

SUSTAINABLE DEVELOPMENT REPORT

2023

SUSTAINABLE DEVELOPMENT REPORT 2023.

Dear readers,

We would like to present to you the Sustainable Development Report of NIS for 2023, which is also the 14th consecutive report, verified by an independent auditor. In the Report, the company informs all its stakeholders about the progress of NIS operation and compliance with global sustainable development principles and provides detailed information on the company's strategic goals, commitments, and achievements in the field of sustainable development in the past year.

The Report is prepared based on the Global Reporting Initiative (GRI) global standard, with the addition of the sectoral standard for the oil and gas industry.

In 2023, the emphasis was on accelerating the energy-oriented transition of NIS, which brought significant environmental and economic benefits and effects. Strategic investments in technologies to reduce emissions of all pollutants and the development of projects in the field of renewable energy sources continued, aimed at reducing the negative impact on the environment.

NIS Company's commitment to all sustainable development issues grows stronger each year, and NIS remains absolutely dedicated to enhancing environmental, social, and corporate sustainability in line with its strategic commitments and the expectations of stakeholders.

The Report is published in Serbian, English, and Russian, with a note that in case of any discrepancies, the Serbian version is authoritative. The company "TPA Revizija d.o.o. Belgrade" conducted an independent audit, which confirmed the accuracy of the data presented in the Report before you.

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CEO'S FOREWORD

Dear friends,

Our company has defined its approach to sustainable development in its mission and vision. However, our commitment to sustainability principles is not just a declarative statement for us; it is also a daily practice that pervades all our business processes. Therefore, we proudly emphasize that through our business operations, we contribute to achieving 12 out of the 17 Sustainable Development Goals. In this regard, the year behind us represents yet another step forward in attaining our vision of sustainable development and social responsibility.

Our goals for NIS is to be one of the leaders in the energy industry in Serbia and the region, but also to be, simultaneously, at the forefront of the energy transition, making a significant contribution to the decarbonisation process. Therefore, we continue to invest in environmental protection: During the year 2023, we invested nearly RSD 802 million in projects in this area. It should be noted that the amount is significantly higher if it includes investments in technology the implementation of which contributes to the reduction of harmful environmental effects. Thanks to investments in our green agenda, last year we reduced direct carbon dioxide emissions by 6 percent, when compared to 2022. This is also a clear indicator of our dedication to reducing the negative impact of our operation on the environment.

In addition, significant efforts are directed towards diversifying our energy sources, with a particular focus on renewable energy sources. We have taken significant steps in the project of installing solar panels at our

petrol stations in Serbia. This not only means saving in terms of electricity consumption, but also a significant reduction in carbon dioxide emissions. The project of installing photovoltaic power plants on the Company's facilities will continue in the period ahead, primarily at the Oil Refinery in Pančevo, the Jazak water factory and our facilities in Novi Sad. In addition, we are actively working on implementing innovative technologies that will further improve our efficiency and reduce the environmental impact. We remain firmly committed to NIS's energy transition goals by 2030, including the plan to achieve a 30 percent reduction in carbon intensity compared to 2018.

We have made significant progress in strengthening partnerships with the community as well. This success is not only measured by the funds invested and the number of projects implemented but also by how well we have managed to address the essential needs of our fellow citizens. In 2023, we marked fifteen years since the inception of our key cooperation programme with local communities throughout Serbia - Common Cause Community. We can rightfully say that the results of this programme are impressive. Since 2009, the work of over 180 educational institutions and more than 40 cultural institutes has been improved. Additionally, 45 hospitals and health centres have been equipped, and over 140 children's playgrounds, parks, sports grounds and facilities have been refurbished. We have also supported numerous projects for talented young people: By investing in them, we are simultaneously investing in the future and prosperity of the entire community. I firmly believe that our corporate social responsibility programs have the power to bring about positive changes and encourage progress, so we will continue to

support areas such as public health, education and science, culture, social care, children's initiatives, and professional sports in the future period.

We have demonstrated our commitment to the principles of sustainable development even when it comes to another key pillar of sustainability - human resource development. Aware of the changes that inevitably affect the labour market, we want to provide our employees with the opportunity for continuous improvement. Therefore, last year, in collaboration with external associates, we organised nearly 4,300 training sessions, with the participation of over 4,000 employees. In these trainings, we invested over RSD 273 million in these trainings, with the total number of training hours amounting to 104,038. In addition, we have continued to share our best practices with young people and provide them with the opportunity to start their professional careers in a large system like NIS. Therefore, we are developing an internship programme for students, called "NIS Calling," as well as a youth employment programme called "NIS Energy," providing opportunities for future operators to enhance their knowledge gained in school through internships at the Refinery in Pančevo. Our long-term goal in the field of human resources is to strengthen employee satisfaction and commitment and to maintain the title of one of the most desirable employers in the Republic of Serbia.

And finally, I want to emphasize that in 2023, we paid great attention to further upgrading of our company. We invested in capital



projects RSD 39.2 billion, and for the year ahead, the planned investment amount is nearly 60 billion, making it one of the largest investment programs in the history of NIS. Through our investments and projects, we strive to set an example of the positive impact a company can have on the environment, demonstrating how environmental protection can be advanced, while achieving stable growth at the same time. And in the upcoming period, we will continue to work on strengthening our ability to adapt and innovate in light of constant changes, both in the industry and in society as a whole. To succeed in this, the support of our shareholders and the entire community is crucial to us. We intensely feel this support, which is why we look to the future with optimism, ready to face the challenges and opportunities it brings.

Kirill Tyurdenev,
CEO of NIS
j.s.c. Novi Sad

NIS Group

The NIS Group is one of the largest vertically integrated energy systems in South-East Europe, whose most valuable resource is the team of about 13,500 employees. The company’s core business activities are exploration, production and refining of oil and natural gas, sale of a broad range of petroleum and natural gas products, and the implementation of petrochemical and energy projects.



The seat of NIS j.s.c. Novi Sad is at the address: 12, Narodnog Fronta St., Business Centre Novi Sad, Republic of Serbia. The Group includes subsidiaries established both in the country and in neighbouring states (Bosnia and Herzegovina, Romania, and Bulgaria), as well as a representative office in Angola.



NIS’s goal is to create, new value for shareholders, employees, and local communities, in challenging macroeconomic circumstances, and to contribute to employees and markets it operates on. NIS's project portfolio takes into account the priority of energy transition in Serbia, and the company implements projects that, among other things, contribute to achieving goals of reducing carbon emissions in line with the Paris Agreement.



In addition to its business activities, NIS continuously implements numerous socially responsible projects that help develop and improve the quality of life for citizens. One of the focuses in the company’s social activity is supporting young people as the drivers of future development.



The NIS Group is dedicated to improving environmental protection, allocating significant funds for the implementation of environmental projects and initiatives aimed at environmental conservation. In terms of HSE, the NIS’s goal is to run its work operations without any injuries and harmful impact on the environment.

Integration of HIP Petrohemija

In line with the Strategic Partnership Agreement between the Republic of Serbia, NIS j.s.c. Novi Sad, and HIP-Petrohemija, on June 9th, NIS became the majority owner of HIP-Petrohemija, thereby securing all conditions for the integration of this company into NIS system. The equity has been increased, new members of the management bodies have been selected, and the fulfilment of obligations by NIS as a strategic partner of HIP-Petrohemija has commenced.

As the result of this strategic cooperation, after completing the extensive investment programme of modernisation and construction of new production capacities, NIS faces also the diversification and expansion of business within the production segment of petrochemical products. The consolidation of capacities will contribute to the stability of the entire company's operations thanks to the synergistic effect.

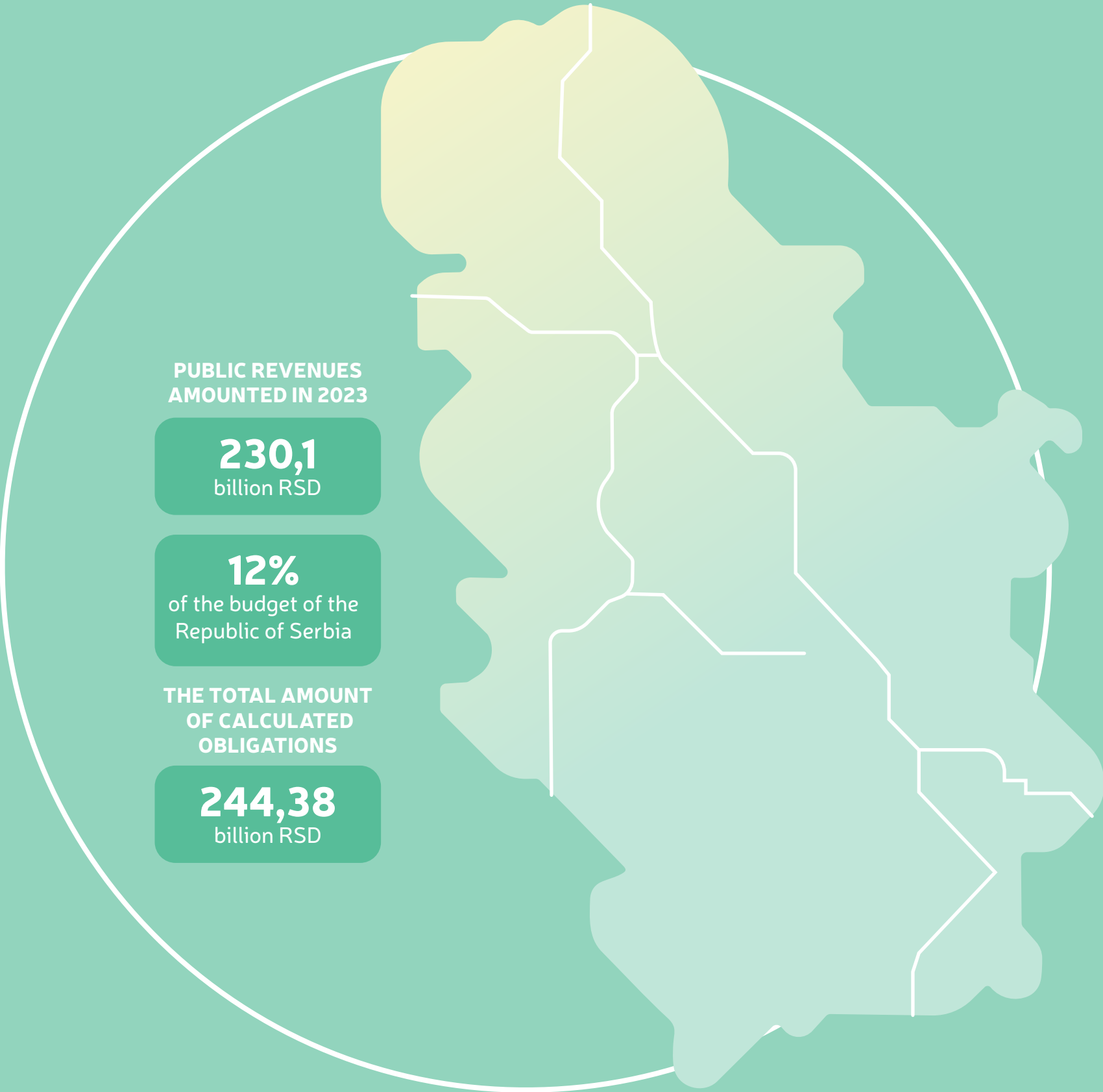
The contribution of NIS Group to the economic and energy stability of the Republic of Serbia

NIS is among the leading domestic employers, investors, and exporters in our country. With its successful business operations and continuous adaptation to complex geopolitical and market conditions in the oil and gas sector, the company makes a significant contribution to the economic stability of the Republic of Serbia, being an important contributor to the country's gross domestic product. The company's participation in the overall tax revenues of the budget of the Republic of Serbia is significant.

In 2023, the obligation of NIS and its dependent companies in Serbia based on public revenues amounted to RSD 230.1 billion, representing 12 percent of the budget of the Republic of Serbia. This amount was obtained by taking into account obligations based on public revenues and dividends paid to the Republic of Serbia. The total amount of calculated obligations based on public revenues for the NIS Group in 2023 amounted to RSD 244.38 billion. Liabilities based on public revenues are settled in accordance with the statutory deadlines for maturity.

Through significant investments in the development of overall infrastructure, including projects related to renewable energy sources, NIS not only contributes to the diversification of energy resources but also ensures the energy independence and the security of Serbia. This is of crucial importance for the sustainable development of the country, particularly in highly complex geopolitical circumstances.

The continuous contribution of the NIS Group to the economic and energy stability of the Republic of Serbia remains a strategic commitment of the Group in the upcoming period.



MISSION

By responsible use of natural resources and the state-of-the-art technology, supply the people of the Balkan region with the energy for making progress.

VISION

NIS will be a recognisable leader in the Balkan region in its field of operation, while demonstrating the high level of social and environmental responsibility, as well as the modern standards of customer service.





VALUES

RESPONSIBILITY

Our result and safety are my responsibility!

A responsible company and employees who use resources effectively for the common good.

TRANSPARENCY

Open towards each other!

Only through open and fair communication, can we create a transparent working environment.

INNOVATIVENESS

Awaken your curiosity!

We find and support new and consistently better solutions to continually improve ourselves and remain the industry leaders.

EXPERTISE

Knowledge creates our future!

Everything we create is based on our expertise that inspires change throughout the community.



Awards and Accolades in 2023:

NIS Company is the winner of the special plaque from the daily newspaper Večernje Novosti, entitled "The Noblest Feat of the Year", intended for associations and companies that continuously help others and encourage noble deeds for years.

The magazine Diplomacy & Commerce awarded NIS with the prize for the best socially responsible campaign "May New Hopes be Born."

The campaign "May New Hopes be Born" also received the recognition "Purposeful Campaign - Social 2023," awarded by the association "Yellow Pants."

At the International Agricultural Fair in Novi Sad, NIS was awarded the recognition "Leader in Corporate Social Responsibility among Business Companies" for its 15 years of the "Common Cause Community" program.

On the occasion of the 15th anniversary of the "Common Cause Community" program, NIS was awarded the "Captain Misa Anastasijevic" recognition in the category of the "Leader in Corporate Social Responsibility".

Drive.Go mobile application was awarded by special recognition of PC Press magazine - rating of top 50 best online contents, in the Digital Innovation category.

The NIS Energy programme was awarded the Digital Awards for its HR Employer branding online campaign, presented at the #Digital2023 conference.

The Mathematical Society of Serbia awarded NIS with a commendation for its long-standing support of young mathematicians and the company's related activities.

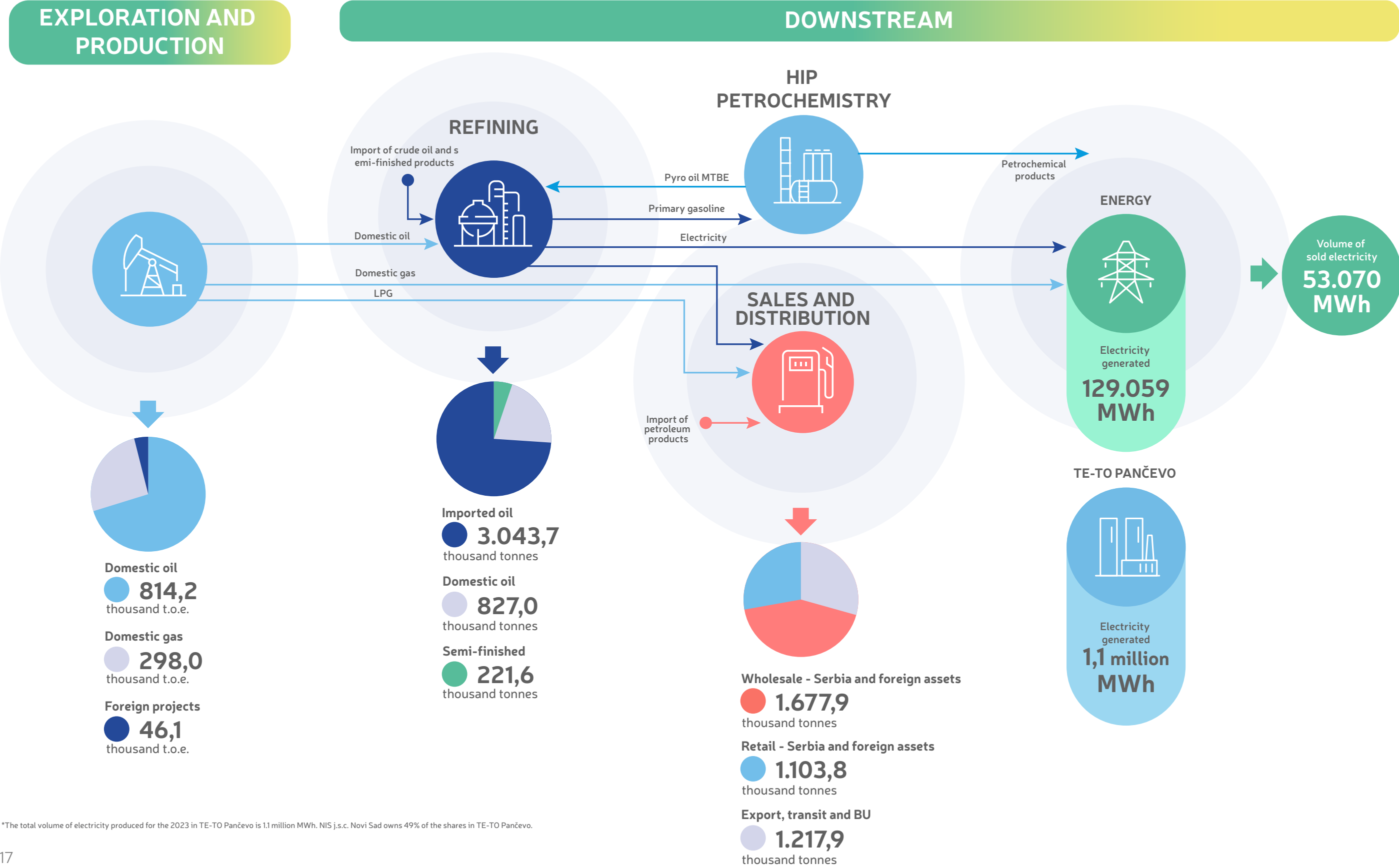
NIS received a certificate of appreciation from the Serbian Chemical Society for supporting the organisation of the Chemistry Olympiad in 2023.

The Chess Federation of Serbia awarded NIS recognition for supporting the Chess Federation, as well as for supporting the organization of the first FIDE Chess Olympiad for People with Disabilities.

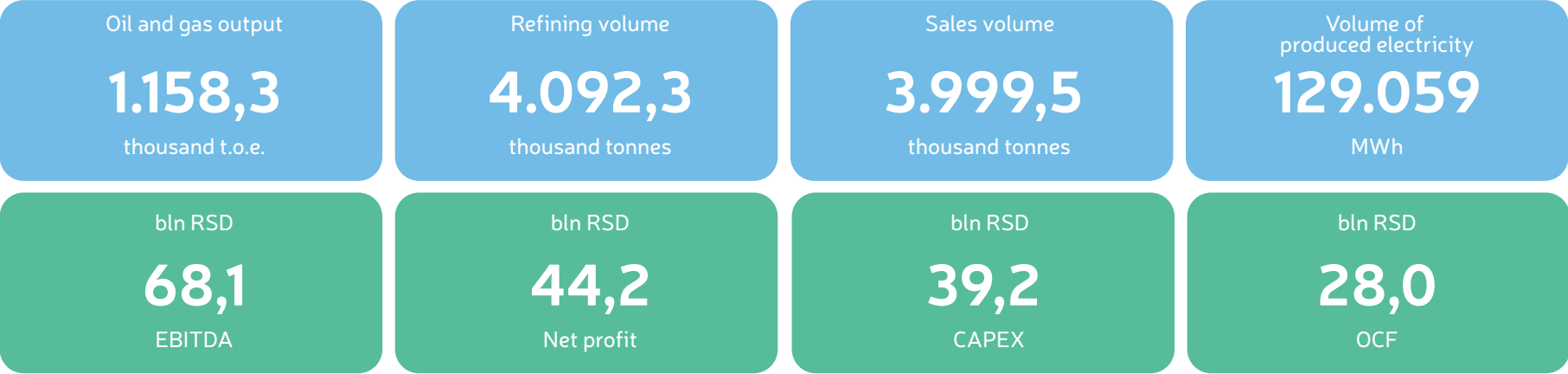
The Volleyball Federation of Serbia awarded NIS a certificate of appreciation for successful cooperation and contribution to the development of volleyball in Serbia.

Place in the top three "Serbia's most sought-after employer" according to the AIESEC poll "Voice of the Serbian Youth".









Business model*

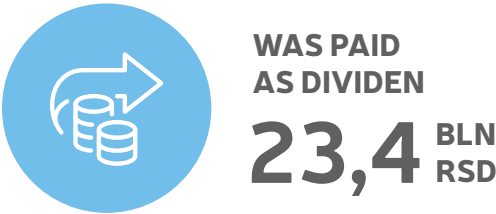
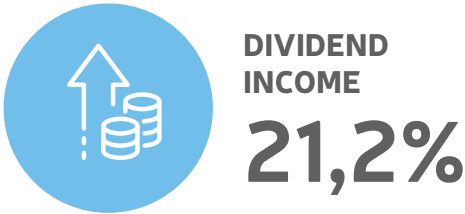


NIS Group in 2023*

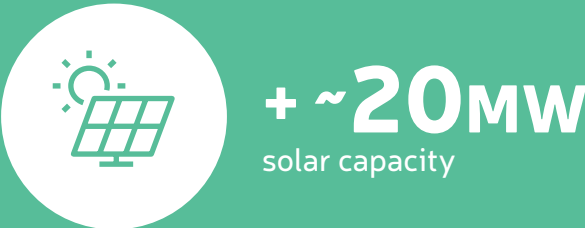
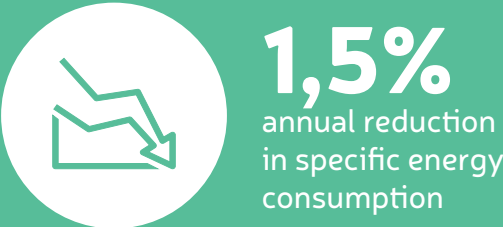
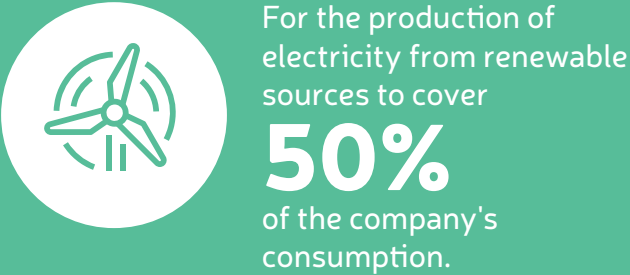
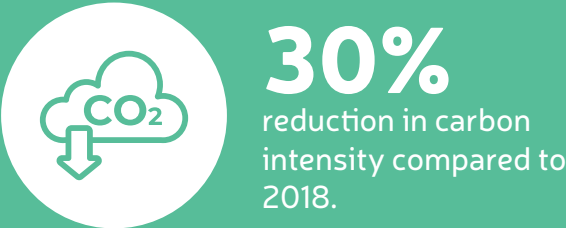


ACCELERATION OF THE ENERGY TRANSITION

							
>800 mln RSD	investments in ecological projects	>270 mln RSD	Professional development	Professional development			
-6%	Direct CO2 emissions (scope 1)	>4.200	Realized training				
-13%	Sulphur Dioxide (SO ₂)	0	Tier 1				
17 PvPP	Put into operation at PSs	>7 bln RSD	Investments in the community				



The Goals of the Energy Transition by 2030



*Refining and sales volume does not include HIP-Petrohemija. Volume of produced electricity includes the electricity produced in Power plant Pancevo, small power plants and photovoltaic power plants. The total volume of electricity produced for the 2023 in TE-TO Pančevo is 1.1 million MWh. NIS j.s.c. Novi Sad owns 49% of the shares in TE-TO Pančevo.



The Green Agenda of NIS Company

In order to achieve its ambitious energy transition goals by 2030 and enhance environmental protection, NIS Company has developed its "Green Agenda."

NIS Company is absolutely committed to sustainable development, striving to improve environmental performance and apply the best available technologies in all segments of its business operations. The key directions of action include implementing environmental projects, business initiatives with environmental benefits, and participating in environmental protection activities.

Since 2009, more than EUR 900 million have been invested in environmental projects and business initiatives that have significantly improved the environmental landscape in the Republic of Serbia, with over EUR 130 euros invested exclusively in environmental initiatives. In 2023 alone, RSD 801.8 million were invested in the implementation of environmental projects.

A large part of environmental investments was realised in the Oil Refinery in Pančevo,

one of the most modern in this part of Europe. Investments that were made, resulted in the production of high-quality fuels and the reduction of pollutant emissions. Ambitious projects for upgrading the Pančevo Oil Refinery are planned for the coming period, which will significantly contribute to the achievement of the company's "green goals."

NIS's Environmental Protection Strategy up to 2030 focuses on complying with all regulations related to air, water, and soil, minimizing waste generation, increasing the level of its recycling and disposal, as well as on preserving biodiversity in the areas of its operation. In 2022, NIS introduced the practice of monitoring and reporting GHG emissions on a quarterly basis, thereby timely preparing the company for obligations arising from the positive legal regulations of the Republic of Serbia. Reporting on CO₂ emissions is carried out for all three ranges.

The company has also taken steps in energy transition through diversifying its business into the energy sector, by building small power plants on oil and gas fields, as well as

producing and trading electricity, including initiatives for building solar photovoltaic power plants at its filling stations and other company facilities.

The company pays great attention to energy efficiency as well. The programme of measures for reduction of electricity consumption and energy efficiency in 2023, the effect of achieved energy savings was 7,936 metric tons of oil equivalent. The financial value of the savings amounts to RSD 734.8 million. From 2012 to 2023, NIS achieved a total increase in energy efficiency of 33 percent, which also contributes to a more rational use of resources and environmental protection.

Through the most comprehensive corporate social responsibility programme in the country - "Common Cause Community" as well as through environmental activities of the NIS Volunteers Club (with almost 2,000 employees in the company) and in collaboration with the community, numerous

projects have been implemented aimed at increasing environmental awareness and energy efficiency.

The plan is also for renewable energy production to cover 50 percent of the company's consumption by 2030. NIS, along with its partners, continues the implementation of the "Plandište Wind Farm" project, which involves the construction of a wind farm in the municipality of Plandište, in the South Banat Administrative District.

Plans for the future include the continuation of projects aimed at increasing energy efficiency, developing renewable energy sources, using cleaner fuels, and exploring the possibilities of carbon capture and storage.

More detailed information about the company's green agenda can be found at the [external company website](#). Implementation of the Green Agenda will remain one of the company's priorities in the upcoming period.

ON THE REPORT AND REPORTING PRINCIPLES

MATERIALITY MATRIX

At this Report we focused on the challenges NIS faced throughout 2023 and the key aspects of the company's operation - from the perspective both of the Company and of the stakeholders.

In order to define the topics that are most important for the company's operations, which need to be reported in the framework of Sustainable Development Report, mapping of the value chain is being conducted, and topics significant for NIS's business are being defined.

In accordance with the company's internal standard, the materiality matrix is reviewed biennially to check the ranking of topic significance, taking into account all factors influencing the positioning of those topics. According to the mentioned schedule, during the last quarter of 2023, a revision of NIS's materiality matrix was conducted through active communication and collaboration with internal and external stakeholders, in accordance with the established methodology. The new materiality

matrix contains two topics that were not included in the previous materiality matrix, namely: Anti-corruption and Digital transformation and innovations.

The Company is committed to maintaining open communication with all stakeholders and regularly reviewing issues crucial to both parties. The report also includes additional significant indicators that go beyond the requirements for basic reporting levels according to the GRI Standard.

From 1 January 2023, a revised sectoral GRI standard for the petroleum industry has come effect, and all topics prescribed by this standard are represented in this Report.

Regarding the reporting scope, the Sustainable Development Report for the year 2023 was prepared for the company NIS j.s.c. Novi Sad.

The Report was prepared based on the following methodology, rules, and principles outlined in the GRI Standards:

1. Sustainability

The Report contains data on the activities of NIS on the territory of the Republic of Serbia. The Report presents the plans reflecting the Company's aspirations towards wider context of sustainable development.

2. Completeness

The data presented in the Report refer to 2023. Where possible, comparable data for 2022 are included. Financial and economic indicators are derived from the consolidated financial statement (source: Annual report 2023, NIS). The Report presents indicators describing NIS' activities related to the crucial topics for the Company's business operations as defined in the Materiality Matrix.

3. Balance

Information contained in the Report for 2023 reflects the results and achievements of the Company as well as the challenges it encountered during the year. Unbiased and transparent representation of data provides an opportunity for both positive and negative assessments.

4. Comparability

The Report has been prepared following the reporting methodology outlined in the GRI Standards, which allows for comparison with previous NIS Sustainable Development Reports, as well as with reports of other Serbian and foreign companies.

5. Accuracy

In its reports, NIS strives to present qualitative and quantitative data with the highest possible degree of accuracy. The Report lists the sources and methodology used for data collection, while financial and economic data can be found in the NIS' Annual Report 2023.

6. Timeliness

This Report is published annually, in the second quarter for the previous calendar year, and ensures that all interested parties can make timely decisions about the Company and its business operations.

7. Clarity

The Report is suitable for all interested parties owing to its clear and accessible wording. All terms and abbreviations that might be unclear are explained in the Glossary.

8. Reliability

The compliance of the Report with the GRI standard and the accuracy of information provided in the Report were assessed and verified by TPA Revizija doo Belgrade, an independent auditing company.



Chart: Materiality matrix of NIS j.s.c. Novi Sad, 2023

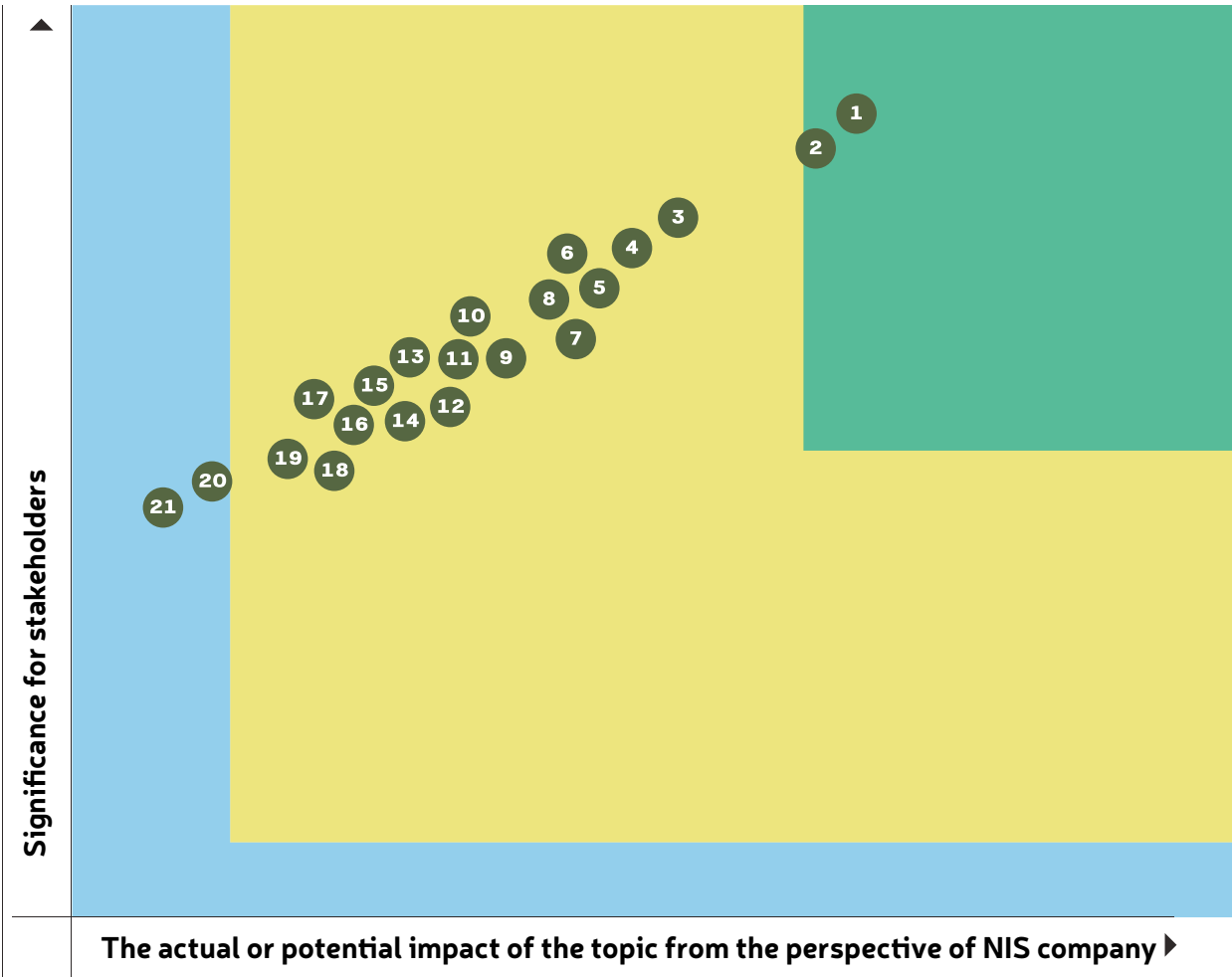


Table: The link between materially significant topics and sustainable development goals of the United Nations, to which NIS j.s.c. Novi Sad contributes.

	3	4	5	6	7	8	9	11	12	13	15	16
	GOOD HEALTH AND WELL-BEING	QUALITY EDUCATION	GENDER EQUALITY	CLEAN WATER AND SANITATION	AFFORDABLE AND CLEAN ENERGY	DECENT WORK AND ECONOMIC GROWTH	INDUSTRY, INNOVATION AND INFRASTRUCTURE	SUSTAINABLE CITIES AND COMMUNITIES	RESPONSIBLE CONSUMPTION AND PRODUCTION	CLIMATE ACTION	LIFE ON LAND	PEACE, JUSTICE AND STRONG INSTITUTIONS
1 Accidents												
2 Quality of products												
3 Occupational Health and Safety												
4 Oil and gas reserves												
5 Emissions												
6 Economic indicators												
7 Customer relations												
8 Legal affairs												
9 Waste management												
10 Labour/management relations												
11 Renewable energy sources												
12 Anti-corruption												
13 Soil protection and remediation												
14 Water Management												
15 Supplier relations												
16 Transport management												
17 Energy consumption management												
18 Digital transformation and innovations												
19 Impact on biodiversity and ecosystems												
20 Investment into local community and impact												
21 Cooperation with educational institution												

RISK MANAGEMENT
- INTEGRATED RISK
MANAGEMENT SYSTEM

Achieving the ambitious sustainable development goals of NIS is not possible without a comprehensive integrated risk management system at the company-wide level.

In 2023, an external evaluation of its risk management system in the company was conducted: It was concluded that the company's risk management system is in compliance with the international corporate governance standards, including the specialised risk management standards.

NIS has defined its goals in the field of risk management and established an Integrated Risk Management System (IRMS). The company's goal in risk management is to increase the effectiveness and efficiency of management decisions through the identification, analysis, and assessment of risks arising from those decisions, defining responses and measures to manage risks, as well as ensuring maximum effectiveness and efficiency of risk management measures during the implementation of decisions.

Additional information about the risk management system in the company is transparently presented within the Annual Business Report for the year 2023.

INTEGRATED MANAGEMENT
SYSTEM

The company's ability to align its business with the principles of sustainable development is ensured, among other things, by applying and meeting all the requirements of the following standards:

SRPS ISO 9001:2015	Quality Management;
SRPS ISO 14001:2015	Environmental Management;
SRPS ISO 45001:2018	Occupational Health and Safety Management;
SRPS EN ISO 50001:2018	Energy Management;
ISO 55001:2014	Property Management;
ISO 39001:2012	Road Traffic Safety Management; as well as
SRPS EN ISO 22000:2018	Food Safety Management or CAC/ RCP 1 where applicable.

Applied management systems are connected in an Integrated Management System (IMS), which is based on a process approach. The established IMS is continuously developed in accordance with the certification strategy, which is monitored by the IMS Committee.

Compliance verification with applicable national and international standards is conducted by accredited certification bodies, with the issuance of corresponding certificates.

In addition to external audits, the company conducts internal audits of business processes and established management systems, in accordance with the annual internal audit program. After these audits, appropriate reports are prepared, based on which business process owners in the organisation define corrective actions and improvement measures to eliminate and prevent the recurrence of identified issues and block potential non-conformities from arising.

DIALOGUE WITH
STAKEHOLDERS

Considering NIS's significance as one of the leading domestic investors, exporters, and employers, the Company fosters dialogue with all stakeholders. When it comes to investors and shareholders, NIS aims to establish a long-term good relationship based on transparent communication about the company's activities

and results. To achieve this, NIS regularly organises presentations of quarterly and annual business results, where representatives of the investment community are addressed by the top management of the company. Additionally, NIS traditionally organises the Investor Day at one of the Company's locations, to directly present the most important activities and plans of the NIS Group to investors. In addition, on the corporate website of NIS (www.nis.rs) they may find a special section with all the most important information, intended for investors and shareholders.

The general public is informed about the activities of the NIS Group through the media, including a large number of press releases and other communication materials prepared by the company's Press Service. Additionally, NIS recognises the importance of well-informed employees and considers it one of the key factors for achieving business goals. Therefore, digital communication channels were at the centre of attention during the previous year, aiming to ensure that important information reaches all colleagues in the shortest possible time.

We remind you that NIS exchanges best practices with its business partners, and with that aim, organises the HSE Contractor Forum every year. NIS pays a lot of attention to a two-way dialogue with local communities, educational and scientific institutions, as well as all other relevant organisations, in order to address their needs effectively and to ensure a workforce for the successful business operation of NIS.

*IRMS is a set of stages, methodological frameworks, and tools aimed at ensuring the efficiency and effectiveness of risk management processes within the Company.



Memberships

In 2023, NIS actively participated in several business associations and chambers of commerce in Serbia and abroad, including:

- National Petroleum Committee of Serbia of the World Petroleum Council (WPC) – a member since 2011;
- Foreign Investors Council (FIC) – a member since 2011;
- Chamber of Commerce and Industry of Serbia – a member since 2005;
- American Chamber of Commerce and Industry in Serbia (AmCham Serbia) – a member since 2014;
- National Alliance for Local Economic Development (NALED) - a member since 2023.

During 2023, NIS subsidiaries abroad actively participated in the work of the following associations:

- Bosnia and Hercegovina Oil Committee - G-Petrol d.o.o. Sarajevo, a member since 2016;
- Foreign Investors Council (FIC Sarajevo) - G-Petrol d.o.o. Sarajevo, a member since 2013;
- Employer Association - G-Petrol d.o.o. Sarajevo, a member since 2014;
- Banja Luka Regional Chamber of Commerce, The Republic of Srpska - NIS Petrol d.o.o. Banja Luka, a member since 2014;
- Oil and gas exploration association for the Caspian Region and Central Eastern Europe - Continental Energy Council (CEEC Scout Group) - NIS Petrol SRL Romania, a member since 2014.

Relations with Shareholders and Investors

The continuous building of quality long-term relationships with its shareholders and investors remains one of NIS's goals. The company

respects the principles of equal treatment of all information users and publishes information in a manner that makes it readily available to all stakeholders in a timely and straightforward manner.

The company has developed two-way communication with investors and shareholders, who can easily and equally inform themselves about topics relevant to the company's business, shareholder rights, as well as all other significant matters. The following organisational units are responsible for communication with this group of stakeholders:

- Group for Relations with Minority Shareholders, servis.akcionara@nis.eu (with a special call centre for minority shareholders at 011-22-000-55) and
- Section for Investor Relations, investor.relations@nis.rs.

Presentations on the achieved results, financial reports, audit reports, fiscal calendars, important news, decisions by the company's bodies, information on shares, shareholder rights and dividends, as well as other content is regularly updated and published within special section of the corporate website [the Investors](#). All information and documents within this corporate website's section is available in three languages: Serbian, Russian, and English: When it comes to mandatory reporting, NIS goes a step further and offers additional information so it organises presentations of its results for the representatives of investment public after every quarter. In 2023, interested stakeholders could attend these presentations either through a conference call or in person. During such events representatives of the top management and investors work closely together to carefully analyze business activities and their effects.

NIS also opens its doors for Investor Days, where management presents important development projects. During last year's

"Investor Day," the NIS Group presented to the investment community the business results for the nine months of 2023, as well as the ESG 2023 the presentation - Key Indicators for 2023 and Future Development Directions, when representatives of the investment community were separately briefed on this topic. Presentations on the long-term development of Exploration and Production Block and projects in this area were also presented. A visit to the Training Centre in Elemir, the amine plant, and the Gas Refinery in Elemir was organised, and a demonstration exercise was conducted on the production well simulator.

Moreover, NIS participates in investor conferences and is always willing to accommodate those who wish to obtain more information individual (one-on-one) meetings.

NIS has a mechanism to prevent or settle potential conflicts between the company and minority shareholders. A three-person commission has been formed to review and settle all claims from minority shareholders, whereby the competencies of the commission, addressing the commission and its operation methods are governed by a dedicated internal regulatory document. Detailed instructions on how to apply for dispute resolution are available at the NIS website.

Media Relations

Timely and comprehensive informing the public and maintaining good relations with the media, along with following contemporary communication styles, are priorities in the work of the NIS Press Service. In addition to a large number of press releases and responses to journalists' inquiries, the Press Service also organises visits for media representatives to the most important locations of the company, allowing them to directly acquaint themselves with the operation of NIS Group. In 2023, NIS Press Service continued to adapt its corporate

style of external communication to current media trends, implementing changes to better align with the evolving media landscape. In the upcoming period, the priority of the NIS Press Service will be to strengthen relations with the media and transparently inform the public about the company's most important activities through the widest range of communication channels.

Corporate Website

During 2023, improvements to the content on the corporate website of NIS (www.nis.rs), in line with the latest trends in user experience and visual identity. Corporate website is designed to enable visitors with easy and quick search of desired contents. Accordingly, most important information is available in Serbian, Russian, and English. On the website, in the "Press Centre" category, all interested parties can find information about the most important events and activities of the company. In addition, it contains all relevant information for investors, data on key development projects, career opportunities NIS offers, as well as the updates on tenders and procurement procedures. All visitors to the corporate website also have access to electronic versions of the annual statements and sustainability reports, as those are the two most significant annual publications through which NIS fosters transparent communication with all stakeholders.

The "Magazine" platform offers readers the opportunity to get to know NIS from a different perspective and read articles covering culture, education, environmental protection, sustainable development, and human resources.

Consumer Websites

In the retail markets in Serbia and the region, NIS Company operates under two brands – NIS Petrol and GAZPROM.

The company regularly informs consumers about its operations, gas stations, products, services, and promotions in the retail network through its website <https://www.nisgazprom.rs/>.

On the website <https://www.nisgazprom.rs/brendovi/g-drive/> consumers can find more information about premium G-Drive fuels.

The retail network of filling stations (hereinafter: FS) is operational in Serbia, Bosnia and Herzegovina, Bulgaria and Romania. As for the region, the network of Gazprom FS s is active in Bosnia and Herzegovina. The filling stations of NIS Petrol brand operates alongside GAZPROM. Following the model of consolidating websites in Serbia, the websites in Bosnia and Herzegovina have been consolidated: <https://www.gazprom-petrol.ba> and <https://www.zajednonaputu.ba> and one website: <https://www.gazpromnis.ba/>. In Bulgaria, the website for the retail network is available. - <https://www.gazprom-petrol.bg/> and for the loyalty program - <https://www.snnp.bg>. There is an active website in Romania: <https://www.gazprom-petrol.ro/ro>.

On both fuel supply station networks, promotions for the sale of fuel and non-fuel products are periodically planned and implemented in accordance with the needs of the target market. Fuel promotions are aimed at increasing the average threshold of fuel volumes purchased by customers, as well as reactivating existing users and attracting new members to the loyalty program. In 2023, campaigns were conducted within Bosnia and Herzegovina on Facebook and Instagram pages : "Zajedno na putu," ("Together on the Road) aimed at increasing sales and recognition of premium G-Drive fuel and the Drive Cafe brand. The new design of the Drive Cafe cup was introduced, and a gift card offer for both legal

entities and individuals was implemented in the retail network. A new design for Drive Cafe cups was implemented in Bulgaria, along with informing the members of the loyalty programme "On the Road with Us" about the offered discounts.

On the website <https://www.nisgazprom.rs/programi-lojalnosti/sa-nama-na-putu/> consumers can, along with information about current promotions, find out how to become members of this programme and take advantage of the available benefits. In 2023, we introduced chatbot services on our website, in the section "On the Road with Us" thus providing information and answers regarding this loyalty program. Clients have at their disposal also the "On the Road with Us" mobile application to check their status of bonus points, current consumption, card level, and the overview of transactions. During 2023, a survey was also enabled to evaluate the last transactions. New users can join the loyalty programme online through the mobile application, free of charge. They can use a QR code generated by the application to collect and redeem bonus points. From 2023 onwards, an additional benefit for consumers was introduced in the application – collecting coupons and issuing vouchers for free products. The latest functionality, available to application users since July 2023, allows selecting and sending fiscal receipts via email.

On the site <https://www.nisgazprom.rs/sr/brendovi/drive-cafe/> consumers have access to all information about Drive Cafe restaurants and stores within the NIS Petrol and Gazprom network of gas stations. Drive Cafe coffee originates from the oldest Italian roastery, Caffè Vergnano, preserving the authentic taste and quality known and beloved to consumers throughout Serbia. It represents the first association with premium coffee quality on the roads in Serbia and the region.

In 2023, the record-breaking 6 million cups of this coffee were sold in one year in Serbia, and the number of loyal Drive Cafe coffee consumers

continues to grow continuously. During 2023, a national Drive Cafe promotional campaign was implemented on TV channels and through digital channels, with the aim of promoting products from the gastro - offer and Drive Cafe coffee.

"Jazak water" is natural mineral water from a spring in the Fruška Gora national park. It is sold as a consumer brand in more than 8,000 retail outlets – within NIS Petrol and Gazprom stations, as well as in retail chains on the Serbian market. According to research results, in 2023, "Jazak water" ranked fourth in terms of sales volume. "Jazak water" holds 3.4% share on the overall market, with its share being 4.7% for still water, 0.9% for carbonated beverages, and 6.6% for flavoured beverages. It is characterized by low sodium content and a balanced pH value.

In 2023, the labels for "Jazak water" were redesigned, along with the commercial packaging for Jazak Family Pack water. An integrated media campaign was implemented to promote the new "Jazak water" in innovative packaging of 0.75 litres with a smart sports cap, unique one in the Serbian market, which guarantees that the water will not spill regardless of movement and the bottle position. "Jazak" has become a sponsor and the official water of the Football Club "Crvena Zvezda" (Red Star), and throughout the year, events such as Highlander, North Spirit, and the Jazz Festival in the Botanical Garden were also supported. The first digital "Jazak Book Fair" was organized on the Instagram page of "Jazak Water," where various sales and non-sales content were presented on the "Jazak" pages.

The quality and importance of "Jazak water" are further evidenced by the "Čuvarkuća" (Houseleek) seal, which represents confirmation that this product is part of the natural, cultural, and gastronomic heritage of our country. The "Made in Serbia" project confirms domestic origin as well as the high quality of the product and encourages greater and better utilisation of available natural resources for production

in Serbia. Products bearing the "Houseleek" seal have become increasingly prominent in recent years and successfully contribute to the development of agriculture, crafts, transportation, trade, and tourism in Serbia. To see the full range of "Jazak products, visit www.jazakvoda.rs.

The channels through which the Company informs consumers about offerings at NIS Petrol and Gazprom filling stations and interesting features for drivers are the Facebook and Instagram pages "Sa nama na putu" ("With us on the road"), the first Instagram page about premium fuel in Serbia called "G-Drive Srbija" ("G-Drive Serbia"), and two YouTube pages "Sa nama na putu" ("On the Road with Us") and "G-Drive Srbija" ("G-Drive Serbia"). During 2023, 15 episodes were created as the part of the content series "On the Road with Us through Serbia" ("Sa nama na putu kroz Srbiju"), where readers of the website and followers on social media could read detailed recommendations about landmarks in Serbia they could visit. Events such as G-Drive #takomočno iskustvo were promoted on the pages. Highlander, Aqua ski open national wakeboard competition, as well as the music festival Lovefest in Vrnjačka Banja were also promoted. Regular content is created on the pages to promote NIS brands.

When it comes to the business segment of lubricants at NIS, it encompasses the development, production, and sale of oils and technical fluids under the Nisotec brand, catering to consumer, commercial, and industrial sectors. As a consumer brand, the products are sold at NIS Petrol and Gazprom stations, as well as in retail outlets across the Serbian market. Consumers can find information about the complete Nisotec product range on the website www.nisotec.eu.

Mobile Applications

Drive.Go mobile application, launched in April, 2020, enables the pay-at-pump feature at NIS's filling stations, without the need to pay at cashier desk. We were the first company in Serbia to offer our clients this quick, easy, and safe way of paying for fuel. In creating and developing the Drive.Go mobile application, the most advanced technologies were applied, enhanced in line with the best global practices - both in terms of reliability and payment security. The new way of fuel purchase is supported across the NIS Petrol and Gazprom filling stations.

The application is available on Google Play, Apple, and Huawei Store platforms.

Clients in Serbia appreciate the ease and convenience of NIS's Drive.Go mobile application. Since the launch of this innovative service, the application has been downloaded by over 350 thousand consumers, with more than 27 million litres of fuel sold. Currently, there are more than 48 thousand active users in the application.

In addition to the option of paying for fuel without visiting the cashier, this mobile application has been enhanced with additional functionalities: Registration of the loyalty programme "On the Road with Us" card, enabling the collection of bonus points with fuel purchases through the application in the same way as when paying at the cashier, also gives the display of a map with the route to the nearest filling station is also enabled. In addition to the mentioned features, Drive.Go provides insight into all additional information about working hours, types of fuel, and available services at desired filling stations. In addition to the existing important functionalities of the application such as sending receipts via email, the "Moja firma" ("My Company") option, and the application's prepaid mode, since 2023, the "Moj auto" ("My Car") option has been introduced. This allows consumers to no longer worry about

the expiration date of documents like driver's licenses, vehicle registrations, and insurance policies. Furthermore, last year a new version of the application was released with the mentioned enhancements and redesigned screens. For the year 2024, additional development of functionalities within the application is planned, such as implementing a new payment method.

The existing mobile application for corporate clients, Gazprom card, has been enhanced and rebranded under the new name "NIS Corporate Clients." The application now has a tab with a QR code that acts like a virtual version of a corporate client card. This means that client is free to use either the physical card or a virtual card from the application. In addition to introducing new functionalities, further aesthetic and functional improvements are planned.

In 2023, within the NIS Corporate Clients mobile application, and following the example of the Drive.Go mobile application, the "Scan and Pay" functionality was developed – fuelling up without entering the retail outlet, enabling corporate clients to pay for fuel at the filling station without going to the cashier. The "Scan and Pay" functionality is in the testing phase and is planned to be available during 2024.

As the result of the enhancements, the application provides a completely new user experience to corporate fuel card users. Depending on the application modules (a module for drivers and a module for managers), users are enabled to view transaction history, savings on fuel cards, map of filling stations, current product prices as well as to easily contact the account manager. Based on application user feedback, NIS company is preparing further enhancements to the application in the upcoming period.

At the end of 2023, a project was implemented to upgrade the personal account (web portal) for corporate clients, which included changes both in the visual presentation and in functionalities, among which we highlight:

- To improve the user experience for clients, functionalities were classified and the menu order was organised;
- In the Customer Profile, information is now located in one place, with a quick display of a current consumption chart;
- A Quick Report has been introduced, allowing a monthly overview of derivative consumption, with a comparative display for the past 2 years;
- On the home page, users can receive notifications if they are close to depleting their funds or nearing the contract expiration date;
- "IPS QR" code for invoice payment - payment via NBS and "IPS QR" code is enabled for amounts up to RSD 300,000.00, and
- A "Notifications" tab has been introduced, where the latest news and information about benefits for corporate customers can be found.

Throughout 2024, further improvements to the personal account for corporate clients will continue, with plans to implement new functionalities and additional enhancements to the user experience.

In May 2023, the "NIS Agro Card" mobile application was launched for users of the Agro program. The "NIS Agro Card" mobile application represents a digitized card of the NIS Agro programme for registered agricultural households. The options within the mobile application ensure convenient tracking of expenditure. Access to realised transactions is easier and faster, and selection of the appropriate period in the calendar is also enabled, allowing for convenient tracking. The "NIS Agro Card" mobile application includes a map of all NIS Petrol and Gazprom stations, as well as directions to the nearest filling station. There are plans for enhancing the functionality and redesigning the mobile application during 2024.

Social Networks

In the modern digital environment, social media is becoming an increasingly important and dominant tool for contemporary corporate communications. By expanding its communication portfolio, NIS aims to achieve maximum reach and engage with a broader audience in real-time. Social media, as significant communication platforms, offer companies numerous opportunities to enhance and improve communication with their target audiences. They also make the communication process faster, more transparent, and simpler. Real-time reporting is enabled through various content formats - from photographs and designed infographics, to increasingly prevalent video posts. This maximizes the effect of timely information dissemination and encourages two-way communication.

Through a carefully crafted strategy of engagement on social media via digital channels, NIS provides PR support for its main business projects, HR, CSR, and sustainable development projects, thereby aligning with global examples of best practices in corporate engagement on the fastest-growing communication platforms. The company will continue to track the latest trends and respond to increasingly significant challenges, viewing them as opportunities for innovation and the creation of a new communication environment.

NIS engages in daily communications with consumers and the broader public through several channels on social media platforms: Corporate communication occurs through Facebook, Instagram, LinkedIn, Threads, and TikTok accounts under the name "Company NIS," while news about monthly promotions, products, and services offered at fuel supply stations is disseminated through the Facebook and Instagram pages "On the Road with Us." Clients can also visit the Instagram account dedicated to the G-Drive premium fuel and two

You Tube accounts - one for the On the Road with Us program, and one for G-Drive Serbia. The promotion of the "Jazak" drinking water is continuously carried out through consumer channels on Instagram, Facebook, and YouTube.

Employee Communication

Informing the employees is one of the key factors for achieving the company's business goals. Following this, an important task of NIS's internal communications is to inform timely and accurately the employees about all current topics within the company. During the past year, the emphasis has been on improving digital and fast communication channels, primarily on the mPortal application. This application is intended for employees who are engaged in fieldwork and do not have access to online communication channels, ensuring that they are informed and interconnected at all times. Thanks to field promotions, the number of users of this application increased by as much as 2.8 times in 2023. In June of last year, the redesigned Portal was launched, facilitating access to the most frequently used business applications. The redesign was preceded by the analyses of Portal usage, ensuring that the new design meets the needs of all colleagues. Additional options were introduced, such as the "Thank You" page, which enables transparent and active interaction and provides positive feedback among employees in all organisational units of the company.

CORPORATE RESPONSIBILITY

With its business operation, NIS actively contributes to the achievement of 12 out of 17 goals of sustainable development of the UN. Sustainable development principles are integral to all business processes at NIS. The Company demonstrates its responsibility in key areas of sustainable development - economic development, improvement of environmental protection, development of human resources and the progress of the community.

When it comes to economic progress, NIS bases its operations on continuous modernization, modern technologies, and significant investments, which lay the foundation for the further development of NIS and the domestic economy. Thus, in 2023, NIS initiated a new investment cycle and invested RSD 39.2 billion in capital projects. Further plans are even more ambitious, and investment projects planned in 2024 are worth almost RSD 60 billion. The funds will be invested in all business segments: oil and gas exploration and production, refining, sales and distribution and energy related projects. In 2023, NIS became major shareholder of HIP Petrohemija, and significant investment will be realised in this area as well, before all, investing in the construction of plants for polypropylene production. In addition, important investment are planned in further digitisation of business processes, strengthening the energy efficiency and the acceleration of NIS's energy transition.

Investment will be intensive also in the area of environmental protection. The importance that the Company places on this area is evidenced by the fact that NIS has defined its approach to environmental protection within the goals of the energy transition by 2030, the green agenda – the Environmental Protection Strategy by 2030, as well as within the company's mission and vision. This commitment is reflected in everyday practices across all business processes. In 2023 alone, NIS invested over RSD 800 million in environmental projects, demonstrating its strategic commitment in this area. It should be noted that the amount is significantly higher if it includes investments in technology, the implementation of which contributes to the reduction of harmful environmental effects.

Simultaneously, direct emissions of hydrocarbon were reduced in 2023 by 6 percent, while indirect emissions of CO₂ remained on the same level as in 2022. In HSE, NIS demonstrates its responsibility by sharing its best practices with external associates. The 14th Contractor HSE Forum was held in 2023, and it was attended

by more than 220 participants from more than 55 companies. The Forum was dedicated to contractor activity management, where by special attention was paid to the importance of HSE culture development and safety awareness. The event itself was a chance to discuss with contractors about work permit system and joint HSE goals.

Bearing in mind the fact that we live in the time of fast technological changes that affect also labour market, NIS's focus are permanent training courses for employees, as well as efforts to contribute to increasing their satisfaction and commitment. The Company sees its team of 13,500 professionals as the most valuable resource, and therefore allocates significant funds for continuous employees' training and development.

NIS shares its business success with the community in which it operates. In 2023, a significant milestone was celebrated for the leading social responsibility programme in our country – 15 years of continuous implementation of the 'Common Cause Community' program, through which the company collaborates with local communities across Serbia. This programme is unique in many ways. This programme is distinctive both in the number of participants (13 cities and municipalities in which the company operates across the country), and in its results, having implemented 1,136 projects worth over RSD 1.7 billion over the past 15 years. These projects have significantly contributed to improving living conditions in the communities where the company operates.

Thanks to of the "Common Cause Community" program, the work of over 180 educational institutions and more than 40 cultural institutes has been improved. Additionally, 45 hospitals and health centres have been equipped, and over 146 children's playgrounds, parks, sports grounds and facilities have been refurbished. Additionally, following the company's excellent business results in 2022, NIS supported the Serbian Government's projects in the fields of

education, social welfare, and healthcare with a donation of RSD 7 billion in the last year. Responsible and sustainable operation remains one of the Company's strategic priorities.

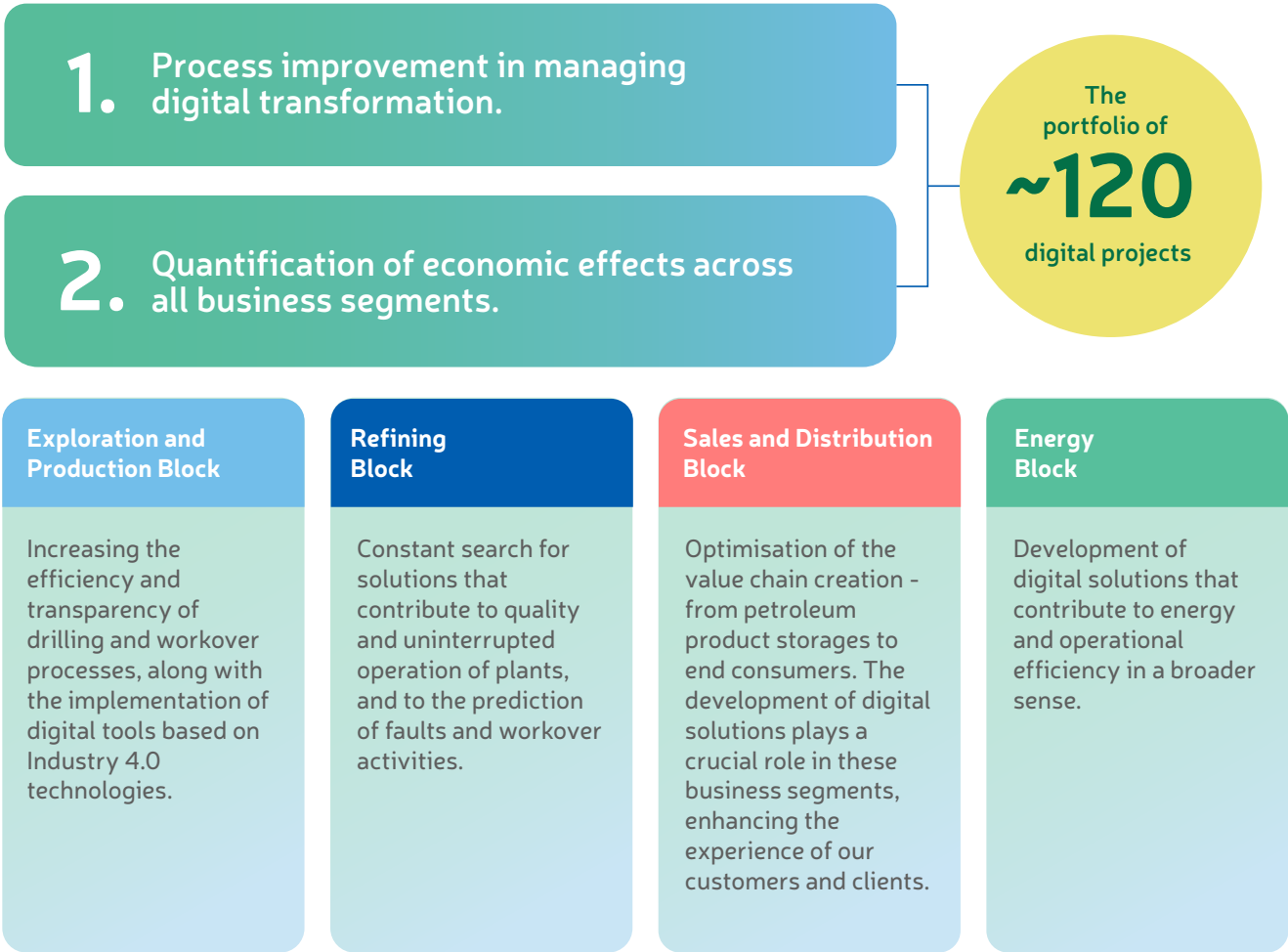
DIGITAL TRANSFORMATION AND INNOVATIONS

In the dynamic and modern business environment, digital transformation and innovation are of strategic importance for NIS. Therefore, the Company implements a large number of projects in this segment.

Digital Transformation

The process of digital transformation within the company is characterised by continuous improvement of business processes, implementation of widely applicable digital solutions and technologies aimed at enhancing business efficiency. A significant part of this strategic direction is focused on developing employee's competencies through intensive educational modules on digital technologies and applying acquired knowledge in the business environment. The team of internal trainers emerged as a result of collective commitment and professional engagement, and the Company's portfolio includes a wide range of digital projects (currently around 120).

Digital Transformation - Results for 2023



Digital transformation projects are implemented across all business segments, i.e., within all individual business-oriented organisational units of the company: Exploration and Production Block, Refining Block, Sales and Distribution Block and Energy Block.

In the course of 2023, the implementation of the HSE (Health, Safety, and Environment) digitisation programme began, with the aim to ensure safer and more efficient work for employees, as well as easier and safer management of contractors.

In collaboration with the Scientific and Technological Centre, research activities are actively conducted with the aim of assessing and evaluating the potential for implementing advanced digital technologies. In the field

of data management and analytics, a new business process called: Data Management was implemented. Several projects were implemented, enabling a significant reduction in the time required for routine data processing and contributing to faster, better, and smoother daily work for our employees. Within the company's digital transformation, the application of artificial intelligence is playing and increasingly important role in all segments, while digital transformation projects will continue to be a focal point for the company in future.

Innovations

In order to adapt to unstoppable trends and advancement of digital technologies on a global level, NIS has committed a strategic approach

to innovation, aimed at enhancing business efficiency at all levels and achieving ambitious goals in energy transition by the year 2030.

The company is implementing a large number of diverse projects in the field of innovation. Innovation projects are being implemented across all organisational units of the company, especially within Scientific and Technological Centre. Some of these projects are presented below.

Continuous work is being performed to reduce various types of emissions, as well as to sequester CO₂ in reservoirs - in order to prevent emissions into the atmosphere and to increase the volume of oil and gas production. To implement projects in this area, the Scientific and Technological Centre is responsible for analysing technologies for capturing, transporting, and storing CO₂.

One section of the innovative projects is focused on reducing emissions of pollutants through CCUS (carbon capture and storage) projects. These projects involve both external decarbonisation of large industrial emitters and internal decarbonisation efforts. In the latter, NIS is working on the concept of producing blue hydrogen (with low carbon content), utilizing depleted oil and gas fields as potential CO₂ storage sites.

When it comes to geothermal projects, NIS is working on potential collaborations with local municipalities, namely in providing geological screening, drilling boreholes, and the sale of hot water. For the first time in its history, NIS has conducted work to assess geothermal potential under dynamic conditions, (taking into account daily production factors). Currently, two pilot projects are being considered for harnessing geothermal resources through the production of thermal energy at the locations of Vrbas and Bečej. Both concepts involve utilising the existing well stock owned by NIS.

Innovative services in the retail network include the ability to withdraw cash at filling stations, payment via IPS QR codes, and collaboration with Union Pay, thus demonstrating a commitment to improving customer experience and modernizing payment methods. The implementation of automatic and self-service operation modes at selected filling stations through the Drive.Go application and self-service tills represents a step towards increasing efficiency and flexibility in service delivery.

NIS's innovation strategy is integrated into all aspects of its business, with a clear focus on digital transformation, energy efficiency, and sustainable development, positioning the company as a leader in a dynamic and fast-paced business environment.



SUSTAINABLE DEVELOPMENT GOALS

Goals of sustainable development, adopted by the UN in September 2015, represent universal call for carrying of the activities that will stop poverty, enable the planet protection and secure that all people enjoy in peace and prosperity.

Agenda 2030 represents 17 mutually connected goals that include economic growth, social inclusion, and environmental protection, while emphasising the importance of mobilising resources and directing efforts of all social actors towards the achievement of these goals. Considering the fact that the goals are interconnected, often the key to success on one will involve tackling issues associated with another ones.

NIS company diligently works on the achievement of sustainable development goals, whereby it is focused on contributing to the achievement of 12 out of 17 goals. To the end of improving the quality of life in the communities in which NIS operates, the development of human resources and the preservation of natural ones, the company integrates the principles of sustainable development into all aspects of its business operation. NIS's engagement on this task incites the creation of long-term value for all the stakeholders and also the culture of innovation and responsibility, which contributes to the creation of sustainable future for all.





GOAL GOOD HEALTH



Ensuring healthy lives and promoting
the well-being for all at all ages.





During 2023, the implementation of the series of activities continued to the end of preventive health care of all the employees at NIS.

Care for the Health of Employees

NIS Company pays a lot of attention to physical and mental health care of the employees, to the promotion of healthy lifestyle, as well as to prevention and early detection of illnesses. The primary focus of our employees' health care is on preventive activities.

Preventive health care of employees in NIS is the system of health and wellbeing management, and it is carried out in accordance with the legal regulations, normative-methodological documents and requirements of the Company, in line with the valid Risk Assessment Act for each individual workplace and the by the application of Good Practice in the industry.

The key activities of the preventive health care process for employees during the year 2023 were reflected in the following:

- Preventive voluntary medical examinations of the employees - the total of 5,571 employees were examined, which represents 170 percent of the planned number of check-ups (check of the overall health condition of the employees, including screening of cardio-vascular diseases, endocrine conditions, targeted examination of thyroid gland and the like).
- Activities related to the digitisation of the organization of medical examination processes, primarily for positions with increased risk, aiming to enhance the adherence to deadlines for conducting medical examinations;
- Drills were held in line with the scenario: "First aid for cardiac arrest" on several locations across the Company;

- Many educational campaigns have been carried out, as well as workshops and lectures on prevention and early detection of different health conditions;
- Normative documents of different processes revised – Standard for Preventive Health Care and Instructions for the Prevention and Control of Alcoholism and Drug Addiction in the workplace;
- Centralisation of the budget for testing biological material against the content of alcohol and narcotics; as well as other intoxicating substances;
- Supervisory visits of all organizational units implemented for the controlling of the employee preventive health care processes and also the assessment of compliance of the entire process with the requirements of legislation and the requirements of normative and methodological document of the company.

Additional detailed information on this subject are given within individual GRI Indicators: 403/3, 403/6 and 403/10.

Corporate healthcare and team building

The implementation of four complementary programmes to enhance corporate health and team activities during 2023 had the aim to promote healthy lifestyle among employees, resulting in better health outcomes. Simultaneously, these efforts contributed to higher efficiency and a stronger sense of belonging to the company.

- Through the Health Improvement Program, over 2,500 employees were engaged. They participated in surveys, health assessments, direct communication with healthcare professionals, and developed health improvement plans to collect data and enhance their fitness levels. Over 20 events were organised in Kikinda, Zrenjanin, Elemir, Negotin, Pančevo, Belgrade, Smederevo, Novi Sad, Niš, and Čačak, where employees from all organisational units of NIS had the opportunity to learn about key factors for improving their health and fitness. One of the benefits provided by NIS to all its employees is free participation

in various sports and recreational activities at sports centres and similar venues. In the previous year, this benefit was utilised by 2,500 employees who participated in 15 different sports activities across more than 90 locations in 27 cities.

- The NIS sports teams have achieved excellent results in competitions within local communities across the country. Medals and trophies have been won by NIS teams in business-sport leagues in Belgrade, Zrenjanin, Novi Sad, Sabac, and Pančevo, in 8 different sport disciplines - basketball, shooting, indoor football, chess, triathlon, swimming, relay running and bowling.
- At Ada Ciganlija island in Belgrade, NIS organised sports games with 500 participants competing in 15 disciplines. Our employees from all organisational units of the company were divided into 8 teams of different age and gender structures.
- Participation in events organised by UNICEF and in memorial and humanitarian sports tournaments has enabled additional engagement with local communities.

During 2023, through all four programs aimed at improving corporate health and team activities, 3,220 employees were engaged, which is 30% more than in 2022. The goal is to engage an even larger number of employees next year in accordance with their commitments and health status, while also positioning NIS as a positive example in the business world, both towards its employees and the communities in which the company operates.

Care for the Community Health

In order to support the preservation and improvement of public health, the Company is guided by the topics of national importance, current national priorities, and the needs of local communities. Accordingly, NIS has directed 2022 cycle of its "Common Cause Community" programme to the promotion of reproductive health and the increase in birth rate. The cycle was carried out under the slogan "May New Hopes Be Born." The company invested RSD 118.5 million in the implementation of 22 projects in 13

cities and municipalities. Through the supported projects implemented by September 2023, 13 CTG machines and colposcopes, 13 modern generation ultrasound machines, 21 medical devices for various purposes, and 14 gynaecological chairs and delivery tables adapted for people with disabilities, were procured for hospitals and health centres. The embryological laboratory at gynaecological-obstetric clinic - GAK "Narodni Front" in Belgrade was also equipped, doubling the clinic's capacity for the preparatory process of in vitro fertilisation as a result. Through the co-financing of in vitro fertilisation process, support has been provided not only for the IVF procedure itself but also support in the preparation for this procedure.

During 2023, the company NIS continued to donate "Jazak Water" to hospitals. In an effort to ease the hospital days for patients and contribute to the improvement of working conditions for medical staff, it donated nearly 6,500 litres of "Jazak Water" to the hospital "KBC Dr. Dragiša Mišović - Dedinje".

Additionally, NIS continued donating "Jazak" water to the primary school "Milica Stojanović Srпкиnja" in Vrdnik, donating 2,000 litres of water.

Contribution of the Voluntary Blood Donors Club of NIS's Trade Union Organisation

During 2023, employees of the company demonstrated their commitment to humanitarian efforts by participating in voluntary blood donation campaigns. Thanks to the altruism and high level of empathy among employees, during 18 voluntary blood donation campaigns held in 6 cities (Belgrade, Novi Sad, Pančevo, Zrenjanin, Kikinda, and Niš), the total of 572 units of blood were collected. This effort aims to contribute to the establishment of stable blood reserves at the relevant transfusion services.



GOAL QUALITY EDUCATION



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

4 QUALITY
EDUCATION





In the jubilee 15th cycle of the "Common Cause Community" program, NIS company invested the record annual amount of RSD 144.5 million to support projects in the fields of science and education.

Common Cause Community

Being aware of the fact that education is the main pillar of development for every country, and that young people are our future, NIS Company allocated a record annual amount of RSD 144.5 million in 2023, to support projects in the fields of science and education within the jubilee

15th cycle of the "Common Cause Community" program. Thus, within the cycle implemented in cooperation with the Ministry of Education and the Ministry of Science, Technological Development, and Innovation of the Republic of Serbia, NIS selected 54 projects through a public competition for support. The aim is to enhance the teaching process and infrastructure of primary and secondary schools, as well as to develop research and innovation capacities and infrastructure within scientific research organisations and science and technology parks in cities and municipalities covered by the Program. The projects will be implemented in Belgrade, Novi Sad, Niš, Čačak, Kikinda, Pančevo, Zrenjanin, Požarevac, Kanjiža, Srbobran, Novi Bečej, Žitište, and Veliko Gradište. Their implementation will contribute to many students across Serbia in receiving education aligned with modern learning models, and will provide scientists with better conditions to achieve their full scientific potential.

The Energy of Knowledge

Within its Energy of Knowledge programme, NIS continued in 2023 to cooperate with scientific and educational institutions in the country and abroad, and also to provide scholarships to the best students in accordance with the HR needs of the company and the market in general. By implementing the programme activities for over a decade, there has been encouragement for positive identification with successful young individuals, the creation of a proper value system, and the achievement of a positive impact on the overall culture of education and work within the broader societal community.

In 2023, four new scholarships were awarded to students studying in the Russian Federation, as well as five scholarships awarded through the Fund for Gifted Students at the University of Novi Sad. Providing scholarships to students from different parts of the country contributes to reducing inequality in access to education. It provides equal opportunities for education to young and talented individuals from less

developed regions or disadvantaged families. During 2023, four scholarship recipients who studied in the Russian Federation graduated and subsequently began employment with the company. By employing students after they graduate, in addition to benefiting the company, the unemployment rate in the community is also reduced.

Last year, a meeting was held at the Palace of Serbia involving the Minister of Education of the Republic of Serbia, former scholarship recipients of the "Energy of Knowledge" program, and the CEO of NIS. In addition to presenting the results of NIS's long-term investment in youth, education, and science in Serbia, the joint achievements within the cooperation between NIS and the Ministry of Education were also summarized at this meeting. Furthermore, potential future investment directions were defined.

During 2023, NIS signed two new memoranda of cooperation with higher education institutions that are of interest to the company's operations: the Faculty of Electrical Engineering in Belgrade and the Faculty of Technical Sciences in Novi Sad.

Since 2012, NIS has supported through Energy of Knowledge Programme, the adaptation of more than 65 classrooms and laboratories in schools and colleges throughout Serbia. During 2023, donor support was implemented for the renovation and adaptation of Russian language classrooms in three schools in Serbia: to the Philological Grammar School, to the primary schools "Triva Vitasović Lebarnik" in Lačarak and "Branko Radičević" in Maradik, as well as the physics classroom at the Electrical Engineering School "Nikola Tesla" in Belgrade. Additionally, two renovated Russian language classrooms were ceremonially opened at the Karlovci Grammar School. By continuously renovating and equipping classrooms with modern teaching resources, the infrastructure of education improves, creating better conditions for learning and work for both students and teaching staff. This overall contributes to enhancing the quality

of education in the community.

During the past year, the implementation of guest lectures by company employees continued, with a total of 25 lectures delivered to students at partner faculties in Serbia and Banja Luka. Other than that, three of NIS engineers have continued the practice of lecturers at professional courses in the study programme "Industrial Engineering in Oil and Gas Exploitation" at the Technical Faculty "Mihajlo Pupin" in Zrenjanin. This type of interaction with the industry professionals provides students with practical experience and a better understanding of their future career advancement opportunities.

Internships were organised for scholarship recipients of the program, ranging from one to two months in duration. Additionally, visits were arranged for pupils, professors, and students from partner faculties and high schools to visit the company.

For the first time, the manifestation "May - the Month of Mathematics", intended for children of primary and secondary school age was supported. A donation was made to enhance the quality of education in the field of "Industrial Engineering in Oil and Gas Exploitation" at the Technical Faculty "Mihajlo Pupin" in Zrenjanin.

Since the support to competitions encourages academic excellence and motivates young people to engage and develop in the fields of science, NIS traditionally provides support to domestic and international Knowledge Olympiads in mathematics, physics, and chemistry. The company has earned 12 medals at international competitions held in Japan and Switzerland. Additionally, NIS hosts an Olympiad in Russian language, with over 140 participants reaching the final. The Society of Mathematicians of Serbia and the Serbian Chemical Society awarded NIS a commendation for its longstanding support and collaboration achieved through the "Energy of Knowledge" program.



GOAL GENDER EQUALITY



Achieve gender equality and empower all women and girls.

Promote gender equality and the position of women and men in the Republic of Serbia; contribute to strengthening the role of women in business decision-making and society in general.

5 GENDER
EQUALITY





Gender equality is one of the cornerstones of sustainable development efforts of NIS and it is the practice that is continuously enhanced by the Company on a daily basis.

One of the keystones of NIS's business is the improvement of a gender-equal culture within the company and a work environment where the equality of all employees is unconditionally respected. This includes creating an atmosphere where all employees have equal opportunities to fulfil their full potential.

In a team of more than 13,500 employees, one-third are female. Considering the fact that the oil industry is traditionally perceived as "male-dominated," this statistic demonstrates that gender equality is indeed a cornerstone of NIS's sustainable development.

NIS promotes the training and professional development of all its employees, and there is no differentiation in salaries based on gender within the company. Women are well represented on all management levels - from entry-level jobs to top executive positions. NIS is a company that encourages women to pursue careers directly related to the exploration, production, refining, and distribution of oil and petroleum products. As a result, nearly 20 percent of the total number of engineers in the company are women.

The company offers to its employees numerous benefits in order for them to maintain a healthy work-life balance.

Thus all the employees in the company, to whom the work process allows, have the right to work from home two days a month. Additionally, our female colleagues who are undergoing IVF and have doctor's recommendation to rest, have the right to work from home during the procedure, while pregnant women and those in postpartum have the possibility to work from home for more than two days per month.

A phased return to work is provided for employees returning from maternity leave,

where during the first two weeks after returning, they work 50% of their regular hours but receive full pay. Additionally, single parents of children up to 12 years old, upon providing proof of their status, have the right to work from home for more than the specified two days per month.

Workers on maternity leave, child care leave, or special parental leave are reimbursed for the difference between the benefit amount determined by the municipal authorities and the basic salary of the employee for the month preceding the first month of the leave, increased by benefit for the years of service, insofar such difference does not exceed five average salaries in the Republic of Serbia, i.e. the maximum basic salary for contribution payments.

Women are significantly represented in talent programmes and professional internship programmes organised by the company. In 2023, NIS conducted the seventh season of its internship programme "NIS Calling," which involved 35 interns, with more than 65% of them being female. The third season of the new talent program for youth, "NIS Energy," was also implemented. This is a one-year paid program focusing on crucial business positions. In this program, 25 participants are engaged, with more than 50% of them being female.

Collaboration with partners in the field of sustainable development includes the NGO "Women's Centre Milica."

In the field of sustainable development, NIS collaborates with various partners within the local community. The goal is to enhance the company's capabilities for better integration of sustainable development aspects into business activities.

One of the focuses during 2023 was on collaboration with the NGO "Women's Centre Milica". This association works on improving the position, quality of life, and health of women.

The donation given by NIS is aimed at implementing a project to create a web application for communication and information for patients with breast cancer and other gynaecological cancers. On World Breast Cancer Day - 24 October 2023, NIS collaborated with the Association to conduct a lecture on breast cancer prevention for a total of 42 NIS's employees.





GOAL CLEAN WATER AND SANITATION



Ensure access to drinking water and good sanitation conditions for all.





NIS aims for a continuous reduction in the use of fresh water and utilizes water from the least sensitive water sources possible.

The use of water resources at NIS is essential for both the oil production process (upstream) and the oil refining process (downstream), as well as for other operational needs. In addition to its use in production and technological processes such as steam generation and cooling systems operation, water at NIS is also utilized for fire protection, for cooling the tanks, bottling of drinking water, washing the vehicles, and equipment.

The goal of continuously reducing the use of fresh water is an important objective for the company. The most significant water resource is the Danube river, which is also the least sensitive water resource. Of the total water taken, 82 percent is from the Danube – for the needs of refinery processes. At the Pančevo Oil Refinery, demineralized and filtered water is prepared for the operation of the combined-cycle power plant (TETO-Pančevo), which has led to an increase in the amount of water abstracted by the company in 2023: by 15% more than in 2022. The amount of the Danube water abstracted for the needs of the Pančevo Oil Refinery is at a level of 145 l/s, which represents only 0.0028 percent of the Danube's average annual flow.

The generated wastewater may be the following:

- Technological wastewater,
- Atmospheric wastewater, and
- Sanitary wastewater

At NIS, all wastewater is properly treated and only treated wastewater is discharged into the final recipient released irrespective of the type of the recipient, while all in compliance with the water permit, water management requirements, and other compulsory documents (IPPC permit, environmental impact study) and legal regulations. There are 417 wastewater treatment facilities in total.

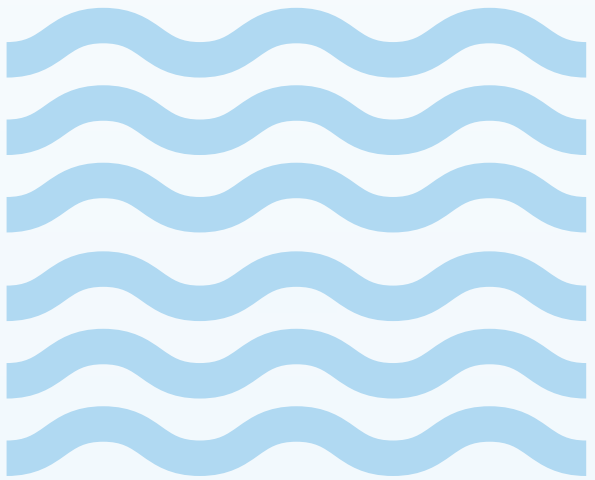
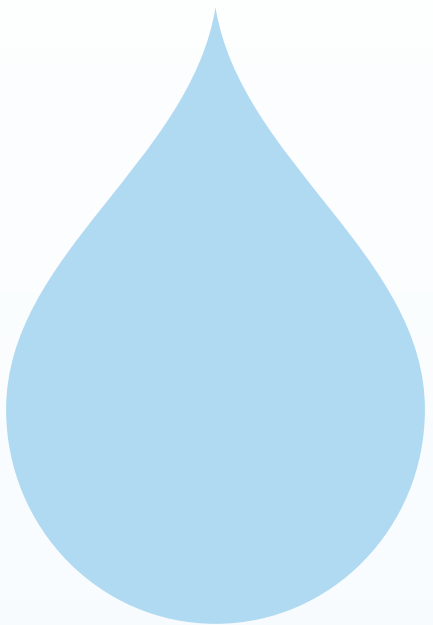
In 2023, the installation of piezometers continued with the aim of monitoring the quality of groundwater and the impact of NIS company's business activities on the environment - 27 new piezometers were installed at various locations. Within the project of reconstruction of existing wastewater treatment facilities and the construction of new ones, 11 new separators for water treatment were installed.

Last year, significant attention was paid to obtaining water permits and improving collaboration with relevant local, provincial, and state authorities, aiming to obtain and extend these permits. Efforts were also focused on identifying locations where it will be necessary to replace or reconstruct wastewater treatment facilities and the accompanying infrastructure in the upcoming period.

One of the company's accompanying activities is bottling and the sale of potable water from the Jazak spring. The high-quality mineral-rich spring water of distinctive taste and optimal mineral composition, originates from one of the purest natural water springs on the Fruška Gora Mt., produced according to the most stringent standards in this segment. The water is available as a consumer brand at all NIS Petrol and Gazprom filling stations and in retail stores on the Serbian market, in more than 8,000 outlets in total.

In 2023, there were no accidents or spills of pollutants in NIS company, that would have impacted surface or groundwater bodies.

Additional detailed information regarding the water management process at NIS is given within individual GRI indicators: 303-1, 303-2, 303-3, 303-4 and 303-5.





GOAL ACCESSIBLE AND RENEWABLE ENERGY



Ensure access to affordable, reliable, sustainable, and innovative energy for all.





In the period from 2012 to 2023 the Company achieved the total increase in energy efficiency of 33%.

In the previous year, NIS company focused significantly on accelerating and strengthening the energy efficiency, on projects related to renewable energy sources (increasing the share of RES in their own production through the construction of photovoltaic plants on its filling stations and other facilities including company owned land) as well as the projects for CO₂ utilisation. Furthermore, the implementation of projects aimed at reducing the consumption and losses of energy resources (steam, gas, electricity) continued, as well as the injection of CO₂ from the amine plant into the Rusanda reservoir; an analysis of existing wells - as candidate wells for additional injection / utilisation of CO₂ from industrial facilities in Serbia has been conducted.

In the period from 2012 to 2023 the Company achieved the total increase in energy efficiency of 33%.

One of the primary strategic goals of NIS Company is diversifying its business through the construction of new capacities for electricity production.

During the year 2022 NIS launched started the implementation of a pilot project of installing photovoltaic cells at its filling stations. During the first stage of the project solar panels were installed at eight 8 NIS Petrol and Gazprom retail outlets and within continued project in 2023, at additional 37 ones. Out of the total of 45 constructed power plants with a combined capacity of 1.5 MWp, by the end of 2023, power plants at 25 filling stations have been commissioned, with a total capacity of approximately 870 kWp. The commissioning of the remaining 20 power plants is planned for the first half of 2024. The generated electricity is mostly used for the needs of filling stations, while a smaller portion is delivered to the distribution grid.

The first 15 photovoltaic power plants at filling stations, which started operating from May 2022 to April 2023, contributed to savings in

electricity procurement of nearly 530 MWh by the end of 2023. Approximately 30 MWh were also delivered to the distribution grid, with an annual reduction in carbon dioxide emissions of 617 tons.

In addition to the aforementioned activities, during 2023, preparatory work was carried out or implementation began for projects to construct PVPP with a total capacity of 8.5 MWp, which will be operational by the end of 2024. These projects include:

- PVPP at the Petroleum Product Warehouse in Novi Sad - the capacity of 6.59 Mw;
- PVPP at roofs of four facilities in Petroleum Product Warehouse in Novi Sad - the capacity of 0.585 MWp;
- PVPP on one business building in Novi Sad - of the capacity of 99.9 kWp
- PVPP "Jazak" at the Jazak Drinking Water Factory - capacity of 620 kWp (370 kWp on the roof and 250 kWp on the ground), with panel installation completed by the end of 2023.
- As well as PVPP at the Oil Refinery in Pančevo with a capacity of 600 kWp.

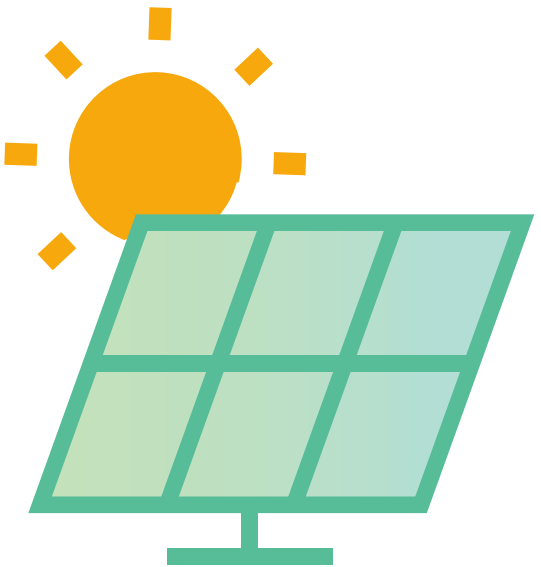
Further development of constructing solar RES is planned for six additional facilities and locations, for which technical-economic studies have been prepared and their technical-economic feasibility for construction has been established. The total capacity of the panels is 21 MWp.

Great attention is also paid to wind energy, since the mission of the project company "Wind Park Plandište" (of which NIS is a co-owner) is to provide accessible, reliable, sustainable and modern energy for everyone (which is also one of the Sustainable Development Goals of the UN).

During 2023, the company "Wind Park Plandište" completed the process of optimisation and modernisation of the Plandište 1 wind energy project by modifying existing elements and obtaining new construction permits for all components of the wind farm. Additionally, during 2023, as a regular and active member of the RES Association of Serbia, the company "Wind Park Plandište" participated in all significant events in the country on the subject of renewable energy sources, as well as in events organised by WindEurope, the largest European association for wind energy.

Additional detailed information regarding the energy management process at NIS is presented within individual GRI indicators: 302-1, 302-3, 302-4 and 302-5.

Diversification of business operations at NIS Company by building new capacities for the production of electricity, as an important factor in the very complex process of the overall diversification of the company's business, remains the focus and strategic commitment of the company in the coming period.



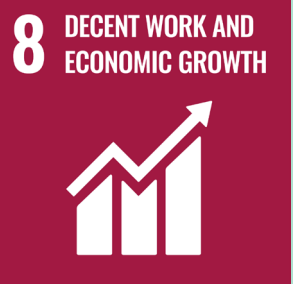


GOAL

DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, employment and decent work for all .





NIS pays great attention to improving employee satisfaction and maintaining its position as one of the most desirable employers in Serbia.

Preserving the position of one of the most desirable employers in Serbia and commitment to further strengthening employee satisfaction were a significant part of NIS' priorities in the area of human resources management also during 2023. The company continued monitoring trends in the labour market and adapting to the expectation of employees and the needs of the business. Taking into account the challenging circumstances globally, we paid attention to retaining stability of NIS, as one of the largest employers in the country, then implementing programs aimed at attracting and developing young professionals, new models motivation, learning and fostering the culture of respect in the company.

The long-term goal of NIS is to improve HR practices, which will further increase employee

commitment and provide them with the best possible work experience. In line with this goal, as well as with the results of the latest survey of employee commitment and the company's strategic plans, the implementation of various programs and activities continued, including the "Commitment Academy", which is focused on the development of new leaders in the company.

NIS Company's HR strategy, corporate values, initiative, diversity and inclusion, the employer brand development strategy and training and development strategy were reflected in a wide range of projects and initiatives, implementation of which will improve the candidates' and employees' experience in the following areas:

- Recruitment;
- Remuneration;
- Employee compensation and benefits programs.

NIS has provided its employees with numerous material and non-material benefits, including various models of flexible work arrangements, such as: work from home, phased return from maternity leave, accumulation and use of overtime hours within a "time bank," working at employer's offices near the employee's residence if their workplace is in another city. Additionally, for 12 specifically sensitive categories of employees, there are special opportunities for remote work. These and numerous other benefits available to employees aim to establish a better balance between personal and professional obligations and enhance employee satisfaction and efficiency.

During the past year, employees have received professional knowledge transfer from leading global companies in education such as Apave Mare, Yokogawa, COTRUGLI Business School, Tomsk University, Siemens, Petroskills, Skolkovo, as well as from top domestic companies and educational institutions: Faculty of Mechanical Engineering Belgrade, Faculty of Technology Novi Sad, Vinča Institute of Nuclear

Sciences, Techpro, Institute of Public Health, SKF, Faculty of Electronic Engineering Niš, Project Management Serbia, GI Group, AIM Institute, Standcert, Omega Consulting, HR Centre, and many others.

In 2023, incessant education of employees continued and cooperation with external providers, 4,289 trainings were organised with 12,936 participants, including 4,031 employees*. The total training hours amounted to 104,038 and is total cost to RSD 273.2 million. In cooperation with internal trainers 2,449 internal trainings were organised, which were attended by 9,435 participants, of which 4,182 were employees. The total internal training hours amounted to 49,039.

NIS Company pays special attention to the development of programs for young people, and thus in 2023 it continued the tradition of implementing programs for the most talented students, graduates and high school graduates. In this year, the seventh season of the "NIS Calling" program was implemented for 35 interns, and the second season of internships for young operators began with 22 high school graduates joining the company at the Oil Refinery in Pančevo. The third season of the "NIS Energy" program was organised for 25 young graduates, and a recruitment campaign and selection process were conducted for the fourth season of this program. Following this, 22 selected participants began working at the company in January 2024. A special program for young programmers, "NIS Calling - Robotics," was created and implemented. Out of 250 candidates, 6 participants were selected, who independently created and launched 7 robots by the end of the program.

In a survey of young people's opinions on the labour market in Serbia conducted by the student

organisation AIESEC called "Voice of Youth Serbia," NIS was recognised as one of the top three most desirable employers for young people. The survey involved over 6,000 young people from all over the country.

"The past year was marked by the implementation of various successful HR projects with the community, such as:

- Over 50 projects such as "Hackathon" and conferences like "DigiHack";
- Mentoring project "Career Booster";
- Mentoring program with Digital Serbia organisation - Career 4.0;
- Participation in projects FON Boarding and Brand New Engineers;
- The project: Mining & Geology Networking, Build Yourself, JobFair;
- Workshops with SOS Children's Villages, and
- HR Week 2023.

Through these projects, the company had the opportunity to transparently communicate and present NIS as an employer to an audience of over 10,000 participants.

By setting ambitious goals, positioning itself as an employer in the job market, and continually improving the candidate experience throughout the recruitment and selection process, as well as for its employees, NIS achieves results that position it among the best. Its good practices serve as an example to other companies.

Additional detailed information regarding the NIS company's human resource management is presented within individual GRI indicators: 201-3, 202-1, 202-2, 401-1, 401-2, 401-3, 402-1, 404-1, 404-2 and 404-3.

*The number of employees is unique, while the number of participants is larger because one employee can attend multiple training sessions when there is a need for it.



GOAL INDUSTRY, INNOVATION, AND INFRASTRUCTURE



Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.





In a dynamic business environment, innovations and investments in modern technologies are the most effective response to challenges.

In 2023, the NIS Group launched a new ambitious investment cycle aimed at laying the foundation for long-term sustainable business as a leader in the regional energy sector. As part of this plan, numerous projects will be implemented for upgrade, investment in the development and modernisation of infrastructure across all business segments, as well as the digital portfolio of the company.

NIS is actively working on developing modern infrastructure across all levels of its business—from oil and gas exploration and production to customer communication and the development of new products and services.

With that goal in mind, during 2023, investments totalling RSD 39.2 billion were made across all business segments, which represents a 77% increase when compared to the previous year. The highest amount of funds was invested in the area of oil and gas exploration and production. In 2023, this resulted in the drilling of 47 development and 4 exploratory wells in Serbia, and 2 development wells in Romania. Additionally, 42 development and 1 exploratory well were put into operation in Serbia.

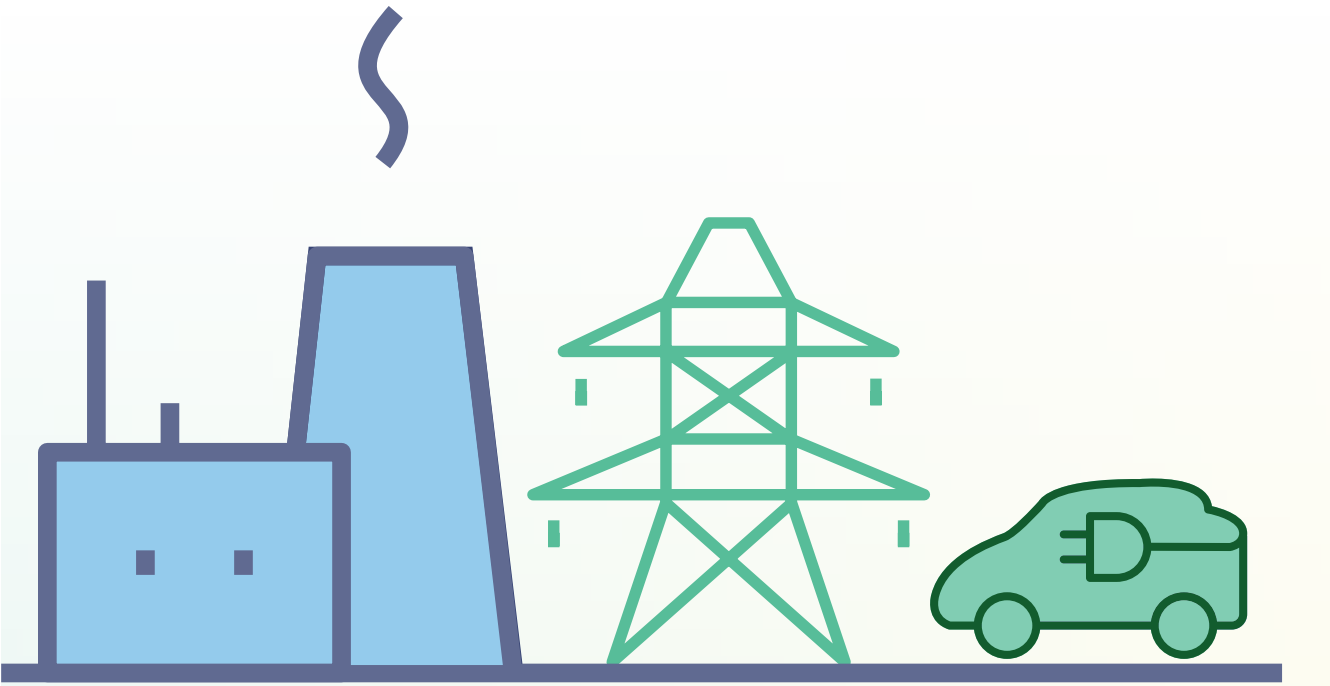
The Oil Refinery in Pančevo, as one of the most modern in this part of Europe, is continuously focused on future development and further improvements. The third phase of refinery processing upgrade is currently underway, with a key project involving the reconstruction of the Fluid Catalytic Cracking (FCC) unit and the construction of a new unit for producing high-octane gasoline components (ETBE). In 2023 the company reached the volume of refining of 4.1 million tons of crude oil and semi-finished products and increased the refining depth up to 91.46%. In its further development, the processing complex of NIS focuses on enhancing processing efficiency, digitalisation projects, continuous improvement of energy efficiency, and greater environmental protection.

Infrastructure development continued in the retail sector, and in 2023, NIS launched into operation another 11 new or reconstructed modern facilities. This included the strategically important filling station "Sokolici 2" located on the Milos Veliki highway. The total volume of trade in 2022 was 4 million tons. Furthermore, the company is dedicated to further improving the quality of its products and services, rightfully positioning NIS as a leader in the domestic market in terms of innovative projects in the retail sector.

In 2023, NIS strategically collaborated with HIP-Petrohemija, initiating the integration of HIP-Petrohemija into the NIS system and commencing the modernisation of petrochemical facilities. This aims to establish a long-term successful business model. As the result of this strategic cooperation, after completing the extensive investment

programme of modernisation and construction of new production capacities, NIS faces also the diversification and expansion of business within the production segment of petrochemical products. Thanks to the synergistic effect, unification of capacities will contribute to business stability of the overall company's business operation. In 2023, NIS allocated RSD 2 billion for investment in HIP-Petrohemija, marking an 82% increase compared to 2022. Additionally, RSD 33 million were allocated for environmental protection projects.

At the same time, NIS is implementing digitalisation projects characterised by continuous improvement of business processes and the introduction of digital solutions and technologies aimed at enhancing business efficiency. There were approximately 120 projects in the digital portfolio of the company in 2023.





GOAL SUSTAINABLE CITIES AND COMMUNITIES



Make cities and villages inclusive, safe, resilient and sustainable.

Turn business success into general prosperity, support community development on the environment.





In 2023, the 15th anniversary of the "Common Cause Community" program was marked, through which NIS contributes to the development of 13 local communities where 2.8 million fellow citizens live and work.

In 2023, through record investments in socially responsible projects and support for professional sports, NIS continued its strong commitment to community development in the regions where it operates. In this area, over the past year, more than seven billion dinars have been invested, bringing the company's total investments in community development since 2009 to over RSD 12 billion.

In 2023, the company NIS marked the 15th anniversary of its "Common Cause Community" program, one of the most significant corporate social responsibility programs in the Republic of Serbia. Through this program, NIS carefully addresses the needs of 2.8 million citizens living and working in 13 local communities covered by the

Program. With the goal of empowering key drivers of social development: public health and social care, science and education, environmental protection, culture, and sports, through this program, NIS has invested in the implementation of 1,136 projects so far, totalling more than RSD 1.7 billion dinars. The significance of this unique collaboration program with local communities is best evidenced by its results: Since 2009, the work of over 180 educational institutions and more than 40 cultural institutes has been improved. Additionally, 45 hospitals and health centres have been equipped, and over 140 children's playgrounds, parks, sports grounds and facilities have been refurbished. Numerous projects supporting talented young people have been implemented, as investing in them simultaneously invests in the future and prosperity of the entire community.

The company's significant progress in strengthening partnerships with the community is evidenced by numerous recognitions.

On the occasion of the 15th anniversary of the "Common Cause Community" program, NIS received the "Captain Misa Anastasijevic" award last year in the category of "Leader in Social Responsibility" and the recognition of "Leader in Social Responsibility among Business Companies" at the International Agricultural Fair in Novi Sad.

The magazine "Diplomacy & Commerce" awarded NIS for its campaign "Let New Hopes Be Born" as the best socially responsible campaign. This campaign also won the "Purposeful Campaign SOCIAL 2023" award, which is presented at the "Yellow Pants" festival organised by the association bearing the same name.

Corporate Volunteerism

In addition to continuous donation support for community empowerment and development, the company also contributes through synergy with its employees - members of the Volunteer Club. During 2023, thanks to the enthusiasm and dedication of the company's Volunteer Club, 9 volunteer campaigns were organised, during

which diligent volunteers donated 1,121 volunteer hours.

In 2023, the traditional internal volunteer competition, conducted under the name "Small Steps for Big Smiles," was implemented. Employees in the company have the opportunity to propose projects of significance for the local community where they work or live. As part of last year's competition, three projects were supported, through which volunteers enthusiastically improved the daily lives of children from the cities of Bački Petrovac, Valjevo, and Kuršumlija. The yard and a premise at the Association of Parents of Persons with Disabilities "MI" in Bački Petrovac were renewed. In Valjevo, the room for occupational workshops for users was decorated and equipped at the Association for Children "Our Dreams", while in Kuršumlija, the yard and waiting area of the children's department at the Health Centre were renovated.

As in previous years, volunteer activities were focused on environmental initiatives, care and support for children and young people, especially children from vulnerable categories.

Wanting to provide additional support to children and young people, during 2023 the NIS Volunteer Club decorated the classroom of the Shelter for Children and Youth at the city of Novi Sad, while the youngest members of the Volunteer Club / participants of the NIS Calling and NIS Energy programmes, decorated the summer stage of "Studentski Grad" cultural centre in Belgrade.

Last year again, NIS was a part of the "YouthCan!" program by SOS Children's Villages Serbia, within which a cycle of educational workshops on youth employment and economic empowerment was implemented. The aim of these workshops was to support young people in gaining practical knowledge relevant to the employment process and in finding suitable jobs.

During 2023, more than 50 sponsorship projects were implemented. The multi-year cooperation with the Partizan Basketball Club, the "Belgrade Dance Festival" and the "Science

Festival" continued, which, due to its continuity, is growing into a strategic partnership. Other projects supported by the company were also highlighted, such as the "Youth Sports Games" and the OCR North Spirit race and support for the "Crvena Zvezda" (Red Star) Hockey Club. The priority for the company was investing in young people, in accordance with the current corporate strategy and the slogan "Future in Action".

Panel Discussion "Our Sustainable Community"

In September last year, in collaboration with the company "Novosti," a panel discussion titled "Our Sustainable Community" was held at the Royal Palace in Belgrade. This event aimed to highlight the importance of sustainable development and the contribution to achieving the United Nations Sustainable Development Goals. During the discussion, participants included Kirill Tyurdenev, the CEO of NIS, Dubravka Đedović Handanović, Minister of Mining and Energy in the Government of Serbia, and Milun Todorović, the mayor of Čačak. The introductory speaker for the discussion was Slobodan Krstović, Director of the Sustainable Development Department at NALED.

By carefully selecting panellists, the concept of sustainable development was thoroughly examined at all three levels: the national level of the Republic of Serbia, the local community level in the city of Čačak, and from the corporate perspective from the viewpoint of NIS Company.

Special attention in the discussion was dedicated to the need for human resource development and the preservation of natural resources, as well as the improvement of the quality of life of our fellow citizens. Discussions also covered ways to make our community more inclusive, safer, and to enable long-term sustainable development in challenging times. The panel discussion particularly emphasised the importance of energy transition in achieving sustainable development goals, while also debating on other relevant topics.



GOAL

RESPONSIBLE CONSUMPTION AND PRODUCTION



Sustainable forms of consumption and production -
priority in business operation





Responsible attitude towards natural resources, the environment, and occupational health and safety are the key priorities in every business process at NIS.

Investments and efforts in the field of environmental protection represent a strategic commitment for NIS, and at the same time, a daily practice in business processes. In 2023, we noted positive trend of environmental protection indicators, including further reduction of polluting substances that are emitted into air and water, as well as the fulfilment of the requirements of Serbian legislation and the best EU practices. In 2023, more than RSD 801.8 million was invested in environmental protection projects. During 2023, the Environmental Protection Strategy until 2030 was approved, defining the long-term goals of reducing negative environmental impact (reducing carbon intensity and other emissions such as NO_x, SO_x, PM, VOC, and resource use).

The commitment of NIS to these goals is evidenced by the fact that more than 900 million euro have been invested in upgrading the Pančevo Oil Refinery since 2009. A large portion of these funds has been directed towards the implementation of environmental projects, as well as business projects that significantly enhance environmental protection. The total of EUR 94 million was invested in environmental protection at the refinery. Among other things, these investments have resulted in 90 percent reduction in total emissions of pollutants into the air (SO₂, NO₂, and particulate matter) when compared to 2009.

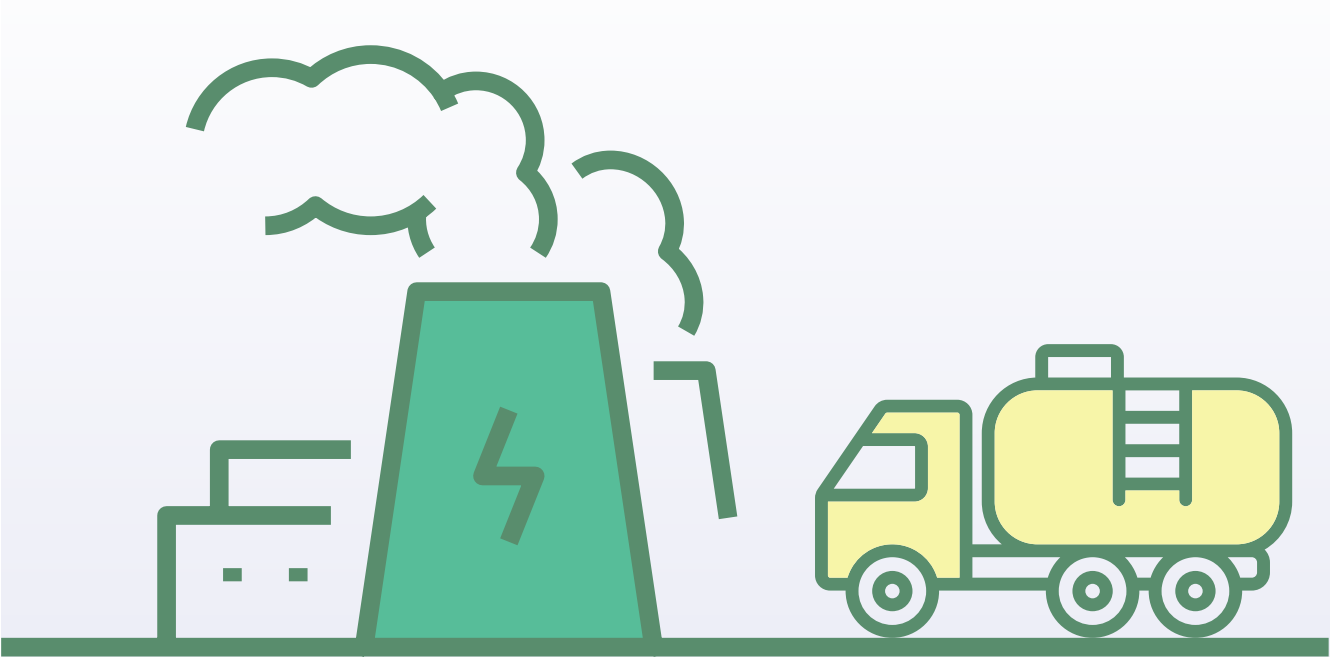
As a socially responsible company that prioritises environmental protection, NIS has been conducting its energy transition and implementing green agenda project for years. The modern combined-cycle gas-steam power plant (TE-TO Pančevo) and the installation of solar panels at filling stations are important projects on this agenda.

Regarding TE-TO Pančevo, this gas power plant, valued over EUR 190 million, commenced its

commercial operation in October 2022. The electrical energy produced by TE-TO Pančevo is also supplied to Serbia's transmission power system, thereby contributing to the energy stability of the Republic of Serbia. In 2023, gross production of electricity in TETO Pančevo amounted to 11,068,493.43 MWh. Considering the fact that TE-TO Pančevo exclusively uses natural gas, the most environmentally friendly fossil fuel, CO₂ emissions are significantly reduced if compared to CO₂ emissions from coal-fired power plants. When comparing emissions per unit of produced electrical energy, the reduction in CO₂ emissions exceeds 50%. According to the Environmental Report from EPS for 2023, emissions from coal-fired power plants amounted to 1,089.1 t (CO₂)/GWh. In contrast, during the first year of operational activity at TE-TO Pančevo, emissions were 408.66 t (CO₂)/GWh.

NIS invests significant efforts in the area of occupational health and safety. In the previous year, NIS adopted a new HSE (Health, Safety, and Environment) Policy, established the standard "General Provisions and Management Structure of HSE," and the HSE Supervision and Control Sector conducted two internal inspections under the "Karkas - Safety Shield" program and the budget for this program was prepared and approved for the period 2024-2026. In 2023, the implementation and application of the Karkas - Safety Shield 1, 2, 3, 4 Program continued, diagnostics for Karkas 5 was conducted, and the preliminary budget for the implementation of the program was defined.

In 2023, significant investments were made in equipping firefighting units, as well as improving the response systems for emergencies and crisis situations.





GOAL CLIMATE ACTION



Take urgent action against climate change
and its consequences

13 CLIMATE
ACTION





Thanks to extensive investments in implementing the green agenda within business processes, direct carbon dioxide emissions were reduced by 6 percent last year. Indirect CO₂ emissions remained at the same level as in 2022.

As climate change increasingly affects global business, the oil and gas sector faces unique challenges. This sector, known for its high energy consumption, is facing increasing demands from both experts and the general public focused on reducing greenhouse gas emissions. Industrial units are in the focus of climate policies as its entire value creation chain, from production to refining and final consumption, has an impact on the environment.

Aware of these facts, NIS is dedicatedly contributing to global efforts in combating climate change by implementing extensive and highly significant projects within its green agenda. To reach the goals in this area, the company's approach to counteracting the climate change is threefold: it implements environmental projects, conducts business initiatives with significant environmental effects and participates in environmental campaigns of other actors.

Since 2009, more than EUR 900 million has been invested in environmental projects and business initiatives that have had significant effects on improving the environmental image in the Republic of Serbia, out of which more than EUR 130 million have been invested in purely ecological initiatives. In 2023 alone, RSD 801.8 million were invested in the implementation of environmental projects. NIS continuously strives for the development and enhancement of environmental awareness among its employees and throughout the local community, which represents its firm commitment.

Thanks to extensive investments in implementing the green agenda within business processes, direct carbon dioxide emissions were reduced by 6 percent last year. Indirect CO₂ emissions remained at the same level as in 2022, which is a clear indicator of NIS company's commitment to reducing the

impact of its operations on the environment.

During 2023, NIS continued to implement numerous initiatives contributing to the fight against climate change, including the production of electric energy from renewable sources. At the "Jazak" bottled water factory, construction of rooftop and ground-based solar power plants has been completed, along with 17 photovoltaic solar power plants on filling stations. Additionally, projects for another 20 solar power plants are currently underway. Projects have commenced for the construction of rooftop solar photovoltaic power plants at the Warehouse of Petroleum Products in Novi Sad and on a business building in Novi Sad, as well as a ground-based solar power plant at the Warehouse in Novi Sad. Furthermore, the implementation of projects aimed at reducing the consumption and losses of energy resources (steam, gas, electricity) continued, as well as the injection of CO₂ from the amine plant into the Rusanda reservoir; an analysis of existing wells - as candidate wells for additional injection / utilisation of CO₂ from industrial facilities in Serbia has been conducted.

At the end of 2023, a subsidiary act was adopted stemming from the Climate Change Law, along with the Regulation on Monitoring and Reporting of Greenhouse Gas Emissions ("Official Gazette of RS", No. 118/2023). This regulation introduces new obligations for NIS concerning greenhouse gas emissions monitoring and reporting. Currently, preparatory activities are underway to fulfil the obligation of submitting applications for a Greenhouse Gas (GHG) permit, developing GHG emissions monitoring plans, and preparing accompanying documentation for NIS facilities. The Ministry of Environmental Protection has developed a special platform, the eGHG platform, for the purpose of submitting applications for GHG permits, as well as for

delivering GHG emissions monitoring plans and reports. Operators, including NIS, will use this platform to submit the necessary documentation.

Also in preparation for upcoming obligations and the establishment of a greenhouse gas emissions management process, as well as the implementation of a monitoring and reporting system for GHG emissions, NIS has developed and adopted the Greenhouse Gas Emissions Monitoring Instruction in 2023.

Additional detailed information regarding the emissions in air at NIS is given transparently within individual GRI indicators: 305-1, 305-2, 305-3, 305-4, 305-5, 305-6 и 305-7.

Planning and implementing decarbonisation projects will be a significant challenge for NIS in the upcoming period. The company is considering projects related to geothermal energy sources, "green hydrogen," assessing the potential for CO₂ storage in depleted oil and gas reservoirs, exploring technologies for CO₂ capture for geological storage purposes, and similar initiatives.





GOAL LIFE ON LAND



Protecting, restoring and promoting the sustainable use of Earth's ecosystems, protect forests, combat desertification, reverse land degradation, and stop the loss of biodiversity.





Improving the environmental landscape in our country is not only a strategic commitment for NIS, but also a practical goal our employees are working towards.

Given that environmental protection is a strategic priority for the company, NIS continuously improves environmental performance indicators in its processes. The company aims to apply best available practices in investment projects, while actively contributing to the development and enhancement of environmental awareness among employees and the broader community through continuous education and the implementation of volunteer actions.

During 2023, the implementation of initiatives and projects continued with the aim to improve the situation on the field, fulfil the regulatory requirements and promote environmental protection.

In order to further accelerate and promote recycling in company retail outlets, during October 2023, in collaboration with an external operator for packaging waste management, a competition was organised for the collection of packaging waste (paper and plastic waste) in filling stations and retail outlets that regularly sort packaging waste. The competition finished successfully and the total of 5,027 kg packaging waste was collected at retail facilities. Operators "Ekostapark" and Kappa Star Recycling" prepared awards for the stations that collected the highest volume of waste, and those were: Filling stations Sokolići 1, Zaječar 5, Sremska Mitrovica 1, Kostolac, to which the company has awarded valuable prizes.'

When it comes to the Pančevo Oil Refinery, the past year was marked by preparations for a turnaround, which took place during March and April 2024. This turnaround was the largest in the history of the Refinery in terms of scope and complexity, due to upgrade and increase in the number of production units.

During 2023 Pančevo Oil Refinery obtained a new water permit from the competent state authority. The refinery has also completed all preparations for obtaining a new integrated IPPC permit, which represents and integrated approach to pollution control. Let us recall that

the Pančevo Oil Refinery is the first energy plant in the Republic of Serbia to receive an integrated IPPC permit, back in 2017. The need for a new permit arose when the "Bottom of the Barrel" plant construction project was implemented, as a result of which Pančevo Oil Refinery submitted a request to the competent provincial authority for the issuance of a new integrated IPPC permit in September 2022, and the year 2023 was marked by contacts and Pančevo Oil Refinery's cooperation with representatives competent state authorities in order to obtain it. The new integrated IPPC permit will serve as proof of justification for continuing investments in environmental projects and improvements to facilities and processes at the Pančevo Oil Refinery. This is aimed at meeting the requirements of all environmental protection standards in our country.

All results from periodic and continuous independent measurements of air pollutant emissions are in accordance with emission limit values (ELVs). The Fuel Consumption Plan continues to be strictly adhered to, resulting in the cessation of oil use for heating and the maximization of natural gas and gas produced and refined internally in the production process. Investments in the refinery continue to focus on expanding storage capacity, installing state-of-the-art burners on furnaces, energy efficiency projects, and initiatives aimed at reducing greenhouse gas emissions.

Volunteer actions aimed at environmental protection

Members of the NIS Volunteers Club traditionally participate in environmental campaigns. On the occasion of World Environment Day 2023, NIS volunteers participated in a campaign to clean up and maintain the National Park "Fruška Gora" under the slogan "Working Day for Nature." The campaign was organised in partnership with the Provincial Institute for Nature Conservation,

the Provincial Secretariat for Urbanism and Environmental Protection, and the host of the campaign - "Fruška Gora" National Park. This campaign, which involved nearly 200 volunteers, including a volunteer team from the office of the President of the Provincial Government, not only resulted in the removal of large quantities of waste, but also emphasised the importance of developing environmental awareness and responsible behaviour towards the environment.

After the severe super-cell storms during the summer months of 2023 caused significant damage to green areas in Novi Sad, NIS reached out to the city authorities to offer support in the restoration of Liman Park. This initiative reflects NIS's commitment as a responsible community member, especially given the park's proximity to the company's business centre. With that objective in mind, the Company supported the city greening project implemented under the name "Planting Now for the Future of Novi Sad," with a donation of five million dinars aimed at revitalising and rehabilitating Liman Park. The revitalisation project of Liman Park, spanning nearly 13 hectares, involved planting 145 trees of plant species recommended by the Expert Team for the restoration of damage to public green areas in the territory of the City of Novi Sad. The planting action was implemented in partnership with the city administration of Novi Sad and the environmental association "Zeleni Sad," with active contributions from members of the NIS Volunteers Club, which, with the expert assistance of employees from the Public Utility Company "Gradsko Zelenilo" (City Greenery) and with the participation of volunteers from other socially responsible companies, planted a large number of trees. Preservation and enrichment of Limanski Park through planting new trees is not just a matter of aesthetics; it concerns the overall quality of life, biodiversity, and sustainability of the local community. Therefore, its revitalisation was a priority following last year's severe weather events in the Vojvodina region.



GOAL

PEACE, JUSTICE, AND STRONG INSTITUTIONS



Promote peaceful and inclusive communities for sustainable development, ensure access to justice for all, and build efficient stable and inclusive institutions at all levels





NIS is willing to contribute its experience and knowledge to improve the business environment in Serbia.

Within the permanent cooperation with business associations, NIS exchanges knowledge, experiences, information and best business practices with the wider business community, identifies needs and opportunities for improving business conditions and contributes to the creation of a better business climate, which results in a broader and clearer understanding of the current business environment and more efficient development of the energy sector and the company itself.

In 2023, representatives of NIS actively cooperated with the following business and professional associations:

- National Petroleum Committee of Serbia – World Petroleum Council (NPCS-WPC);
- Foreign Investor Council (FIC);
- American Chamber of Commerce in Serbia (AMCHAM);
- Chamber of Commerce and Industry of Serbia (CCIS), and
- National Alliance for Local Economic Development (NALED).

NIS made a significant contribution to the preparation of the White Book 2023, done by the Foreign Investor Council (FIC), which included recommendations for the oil and gas sector, as well as suggestions for the successful continuation of the fight against illegal trade in the Republic of Serbia as part of the measures to improve business conditions.

Through the deliberation on numerous regulatory changes, participation in public discussions, preparation and review of multiple draft laws and bylaws regulating the fields of construction, registration in the real estate cadastre, i.e., the infrastructure, employment of foreigners, digitalisation of processes in healthcare, and renewable energy sources, NIS strives to contribute as much as possible to regulatory activities.

In 2023, numerous regulations significant for improving the economic environment in the Republic of Serbia were adopted. NIS analysed these regulations and provided appropriate comments and suggestions:

- Law on Amendments to the Planning and Construction Law;
- Law on Amendments to the Law on Charges for the Use of Public Goods;
- Law on Amendments to the Law on Foreigners;
- Law on Amendments to the Law on Employment of Foreigners;
- Law on Amendments to the Law on State Survey and Cadastre;
- Law on Amendments to the Law on Procedure of Registration in the Real Estate Cadastre and Cadastre of Water Bodies;
- Law on Amendments to the Law on Employment of Insurance; and
- Subsidiary regulations of the Law on Planning and Construction that follow the adopted amendments to the Law, as well as subsidiary regulations further regulating the area of renewable energy sources.

Regulations that were subject to public consultations or were provided to the company for consideration and feedback were thoroughly analysed. Special mention should be made of the Draft Regulation on Establishing the Integrated National Energy and Climate Plan of the Republic of Serbia for the period up to 2030, with projections until 2050.

NIS will continue to strive to contribute to the improvement of the business environment in the Republic of Serbia, through participation in public consultations on regulatory changes and ensuring the well-being of its employees, as well as by providing products and services at the highest level for its consumers.



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Applicable GRI Sector Standard		GRI 11: Oil and gas sector 2021			
GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	DIFFERENCE	EXPLANATION
General indicators					
GRI 2: General indicators 2021	2-1 Organizational details	Page 7 Sustainable Development Report for 2023 year	A gray cell indicates that the reasons for the omissions are not allowed for disclosures or that the reference number of the GRI sector standard is not available.		
	2-2 Entities included in the organization's sustainability reporting	Pages 23 и 24 Sustainable Development Report for 2023 year			
	2-3 Reporting period, frequency and contact point	Pages 23 и 24 Sustainable Development Report for 2023 year Page 169 Sustainable Development Report for 2023 year			
	2-4 Restatement of information	Page 105 Sustainable Development Report for 2023 year			
	2-5 External assurance	Pages 163-166 Sustainable Development Report for 2023 year			
	2-6 Activities, value chain and other business relationships	Annual Business Report for 2023 year (Pages 28-41)			
	2 - 7 Employees	GRI 401 Employment			
	2-8 Workers who are not employees	GRI 401 Employment			
	2-9 Governance structure and composition	Annual Business Report for 2023 year (Pages 104-127)			
	2-10 Nomination and selection of the highest governance body	Annual Business Report for 2023 year (Pages 104-127)			
	2-11 Chair of the highest governance body	Annual Business Report for 2023 year (Pages 104-127)			
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Business Report for 2023 year (Pages 104-127)			
	2-13 Delegation of responsibility for managing impacts	Annual Business Report for 2023 year (Pages 104-127)			
	2-14 Role of the highest governance body in sustainability reporting	Annual Business Report for 2023 year (Pages 104-127)			
	2-15 Conflicts of interest	Annual Business Report for 2023 year (Pages 104-127)			
	2-16 Communication of critical concerns	Annual Business Report for 2023 year (Pages 104-127)			
	2-17 Collective knowledge of the highest governance body	Annual Business Report for 2023 year (Pages 104-127)			
	2-18 Evaluation of the performance of the highest governance body	Annual Business Report for 2023 year (Pages 104-127)			
	2-19 Remuneration policies	Annual Business Report for 2023 year (Pages 104-127)			
	2-20 Process to determine remuneration	Annual Business Report for 2023 year (Pages 104-127)			
	2-21 Annual total compensation ratio	GRI 201-1, GRI 202-1			
	2-22 Statement on sustainable development strategy	Pages 21-22 Sustainable Development Report for 2023 year			
	2-23 Policy commitments	Pages 105-106 Sustainable Development Report for 2023 year			

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	2-24 Embedding policy commitments	Pages 105-106 Sustainable Development Report for 2023 year			
	2-25 Processes to remediate negative impacts	Pages 105-106 Sustainable Development Report for 2023 year			
	2-26 Mechanisms for seeking advice and raising concerns	Pages 105-106 Sustainable Development Report for 2023 year			
	2-27 Compliance with laws and regulations	Pages 106-107 Sustainable Development Report for 2023 year			
	2-28 Membership of associations	Page 29 Sustainable Development Report for 2023 year			
	2-29 Approach to stakeholder engagement	Pages 28-35 Sustainable Development Report for 2023 year			
	2-30 Collective bargaining agreements	GRI 401- 2			
Material topics					
GRI 3: Material topics 2021	3-1 Process to determine material topics	Pages 23-26 Sustainable Development Report for 2023 year	A gray cell indicates that the reasons for the omissions are not allowed for disclosures or that the reference number of the GRI sector standard is not available.		
	3-2 List of material topics	Pages 23-26 Sustainable Development Report for 2023 year			
	3-3 Management of material topics	Pages 23-26 Sustainable Development Report for 2023 year			
Economic indicators					
GRI 201: Economic Indicators 2016	201-1 Direct economic value generated and distributed	Page 108 Sustainable Development Report for 2023 year			
	201-2 Financial implications and other risks and opportunities due to climate change	Page 108 Sustainable Development Report for 2023 year			
	201-3 Defined benefit plan obligations and other retirement plans	Page 109 Sustainable Development Report for 2023 year			
	201-4 Financial assistance received from the government"	Page 109 Sustainable Development Report for 2023 year			
Market presence					
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Pages 109-110 Sustainable Development Report for 2023 year			
	202-2 Proportion of senior management hired	Pages 109-110 Sustainable Development Report for 2023 year			
Indirect Economic Impacts					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Page 111 Sustainable Development Report for 2023 year			
	203-2 Significant indirect economic impacts	Pages 111-112 Sustainable Development Report for 2023 year			
Procurement Practices					
GRI 204: Procurement Process 2016	204-1 Proportion of spending on local suppliers	Page 112 Sustainable Development Report for 2023 year			

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Anti-corruption procedures					
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Pages 113-114 Sustainable Development Report for 2023 year			
	205-2 Communication and training about anti-corruption policies procedures	Pages 114-115 Sustainable Development Report for 2023 year			
	205-3 Confirmed accidents of corruption and actions taken	Pages 115-116 Sustainable Development Report for 2023 year			
Anti-Competitive Behaviour					
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal action for anti-competitive behavior, anti-trust, and monopoly practices	Page 116 Sustainable Development Report for 2023 year			
Taxes					
GRI 207: Taxes 2019	207-1 Approach to tax	Page 116 Sustainable Development Report for 2023 year			
	207-2 Tax governance, control, and risk management	Pages 117-118 Sustainable Development Report for 2023 year			
	207-3 Stakeholder engagement and management of concerns related to tax	Pages 117-118 Sustainable Development Report for 2023 year			
	207-4 Country-by-country reporting	Pages 117-118 Sustainable Development Report for 2023 year			
Materials used					
GRI 301: Materials 2016	301-1 Materials used by weight and volume	Pages 118-119 Sustainable Development Report for 2023 year			
	301-2 Recycled input materials used	Pages 119-120 Sustainable Development Report for 2023 year			
	301-3 Reclaimed products and their packaging materials	Pages 119-120 Sustainable Development Report for 2023 year			
Energy					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 120 Sustainable Development Report for 2023 year			
	302-2 Energy consumption within the organization		Yes	Information unavailable/ incomplete	For all activities outside NIS j.s.c. Novi Sad (services, repair work, transport, distribution, waste treatment, studies, etc.), third parties are engaged under Contracts, in which energy consumption for the contracted activity is not specified. For this reason NIS does not posses information as for the energy spend on such activities. NIS is working with contractors to make sure this data becomes available in the future.
	302-3 Energy efficiency	Pages 121-122 Sustainable Development Report for 2023 year			
	302-4 Reduction energy consumption	Pages 121-122 Sustainable Development Report for 2023 year			
	302-5 Reductions in energy requirements of products and services	Pages 121-122 Sustainable Development Report for 2023 year			

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Water management					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Pages 122-123 Sustainable Development Report for 2023 year			
	303-2 Management of water discharge-related impacts	Page 123 Sustainable Development Report for 2023 year			
	303-3 Total water withdrawals	Page 123 Sustainable Development Report for 2023 year			
	303-4 Water discharge	Pages 124-125 Sustainable Development Report for 2023 year			
	303-5 Use of water	Page 125 Sustainable Development Report for 2023 year			
Biodiversity					
GRI 304: Biodiversity 2016	304-1 Location and size of sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Pages 125-126 Sustainable Development Report for 2023 year			
	304-2 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas with high biodiversity value outside protected areas	Pages 125-126 Sustainable Development Report for 2023 year			
	304-3 Habitats protected or restored	Pages 125-126 Sustainable Development Report for 2023 year			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations, by the level of vulnerability	Page 127 Sustainable Development Report for 2023 year			
Emissions					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pages 127-128 Sustainable Development Report for 2023 year			
	305-2 Indirect GHG emissions from energy usage (Scope 2)	Pages 127-128 Sustainable Development Report for 2023 year			
	305-3 Other indirect GHG emissions (Scope 3)	Pages 128-129 Sustainable Development Report for 2023 year			
	305-4 Intensity of GHG emissions	Pages 129-130 Sustainable Development Report for 2023 year			
	305-5 Reduction of GHG emissions	Pages 129-130 Sustainable Development Report for 2023 year			
	305-6 Emissions of ozone-depleting substances	Pages 129-130 Sustainable Development Report for 2023 year			
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Pages 129-130 Sustainable Development Report for 2023 year			

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Waste management					
GRI 306: Waste 2020	306-3 Generated waste	Pages 130-131 Sustainable Development Report for 2023 year			
Employment					
GRI 401: Employment Practices 2016	401-1 New employee hires and employee turnover	Pages 131-133 Sustainable Development Report for 2023 year			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 133-134 Sustainable Development Report for 2023 year			
	401-3 Return to work and retention rates of employees that took parental leave, by gender	Pages 133-134 Sustainable Development Report for 2023 year			
Labour/management relations					
GRI 402: Labour/management relations 2016	402-1 Minimum notice periods regarding operational changes (including information whether it is defined by the Collective Bargaining Agreement)	Page 135 Sustainable Development Report for 2023 year			
Occupational Health and Safety					
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Pages 135-136 Sustainable Development Report for 2023 year			
	403-2 Hazard identification, risk assessment and incident investigation	Pages 136-137 Sustainable Development Report for 2023 year			
	403-3 Occupational health services	Pages 137-139 Sustainable Development Report for 2023 year			
	403-4 Employee participation and communication on occupational health and safety	Pages 139-140 Sustainable Development Report for 2023 year			
	403-5 Worker training on occupational health and safety	Pages 140-141 Sustainable Development Report for 2023 year			
	403-6 Promotion of worker health	Page 141 Sustainable Development Report for 2023 year			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 141-142 Sustainable Development Report for 2023 year			
	403-8 Workers covered by an occupational health and safety management system (HSE system)	Pages 142-144 Sustainable Development Report for 2023 year			
	403-9 Safety indicators	Pages 144-145 Sustainable Development Report for 2023 year			
	403-10 Work-related ill health	Pages 145-146 Sustainable Development Report for 2023 year			

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Training and Education					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee, per employee gender and category	Pages 146-149 Sustainable Development Report for 2023 year			
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 149 Sustainable Development Report for 2023 year			
	404-3 Percentage of employees receiving regular performance and career development reviews	Pages 149-150 Sustainable Development Report for 2023 year			
Diversity and equal opportunity					
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	Page 150 Sustainable Development Report for 2023 year			
	405-2 Ratio of basic salary and remuneration of men and women	Page 150 Sustainable Development Report for 2023 year			
Non-discrimination					
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 150 Sustainable Development Report for 2023 year			
Freedom of association and collective bargaining					
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pages 150-151 Sustainable Development Report for 2023 year			
Child Labour					
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour and measures taken to effectively prevent child labour	Page 151 Sustainable Development Report for 2023 year			
Forced or compulsory labour					
GRI 409: Forced or compulsory labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour and measures taken to effectively prevent all forms of compulsory labour	Page 151 Sustainable Development Report for 2023 year			
Rights of indigenous people					
GRI 411: Rights of indigenous people 2016	411-1 Incidents of violations involving rights of indigenous people	Page 151 Sustainable Development Report for 2023 year			
Local community					
GRI 413: Local community 2016	413-1 Operations with local community engagement, impact assessments and development programs	Page 152 Sustainable Development Report for 2023 year			
	413-2 Operations with significant actual and potential negative impacts on local communities	Page 153 Sustainable Development Report for 2023 year			

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Supplier social assessment					
GRI 414: Supplier assessment 2016	414-1 New suppliers that were screened using social criteria (corruption, lobbying, anti-competitive practices, legal non-compliance)	Pages 153-154 Sustainable Development Report for 2023 year			
	414-2 Negative social impacts in the supply chain and actions taken	Pages 152-153 Sustainable Development Report for 2023 year			
Public policy					
GRI 415: Public policy 2016	415-1 Political contributions	Page 153 Sustainable Development Report for 2023 year			
Customer health and safety					
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Pages 153-154 Sustainable Development Report for 2023 year			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 155 Sustainable Development Report for 2023 year			
Marketing and labelling					
GRI 417: Marketing and labelling 2016	417-1 Requirements for product and service information and labelling	Pages 155-157 Sustainable Development Report for 2023 year			
	417-2 Incidents of non-compliance concerning product or service information and labelling	Page 157 Sustainable Development Report for 2023 year			
	417-3 Incidents of non-compliance concerning marketing communications	Page 157 Sustainable Development Report for 2023 year			
Data privacy					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 157 Sustainable Development Report for 2023 year			

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Sector addition – oil and gas industry					
	Estimated volume and value of oil and gas reserves	Page 157 Sustainable Development Report for 2023 year			
	Volume of produced and disposed formation water	Page 157 Sustainable Development Report for 2023 year			
	Total number and volume of significant spills	Page 158 Sustainable Development Report for 2023 year			
	Volume of flared and vented hydrocarbon	Page 158 Sustainable Development Report for 2023 year			
	Benzene, lead and sulphur content in fuels	Page 158 Sustainable Development Report for 2023 year			
	Closure and rehabilitation of wells and facilities	Page 158 Sustainable Development Report for 2023 year			
	Safety processes by business activity	Pages 159-160 Sustainable Development Report for 2023 year			
	Volume of biofuels produced and purchased meeting sustainability criteria	Pages 161-162 Sustainable Development Report for 2023 year			
	PSE (Process safety events) 2023-2022.	Page 162 Sustainable Development Report for 2023 year			
Topics in the current GRI sector standard that are not determined as material within the 2023 Sustainable Development Report of NIS j.s.c. Novi Sad					
SUBJECT		EXPLANATION			
GRI 11: Oil and gas sector 2021					
Conflict and security		Taking into account the requirements of the sectoral GRI standard, and in the process of detailed analysis and comparison of the requirements of the GRI standard 11: Oil and gas sector 2021 (with regard to the material topic Conflict and security), with the activities and business processes of the company NIS j.s.c. Novi Sad on the broadest level, it was determined that this topic is not materially significant for NIS.			

GRI Indicators

GRI 2-4 Restatement of information

The 2023 sustainable development report does not contain significant changes to the information provided in previous reports.

Note: Since the beginning of 2023, the company has been calculating greenhouse gas emissions ("Carbon Footprint") according to a new methodology covering scopes 1, 2, and 3. The main difference compared to the previous methodology for calculations is precision, as emission factors for gaseous fuels are calculated based on the gas composition, specifically the carbon content. Due to the transition to a new methodology for calculating greenhouse gas emissions ("Carbon footprint") in 2023, a recalculation or alignment of data for the year 2022 was carried out according to the new methodology for traceability and trend monitoring purposes.

GRI 2-23 Policy Commitments

There is a system of internal regulatory and methodological documents, strategies policies, that largely regulate the ways NIS conducts business. Social Responsibility Strategy and Sustainable Development for the period 2021-2025 plays a leading role in the company's commitment to social responsibility issues and sustainable development.

Socially responsible business operation of NIS is based on integrating the economic, social, and environmental dimension into the

company's day-to-day operations. In its desire to encompass all elements of sustainable development, the company strategically commits to supporting the fundamental pillars of community and societal progress through investment in development programs and projects, with a special focus on youth.

Corporate programs within the CSR (Corporate Social Responsibility) strategy include:

- Common Cause Community,
- Energy of Knowledge,
- Volunteer Club and philanthropy,
- Sponsorships and donations,
- Environmental programs.

Every year, after a detailed analysis, action plans are developed which serve as accompanying documents to NIS's corporate social responsibility strategy. These action plans determine measures and activities, deadline, beneficiaries, and success indicators in terms of the implementation of the strategy.

GRI 2-24 Embedding Policy Commitments

The NIS company's commitment to sustainable development and business operation is recorded in its vision. All adopted strategies, policies, and other internal regulations are delegated to the relevant organisational units in the company, responsible for the adherence and implementation of measures and activities deriving from the said strategic documents.

In this way the requirements set out in the regulatory documents are implemented in the day-to-day practice and all business processes based on the engagement principle.

GRI 2-25 Processes for Mitigating Negative Impacts

NIS j.s.c. Novi Sad approaches every objection, claim, dispute or lawsuit from the members of the public, competent state authorities, or employees of the company with full care, in a systemic and structured manner.

GRI 2-27 Compliance with Laws and Regulations

Monetary value of large fines and the total number of the non-cash penalties due to non-compliance with environmental laws and regulations

During 2023, four fines were paid for economic offenses and violations in the field of ecology, totalling RSD 3,215,000.00. Of this amount, fines amounted to RSD 3,150,000.00 in total, while additional procedural costs amounted to RSD 65,000.00. There were no fines related to non-property offenses.

Mechanism of Settlement of Disputes Related to Environmental Impact

The Company processes all complaints in relation to the environment responsibly and with due care, which is enabled by formal complaint mechanisms, as well as through the Call Centre. In 2023, the company received no complaints, the Call Centre.

Number of filed, processed and resolved complaints related to the Labor Law

In 2023, 46 new labour disputes were initiated against the Company (excluding disputes initiated with regards to mobbing and discrimination), while 126 labour disputes from the previous period remain open.

Out of the total number of labour disputes in 2023, resolution was reached for 61 disputes from the previous period, (28 in favour of the company and 33 to the detriment of the company, with the negative effect of RSD 29,475,333.3).

Number of complaints which refer to violation of human rights, processed and settled through official mechanisms for complaints

During 2023, concerning mobbing and discrimination issues, we documented one new dispute related to discrimination, and identified the existence of nine disputes from previous periods.

Out of the total number of disputes, three disputes from previous periods were closed in 2023, and all three were resolved in favour of the company, so there was no negative impact in this segment for the company.

Monetary value of large fines and the total number of the non-cash penalties due to non-compliance with the laws and regulations

In 2023, there were no large penalties or financial fines with the Company due to non-compliance with laws and regulations.

Monetary value of large fines for non-compliance with laws and regulations concerning the provision and use of products and services

In 2023, there were no penalties for non-compliance with laws and regulations concerning the provision of services and use of the Company's products.

Number of filed, processed and resolved complaints in the Company In 2023:

According to surveys in the majority of companies, what is the most important aspect for employees in the workplace is appreciation.

The "Respect Above All" program was launched

on 1 February, 2022, at NIS with the aim of providing support to all employees in the company in cases where they feel they have encountered disrespect or whenever they find themselves in any situation that threatens their dignity, labour rights, or feelings.

Each employee can interpret respect or appreciation, in different ways, but in any case, it implies care, dignity, recognition, and acknowledgment. A respected employee is one who is esteemed, valued, and protected. Due to all of the above, NIS has decided to pay more attention to strengthening appreciation for each employee and to reinforce fair workplace relationships.

The foundations, or support centres, of the "Respect Above All" program are:

- The team for psychological support.
- Support in cases of suspected mobbing and
- Ethics advisor.

Depending on the situation employees are in, they can reach out to one of the following three centres.

When our staff faces challenges in overcoming specific uncomfortable situations, struggle with handling pressure, or find it difficult to express their opinions, encounter communication challenges, or feel helpless and unaccepted by their team, they can turn to the Psychological Support Team.

When employees believe they are continuously exposed to mobbing and want to learn about the next steps they should take if they decide to initiate proceedings, they can contact the support team for suspected mobbing.

In situations where someone undermines the dignity of employees, fails to respect them, and does not behave in accordance with the company's values and Code of Business Ethics, employees have the option to contact the Ethics Advisor. The Ethics Advisor is the representative of the top management of NIS.

Through the "Red Line," cases of violations of business ethics are reported, and during 2023, 6 reports were received.

As part of the "Respect Above All" program, 31 cases were considered and resolved in 2023. During this program, the Ethics Advisor reviewed a total of 85 cases over three years, resolving 84 of them.

In the third year of the Ethics Advisor's work, out of 31 cases, advice was given in 16 cases. This is precisely the essence of the existence of an ethics advisor: to prevent violations of the Code through timely advice. None of the employees who has contacted the ethics advisor were left without a response, and thus the Company showed the seriousness of its approach, that is, its commitment to preventing behaviour that is not in line with the Code of Business Ethics.

Quality work environment is one in which all employees feel satisfied, and therefore, more productive. Due to all of the above, NIS company is determined to strengthen such a work environment while one of the tools is precisely this "Respect Above All" program.

It is important to note that this platform operates independently, meaning it is impartial, it guarantees discretion, and protects all employees during communication and initiated processes.

BP 201:
ECONOMIC INDICATORS

GRI 201-1 Direct Economic Value
Generated and Distributed

Distributed economic value in thousand RSD	2022	2023
Directly generated value	516,551,517	417,148,250
Distributed economic value	412,283,774	411,395,123
Operating costs	361,205,198	306,322,281
Employee earnings and other remuneration	32,190,314	38,486,743
Interest on received loans and paid dividends	7,253,281	26,074,169
Taxes*	11,472,951	33,263,354
Investments in the community	162,030	7,248,576
Increase in the economic value of the Company	104,267,743	5,753,127

*Indirect taxes are not included in the given amount.

GRI 201-2 Risks and
Opportunities for Companies
Related to Climate Change

One of the main directions of development for NIS is to improve the environmental performance of business processes, focus on reducing carbon intensity, and preserving the environment.

Led by this strategy, last year the Company devoted significant attention to accelerating and

strengthening energy efficiency, increasing the share of renewable energy sources in its own production, and projects for CO₂ utilisation. Furthermore, the implementation of projects aimed at reducing the consumption and losses of energy resources (steam, gas, electricity) continued, as well as the injection of CO₂ from the amine plant into the Rusanda reservoir; an analysis of existing wells - as candidate wells for additional injection / utilisation of CO₂ from industrial facilities in Serbia has been conducted.

We continued with EOP project, which includes injection of CO₂ separated from natural gas in the amine unit of the Oil and Gas Preparation Plant in Elemir into the Rusanda reservoir, with the aim of maintaining its reservoir pressure and boosting production. The total of 70,182,002 cubic meters of CO₂ was injected in 2023. Instead of flaring off the gas with high CO₂ content together with other gasses of methane group, and creating additional GHG emissions and a negative environmental impact, NIS treats the gas to meet the quality which is necessary for its distribution Srbijagas network.

Special attention is given to the application of geothermal energy. The company implemented several projects where its geothermal resources were used for heating of buildings, preparation of sanitary hot water, heating of indoor and outdoor pools, heating of greenhouses and industrial heating. In 2023, consumers were supplied with 32,025 GJ of geothermal energy, which is seven percent less than in 2022, due to slightly higher outside temperatures during the winter months. Projects in the field of geothermal energy contribute to increasing energy efficiency.

Implementation of energy efficiency measures and use of modern technologies has a positive impact on climate change. By investing in these areas, the Company extends its energy generation operations and adheres to environmental principles.

GRI 201-3 Defined Benefits upon Retirement

The company pays severance packages and jubilee awards. Upon termination of employment upon reaching retirement age of 65 years and having 15 years of service, the Company calculates a severance package equivalent to two average salaries in the Republic of Serbia, based on the latest published statistical data. This is applicable unless the employee meets other conditions for old-age pension or early retirement pension according to the Law, and submits a request to the Employer for termination of employment. In that case, the employer pays severance in the amount of two average salaries paid by the employer in the previous month.

GRI 201-4 Financial Assistance Received from the Government

In 2023, there were no financial aid payments from the Government of the Republic of Serbia in the form of premiums, subsidies, grants, or donations.

BP 202: MARKET PRESENCE

GRI 202-1 The ratio of the lowest wage in the company to the legally prescribed minimum wage at significant locations.

NIS strives to provide its employees with the best working conditions. In addition to security, the company ensures that all positions have a minimum monthly gross base salary which is above the minimum gross salary in the Republic of Serbia.

GRI 202-2 Proportion of Senior Management Hired

Employees up to a level of department director – age structure, gender structure and nationality									
	Number/Level	Chief Executive Officer	CEO Advisers and Deputies	Function / Block Director	Function / Block Director Advisers and Deputies	Subsidiary Director	Department Director	Department Director Advisers and Deputies	Representative Office Director
Age	NIS j.s.c. Novi Sad	1	0	14	4	0	66	1	0
	<30	0	0	0	0	0	0	0	0
	30-50	1	0	10	2	0	48	0	0
	>50	0	0	4	2	0	18	1	0
	Representative offices and branches	0	0	0	0	0	0	0	1
	<30	0	0	0	0	0	0	0	0
	30-50	0	0	0	0	0	0	0	1
	>50	0	0	0	0	0	0	0	0
	Subsidiaries in Serbia	0	0	0	0	5	11	0	0
	<30	0	0	0	0	0	0	0	0
	30-50	0	0	0	0	3	6	0	0
	>50	0	0	0	0	2	5	0	0
Sex	NIS j.s.c. Novi Sad	1	0	14	4	0	66	1	0
	Men	1	0	11	2	0	49	1	0
	Women	0	0	3	2	0	17	0	0
	Representative offices and branches	0	0	0	0	0	0	0	1
	Men	0	0	0	0	0	0	0	1
	Women	0	0	0	0	0	0	0	0
	Subsidiaries in Serbia	0	0	0	0	5	11	0	0
	Men	0	0	0	0	5	10	0	0
	Women	0	0	0	0	0	1	0	0
	NIS j.s.c. Novi Sad	1	0	14	4	0	66	1	0
	Serbian	0	0	3	2	0	42	1	0
	Foreign	1	0	11	2	0	24	0	0
Citizenship	Representative offices and branches	0	0	0	0	0	0	0	1
	Serbian	0	0	0	0	0	0	0	0
	Foreign	0	0	0	0	0	0	0	1
	Subsidiaries in Serbia	0	0	0	0	5	11	0	0
	Serbian	0	0	0	0	3	7	0	0
	Foreign	0	0	0	0	2	4	0	0
	Total	1	0	14	4	5	77	1	1

*The management category includes: top management, senior middle management. Lower management (heads of sections and lower) is not included in the from Managers category.

BP 203: INDIRECT ECONOMIC IMPACTS

GRI 203-1 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial or pro bono engagements or in-kind contributions

In 2023, through record investments in socially responsible projects and support for professional sports, NIS continued its strong commitment to community development in the regions where it operates. In this area, over the past year, more than seven billion dinars have been invested, bringing the company's total investments in community development since 2009 to over RSD 12 billion.

In 2023, the company NIS marked the 15th anniversary of its "Common Cause Community" program, one of the most significant corporate social responsibility programs in the Republic of Serbia. Through this program, NIS carefully addresses the needs of 2.8 million citizens living and working in 13 local communities covered by the Program. With the goal of empowering key drivers of social development: Public health and social care, science and education, environmental protection, culture, and sports, through this program, NIS has invested in the implementation of 1,136 projects so far, totalling more than RSD 1.7 billion. The significance of this unique cooperation program with local communities is best demonstrated by its results, considering that since 2009, over 180 educational institutions have been improved, more than 40 cultural institutions have benefited, 45 hospitals and health centres have been equipped, and over 140 children's playgrounds, parks, sports fields, and facilities have been renovated. Numerous projects supporting talented young people have been implemented, as investing in them simultaneously invests in the future and prosperity of the entire community.

During 2023, more than 50 sponsorship projects were implemented. The multi-year cooperation with the Partizan Basketball Club, the "Belgrade Dance Festival" and the "Science Festival" continued, which, due to its continuity, is growing into a strategic partnership. Other projects supported by the company were also highlighted, such as the "Youth Sports Games" and the OCR North Spirit race and support for the "Crvena Zvezda" (Red Star) Hockey Club. The priority for the company was investing in young people, in accordance with the current corporate strategy and the slogan "Future in Action".

In addition to other forms of support, the well-being of the community is continuously and diligently contributed to by members of the NIS Company Volunteers Club. Your sentence is perfectly clear and well-structured! It effectively conveys the message that members of the NIS Company Volunteers Club are actively and consistently contributing to the well-being of the community, alongside other forms of support. Well done!

GRI 203-2 Significant Indirect Economic Impacts, Including the Magnitude of the Impacts

NIS continued developing its business processes and supporting industry in Serbia. In 2023 we invested in capital projects RSD 39.2 billion, and for the year ahead, the planned investment amount is nearly 60 billion, making it one of the largest investment programs in the history of NIS. Investments were made in all three areas of business operation.

In the name of dividends, more than RSD 23 billion were paid to shareholders, which is a record amount since 2013, when NIS started paying them out. This is not only an indication that the NIS company is a safe source of income for shareholders even in challenging times, but also proof that the modernization of NIS, carried out in agreement with the main shareholders, is yielding excellent results.

Furthermore, NIS is one of Serbia's largest exporters and employers. It engages may domestic providers of goods and services, which is a positive impact on their operations, as well as on the development of local economy.

GRI 204: PROCUREMENT PRACTICES

GRI 204-1 Percentage of Purchases from Local Suppliers in Significant Locations where the Company Operates

In order to increase the efficiency of the procurement process, NIS continues to implement electronic and digitized solutions in this domain. The complete digitization of the procurement process is one of the key priorities, which ensures the integration of the supply chain and affects many aspects of the procurement process, such as supplier relationship management.

With the help of our SRM SAP NetWeaver portal is the platform through which NIS enables tender participants to submit their bids in tenders they had been previously informed about.

The "KupiNA" portal is a new solution for ordering materials and services under contracts in digital environment. KupiNA provides the

entire life cycle of the purchase order - from its creation, through the process of reconciliation and interaction with suppliers, to monitoring the delivery of the relevant materials or service services.

Suppliers are timely informed about planned and current procurements through the company's official website and the mobile application "mTenders," which contain information about ongoing and completed tender procedures, qualifications, and auctions. Potential suppliers are provided with detailed instructions here on how to use the digital formats available to the company, as well as contact details of individuals offering technical support to suppliers.

Trust and long-term relationships with suppliers are the cornerstone of business development strategy.

With a view to further improving cooperation with suppliers, NIS conducts a survey once a year and regular workshops with key suppliers. Using quantitative and qualitative research mechanisms the company identifies and examines all potential challenges the suppliers encounter in the procurement procedure. Result of this work is to establish balance between the needs of our suppliers and NIS adhering to core procurement principles and standards of the company.

Procurement structure						
Year	Total procurement value in thousand RSD	Total number of suppliers of the Company	Total procurement value of local suppliers in thousand RSD	Total number of local suppliers	Percentage of procurements from local suppliers, value	Percentage of local suppliers in total number of suppliers
2022	273,256,868	2,235	106,905,008	1,955	39%	87%
2023	342,308,545	2,244	124,460,944	2,010	36%	90%

* A local supplier means a company registered on the territory of the Republic of Serbia.
* Significant locations where the company operates: Oil and gas deposits on the territory of Vojvodina, the Pančevo oil refinery, warehouses, a network of gas stations throughout Serbia, as well as business centres in Novi Sad and Belgrade.

GRI 205: ANTI-CORRUPTION PROCEDURES

GRI 205-1 The total number and percentage of organisational units assessed for corruption-related risks and significant identified risks.

In all organisational units of the Company, corruption-related risks are being continuously analysed. Continuous monitoring of corruption indicators is conducted, primarily in the areas of procurement of goods and services, business operations with customers, and through the candidate verification process for employment.

The area of business activities that is especially exposed to the corruption-related risk is the procurement of goods and services, considering the direct communication with the suppliers and significant cash flow, and the fact that corruption may be initiated either by bidders or by the client.

Before making a decision on selecting the most favourable bidder, the procurer, despite precisely defined standards and procedures, may favour certain participants by:

- Disclosing business data from the procurement process to a pre-selected supplier beforehand;
- Withholding from certain suppliers - competitors, a part of the procurement conditions, to eliminate them;
- Reducing the time required for submitting a bid to prevent certain suppliers from participating.
- Imposing other inappropriate prequalification requirements or requesting personal commissions.

Through transparent procedures and conduct in procurement activities, efforts are made to proactively mitigate and minimize the potential for corrupt practices. If conditions for such

behaviour were to arise despite these efforts, actions would be taken in accordance with the company's regulatory documents governing this area.

Corruption is also present in the field of customer transactions – this is mostly reflected in preferential treatment of so-called 'large' clients. The most prevalent form of preferential treatment of customers happens by awarding contracts or delivering large quantities of goods regardless of the outstanding financial obligations arising from previous contracts and deliveries.

In 2023, several indications were analysed in relation to possible corruption, particularly in procurement units. The corporate risk register includes the risk of corruption and malpractice.

There is an established system at the company level, where individuals with knowledge of potential corrupt activities can report a case. In addition to their immediate supervisors, potential corrupt activities can be reported to employees within the Corporate Security Function. It is also possible to report knowledge of corrupt and other unauthorized activities anonymously through the Monitoring Centres of the Corporate Security Function and the Red Line.

*In the analysis, the term "corruption" is defined according to the definition adopted from the National Anti-Corruption Strategy: Corruption is the practice of abuse of authority in the public and private sector with a view to acquiring personal benefit or enabling third parties to acquire such benefit. This involves a broader understanding of the concept of corruption, which cannot be reduced to a general opinion that it involves giving or receiving a bribe, but it also implies any action that originates, partially or fully, from socially unacceptable motives.

Obligations for the future:

1. Building and raising employee awareness

and ability to recognize damaging forms of corruption;

2. Monitoring and preventive activities, which would improve the work atmosphere and reduce the possibility of corruptive actions;
3. Training courses and professional workshops as a form of expert assistance to management in identifying corruption elements;
4. Participating in the development and approval of internal documents with the aim of implementing control mechanisms to minimize the possibilities of corruption;
5. Controlling the implementation of anti-corruption and other measures to prevent unlawful activities and
6. Cooperating, improving and coordinating measures and anti-corruption activities with competent government authorities.

GRI 205-2 Communication and Training about Anti-Corruption Policies and Procedures

Governing bodies

In accordance with the decision of the CEO of NIS, adopting the standard agreement on anti-corruption behaviour, members of the corporate bodies and management organs are familiarised with the rules and procedures against corruption, as well as with the Company's Policy in the field of combating corruption and fraud, especially with the clause on adhering to anti-fraud and anti-corruption legislation.

All members of governing bodies, i.e. members of the Board of Directors, CEO Advisory Board, the Board of Directors' committees (Audit Committee, Nomination and Appointment Committee and Remuneration Committee) and Shareholders' Assembly Board for business activity supervision and reporting to shareholders are thoroughly familiar with current anti-corruption rules and procedures.

New Employees

In 2023, 1,889 potential hires were verified. Besides, all new employees participate in induction training that includes anti-corruption rules and procedures.

Employees

To prevent the occurrence of corrupt activities and to promptly identify indicators of corrupt behaviour, the company conducts training for all employees.

In 2023, the Company organised direct training of employees on information protection training courses. The training also addressed ways of disclosing confidential data and transfer of confidential data, personal data protection, the role and significance of human factor in the cyber security. In addition to the above, optional training sessions have been conducted based on employees' requests. These sessions include simulations of phishing campaigns and awareness campaigns. The trainings in question was attended by the total of 1,509 employees.

With the enactment of the GDPR regulation at the EU level, as well as the Personal Data Protection Act governing personal data protection in the Republic of Serbia, this topic has gained significant importance both in Serbia and globally. The company NIS processes personal data in a manner defined by applicable legal regulations, primarily the Personal Data Protection Act. It implements organizational, technical, and personnel measures, as well as procedures, all aimed at protecting personal data, including measures and procedures in the field of cybersecurity.

In the process of internal compliance checks with the company's normative documents, employees of the organisational unit responsible for corporate protection propose corrective measures, guide, and educate other employees in the field of anti-corruption.

Great importance is placed on the education and

training of employees in the organisational unit of the company engaged in detecting corrupt and other illegal activities. Thus, various types of training were conducted in this segment, for these employees during 2023, among which the following stand out:

- Certified Cloud Security Professional;
- ISO/IEC 27001:2022 – Information Security Management System, and
- Specialist Training for Corporate Security Managers (SAMKB) and Business Academy - PKS.

Business Partners

The Company’s operational procedures mandate the conclusion of the Anti-Corruption Agreement with all business partners with which it enters into a contractual relationship. The purpose of this Agreement is to preserve and ensure a favorable business environment through preventive and specific actions against corruption and/or other illegal activities. The CEO’s Resolution also anticipates the procedure in cases where a business partner refuses to sign the said Agreement. In these cases, the initiator of the Agreement within NIS informs the competent service of Corporate Security, which is followed by undertaking measures and actions to determine the actual reasons behind the refusal to sign the Agreement and after that, a harmonized decision on further steps is being issued.

The Corporate Security Function is responsible for controlling activities in the anti-corruption domain company in, reviewing the contract compliance and verifying the existence of Anti-Corruption Agreements.

Commitments and Goals for the Future:

1. Further work on implementing planned anti-corruption measures to protect the company's operations, and
2. The measures will include continuous education and exchange of experience and

good practices with Company’s management and employees, particularly in the organizational units in charge of procurement and sale of goods and services.

GRI 205-3 Confirmed Incidents of Corruption and Actions Taken

80 proposals for initiating disciplinary proceedings were submitted to the relevant managers in 2023 against employees whose actions or inactions caused harmful consequences for the company, and were fundamentally motivated by criminal-corruption motives. In none of the mentioned cases was there an issue related to corruption in the strictest sense, specifically defined as bribery (giving-receiving bribes). During 2023 no corruption-related claims were filed against the company or its employees by third parties.

In addition, 93 criminal reports were filed with the relevant authorities, including one report against an employee of the company and 92 reports against third parties, for the following criminal offenses:

- Theft (39);
- Grand larceny (42).
- 2 are related to robbery,
- Forgery of documents (1);
- Misappropriation in performing business activities (1);
- 6 are related to Unauthorized use of someone else's business name and other special marks of goods or services; false representation; unauthorized organization of games of chance and possible criminal offence of fraud,
- and 2 to other charges.

As a result of the mentioned criminal offenses, harmful consequences have occurred for the Company, totalling over RSD 22.5 million in financial losses. As a result of proven corrupt and criminal activities, eight employees were

dismissed from the Company. This includes one middle management level person and seven non-management staff (engineers, technicians, and workers).

In 2023, there were 99 cases where the Company terminated or decided against renewing existing contract with business partners due to the following:

- Unprofessional treatment of contractual obligations, failure to fulfil contractual obligations within stipulated deadlines and low quality of performed works and
- Failure to fulfil financial obligations / foreign currency debt (liability at risk) towards the company or its subsidiaries.

Legal disputes involving external entities concerning corruption related to the company

During the period from 1 January, 2023, to 31 December 2023, there were no legal disputes initiated by external entities against the company or its employees regarding corruption.

GRI 206: ANTI-COMPETITIVE BEHAVIOUR

GRI 206-1 Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices, according to outcomes

No claims of anti-competitive behaviour, anti-trust or monopoly practices were filed against the Company in 2023.

GRI 207: TAXES

GRI 207-1 Approach to tax obligations

Taxes are an important source of income and represent a central factor of fiscal policy and macroeconomic stability of every country. As one of the leading companies in the region, NIS

has a special social responsibility in this regard. Sustainable development is not just compliance with regulations, but also being aware that NIS, according to its function, has a key role in the development and creation of value in the environment in which it operates. Having that in mind, these tasks are performed at NIS by centralized Tax Function that harmonises its plans with the CFO.

Business operations at NIS not influenced by tax-motivated decisions. The company NIS always focuses on the tax obligations and tax regulations of the countries in which it operates, taking into account economic and social factors. Given that it operates and pays taxes in several jurisdictions, where tax regulations and interpretations often change, NIS carefully monitors changes in tax regulations to adjust and improve its operations to comply with legal provisions.

Any non-compliance with tax regulations is rectified and measures are being taken to prevent recurrences.

In 2023, the Tax Management Standard was implemented, and as an internal document, it is aimed at defining the business process of tax management, as well as the roles and responsibilities of participants in the process. This Standard applies of the Company and encompasses all organisational units and employees within NIS. Tax Management aims to align the operations of NIS Group with tax regulations and to optimize tax costs in compliance with tax laws. It consists of the analysis of tax effects, determining the tax liabilities and organising and conducting tax audits. Regarding the adoption of tax plans, the Chief Financial officer, in collaboration with the Director of Tax Department, holds the highest level of seniority.

The company's transfer pricing policy aims to adequately reflect the distribution of profits between entities in the NIS Group, taking into account their economic role, function, assets and

risks. Transactions between related parties are based on the arm's length principle, otherwise adequate corrections are made in the tax balance.

Additionally, in terms of sustainable development, NIS's tax function aims to analyse tax incentives and tax costs that may have a direct or indirect impact on sustainable development indicators by monitoring domestic and foreign regulations through internal resources, as well as engaging external consultants in the countries where it operates. It also actively participates in implementing programs focused on the development of local communities through donations and sponsorships, by analysing tax effects.

GRI 207-2 Tax Governance, Control, and Risk Management

NIS has a dedicated organisational unit, whose exclusive competence is to manage the taxes of the NIS Group. Its main task is to ensure that NIS operates in accordance with tax regulations and with continuous team education, it monitors the activities of NIS. The Tax function is regularly reviewed and upgraded through the engagement of external and internal resources.

This organisational unit monitors NIS activities through continuous improvement, right from the initial stages and ideas about the need to implement a specific project. This involves providing expert opinions on tax obligations i specific cases, the type of tax form, the amount of tax, and any other potential liabilities. It also includes analysing the effects and providing

the tax treatment of specific transactions up to the actual tax calculation and informing the relevant organisational unit of NIS, responsible for settling the obligations.

If there are uncertainties about the correct tax treatment or if the case is complex, NIS seeks advice from independent tax consultants. Consultants are selected based on knowledge, experience, and the amount of compensation.

In order to ensure the correct application of relevant regulations, NIS communicates with government authorities to obtain opinions regarding tax regulations.

GRI 207-3 Stakeholder engagement and management of concerns related to tax

Government relations are as important for NIS shareholders as tax compliance.

The company takes active part in public hearings on new tax regulations and uses all opportunities for direct communication with the tax authorities.

NIS communicates with state bodies in an open and transparent way providing all the necessary support. We remain constructive and professional, and act in good faith.

As a member of commercial and industry associations NIS engages in improving the tax environment by pointing out to challenges and offering solutions to make tax regulations as clear and accurate as possible.

GRI 207-4 Country-by-country reporting

According to the tax regulations of the Republic of Serbia, NIS is not obliged to submit CbC reports, but for the needs of the parent company, it collects the reports of the members of NIS Group and submits them in a timely manner for a specific tax year.

2023 tax obligations are listed in the table below:

NIS j.s.c. Novi Sad	
Direct tax	14.24 bln.
Indirect tax	210.65 bln.
Total:	224.90 bln.
Subsidiaries in Serbia	
Direct tax	2.28 bln.
Indirect tax	2.93 bln.
Total:	5.21 bln.
Subsidiaries outside Serbia	
Direct tax	6.21 bln.
Indirect tax	8.70 bln.
Total:	14.91 bln.
NIS Group total:	245.01 bln.

* Amounts shown in RSD (Serbian dinars) without deferred tax

GRI 301: MATERIALS USED

GRI 301-1 Materials used by weight and volume

Materials used			
Raw materials/ materials	UOM	Quantities used	
		2022	2023
Domestic crude oil	t	793,126	815,968
Imported crude oil	t	3,339,800	3,870,728
Natural gas*	t	128,675	119,318
Geothermal water**	m³	428,048	394,445
Raw water***	m³	63,724	56,160

* For hydrogen production
**Water sold to external clients
***Water used as a raw material for the production of drinking water

Materials used in the production process originate from non-renewable resources and can be found in the final product, petroleum products, fuels and drinking water.

Due to the nature of its operations, the Company does not use recycled materials as feedstock.

Overview of domestic and imported crude oil				
Raw materials/materials	UOM	Quantities used		
		2022	2023	
Crude oil - light waxy	t	495,280	512,084	
Crude oil - heavy waxy	t	75,003	77,754	
Crude oil - naphtenic	t	222,843	226,130	
Crude oil - REB	t	990,502	26,675	
Crude oil - Bosnian	t	911	270	
Crude oil - Kirkuk	t	1,691,370	834,197	
Crude oil - Novy Port	t	616,842	418	
Crude oil - Temisoara	t	16,299	10,780	
Crude oil - Cpc Blend	t	8,847	254,953	
Crude oil - Johan Sverdup	t	4,961	418,863	
Crude oil - Crude oil blend	t	10,038	438	
Crude oil - Azeri	t	30	167,510	
Crude oil – ES Sider	t	0	79,622	
Crude oil – Bonga	t	0	56,197	
Crude oil – Basra medium	t	0	678,112	
Crude oil – Bonny light	t	0	120,314	
Crude oil – Al Jurf	t	0	165,914	
Crude oil – Caspian blend	t	0	40,959	
Crude oil – Kebco	t	0	139,542	
Crude oil – Qaroun Egipat	t	0	59,994	

Overview of Intermediates			
Intermediate products/ materials	UOM	Quantities used	
		2022	2023
Pyrolysis gasoline	t	114,746	81,030
MTBE	t	4,603	4,761
Isobutane and gasoline from Elemir Plant	t	1,055	859
Imported vacuum gas oil (VGO)	t	91	0
Additives and polymer mass	t	729	773
Slop (including degraded products)	t	144	245

The intermediate products presented in the table are external products used for refining and slop (produced in the refining and handling processes in refineries).

GRI 301-2 Recycled input materials used

Overview of packaging materials			
Material	UOM	Quantities used	
		2022	2023
Paper and cardboard	t	127	84
Wood	t	206	125
Plastic	t	807	657
Metal packaging	t	208	109

Materials used in the production process originate from non-renewable resources and can be found in the final product, petroleum products, energy sources and drinking water.

Due to the nature of its operations, the Company does not use recycled materials as feedstock.

GRI 301-3 Percentage of products and their packaging materials sold by the company that are reclaimed, by categories

With a view of meeting the national objectives set for 2023, with the help of packaging waste management system operators, packaging waste taken over and collected in 2023 was re-used, recycled and disposed of in the current year.

The Company bottles mineral water and juices in Jazak and produces various brands of oils and lubricants in the Oils and Lubricants Production and Logistics Unit in Novi Sad.

All larger facilities of the Company as well as all filling stations are equipped with labelled bins for paper, PET containers and cans.

Overview of packaging placed on the Serbian market						
Material		UOM	2022		2023	
			Jazak	Oil and Lubricants Production and Logistics Unit	Jazak	Oil and Lubricants Production and Logistics Unit
Plastic	PET	t	479	19	370	16
	Other plastic		108	201	87	184
Metal	Iron	t	0	208	0	109
Paper and cardboard	Paper and cardboard	t	81	46	54	30
Wood	Pallets	t	158	48	90	35
Total		t	1,348		977	

BP 302: ENERGY

GRI 302-1 Energy consumption within the organization

Преглед потрошње енергије											
Energy type	UoM	Quantities used		Quantities used, in toe		Energy by source					
		2022	2023	2022	2023	Produced internally		Purchased from suppliers		Sold	
						2022	2023	2022	2023	2022	2023
Fuel for own consumption (gasoline, diesel)	m 3	232,828,789	177,174,900	187,820	142,971	201,738,610	199,146,544	169,163,087	113,866,035	4,897,770	4,846,780
Fuel – own consumption (light fuel oil, refinery gas, coke, torch oil, offgas)	t	4,169	4,376	4,382	4,691	4,169	4,376	0	0	0	0
LPG	t	415,738	429,474	222,783	246,781	415,738	429,474	0	0	0	0
Steam (in the form of high-pressure steam)	t	237	210	249	221	109,232	103,497	2,386	0	111,381	104,142
Electricity purchased	t	1,018,569	946,718	78,580	73,010	1,018,569	946,718	0	0	0	0
Electricity produced	MWh	393,590	382,909	33,843	32,924	0	0	393,590	382,909	0	0
Thermal energy	MWh	63,836	65,575	5,488	5,638	118,517	118,543	0	0	52,100	52,968
Топлотна енергија	MWh	8,055	7,398	693	636	0	0	8,055	7,398	0	0

Water steam from own production of energy power plants.

In 2023, energy consumption was lower by 10.4 per cent than the consumption envisaged in the business plan and 5.1 percent lower YoY due to the application of additional energy efficiency improvement measures.

GRI 302-3 Energy efficiency

The best indicator of continuous energy efficiency improvements in the area of intense energy consumption is the EII – Energy Intensity Index, which represents the ratio between the actual and standard energy consumption. The standard energy consumption is the consumption projection at HSB Solomon Associates LLC (the most widely used methodology of benchmarking of oil refineries in the world that covers over 85 percent of the refining capacity in over 70 countries around the world).

If we take 2012 as a reference year, in the period from 2012 to 2023 the Company achieved the total increase in energy efficiency of 33 per cent.

Associated gas, which used to be flared off, now is used in the production of electricity and thermal energy in cogeneration plants built in the period from 2013 to 2016.

The share of electricity produced from cogeneration in the Company's total electricity consumption is 15 per cent. With the production of electricity from the backpressure turbogenerator at the Pančevo Oil Refinery, in addition to 45 solar panels on filling station roofs (25 in operation), the Company's own electricity production in relation to the total consumption of electricity at NIS in 2023 is 26 per cent.

In the interest of brevity of all sections of the Report, part of data required under GRI 302-3 is disclosed within GRI 302-4.

GRI 302-4 Reduction of energy consumption

The most significant projects completed and launched in 2023 include:

- Pumping control at GB-2301;
- Toluene processing at DA-3601 in the quantity required for blending BMB 95.
- Reduced volumes of air from GB-2301 discharge for regenerator DC-2302 SA NA 40 kNm³/h;
- Installing insulation at S-100 and Handling*;
- Disconnecting stripping** of LGO on S-2100;
- Disconnecting stripping of HGO on S-2100 if sent to DDHT;
- Isolation of 26 safety valves in Block 9;
- Removal of GA-2221 pump out of service due to lower capacity;
- Shutting in unprofitable wells;
- Use of energy efficient ECP pumps;
- Squeeze cementing on Boka fields of the Exploration and Production Block;
- Replacement of pump units on Jermenovci field, and
- Replacement of pump units on Mokrin West field.

Implementation of projects and measures defined under the 2023 Energy Efficiency Improvement Program and introduction of additional measures and especially challenge measures in the Refining Block resulted in overall energy savings of 332 TJ.

Overview of planned and realized energy savings			
Energy source	Planned savings in 2023 (GJ)	Actual savings in 2023 (GJ)	Actual savings in 2023 (%)
Electricity	17,377	23,200	134%
Thermal energy	89,739	179,759	200%
Fuels	41,191	129,306	314%
Total:	148,307	332,265	224%

NIS has a project approval procedure in place. The procedure also requires preparation of related documentation, including the calculation of the expected savings for each nominated measure. Such estimates are based on thermotechnical calculations in accordance with the accompanying documentation (tables, laboratory analyses, conversion factors, etc.) and good engineering practice. Actual consumption data taken from mass meters are used as the input for the calculation. The same principle applies to power electric measurements.

GRI 302-5 Reductions in energy requirements of products and services

Compressed natural gas (CNG) is natural gas compressed to a pressure of 220 to 250 bar. The main ingredient is methane, which has the lowest CO₂ emission rate compared to other products, and therefore contributes to the protection of the environment. CNG is used as an alternative fuel for all types of vehicles, but also as an industrial energy source. The main advantage of CNG is its calorific value, which is much higher than

that of other motor fuels and its high octane number – a criterion of fuel quality. This product is the preferred fuel as it is the least damaging for the environment. In addition to the reduced emissions of harmful gases, CNG does not contain sulphur or toxic additives from organic lead or benzene.

In 2023, five retail facilities offered CNG: Novi Sad 10, Čačak 1, Blok 45, Žarkovo 2 in Belgrade, and Ledena Stena in Niš. A CNG plant in the Ostrovo gas field (commissioned in 2017) meets the CNG demand of the wholesale market, i.e. industrial consumption.

BP 303: WATER MANAGEMENT

GRI 303-1 Interactions with water as a shared resource

Improving the water management process is one of the principal objectives at NIS. Reducing the share of fresh water withdrawal, while increasing the share of water from recirculation has been adopted as a strategic goal.

With a view to minimising the adverse effect on surface and underground water bodies, the quality of underground water and wastewater is continually monitored, resulting in further measures and proposals for improvement. As previously, the intake of fresh water and discharge of wastewater are compliant with the requirements of water bylaws and legal regulations.

At NIS, water is used for oil production and refining processes, cooling systems, fire protection, and bottling of drinking water.

The Company obtains water from different sources: surface (87 per cent) and underground water bodies (6 per cent), and also public waterworks (7 per cent). For the

* Handling is an organisational unit within the Refining, which engages in the receipt, storing, dispatch and transport of crude oil and petroleum products
**Stripping means injection of steam in the column to remove light residues that cannot be removed through distillation.

Company, the most significant water resource is the Danube river. The water sources for production and other processes are located in the areas extremely affected by water pumping. In the past year, the Company recorded significant savings in fresh water intake for the purposes of Pančevo Oil Refinery owing to condensate recovery that enables water recirculation (24 per cent).

NIS generates process, atmospheric, and sanitary wastewater. At NIS, all wastewater is properly treated and only as such is discharge into the final recipient, irrespective of the type of recipient, all in compliance with the water permit, water management requirements, and other compulsory documents (IPPC permit, environmental impact study) and legal regulations.

GRI 303-2 Management of water discharge-related impacts

NIS pays great attention to wastewater treatment, especially considering that a number of facilities discharge treated wastewater into waterways. All wastewater is properly treated before it is released. The method of treatment is determined by the quality standard water has to meet before it may be discharged into the final recipient body. The Company uses water treatment plants, separators and clarifiers, and biological purifiers for treating wastewater. There are 417 wastewater treatment facilities in total.

Wastewater quality and device efficiency tests are performed by an accredited laboratory in accordance with the Monitoring Plan. The resulting report is delivered to the competent government and local authorities.

GRI 303-3 Total water withdrawals

Total volume of water withdrawn by source			
Type of the water withdrawal	Unit of measurement	2022	2023
Surface waters including rivers, lakes, and channels	m³	23,200	134%
Groundwater		179,759	200%
Storm water		129,306	314%
Public water supply			
TOTAL VOLUME OF WATER WITHDRAWN*	m³	4,863,371	5,571,357
Formation water **		4,523,096	4,800,542

*All withdrawn water can be classified as freshwater (≤1,000 mg/L Total Dissolved Solids).
**Formation water, separated from crude oil during the production of oil and gas and technical operations in wells, is processed (treated to remove hydrocarbons, suspended and dissolved matter), and then injected at a certain depth in abandoned wells (selected orphaned wells), in which case it has no impact on the quality of groundwater.

The volume of water withdrawn from the Danube for the needs of the Pančevo Oil Refinery increased by 15% YoY. Withdrawal at the rate of 145 l/s represents mere 0.0028 per cent of the average annual flow of the Danube.

In 2023, the volume of water withdrawn from the Danube significantly increased in the Pančevo Oil Refinery, due to the preparation of demi and filtered water for the operation of the combined-cycle power plant (CCPP), consequently resulting in higher volumes of water discharged in waterways (the Danube).

The Novi Sad tank farm uses the water from the Danube-Tisa-Danube channel. The water is withdrawn at the rate of 7 l/s, which is 0.0115% of the Danube-Tisa-Danube channel’s flow at Novi Sad.

GRI 303-4 Water discharge

Total quantity of released water by recipient and treatment				
Recipient	UOM	2022	2023	Treatment type
Water bodies	m³	470,284	623,618	Physical
		10,797	9,104	Physical, chemical, biological
		0	0,00	No treatment
		1,509,478	1,569,339	External physical and chemical water treatment facility - the water treatment plant of HIP Petrohemija treats oil-contaminated waste waters from the Pančevo Oil Refinery
Total water flow:	m³	1,990,560	2,202,061	
Public sewer system	m³	373,670	392,649	Physical
		0	0,00	Physical, chemical, biological
		39,003	34,672	No treatment (business centres)
		0	4,999	External water treatment facility (physical and chemical)
Public sewer system, total:	m³	412,673	432,320	
Other (absorption pit, lagoon, collection pit)	m³	84,114	61,764	Physical
		3,750	3,175	Physical, chemical, biological
		0	0,00	No treatment
Other, total:	m³	87,864	64,939	
TOTAL VOLUME OF WATER RELEASED:	m³	2,491,096	2,699,320	

The Company does not discharge treated wastewater into water bodies whose biodiversity could be affected. The obtained water permits provide no indication that any water bodies into which treated wastewater is discharged are categorized as those under special protection or with valuable biodiversity.

The increase of water discharged in 2023 arises as a direct consequence of the higher water withdrawal for the purposes of TE-TO Pančevo.

The quality of wastewater produced in RNP processes is monitored in accordance with the applicable legal regulations. Complete oil-contaminated water from the RNP area is first

treated on API separators on the RNP premises, then it is sent to the wastewater treatment plant in HIP Petrohemija, and finally discharged into the Danube river. The average annual concentration of hydrocarbon in the process wastewater that is transported to HIPP for further treatment is 4.63 mg/l. In particular, the annual process wastewater load, prior to the secondary treatment by hydrocarbons is 7.3 t.

Average annual concentration of hydrocarbon (mg/l)	4.6
Annual volume of hydrocarbon in process wastewater (t/year)	7.3

The defined maximum concentration of hydrocarbon in formation water in the Company is 60 ppm.

GRI 303-5 Water use

	2022	2023
Water use by NIS	2,372,275	2,872,036
Water use by REF	2,088,973	2,653,385

The largest water consumer within NIS is the Pančevo Oil Refinery, which uses water in production processes – for cooling, steam production, and supplying fire suppression systems.

In 2023, the Pančevo Oil Refinery conducted water preparation for TE-TO Pančevo, for the purpose of thermal energy and power generation. The water is withdrawn from the Danube in accordance with the applicable water permit.

One of the NIS’ accompanying activities is bottling and sale of potable water from the Jazak spring.

Water is also used for drilling, cooling of reservoirs and fire protection.

BP 304: BIODIVERSITY

GRI 304-1 Location and size of sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Overview of protected areas adjoining the Company’s operational sites			
Type of protected natural area	Name of protected natural area	Name of adjacent NIS facility	Status of NIS facility in 2023
Special nature reserve	Deliblato Sands	HTS Devojački bunar Db - 1/H	out of operation
	Okanj Lake	Tilva gathering gas station	out of operation
		Elemir Oil and Gas Preparation and Transport Unit	in operation
	Meadows of Great Bustard	Eli-1 oil well	out of operation
		Mokrin West and KS-2 Mokrin West gathering and metering station	in operation
Natural park	Kovilj-Petrovaradin Marshes	Novi Sad 6 filling station	out of operation
	Jegrička	Zmajevu filling station	in operation
	Palić Lake	HTS Palić (1 Pj - 1/H, Pj - 2/H)	in operation
Nature reserve	Junaković Forest	Pć-24	in operation
		HTS Prigrevica – Junaković Spa (Pb - 1/H)	in operation
	County Park – Zrenjanin Town Gardens	Zrenjanin 1 filling station	in operation
National Park	Đerdap	Donji Milanovac filling station	in operation
Special features area	Middle Banat saline soils	Novo Miloševo filling station	in operation
		Melenci oilfield	in operation
		Rusanda Plitko oilfield	in operation

GRI 304-2 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas with high biodiversity value outside protected areas

There can be no denying that a man, through a number of activities, has established himself as the main cause of extinction and reduction of many plant and animal species. Some of the aggravating factors that undermine biodiversity include:

- loss of habitat, i.e. habitat destruction due to expansion of farming areas,
- intensive grazing,
- burning of primary vegetation,
- deforestation,
- hydromelioration,
- urbanisation and infrastructure construction,
- overexploitation (overharvesting, overhunting, overfishing), and
- water, air and soil pollution.

Long-term and sustainable development of a society is not possible without appreciating and preserving biodiversity. NIS, as a socially responsible company, conducts all activities in compliance with applicable legal regulations and permits issued by the competent authorities. In addition, the Company has not made any adverse impacts in the protected areas or areas with high biodiversity value outside protected areas.

In 2023, NIS engaged in exploration and production of oil, gas and thermal water, and sale of petroleum products at 11 sites

located in the vicinity of protected natural areas, including Đerdap National Park, special nature reserves (Okanj Lake, Pastures of Great Bustard near Mokrin), Palić Nature Park and natural reserves (Junaković Forest and Zrenjanin Town Gardens), fully complying with the regulations of the competent authorities (Institute for Nature Conservation of Serbia and Institute for Nature Conservation of Vojvodina Province).

In 2023, the Decisions on Environmental Requirements were obtained for the purpose of developing the project of applied hydrogeological exploration in Kelebija, Idoš Field, Banatski Dvor West, for suspension of oil and gas extraction on Mramorak production field, for oil and gas extraction on production fields Melenci, Bradarac Maljurevac and Kikinda.

Additionally, the Decisions on Environmental Requirements were obtained for drilling and testing wells Lo-027, Lo-029, Lo-031 and Lo-032.

GRI 304-3 Habitats protected or restored

In 2023, no mud pit remediation operations were recorded.

To date, the Company has remediated 215 primary mud pits and two suction pits, and the land was restored to its original purpose. One of the biggest and most significant remediations (based on the investment and volume of disposed waste) was performed in Kikinda (remediation of a suction pit). The total area of reclaimed land is over 16 ha (160,016 m²). Land remediation is performed by external contractors specialised in the field.

GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations, by the level of vulnerability

The International Union for Conservation of Nature (IUCN) has compiled the IUCN Red List of Threatened Species currently including over 157,100 species, out of which 44,000 are facing extinction (41 percent of amphibians, 37 percent of sharks and rays, 36 percent of stony corals, 34 percent of coniferous trees, 26 percent of mammals and 12 percent of birds).

Each animal and plant is valuable and plays an important role in the preservation of the ecosystem. However, in face of serious challenges, such as climatic changes, environmental pollution, deforesting and habitat destruction, many plants and animals have become endangered species in Serbia.

Endangered, vulnerable and protected animals in Serbia include:

- Mountain Apollo (Parnassius apollo),
- greyling (Thymallus thymallus),
- saker falcon (Falco cherrug),
- alpine salamander (Salamandra atra),
- western capercaillie (Tetrao urogallus),
- Eurasian griffon vulture (Gyps fulvus),
- eastern imperial eagle (Aquila heliaca),
- and some protected plants include: Pančić spruce (Picea omorika), steppe peony (Paeonia tenuifolia), yellow water-lily (Nuphar lutea), sundews (Drosera), etc.

According to the data on natural species listed on the IUCN Red List, there is a habitat of highly protected bird species – the great bustard (Otis tarda) in the Pastures of Great Bustard near Mokrin, in the vicinity of the sites where the Company conducts its operations. The survival of this highly protected bird species is not affected by the Company’s operations on this site.

The area of environmental protection (protection and preservation of environment, biological, geological and regional diversity) is normatively governed by the Law on Nature Protection and other laws and bylaws that directly or indirectly regulate nature and natural assets. Nature protection is also improved and harmonised by the application of provisions and principles of the international conventions to which our country is a signatory.

NIS obtains the environmental protection requirements from the competent authorities, to which it scrupulously adheres in its operations.

GRI 305: EMISSIONS

GRI 305-1 Direct (Scope 1) GHG emissions

Since the beginning of 2023, the Company has been calculating greenhouse gas emissions ("Carbon Footprint") according to a new methodology covering scopes 1, 2, and 3. The methodology was designed by the consultant Ernst & Young. The main difference compared to the previous methodology for calculations lies in precision, as emission factors for gaseous fuels are calculated based on the gas composition, specifically the carbon content.

	Unit	2023
CO ₂ direct emissions (Scope 1)	t CO ₂ eq	1,396,509
CO ₂	t	1,289,958
CH ₄	t	3,777
Direct emissions by source type (t CO ₂ eq):		
Stationary combustion		295,338
Flaring		36,588
Oil refining		937,470
Fugitive emissions		99,808
Mobile sources air pollutions		22,635
Other emissions		4,670

In 2023, CO₂ direct emissions (Scope 1) were reduced YoY by 6 per cent.

Due to the transition to a new methodology for calculating greenhouse gas emissions ("Carbon footprint") in 2023, for the purpose of traceability and trend monitoring, 2022 data were recalculated following the new methodology.

By the end of the year, the Rulebook on Greenhouse Gas Emissions Monitoring and Reporting was adopted ("Official Gazette of the Republic of Serbia" No.118/ 2023). For NIS plants subject to the monitoring and reporting obligation (Pančevo Oil Refinery, Elemir oil and gas conditioning plant, and the power plant at the Novi Sad tank farm), the Company calculated greenhouse gas emissions for 2023 in the amount of 1,148,445.67 t of CO₂. In 2023, the emissions were YoY lower by 3 per cent, as a result of a lower oil refining output in the Pančevo Oil Refinery.

In 2023, 70,182,002 m³ of CO₂ was injected in Rusanda reservoir, which was separated in the amine unit, at the Oil and Gas Preparation Unit of Elemir (as part of the EOP project for CO₂ injection, with an aim of maintaining the formation pressure and increasing the output).

GRI 305-2 Indirect GHG emissions from energy usage (Scope 2)

For its operations, NIS uses electricity and heat procured from its suppliers. According to the GHG Protocol (GHG Protocol Corporate Accounting and Reporting Standard), these GHG emissions are reported as indirect emissions within the Scope 2 since the emission source is owned by third parties. NIS uses "GHG Protocol Scope 2 Guidance" (an amendment to the GHG protocol Corporate Standard) to define indirect emissions.

The calculation covers CO₂, CH₄, N₂O.

In 2023, GHG emissions from imported electricity and heat used by the Company and its subsidiaries in the Republic of Serbia (Scope 2) stood at 271,238.5 tons of CO₂eq. The indirect emissions stay at the same level as in 2022.

*For the indirect emission calculation, the emission factor for the importer electricity for Serbia was calculated following the EIB Project Carbon Footprint Methodologies - Version 11.2 February 2022. The potential global warming values for GHG emissions were taken from Climate Change 2014: Synthesis Report, Contribution of Working Groups I, II, III and IV to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change, IPCC, 2015.

GRI 305-3 Other indirect GHG emissions (Scope 3)

In accordance with the GHG Protocol, Scope 3 GHG emissions include other indirect GHG emissions, in most cases resulting from the use of Company products.

NIS’ carbon footprint comprises the following emissions within Scope 3:

- Category 1 - procurement of goods and services,
- Category 2 - production assets (steel, mortar), and
- Category 11 - use of sold Company products in the amount of 11,172,429.6 t CO₂eq.

The company is considering to expand the calculation to other categories for the coming period.

Category	In thousand t CO ₂ eq.
Purchased goods and services (category 1)	630.5
Production assets (fixed assets) (Category 2)	8.4
Use of sold products (Category 11)	10,533.5
Total– other indirect GHG emissions*	11,172.4

*For the calculation of other indirect emissions, the Company applied "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" – the Scope 3 GHG (all other indirect emissions other than associated with energy usage) calculation and reporting standard, including guidelines "Scope 3 Calculation Guidance".

GRI 305-4 GHG emissions intensity

kg CO₂E for Scope 1 / t of oil production/refining output, following the new methodology.

	2022*	2023
Upstream	275.7	255.2
Refining	272.3	276.9

*The carbon intensity data were adjusted for 2022, based on the GHG calculation as per the new methodology. The calculation covers CO₂, CH₄, N₂O, HFC gases, expressed as a CO₂ equivalent

The carbon intensity is shown for NIS activities with the biggest direct GHG emissions (Scope 1) within the Company’s “Carbon footprint”. These have been identified in the Exploration and Production Block (Upstream) and Pančevo Oil Refinery (Refining, Downstream).

In 2023, the carbon intensity records a YoY decrease in the Upstream, given a lower volume of flared gas and lower own consumption.

In the Refining Block, the carbon intensity in 2023 marked a slight YoY increase, resulting from a lower oil refining output and use of fuels with a higher-emission factor.

GRI 305-5 Reduction of GHG emissions

In 2023, out of strategic documents governing renewable energy sources, energy efficiency, and reduction of GHG emissions, the Draft Integrated National Energy and Climate Plan (INECP) and 2023-2030 Low-Carbon Development Strategy of the Republic of Serbia, with projections by 2050, were adopted. At the end of the year, a regulation stemming from the Law on Climate Changes, the Rulebook on Greenhouse Gas Emissions Monitoring and Reporting was passed (“Official Gazette of the Republic of Serbia“ No. 118/ 2023). In accordance with the Paris agreement, the Republic of Serbia has revised its nationally determined contribution (NDC) and raised its ambition concerning the reduction of GHG emissions to 33.3 per cent, as opposed to 1990, until 2030.

The above-mentioned documents, together with the strategic documents that are still being drafted, will provide the basis for the adoption of the benchmark year and defining the GHG reduction goals at the Company level, including setting up of the system for monitoring GHG reduction measures and their effect on the Company’s Carbon Footprint and transition to low-emission operations.

The Company runs projects in the field of energy efficiency improvement, power generation from renewable energy sources, CO₂ utilisation, which have a direct impact on the reduction of GHG emissions.

Once the conditions are in place, the Company will start reporting on GHG emission reduction against the goals it adopted.

GRI 305-6 Emissions of ozone-depleting substances

The Company does not produce, import or export ozone-depleting substances.

GRI 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions

Air pollutant emissions (t/g)	2022	2023
SO ₂ emissions	179	156
NOx emissions	994	985
Particulate matter (PM) emissions	32	30

Total emissions of pollutants (SO₂, NOx and particulate matters) were slightly lower (3%) in 2023 as opposed to 2022.

The data were calculated based on the obtained reports on measurements of pollutant emissions and fuel consumption on emitters that are not subject to the emission measurement obligation.

In 2023, the RNP continued implementing the fuel consumption plan, as a result of which the utilisation of heavy fuel oil was discontinued and the utilisation of natural gas and gas produced and treated in production processes (refining gas) maximized, which impacted the results of periodic and independent continuous measurements of pollutant emissions. Specifically, all indicators are in line with the GVE.

In addition, the emissions from large combustion units covered by the National Plan for Reduction of Emissions of Major Pollutants from Large Combustion Plants (NERP) (atmospheric distillation II S-2100 and Power Plant boilers BF-9601, BF-9602 and BF-9501) are in compliance with the annual emission quotas for SO₂, NO₂, and the total PM prescribed by the NERP.

GRI 306: WASTE MANAGEMENT

GRI 306-3 Generated waste

Overview of generated and disposed waste in tons		
Waste type	Generated wastein 2023	Disposed waste in 2023
Hazardous	7,621	7,860
Non-hazardous waste	3,096	3,100
Mining	56,000	56,000
Total:	66,717	66,960

Overview of disposed waste by type, in tons		
Disposal method	2023	
	Non-hazardous	Hazardous
Landfill disposal	54	1
Recycling	2,876	87
Re-refining	41	175
Storage	7	30
Solidification	25	2,990
Co-burning	7	4,277
Treatment of mixed municipal waste	90	0
Export – renewable catalyst components	0	301

The Company reports reports for the National Register of Pollution Sources of the Environmental Protection Agency on hazardous waste flows. Reports on the waste generated and disposed of in 2023 have been submitted. The Company uses the Waste Reporting Application to track, on a regular basis, generated and disposed amounts of waste and for the purpose of internal and external reporting.

According to the applicable waste management regulations, the Company uses the services of 47 duly authorized waste management operators holding the waste management licenses, issued by the competent authorities of the Republic of Serbia.

In 2023, disposed hazardous waste mainly consisted of mud, sludge, and oil-contaminated waste, generated during maintenance and cleaning of tanks and separators, and oil-contaminated waste sewage systems (58 percent). Of all types of generated non-hazardous waste, 86% was metal waste.

Most non-hazardous waste, primarily metals and packaging items, was transferred for recycling, whereas hazardous waste (mud, sludge, and oily waste), depending on the concentration of hydrocarbons, was disposed of by co-burning or solidification.

Amount of drilling waste and strategies for disposal

In 2023, as part of regular activities on drilling of new oil wells, a total of 51 wells was drilled and around 56,500 t of waste mud material was generated in total, which was immediately disposed of. This is by 19% higher than in 2022, when 46,500 t of waste mud material was generated. All waste generated during drilling was immediately collected and disposed of at the Novo Miloševo Waste Mud Landfill.

All drilling rigs used in 2023 were equipped with surface-mounted metal mud collection tanks, with ground-buried concrete pools discarded completely. In the course of works, all locations are covered with PVC film to prevent any type of soil contamination, even in case of accidents.

GRI 401: EMPLOYMENT

GRI 401-1 Total number and rate of new employee hires by age group, gender and region

Overview of employee turnover				
Organizational unit	31 December 2022		31 December 2023	
	Direct	Total	Direct	Total
Exploration and Production Block	1,085	1,085	1,079	1,079
Downstream Division	2,527	2,527	2,592	2,592
Refining Block	972	972	997	997
Sales and Distribution Block	1,365	1,365	1,384	1,384
Energy Directorate	41	41	46	46
Rest of Downstream Division	149	149	165	165
NIS – expert services	1,577	1,577	1,215	1,215
Representative offices and branches	4	4	4	4
NIS j.s.c. Novi Sad	5,193	5,193	5,317	5,317
Naftagas – Oilfield Services	2,191	2,191	2,294	2,294
Naftagas – Technical Services	441	441	428	428
Naftagas – Transport	2	2	2	2
NIS Petrol	3,097	3,097	3,170	3,170
STC NIS Naftagas	386	386	413	413
Subsidiaries in Serbia	6,117	6,117	6,307	6,307
Total:	11,310	11,310	11,624	11,624

*Representative offices, branches, and subsidiaries abroad are not shown in the table.

Overview of employee qualification structure by contract type													
Year			FcR	MSc/ MA	BSc	PSE	HS	El.S	HQ	KV	SQ	LQ	Total
2022	NIS j.s.c. Novi Sad	Direct	10	655	1769	340	1,608	2	118	690	1	0	5,193
		Leasing	0	0	0	0	0	0	0	0	0	0	0
	Subsidiaries in Serbia	Direct	3	201	672	369	2,790	44	194	1,840	3	1	6,117
		Leasing	0	0	0	0	0	0	0	0	0	0	0
	Total			13	856	2,441	709	4,398	46	312	2,530	4	1
2023	NIS j.s.c. Novi Sad	Direct	12	715	1,803	350	1,625	2	113	696	1	0	5,317
		Leasing	0	0	0	0	0	0	0	0	0	0	0
	Subsidiaries in Serbia	Direct	3	236	677	387	2,868	49	187	1,896	3	1	6,307
		Leasing	0	0	0	0	0	0	0	0	0	0	0
	Total:			15	951	2,480	737	4,492	51	300	2,592	4	1

Overview of employee gender structure by contract type					
Year			Men	Women	Total
2022	NIS j.s.c. Novi Sad	Direct	3,727	1,466	5,193
	Subsidiaries in Serbia	Direct	4,361	1,756	6,117
	Total		8,088	3,222	11,310
2023	NIS j.s.c. Novi Sad	Direct	3,784	1,533	5,317
	Subsidiaries in Serbia	Direct	4,459	1,848	6,307
	Total:		8,243	3,381	11,624

Management-to-staff ratio					
Year		Management		Employees	
		Number of managers	% share in the total number of managers	Number of employees	% share in the total number of employees
	Men	266	70.74%	7,822	71.54%
	Women	110	29.26%	3,112	28.46%
	Total	376	100%	10,934	100%
2023	Men	254	68.65%	7,989	70.99%
	Women	116	31.35%	3,265	29.01%
		370	100%	11,254	100%

*The management category includes: top management, senior management and middle management. Lower management (heads of sections and lower) is not included in the Managers category.

Overview of employee age structure								
Year		up to 20	20-29	30-39	40-49	50-59	Over 60	Total
2022	NIS j.s.c. Novi Sad	8	570	1,449	1,559	1,285	322	5,193
	Subsidiaries in Serbia	63	1,354	2,043	1,500	948	209	6,117
	Total	71	1,924	3,492	3,059	2,233	531	11,310
2023	NIS j.s.c. Novi Sad	5	565	1,480	1,586	1,348	333	5,317
	Subsidiaries in Serbia	35	1,294	2,108	1,615	1,044	211	6,307
	Total:	40	1,859	3,588	3,201	2,392	544	11,624

* Representative offices, branches, subsidiaries abroad and other subsidiaries are not shown in the table.

Employee turnover	Men		Women		Total	
	2022	2023	2022	2023	2022	2023
Employment	1,081	928	615	534	1,696	1,462
Termination of employment	792	767	464	382	1,256	1,149
Total:	1,873	1,695	1,079	916	2,952	2,611

* Data for subsidiaries abroad and other subsidiaries are not shown in the table.

**Ratio of new employees and employee headcount at the beginning of the observed period is 13%.

***Ratio of employees who left the Company and employee headcount at the beginning of the period is 10%.

Employee turnover	up to 19		20-29		30-39		40-49		50-59		Over 60		Total	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Employment	86	50	702	575	466	413	289	275	136	124	17	25	1,696	1,462
Termination of employment	23	26	377	389	365	287	223	182	126	95	142	170	1,256	1,149
Total:	109	76	1,079	964	831	700	512	457	262	219	159	195	2,952	2,611

* Data for subsidiaries abroad and other subsidiaries are not shown in the table.

GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

The employee rights are guaranteed under the collective bargaining agreements and other Company’s internal regulations, guaranteeing that there are no differences between the benefits provided to permanent employees and temporary employees.

The social protection that NIS offers to its employees, which is regulated by the Collective Bargaining Agreement and internal regulations, is higher and more comprehensive than required

by the law. Some of the benefits under the Collective Bargaining Agreement and internal regulations include:

- Special protection of employees affected by a medical condition and disabled employees;
- Preventive rehabilitation for employees performing high-risk jobs as well as other employees, aimed at preventing occupational diseases and disabilities;
- Solidarity allowance;
- Payment of medical treatment costs and refund of funeral costs for the employee and/ or employee’s family members;

- One-off financial aid for the birth of every child;
- One-off financial aid to the family in case of death of the employee;
- Reimbursement of costs that the employee sustains due to destruction of or damage to residential facilities due to natural disasters and other emergencies;
- Scholarships/tuitions during full-time education of children of deceased employees;
- Collective life insurance for all employees in the case of death in an accident or due to

- illness;
- Voluntary pension insurance* (for those employees opting to pay up to RSD 2,500, the Company pays the same amount) and jubilee rewards to employees for 10, 20, 30 and 40 years of continuous service in the Company;
- The benefit of work from home over 2 working days a month for the employees within one of the 12 vulnerable categories.

*The employer was paying the voluntary pension insurance only to permanent employees, in accordance with the pension plan.

GRI 401-3 Return to work and retention rates of employees that took parental leave, by gender

Trend of parental leaves and returning to work in 2023								
Organizational unit	Employees whose leave began in 2020	Employees who returned to work from leave that began in 2020	Employees whose leave began in 2021	Employees who returned to work from leave that began in 2021	Employees who returned to work after the leave by 31.12.2020 and 31.12.2021	Remaining number of employees expected to return from leave in 2023 and 2024	Employees who left the Company within less than a year after parental leave	Employees who returned to work after the leave and who are still employed with the Company 12 months after the end of their leave
NIS j.s.c. Novi Sad	181	133	196	177	254	377	100	219
Outstaffed	0	0	0	0	0	0	0	0
Total:	181	133	196	177	254	377	100	219

* Representative offices, branches, subsidiaries abroad and other subsidiaries are not shown in the table.

**The total of 100 new mothers left the company after the parental leave, within the period of less than one year, as opposed to 340 new mothers who returned to work.

***Out of 340 new mothers who returned to work, the total of 219 new mothers had been employed with the company for more than a year after the maternity leave.

****The value of the return to work indicator is 75% and the value of the employee retention indicator is 64%.

In 2018, after the law limiting maternity pay was enacted, NIS adopted an internal regulation, which stipulates maternity pay to pregnant

women in the amount of their monthly salary, with the maximum maternity pay not higher than five times the average wage pay.

GRI 402: LABOUR/
MANAGEMENT RELATIONS

GRI 402-1 Minimum notice
period(s) regarding operational
changes (including information
whether it is defined by the
Collective Bargaining Agreement)

If the need arises to transfer an employee to another post or amend other key elements of their Employment Contract, the Company is obliged, in line with the Labour Law, to present them with an offer to sign an addendum to the Employment Contract, to which they must reply within eight business days from the date of receiving such offer. The offer clarifies and reasons the employee's transfer and the elements of the Employment Contract that will be amended.

In the situation of a loss of fitness for work at a high-risk job position, the employee will be assigned with other adequate duties, while retaining the previous salary over 6 months from the date of transfer.

GRI 403: OCCUPATIONAL
HEALTH AND SAFETY

GRI 403-1 Occupational health and
safety management system

The implemented health and safety management system is administered and improved in accordance with the requirements of standard SRPS ISO 45001:2018 "Occupational Health and Safety Management Systems — Requirements with Guidance for Use". NIS has been certified according to SRPS ISO 45001 since 2020.

In an attempt to ensure efficient risk management, the Company standards and adopted practice in the field of occupational health and safety surpass the applicable legal obligations. With a view to ensuring safety of

the engaged contractors, they are expected to strictly comply with the Company standards.

The rights, obligations and responsibilities in the field of occupational safety and health of NIS employees are regulated by:

- Employment Contract,
- NIS Collective Bargaining Agreement,
- Law on Health and Safety at Work,
- Labour Law,
- internal Standard "General Provisions and HSE Management Structure",
- and other normative and methodological documents.

NIS has set up the HSE Function as a support function, which deals with the methodology, development of advanced risk management tools, and implementation of OHS requirements. In addition, HSE Sectors are established within the Company organisational units (Blocks). Each organisational unit has an appointed occupational safety and health specialist from the HSE Function or HSE Sector.

Consultation with and involvement of employees constitute an integral element of the OHS management system in NIS. The activities in the Company are organised in a way as to enable the active participation of and consulting with employees and their representatives in the processes of organisation, assessment, planning and performance of activities within the HSE system.

To avoid distracting employees from their work duties unless really necessary, the consultations with employee representatives are conducted periodically or on an as-needed basis, taking into consideration specificities of their work processes.

Employees and their representatives are involved in the following matters:

- Defining needs and expectations of stakeholders;
- Implementation of HSE Policy;
- Identification of hazards and assessment of risks and opportunities;
- Defining and planning achievement of HSE objectives;
- Conduct of independent audits or together with management representatives;
- Monitoring working conditions;
- Defining competency requirements, training requirements, organisation of training and training assessment;
- Monitoring the performance of contractor's obligations when it comes to compliance with OHS standards, rules and instructions at NIS;
- Timely reporting on HSE events to managers;
- Proper use of collective and personal protective equipment by employees and contractors;
- Participation in the work of commission (as an employee representative);
- Participation in first aid organisation.

At the end of 2018 and beginning of 2019, NIS conducted an HSE event analysis and held communication sessions between the Company's top management and Gazprom Neft representatives. It was decided to implement the Safety Shield - Karkas Project in the Company and its subsidiaries, a comprehensive system that would help eliminate the risks of occurrence of HSE events.

The safety shield - Karkas includes the installation of efficient and functional barriers in several fields (elements), for the purpose of eliminating the risks that lead to catastrophic consequences, such as: fatalities and employee injuries, financial losses and adverse impact on the Company's reputation.

In the period 2020 - 2023, NIS invested 752.5 million dinars in the said project in an effort to improve OHS. In line with the budget planned for the period 2024-2026, the Company allocated 1,369.2 million dinars to improve safety on a continuous basis. These funds were earmarked for purchasing equipment, tools, furnishing training centres, etc.

In addition to this project directly related to OHS, the Company also implements other projects in production, refining and transport, aimed at the improvement of OHS conditions in the Company.

GRI 403-2 Hazard identification, risk
assessment, and incident investigation

The assessment of workplace and work environment risks, as a legal requirement, seeks to eliminate hazards and harms in the workplace and work environment, that is, to define barriers for risk elimination or mitigation to the extent as to prevent workplace injuries, ill health or illness.

In accordance with the laws and by-laws of the Republic of Serbia and internal Instruction UP-09.01.14-002: "Drafting and Amending the Act of Risk Assessment for Workplace and Work Environment", risk assessment is conducted for all workplaces and associated duties.

In 2023, the Act of Risk Assessment for Workplace and Work Environment underwent revisions. The Act defines that NIS, along with its subsidiaries, employs 4,383 employees at high-risk positions. The Company is committed to implementing new technologies to minimize all the risks identified to date.

The activities assessed, under internal regulations of the Risk Assessment Act, as high-risk or specific from the aspect of occupational health and safety, require adopting the Safe Work Instructions that, relative to the hazards and harms identified and the risk assessed, and define preventive safe work measures for the

performance of such activities. 238 Safe Work Instructions have been adopted in NIS.

In accordance with the internal Company documents: HSE Policy, Standard "General Provisions and HSE Management Structure", and Instruction "Stopping Unsafe Activities", each Company employee must stop work, that is, unsafe activities, the performance of which may create an immediate hazard resulting in an accident, a car accident, a major accident and an incident, or a hazard of damage to assets and environment during the performance of works at NIS facilities, on mobile or other equipment, and at the facilities used based on a lease agreement, right to use without compensation, or on other legal grounds. Resuming works is possible only after all the identified HSE risks have been eliminated or reduced to an tolerable level.

Any form of pressurising, deterring or sanctioning the individual who stopped an unsafe activity or work by any other person is not tolerated. Such persons will face a disciplinary action in accordance with the internal Instruction UP-08.01.62-005: "Disciplinary Board".

HSE event management

The HSE event management process refers to transparent notification and reporting of HSE events, investigation of causes of HSE events, monitoring the financial impacts, and exchange of lessons learnt from HSE events.

HSE events include events that have consequences to people (such as workplace injuries, ill health or occupational diseases), fires, traffic accidents, and equipment failures that may affect human safety and/or have an impact on the environment, or lead to catastrophes.

Accordingly, the HSE event management has the following objectives:

- Timely response to and mitigation of consequences of HSE events;

- Preventive action, that is, applying measures that will prevent the recurrence of similar incidents;
- Improving the HSE management system by means of strengthening risk control and reducing financial losses;
- Learning and sharing lessons from incidents with our employees and contractors.

According to the HSE Event Classifier, all HSE events are classified into large, medium, small, near misses, and high-potential events (HiPo – an event that has the potential, under different circumstances, to result in one or more fatalities or become a high-risk HSE event according to the NIS RAM Matrix).

Upon investigating the causes of HSE events, an expert team defines corrective measures to eliminate the identified causes and prevent recurrence of similar events. All corrective measures ensuing from an event investigation are entered into the Company's software - HSEnet, and their implementation is being monitored.

The Company is committed to the investigation of all major, medium and HiPo events, with an objective to identify failures of the HSE system or dysfunctional barriers, and define systemic corrective actions, in an effort to act preventively and preclude future HSE events.

GRI 403-3 Occupational health services

Protecting the health of employees and creating safe conditions for all business processes are the NIS' constant priorities.

The Company provides health protection to employees in compliance with legal regulations and internal normative documents: Standard "Preventive Employee Health Protection", applicable Act of Risk Assessment for Workplace

and Work Environment, and other relevant internal instructions.

Last year, the Company carried out revision of normative and methodological documents governing the organisation of medical examinations. The revisions referred to the required minimum scope of physical and specialist examinations for all employees. As regards high-risk job positions, besides medical examinations required under the Rulebook on Pre-Job and Periodic Medical Examinations, additional examinations and analyses were introduced. A special focus was placed on personal data processing measures and the method of storing documents containing confidential information.

In 2023, audits were conducted aimed at control of the employee preventive health protection process and assessment of compliance of the overall processes conducted on the locations of all Company's organisational units with the requirements of legal regulations and normative and methodological documents of NIS.

In accordance with the applicable Act of Risk Assessment for Workplace and Work Environment, Rulebook on Pre-Job and Periodic Medical Examinations for high-risk job positions, best practices and recommendations of specialised medical institutions, and with an aim of providing preventive health protection of employees, the company arranges a number of medical examinations:

Legally required medical examinations:

- Medical examinations of employees performing high-risk jobs:
 - pre-job examination;
 - periodic medical examinations;
 - periodic medical checkups;
 - specialist medical examinations for employees working with sources of

ionizing radiation;

- Preventive (target) medical examinations for employees working at positions other than high-risk positions, provided the Act of Risk Assessment for Workplace and Work Environment defines monitoring their health condition due to the exposure to specific hazards and harms (e.g., night work, driving in-plant vehicles, etc.);
- Eye examination and target ophthalmic examination;
- Medical examination of professional drivers;
- Medical examination of railroad workers;
- Health checks.

Medical examinations not required under law:

- Physical examinations for administrative positions that, in accordance with the Act of Risk Assessment for Workplace and Work Environment, are not classified as high-risk;
- Specialist medical examinations of Company employees:
 - specialist examinations for women (screening gynaecological examination and breast examination);
 - specialist examinations for men (screening prostate examination);
 - other specialist/screening examinations and target programmes for early detection/extended diagnostics of a specific group of diseases (cardiac screening, endocrine testing, screening for lung and colon cancer, skin and mole screening for melanoma, screening of varicose veins, etc.).

Sports physical examinations:

- A medical examination for the purpose of participation in recreational activities.

In order to provide medical examinations, the Company announces tenders for engagement of state and private health facilities that hold the decision of the Ministry of Health and meet all the requirements regarding the medical staff and equipment for provision of the required medical examination services.

In an effort to continuously monitor the health condition and the impact that work activities and working environment have on the health condition, medical examinations are organised for all employees, once a year, on workdays, at medical institutions.

The digitalised organisation of medical examinations, for high-risk positions in the first place, was launched in order to improve monitoring the schedule of medical examinations and minimising the risk of performance of work activities without a valid medical certificate.

Health indicators:

In 2023, the total of 21,693 examinations were conducted, or 113 per cent of the total number of all scheduled medical examinations, out of which:

- 7,164 were pre-job and periodic examinations for high-risk positions, from which 76 examination were for positions involving work with sources of ionising radiation;
- Physical examinations (on a voluntary basis) covered 5,571 of employees or 170 per cent of the planned number of examination;
- Specialist medical examinations for women - gynaecological and breast examination, which covered 1,056 of

female colleagues (examinations on a voluntary basis);

- Specialist examinations for men - screening for prostate cancer and consultations with a urologist, which covered 1,313 of male colleagues (examinations on a voluntary basis);
- The physical examinations also included screening for cardiovascular and endocrine disorders: 139 employees underwent targeted cardiac examination, and 294 employees underwent targeted examination of the thyroid gland.

Out of the total number of employees on high-risk job positions, 6,140 employees or 86 per cent of employees were assessed as fit for the duties at the job positions to which they were assigned, without restrictions; 48 employees were assessed as incapacitated for work due to health problems; 445 employees were temporarily incapacitated for work; 513 employees were referred for medical checkups; 544 employees had work restrictions due to different reasons, such as work at height, night work, physical loads and load carrying, etc.

GRI 403-4 Employee participation and communication on occupational health and safety

The occupational safety and health issues are regulated by the formal agreement with the United Trade Union of NIS j.s.c. Novi Sad and the Collective Bargaining Agreement.

Specific areas covered by the Collective Bargaining Agreement:

- Enforcement and protection of employee rights;
- Working hours, holiday leaves, and leaves;

- Redundancy;
- Education, professional training and development;
- Occupational safety and health;
- Salary, fringe benefits, and other issues;
- Employment termination;
- Compensation for damage;
- Resolution of housing issues;
- Execution and protection of employee rights;
- Right to strike.

Pursuant to the provisions of the Collective Bargaining Agreement, the Occupational Safety and Health Boards (OHSB) have been established in all organizational units and subsidiaries:

- OSHB of NIS j.s.c. Novi Sad;
- OSHB of Exploration and Production Block;
- OSHB of Refining Block;
- OSHB of Sales and Distribution Block;
- OSHB of Services Block;
- OSHB of NTC NIS-Naftagas j.s.c. Novi Sad;
- OSHB of NIS Petrol a.d.; Belgrade,
- OSHB of Naftagas – Oilfield Services Ltd. Novi Sad;
- OSHB of Naftagas – Technical Services Ltd. Zrenjanin.

Each Occupational Health and Safety Board is composed of seven members, specifically four representatives of employee (trade union) and three representatives of the employer.

Internal Instruction “Activity of the Occupational Health and Safety Board” stipulate the method of work and other issues relevant for the preparation and holding of the Occupational Health and Safety Board meetings. NIS management and employees, by their personal example and actions, improve HSE performances

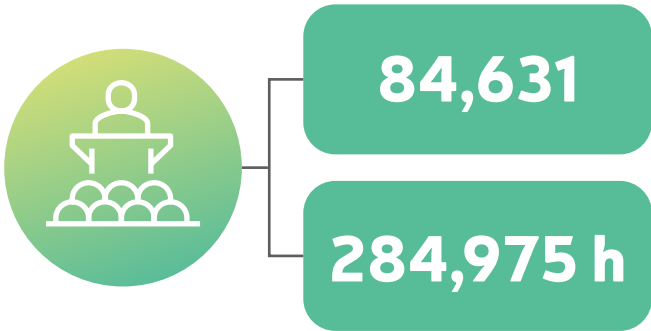
and demonstrate commitment to the HSE principles.

GRI 403-5 Worker training on occupational health and safety

Employee training

Guided by the notion that safety of each person depends on our joint effort and readiness to apply best HSE practice at all times, in 2023, NIS organised training in different HSE fields for 84,631 candidates, with 284,975 training hours.

The focus of HSE training was on the acquisition of HSE competencies of new hires performing HSE duties, as well as the improvement of HSE competencies of the appointed HSE instructors and employees in our subsidiaries abroad.



Collaboration with partner faculties under the "Knowledge Energy" programme, initiated in 2022, continued in 2023 as well. NIS organized an HSE Day at the Faculty of Technical Sciences, where Company representatives delivered lectures to 3rd and 4th students of Master studies on HSE management system at NIS and individual elements of the system: safety and health at work, environmental protection, emergency situations, industrial safety and activity of fire units.

HSE experts of NIS delivered a number of expert guest lectures at the Technical Faculty in Zrenjanin and the Faculty of Occupational Safety in Niš.

Contractor training

Considering that contractors are engaged to perform different activities on company locations on a daily basis, a special focus is placed on the improvement of their HSE knowledge and skills. These training courses introduce contractors to the potential hazards and harms to health inherent to work processes, safe routes, and permitted rest areas, including the risk prevention, mitigation or elimination measures.



HSE campaigns

Employee motivation is also strengthened through internal campaigns promoting the Company values and goals, continuing education, and raising HSE awareness of employees, contractors and other individuals. In 2023, internal campaigns were organised on the topics occupational safety and health (focusing on high-risk jobs) and permit-to-work system, safe work at height, safe routes, transparent HSE reporting, industrial safety (importance of control on shift handover), traffic safety - observance of rules, carriage of dangerous goods, environmental protection - environmental protection strategy, and GHG emissions reduction measures.

The topics discussed also included the importance of fire units in the Company and the importance of civil protection commissioners in the emergency response system.

GRI 403-6 Promotion of worker health

The Company continuously work on promotion of health and raising employees' awareness of the importance of self-care.

In 2023, educational campaigns were focused on the improvement and preservation of mental health and prevention of work-related stress. As a result, lectures titled "Laughter Boosts Mental Health", "Laughter, Yoga, and Breathing Techniques" comprising 12 workshops, and webinar cycle "Stress - My Friend/Foe" were held, which were attended by over 500 employees.

The topics covered included traffic safety and use of medications - "Is it justified not to allow people taking medications to drive?" and many international health preservation and disease prevention days were marked.

GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

The nature of business of oil companies calls for a high level of commitment to health protection and physical safety of employees, contractors, third parties and local communities.

Safe working conditions for all employees and business partners are among NIS priorities and strategic goals. The top management and all-level managers are responsible for the provision of resources required for the implementation of occupational health and safety measures, while all employees are obliged to implement and observe the OHS measures.

The Company applies the prevention principles and strives to improve the working conditions, reduce the number of work-related injuries and occupational diseases. In this respect,

NIS standards and the current OHS practice exceed the requirements of the applicable legal regulations governing risk management.

In the forthcoming period, NIS will continue, in a continuous, planned, and systematic manner, to implement best practices and undertake proactive activities designed for prevention and mitigation of the effects on occupational safety and health, and which are directly linked to the Company's business processes.

GRI 403-8 Workers covered by an occupational health and safety management system (HSE system)

The implemented health and safety management system is administered and improved in accordance with the requirements of standard SRPS ISO 45001:2018: "Occupational Health and Safety Management Systems – Requirements with Guidance for Use".

The OHS management system is set up, documented, applied and maintained at NIS. The OHS management system is process-oriented and based on the concept "plan-do-check-act" (PDCA). The PDCA concept applies to the OHS management system and each individual process within it.

NIS imposes the same OHS requirements for all NIS employees, contractor and third party employees working or staying at NIS' premises, i.e. everything that applies to NIS employees in terms of application of the HSE measures shall apply, without exception, to third parties, contractors and local community, in compliance with legal regulations.

The adopted standards and procedures define the minimum requirements of contractor safety management, which must be observed by each NIS organisational unit that engages contractors/ third parties for service provision.

Additionally, NIS defines the requirements for providing the conditions that can help ensure control or minimisation of risks involved in the contractors' activities.

The objective is to implement all legal measures, as well as the measures of the prescribed corporate NMDs (reconciling the differences in the treatment of third parties and employees).

These requirements are mandatory for contractors engaged for the execution of projects or provision of specific services at NIS.

NIS applies these requirements irrespective of the place of work performed by the contractor, whether at NIS production units, in the field or other (meaning that these requirements also apply to the transport of products, persons or goods, provided the Company can exercise reasonable control).

The OHS management system aspires to create the work culture (including creating the conditions that facilitate motivation and engagement), where every engaged employee and contractor assume responsibility for their own safety and safety of the people around them, has the right to stop or refuse to perform activities that pose threat to their own life and health and/or life and health of the people in their surroundings. Is surpasses any conflicting economic, technical or other reasons that compromise safety of employees, citizens and other stakeholders.

The primary responsibility for the operation of the OHS system and application of OHS measures lies with the line management of NIS at all levels, in accordance with the internal documents and granted authorisations. The management is responsible, within their competence, to provide resources required for the implementation, control and improvement of the OHS management system. Entrusting employees with the implementation and

monitoring of OHS requirements does not relieve the management from their responsibility within the HSE system.

Managers at all levels, from the CEO to line managers, ensure compliance with all OHS requirements and rules, provided support from the OHS experts.

The analysis of effectiveness of the OHS management system provides the basis for prediction, planning and management. The analysis is conducted with an aim of improving the HSE management system, its efficiency and effectiveness, and achieving the planned indicators. The comprehensive analysis strives to identify the weak and strong areas of OHS, areas for improvement and threats, while using all types of control/inspection and monitoring their result by means of measurements.

NIS continuously supervises and audits the OHS management process. This procedure includes external and internal monitoring and revision of elements of the OHS management system, checking the compliance with the legal requirements, regulations and internal standards of NIS.

The supervision process facilitates:

- Provision of regular and scheduled OHS supervision and audits of all works;
- Ensuring independent supervision and audit of the OHS management system with the object of enabling the process of continuous improvement;
- Providing a sufficient number or trained personnel for supervision and audit;
- Ensuring that the recommendations defined during supervision and audit are assessed and monitored until they are properly implemented.

The OHS supervision and audit process also establishes whether the OHS management system:

- Is compliant with the predetermined premises of the OHS management system;
- Is applied in practice and adequately maintained;
- Efficiently pursues the HSE Policies and objectives;
- Takes account of the results of previous audits, supervision and controls,
- Provides information to the management on the results of audits, supervision and controls.

NIS maintains efficient methods for exchanging information on HSE incidents, as well as hazards, harms and risks. This process is governed by internal standard “General Provisions and HSE Management Structure” and instruction “Toolbox Meetings”.

In addition, the company promotes an active dialogue with all stakeholders in an effort to build trust in the integrity of activities undertaken. Timely information helps improve safety at work and/or minimise risks involved in an activity, and preserve the reputation.

Accordingly, NIS has:

- Established an open communication with the employees, contractors, government authorities, organisations, and community regarding the OHS aspect of its business operations;
- Built the awareness of cultural differences, while respecting diversity and adjusting the adopted work methods to different situations;
- Identified and addressed the expectations of the RS government and community, as well as their concerns about its activities;

- In a proactive manner, constantly assesses the OHS aspects of business development in local communities and provides for their transparent presentation and integration in business evaluations, taking care of safe use of drawings, design data, records and other relevant OHS documentation;
- Constantly reviews OHS documentation to ensure compliance with legal obligations and informs employees thereof.

The exchange of information is established on all levels at NIS, both within and among all of its organisational units.

Provision of information to employees and internal communication are ensured by means of:

- publications;
- training conducted in accordance with the HSE Training Standard;
- Timeout for safety - a safety meeting/ toolbox meeting held during breaks from work, as the way to communicate specific HSE aspects or events to smaller groups of employees;
- Posters;
- Leaflets;
- Educational videos;
- Information on HSE events;
- Fast HSE report;
- E-mail for sending messages to the Occupational Health and Safety Board and NIS management.

The employees are informed of their representative and management representative for occupational health and safety issues. The employees are enabled, via their appointed representative in the Occupational Health and Safety Board of the organizational unit or NIS, to ask questions, propose solutions, and consult the employer on HSE matters. The responsibility for information exchange lies with NIS management.

GRI 403-9
Safety indicators

The HSE event management process includes transparent notifications and reporting on all HSE events. HSE events mean the events that have consequences to people (workplace injuries, ill health or diseases), fires, traffic accidents, and equipment failures that may affect human safety and/or have a negative impact on the environment. In accordance with the HSE Classifier, HSE events may be recorded as large, medium, minor, near misses and HiPo events (high-potential events).

HSE process automation software - HSEnet is set up as a tool for reporting on HSE processes in NIS. The system has been accepted by all users in the company (over 2,600 active users, around 6,000 log-ins a month). The system enables advanced analytics, i.e. a better and easier overview of data from the system. In addition, the system is used for reporting on HSE indicators.

HSE Indicators	2022	2023
Workplace injuries	84	112
Workplace injuries – with sick leave	27	50
Workplace injuries – fatal	0	0
Days of sick leave due to workplace injuries	2,300	2,667
LTIF*	1.17	1.92
Number of hours of regular work	19,437,820	20,309,385
Fires	24	24
Traffic accidents	15	7
Environmental accidents	8	20
Number of visits of inspection authorities	647	540
Number of measures prescribed by inspection authorities	123	94
	2022	2023
Falls	17	29
Thermal and chemical injuries	6	6
Mechanical injuries	23	40
Traffic	9	9
Fall from height	4	3
Other	25	25
Total:	84	112

* LTIF (Lost Time Injury Frequency) – the indicator of lost work day cases due to injuries. This indicator was 64% higher than in 2022.

GRI 403-10 Work-related ill health

In accordance with the Regulation on Identification of Occupational Diseases, the company did not record any occupational or work-related diseases.

The company continuously promotes occupational health and employee wellness, which prerequisites a safe workplace. Hazards are assessed prior to starting any activity with an aim of identifying risks and taking all measures to eliminate risks before start of the activity or unit start up.

Each case of ill health at the workplace is registered by informing a responsible HSE specialist and/or through the corporate call centre, as the company’s procedures require all incidents to be properly recorded.

First aid is provided by trained employees and professional medical assistance by dialling the Emergency Medical Services, and when transport to the closest medical facility is required. Each facility has a First Aid and Emergency Medical Response Plan in place.

In the previous year, the company held first aid drills for cardiac arrest using automated external defibrillators (AEDs) at facilities equipped with

such devices. In 2023, the company acquired new emergency vehicles for the Pančevo oil refinery and the Elemir gas refinery.

Unfortunately, 2023 recorded one workplace fatality due to a cardiovascular disorder.

The following data are used in the creation of the Act of Risk Assessment for Workplace and Work Environment:

- Current staffing structure of the relevant organisational unit of the company;
- Job descriptions;
- List of work equipment used;
- Description of sources of physical, chemical and biological harms;
- Description of work organisation and work schedule, and other relevant data.

Based on the collected data, the following is analysed:

- Names of jobs/positions in the staffing structure, with job description, identified hazards and harms;

- Expert findings on testing the conditions of work environment, including the inspection and check of work equipment, in accordance with the Rulebook on the Procedure of Inspection and Checking Work Equipment and Conditions of Work Environment.

In addition, employees take part in surveys on all relevant issues, and the opinion of the Occupational Safety and Health Board of the Industrial Medicine Service is also accepted.

Based on the risk analysis under the Act of Risk Assessment for Workplace and Work Environment and in accordance with the internal standard on preventive employee health protection NIS identifies risks for health and wellbeing of employees, implements risk mitigation measures, and works on raising employee awareness of the existing risks.

In accordance with the Regulation on Identification of Occupational Diseases, the company did not record any occupational or work-related diseases.

GRI 404: TRAINING AND EDUCATION

GRI 404-1 Average hours of training per year per employee, per employee gender and category

Training costs in million RSD	2022	2023
Training costs	219.8	256.4
Cost of professional training	217.1	253.0
Consulting costs	0	0
Costs of membership in professional associations	2.7	3.3
Organizational costs for training programs	14.5	16.9
Total:	234.3	273.3

Employee training statistics												
	Hours of training by gender		Number of employees by gender		Hours of training by category		Number of employees by category		Training costs in thousand RSD		Hours of training	
	Male	Female	Male	Female	Managers	Employees	Managers	Employees	Total	Per employee	Total	Per employee
Direct	72,015	32,023	2,834	1,197	41,366	62,672	1,105	2,926	273,220	67.78	104,038	25.81
Leasing	-	-	-	-	-	-	-	-	-	-	-	-

Additional statistical data:

- Average hours of training (women): 26.75 h
- Average hours of training (men): 25.41 h
- Average hours of training per employee category (managers): 37.43 h
- Average hours of training per employee category (excluding managers): 21.42 h

The company continuously provides full support to employees in their training and development. Last year, it continued all activities as part of the engagement academy, leadership development programs, trainings for development of digital skills, and specialized professional trainings.

In 2023, in cooperation with external providers, we organized 4,289 trainings with 12,936 participants*, including 4,031 employees. The total training hours amounted to 104,038 and the total cost to RSD 273.2 million. There were 2,449 in-house trainings attended by 9,435 participants, including 4,182 employees. The total internal training hours amounted to 49,039.

In 2023, as part of the corporate development program we worked on improving our exiting strategic development initiatives and high-quality implementation and additional adjustment of trainings to specific needs of different organisational units. Furthermore, we prepared new development programs for specific employee groups. In 2023, we focused on promotion and further development of the learning culture as one of the most important segments of corporate culture, with the desire to respond to business needs flexibly and in keeping with advanced global digital trends.

The Engagement Academy, as one of strategic initiatives, strives to increase the engagement level across the company. In 2022, the programme and content of the Engagement Academy were additionally improved in order

to enable senior and middle management to assume a more active role in increasing the level of engagement of their teams through creation of personal action plans.

NIS Digital Academy also continued its work in 2023 with educational events including the leading in-house and guest experts on digitalization. The syllabus covered over 30 topics in four key digitalisation areas:

1. digital transformation,
2. data management,
3. digital technologies and
4. project and product management.

The trainings were attended by 980 employees.

NIS also continued its Drive leadership development programme, created to support the middle management, as the key link in the operational management of the company. In 2023, a new generation of 22 participants from various units across the company joined the program. The participants receive the opportunity to develop their leadership skills and knowledge and thus strengthen their teams.

In cooperation with its long-term partners, the leading education providers in Serbian and the region, NIS also held over 60 soft skills trainings for almost 2,000 employees.

The company also kept implementing and promoting its Learning Driver program aimed at facilitating the culture of learning. The program offers additional motivation and both material and non-material rewards to employees willing to step into the role of a trainer or mentor, or take on other similar activities that promote efficient exchange of experience and support the principle of life-long learning.

Another ongoing educational activity is the Job Shadowing program created to facilitate cross-

functional cooperation. In 2023, 131 employees participated in shadowing for over 232 working days or 947 hours.

2023 also saw a new cycle of the First-Time Manager program. The total of 66 employees, who had recently stepped into their first managerial roles, attended eight workshops focused on the development of leadership skills. The purpose of the program is to help new managers improve their leadership skills, understand key HR processes, and connect with peers across the company.

HR units across NIS continued implementing the “NIS Energy” and “NIS Calling” programmes, which proved as high-quality and beneficial for the development of young people that acquire their first work experience in the company.

NIS also held a series of various professional competitions for employees. The Refining Block hosted the Best in Profession 2023 competition with 127 participants. The winners then went to represent NIS at the group-level competition in Omsk. The Refining Block also held its first Science and Technology Conference with the winners then participating in the conference of the GPN Logistics, Refining, and Sales Block in St Petersburg. The block also organized a case study for 20 students of the Belgrade Technology and Metallurgical Faculty.

Oilfield Services held their own Best in Profession event for 17 participants. The two winners then successfully competed at the central event in GPN.

Oilfield Services also implemented a new three-month long training course for workers at automated drilling rigs, which included a theoretical module, field training and a specialized in the Drillmec center in Italy.

The Exploration and Production Block continued its rotation and internship program, which

allows its employees to spend some time working in GPN or its subsidiaries to improve skills and gain new knowledge and experience. In 2023, 16 people went on such rotations. The block also held its VI Scientific and Technical Conference for young specialists in Upstream. The participants (35 presenters of them with the total of 26 projects) were young specialists under 35. The conference was attended by over 120 participants. Fifteen employees of the Upstream Block and STC NIS - Naftagas were selected to present their 11 projects at the final 13th Scientific and Technical Conference of GPN.

In 2023, apart from regular trainings, the Upstream Block held four workshops dedicated to career planning, professional and personal development for 230 young employees. Four young employees were included in the joint upstream talent pool of Gasprom Neft, five participated in the Young Specialist Assembly in Noyabrsk, fifteen attended the Scientific and Technical Conference in St Petersburg, and eleven were sent to various companies of the Gazprom Group for on-the-job training.

The Sales Block hosted the largest Best in Profession competition is the company, having gathered over a thousand participants from Serbia, Bosnia and Hercegovina, and Bulgaria.

Governed by the idea that each employee is a unique talent, the company implements a series of key processes to ensure business continuity and identify successors for business-critical positions.

One such process is the performance and potential-based evaluation of employees. In 2023, the talent evaluation process included 556 people at the middle and higher management levels, compared to 313 in 2022.

Employee training and continuous talent development remain among the company's priorities going forward.

**The number of employees is unique, while the number of participants is larger because one employee can attend multiple training sessions when there is a need for it.

GRI 404-2 Programs for upgrading employee skills and transition assistance programs

In the modern business environment, employees may encounter various business challenges. In order to equip its employees with the skills they need to address these challenges, NIS invests in their development and facilitates the improvement of their potential, thus developing professional resources of the entire company. The previous indicator details the delivered training courses, aimed at a continuous development of company employees.

In 2023, the Company did not implement any redundancy schemes.

GRI 404-3 Percentage of employees receiving regular performance and career development reviews

All NIS employees receive regular feedback on their performance and career development in various ways.

At the end of 2023, we conducted the annual competence-based evaluation of employees classified into three main categories: managers, specialists and operators. The process included 4,808 employees (over 40 percent of the total headcount). After the evaluation each employee had a regular annual session with their manager, where they received the feedback on their performance in the previous year.

The yearly competence-based employee review is important for promoting the culture and conduct aligned with the corporate values and reinforcing the company’s strategic business

direction, and helps reinforce the feedback culture.

The percentage of employees who in 2023 received a feedback on their performance in the process of structured and digitalised annual competence-based evaluation, according to the gender criteria, is as follows: 37.1% women and 62.9% men.

With reference to the three above named categories of employees, the percentage of the received feedback by gender is as follows:

- Managers: 27.96% women and 72.04% men
- Specialists: 46.5% women and 53.5% men
- Employees: 9.48% women and 90.52% men

It is important to point out, that in 2023 the yearly competence-based employee review was done using a new digital solution, SAP Success Factors.

The following employee groups were excluded from the annual competence-based evaluation:

- Workers whose competence-based evaluation does no impact their annual bonus:
- Employees who have over 336 calendar days of absence from work in the course of the year (sick leave, pregnancy leave, maternity leave, etc.);
- Employees who took up employment in the fourth quarter (after the 1st of October of the evaluation year).

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

GRI 405-1 Diversity of governance bodies and employees

In 2023, the Board of Directors consisted of nine male and two female members, with four members belonging to the 30-50 age group, and the remaining seven members over 50 years of age.

GRI 405-2 Ratio of basic salary and remuneration of men and women

The Collective Bargaining Agreement, which defines basic salaries of employees by their pay grades, guarantees that the salaries in NIS are equal to the salaries in other leading companies in Serbia. Each grade has a clearly defined range – from the minimum to the maximum amount of the base salary, regardless of gender.

GRI 406: NON-DISCRIMINATION

GRI 406-1 Incidents of discrimination and corrective actions taken

In 2023, NIS and subsidiaries did not record any cases related to labour discrimination.

This issue is regulated by a number of internal documents, which are in force in the company and available to all employees.

- Collective bargaining agreement;
- Code of Business Ethics;
- Equality Policy;
- Guidelines for prevention of harassment at work.

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

NIS supports the freedom of association into labour unions and collective bargaining, and, in 2023, it continued closely cooperating with the representatives of trade unions (of NIS j.s.c. and subsidiary employees). In 2023, NIS adopted new collective agreements for the company and its subsidiaries. No cases in which the freedom of association and collective bargaining was compromised were recoded.

Number of employees in trade unions		
Trade union	2022	2023
United Trade Union NIS j.s.c.	5,862	5,915
Oilfield Services TU	919	1,046
NTC NIS Naftagas TU	138	131
Special Works TU (Naftagas– Oilfield Services)	0	0
Transport TU	0	0
Total	6,919	7,092

GRI 408: CHILD LABOUR

GRI 408-1 Operations and suppliers at significant risk for incidents of child labour and measures taken to effectively prevent child labour

The Company operates in accordance with applicable laws, other regulations and ratified international conventions in all fields of business operations, including the prohibition of child labour. No child labour cases were recorded in 2023.

GRI 409: FORCED OR COMPULSORY LABOUR

GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour and measures taken to effectively prevent all forms of compulsory labour

The Company operates in accordance with applicable laws, other regulations and ratified international conventions in all fields of business operations, including the prohibition of child labour. No forced labour cases were recorded in 2023.

GRI 411: RIGHTS OF INDIGENOUS PEOPLE

GRI 411-1 Incidents of violations involving rights of indigenous people

In 2023, there was two new disputes against the Company regarding the compensation for non-use of land and regarding remediation, in addition to 10 more active disputes from the previous period, including one suspended dispute.

Five disputes from the previous period have been closed with the total financial impact of RSD 1,453.00. One new dispute ended with a settlement of RSD 2,100,000.00.

Involuntary resettlement of people and how their livelihoods were affected in the process

In 2023, there were no involuntary resettlements and no proceedings and disputes were initiated and conducted against the Company.

GRI 413: LOCAL COMMUNITY

GRI 413-1 Operations with local community engagement, impact assessments, and development programs

From the date of launching the social responsibility program "Common Cause Community", NIS has been closely observing the needs of citizens and local communities in which the company operates, in an effort to strengthen the key pillars of social development and support the development of local communities.

Aware of the fact that education is the main pillar of development for every country, and that young people are our future, NIS allocated a record annual amount of RSD 144.5 million in 2023 to support projects in the fields of science and education within the jubilee 15th cycle of the "Common Cause Community" program.

Thus, within the cycle implemented in cooperation with the Ministry of Education and the Ministry of Science, Technological Development, and Innovation of the Republic of Serbia, NIS selected 54 projects through a public competition for support. The aim is to enhance the teaching process and infrastructure of primary and secondary schools, as well as to develop research and innovation capacities and infrastructure within scientific research organisations and science and technology parks in cities and municipalities covered by the Program. The projects will be implemented in Belgrade, Novi Sad, Niš, Čačak, Kikinda, Pančevo, Zrenjanin, Požarevac, Kanjiža, Srbobran, Novi Bečej, Žitište, and Veliko Gradište. This will contribute to many students across Serbia in receiving education aligned with modern learning models, and will provide scientists with

better conditions to achieve their full scientific potential.

When determining the area is guided by be supported within a cycle of the "Common Cause Community" program, NIS considers the national priorities and results of corporate researches, and then conducts surveys of local self-governments - Program participants regarding their priority needs. Following the careful analysis of all the said factors, the area to be supported within the program "Common Cause Community" is defined for every year.

All categories of social communities, especially the vulnerable ones, are continuously supported by company employees – members of the Volunteer Club. Volunteer activities of the NIS Volunteer Club address needs and problems of the society and are driven by the idea to foster, through mutual understanding and giving away, to the values that help improve the quality of life of the communities in which we leave and work. The Volunteer Club donated 1,121 volunteer hours last year, mostly dedicated to children and young people.

Apart from the listed activities, NIS traditionally organises blood donation campaigns, which, since 2022, have been conducted systematically, under the auspices of the United Trade Union of NIS j.s.c.

This helps create stable blood reserves in the competent blood transfusion services and aid the patients for whom the blood is one and only medicine.

During 2023, employees of the company demonstrated their commitment to humanitarian efforts by participating in voluntary blood donation campaigns. Thanks to the altruism and empathy of NIS employees, the 18 voluntary blood donation campaigns held in 6 cities (Belgrade, Novi Sad, Pančevo, Zrenjanin, Kikinda, and Niš) collected the total of 572 units of blood.

GRI 413-2 Operations with significant actual and potential negative impacts on local communities

Business activities of NIS do not have a significant negative impact or consequences for the local communities where the company operates. If such impacts occur, the company takes all the available measures and activities to remedy the consequences or prevent the recurrence of negative effects on the community.

GRI 414: SUPPLIER SOCIAL ASSESSMENT

GRI 414-1 New suppliers that were screened using social criteria (corruption, lobbying, anti-competitive practices, legal non-compliance)

As part of the procurement approval procedure in the company, a dedicated department does due diligence of each business entity with which the Company might enter into a relationship. Within this process, the department analyses the potential contractor's financial performance indicators, expertise and professional qualifications, manpower capacities, the number and purpose of any litigation processes (both in the capacity of the respondent and plaintiff), and possible acts that might be categorized as corruption.

In 2023, the Company verified 2,482 legal entities, with which it planned to conduct business, and 38 of them (1.53%) were not approved. The reasons for withholding the approval for a certain legal entity do not include only a confirmed or reasonable doubt of corruption, but also the contractor's business history, operational and technical capacities, and financial indicators. A non-approved contractor is a contractor for which the analysis indicates that a contractual relationship with such contractor could pose a business risk to the company.

There are various reasons why certain potential contractors may not be approved:

- It is not possible to find records on a potential contractor in government agencies or institutions of its country of origin;
- Unreliable data on the registration of a potential supplier;
- Negative financial and economic performance indicators;
- Insufficient resources/manpower for the performance of works outlined in the future agreement with the company;
- Relations of the potential supplier with other legal or natural persons (including relations that involve increased business risks);
- Unfavourable work history with the Company or its subsidiaries;
- Unreliable potential supplier.

The dedicated department participated in the approval of 5,039 contracts, of which 99 (1.96%) were not approved.

The Company evaluates potential suppliers from the aspect of corporate security and potential negative impact on its business operations, thus eliminating the possibility of signing an agreement with a non-approved contractor.

The Company also analyses the manner in which a business entity performs its contractual obligations, experiences from previous business cooperation, possible violations or abuse during cooperation, in accordance with the Law on Contracts and Torts and business practice.

NIS also inspects the connections between its technical or commercial with the representatives of potential contractors in cases where there is a suspicion of a present or potential negative impact on the Company and its procurement activities.

In order to eliminate business risks, NIS maintains a black list of suppliers, customers and contractors, which includes business entities that have violated contractual obligations towards

the Company (poor quality of work, inadequate business cooperation, incidents of abuse, etc.)

In 2023, NIS blacklisted 36 potential vendors. Two companies were removed from the blacklist due to the improved quality of operations and elimination of violations, which qualified them again as potential vendors.

GRI 414-2 Negative social impacts in the supply chain and actions taken

Given that NIS works closely with a considerable number of business partners in the Republic of Serbia, its examples of good practice and zero tolerance for corruption in business have a positive influence on the business conditions and standards and motivate other companies to improve the quality of their services. This is an important factor in the improvement of the overall business climate in the country. NIS selects its business partners based on the principles of transparency, legal compliance, and objectivity, while eliminating or minimizing subjectivity, bias, and obsolete stereotypes. The process is structured so as to protect the procurement chain from negative impact. The previous indicator delineates the measures and activities undertaken to prevent negative impacts in the supply chain, including the statistical data for 2023.

GRI 415: PUBLIC POLICY

GRI 415-1 Political contributions

According to the adopted External Policy, the company does not take part in political activities and does not finance any political parties.

GRI 416: CUSTOMER HEALTH AND SAFETY

GRI 416-1 Assessment of the health and safety impacts of product and service categories

To ensure continuous improvement of fuel quality and user experience, NIS ordered an independent testing of its diesel fuels produced in 2022/2023 at the motor department of the Mechanical Engineering Faculty of the Belgrade University. The comprehensive comparative testing studied the effects of Euro diesel and G diesel on the performance and economic efficiency of diesel engines, including the fuel combustion rate, for the purpose of determining possible differences in the application of two standard diesel fuel samples.

Furthermore, as a company firmly committed to environmental protection, one part of testing was measuring the concentration of toxic components in the engine exhaust gas under load. Tests were conducted in controlled laboratory conditions, on a serial diesel engine with the electronic injection control system (PSA), with engine displacement of 1,4 litres and Carl Schenck W130 eddy current brake.

Test results were presented in a form of a report, leading to a conclusion that the differences in the engine performance when using the two tested diesel fuels were remarkably small. The established differences (with benefits mostly on the side of NIS G-Drive diesel) however are not significant enough in terms of the internal combustion process. There were also no clear or consistent differences in the emissions of incombustible hydrocarbon in all modes of engine operation. G-Drive diesel fuel showed slightly better results.

The test reveals that, in terms of quality of diesel fuel, NIS not only keeps pace with leading European refineries, but also takes a step further, especially when it comes to reducing the emissions of gases with environmental impact.

On the request of NIS, the Mechanical Engineering Faculty designed a special installation to test performance of Euro Diesel in winter conditions. The prototype testing system simulates operation of a low-pressure fuel supply system in euro diesel engines to evaluate the performance of diesel fuel when a vehicle is started at a low temperature. By testing the euro diesel and G-Drive diesel under these conditions NIS went beyond the standard

testing scope to make sure the consumers of its fuel are properly protected. Both fuels showed excellent results with great filtration properties, which proves that NIS diesel fuel is a reliable choice for the winter months.

New NIS business stations come equipped with trapping systems for phases I and II of gasoline vapours, which reduce atmospheric emissions that occur when fuel is transferred from tanker trucks to underground reservoirs (phase I) and then when it is pumped to client cars' reservoirs (phase II). Fuel dispensers equipped with these trapping systems are marked with corresponding stickers. There are no such systems for diesel fuel, as only gasoline vapours are deemed hazardous for health and safety.

By connecting the vapour return line of the tanker truck to the vertical vents or the underground reservoir it is possible to collect vapours of liquid fuel that occur when the fuel is transferred from the truck to the reservoir instead of letting them be released into the atmosphere. This method is used when transferring all types of fuel to reduce phase I emissions, which are fuel vapours occurring on the way between a fuel terminal and a filling station. Phase II emissions are the vapours that occur as the fuel is pumped from the reservoir to a client vehicle. To reduce this type of emissions, the company uses vapour return systems built into the fuel dispensers. This helps mitigate the damaging influence of gasoline vapours on the workers and clients of filling stations and on the environment.

When a new fuel dispenser is put in place and starts pumping the fuel from the underground reservoir, it is calibrated. The contractor responsible for the of the fuel dispensers, Gilbarco Acis doo, checks the integrity of pipelines and the operation of the fuel vapor return system. A responsible representative of the NIS is always present during such operations.

NISOTEC lubricants are manufactured from high-quality raw materials from world's leading suppliers of additives and base oils High-quality NISOTEC lubricants offer the following benefits:

- Longer interval between oil replacements,

- which produces less waste oil;
- Lower viscosity oil grade that allows for lower fuel consumption;
- NISOTEC Low SAPS engine oils contain less slag, phosphorus, and sulfur and can be used in Euro 5 Euro 6 engines with DPF filters and TWC catalysts, which reduces pollutant content in exhaust gases.

The company reports higher sales of NISOTEC Antifreeze Long Life with organic corrosion inhibitors that extend the utilization period of the antifreeze solution to five years. Windscreen washer fluids are based exclusively on ethanol and do not contain any harmful methanol.

GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

In 2023, no sanctions were imposed on the Company due to non-compliance with regulations and voluntary codes concerning the impact of its products and services on consumers' health and safety during the entire life cycle of products and services.

GRI 417: MARKETING AND LABELLING

GRI 417-1 Requirements for product and service information and labelling

REACH (Registration, Evaluation, Authorization and Chemicals) is an EU regulation that applies to all products exported to the EU. As a significant share of NIS products are sold in the EU, the company performed extensive analyses and activities to meet its REACH obligations. All REACH obligations are fulfilled within the period set by the EU. NIS received a positive decision of the European Chemicals Agency on the registration of substances produced by the

company and, in addition, 17 substances were registered in the EU according to the REACH regulations, thus allowing export of 30 products of the company to the EU. Nisotec lubricants are produced from components consisting of REACH-certified substances. As a socially responsible company, NIS follows all the EU and ECHA regulations related to health and safety and environmental protection, taking into account the risks associated with the use of chemicals.

Further to the analysis of market demands, optimisation of the production process and flexibility of the distribution chain, a new REACH registration is finalised to enable the export of C4 hydrocarbon and liquid petroleum gas mixtures. After testing was completed, a Product Dossier was created and certificates issued by the European Chemicals Agency for registration in the EU as required by the REACH regulations. Safety Data Sheets were created and harmonised against the EU regulation that have been in force since 2023.

During the previous year, as a consequence of the imposed sanctions, unscheduled REACH audits were conducted in the distribution chain, from the producer, over the distributor, to the final user.

The company strategically manages compliance with laws and regulations, aware of the impact of the REACH regulation, which helps attain the REACH goals:

- Collection of data on chemicals used in the EU;
- Improved health protection and environmental protection;
- Better competition through creation of an open market and a level playing field within the EU.

Information on chemical composition and properties, requirements related to storage, handling, transport, and disposal of waste is included in the Safety Data Sheet, which is

the key method of communication between the supplier and the consumer and provides statements on safe use of substances or mixtures to ensure health and environmental protection.

The contents of the Safety Data Sheet are adjusted to the needs of professional users and include the information on the likely physical and chemical hazards posed by the properties of the chemical and the associated risks to health, safety, and the environment.

Apart from enabling the company to meet the legal requirements, the technical support for the marketed products provides for effective and accurate informing of customers and stakeholders, improvement of compliance with the safety and environmental standards, and timely informing about the products and any changes related to them.

NIS managed to meet all requirements of the REACH regulation, which is a prerequisite for export of fuel to the EU markets, successfully passed all inspections and expanded its portfolio of products cleared for export.

In order to improve the quality of transport, in 2023 the Sales Block implemented a series of investment projects for better transport safety. This includes overhauls of 14 tanker trucks for medium distillates and motor fuels, 8 semi-trailers for jet fuel and 3 semi-trailers for oil fuel and bitumen. Apart from the overhauls, the company sanctioned the replacement of 11 hauler trucks and procurement of additional vehicles.

The professional drivers of the Sales Block attend regular educational seminars, trainings in defensive driving and rules for transportation of hazardous substances. The quality of employee training was again confirmed when one of the block's drivers won the second place in the international competition Best in Profession 2023.

To mitigate the risk of environmental pollution and protect employees handling hazardous substances the company implements daily and

other regular inspections of the flexible hoses for liquid products.

At the end of 2023, Bureau Veritas Certification conducted an audit to verify compliance of the company's transport with ISO 39001, the international standard of road transport safety. The audit highlighted the company's commitment to the improvement of transport quality and safety by implementing best international practices in the field.

In 2024 NIS plans further upgrades to its vehicle fleet including purchase of new vehicles and overhaul of semi-trailers for liquefied petroleum gas.

Practices related to customer satisfaction, including results of surveys measuring customer satisfaction

In 2023, the company again conducted a study tracking drivers' habits and behaviours in Serbia, Bulgaria and Bosnia and Herzegovina. The goal of the study is to measure and monitor the performance of the company's retail brands in terms of loyalty, net promoter score, and client satisfaction. The study takes place in the last quarter of a year.

According to the results, in 2023 the client satisfaction in the Serbian market was at 97%, a full 7% up from the previous study in 2019.

The NIS Petrol and Gazprom brands remain absolute leaders with 96% and 97% of satisfied customers respectively.

The main reported benefit of NIS Petrol are the wide network of filling stations, whereas Gazprom is best in the market in terms of service quality and appearance. Overall satisfaction with the Gazprom brand is still slightly hampered by the reported small size of its network, prices for fuel and other goods, and the range of fuels. The respondents evaluated there parameters as slightly lower than for the competitors.

Despite the lower client share, NIS Petrol still enjoys the highest net promoter score in the

Serbian market with 82% of customers willing to recommend the brand. Gazprom comes second with the NPS of 80% and a growing number of clients and brand recognition.

The small part of respondents, who are not ready to recommend either of NIS retail brand, most offer cite filling station location as the key factor (especially for Gazprom).

Sales of prohibited or contested products

No prohibited products or products that are the subject of a public debate on any markets were sold by the company in 2023.

GRI 417-2 Incidents of non-compliance concerning product or service information and labelling

Last year, the company did not have any liabilities related to the offence pertaining to the failure to comply with regulations and voluntary code requirements regarding labelling of products and services. Three proceedings due to economic violations were ongoing and had not been closed by the end of 2023.

GRI 417-3 Incidents of non-compliance concerning marketing communications

In 2023, no sanctions were imposed on the Company due to non-compliance with regulations and voluntary codes concerning marketing communication, advertising, sponsorship and promotions.

GRI 418: DATA PRIVACY

GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

With the enactment of the GDPR regulation at the EU level, as well as the Personal Data Protection Act governing personal data protection in the Republic of Serbia, this topic

has gained significant importance both in Serbia and globally. The company NIS processes personal data in a manner defined by applicable legal regulations, primarily the Personal Data Protection Act. It implements organizational, technical, and personnel measures, as well as procedures aimed at protecting personal data, including measures and procedures in the field of cybersecurity.

In 2023, no proceedings were initiated due to the violation of customer data protection.

NIS invests maximum efforts to protect personal data. The following adopted normative documents ensure compliance with the Law on Personal Data Protection:

- Personal Data Processing Policy;
- Instruction - Records on Personal Data Processing Activities;
- Rulebook - Personal Data Processing;
- Instruction - Assessment of Impact of Processing Activities on Personal Data Protection;
- Instruction - Data Confidentiality Protection Measures in Human Resources, Multifunctional Shared Services.

The measures are defined already in the course of drafting the technical assignment and project charter and when defining business processes, both with respect to data protection and exercising natural persons' rights.

SECTOR ADDITION – OIL AND GAS INDUSTRY

Estimated volume and value of oil and gas reserves

Under the laws of the Republic of Serbia, the Company is not at liberty to report on the estimated quantity and value of oil and gas reserves.

Volume of produced and disposed formation water

Formation water, separated from crude oil during

the production of oil and gas and technical operations in wells, is processed (treated to remove hydrocarbons, suspended and dissolved matter), and then injected at a certain depth in

abandoned wells (selected orphaned wells), in which case it has no impact on the quality of groundwater.

Produced and disposed formation water (m³)	2022 (m³)	2023 (m³)	Relative change 2023 vs 2022
Produced formation water	4,523,096	4,800,542	+6%
Disposed formation water	4,523,096	4,800,542	+6%

Total number and volume of significant spills

Number of environmental accidents by type		
Accident type	2022	2023
Oil/petroleum products spill on soil	6	17
Wastewater spills	0	0
Chemical spills	0	1
Gas emissions	0	0
Other	2	2
Total:	8	20

In 2023, the number of environmental accidents (20) increased compared to 2022, when the Company recorded 8 environmental accidents. Increased number of incidents is the result of better reporting transparency. According to NIS Incident Classifier, all environmental accidents in 2023 were categorized as minor.

Out of all spills in 2023, 5 exceeded 1 barrel. The total volume of material released or spilled was 10.2 m³, with small areas affected and no damage to the land.

Causes of environmental accidents (%)	2023
Work activity	7
Technological failure or breakdown – process	1
Pipeline rupture	4
Damage to structures	0
Other	8
Total	20

Volume of flared and vented hydrocarbon

The Company continued to implement measures aimed at the reduction of CO₂ emissions by producing thermal energy and electricity in cogeneration power plants using the associated gas which used to be flared off. In 2023, the quantity of flared off gas was 11,306,393 m³, which is 43.2% less than in 2022, when the volume of flared off gas was 19,894,057 m³.

Benzene, lead and sulphur content in fuels

The quality of fuels the Company produces meets all the requirements of the national and EU regulations.

Closure and rehabilitation of wells and facilities

According to the Law on Mining and Geological Research, after completing oil or gas exploitation the company is obliged to abandon the well and then rehabilitate the location on which the well and facilities are located.

Rehabilitation includes removing complete equipment and restoring soil to the original condition, i.e. backfilling with soil (high-quality soil that can be re-cultivated) that had been there before construction of facilities or the well.

The content of mining designs is governed by by-laws (Regulation on Content of Mining Designs), and one of such designs is the Main Mining Design for Permanent Termination of Exploitation, which defines what is required for a field to be considered abandoned. This designed is filed with the Ministry of Mining and Energy or the Provincial Secretariat of Energy (depending on whether the location is in Vojvodina or Central Serbia) upon the completion or works. A mining inspector may visit the location to make sure that the works have been completed in accordance with the design.

In 2023, the company was working on full liquidation of the Plandiste and Mokrin Jug fields.

Safety processes by business activity

Industrial safety

The industrial safety management system includes key processes of hazard identification, risk assessment and risk management related to processes and process equipment. Supported by the modernization of production, implementation of advanced technological solutions and employee development, this system provides adequate prevention, monitoring, and timely and effective response in emergencies.

Process safety

NIS keeps improving process safety. Namely, an essential element of process safety is the identification of hazards and risk analysis. In 2023, a significant activity was implemented – the development and adoption of the PHSER (Project of HSE Review) methodology for risk analysis. The company appointed and trained moderators in various organisational units to achieve readiness for the HSE risk analysis for future projects in line with the best global practices.

To assess the overall state of process safety in various organizational units, supervisory

visits have been implemented in accordance with the agreed program and plan. All findings from supervisory visits have been thoroughly analysed, and based on them, recommendations have been defined for further improving the state of process safety. Your sentence is accurate and well-structured. It effectively conveys that, managers and process safety experts were actively involved in overseeing the capital repair works at HIP Petrohemija, offering essential support to colleagues and contractors to ensure the safe and high-quality execution of the project. Additionally, throughout 2023, dedicated organizational units were working on adapting the regulatory and methodological frameworks related to process safety to transfer the practical experience gained by NIS to HIP Petrohemija.

In 2023, there was an increase in transparency regarding small / potential incidents related to process safety without consequences for the company. This was done for timely response, i.e., identification, definition, and application of adequate technical / organisational measures to preventively and preclude unwanted incidents with consequences for the company.

Karkas Safety Shield Project

Karkas Safety Shield Project

The project was created in Gazprom Neft after the analysis of HSE events in 69 subsidiaries and events that had occurred in oil industry in past years, leading to fatalities, injuries of employees or large financial losses. This program sets up a safety shield, i.e. a comprehensive set of measures preventing the occurrence of HSE events in different processes.

In early 2019, the implantation of the Program started in NIS and its subsidiaries. By the end of 2023, substantial funds were invested in procurement of additional equipment for employees, training, technical documentation, and elimination or reduction of safety risks to an acceptable level. In addition, the implantation of

the program required engagement of additional human resources, proving that safety is a top priority.

The best results (Karkas version 1-5) were achieved in the field of industrial safety (fire and explosion prevention), occupational safety and health (work at height, hazardous operations involving gas, electrical safety, traffic safety, etc.), and environmental protection. This practice will continue in 2024 (application of Karkas 6 barrier requirements).

In 2023, the Safety Shield program was extended to include G Petrol. The Sector for HSE Supervision and Control has implemented two internal inspections within the framework of the Safety Shield program and prepared and finalized the dedicated program budget for the period from 2024 to 2026.

In 2024, the the program for the implementation of barrier functionality measures continues, with an aim of reducing the risk of injuries to employees and contractors, accidents and incidents at the level of NIS and its subsidiaries. Furthermore, the activities for the implementation of Karkas 6 are planned, which include the diagnostics in line with the newly installed barriers and setting the preliminary budget for enabling the functionality in the period from 2004 to 2006.

Fire Protection

In 2023, the company implemented capital projects on upgrading and reconstructing the fire stations in Novi Sad and Niš to improve the working conditions for employees and the quality of unit operations. This included the procurement of furniture for all 11 firefighting units, as well as the acquisition of 2 new emergency vehicles and 3 light-duty vehicles with firefighting equipment, significantly enhancing operations and response readiness. In 2023, furnishing fire units with the required equipment and resources (fire and protection equipment, rescue equipment, self-contained breathing apparatuses, etc.) continued on a regular basis.

NIS implemented new internal regulations reflecting the changes in the legal framework and business needs. There were operational and organizational improvements in the work of fire-fighting units.

Service specifications were reviewed. This results is the optimisation of resources, but also raising the level of services provided by the fire-fighting units.

In respect to training, it was a highly successful year, as reflected by the following indicators:

- 172 HSE drills in which the company fire units, on their own and in cooperation with fire units of the Emergency Management Sector and neighbouring enterprises, practised strategic response to different emergencies, such as: fire suppression, rescue from heights and depths techniques, administering first aid, responding to chemical accidents, etc.;
- New knowledge was gained and experiences were exchanged through internal firefighting competitions, where all 11 firefighting units participated for the first time. NIS firefighting units also had a chance to compete at international events - the Strongest Firefighter in St Petersburg and the GPN competition for rescue services in Yaroslavl, where they achieved noteworthy results.
- In cooperation with the National Emergency Training Centre of the Serbian Ministry of Interior, NIS held a training for III-class operational managers on emergency response.

In 2023, all fires that broke out in company's premises were successfully extinguished, thus preventing any substantial material or environmental damage. The company firefighters provided assistance to representatives of fire and rescue units of the Ministry of Interior of the Republic of Serbia at facilities of other companies and local communities.

Emergency Management

All activities regarding preparedness for emergency response and civil defence in the Company are focused on ensuring the Company's capability to successfully respond to emergencies and disasters. The norms in place are defined by the provisions of the Law on Disaster Risk Reduction and Emergency Management, other laws and bylaws, as well as good industrial practices and technical standards of NIS. By fulfilling obligations arising from the Decision of the Government of the Republic of Serbia on designation of entities of special importance for protection and rescue, we reinforce Company's resilience to emergencies and crises and improve safety of employees, environment and assets both across the Company and in local communities where we carry out our business operations.

In 2023, NIS continued improving the process of preparedness for emergency response and civil defence continued in the company. A command-simulation exercise was conducted under the guidance of the consulting firm "Mettle Crisis Leaders" from Australia. The Disaster Management Team (Company Crisis Team) faced the challenge of responding to a process accident through demanding scenarios. The worst-case scenario involved a BLEVE (Boiling Liquid Expanding Vapour Explosion) effect at the SEVESO complex in Elemir. In the report received from the consulting firm, the company's readiness, level for responding to crisis situations was assessed as high, with certain changes that need to be made in 2024 within the planning documents related to emergencies and crisis situations.

In accordance with 2023 HSE Drill Plan, the total of 226 HSE drills were planned and successfully completed.

This year, in cooperation with the National Emergency Training Centre of the Serbian

Ministry of Interior, 211 employees belonging to the Company's protection and rescue forces were trained. The training was provided in the form of training courses for civil defence commissioners and deputy commissioners, managers of emergency response operations, and through joint command and simulation drills, implemented in compliance with the adopted programmes of the Serbian Ministry of Interior.

Volume of biofuels produced and purchased meeting sustainability criteria

For the purpose of meeting the requirements of the legal regulations and objectives of the corporate strategy, Pančevo Oil Refinery implemented a project facilitating blending of biocomponents into Euro Diesel and motor gasoline (the maximum ratios are regulated by the EU standards adopted by the Republic of Serbia). Use of renewable energy sources like biofuel, electricity from renewable sources, etc. are one of the conditions for the accession of Serbia to the EU.

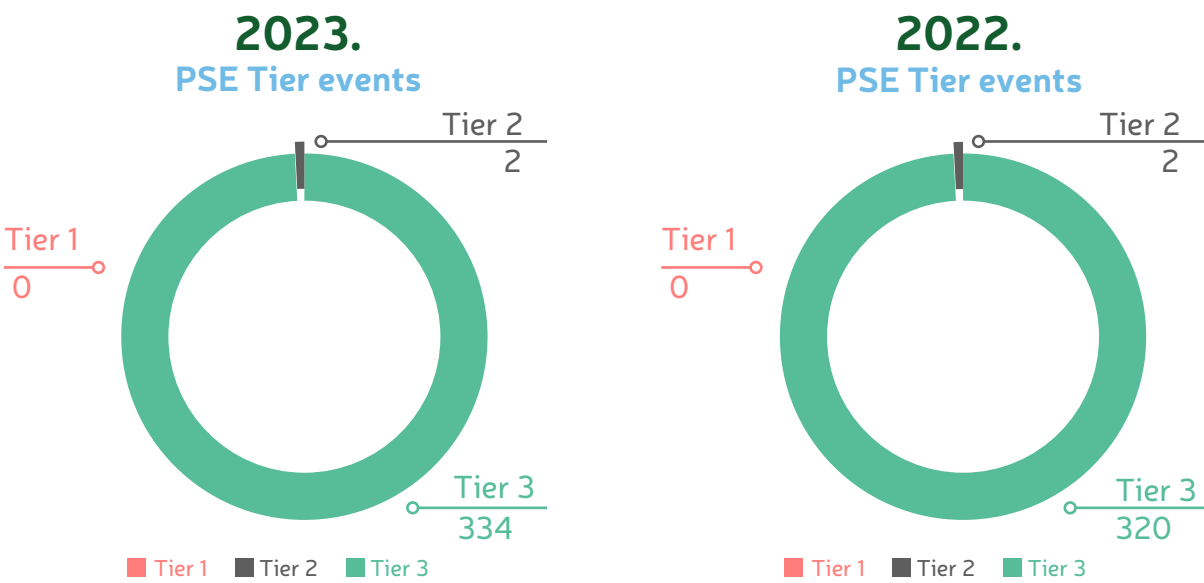
The RNP is currently able to blend biocomponents into diesel fuel. Enabling blending ethanol into motor gasoline necessitates a project creation of design and technical documentation for which is about to be completed. The next step will be to initiate the supplier selection procedure. The project is due to finish in 2027.

Biofuel are components derived from renewable energy sources that are blended with diesel fuel or gasoline. Bio components for diesel fuel are usually produced from food oils like rapeseed oil, soybean oil, palm oil, or used frying oil and then blended with the fuel to create B7 euro diesel (containing up to 7% of biocomponents). For gasoline, biocomponents are ETBE and fuel-grade ethanol. As there are currently no bio component production facilities in Serbia, NIS used to import bio components and blend

them with the fuel at the Pančevo Oil Refinery. In 2023, the company did not import B-100 biocomponent and did not produce B7 diesel fuel. In 2023, NIS received the ISCC certificate which allows it to export biofuel produced at the Pančevo Oil Refinery to certain markets. This certificate also serves as a guarantee of the accuracy of data for future yearly reporting on biofuel sustainability. When the Serbian government makes a decision to enforce mandatory sale of biofuel in the domestic market,

NIS will be under the obligation to submit such reports. ISCC is an international standard for monitoring of the sustainability of the process of production and use of biomass and biofuel in accordance with the Renewable Energy Directive.

PSE (PROCESS SAFETY EVENTS) 2023 – 2022



PSE Tier (Process safety event Tier-1, Tier-2) – unforeseen and uncontrolled leaking of tanks/ pipelines in a technological process that, according to the international classification (API 754, IOGP 456), may lead to: fire, explosion, employee injuries or other major adverse consequences.

TIER	2023 (12m)	2022 (12m)
TIER-1	0	0
TIER-2	2	2
TIER-3	334	320
Total	336	322

AUDITOR OPINION



Independent report about limited review

To the executives of the company Naftna industrija Srbije a.d. Novi Sad

We have performed a limited assurance engagement in accordance with the International standard for assurance engagements other than the audit and review of historical financial information (in hereinafter „ISAE 3000 – revised“) with the intention of obtaining limited assurance on the accuracy and completeness of the 2023 Sustainable Development Report (in hereinafter referred to as "Report") of the company Naftna Industrija Srbije a.d. Novi Sad (hereinafter referred to as the "Company"). The report was prepared by the Company's management, which is responsible for the data collected and disclosed in it. Our disclosure responsibility is solely to the management of the Company and it is not advisable to make financial decisions based on the information provided. Any reference to this Report by any third party is at your own risk and responsibility.

The Company's management is responsible for the preparation of the Sustainable Development Report in accordance with GRI standards, as well as for the creation of internal controls designed and implemented for the sake of accurate reporting. The responsibility of the company is manifested with the aim of providing accurate and complete documentation.

Scope of engagement and criteria

Our engagement was performed in accordance with ISAE 3000 with the intention of obtaining limited assurance on:

- Accuracy and completeness of quantitative and reliability of qualitative data related to GRI General Standard Data;
- Accuracy and completeness of quantitative data (performance indicators) and credibility statements (GRI Management Approach Data GRI "DMA") related to GRI Specific Standard Data, which correspond to aspects that are material to the greatest extent as shown in the analysis materiality of the Company;
- Compliance of the Report with the basic level of reporting with the corresponding requirements of the GRI guidelines of the Sustainability Report.

TPA Revizija doo
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Srbija | Slovačka | Slovenija | Hrvatska | Crna Gora | Češka Republika

TPA Revizija doo posluje kao TPA Revizija ili TPA Srbija i deo je globalne mreže Baker Tilly International Ltd. čiji su članovi posebna i nezavisna pravna lica.



Completed procedures

In order to form conclusions, we applied the following procedures:

- We interviewed the representatives of the Company in order to understand the implemented processes, policies and corporate responsibility activities during the reporting period;
- We analyzed the submitted data and information, which were aimed at substantiating statements regarding sustainable business for the year 2023, which were presented in the Report;
- Overview of the Company's processes in order to determine the material issues that should be included in the Report, as well as the representation of these material issues within the Report;
- Review of the Report in terms of adequate disclosure of GRI General and Specific Standards and communication with experts for GRI General and Specific Standards within the Company who are responsible for the preparation, management and review of material items, in order to improve the quality of reporting;
- Overview of the GRI Contents of the Index as well as the mentioned references and their compliance with the requirements of the basic level of reporting.

Level of assurance

- We reviewed the Report in the Serbian language. Possible inconsistencies with the versions of the Report in other languages are the result of the translation of the Report. We consider only the Serbian version of the Report to be the authoritative report;
- We do not express an opinion related to future forecasts and goals, nor to the possibility of their realization;
- The scope of engagement does not include a review of the activities or performance of third parties, nor attendance at engagement activities of interested parties;
- The scope of the engagement does not include checking the Company's system that was used during the collection and grouping of data.

Conclusions

Based on the reviewed documentation, and in proportion to the limitations of our engagement, we draw the following conclusions:

1. How accurate and complete are quantitative data and credible qualitative information related to GRI General Standard Data within our scope of engagement?
 - We have not come to any knowledge that indicates the non-inclusion of quantitative data in the Report, which refer to GRI General Standard Data;
 - We did not come to the knowledge that indicates the existence of irregularities (errors and irregularities) within the framework of quantitative data related to GRI General Standard Data, which were the subject of our analysis;

- We have not come to any knowledge that indicates material irregularities in the qual statements of the management that were the subject of the analysis and that are included Report according to the GRI General Standards;
- We did not come to any knowledge that would lead us to the conclusion that the mate matrix was improperly presented based on the implemented procedures of the Company.

2. To what extent are accurate and complete (performance indicators) and how credible ar statements (GRI Management Approach Data) related to the GRI Specific Standard Data th within our scope of engagement?
 - We have not come to any knowledge that indicates the non-inclusion of quantitative data Report, which refer to GRI Specific Standard Data;
 - We have not come to any knowledge that indicates the existence of irregularities (error irregularities) within the quantitative data related to the GRI Specific Standard Data, which the subject of our analysis;
 - By verifying the information and explanations of the selected management statements Data on Management Approach) related to the GRI Specific Standard Data presented Report, we did not identify any material inaccuracies.
3. Does the Report meet the basic requirements of the GRI standard guidelines?
 - In accordance with the scope of our engagement, we did not come to any knowledge that lead us to the conclusion that the Company does not meet the requirements of the basic of reporting in accordance with the guidelines of the GRI standard.

Conclusions

Our engagement is based on International Standards for Engagement, primarily relying on "ISAE - Revised". Mentioned standards require compliance with ethical standards, as well as engagem the sake of limited assurance on the subject matter listed above.

By implementing International Standard for Quality Management 1 (ISQM 1), we reflect an inte quality control system including policies and procedures that document compliance with relevant e and professional standards and legal and regulatory requirements.

We comply with the independence requirements as well as other ethical codes prescribed by the Code of Ethics for Professional Accountants which discloses the general principles of inti objectivity, professional competence and due care, confidentiality and professional conduct.

Belgrade, 30. May 2024.

TPA Audit

Certified auditor
Jelena Hadzic

Director
Bojan Zepinic

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GLOSSARY

Abbreviation	Meaning
OHS	occupational safety and health
FS	filling station
Pay grade	level assigned to a position as a result of job evaluation. Positions of the same grade have approximately equal value in the company regardless of their functional area or organizational unit
ELV	emission limit values
Desertification	anthropogenic land degradation
EOR (enhanced oil recovery) projects	activities aimed at increasing the final utilization rate of reservoir oil. One of the methods is CO ₂ injection to induce additional production
EU	the European Union
PVPP	photovoltaic power plant
Stakeholders	all natural persons and legal entities interested in Company's operations, who have an impact on Company's business results or are impacted by the Company
Controlled companies and subsidiaries/joint ventures	companies in the country and abroad in which NIS j.s.c. Novi Sad holds or acquires privileges and/or shares or equity stakes, regardless of the percentage and method of acquisition of the equity stake
CNG	compressed natural gas
RS Mol	Ministry of Interior of the Republic of Serbia
NIS j.s.c. Novi Sad	NIS or the company
NMD	normative and methodological documents
OU	organisational unit
Sustainable development	development that satisfied the present-day needs without jeopardizing the ability of future generations to satisfy theirs.
Off gas	gas generated as a by-product in production or processing.
RES	renewable energy source
PiTNiG	Sector for Oil and Gas Preparation and Transport
Remediation	a term generally referring to cleaning or renewal - restoration (cultivation, revitalisation, generation) of a polluted location - area or otherwise damaged environment due to human actions
RNP	Pančevo Oil Refinery
RS	Republic of Serbia
GGS	gas gathering station
GMS	gathering and metering station
FS	Filling station
Pančevo TPP	Pančevo combined-cycle thermal power plant
LPG	liquid petroleum gas

Abbreviation	Meaning
toe	ton of oil equivalent
HTS	hydrothermal system
CCUS (carbon capture and storage)	the process of carbon dioxide and formation gas injection for the purpose of increasing the reservoir recovery factor, in a way as to prevent carbon dioxide releases
CO ₂	carbon dioxide
CSR	Corporate Social Responsibility
ECHA	European Chemicals Agency
ETBE	ethyl tertiary-butyl ether
FCC	fluid catalytic cracker in the Pančevo Oil Refiner
GJ	gigajoule
GRI (Global Reporting Initiative)	an international non-profit organization established in 1997 with the goal to achieve the highest quality of corporate reporting on sustainable development. GRI provides the world's best-known sustainability reporting standards - GRI standards
GHG	greenhouse gasses
DCU	delay cooking unit
HR	human resources
HSE	health, safety, environment
IPPC permit	permit for industrial pollution prevention and control
IUCN	International Union for Conservation of Nature
LTIF (Lost Time Injury Frequency)	the indicator of lost work day cases due to injuries
MTBE	(ethyl tertiary-butyl ether) additive to enhance gasoline properties
NO ₂	nitrogen dioxide
NOx	nitrogen oxides (nitrogen monoxide and dioxide)
PM	particulate matter
PR	public relations
PDCA	plan-do-act-check
PSE	process safety events
REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)	international legislation for registration, evaluation, authorization and restriction of chemicals
SDS	safety data sheet
SO ₂	sulfur dioxide
SOx	sulfur oxides (sulfur monoxide and dioxide)
VOC	volatile organic compounds

Contact data

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In case of any questions, suggestions, or comments regarding the NIS a.d. Novi Sad Sustainability Report for the year 2023, please contact the Corporate Marketing Department of NIS at the provided email address.



