation with suppliers, encourages the development of local economies and builds a sustainable supply chain based on responsibility, transparency and long-term partnership.

	Serbia		Bosnia and Herzegovina		Montenegro		North Macedonia		Albania	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Number of suppliers	2,231	2,166	1,263	1,282	345	630	789	641	349	658
Value of procurement (EUR)	56,915,113	45,818,139	13,736,695	14,454,473	3,448,646	7,323,181	5,308,517	4,555,729	1,056,644	6,194,826
Share of local suppliers	88%	88%	92%	92%	89%	83%	97%	96%	94%	93%



RESPONSIBILITY
TOWARDS THE
MARKET

06

DEVELOPMENT THROUGH PARTNERSHIPS AND INNOVATIONS

Long-term cooperation based on trust and open dialogue with stakeholders has enabled the Nelt Group to build relationships based on trust with international partners in the field of distribution and logistics. Business development relies on compliance with international regulations, clearly defined standards and business practices that have proven sustainable in different market conditions. In parallel with this, continuous process improvement and the application of digital solutions contribute to more efficient operations and strengthening competitiveness in the markets where the Nelt Group operates.



The distribution activities of the Nelt Group cover a wide range of products, including fast-moving consumer goods, tobacco, pharmaceutical and cosmetic products. A developed network of sales channels, from traditional and modern retail, kiosks and gas stations, to specialized pharmacies and e-commerce channels, enables high product availability and supply chain stability in local markets.

In the dynamic FMCG environment, the sales function plays a key role in building an efficient and sustainable market ecosystem. The company's focus is directed towards the development of a modern route-to-market model, which enables greater product availability, optimization of logistics flows and more efficient resource management in the distribution chain.

Through the digitalization of sales processes, the application of advanced analytics and the continuous improvement of cooperation with retail partners, the Nelt Group contributes to better demand planning, reduction of operational inefficiencies and more stable market supply. A responsible approach to sales, based on long-term partnerships, transparency and innovations in distribution, represents an important contribution to sustainable market development.

An important part of this approach is trade marketing, which connects manufacturers' strategies with the real needs of the market and consumers. Through close cooperation with principals and retail partners, solutions are developed that improve brand visibility, product availability and the quality of the purchasing experience at the point of sale. By combining market analyses, insights into consumer behavior and field experience, the Nelt Group contributes to more efficient product positioning and optimization of sales activities.

A responsible approach to sales and distribution, based on long-term partnerships, transparency and innovations in market management, represents an important contribution to supply chain stability and the sustainable development of the markets where Nelt operates.

NELT PHARMACEUTICALS

The Nelt Group has been present in the pharmaceutical market since 2008, with a focus on the distribution of medicines, mainly OTC medicines (over-the-counter medicines), medical devices, dietary supplements and cosmetic products, with a special focus on baby care cosmetic products. This sector represents one of the key pillars of the "Ascend 2030" strategy and contributes to improving the availability of healthcare products in regional markets.

In line with strategic goals, Nelt Pharmaceuticals develops regional presence through continuous improvement and expansion of the product portfolio, as well as through cooperation with global partners. The business model is based on providing integrated services to leading manufacturers of OTC and CHC products, including Kenvue, Reckitt Benckiser, Sebamed, P&G, Scholl and GlobiFer Intl, with a focus on:

- development and expansion of the product portfolio in line with market needs
- long-term partnerships with global manufacturers
- integrated distribution, marketing and sales services

NELT – THE WAY OF DISTRIBUTION



HIGH QUALITY



KNOWLEDGE OF THE LOCAL MARKET



EXCELLENT GEOGRAPHICAL COVERAGE

OUR PORTFOLIO

FMCG

TOBACCO PRODUCTS

PHARMACEUTICAL AND COSMETIC PRODUCTS

HOUSEHOLD PRODUCTS AND SMALL HOUSEHOLD APPLIANCES

OUR CUSTOMERS

TRADITIONAL SHOPS

RETAIL CHAINS

GAS STATIONS

KIOSKS

SPECIALIZED CHANNELS

PHARMACIES

E-COMMERCE

Nelt Pharmaceuticals applies high quality and safety standards in all phases of the supply chain, with strict adherence to Good Distribution Practice (GDP) guidelines. This ensures product integrity, from storage and transport to distribution to pharmacies and healthcare institutions, while the expert team continuously improves quality management processes with a focus on end-user safety and delivery reliability, through:

- **application of GDP standards in storage and distribution**
- **continuous improvement of quality management processes**
- **monitoring and ensuring product safety in the supply chain**

In cooperation with principals, the company develops and implements responsible marketing strategies based on ethical principles and regulatory requirements, with the aim of educating and informing healthcare professionals and consumers, through:

- **education of healthcare professionals through expert meetings and programs**
- **transparent and ethical product promotion**
- **long-term cooperation with the healthcare sector**

The regulatory sector plays a key role in ensuring business compliance with applicable laws and standards, through activities that include the registration of medicines and medical de-

vices, registration of dietary supplements, monitoring and reporting of adverse effects (pharmacovigilance/vigilance), as well as continuous alignment with regulatory requirements and good practice guidelines, including:

- **product registration with competent institutions**
- **pharmacovigilance and product safety monitoring**
- **compliance with laws and industry standards**

At the same time, the company **proactively manages key business risks**, including regulatory changes, supply chain risks and requirements in the field of product quality and safety. Through established internal controls, continuous compliance monitoring and improvement of operational procedures, Nelt Pharmaceuticals strengthens business resilience and ensures long-term sustainability.

CONTINUOUS DEVELOPMENT OF E-COMMERCE

The e-commerce channel, both within the Nelt company and across the entire market, is undergoing constant transformation. In recent years, we have witnessed accelerated digitalization of shopping, the growth of marketplace models and a significant expansion of quick-commerce formats. Platforms such as Ananas and Shoppster have further strengthened online shopping through assortment expansion and customer experience improvement, while the development of services like Wolt has changed consumer expectations regarding speed and product availability.

One of the trends that marked the previous period is the strong growth of promotions and price competitiveness in the online environment. Digital channels have enabled price transparency and rapid market response, which has led to the need for more sophisticated management of promotional strategies, budgets and profitability. At Nelt, we have responded to these changes by improving analytics, more precise campaign planning and the integration of online activities with the overall commercial strategy.

At the same time, we are observing a gradual maturation of the market. The focus is shifting from exclusive volume growth to sustainable growth, profitability and long-term partnership with platforms. Marketplace models are evolving towards greater professionalization – through improved advertising tools, more detailed reporting and better consumer targeting. Digital shelf management, content optimization and data work are becoming standard, not an added value.

A trend that is further developing is the integration of online and offline channels. The consumer no longer distinguishes between

these two worlds – they expect a unified experience, product availability and consistent brand communication. That is why at Nelt we view eCommerce as an integral part of our overall business, with the clear goal of ensuring synergy between traditional distribution and digital platforms.

In the coming period, we expect further development of personalization, automation and the use of advanced analytics. Artificial intelligence in campaign optimization, more precise consumer segmentation and dynamic price management will be key competitive factors. Also, the growth of private labels on marketplace platforms and the strengthening of direct communication with end consumers will further shape the market.

For Nelt, these trends represent an opportunity for further process improvement, strengthening of partnerships and development of new cooperation models. Continuous market monitoring, investment in knowledge and strategy adaptation enable us not only to respond to changes but also to anticipate them and use them as a driver of sustainable growth.

E-commerce is no longer a channel of the future – it is the present that defines the direction of development of the entire industry. Our task is to lead this transformation strategically, responsibly and with a clear vision of long-term success.

OUR CONTEXT

Lazar Đorđević
E-commerce Account Manager

When traditional businesses become digital

The e-commerce channel within the Nelt company represents one of the most dynamic and fastest-growing business segments. Managing online customers entails strategic management of the complete digital portfolio – from sales development and partner negotiations, to campaign execution, new product launches and continuous monitoring of market trends.

We collaborate with all relevant online partners in the market, including Shopster, Ananas, Wolt, BC Group and other key e-commerce players. Our goal is not just presence on digital shelves, but strategic positioning of the complete Nelt portfolio across all online sales channels.

Within the eCommerce channel, we manage all Nelt programs – both food and non-food assortments. This means adapting the strategy to each partner, optimizing the assortment by platform, managing pricing policy in line with market conditions, as well as continuously improving brand visibility through sponsored positions, banner campaigns and performance activities.

We plan and execute digital campaigns in cooperation with partners, but also through additional marketing initiatives that include influencers, social networks and specialized online promotions. Special focus is placed on new product launches, where through carefully designed 360° online activations we ensure visibility, initial demand and rapid product



turnover. The synergy of commercial and marketing activities is key to achieving sustainable growth.

The e-commerce market is changing extremely quickly, and every year we record its continuous growth. That is precisely why monitoring trends – from changes in consumer behavior, the development of quick-commerce models, to the growth of marketplace platforms – is an integral part of our daily work. Data analysis, KPI tracking and performance optimization enable us to make timely decisions and adjust strategy in real time.

Managing online customers requires a high level of agility, understanding of digital tools and the ability to respond quickly to market changes. At the same time, eCommerce at Nelt is not an isolated channel, but an integrated part of the company's overall commercial strategy. Through close cooperation with internal teams – marketing, trade marketing, logistics and finance – we ensure that the digital channel follows the standards of excellence that are the foundation of Nelt's operations.

Our ambition is to be a reliable and strategic partner to all online customers, but also to continuously develop digital distribution in line with global and local trends. We believe that eCommerce is not just an additional sales channel, but a key driver of future growth and market transformation.

NELT – THE WAY OF LOGISTICS

Logistics and Supply Chain

Logistics represents one of the key pillars of the Nelt Group's operations. Through developed logistics infrastructure, digitalized processes and intermodal transport solutions, the company ensures efficient supply chain management across multiple markets in Europe and Sub-Saharan Africa.

The Group's logistics system is based on **end-to-end (E2E) logistics services**, which cover all phases of the supply chain – from goods receipt, warehousing and additional logistics services, through customs procedures, to national and international transport and final delivery to customers.

The logistics network is organized through a **central HUB model**, which enables inventory optimization and more efficient regional distribution of goods to the markets where the company operates. This model contributes to greater flexibility of logistics flows, better planning and more rational resource management.

The Group has over **200,000 m² of warehouse space**, handles a large number of customs procedures annually and provides continuous logistics support for more than 150 clients.

Key logistics capacities

- **E2E** from warehousing to delivery
- **Last-mile deliveries** for B2B and B2C channels
- **150+ logistics clients**
- **200,000+ m² of warehouse space** in different temperature regimes
- **Central HUB model** for inventory optimization and regional distribution
- **550+ delivery vehicles**
- **150,000+** customs procedures annually
- **40,000+** TEU annually
- **97,000+** FTL transports annually
- **2 intermodal terminals** – Dobanovci and Kruševac
- **65,000+** TEU transported by rail annually
- **100,000+** terminal manipulations annually
- **ERP, WMS, TMS and Track & Trace systems** for digital process management
- **AEO status in 4 markets**

NELT'S LOGISTICS ECOSYSTEM

Infrastructure

Distribution centers, regional centers, cross-dock locations, customs warehouses, intermodal terminals

Transport

Own fleet, international and national transport, consolidated transport, last-mile distribution

Digital Logistics

ERP, WMS, TMS, Track & Trace, digital delivery note, e-delivery note, Data Management

Additional Services

VAS, customs brokerage, regulatory support, client service and call center

LOGISTICS PROCESSES

The logistics process in the Nelt Group is based on an integrated model that includes the following key phases:

- 1. Goods receipt (Inbound logistics)**
Receipt of goods at distribution centers and recording in logistics systems.
- 2. Warehousing and inventory management**
Storage of goods in different temperature regimes and inventory planning through digital management systems.
- 3. Value Added Services (VAS)**
Additional logistics services, including labeling, packaging, bundling and kitting of products.
- 4. Customs brokerage and regulatory support**
Conducting customs procedures and support in obtaining necessary documentation and certificates.
- 5. Transport and distribution**
National and international transport of goods, consolidated transport and last-mile deliveries.
- 6. Digital visibility and client service**
Digital shipment tracking, Track & Trace systems, digital documentation and continuous communication with clients.

LOGISTICS INFRASTRUCTURE AND OPERATIONAL SYSTEMS

Warehouse capacities include different types of warehouses and temperature regimes – **ambient, chilled and frozen zones**, including customs warehouses. In the logistics center in **Dobanovci**, a permanent presence of customs offices is ensured, enabling efficient customs procedures and faster goods flow.

Warehouse operations management is based on **the G.O.L.D. Stock WMS system**, integrated with ERP systems for business resource management. Inventory planning and management is supported by the **Symphony software solution**, which enables process standardization and improved inventory control.

Within the scope of **Value Added Services (VAS)**, product labeling and packaging are performed, as well as the formation of promotional packages and functional product sets in accordance with market requirements and client needs. These activities enable greater flexibility in adapting products to end customers and more efficient inventory management.

Operational processes in warehouses have been further improved through the application of **advanced picking technologies**, which contribute to greater accuracy, productivity and employee safety. Warehouse facilities are equipped **with 24/7 physical and video protection systems**, and operations are conducted in accordance with relevant customs and security standards.

Through continuous investments in digitalization, automation and improvement of logistics infrastructure, including automated warehouses, **ASRS (Automated Storage and Retrieval Systems)** and robotic solutions, the Nelt Group further strengthens supply chain resilience and creates the foundation for long-term sustainable business.

ASRS

TRANSPORT AND DISTRIBUTION

Transport capacities include an own fleet with more than **450 delivery vehicles of different categories**.

Transport management is supported by modern digital solutions, including:

- **Sky Track** dynamic routing system
- GPS vehicle tracking
- digital delivery documentation
- **Track & Trace portals** for real-time shipment tracking.

These systems enable route optimization, reduction of empty runs and more efficient delivery planning.

Logistics activities also include last-mile deliveries, i.e., the final phase of goods distribution to the end customer, for both B2B and B2C channels. In this segment, multi-compartment vehicles are also used, which enable simultaneous transport of products in different temperature regimes, as well as deliveries within deadlines tailored to market needs.

Supply chain efficiency has been further improved through a developed logistics network that includes:

- company distribution centers in the main cities of the markets where the Group operates
- regional distribution centers
- cross-dock locations for rapid transshipment distribution of goods without long-term storage.

In addition, the Group uses **consolidated transport of shipments from different clients**, with regular departures to the markets of the **Western Balkans and the European Union**, thereby achieving better utilization of transport capacities.

Sustainability in transport management

The operational model of international transport is based on a combined approach that includes the use of the company's own fleet and cooperation with carefully selected subcontractors.

This model enables a high degree of flexibility, optimal use of available capacities and business continuity in different markets.

Transport management activities are carried out in accordance with applicable environmental and safety standards. The own fleet is regularly maintained and improved, with the implementation of measures aimed at reducing fuel consumption and emissions. At the same time, cooperation with subcontractors is based on clearly defined criteria that include compliance with applicable regulations, as well as the use of modern and environmentally friendly equipment.

Further efficiency improvement is achieved through transport route optimization and the combination of internal and external resources, which reduces the number of empty runs, increases capacity utilization and contributes to more rational use of transport infrastructure.

In the coming period, a gradual increase in the share of low-emission vehicles in the own fleet is planned, as well as encouraging the application of similar standards among external partners.

Parcel lockers – a new logistics solution in the Montenegrin market

During the reporting period, the Nelt Group introduced a parcel locker system in the Montenegrin market as an automated solution for parcel collection.

Parcel lockers have been installed in **10 cities at a total of 15 locations**, in frequented places such as gas stations, as well as in retail chain facilities.

By centralizing the delivery of a larger number of parcels at a single location, the number of individual deliveries to home addresses is reduced, thereby reducing fuel consumption and greenhouse gas emissions. This delivery model also contributes to more efficient planning of transport routes, reduction of operational costs and improvement of the customer experience.

The introduction of parcel lockers further improves the logistics infrastructure and develops innovative distribution models.



DIGITALIZATION OF LOGISTICS PROCESSES

Digitalization represents one of the key development directions of the Nelt Group's logistics operations.

Back in **2021**, the **digital delivery note system** was introduced, which enables drivers to record any corrections during delivery in real time in the field. Clients who use this service have **live insight into delivery status**, which increases the transparency and efficiency of logistics operations, improves customer satisfaction and achieves significant savings in administration and paper consumption.

As of January 1, 2026, the **e-delivery note** has come into effect in Serbia as a new regulatory concept. Nelt, while developing its own solutions, simultaneously developed a system for the needs of clients to facilitate their transition to the new model through:

- delivery note entry
- status tracking
- reporting on delivery realization.

The company is simultaneously developing advanced analytical capacities through the **Data Management system**, with a strong focus on understanding data and its practical value. The reporting team works on the development of reports and analytical insights for internal needs and logistics clients, in order to provide clients with new insights into the performance and efficiency of logistics processes.

New digital solutions and concepts for improving planning and process management are gradually being presented to clients, as part of the further development of the digital logistics ecosystem.

MORE EFFICIENT INVENTORY MANAGEMENT AND SUPPLY CHAIN OPTIMIZATION

During 2025, Nelt continued to improve its inventory planning and management model, with the aim of increasing operational efficiency and further improving supply chain processes. The focus of activities was on:

- improving demand planning
- better alignment between procurement and sales
- optimization of inventory levels throughout the logistics system.

The successive introduction of the new planning model began in the Serbian market during the year, with the aim of further implementation in other markets. Its full effects became visible in the second half of 2025.

Compared to 2024, **inventory turnover improved by one day** at the full-year level, while in the second half of the year an improvement of **1.5 days** was achieved.

For our partners – principals, suppliers and customers – this means **more stable planning, greater delivery reliability and more efficient management of the common supply chain**. Faster inventory turnover reduces the risk of delivery disruptions and further improves cooperation among all participants in the supply chain.

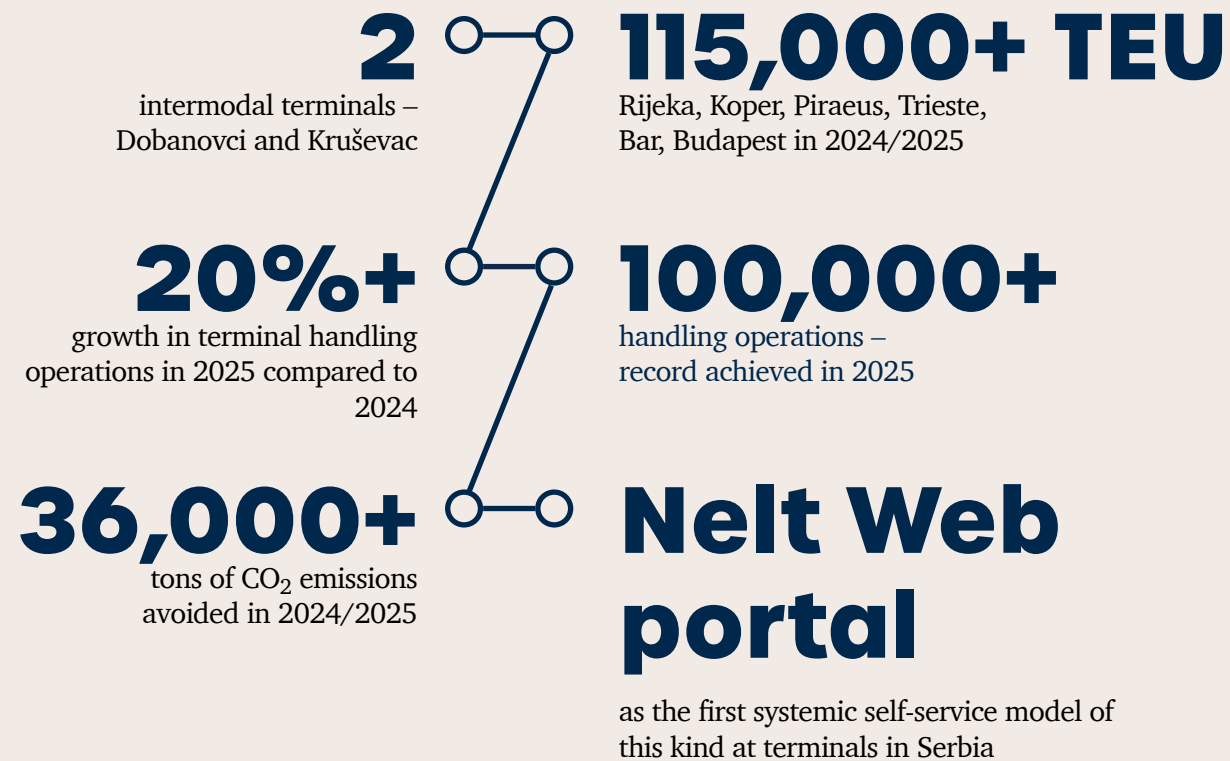
In this way, inventory management optimization contributes not only to increasing operational efficiency, but also to long-term more sustainable business through more optimal use of resources and continuous improvement of logistics processes.



DEVELOPMENT OF INTERMODAL TRANSPORT AT NELT

Intermodal freight transport, which combines sea, rail and road traffic, represents one of the most efficient ways to reduce emissions in supply chains, while simultaneously increasing the reliability and resilience of logistics.

During 2024 and 2025, Nelt continued to develop intermodal transport as one of the key levers for achieving the goals of the Green Agenda, through capacity expansion, operational excellence improvement and process digitalization.



Terminal network and infrastructure

Nelt today operates **two intermodal terminals – Dobanovci and Kruševac** – which provide full logistics support through:

- container transshipment
- vehicle parking
- weighing
- customs representation
- container dispatch and delivery.

The **Dobanovci** terminal is recognized as a "dry port" and logistics hub of the Western Balkans, while the **Kruševac** terminal, opened in 2023, has further strengthened the region's logistics infrastructure and territorially expanded the service portfolio.

During 2024 and 2025, preparatory activities continued for further territorial consolidation of the network, including a planned additional terminal on the TEN-T 10 corridor, with a focus on long-term investment sustainability and alignment with market needs.

Port and corridor connectivity

After expanding the network to **Koper and Ljubljana** in July 2023, during 2024 and 2025 the strengthening of connections with key European ports and railway corridors continued, with real indications of further expansion towards Thessaloniki, as well as other routes towards Western European and Turkish ports.

The goal of these activities is to increase the number of trains arriving at the Dobanovci complex and further increase the availability of intermodal solutions for clients.

Operational excellence and safety

During 2024 and 2025, work continued on the standardization of operational procedures, strengthening capacity planning and improving service quality. Special emphasis was placed on:

- safe handling of equipment and cargo
- preventive maintenance
- risk control in terminal operations
- continuous raising of team competencies.

Digitalization and emission transparency

Digital support for intermodal processes has been further improved through the Nelt Web portal platform, which provides clients with centralized insight into shipment flow, including:

- announcements and planning
- handling statuses
- entry and exit records
- documentation
- reports.

This approach, self-service and end-to-end visibility of terminal operations, represents the first systemic model of this kind at terminals in Serbia and significantly raises the level of customer experience.

Key benefits for clients are:

- greater transparency and predictability
- faster decision-making and shorter equipment retention time
- fewer errors thanks to standardized digital inputs
- a more reliable basis for billing and ESG reporting.

In parallel with this, Nelt is developing methodologies for more precise calculation and reporting of emissions per flow and per shipment, in order to support the decarbonization of supply chains through data.

Results and trends

In 2025, the volume of terminal handling operations grew by over 20% compared to 2024, with the growth trend continuing compared to 2023 as well.

During 2025, the significant operational threshold of **100,000 handling operations** was also exceeded, confirming the growth of client confidence and the system's ability to support larger volumes while maintaining service quality.

Continued development

In the next cycle, the focus remains on:

- further development of the terminal network and capacities
- strengthening cooperation with ports, railway operators and logistics partners
- digitalization and automation of terminal operations
- measuring and reducing emissions through modal shift and operational improvements.

Contribution to CO₂ emission reduction

As an illustration of the emission reduction potential, an assessment is being conducted of the difference between intermodal transport and a reference scenario of transport carried out exclusively by road.

During 2024–2025, Nelt carried out the transport of more than **115,000 containers** by rail on routes between its terminals and the ports of **Rijeka, Koper, Piraeus, Trieste and Kruševac–Bar**.

Compared to the alternative scenario based exclusively on road transport, it is estimated that this modal shift avoided emissions of over **36,000 tons of CO₂**. This indicator confirms that a long-term change in transport structure, based on a planned increase in the share of rail transport, represents one of the most efficient and measurable measures for reducing emissions in logistics operations.



CUSTOMS BROKERAGE

In Serbia, Nelt has developed specialized expertise in the area of representation before customs authorities in customs procedures related to consumer goods, food products, technical equipment and goods of general use.

The knowledge and operational experience gained in the domestic market are also applied in providing support to companies in the region.

Within customs and regulatory processes, clients are provided with support in obtaining relevant:

- certificates
- attestations
- sanitary, veterinary and market approvals
- permits in accordance with applicable regulations.

Authorised Economic Operator status in customs procedures

As a result of many years of development of customs brokerage services, Nelt has developed specialized expertise in representation before customs authorities and supply chain security management.

Authorised Economic Operator (AEO) status has been obtained in the markets of Serbia, Montenegro, North Macedonia, Bosnia and Herzegovina.

The AEO status represents an internationally recognized customs framework that recognizes economic operators with a proven level of reliability in terms of business process organization and supply chain security management.

Its application enables the introduction of facilitated procedures in customs processes and contributes to the improvement of international trade through a standardized approach

aligned with applicable international and European customs practices.

This status confirms the company's reliability, as a detailed verification has established compliance with the standards of the World Customs Organization, as well as with relevant local security and regulatory requirements within the supply chain.

The advantages of this system are reflected in:

- simplified customs procedures
- reduced number of goods inspections
- more efficient data entry
- faster and more cost-effective goods flow.

In the Serbian market, Nelt achieves additional facilitations in customs procedures, including:

- **100% exemption from depositing a bank guarantee for transit procedures**
- **70% reduction of the guarantee for procedures of releasing goods for free circulation and customs warehousing.**

These benefits further contribute to the efficiency of logistics operations, security in customs procedures and the competitiveness of integrated logistics services that the company provides to its partners.

ONE PARTNER.

INFINITE SOLUTIONS.



Integrated logistics services for the entire region.

Together with our partners, we push the boundaries of logistics. We are not just a provider; we are a hub that creates comprehensive, efficient, and tailored end-to-end solutions, building partnerships that deliver long-term results.

 **Nelt**

The Way of Logistics



Scan QR for more information.

COOPERATION WITH LOGISTICS CLIENTS

Although Nelt has been providing logistics services for more than 20 years, **the sector for cooperation with logistics clients** was established in 2018 with the aim of further improving partnerships and the quality of logistics services.

Over the years, the sector has grown and developed in line with growing market demands, the expansion of services and the need for continuous improvement of client cooperation. In order to respond to internal and external requirements, the sector **changed its organizational structure during 2025**, through strengthening analytical competencies and separating functions focused on continuously improving client cooperation.

Acquired experience and knowledge have been systematized through an internal set of procedures and work instructions. The organization of the sector is based on **the SPOC (Single Point of Contact)** approach, which provides clients with a single point of contact for strategic and operational improvements, while the operational part of the sector is responsible for daily communication with clients.

The call center has a special role, its function being to communicate in real time with clients in situations when challenges arise during delivery in the field, thereby enabling rapid problem solving and successful completion of deliveries.

Special focus is placed on **systemic integration with clients through digital data exchange**, in order to reduce manual work, limit operational errors and improve process efficiency to mutual satisfaction.

Cooperation with clients is based on continuous dialogue and regular **client satisfaction surveys**, the results of which represent the basis for further improvements of logistics processes and services.



OUR CONTEXT

Tatijana Miletić
Key Account Manager
for Logistics Clients

Client satisfaction – partnerships that last

At the heart of the Nelt company's sustainable business are long-term relationships with clients and principals. For us, partner satisfaction is not just an indicator of success in a single business year, it is confirmation that we are building a stable, reliable and responsible system that lasts.

Satisfaction survey results show a clear trend. Total satisfaction is increasing in all markets. This growth is not the result of individual initiatives, but of a consistent approach that implies professionalism, fulfilling commitments and understanding the needs of each partner.

When clients talk about Nelt, they most often highlight reliability. They recognize us as a company that implements what has been agreed and that nurtures a professional relationship in daily cooperation. It is precisely this consistency in execution, along with open communication and operational efficiency, that builds trust, and trust is the foundation of every long-term partnership.

A high level of agreement with statements about the company's image confirms the strong reputation that Nelt has in the market. Clients perceive us as a leader in our field and a partner with a relevant assortment that meets the needs of end customers. These ratings speak not only about the quality of service, but also about the company's ability to understand



market trends and provide sustainable, long-term solutions.

It is particularly significant that a large number of partners emphasize that they wish to continue cooperating with Nelt in the future. This willingness for long-term cooperation shows that our relationships go beyond the framework of a business transaction. We build partnerships based on shared goals, mutual respect and stability.

Among the key factors of satisfaction are professional communication, operational reliability, market expertise and an adequate product offering. Together, these elements create a cooperation experience that partners rate highly, approximately the highest value on the measurement scale.

For Nelt, client satisfaction is not the ultimate goal. It is a process. We continuously monitor feedback, analyze results and improve processes in order to grow responsibly together with our partners. In this way, we contribute not only to our own stability, but also to the sustainability of the entire value chain.

Because sustainable development, in its essence, means building relationships that last. And our partners confirm that we are on that path together.

QUALITY POLICY

Quality represents the foundation of the Nelt Group's operations and a key element of its **long-term, sustainable and responsible business management**. Through consistent application of the principles of **corporate governance**, integrity and transparency, the company continuously strengthens the trust of investors, **partners and other stakeholders**. Management is fully committed to the development and improvement of the quality management system, including its regular review, in order to ensure alignment with strategic priorities, regulatory requirements and ESG standards. The latest version of the Quality Policy was improved and adopted in **December 2025**.

The approach to quality is based on the integration of **international standards, regulatory compliance and internal control mechanisms**, along with continuous improvement of operational performance. Special focus is directed towards **product and service quality and safety**, particularly in areas with increased regulatory requirements, such as the distribution of food, medicines and medical devices, thereby actively contributing to the protection of consumer health and the preservation of market trust. The quality management system also includes continuous **performance monitoring, risk evaluation and management of stakeholder expectations**.

Through strategic investments in **digitalization, innovation and the improvement of operational processes**, Nelt strengthens **operational efficiency, reliability and business transparency**, while simultaneously improving customer experience and system resilience. The development of advanced logistics solutions and supply chain optimization contribute to achieving operational excellence and long-

term competitiveness, which is a key prerequisite for sustainable growth.

The integration of **environmental protection and sustainable development principles** into the quality management system enables the company to systematically reduce negative environmental impacts and responsibly manage resources. This approach contributes to strengthening ESG performance, business resilience and alignment with increasingly stringent regulatory and market requirements.

The risk management and internal control system enables timely identification, assessment and management of risks and opportunities, with the application of preventive and corrective measures. Special attention is paid to **the protection of employee health and safety**, as well as the preservation of business continuity, which further strengthens the stability of the organization and investor confidence.

The quality culture in the Nelt Group is based on the principles of **responsibility, integrity, transparency and continuous improvement**. Through employee development and the encouragement of innovation, the company builds an organization capable of responding to dynamic market and regulatory requirements, while maintaining high standards of quality and ethical business conduct.

STANDARDS

International standards represent an important part of the Nelt Group's operations and a confirmation of commitment to quality, safety, compliance and sustainable development across all markets. Through the implementation and certification of standards such as ISO 9001, HACCP, ISO 14001, AEO and GDP, Nelt continuously improves processes and ensures high business standards in all Group companies.

Overview of certificates

Serbia

Nelt Co

- ISO 9001:2015
- HACCP
- Organic certificate
- ISO 14001:2015

Bosnia and Herzegovina

Nelt doo

- ISO 9001:2015
- HACCP
- Organic certificate
- ISO 14001:2015

Montenegro

Nelt MNE

- ISO 9001:2015
- HACCP
- GDP
- Organic certificate
- ISO 14001:2015

North Macedonia

Nelt ST

- ISO 9001:2015
- HACCP
- Organic certificate
- ISO 14001:2015

Albania

Nelt Sh.p.k

- ISO 9001:2015
- HACCP

QUALITY MANAGEMENT

In addition to the aforementioned certified standards, which the Nelt Group companies secured through successfully conducted audits by certification bodies, the companies also successfully passed numerous inspections by clients and principals during the same period. Through successfully conducted audits, the company further confirmed business compliance and adherence to contractual requirements.

In 2025, more than 170 internal and external inspections according to various criteria were successfully carried out, many of which were unplanned (inspections by clients and principals), which confirms the readiness and stability of the system at any time within the Nelt Group companies.

Areas covered by inspections

During systematic inspections by certification bodies, clients and principals, the subject of the inspection included the company's compliance with various management systems and the verification of the food safety system.

The units most frequently inspected were:

- Leadership and management
- Planning and business development
- Resources: people and organizational knowledge, infrastructure and equipment
- Competence and awareness, communications
- Documented information
- Storage and handling of packaged products and goods transport
- Monitoring and measurement, improvements.

In order to ensure consistent application of these systems, as well as their continuous improvement, the quality sector carried out a series of activities during 2024 and 2025 aimed at strengthening organizational capacities and improving processes.

Internal audits and improvement projects

Through the conduct of over 260 internal audits during 2024/2025, potential risks were identified, which were pointed out in a timely manner, and non-conformities were resolved in cooperation with business functions, with continuous system improvement.

During the observed period, the quality sector was also actively involved in the company's business flows as an integral part of it, participating in numerous projects and the development of new business activities.

We worked intensively on optimizing our own processes through quality data digitalization projects.

A Power BI report "Quality Management Reporting" was created, which improved the process of monitoring the implementation of internal and external system audits in real time, as well as the implementation of measures to mitigate findings identified during audits.

In cooperation with the IT sector, a next-generation web application was also created, which enabled a simple and intuitive search of system documentation and other relevant data from the quality segment. The quality sector initiated the use of AI as an assistant in creating this application, which significantly saved employee time.

Operating as an inseparable part of the business, we fulfill the company's strategy and keep pace with digitalization in order to be faster, more efficient and more accessible to the business.



Improvement of the SharePoint portal – QMS portal

In the previous period, the quality sector was engaged in actively improving the functionality of the SharePoint portal – QMS portal. The improvement involved a series of activities aimed at enhancing functionality for both users and system administrators. A more intuitive visual identity, improved search function for internal system documentation, as well as other relevant information about the work of the quality sector, will lead to easier access to the portal, faster document search and document management.

Training and competency development

During 2024 and 2025, the implementation of training in the field of quality and food safety continued within the Nelt Sales and Logistics Academy, with the support of the Operational Excellence training team. The goal of these activities was to further empower field sales teams so that they could consistently apply good distribution and handling practices, thereby ensuring product safety and quality in all phases of business processes.

In addition to training for colleagues from sales teams in the field, continuous training of employees in warehouses and delivery on the topic of food safety and quality continued, with the aim of maintaining the existing food safety system and constantly improving it.

Quality week at Nelt

The Nelt Group traditionally celebrates Quality Week in the last quarter of each year. We organized this event bringing together a large number of associates from other companies who also deal with quality and food safety. Over 30 Nelt associates – principals, logistics clients and customers – participated in this event.

In the spirit of the Ascend2030 strategy, the quality sector initiated a discussion and exchange of experience on the topic of digitalization in quality, thereby confirming that the culture of continuous improvement places quality at the center of openness to innovation. Through a case study of the Neoplanta factory, a presentation of Quality 4.0, as well as through a panel discussion, representatives of numerous companies such as Nestlé, Dr. Oetker, Jaffa, Lidl, Coca-Cola, P&G, Delhaize, Podravka, Polimark and many others discussed further in order to improve cooperation and exchange of experiences, with a special focus on the importance of quality in the modern digital environment.

Additionally, the common goal of all present was to raise the bar in cooperation throughout the entire supply chain, understanding the market and stakeholder expectations.

This event once again confirmed that the Nelt Group has long-term sustainability at its core, through commitment to continuous process improvement in a sustainable way, to standards, as well as through the trust and partnerships we build together.

As part of Quality Week, numerous internal activities were also held, involving all employees through an internal quiz on quality and food safety, a screensaver on the topic of quality, etc. All of the above aimed to further point out the importance of quality and food safety that we nurture as a company, all with the goal of protecting the reputation of the brands we distribute or for which we provide logistics services.



Food product safety

The Nelt Group is committed to ensuring the quality and safety of food and non-food products for which it is responsible, with the aim of creating a positive impact in all markets where it operates.

The food safety system is based on the application of international standards, internal procedures and the requirements of clients, principals and customers. Through daily activities, we ensure that products reach end users safely, with high quality, availability and on-time delivery.

The quality sector, together with warehousing, transport and technical operations teams, continuously works on the prevention of non-conformities and system improvement. Special focus is placed on warehouse and vehicle hygiene, temperature and humidity control, integrated pest management, as well as the application of good handling and distribution practices.

Developed employee awareness, active participation of all sectors and management commitment make Nelt a reliable and responsible partner to domestic and international companies.

Regulatory compliance

Product safety implies compliance with all applicable regulations governing their placement on the market, including quality, composition, labeling and microbiological safety.

As an importer of a wide range of products, the company ensures compliance with national and international regulations for food, cosmetics, electrical appliances and chemical products. Compliance is confirmed through the manufacturer's technical and regulatory documentation, applied standards and the results of relevant laboratory analyses.

Continuous improvement of food quality and safety remains one of the company's key priorities. Consistent application of procedures, process control and monitoring of critical points contribute to risk reduction, system stability and long-term business sustainability.

OUR CONTEXT

Danica Vlačić

Specialist in Quality Management and Quality Data Management

QUALITY 5.0

In the fifth evolution of quality management principles – **Quality 5.0 for Industry 5.0** – a **holistic approach** to ensuring quality in industrial processes is more present than ever. The focus is on the application of advanced technologies such as **artificial intelligence, machine learning, the Internet of Things (IoT) and real-time data analysis**, while constantly assessing their impact on product and service quality, sustainability, customer satisfaction, employee satisfaction and social responsibility.

Although modern tools are increasingly functioning independently of human intervention, the need for a **human-centric approach** is simultaneously growing – sustainability and responsibility must be at the center of products and services.

At Nelt, through a modern understanding of quality, we continuously optimize processes by applying innovations, advanced technologies and sustainable practices. We are strategically focused on **process digitalization**, using data to identify areas for improvement, as well as validating tools that bring **greater efficiency, faster processes and more satisfied employees and clients**. At every step, we strive to ensure quality in order to save time and resources and reduce environmental impact.

In parallel, we improve internal quality processes and, through cooperation with other



functions, consultations, internal audits and improvement projects, we develop more sustainable and efficient practices, taking into account the requirements of standards, clients and principals.

We follow global changes in the industry and the development of standards. During **2026**, we expect improvements to **the ISO 9001 and ISO 14001 standards**, whereby sustainability becomes an integral part of the business strategy and quality objectives.

Digital transformation is further changing logistics, sales and quality processes. At Nelt, we have developed reporting based on databases, performance monitoring and digitalization of access to internal quality system documentation. The next step is the digitalization of additional processes, with a focus on data **quality and reliability** for faster decision-making.

An important aspect of **Quality 5.0** is also global risk management and strengthening **supply chain resilience**, especially after the experiences of the pandemic and other global crises. That is why we continue with a proactive approach, connecting modern tools and human expertise, continuous learning and improvements that ensure business sustainability and resilience.

RESPONSIBILITY
TOWARDS THE WORK
ENVIRONMENT

07

RESPONSIBILITY TOWARD EMPLOYEES

The success of Nelt Group is based on the knowledge, dedication, and motivation of our employees. We strive to attract, develop, and retain talented people by creating a working environment that encourages both professional and personal development. Our organizational culture is founded on care for people, a long-term orientation, innovativeness, personal responsibility, and a winning mindset.

Together, we create an inspiring work environment

Working at Nelt Group means being part of an international system that promotes equal rights, freedom of expression, and safe, professional working conditions. We particularly encourage an inclusive and creative work environment in which diversity is respected and open communication and collaboration are nurtured.

We place great emphasis on continuous learning and employee development through training programs, opportunities for internal advancement, and career path changes. We strive to build a working environment based on trust, respect, and support, with the consistent application of the Code of Ethics and appreciation of diversity.

The recruitment process is based on the assessment of candidates' professional competencies, experience, and potential, while ensuring equal opportunities for all, regardless of gender, age, religion, race, or nationality. Our long-term vision is a working environment in which all employees feel accepted, motivated, and valued, because we believe that satisfied and engaged people are the key to sustainable success and innovation.

Key employee and investment indicators

5,500
employees

6,000,000 €
invested in salaries

5,600h
invested in leadership development

40%
women in management

600
internal transfers/promotions

1,500,000 €
invested in employee benefits

Segmentation and standardization of the recruitment process

Attracting and recruiting high-quality talent across all positions represents the foundation of Nelt Group's growth and long-term success. In order to ensure a fair, efficient, and inclusive approach, a standardized recruitment process has been developed that reflects the company's values and is consistently applied across all markets in which we operate. The segmentation and standardization process covers all stages of recruitment, from the precise definition of the ideal candidate profile to clearly structured selection steps. Key tasks, expected outcomes, and the responsibilities of all involved parties are clearly defined, as well as the tools used throughout the process. Such an approach enables the efficient attraction and long-term retention of talent, reduces the risk of incorrect candidate selection, and strengthens channels for attracting top professionals.

At the same time, the standardization of the process ensures alignment across the entire or-

ganization while also respecting the specific characteristics of local markets and cultural contexts. As a result, candidates are provided with a professional and positive experience throughout the entire selection process, supported by a transparent and consistent approach that reflects the values of Nelt Group.

Karijera.nelt.com

The Nelt Group career website represents the central communication channel with potential candidates and an important part of the company's employer branding strategy. In one place, candidates can access information about open positions, the selection process, the working environment, and opportunities for professional development. Particular focus is placed on the transparency of the recruitment process and on presenting the authentic experience of working at Nelt Group through employee stories, development programs, and information about the organizational culture.



Attracting the best talent

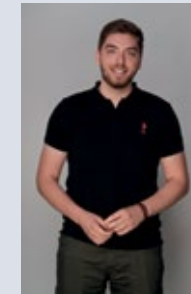
The “Dobar start” program represents one of the key pillars of Nelt Group’s talent development strategy and an important part of its long-term investment in future generations of professionals. The internship program is intended for young and ambitious candidates who want to gain their first professional experience through work in a dynamic business environment, with the support of experienced mentors.

During the program, interns have the opportunity to develop their knowledge and skills through work on real business tasks and projects. With mentorship support, participants go through a professional development process that, in addition to professional competencies, also encourages the development of important soft skills such as teamwork, communication, initiative, and responsibility. Interest in the program continues to grow year after year. In 2025, **954 candidates** applied, while **26 interns** were selected to become part of the

tenth generation of the “Dobar start” program, confirming the high level of competition and the carefully structured selection process.

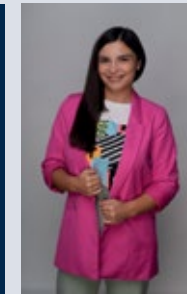
Participants in the program gain experience across various business functions within the company, including **strategy, sales, finance, IT, logistics, human resources, legal affairs, and corporate communications**, providing them with a comprehensive insight into the business and the opportunity to develop their professional interests.

Through the “Dobar start” program, Nelt Group not only provides young people with an opportunity to gain their first work experience, but also actively contributes to talent development and the strengthening of the organization’s future capabilities. This initiative represents an important step in building future leaders and confirms the company’s commitment to continuously investing in people development and sustainable business growth.



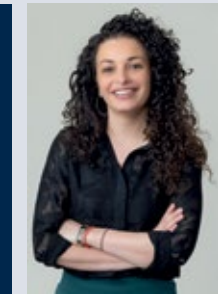
9

DIFFERENT
SECTORS



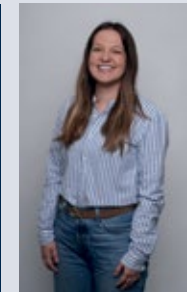
26

INTERNS
IN 2025.



90%

OF INTERNS
STAY WITH THE
COMPANY



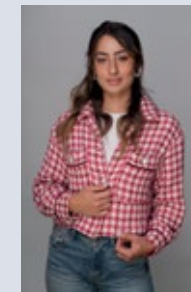
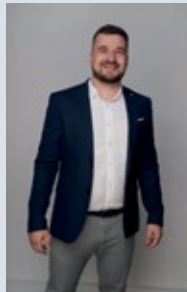
138

INTERNS
OVER 10 YEARS



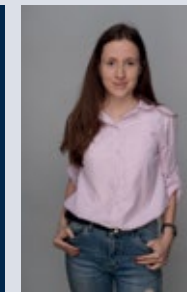
528+

HOURS OF
LEARNING IN
ONE GENERATION



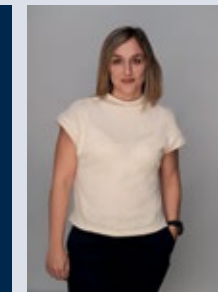
1500+

APPLICATIONS

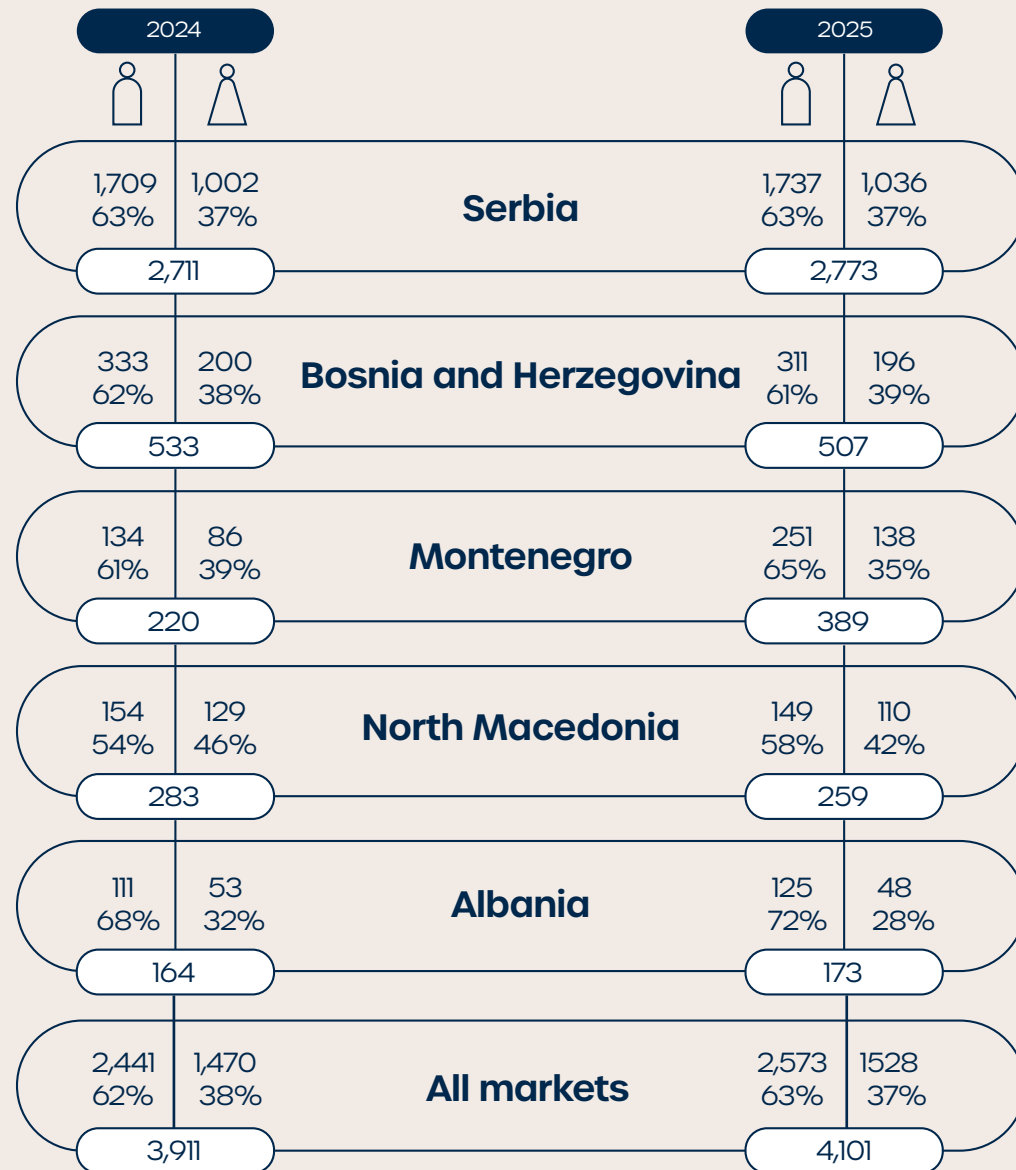


60+

MENTORS

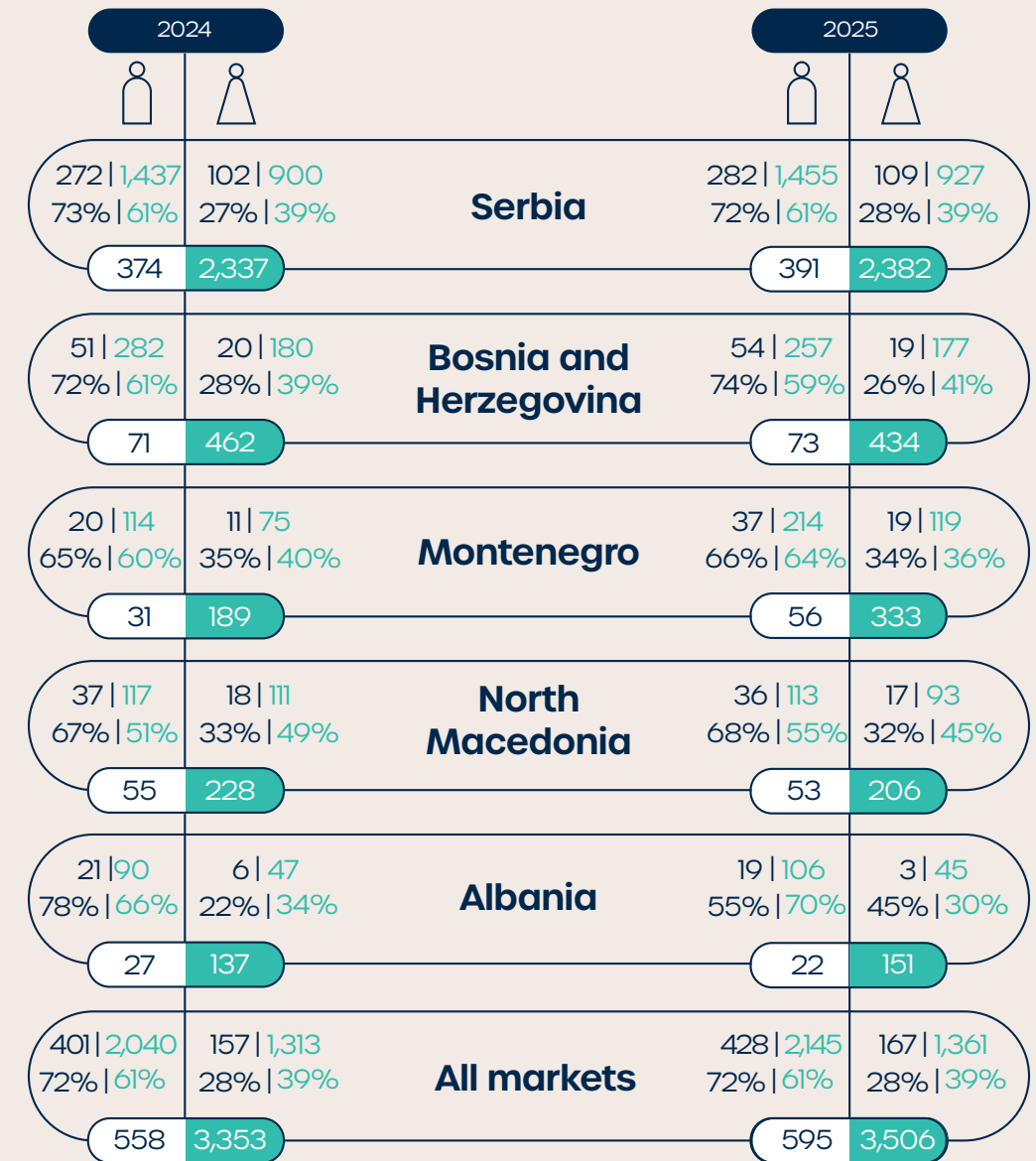


Total number of employees by market



Employee structure by position

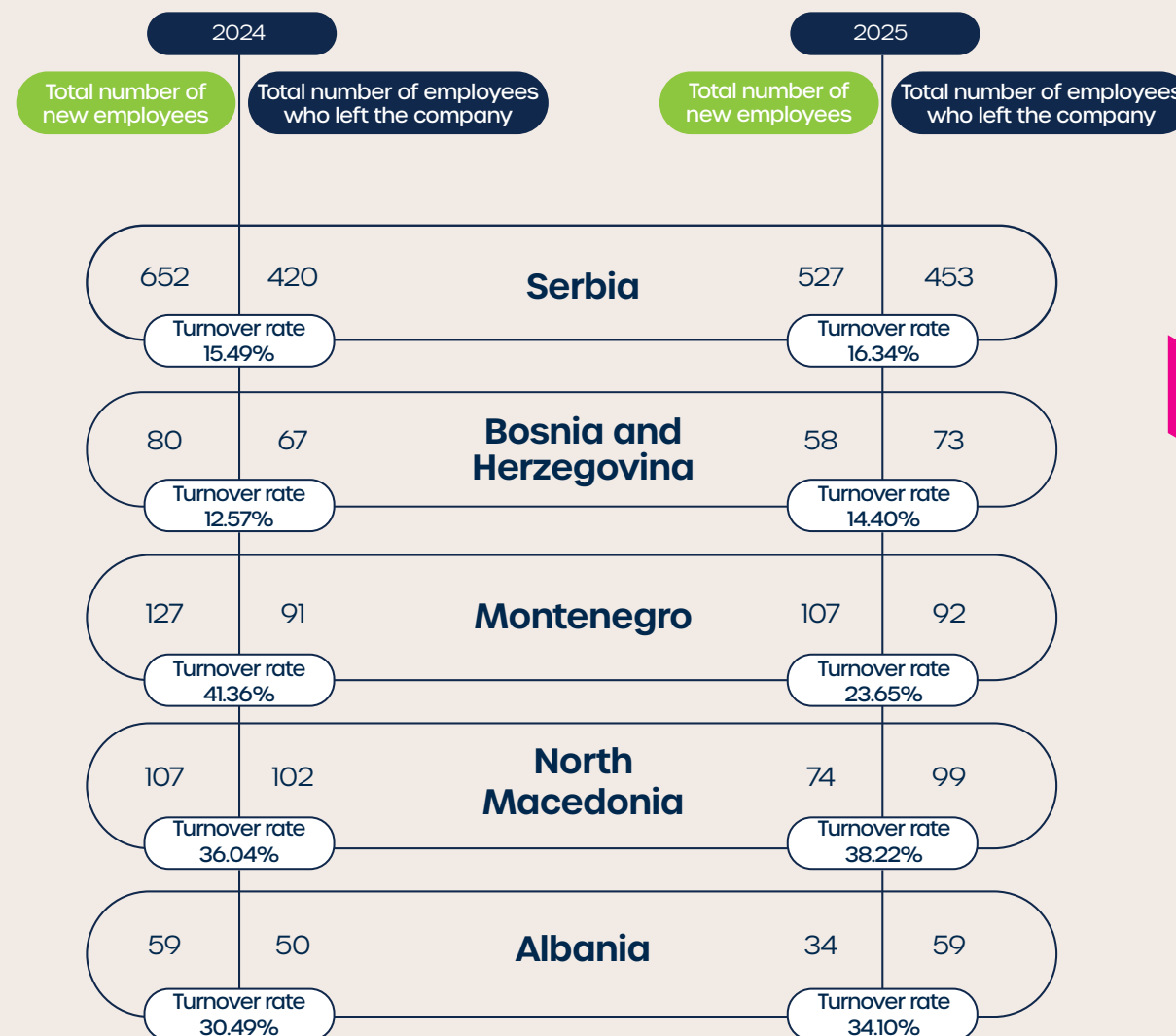
- Managers
- Non-managers



Employee structure by age group

2024			2025		
<30	30-50	>50	<30	30-50	>50
501 18%	1,942 72%	268 10%	578 21%	1,933 70%	262 9%
115 22%	368 69%	50 9%	109 21%	358 71%	40 8%
70 32%	133 60%	17 8%	110 28%	241 62%	38 10%
58 21%	202 71%	23 8%	61 24%	183 71%	15 5%
39 24%	105 64%	20 12%	42 24%	108 62%	23 14%

Employee turnover*



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

OHI initiatives and organizational culture improvement

At Nelt Group, **organizational health** surveys have been conducted continuously since 2017 in a two-year cycle, based on the **OHI (Organizational Health Index)** methodology developed by **McKinsey & Company**. During 2023, the fourth survey cycle was carried out at the Group level, with the participation of more than **4,100 employees** and over **13,000 collected comments, suggestions, and opinions**. The survey results served as the basis for defining priority areas for the development and improvement of organizational culture, leadership, and collaboration among teams.

During 2024, the focus was placed on implementing initiatives and action plans defined on the basis of the survey results, with the aim of strengthening **employee experience, collaboration, and operational efficiency**. Activities were directed toward the further improvement of organizational culture and encouraging higher **employee engagement** through specific development and team-oriented initiatives.

One of the initiatives implemented within the OHI program was the internal competition “**Win through synergy**,” organized with the aim of improving motivation and performance in the areas of sales and logistics. The program lasted three months and brought together teams from **Montenegro, Bosnia and Herzegovina, and North Macedonia**, who contributed to achieving shared goals through daily collaboration, knowledge exchange, and mutual support.

The most successful teams were rewarded with a joint trip to **Istanbul**, providing an opportunity for additional employee networking, exchange of experiences, and strengthening of **team spirit**. Such initiatives confirm Nelt Group’s commitment to continuously developing an organizational culture based on **trust, collaboration, and the active involvement of employees** in creating a sustainable and supportive working environment.



ORGANIZATIONAL CULTURE AND OUR VALUES

Values represent the foundation for achieving our vision and are a key factor in shaping our corporate culture. They define the way we perform our work, how employees collaborate with one another, and how we relate to customers, partners, and the company itself.

LONG-TERM PERSPECTIVE

We make decisions that balance short-term and long-term goals through clear and transparent communication, while taking into account long-term consequences, sustainability, and organizational growth.

INNOVATIVENESS

We approach the company with a strong sense of ownership, take responsibility for our actions, and learn from mistakes.

PERSONAL RESPONSIBILITY

We treat company resources as if they were our own property. We make necessary decisions within our area of responsibility and take accountability for them. We demonstrate openness to discussion and care for our own safety as well as the safety of our colleagues.

PEOPLE DEVELOPMENT AND CARE

We create a productive environment that encourages individual and team growth, promote the organization's values, and support diversity.

WINNING MINDSET

We set ambitious goals and achieve results.

WINNING MINDSET +1

With the aim of promoting a winning mindset, at the end of each quarter and at year-end we recognize and reward the achievements of our colleagues. Some of the criteria include the long-term impact of the project, its positive contribution to increasing the productivity of other sectors, the implementation of projects beyond regular business responsibilities, strengthening a competitive spirit within the organization, and achieving visible and positive sales results.



NELT GROUP LEGENDS

The strength of every organization lies in the people who build it. At Nelt Group, a special place belongs to our Legends – colleagues who have been part of the company for **10, 20, 30, or more years**. Their long-standing dedication, knowledge, and energy represent one of the most important foundations of the company's development.

Over the years, they have been the ones who shaped the organizational culture through their example and passed on Nelt's values to new generations of employees. Through their daily work and collaboration, the Legends embody the company's core values.

Their experience and professional journeys represent a valuable source of knowledge and inspiration for the entire organization. As witnesses and active participants in the company's development, they contribute to preserving continuity, strengthening team spirit, and building a strong organizational culture.

For this reason, celebrating work anniversaries is not merely a symbolic moment, but also an opportunity for Nelt Group to express gratitude to employees whose work and loyalty have contributed to the company's growth and success.



PRAISE A COLLEAGUE

In order to further strengthen a culture of mutual respect, appreciation, and recognition of employee contributions, Nelt Group enhanced the “Praise a colleague” program, through which employees have the opportunity to recognize and reward the contributions of their colleagues.

The process of selecting the **Best colleague** has been fully digitalized and is carried out through the internal **Info Nelt** platform, making it simpler, more transparent, and accessible to all employees. Through the platform, employees can send real-time recognitions to colleagues and nominate them for Best colleague, with the possibility of including a personal message of appreciation or recognition.

A particular value of this system lies in the fact that employees immediately receive a notification about the recognition and accompanying message. In this way, recognition becomes a moment that is shared instantly, at the very moment a contribution is acknowledged, further encouraging a culture of mutual support and positive relationships among teams.

During **2025**, after more than ten years of implementing the program, a record number of recognitions was recorded – more than **32,000 recognitions** were exchanged across Nelt Group, representing significant growth compared to **15,000 recognitions in 2024**. Employees from all markets participated in the process, recognizing the contributions of colleagues in their daily work and strengthening the culture of recognition within the organization.

47,000+

recognitions exchanged in the last two years

10+

years of the program’s implementation



Award Recipients – Best Colleague

2024

Serbia

Milica Mladenović
Senior HR Business Partner
Miloš Smiljković
Warehouse Systems Administrator

Montenegro

Maja Sekulić
Finance Manager
Milica Vukčević
Regional Sales Representative

Bosnia and Herzegovina

Ljiljana Škembović
Hygiene Attendant
Denis Milišić
Junior Technical Service and IT Specialist

North Macedonia

Ivica Kostadinovski
Delivery Operations Supervisor
Magdalena Mladenovska
Customer Services Team Leader

Albania

Megan Giçi
Accounting Specialist
Emiliano Demaj
Sales Supervisor

2025

Serbia

Ana Radulović
personal administration specialist
Slobodan Ristić
warehouse shift supervisor

Montenegro

Andrea Vukčević
junior HR business partner
Marko Lekić
goods controller

Bosnia and Herzegovina

Dragana Kajkut
finance director
Biljana Marčetić
merchandiser supervisor

North Macedonia

Simona Mojsovska
trade marketing assistant
Boris Stojkovski
regional warehouse manager

Albania

Krisi Basha
financial analyst
Etleva Shehi
product labeling team leader

You'll never walk alone

In mid-2024, Nelt Group launched the global employer branding campaign “You’ll Never Walk Alone,” promoting the company’s values and culture of togetherness across all markets in which it operates. The campaign was inspired by the famous song “You’ll Never Walk Alone,” performed in a new punk rock arrangement by members of the Nelt band Akceleratori.

The iconic song “You’ll Never Walk Alone” was adapted in a punk rock style by members of the Nelt band Akceleratori: **Vuk Mijanović**, director for logistics excellence and development, **Robert Jenovai**, director for business development and commercial excellence, **Miloš Radovanović**, warehouse manager, and **Milorad Matić**, key account sales representative.

More than 300 employees from across the Group participated in the filming of the employer branding video, symbolically representing the team spirit, connectedness, and mutual support that form the foundation of the company’s organizational culture. The authenticity and creativity of the campaign were also recognized outside the company – the “You’ll Never Walk Alone” campaign received an award at the Empple Festival as one of the most successful employer branding projects in the region.



Scan the QR code to watch the award-winning campaign



COMMUNICATION WITH EMPLOYEES

Open, transparent, and timely communication with employees represents an important part of Nelt Group's organizational culture. Through the development of modern digital platforms, the company continuously improves the way information is exchanged, strengthens employee connectivity, and enables easy access to key tools and services. The internal communication ecosystem includes platforms that support HR process management, internal communication, employer branding, and the presentation of the company's strategic initiatives.

Nelt Port

During 2025, Nelt Group implemented the SAP SuccessFactors system, which operates within the company under the name Nelt Port. The platform represents a central hub for managing HR data and processes across 14 companies and 10 markets in which Nelt operates.

Nelt Port provides employees with easy access to personal data, HR information, and key processes, while offering managers tools for more efficient team management, resource planning, and data-driven decision-making. The first phase of implementation was completed on February 18, 2025, when modules for personnel administration, HR reporting, and recruitment were introduced. Additional modules are planned for implementation in the coming period, further enhancing the digitalization of HR processes.

Info Nelt

Info Nelt represents the central internal communication platform intended for employees across Nelt Group. In its upgraded version, the platform brings together key information, internal news, and communication tools that

enable employees to stay informed in a timely manner and collaborate with one another.

The platform encourages open and two-way communication through interactive content, surveys, and employee communities, as well as through initiatives that promote a culture of recognition and employee care, such as the "Recognize a Colleague" and "Benefit Bar" sections.

Thanks to its importance in the development of internal communication and the employer branding approach, the Info Nelt project received an award at the Empple Festival.

Nelt Talks

Nelt Talks is a video format launched in 2023 with the aim of bringing key topics, experiences, and development perspectives within the company closer to employees and the wider public. Through conversations with employees from different functions and organizational levels, the series provides insight into strategic initiatives, professional career paths, and everyday work within Nelt Group.

The format was designed as an open and approachable space for exchanging experiences and ideas through more informal conversations that bring the company's organizational culture and values closer to employees. Particular focus is placed on employees' personal career stories, encouraging knowledge sharing, mutual understanding, and stronger team connectivity.

Through this format, internal communication is further strengthened, organizational values are promoted, and a sense of togetherness among employees is reinforced.

Town Hall meetings

Nelt Group maintains the practice of organizing Town Hall meetings with employees, which represent an important channel of direct communication between management and employees.

These meetings provide employees with an opportunity to learn about business results, current challenges, and the company's strategic plans directly from members of top management. In this way, business transparency is ensured, open dialogue is encouraged, and trust within the organization is strengthened.

During 2025, eight Town Hall meetings were held, during which key business results and the company's future development directions were presented to employees.



EMPLOYEE SATISFACTION

Caring for employees represents one of Nelt Group's key values and the foundation of our approach to human resource management. The company continuously invests in creating a working environment that promotes employee satisfaction, health, safety, and professional development.

All employees, regardless of contract type, are provided with healthcare coverage, as well as insurance against injuries and accidents, both at work and outside working hours throughout the year. The human resources team regularly monitors employee needs and continuously improves the system of benefits and employee support accordingly.

Nelt Group provides competitive compensation and a reward system that recognizes both individual and team contributions. Particular attention is dedicated to career development, flexibility in working arrangements, and supporting employees in balancing their professional and private lives.

Open and two-way communication with employees represents an important mechanism for strengthening engagement and motivation, as well as for the continuous improvement of the working environment.

Employees concluding their careers within the company are provided with severance pay upon retirement, while long-service anniversaries are additionally recognized through financial awards. The company also provides financial support to employees in cases of illness or the death of a family member.

Family in focus

Nelt Group pays special attention to supporting employees and their families through initiatives that encourage work-life balance and strengthen a sense of togetherness.

One of the most significant initiatives is Family Day, an event that brings together employees and their families and provides an opportunity for socializing and connection outside the workplace. Over the years, the event has evolved into a large family festival with activities for all generations.

The company also provides additional support to parents. Female employees returning from maternity leave have the possibility to work 80% of regular working hours while receiving full salary, enabling an easier transition back to work responsibilities.

Special attention is also dedicated to families with school-age children. Parents of first-grade pupils are entitled to a day off on the occasion of their child starting school, while the youngest children receive gift packages. These initiatives contribute to strengthening the sense of belonging and care for employees and their families.



BENEFITS FOR EMPLOYEES

Nelt Group employees are provided with a wide range of benefits aimed at improving financial security, professional development, and quality of life.

Family and home

- New Year's dinner for employees and gift packages for children up to 10 years of age
- Children's day and gifts for the youngest
- Discounts and payroll deduction options
- Benefits with partner banks

Salaries and bonuses

- Competitive salaries, regularly aligned with market conditions
- Monthly variable compensation for sales and logistics
- Annual bonuses for management
- Project awards and incentives for additional engagement of employees
- Monetary rewards for employee referrals
- Specialized recognition for colleagues

Important life events

- Monetary gift for marriage and the birth of a child
- Gift package for the birth of a child
- Financial assistance payments
- Day off and gift package for a child starting first grade
- Additional paid leave days
- Anniversary awards for 10 and 20 years of service within the company

Benefits for female employees on maternity leave

- Salary compensation up to full pay
- Reduced working hours upon returning from maternity leave
- Participation in the annual bonus scheme and company car benefit policy

Training and development

- Professional training programs aligned with position requirements
- Talent program and academy for the development of required skills
- Opportunities for vertical and horizontal mobility within Nelt Group
- "Take your career into your own hands" – employee-selected skills and knowledge development program

Health, flexibility, and work-life balance

- Additional vacation days
- 24/7 collective employee insurance
- Preventive medical examinations
- Flexible working policy for office-based positions
- Flexible working hours
- 40% of working time outside the office
- Sports activities – FitPass, facility rentals, participation in sports events
- Employee restaurant



Occupational health and safety

Occupational health and safety represent one of Nelt Group's key priorities. The company applies a comprehensive occupational health and safety (OHS) management system aligned with local legislation across the markets in which it operates, company values, and international standards, including ISO 9001, ISO 45001, and ISO 31001, as well as contractual obligations toward business partners.

The OHS system operates across all Nelt Group markets and is based on continuous monitoring of safety indicators, risk identification, and the implementation of preventive measures. Its implementation is coordinated by the occupational health and safety team, with the support of accredited occupational health and safety agencies.

The team systematically collects and analyzes data on injuries and incidents, identifies workplace hazards, and assesses risks. The results of these analyses are documented in the Risk assessment act, which defines measures for eliminating or reducing identified risks, responsible persons, and deadlines for the implementation of activities.

Employees play an active role in the functioning of the safety system. Every employee is required to report workplace injuries or potentially hazardous situations to their direct manager, a member of the OHS team, or an employee

representative. As an additional communication channel, an anonymous reporting system has also been established through the "Voice" platform, enabling the timely reporting of potential risks.

The safety system has been further strengthened through cooperation with occupational medicine services by conducting regular medical examinations for employees working in higher-risk positions. This approach enables proactive monitoring of employees' health conditions and the timely implementation of preventive measures, while ensuring full protection of personal data privacy in accordance with GDPR regulations.

During 2024 and 2025, no fatal workplace injuries or occupational diseases among employees were recorded.

Key occupational health and safety indicators of Nelt Group

	2023	2024	2025
Total number of employees	3,621	3,911	4,101
Total number of injuries	52	75	77
Lost time injuries	54	35	39
Number of lost working days	2,244	1,760	1,616
Number of reported near-miss cases	5	8	10
TRIR*	6.9	9.24	9
LTIFR**	7.17	4.31	4.5
Severity Rate***	298	216	190

During the reporting period, Nelt Group recorded growth in the number of employees while maintaining stable safety performance. Although the number of reported injuries in 2024 and 2025 was higher than in 2023, a significant decrease in the number of lost working days and a continuous reduction in the Severity rate indicator were recorded, indicating less severe injuries and the effectiveness of preventive measures. At the same time, the increased number of reported near-miss situations demonstrates greater employee awareness regarding risk reporting and contributes to the further improvement of the safety culture and safe working environment within Nelt Group.

*TRIR (Total Recordable Incident Rate)

**LTIFR (Lost Time Injury Frequency Rate) represent the number of incidents per 1,000,000 working hours.

***Severity Rate (SR) expresses injury severity through the number of lost working days per 1,000,000 working hours. The total number of working hours was calculated using the standard of 2,080 working hours per employee annually.

Training and development of safety culture

Prevention represents the foundation of the occupational health and safety system at Nelt Group, while employee training is one of the key mechanisms for reducing risks and preventing workplace injuries. Through continuous employee education, the company develops a strong safety culture and encourages responsible behavior in everyday work activities.

All employees undergo occupational health and safety training in accordance with a defined training matrix tailored to the specific characteristics of job positions and identified risks. The training program includes initial training for new employees, as well as periodic and specialized training for employees working in higher-risk positions.

Through these activities, employees gain knowledge about safe work practices, the proper use of personal protective equipment, the identification of potential hazards, and appropriate responses in emergency situations. Particular focus is placed on the **timely identification of risks and preventive action**, contributing to the reduction of the likelihood of injuries and incidents.

The continuous improvement of training programs, together with the active involvement of employees in reporting potential hazards and incident situations, contributes to strengthening the safety culture within the organization. The effectiveness of this approach is also reflected in the declining trend in the total number of lost working days during the observed period, confirming the importance of preventive measures and continuous investment in employee education.

Type of training	Description
Induction training	Training for new employees on safe work practices and workplace risks
Specialized training	Fire protection, forklift operation, first aid, and other training aligned with job requirements
Periodic training	Refresher training and additional employee education
Training objective	Raising safety awareness, reducing risks, and preventing injuries

Inspiring work environment

Galovica, a branch of the Sava located near Nelt Group's logistics center in Dobanovci, is a natural setting where the company opened the **Galovica event pavilion** in 2024. The outdoor space was designed as a place for employee gatherings, company events, and activities that encourage collaboration, creativity, and employee well-being.

Located in a green and peaceful environment, the pavilion provides employees with an opportunity to connect and spend time outside their everyday work environment, contributing to the strengthening of an organizational culture based on togetherness and mutual support.

Various company events are organized at Galovica, including employee recognition ceremonies. At the end of 2025, **the Best colleague** awards ceremony and recognition awards for work anniversaries were held there, celebrating employees' individual and team achievements.

As part of activities focused on employee well-being, an educational lecture titled "Stress under control" was organized in partnership with **UNICEF**. Through an interactive session, employees were introduced to practical tools for stress management, burnout prevention, and preserving mental health.

Today, Galovica represents a space for connection, inspiration, and togetherness, confirming Nelt Group's commitment to developing a working environment that encourages collaboration, employee well-being, and long-term job satisfaction.

Participation in sports events

At **the 37th Belgrade marathon**, Nelt Group once again demonstrated how togetherness, energy, and team spirit represent an important part of our organizational culture. More than **100 colleagues** from Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia participated in various running disciplines – from **the Business Run** race in Serbia to the **B2B race in Bosnia and Herzegovina** and other categories, promoting a healthy lifestyle and mutual support.

Participation in the marathon represents an opportunity for teams to connect further, exchange positive energy, and demonstrate a winning mindset, while strengthening the sense of belonging to Nelt Group.

Such initiatives confirm Nelt Group's commitment to encouraging a healthy lifestyle, team spirit, and the active participation of employees in events that promote togetherness, well-being, and positive energy – both in the workplace and through sports activities.



EMPLOYEE DEVELOPMENT

Employee development represents one of the key pillars of Nelt Group’s long-term growth and competitiveness. The company continuously invests in strengthening employees’ knowledge and competencies through an integrated learning system that includes internal and external training, development programs, mentoring, and digital learning platforms.

This approach enables employees to enhance their professional skills, adapt more easily to changes in the business environment, and actively contribute to the company’s transformation. At the same time, continuous investment in people development contributes to strengthening organizational capabilities, fostering innovation, and supporting the long-term sustainability of the business.

The employee development system includes a wide range of programs, from professional and functional training to the development of sales and analytical competencies, as well as structured programs for leadership potential development. A particularly important role within this system is played by the Nelt Sales Academy, through which employees in the sales function are provided with continuous opportunities to improve their knowledge and skills through practical training programs.

Employee education and development indicators

	2024	2025
Total number of employees	3,911	3,911
Total number of training hours	13,535	13,535
Total number of training hours (including Nelt Sales Academy)	26,852	26,852
Average number of training hours per employee	3.5	3.5
Average number of training hours per employee (including Nelt Sales Academy)	6.9	9.8
Average number of training hours – managers	12	13.8
Average number of training hours – non-managers	2	1.1
Average number of training hours – men	2.6	2.6
Average number of training hours – women	4.9	3.4

40,210
training hours in 2024/2025

2,750
employees included in development programs

341
training sessions conducted

9.8
training hours per employee

21
internal trainers within the Nelt Sales Academy



EMPLOYEE DEVELOPMENT PROGRAMS

Employee development at Nelt Group is carried out through several complementary programs that enable the continuous improvement of knowledge, exchange of experience, and strengthening of organizational competencies.

Take your career into your own hands

The “Take your career into your own hands” program is an initiative focused on developing employees’ skills and strengthening cross-functional collaboration.

The workshops are open-format and designed as interactive sessions that enable employees to expand their knowledge across different business areas and better understand the company as an integrated system. Each workshop lasts two hours, is recorded, and is available to employees through internal learning platforms.

The program has been implemented since 2019, and since 2023 it has been held twice a year. During 2024 and 2025, more than 15 workshops were organized, with the participation of around 1,800 employees.

Workshop topics cover various business areas, including logistics processes, resilience development, communication in crisis situations, the company’s ESG responsibility, mindset development, and the application of AI tools in everyday work.



LEADERSHIP POTENTIAL DEVELOPMENT

Charge Your Leadership

The **Charge Your Leadership** program is intended for employees from the talent pool and is focused on the development of the company’s future leaders.

The program develops key leadership competencies such as raising performance standards, building winning teams, adaptability and agility, emotional intelligence, and cognitive capacity. During 2024 and 2025, the program was attended by more than 200 employees.

Core Curriculum – leadership training matrix

The **Core Curriculum** program represents a structured system for developing employees’ leadership competencies and is tailored to different levels of responsibility within the organization.

The program covers areas such as work organization, communication and presentation skills, performance management, situational leadership, and change management.

Over the past two years, more than **3,500 hours of training** have been delivered through the program, involving **more than 700 employees**.

New leader

The **New leader** program is focused on the development of first-line managers and strengthening their team leadership skills.

The program combines competency assessment through an assessment process with structured development training that helps leaders improve team management, decision-making, and communication skills.

Next Era Leadership

The **Next Era Leadership** program is intended for company management and was developed based on the results of the organizational health survey.

The program includes various learning formats, including interactive training sessions, webinars, podcasts with principals, and the exchange of experience with external experts. The goal of the program is to strengthen leadership competencies and develop a modern approach to team leadership.

NELT SALES ACADEMY

The Nelt Sales Academy represents a comprehensive employee development program within the distribution sector.

The program combines theoretical knowledge, practical exercises, and experience from real business situations with the aim of developing employees' sales and business competencies. Training programs are delivered by **the Sales capability team** in cooperation with **21 internal trainers** from different markets.



Training areas within the Academy

- Onboarding and induction programs
- Retail math and sales analytics
- Merchandising and store visit planning
- Customer training program and customer relationship management
- Leadership and on-the-job training
- Communication and presentation skills
- Digital sales tools (SFA and B2B systems)
- Call center and telesales
- Key account management
- Category management
- Finance in sales
- Inventory planning and management
- Power BI and business analytics
- Excel for data analysis
- Tradex promotion management
- Brand management

Nelt Sales Academy programs are also implemented in the African markets, where the company has transferred its long-standing experience in developing sales competencies.

Digital learning tools

In order to provide additional support for learning, **the Super seller** mobile application was developed for employees in the distribution sector. The application enables interactive learning through a quiz format and includes **150 questions covering sales and business analytics topics**.



OUR CONTEXT

Marija Stanković

Senior partner for development and learning

Building capabilities for the future: growth through learning

Our focus is directed toward the continuous development and strengthening of organizational capabilities, as we believe that sustainable growth, innovation, and long-term competitiveness primarily stem from people – their knowledge, skills, mindset, and willingness to take responsibility in a dynamic and evolving business environment. This is precisely why we view employee development as one of the key drivers of business resilience and success.

We no longer see education solely as a tool for improving individual performance, but as a strategic mechanism for strengthening the organization as a whole. Through carefully designed learning and development programs, we build competencies that enable greater business agility, more effective change management, and the ability to proactively shape the future rather than merely react to it. Capability development involves the continuous enhancement of functional, leadership, and interpersonal skills, as well as strengthening a culture of learning, collaboration, and knowledge sharing. We believe that sustainable results are achieved in an environment that encourages curiosity, openness to new per-



spectives, and readiness for continuous development. For this reason, we provide employees with various learning opportunities – through training, development programs, mentoring, a coaching culture, learning through practice, cross-functional collaboration, and exposure to external experiences and expertise.

We place strong emphasis on developing leaders and teams capable of responding to the challenges of modern business, while also inspiring others, driving change, and building a culture of trust, responsibility, and shared success. In this way, we create an environment in which employees have the space, support, and motivation to grow together with the organization and develop their full potential.

We do not learn only to meet the needs of today's business environment. We learn in order to be better prepared for future challenges – more confident, resilient, and capable of recognizing new development opportunities. Through continuous investment in knowledge and skills, we empower individuals and teams, building strong foundations for the organization's long-term growth and future development.





RESPONSIBILITY
TOWARDS THE LOCAL
COMMUNITY



08

SOCIAL RESPONSIBILITY

As a socially responsible company, Nelt Group strives through its business operations to contribute to the development of the communities in which it operates. The company is strongly committed to investing in education, the development of younger generations, and support for vulnerable social groups, guided by the belief that knowledge, solidarity, and partnership are key to long-term and sustainable social progress.

Through cooperation with educational institutions, international organizations, civil society organizations, and local partners, Nelt Group continuously supports skills development, youth empowerment, and the improvement of quality of life within the communities in which it operates. The company also actively participates in humanitarian activities and initiatives focused on children, families, and other vulnerable groups, with the aim of creating a lasting and positive social impact.

One of the most significant examples of this approach is the partnership with UNICEF, which contributes to improving the quality of education and developing competencies of children and young people for the 21st century. Programs implemented through this cooperation support equal access to quality education and provide additional development opportunities for students, especially those from sensitive and vulnerable groups.

Awards and recognitions

- 18th Virtus award for philanthropy in the category “Strategic partnership between the business and non-profit sector” (Trag foundation, 2025)
- “Sustainability champion” recognition for the project “Strategic partnership with unicef for empowering children and youth in the 21st century” (Forum for responsible business, 2024)



SUPPORTING EDUCATION AND YOUTH DEVELOPMENT

Nelt Group continuously develops cooperation with universities, student organizations, and educational institutions in order to provide young people with opportunities to gain practical knowledge and experience from a real business environment.

The company's HR team actively participated in several job fairs and educational events, including **ESTIEM, Belgrade Youth Forum, and Transport and Traffic Business Days**. On these occasions, educational sessions, mentoring activities, and workshops for young people were organized, focusing on skills development, career guidance, and bringing the business world closer to new generations.

The Campus team also cooperated with students from **the Faculty of organizational sciences** through lectures, case studies, and the “**Dobar start**” internship program. In this way, students had the opportunity to become familiar with real business processes, develop analytical thinking, and gain practical knowledge, while the company further strengthened its pool of young talent.

The company was also visited by more than **50 students from Harvard University** as part of **the Balkan Track** program, during which students had the opportunity to learn about the company's development, the business model of Nelt Group, and the production processes of Baby Food Factory. This cooperation continued for the second consecutive year and was recognized as one of the most valuable experiences within the program.

On the occasion of **Africa Day**, the company in Dobanovci hosted more than **20 students from Angola, Mozambique, and Zambia** studying in Serbia. This visit further contributed to intercultural exchange of experiences and knowledge, as well as strengthening connections between the different communities in which Nelt Group operates.



Investment:

USD 1.3 million | 3 years

Geographic coverage:

Serbia | Bosnia and Herzegovina | Macedonia | Angola.

Educational impact:

30,000 children and young people | 1,000 education system professionals

Learning focus:

Digital competencies | Green skills | STEM leadership



Strengthening school capacities and empowering young people

In a world of rapid technological and social change, acquiring new knowledge and skills is essential for the success of young people. Digitalization, climate change, and labor market transformation require competencies that go beyond traditional education. The program supports students through practical and digital activities while simultaneously strengthening the capacities of educational institutions.

Educational programs in local communities

Workshops, educational activities, and project-based learning enable students to develop creative thinking, entrepreneurial skills, and an understanding of sustainable development principles. Teachers and educational professionals participate in training programs that support the application of modern teaching methods and an interdisciplinary approach to learning. Particular emphasis is placed on practical assignments and teamwork through innovative student projects.

Sustainable impact on education and communities

The program aims to create long-term impact within the education system and local communities. Through the involvement of schools, teachers, and students, it contributes to the development of competencies relevant to modern society and the labor market. Strong emphasis is placed on cooperation between the education sector, private companies, and international organizations, enabling knowledge exchange, the application of innovative approaches, and the introduction of systemic changes.

In this way, the partnership contributes to the transformation of education and the development of generations of young people prepared for the challenges of modern society.



Program implementation at the local level

The program focuses on improving the skills of vocational education students through practical training and summer internships, with a special emphasis on the development of green competencies. At the same time, the activities contribute to strengthening teachers' capacities and modernizing educational curricula.

Key program objectives:

- 500 students gain significant practical experience and improve their employability.
- More than 8,100 students develop green skills needed for the transition to a sustainable economy.
- At least 150 experts from the Experiential learning network and other public scientific institutions are trained to provide mentorship during practical training and work-based learning.
- At least 15 VET curricula have been revised to integrate green skills and improve students' competencies in the field of sustainable economy.

Serbia

Activities in Serbia are focused on developing 21st-century skills through digital libraries and school clubs, the application of innovative student support models, and the development of an interdisciplinary STEM approach. Particular emphasis is placed on strengthening the capacities of schools, students, teachers, and school principals, as well as improving the availability of high-quality digital educational resources on the National education platform.

Key results:

- 15,000 children in 30 schools participate in the 21st-century skills development program, including 1,000 children from the most vulnerable groups.
- At least 300 teachers in 30 schools completed additional online training aimed at improving competencies in student support.
- The capacities of 20 mentors for digital learning and educational technologies were strengthened in order to support schools.
- 30 school principals enhanced their leadership and school management capacities through a mentoring model developed in cooperation with Nelt Group, based on experiences and approaches from the business sector.
- The open educational resources platform on the National education portal was further improved.

Bosnia and Herzegovina

The initiative in Bosnia and Herzegovina contributes to the development of a skills ecosystem and the digital transformation of education through the application of technology in learning, strengthening cross-functional cooperation, and supporting the development of a strategic framework.

Key results:

- More than 5,000 children are improving 21st-century skills.
- The “Experimenting with electronic waste” methodology is being implemented in 10 schools through a STEM-based learning approach.
- Inclusive and technology-supported education is being developed in schools.
- Guidelines for electronic waste management are being introduced in educational institutions.
- The digital competencies of teachers and students in pre-university education are being strengthened.
- The program contributes to the digital transformation of the education system in Bosnia and Herzegovina.



Angola

In 2026, Nelt Angola, in partnership with relevant institutions, is supporting the implementation of the “Desafio Genial” initiative. The initiative is focused on empowering young people through the development of entrepreneurial and digital skills, while encouraging innovative solutions to challenges within local communities.

Key results:

- Young participants, 50% of whom are girls, develop digital, entrepreneurial, and 21st-century skills through mentorship support and practical innovation tools.
- A national youth entrepreneurship fair is being organized with the participation of at least 30 organizations and young entrepreneurs, with the aim of exchanging ideas, networking, and developing cooperation.
- The 10 best solutions are being supported through an incubation program and further developed into sustainable projects applicable within local communities.

The initiative contributes to strengthening the entrepreneurial ecosystem and supporting young people in developing solutions with long-term social impact.



OUR CONTEXT

Milica Sočanac

Member of the second generation of the Nelt Group founding family and member of the UNICEF Business council

Synergy between education and business for the development of future generations

We live in a time when the world is changing faster than ever before. Technology is advancing every day, jobs are transforming, and the skills that were sufficient yesterday are no longer the same today. In such an environment, one question becomes particularly important – how can we enable young people to be prepared for a world that is constantly changing?

I believe the answer cannot come from only one system. It is essential for education and business to work together, because only through partnership can they provide young people with the knowledge, experience, and confidence needed to take their first steps toward the future.

Schools provide young people with the foundation – knowledge, values, and the ability to think and understand the world around them. The business community can contribute by opening the doors to real working environments, bringing modern trends closer to young people, and demonstrating how knowledge is applied in practice. When these two worlds come together, the best opportunities for development are created.

At Nelt Group, this is exactly how we view investment in education. It is not only a socially responsible activity, but also an investment in the people and communities in which we operate. If we want a stronger society and a healthier economy, we must invest in young people.

That is why we are proud of our partnership with UNICEF, through which we support programs in Serbia, Bosnia and Herzegovina, North Macedonia, and Angola aimed at developing 21st-century competencies. Our investment of 1.3 million euros is focused on creating opportunities for young people to acquire the knowledge and skills that will help them more easily find their place in the future.



Of course, digital skills are important. But curiosity, responsibility, the ability to collaborate, communication, adaptability, and a willingness to continuously learn are equally important. I believe that it is precisely this combination that makes the difference between a candidate who knows how to use a tool and a person who knows how to create value.

Programs that enable young people to learn through practical experience – through mentoring, internships, and work on real projects – are especially important. Such experiences often give young people confidence, help them recognize their strengths, and provide a clearer understanding of the direction they want to pursue. At the same time, it is important that practical learning serves as an addition to, rather than a replacement for, general education, which remains the foundation for the development of critical thinking and long-term adaptability.

Equally important is empowering those who lead the education system. Through our cooperation with UNICEF, we had the opportunity to host school principals and exchange experiences related to leadership, teamwork, and change management. I believe that both businesses and schools can learn a great deal from one another, because we are connected by the same goal – the development of people.

For me, the success of every company is greater when it grows together with the community in which it operates. That is why I believe it is our responsibility not only to speak to young people about the future, but to help them create it themselves.

If we provide them today with knowledge, support, and opportunity, tomorrow we will have a society that is more confident, resilient, and better prepared for all the challenges ahead.

COMMUNITY ENGAGEMENT ACROSS MARKETS

SERBIA

A large number of activities focused on education, youth development, and community support were implemented in the Serbian market.

In cooperation with **UNICEF Serbia**, Nelt Group hosted school principals and educational professionals from across Serbia in Dobanovci with the aim of strengthening their leadership competencies. On that occasion, participants visited the distribution and logistics center and took part in workshops dedicated to effective leadership and the application of modern management models in education.

The partnership with UNICEF also encourages the active involvement of employees. Nelt Group was the first company in Serbia to join the global **“I WILL”** campaign, through which employees have the opportunity to support children growing up in difficult conditions through monthly donations. In addition, colleagues participated in a humanitarian basketball tournament, and the collected funds were used to procure assistive technology for children with developmental and physical disabilities.

Social investment and philanthropy activities represent an important part of the socially responsible business practices of Nelt Group and its member companies. During the reporting period, a number of initiatives were implemented with the aim of supporting children, young people, and vulnerable social groups.

Employees of Neoplanta, a member of Nelt Group, organized an initiative supporting children and young people from the Svratišće za decu i mlade Novi Sad shelter through activities aimed at improving their everyday quality of life. At the same time, Nelt Group participated as a logistics partner in the distribution of donated Plazma products to preschool institutions across Serbia, in cooperation with relevant institutions and with the support of the Ministry, contributing to the successful implementation of an initiative intended for the youngest population.

In addition, in cooperation with AmCham Serbia, the Champs for Champs event was organized with the aim of supporting Zvončica association, which provides assistance and support to children suffering from malignant diseases and their families during treatment. Through these activities, Nelt Group confirms its commitment to solidarity, social responsibility, and long-term contribution to the community.

BFF – healthy nutrition and support for families

Baby Food Factory is one of the key drivers of socially responsible initiatives within Nelt Group, with a special focus on children’s health and well-being.

Through the **Nutrino** brand, the regional initiative **“Healthy nutrition from an early age”** was launched, aimed at preventing childhood obesity and developing healthy habits from the earliest age in Serbia, Bosnia and Herzegovina, North Macedonia, and Montenegro.

The initiative aims to educate and connect parents, healthcare professionals, institutions, media representatives, and partners from the FMCG sector through the development of educational content, digital materials, and practical guides for parents.

BFF continuously supports socially vulnerable families. Products worth **one million** Serbian dinars were donated to **the Anđeli Severa association**, including Nutrino, Pampers, Sebamed, and Yogolino products, intended for the first solidarity kitchen for children up to two years of age.

In addition, the seventh donation of Nutrino products was realized, with a total value of **1.1 million** Serbian dinars, intended to support socially vulnerable families across Serbia, confirming the company’s long-term and systematic commitment to this area.

Employee engagement and solidarity

In addition to externally focused socially responsible activities, Nelt Group also encourages employee involvement in initiatives that contribute to strengthening solidarity and organizational culture.

Employees were given the opportunity to gain better insight into field operations through activities related to distribution and delivery processes, further strengthening understanding of business operations and team spirit.

A panel discussion on gender equality was also organized at Nelt Group’s central distribution and logistics center in Dobanovci, with the participation of management and employees from different markets, with the aim of raising awareness, exchanging experiences, and strengthening dialogue on equal opportunities.

BOSNIA AND HERZEGOVINA

In Bosnia and Herzegovina, the “Tinkering with E-Waste” initiative was implemented as part of the partnership with UNICEF, aimed at introducing students to innovation, programming, and sustainability through the reuse of electronic waste.

During a visit to Second gymnasium Sarajevo, creative projects developed by members of the IT Girls club were presented, while the project included 25 schools across the Federation of Bosnia and Herzegovina and the Brčko District.

The company also provided support to communities affected by floods through humanitarian activities and support during crisis situations.

NORTH MACEDONIA

Through a three-year partnership with UNICEF MK, Nelt Group supported cooperation between vocational secondary schools and the Ministry of education in North Macedonia.

The initiative aims to improve practical teaching and vocational training for young people, with a focus on the green agenda and sustainable development. The program will include 500 students, enabling them to acquire knowledge and skills relevant to the labor market.

MONTENEGRO

In the Montenegrin market, activities focused on humanitarian support and health-related initiatives were implemented.

In cooperation with the Volunteers of Montenegro foundation, a donation of products for socially vulnerable families was realized.

Nelt Montenegro also received recognition from the Blood transfusion Institute of Montenegro for its exceptional contribution to the development of voluntary blood donation in 2024, thanks to the continuous engagement of employees in voluntary blood donation campaigns.

ALBANIA

In the Albanian market, Nelt Group supported the work of the SOS Children’s villages organization in Shkodër through donations of food and hygiene products.

This cooperation represents the beginning of a long-term partnership with an organization that supports children and young people without parental care, families at risk, and young people from vulnerable groups. The organization currently provides support to 577 individuals, including 326 children and young people.





RESPONSIBILITY
TOWARDS
THE ENVIRONMENT



09

ENVIRONMENTAL IMPACT MANAGEMENT

Environmental impact management represents an integral part of strategic and operational management within Nelt Group. Through a systematic approach, we are focused on reducing greenhouse gas emissions, improving energy efficiency, responsible resource management, and developing circular business models, while simultaneously strengthening resilience to climate-related and regulatory risks.

Our activities are directed toward the continuous improvement of operational processes through digitalization, optimization of energy and resource consumption, as well as investments in renewable energy sources and modern technological solutions. This approach enables the reduction of the environmental footprint while preserving operational efficiency and the long-term sustainability of the business.

STRATEGIC FOCUS

Reduction of greenhouse gas emissions

Improvement of energy efficiency

Increasing the share of renewable energy sources

Advancing circularity

The **Environmental protection policy** represents the main framework for managing all aspects of environmental impact and forms an integral part of **Nelt Group's ESG strategy**. The policy is aligned with the requirements of the ISO 14001:2015 standard and includes clearly defined management principles, including:

- Full compliance with legal and regulatory requirements
- Identification, assessment, and management of significant environmental impacts
- Setting and monitoring measurable goals and performance indicators
- Continuous employee education and engagement
- Continuous improvement of the environmental management system

Guided by these principles, we direct our environmental protection activities toward concrete initiatives and measurable results in the areas of energy management, emissions, water, waste, transport, and natural resource conservation, while striving to contribute to the more sustainable development of the communities in which we operate.

KEY MEASURES:

Investments in renewable energy sources

Smart energy management

Logistics and transport optimization

Further development of intermodality

Eco-drive programs

Transformation of the fleet into an environmentally sustainable fleet

Digitalization of business processes

Development of the ESG KPI system

CLIMATE CHANGE AND EMISSIONS MANAGEMENT

Climate change represents one of the greatest global challenges of today, and the company recognizes its responsibility in the transition toward a low-carbon economy. For this reason, we actively work on identifying sources of greenhouse gas emissions and implementing measures for their reduction.

Our activities include emissions generated through the direct use of fuel in the vehicle fleet and facilities, as well as indirect emissions related to electricity consumption. The long-term goal is the gradual decarbonization of operations through infrastructure modernization, more efficient processes, and the transition to cleaner energy sources.

A target has been defined to reduce CO₂ emissions **by 40% by 2030 compared to the 2022 baseline**. This target represents an important step toward aligning business operations with European climate ambitions and stakeholder expectations.



SUSTAINABLE LOGISTICS AND TRANSPORT DECARBONIZATION

Due to the nature of its operations, transport represents the segment with the greatest environmental impact within Nelt Group. Goods distribution is carried out through domestic and international transport, relying on a fleet of more than **450 delivery vehicles** of different temperature regimes and load capacities.

With the aim of reducing environmental impact and improving operational efficiency, we continuously invest in the digitalization and optimization of transport processes. All vehicles are equipped with GPS devices, while the planning, control, and monitoring of transport and delivery routes are managed through advanced software solutions.

A specialized software solution for optimizing sales and delivery routes, enabling automated planning and more efficient management of transport operations, has been continuously upgraded.

The implementation of AI and optimization solutions has enabled:

- Reduction in fuel consumption
- Improved distribution efficiency and capacity utilization
- Real-time performance monitoring across the supply chain
- Reduction of approximately 300 tons of CO₂ emissions

In addition, through the introduction of **the Eco-drive system**, driving style and responsible driver behavior are improved through continuous monitoring of key driving parameters. This approach contributes to additional reductions in fuel consumption, emissions, and the overall environmental impact of transport.

Through the integration of digital tools, operational optimization, and improvements in driving practices, Nelt Group systematically reduces the environmental footprint of transport and strengthens the efficiency of its logistics system.

Parcel lockers and fleet electrification in Montenegro

During the reporting period, Nelt Group introduced a **parcel locker system** in the Montenegrin market as a modern automated solution for parcel collection. Parcel lockers were installed in **10 cities across 15 locations**, at high-traffic sites such as gas stations and retail facilities, enabling users to access a faster, more flexible, and more convenient parcel collection service.

By centralizing the delivery of a larger number of parcels at a single location, the number of individual home deliveries is reduced, contributing to lower fuel consumption, reduced greenhouse gas emissions, and lower traffic congestion in urban areas. At the same time, this model enables more efficient route planning, better utilization of transport capacity, and optimization of operational costs.

Alongside the development of new distribution models, the process of **fleet electrification** was also launched in the Montenegrin market, where **six electric vehicles** are currently in operation. This represents the first concrete step toward the gradual decarbonization of delivery operations and the reduction of transport-related emissions.

Further development of a sustainable fleet is also planned in the Serbian market, where **the procurement of electric vehicles is planned for 2026**, continuing the transition toward more energy-efficient and environmentally friendly logistics solutions.

Through the introduction of parcel lockers and electric vehicles, Nelt Group continues to improve its logistics infrastructure and confirms its commitment to innovative and sustainable distribution models.



Vehicle fuel consumption by market (GJ)

	2024 (GJ)	2025 (GJ)	Change (%)
Serbia	117,280	115,361	-1.6%
Bosnia and Herzegovina	25,480	25,146	-1.3%
Montenegro	10,969	11,372	+3.7%
North Macedonia	12,046	10,902	-9.5%
Albania	5,698	7,462	+31.0%
TOTAL	171,473	170,243	-0.7%

In 2025, total energy consumption at the Group level amounted to **170,243 GJ**, representing a slight decrease of **0.7%** compared to 2024.

The largest market, Serbia, recorded a **1.6%** decrease in consumption, while North Macedonia achieved a more significant reduction of **9.5%**, indicating the effects of energy efficiency measures and business optimization activities.

An increase in consumption was recorded in Montenegro (**+3.7%**) and Albania (**+31.0%**), while Bosnia and Herzegovina recorded a slight decrease of **1.3%**.

Overall results confirm the stabilization of energy consumption at the Group level, alongside continuous activities aimed at improving energy efficiency and the sustainability of business operations.

ENERGY

The rational consumption of non-renewable energy sources represents an integral part of the strategy of all Nelt Group companies. In addition to transport, a significant share of energy consumption comes from the use of natural gas for heating, as well as electricity consumption.

Electricity consumption

	2024 (kWh)	2025 (kWh)	2024 (GJ)	2025 (GJ)
Serbia	6,849,427	8,379,359	24,658	30,166
Bosnia and Herzegovina	1,512,024	1,792,957	5,443	6,455
Montenegro	751,699	803,949	2,706	2,894
North Macedonia	41,360	337,422	1,489	1,215
Albania	260,571	274,634	938	989

Electricity from own renewable energy sources (RES)

	2024 (kWh)	2025 (kWh)	2024 (GJ)	2025 (GJ)
Serbia	2,022,213	1,993,627	7,280	7,177
Montenegro	/	27,433	/	99
North Macedonia	25,812	22,774	93	82

During 2024 and 2025, electricity consumption increased across most markets, primarily due to the growth in business activity. The most significant increase was recorded in Serbia and Bosnia and Herzegovina.

Serbia recorded the highest share of renewable energy sources within total electricity consumption (an average of 26.7% during the 2024–2025 period), while Montenegro began introducing renewable energy sources (3.4% in 2025). North Macedonia recorded a stable share of renewable energy sources (an average of 6.5%).

The company continues activities aimed at improving energy efficiency and expanding the use of renewable energy sources in order to reduce emissions and support the long-term sustainability of business operations.

Procurement of certified green energy

In addition to its own electricity generation, since 2024 Nelt Group has established a model in Serbia for purchasing certified electricity from suppliers guaranteeing energy sourced from renewable energy sources. In this way, the company further strengthens its climate strategy and reduces the indirect carbon footprint associated with electricity consumption.

This practice confirms Nelt Group's commitment to accelerating the energy transition through a combination of its own energy generation and responsible energy procurement.



Natural gas consumption in Serbia (heating purposes)

m ³		GJ	
2024	2025	2024	2025
296,818	396,405	11,246	15,020

The implemented SCADA system already represents an important part of energy efficiency management within the company and actively contributes to the optimization of natural gas consumption, as well as the overall reduction of energy use. The system has been continuously upgraded through the introduction of new smart devices and sensors, further increasing its functionality and contribution to reducing the company's carbon footprint.

The SCADA platform is fully integrated with key technical systems and enables automatic monitoring of indoor and outdoor temperatures, based on which it independently regulates the operation of heating, cooling, and ventilation systems. In this way, optimal energy consumption is achieved in warehouse and operational facilities while simultaneously maintaining the required working conditions.

The system has also been further developed to use outside air, whenever external conditions allow, to achieve the desired indoor climate parameters within facilities, thereby generating additional energy savings and reducing the need for cooling and ventilation system operation.

Temperature and humidity sensors are also in operation, enabling continuous monitoring and precise reporting through tabular overviews of measured parameters. In addition, the system automatically sends SMS notifications to responsible personnel in situations requiring urgent response, further increasing system reliability, response speed, and overall operational efficiency.

Pellet consumption in Bosnia and Herzegovina

kWh		GJ	
2024	2025	2024	2025
324,535	538,318	1,170	1,940

A modern heating system using the more energy-efficient biofuel — pellets — is used for facility heating. The implementation of this solution contributes to reducing the environmental impact of business operations through more efficient energy use, the higher energy potential of pellets compared to traditional firewood, and lower CO₂ emissions. At the same time, this system enables more stable energy consumption management and represents an important part of the company's activities aimed at improving energy efficiency and reducing the overall environmental footprint of its operations.

Fuel oil consumption in North Macedonia (heating purposes)

In tonnes		GJ	
2024	2025	2024	2025
11.40	22	477	921

Total energy consumption by market (GJ)

Market	2024 (GJ)	2025 (GJ)	Change (%)
Serbia	153,184	160,547	+4.8%
Bosnia and Herzegovina	32,093	33,541	+4.5%
Montenegro	13,675	14,266	+4.3%
North Macedonia	14,012	13,038	-6.9%
Albania	6,636	8,451	+27.4%
TOTAL	219,600	229,843	+4.7%

RENEWABLE ENERGY SOURCES AND ENERGY EFFICIENCY

In line with global trends, the principles of the Green agenda, and its own strategic commitments, Nelt Group continuously invests in projects that contribute to reducing environmental footprint, improving energy efficiency, and developing sustainable business operations. Aware of the importance of the energy transition, we systematically work on shifting from fossil fuels to renewable energy sources, creating the foundations for long-term energy security, business resilience, and CO₂ emissions reduction.

Our approach is based on the rational use of natural resources, the application of modern technologies, infrastructure modernization, and investment in solutions that enable lower energy consumption and a greater share of energy from sustainable sources.

Solar energy

One of Nelt Group's key strategic initiatives is the development of its own capacities for electricity generation from solar sources. A total of **10,000 kW** of solar capacity has currently been installed, while an additional 8,000 kW is planned through upcoming investment cycles.

Existing capacities include solar power plants installed at facilities in Serbia, North Macedonia, and Montenegro.

By investing in solar power plants, the company achieves multiple benefits:

- Reduced dependence on external energy sources
- Greater stability and predictability of electricity costs
- Increased energy resilience of operations
- Reduction of CO₂ emissions
- Strengthening competitiveness through sustainable investments

Solar energy represents an important part of the company's decarbonization strategy and contributes to long-term alignment with climate goals.



Geothermal energy

At Nelt Group's distribution and logistics center in Dobanovci, a geothermal heat pump system has been implemented, using groundwater as a renewable energy source for heating and cooling facilities. The system is integrated into the center's existing energy infrastructure and represents an important step in transforming the energy model of the logistics complex through the transition from fossil fuels to renewable energy sources, while also being connected to the existing solar power plant within the complex.

The project was implemented as part of the "EU for the green agenda in Serbia" initiative, with the support of the Swiss Government, United Nations Development Programme, and the Ministry of environmental protection. With the introduction of the system, approximately **40% of heating demand** is expected to shift from natural gas to renewable energy sources.

At the same time, the system will enable more energy-efficient cooling of facilities, reducing dependence on fossil fuels and improving the overall energy efficiency of the center.

Estimated annual effects include:

- Reduction of approximately **2,700 t of CO₂** emissions
- Reduced dependence on natural gas
- More efficient energy consumption management
- Improved air quality

This project represents an important step in the decarbonization of logistics operations and the diversification of energy sources within Nelt Group, contributing to the target of reducing greenhouse gas emissions by 40% by 2030.

Smart energy management

In addition to investments in new energy sources, Nelt Group continuously improves the efficiency of existing systems through the digitalization and automation of energy consumption management.

Implemented SCADA systems enable centralized monitoring and management of energy flows, as well as the automatic adjustment of heating, cooling, and ventilation systems to the actual needs of facilities and current operational conditions.

The use of real-time data enables more precise consumption planning, faster identification of deviations, and optimization of technical system performance.

Smart energy management represents an important segment of sustainable business operations, as it connects technological innovation, responsible resource use, and the continuous improvement of facility performance.

Strategic importance

Investments in renewable energy sources and energy efficiency represent a long-term strategic decision of Nelt Group. Through the diversification of energy sources, emissions reduction, and the application of modern technologies, the company is building a more resilient, efficient, and sustainable business model.

Nelt Group remains committed to further investments in projects that contribute to environmental protection and accelerate the transition toward clean energy sources.



CO₂ emissions: Scope 1 and Scope 2

Nelt Group is committed to responsible business practices and the active management of the impacts that climate change has on the economy and society. In line with the principles of the United Nations 2030 agenda, the European green agenda, and the company's own ESG commitments, we continuously work on reducing greenhouse gas emissions through improvements in operational efficiency, energy transition, and the implementation of sustainable business solutions.

Our approach includes reducing direct emissions from the vehicle fleet, heating systems, and logistics operations (Scope 1), as well as reducing indirect emissions associated with electricity consumption (Scope 2) through increased energy efficiency and the use of renewable energy sources.

Location based	2024			2025			Change (%)
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	
Serbia	7,831	3,572	11,403	8,139	4,725	12,864	+12.8%
Bosnia and Herzegovina	1,864	1,104	2,968	1,769	1,309	3,078	+3.7%
Montenegro	1,873	353	2,226	2,650	365	3,015	+35.4%
North Macedonia	800	343	1,143	767	278	1,045	-8.6%
Albania	592	125	717	757	132	889	+23.8%
TOTAL	12,960	5,497	18,457	14,082	6,809	20,891	+13.2%

Market based	2024			2025			Change (%)
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	
Serbia	7,831	0	7,831	8,139	0	8,139	+3.9%
Bosnia and Herzegovina	1,864	1,104	2,968	1,769	1,309	3,078	+3.7%
Montenegro	1,873	353	2,226	2,650	365	3,015	+35.4%
North Macedonia	800	343	1,143	767	278	1,045	-8.6%
Albania	592	125	717	757	132	889	+23.8%
TOTAL	12,960	1,925	14,885	14,082	2,084	16,166	+8.6%

Total greenhouse gas emissions (Scope 1 and Scope 2) at the Nelt Group level increased by 13.2% in 2025 compared to the previous year, primarily due to the growth of business activities and energy consumption.

According to the location-based* approach, Serbia accounted for the largest share of emissions. At the same time, thanks to the use of electricity supported by guarantees of origin from renewable energy sources, Scope 2 emissions from electricity consumption under the market-based* approach amounted to 0 tCO₂e, resulting in the avoidance of 4,725 tCO₂e of indirect emissions in 2025.

* Location-based – emissions calculated using the average emission factor of the electricity grid.

** Market-based – emissions calculated based on the emission factor associated with the selected or contracted electricity supply.



Energy intensity

Energy intensity is used to measure the efficiency of energy use within our business operations. In this reporting period, the indicator is expressed as the ratio between total energy consumption and generated revenue, i.e., the amount of energy consumed to generate 1,000 euros of revenue.

This metric enables us to assess how efficiently we use energy in relation to business growth, monitor trends over time, and identify opportunities for further improvements in energy efficiency. A reduction in energy intensity indicates the successful alignment of business growth with more responsible resource use and a lower environmental footprint.

	2024			2025			Change (%)
	Energy (GJ)	Revenue ('000 EUR)	GJ/1,000 EUR	Energy (GJ)	Revenue ('000 EUR)	GJ/1,000 EUR	
Serbia	153,184	932,578	0,164	160,547	1,010,630	0,159	-3.0%
Bosnia and Herzegovina	32,093	190,735	0,168	33,541	212,393	0,158	-6.0%
Montenegro	13,675	57,265	0,239	14,266	69,763	0,204	-14.6%
North Macedonia	14,012	51,490	0,272	13,038	50,374	0,259	-4.8%
Albania	6,636	19,154	0,346	8,451	42,006	0,201	-42.0%
TOTAL	219,600	1,251,222	0,176	229,843	1,385,166	0,166	-5.7%

Energy intensity at the Group level in 2025 amounted to 0.166 GJ per 1,000 euros of revenue, representing an improvement of 5.7% compared to 2024. This indicates that revenue growth outpaced the growth in total energy consumption, meaning that operations became more energy efficient.

The most significant improvement was recorded in Albania (-42.0%) as a result of strong revenue growth, while notable improvements were also achieved in Montenegro (-14.6%) and Bosnia and Herzegovina (-6.0%).

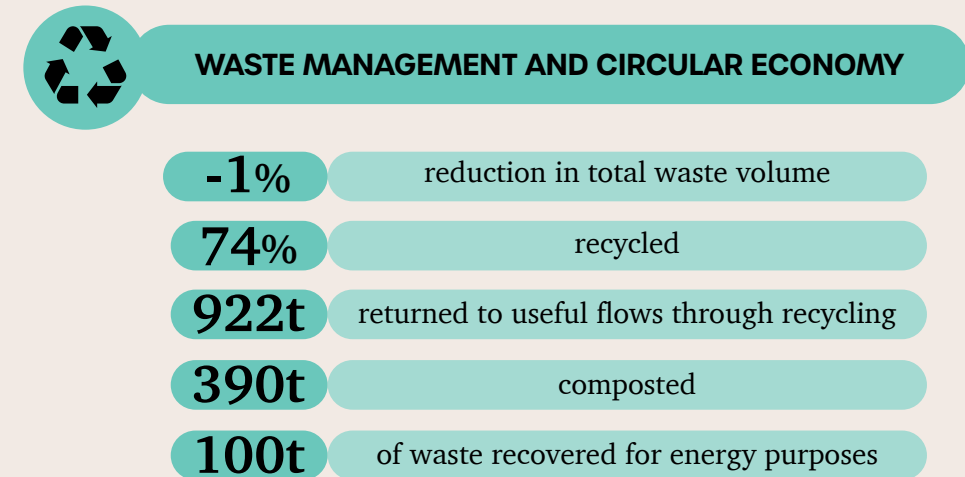
Overall results confirm the trend of increasing operational efficiency and improved management of energy resources at the Group level.

WASTE MANAGEMENT AND CIRCULAR ECONOMY

Nelt Group applies a responsible approach to managing waste generated as a result of business activities, with the aim of reducing waste volumes, increasing recycling rates, and identifying new opportunities for material reuse.

Waste is sorted in accordance with applicable regulations and internal procedures, while waste treatment is carried out in cooperation with authorized partners. Through the continuous improvement of processes and the application of circular economy principles, we strive to maximize resource utilization and reduce the environmental impact of business operations.

KEY RESULTS 2024/2025



STRATEGIC OVERVIEW

- Continued improvement of the separate waste collection system
- Recycling remains the dominant waste management model
- Continuous strengthening of cooperation with authorized operators
- Ongoing growth in the valorization of bio-waste through composting
- Implementation of circular economy principles in business processes

Total waste by market and treatment method (t)*

Market	2024 (t)	2025 (t)	Change (%)
Serbia	990	998	+1%
Bosnia and Herzegovina	64	55	-15%
Montenegro	47	54	+16%
North Macedonia	62	57	-8%
Albania	85	76	-11%
TOTAL	1,248	1,240	-1%

Treatment method	2024 (t)	2025 (t)	Change (%)
Recycling	921	922	+0%
Composting	173	217	+25%
Incineration / energy recovery	70	34	-51%
Landfilling	83	67	-19%
TOTAL	1,248	1,240	-1%

* Municipal waste is not included in the presented data.

The total amount of waste generated from business activities at the Group level in 2025 amounted to **1,240 tons**, representing a 1% decrease compared to 2024. Positive trends in reducing total waste quantities were achieved in Bosnia and Herzegovina, North Macedonia, and Albania, while Montenegro recorded an increase due to changes in operational activities and waste structure during the reporting period.

Recycling remained the dominant waste management method, with a total of **922 tons** in 2025, representing approximately **74% of total treated waste**, confirming the continuous application of circular economy principles. **Serbia** continues to make the largest contribution to overall results through developed recycling, composting, and separate waste management systems.

2024	Recycling	Composting	Incineration	Landfilling	Total
Serbia	771	149	70	-	990
Bosnia and Herzegovina	64	-	-	-	64
Montenegro	22	24	-	-	47
North Macedonia	62	-	-	-	62
Albania	2	-	-	83	85
TOTAL	921	173	70	83	1,248

2025	Recycling	Composting	Incineration	Landfilling	Total
Serbia	755	217	27	-	998
Bosnia and Herzegovina	55	-	-	-	55
Montenegro	47	-	7	-	54
North Macedonia	57	-	-	-	57
Albania	9	-	-	67	76
TOTAL	922	217	34	67	1,240

* Municipal waste is not included in the presented data.

In 2025, the amount of waste treated through composting increased further, while the amount of waste sent for incineration was significantly reduced.

In Bosnia and Herzegovina, a one-time activity involving the energy recovery of discarded wooden pallets in the amount of 63 tons was carried out during 2024. This quantity was not included in the tabular presentation of total values in order to ensure methodological comparability between years.

In Albania, due to the limited availability of authorized operators for recycling and waste treatment in the local market, part of the waste continues to be managed through landfilling.

The results confirm Nelt Group's commitment to the further improvement of waste management systems, increasing recycling rates, and the consistent application of circular economy principles across all markets.

Nelt's contribution to CO₂ emission reduction through cooperation with Sekopak in Serbia

For more than seventeen years, Nelt Group has contributed to achieving national environmental protection goals, while cooperation with the packaging waste management operator Sekopak has been successfully implemented since 2016.

The company's participation in the packaging waste management system contributes to reducing the amount of waste ending up in landfills and, consequently, to reducing greenhouse gas emissions. **Based on the recycling and recovery of collected packaging waste, a reduction of 332 tons of CO₂ emissions was achieved in 2024.**

In addition to the systematic management of waste streams, employees across all business segments make a significant contribution to environmental protection – from warehouse employees who collect and separate waste during the preparation of goods for distribution, to employees in administrative sectors who use waste separators and recycling islands located at Nelt Group distribution and logistics centers in Dobanovci, Niš, Novi Sad, and Kraljevo.

Collected and classified waste, together with packaging waste from warehouse processes, is additionally processed and compressed in the eco-yard, enabling more efficient resource management and increasing recycling rates.

At the time of preparation of this report, the operator's final reports for 2025 were not yet available; therefore, data on achieved CO₂ emission reductions for 2025 will be included in the next reporting period.

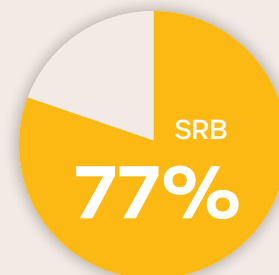
Digitalization and reduction of resource consumption

The digital transformation of business operations brings significant benefits not only in terms of efficiency, but also in the field of environmental protection. By reducing the use of paper, printing, and physical archives, the consumption of raw materials, energy, and logistics resources is reduced.

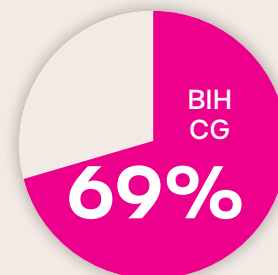
Digitalization has been implemented through:

- Electronic document exchange
- Digital signatures and approvals
- Automated internal processes
- Electronic archiving
- Mobile tools for commercial teams

This initiative represents an important part of our sustainable business approach through more rational resource management, reduced operational costs, and the continuous reduction of the environmental footprint of business operations.



REDUCTION IN PAPER CONSUMPTION



REDUCTION IN PAPER CONSUMPTION



31 MILLION PAPER SHEETS SAVED



Digitalization of customs procedures in Montenegro: implementation of the E-Manifest application

In Montenegro, the implementation of the E-Manifest application has begun, enabling the electronic exchange of shipment data between customs authorities before shipments arrive at the customs terminal. Through the digitalization of the process, information processing has been improved and the timely completion of customs documentation has been enabled.

The implementation of the E-Manifest application enabled the grouping of shipments and the automatic release of a significant number of shipments that had previously undergone standard customs procedures. As a result, import customs clearance time was reduced, while the efficiency of logistics flows was simultaneously improved.

A particular sustainability contribution was achieved through a significant reduction in the use of paper and office supplies, reducing the consumption of natural resources and the negative impact on the environment. Digital data transfer also contributed to improving the level of control, security, and monitoring of declared and cleared shipments, while simultaneously reducing administrative procedures.

Reducing packaging waste through returnable packaging

In order to reduce the amount of packaging waste generated from used cardboard transport boxes, Nelt Group introduced an innovation into its traditional retail distribution system in **Serbia back in 2017**. Standard cardboard boxes were replaced with reusable polypropylene boxes, a certified material safe for the transport of food products.

The introduction of this type of returnable packaging had multiple objectives: improving the safety and quality of goods delivery, reducing packaging waste generation, enabling more efficient use of warehouse and transport space, and optimizing logistics processes.

Currently, **3,000 polypropylene boxes** are in use. The plan is to further improve the system through the introduction of an additional **10,000 units of returnable packaging**, together with the implementation of an application that will bring partial automation to the process.

The overall expansion of reusable packaging capacity has contributed to **reducing the use of cardboard boxes**, resulting in a significant contribution to waste reduction, more rational resource use, and the strengthening of circular economy principles within distribution operations.



Recycling of silicone-coated paper

In cooperation with Ecor Global in Serbia, an innovative solution was developed for the treatment of silicone-coated paper, a material that previously had limited recycling possibilities and was most often disposed of through incineration or landfilling.

By introducing a new waste management model, this material can now be systematically collected, properly separated, and directed into the recycling process, allowing it to be recognized as a valuable secondary raw material instead of waste without further use potential.

Employees played an important role in the successful implementation of this initiative, particularly warehouse and operational teams, through responsible waste separation by type and the consistent application of internal procedures. Their active involvement contributed to ensuring the appropriate quality of materials intended for recycling, while also strengthening the culture of sustainability within the company.

Today, silicone-coated paper is used as a secondary raw material for the production of eco-panels, shelves, and other products, contributing to reduced consumption of primary resources and the development of a circular economy.

This initiative has delivered multiple benefits, including reducing the amount of waste ending up in landfills, avoiding emissions associated with waste incineration, and improving the company's overall waste management system. At the same time, the project confirms the company's commitment to implementing sustainable solutions and continuously reducing the environmental footprint of its operations.

CHEP Sustainability Certificate

During the reporting period, Nelt Group, in cooperation with CHEP Serbia, continued improving sustainable logistics practices through the implementation of a **pallet pooling system** – a model based on sharing, reuse, and more efficient use of transport packaging.

This approach contributes to the optimization of logistics flows, reduced need for new raw materials, better resource utilization, and a lower overall environmental impact. The application of a circular pallet management model represents an important element of a sustainable supply chain and responsible business operations.

Results achieved in **2025** confirm a significant positive impact:

- **115 m³** of saved wood resources
- **112 preserved trees**
- **360 t lower CO₂ emissions**
- **11 t less waste**

The total positive effect of these activities is equivalent to avoiding **eight truck journeys around the world**, further illustrating the scale of the environmental benefits achieved.

For these results, Nelt Group was awarded **the CHEP Sustainability Certificate for 2025**, confirming continuity in the implementation of sustainable logistics solutions and commitment to the principles of the circular economy.

The calculations are based on independent Life cycle assessment (LCA) studies aligned with the **ISO 14044** standard, while the wood materials used for CHEP pallets are certified according to **Forest Stewardship Council** and **Programme for the Endorsement of Forest Certification** standards.*

* **FSC®** (Forest Stewardship Council) and **PEFC** (Programme for the Endorsement of Forest Certification) are internationally recognized certification systems confirming that wood materials originate from responsibly managed forests and sustainable sources, in compliance with environmental, social, and economic standards.

Period: 1. 1. 2025 – 31. 12. 2025.

CHEP
A Brambles Company

Sustainability Certificate

By using the pooling services offered by CHEP Europe, we hereby certify the contribution of

NELT CO DOO

to protecting the environment and to promoting a sustainable model.
Together, in the last 12 months, we have succeeded in:

 + Savings Wood Resources by 115.583 dm³ + 112 trees	 + Diminishing emissions by 362.270 kg + 8 truck trips around the world	 + Reducing waste by 11.003 kg + 3 trucks of waste
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Alejandro Tostado Loizaga
Senior Director, Sustainability
CHEP Europe

Helen Lane
Chief Executive Officer
CHEP Europe

Calculations based on independent Life Cycle Assessment (LCA) studies of CHEP Pallet versus white-wood equivalent. CHEP LCAs are ISO 14044 compliant and independently reviewed. CHEP timber sources are 100% certified for Forest Management by the Forest Stewardship Council® (FSC® -C104794) or the Programme for the Endorsement of Forest Certification (PEFC/07-32-233).

RESPONSIBLE WATER RESOURCE MANAGEMENT

At the company's headquarters in Dobanovci, a separator system has been installed for the treatment of different types of wastewater, including process water from vehicle service and washing facilities, grease-contaminated water from the restaurant, as well as oil-contaminated stormwater from parking areas. In addition to these systems, a wastewater treatment plant also operates within the Central distribution and logistics center. In order to achieve a high level of purification, with more than 90% reduction of organic load, biological treatment with activated sludge and parallel sludge stabilization is applied. The technological process includes deep aeration and the biological degradation of dissolved organic matter, in which microorganisms use these substances as a food source and reduce them to the required concentration level. The treatment system is based on SBR (Sequencing Batch Reactor) technology and includes both mechanical and biological treatment. After treatment and mixing with stormwater, the treated water is discharged into the receiving water body while preserving its quality. Continuous monitoring and periodic laboratory analyses of all types of wastewater provide additional protection of local natural water bodies from potential pollution.

BIODIVERSITY AND NATURE PROTECTION

The company recognizes the importance of preserving biodiversity and healthy ecosystems for the long-term sustainability of society and the economy.

In Bosnia and Herzegovina, the initiative "Saving bees for the benefit of all" was implemented in cooperation with Mondelez International.

As part of the project, the planting of 10,000 honey-bearing plants is planned with the aim of:

- protecting bees as key pollinators
- increasing green areas
- strengthening local biodiversity
- raising public awareness about the importance of nature

An educational workshop for members of beekeeping associations was also organized, focusing on the importance of bees for agriculture and biodiversity conservation.

EDUCATION AND SUSTAINABLE CULTURE

Sustainable management of electronic waste and youth skills development

As part of the partnership between Nelt Group and UNICEF, the "Tinkering with E-Waste" initiative was implemented in Sarajevo, focusing on sustainable electronic waste management and the development of digital skills among young people. Activities were carried out at Second gymnasium Sarajevo and were based on the reuse of outdated electronic equipment for educational and innovation purposes.

Through practical work, students had the opportunity to explore the principles of circular economy, sustainable development, and responsible use of technology by transforming electronic waste into functional products. Special focus was placed on involving girls in technological and digital activities.

The project contributed to strengthening digital literacy, practical skills, and young people's awareness of the importance of reducing electronic waste and protecting the environment.

The "Tinkering with E-Waste" initiative represented an example of successful cooperation between the private sector, international organizations, and educational institutions in advancing sustainable practices and developing young people's capacities for a responsible approach to technology and the environment.

ESG MANAGEMENT AND COMPLIANCE

Environmental management is implemented through defined policies, responsibilities, and procedures in line with the principles of the ISO 14001 standard.

The system includes:

- Identification of impacts and risks
- Definition of goals and KPI indicators
- Monitoring legal compliance
- Internal controls and audits
- Employee training
- Continuous process improvement

In this way, environmental protection becomes an integrated part of corporate governance. Through concrete projects and measurable results, Nelt Group confirms that environmental responsibility represents a part of business strategy rather than merely a regulatory obligation. Through investments in energy transition, sustainable logistics, circular economy, and employee awareness development, we are building a more efficient, resilient, and sustainable business model.



OUR CONTEXT

Nada Stamatović
Corporate Sustainability Expert
at Nelt Group



STRATEGIC APPROACH TO ENVIRONMENTAL RESPONSIBILITY

In today's business environment, sustainability represents an important prerequisite for long-term competitiveness, resilience, and responsible growth. As a distribution and logistics company with a developed regional presence, Nelt Group approaches environmental impact management strategically, integrating ESG principles into everyday operations and development plans.

Our priorities include **the rational use of resources, improved energy efficiency, increasing the share of renewable energy sources, reducing CO₂ emissions, and developing circular business models.**

Transport is the area with the greatest impact, but also the greatest potential for improvement. That is why we invest in **fleet modernization, digital route optimization, and more efficient management of transport capacities.**

A significant contribution to the decarbonization process is achieved through the development of intermodal transport, which shifts freight flows from road to rail transport as a more sustainable mode of transportation. Through **the use of our own intermodal terminals in Dobanovci and Kruševac, emissions exceeding 18,000 tons of CO₂ have been avoided.**

During the reporting period, we further improved sustainable logistics through the introduction of parcel lockers in Montenegro, installed across **15 locations in 10 cities**, as well as through the initial **electrification of the**

fleet, with six electric vehicles already in operation. The introduction of electric vehicles in the Serbian market is planned for **2026.**

An important segment of the energy transition is represented by investments in renewable energy sources.

Currently, **8 MW of solar capacity** has been installed at Nelt Group facilities, with continued investments in own renewable energy sources and further expansion of capacities planned for the coming period. At the same time, part of electricity consumption in the Serbian market is covered through **certified electricity from renewable energy sources**, further reducing indirect greenhouse gas emissions and accelerating the company's energy transition.

Responsible waste management remains an important part of our sustainability approach. During the reporting period, **74% of total waste was returned to useful flows through recycling**, alongside the continuous growth of composting and other circular solutions.

Through process digitalization during the 2024–2025 period, savings of more than **31 million sheets of paper** were also achieved.

We continue to accelerate the transformation of our business toward a model that is simultaneously **efficient, responsible, and sustainable**, creating long-term value for the company, partners, and the community.

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LIČNA ODGOVORNOST

MI SMO KOMPAJNA

BROJ JEDAN

DUGOROČNA PERSPEKTIVA

U PRIMENI POTPUNIH REŠENJA U DISTRIBUCIJI I LOGISTIČKIM USLUGAMA

BRIGA O LJUDIMA

POBEDNIČKI MENTALITET



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