

SUSTAINABLE DEVELOPMENT REPORT

2024



 NIS

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CEO'S FOREWORD

Dear friends,

Before you is the 15th consecutive verified Sustainable Development Report of our company. This jubilee also confirms our long-standing commitment to responsible business operation, transparent reporting to the general public, and continuous improvements in the area of sustainability. We are proud of our tradition of reporting that reflects our efforts to develop NIS in a balanced manner, while adhering to the highest environmental, social and governance standards.

The energy sector, to which we belong, has changed significantly over the past years: New technologies are being applied, new ways of operating, energy prices, and communication with consumers. We also face new challenges reflecting geopolitical circumstances and the demands of energy transition. However, I am pleased to note that we remain steadfast in our pursuit of the same goals as when we published our first Sustainable Development Report for 2010. We want to make progress every year in all core areas of sustainable development, to contribute to the development of our community and participate in the achievement of the global Sustainable Development Goals.

We believe that long-term success can only be built in cooperation with the community, understanding its needs and a responsible attitude towards the environment. Our goal is not only to achieve good business results, but also to leave a positive mark on the community in which we operate. As a company with a long tradition and special importance for the economy and the community in Serbia, we are aware of the responsibility we have. Sustainability is not just a strategic direction for us - it is a part of our daily practice and our corporate culture.

We are particularly proud of the projects we implement in cooperation with the local community. We strive to contribute to improving the equality of life, progress in the fields of education, health and culture, through partnerships with citizens, government institutions, educational institutions and civil society organisations. We are aware that the success of a company is not measured only by financial indicators, but also by the values we share with others. That is why we strive to be an example for others to contribute to sustainable and responsible business and our common development through our activities.

Our commitment to environmental protection is reflected in continuous investments in innovative technologies and reducing the impact of our activities on the environment. In 2024, we invested almost RSD 1.1 billion in environmental projects. At the same time, we continued to implement the green agenda in all business segments. Among other things, we are implementing a project to inject CO₂ from the amine plant into the Rusanda reservoir, and we are building new facilities for the monetization of gas from our oil and gas fields. In the past year, the Pančevo Oil Refinery has received a new IPPC permit, as proof of compliance with domestic and European environmental legislation. In 2024, we launched 20 more solar power plants at our gas stations in Serbia, as well as those at the Jazak drinking water plant and the Pančevo Oil Refinery. In addition, we supported our partners in local communities in the production of "green" energy and enabled the construction of solar power plants at 40 public institutions in 13 municipalities and cities participating in our society program "Common Cause Community". In this way, through joint efforts, we will significantly contribute to improving the environmental picture throughout Serbia.

After 15 reports on sustainable development, we are aware that sustainability is not a goal that can be achieved once and for all - it is a constant effort that requires continuous

innovation and dedicated work from us. Big thank you to all employees, shareholders, partners and the members of the community for being with us on this complex, but the only possible path. I am positive that with joint action, we may build sustainable future for all of us.

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



NIS GROUP

NIS Group is one of the largest vertically integrated energy systems in the Southeast Europe, whose core business activities include exploration, production and refining of crude oil and natural gas, sale of a broad range of petroleum and natural gas products, and implementation of petrochemical and energy projects.

The Company's headquarters is at the address: 12, Narodnog Fronta St., Novi Sad, Republic of Serbia. Main assets are in the Republic of Serbia, while subsidiaries have opened in several other countries in the world, before all in neighbouring countries (Bosnia-Herzegovina, Romania and Bulgaria), as well as the representative office in Angola. The most valuable resource of NIS Group is the team of 13,770¹ employees, which include also the employees of "HIP-Petrohemija" d.o.o. Pančevo ".

OVER 70 YEARS OF SUCCESS

Over the seven decades, from 1949 when the first gas fields were discovered, NIS has developed into a successful energy company. The Company's goal is to be a role model in operation efficiency and the dynamics of sustainable development, as well as to create new values for its shareholders, employees, and the community it operates within, despite the macroeconomic challenges.

In the history of the company, the year 2024 was marked by the following activities:

- During March and April 2024, the most extensive and most complex turnaround in the history of Pančevo Oil Refinery was carried out. For the first time, the turnaround included all refinery plants, including several newly built ones.
- Two modern robotic drilling rigs were purchased, which will enable increased work efficiency, safety and cost optimisation in drilling operations.

- NIS is investing significant investment funds in the modernisation of its retail network and in the reduction of overall costs. During 2024, 20 photovoltaic power plants were built at petrol stations and put into operation, so that by the end of the same year, the Company had solar power plants at 45 petrol stations, with the total capacity of 1.5 MWp. In 2024, the construction of photovoltaic power plants at additional 30 petrol stations, with the total capacity of 1 MWp was approved, the commissioning of which is planned by the end of 2025.

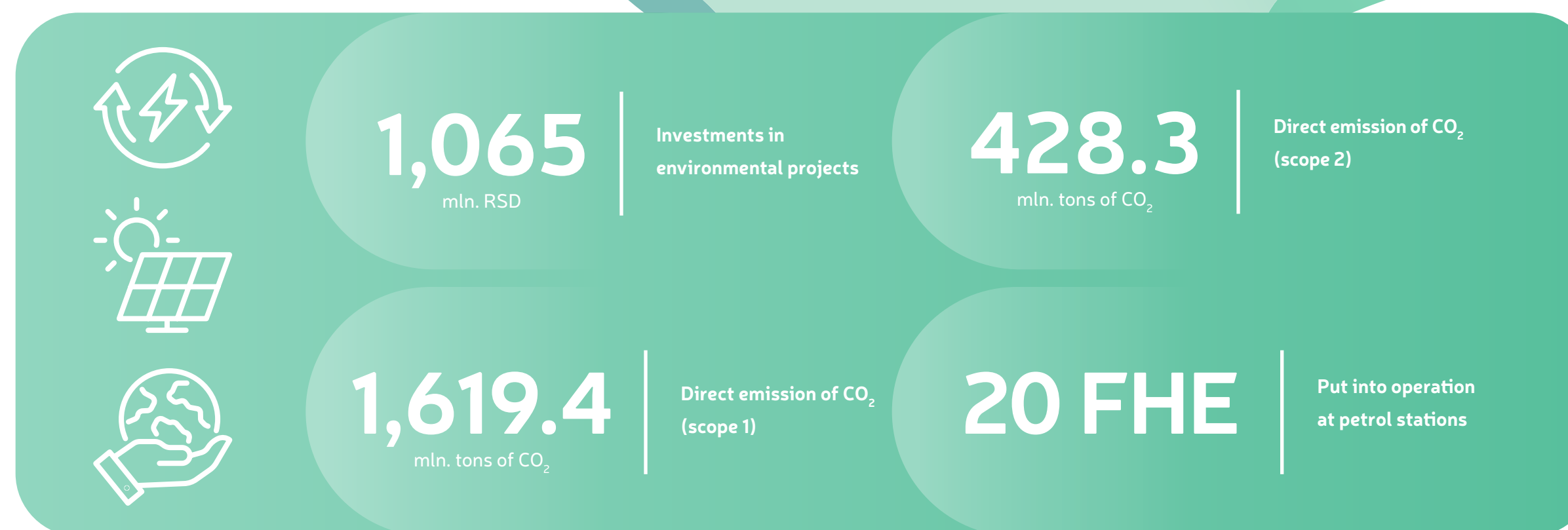
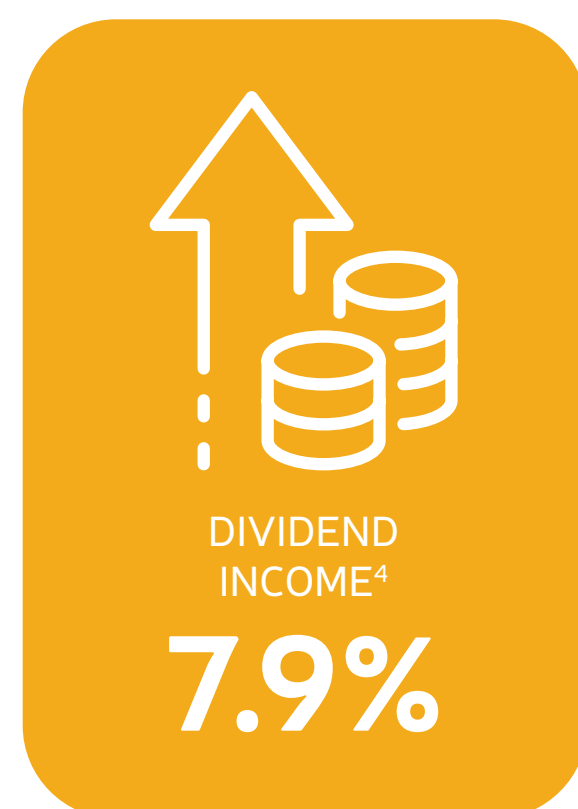
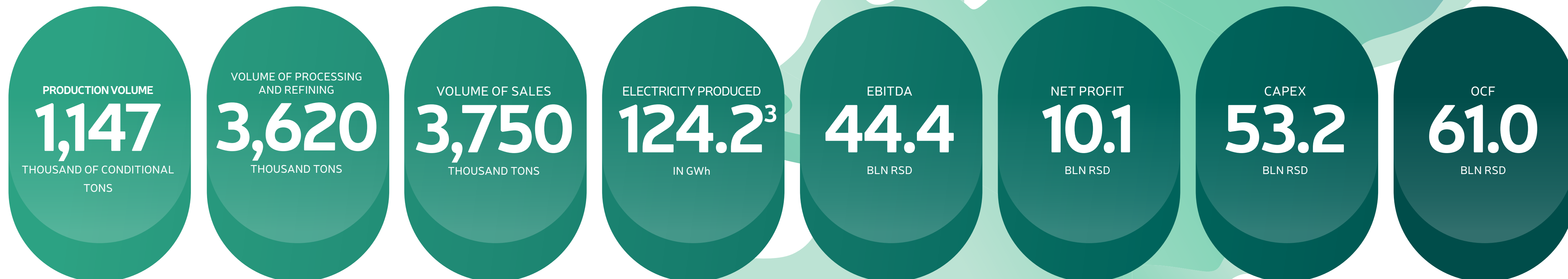
- In the fourth quarter of 2024, the first issue of corporate bonds of NIS was realised, with total nominal value of RSD 5,855,000,000.

- RSD 53.2 were invested in development projects, which is one of the most extensive investment cycles in the history of NIS.

¹ Total headcount of NIS Group in 2024 is 13,770, and if we exclude subsidiaries abroad, it is 13,168.



NIS GROUP 2024²



² The presented volume of processing and refining includes the volume of processing and refining of "HIP-Petrohemija". The shown turnover volume also includes the turnover volume of "HIP-Petrohemija". The displayed data for electricity production includes the volume of electricity produced in the Pančevo power plant, small power plants and photovoltaic power plants. The total volume of electricity produced in 2024 in the combined-cycle power plant TE-TO Pančevo is 1 million MWh. Participation of NIS j.s.c. Novi Sad in combined cycle plant "TE-TO Pančevo LLC" is 49%.

³ The total electricity produced shown in the amount of 124.2 Gwh represents the sum of the total electricity produced in Serbia, 114.9 Gwh in Serbia, and 9.3 Gwh in Romania.

⁴ Dividend yield calculated by comparing the gross amount of dividend per share paid during 2024 with the share price as at 31 December 2023.

⁵ PSE Tier (Process safety event Tier-1, Tier-2, technological incident of the first and second levels) – unplanned and uncontrolled leakage from vessels / pipelines in a technological process that, according to the international classification (API 754, IOGP 456), may lead to the occurrence of: fire, explosion, employee injury or other major negative impacts.

⁶ The analysis of the collected additional information that contributed to the reclassification of events determined that TIER-2 in 2024 amounts to 7, which is less by 1 than the datum presented 2024 Annual Report.

THE CONTRIBUTION OF NIS GROUP TO THE ECONOMIC AND ENERGY STABILITY OF THE REPUBLIC OF SERBIA

Contribution to economic and energy stability of the Republic of Serbia is the strategic orientation of NIS Group. To this end, the Company is constantly upgrading its business operations and adapting to complex geopolitical circumstances and complex conditions in the oil and gas market. This priority remains unchanged after 10 January 2025, when the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury announced on its List of Specially Designated Nationals and Blocked Persons (SDN List) that, as part of the measures taken by OFAC pursuant to Executive Order 14024 and Executive Order 13662, the company NIS j.s.c. Novi Sad was added to SDN List.

NIS is an important factor in the country's total gross domestic product, and the Company's share in the total tax revenues of the budget of the Republic of Serbia is significant as well. The Company is among the leading domestic employers, investors, and exporters in our country.

The obligation of The Company and its subsidiaries in Serbia regarding public revenues in 2024 amounted to RSD 244.69 billion, representing 11.8 percent of the budget of the Republic of Serbia. This amount was obtained by taking into account obligations for public revenues and dividends paid to the Republic of Serbia. The total amount of calculated obligations related to public revenues for the NIS Group in 2024 amounted to RSD 260.43 billion.

All public revenue related obligations are settled in accordance with the statutory deadlines for their maturity.

It is important to emphasize that through continuous investments in the development of the entire infrastructure, especially investments in renewable energy projects, NIS contributes to the diversification of energy resources, and thus contributes to the energy independence and security of the Republic of Serbia. This is of essential importance for the sustainable development of the country in extremely complex geopolitical circumstances.



STRATEGY

MISSION, VISION AND VALUES

MISSION

We are an energy company that, by applying modern technologies and innovative solutions, continuously digitizes its operations and improves efficiency, while contributing to development and stability through a responsible attitude and care for employees and the community.

VISION

Guided by the principles of efficiency and responsibility, we initiate change and create energy for a stable, sustainable and better future.

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

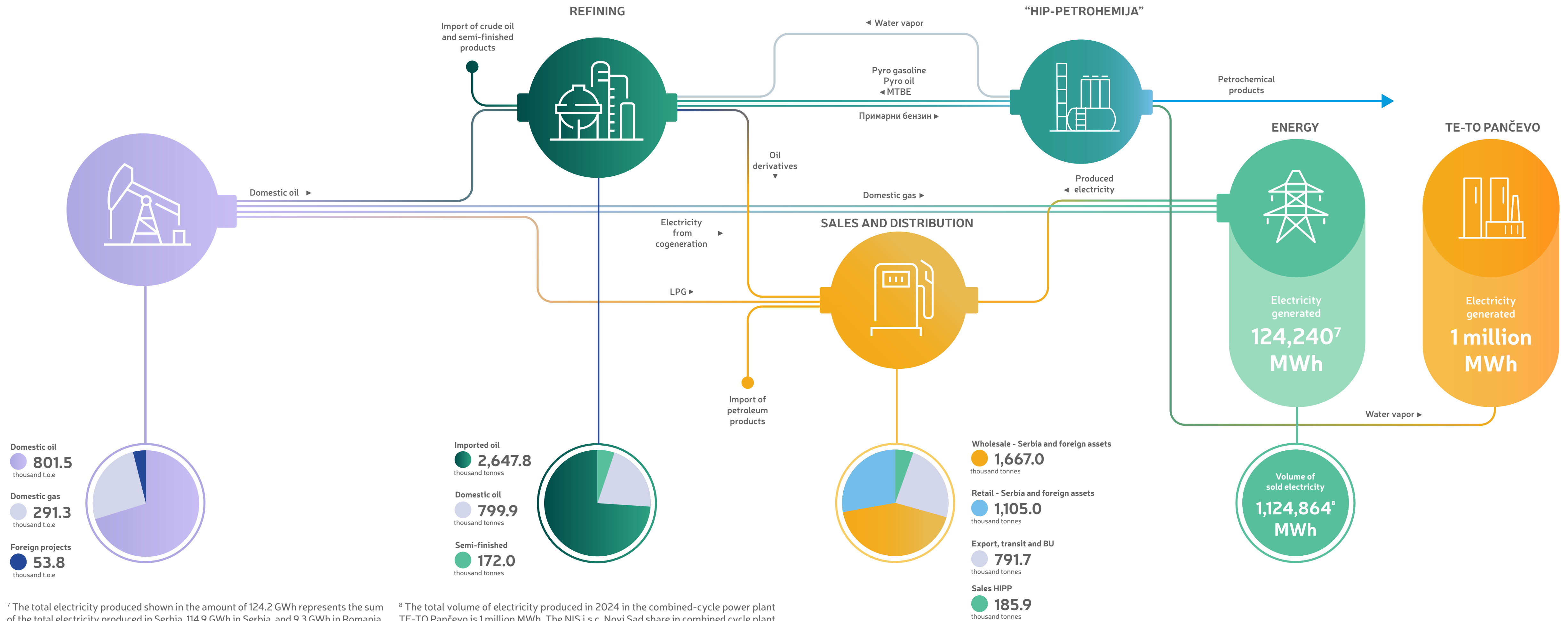
KNOWLEDGE CREATES OUR FUTURE!

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

BUSINESS MODEL

EXPLORATION AND PRODUCTION

DOWNSTREAM



⁷ The total electricity produced shown in the amount of 124.2 GWh represents the sum of the total electricity produced in Serbia, 114.9 GWh in Serbia, and 9.3 GWh in Romania.

⁸ The total volume of electricity produced in 2024 in the combined-cycle power plant TE-TO Pančevo is 1 million MWh. The NIS j.s.c. Novi Sad share in combined cycle plant TE-TO Pančevo LLC is 49%. The presented volume of electricity sold (1,124,864 MWh) includes

GREEN AGENDA: OVERVIEW OF MOST SIGNIFICANT ACTIVITIES

EXPLORATION AND PRODUCTION BLOCK

- CO₂ injection from the amine plant into the Rusanda reservoir has continued
- The implementation of the projects for the construction of a gas monetization facility from the Banatsko Miloševo oil and gas field and the increase in gas monetization from the Srpska Crnja gas field is in the final phase
- The permit for GHG emissions at the Elemir Refinery has been obtained.

SALES AND DISTRIBUTION BLOCK

- NIS develops retail sales of compressed natural gas at its petrol stations
- Electric car chargers are being installed at retail facilities.
- The project of the reconstruction of the Niš petroleum product storage.

REFINING BLOCK

- A new IPPC permit has been obtained, which is the proof of compliance of Pančevo Oil Refinery's operations with local and European legislation in the field of environmental protection, as well as an obligation to continue with a responsible attitude in the implementation of activities and significant investments in the field of environmental protection.
- The turnaround was carried out in 2024. Reliability of plant operation increased, energy efficiency and environment management improved.

ENERGY BLOCK

- In 2024, 20 photovoltaic power plants were put into operation at petrol stations (so far 45 in total), as well as at the Jazak Plant, on the roofs of the Novi Sad PP Storage Facility and the Pančevo Oil Refinery.
- The construction of solar power plants at 30 fuel stations is planned for 2025.

ON THE REPORT AND REPORTING PRINCIPLES

MATERIALITY MATRIX

The NIS Sustainability Report is published annually, in the second quarter of the current year for the previous calendar year. This provides all stakeholders with the opportunity to make timely conclusions and decisions regarding the company and its operations.

The basis for reporting, as well as improving business processes, is the Materiality Matrix, within which the value chain has been mapped and topics of importance to the Company's operations have been identified. The Materiality Matrix is reviewed every two years, as defined by the internal standard, and the last review of the Materiality Matrix was conducted during the last quarter of 2023.

The Report presents data relating to 2024: achieved results and challenges faced by the Company during the year, and where possible, comparable data for 2023 are included. NIS strives in its reporting to present quantitative and qualitative data with the greatest possible accuracy, indicating the source and methodology of data collection, and financial and economic indicators are taken from the consolidated financial report (source: Annual report 2024, NIS).

The Company is committed to maintaining open communication with all stakeholders and special attention to the unbiased and transparent representation issues crucial to both parties. In this way, all interested parties are given the opportunity to give positive, but also negative, assessments regarding the company's operations.

The report includes and presents data for NIS j.s.c. Novi Sad, and if it also includes data for certain subsidiaries, this is specifically emphasized in the Report. The term "NIS" refers to the parent company NIS j.s.c. Novi Sad, while

the term "NIS Group" refers to NIS j.s.c. Novi Sad, with its subsidiaries.

The Sustainable Development Report is prepared in line with the Global Reporting Initiative (GRI) global standard, with the addition of the sectoral standard for the oil and gas industry. In addition, additional data is included each year to supplement the indicators, which go beyond the requirements of the basic reporting level according to the GRI Standard.

In order to ensure the accuracy, reliability and completeness of the data intended for all stakeholders, the Report has been verified by the independent auditing company "TPA Revizija doo Beograd".

The text of the Report is written clearly, in order to ensure the highest level of understanding, and terms and abbreviations that may cause confusion are explained in the Glossary. The Report is published in Serbian, English, and Russian, with a note that in case of any discrepancies, the Serbian version is authoritative.



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

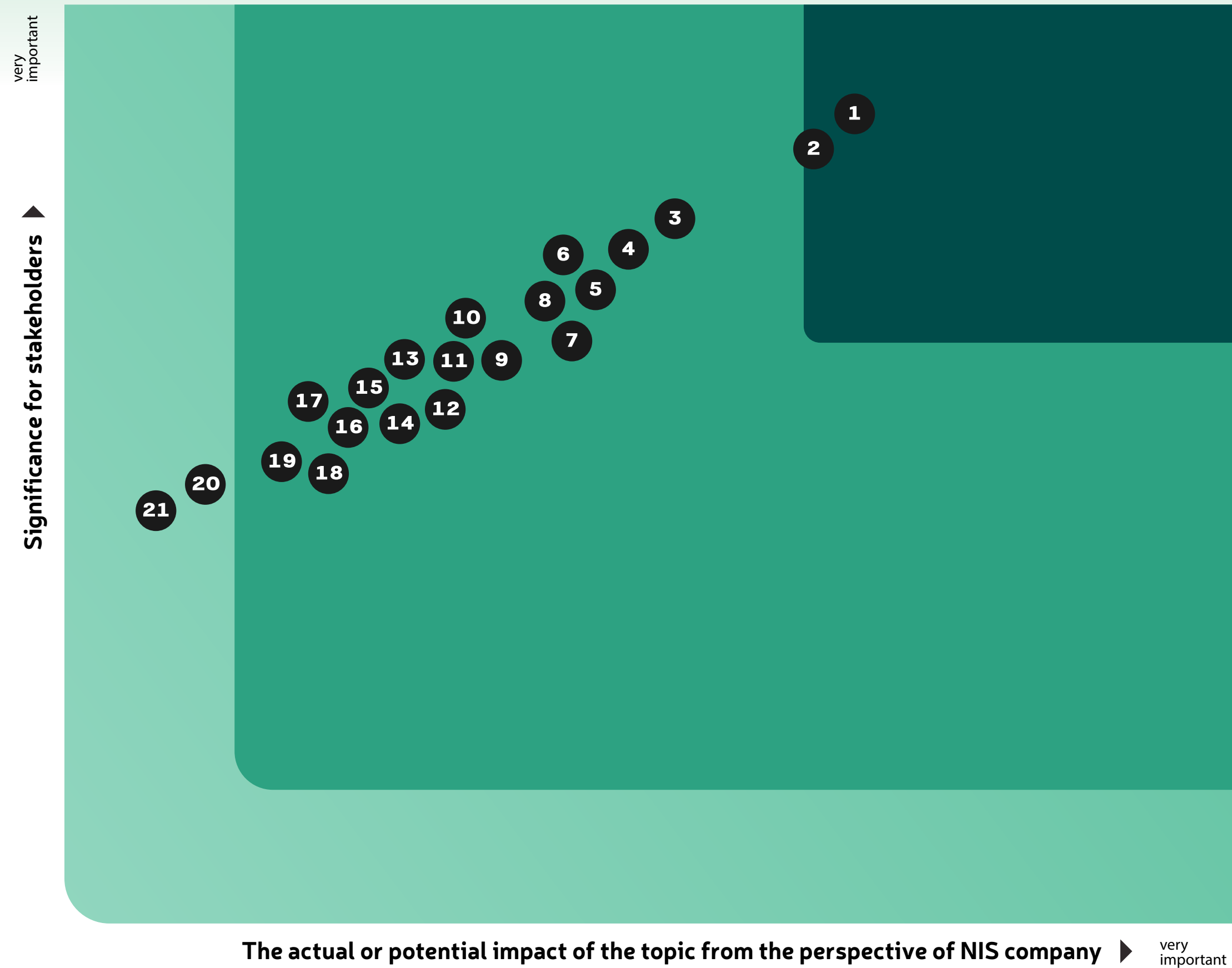


Table: The link between materially significant topics and the sustainable development goals of the United Nations, to which "NIS j.s.c. Novi Sad contributes. Novi Sad

	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	16 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 institutions		●						●				

STAKEHOLDERS



SHAREHOLDERS



INVESTORS



TRADE UNIONS



EMPLOYEES



SUPPLIERS



NON-PROFIT ORGANISATIONS



POPULATION IN THE REGION



BUSINESS PARTNERS



GOVERNMENT AUTHORITIES



MEDIA



CONSUMERS

DIALOGUE WITH STAKEHOLDERS

Open and transparent communication with stakeholders is an important step towards achieving the UN Sustainable Development Goals and laying the foundation for the Company's long-term success. To this end, in 2024, the Company continued to foster and improve dialogue with its employees, partners, local communities, investors, regulatory bodies and organisations of civil society.

During the year, NIS implemented a number of activities to ensure two-way communication and better understand the needs of all stakeholders. Among other things, regular contacts were maintained with representatives of local communities in the company's areas of operation, in order to gain insight into their key needs and the challenges they face. Special attention was paid to projects that support the social and economic development of communities through educational, environmental and infrastructure projects.

The Company continued to provide support to its employees, further improving internal communication channels and training programs. These efforts enabled faster response to employee needs and maintenance of a positive and stimulating working environment.

In cooperation with investors, the Company continued to implement best practices in the field of corporate governance and reporting. Transparency remains one of the basic principles of NIS's business operations, which is confirmed by the high ratings of the corporate governance and sustainability reports. Company representatives participated in domestic and international forums to share knowledge and experience in the field of the company's operations and sustainable development.

The public is continuously informed about NIS's activities through press releases and other communication materials prepared by the Company's Press Office. In relations with journalists, a professional relationship is fostered and, as part of these activities, press tours are organized to

key company locations, where journalists can directly learn about business processes and new technologies and equipment. Also, the Company's social media accounts foster two-way communication with followers and provide a different insight into the business.

Continuous dialogue with stakeholders allows NIS to identify community needs in a timely manner and direct resources towards creating sustainable solutions that bring them long-term value.

MEMBERSHIPS

In 2024, Company NIS actively participated in several business associations and chambers of commerce in Serbia and abroad, including:

- The National Energy Committee – *WPC Energy (WPC Energy Serbia)* – 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 2024, 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 Europe Energy Council (*CEEC Scout Group*) - NIS Petrol SRL Romania, a member since 2014.

RELATIONS WITH SHAREHOLDERS AND INVESTORS

Cultivating high-quality, long-term relationships with shareholders and investors is one of the key goals of NIS, which is achieved by respecting the principles of equal, timely and simple information sharing with all stakeholders.

NIS has long-standing two-way communication with shareholders and investors, for which the following are responsible:

- Practice for compliance of public companies, servis.akcionara@nis.rs (with a special call centre for minority shareholders at 011-22-000-55) and
- Section for Investor Relations, investor.relations@nis.rs.

A special section of the corporate website "[Investors](#)" (Home page - [Nis Investors](#)) intended specifically for this group of stakeholders is regularly updated and supplemented with the latest presentations on achieved results, auditor's reports, financial statements, financial calendar, the most important news and other presentations, as well as information important for shareholders and investors, relating to the company shares, dividends, shareholder rights and other data and contents.

In addition to mandatory reporting, NIS provides additional information by continuously organising presentations of its results to representatives of the investment public at the end of each quarter. During 2024, these presentations were also organised, either through conference calls, or with the personal presence of interested representatives of investors. During such events representatives of the top management and investors worked closely together to carefully analyse business activities and their effects.

In 2024, NIS Group presented to the investment public, as part of the traditional "Investor Day", the results of its operations for the nine months, as well as the current indicators and further development directions of NAFTAGAS - Oilfield Services, the program for the construction of solar photovoltaic power plants and a presentation on the company's Science and Technology Centre. The participants had the opportunity to visit the core hall in the premises of the Science and Technology

Centre, and then the new robotic drilling rig "Tesla" in Kikinda.

In addition to the above methods of communication, the Company is always open to all those who wish to obtain more information at individual meetings.

Company NIS has established a mechanism to prevent or settle potential conflicts between the company and minority shareholders. To this end, a three-member committee was formed to resolve complaints from minority shareholders, and the powers of this committee and the manner of its work are regulated by a special internal act of the company. All the information intended for minority shareholders regarding the procedure before the committee is available on the Company website.

MEDIA RELATIONS

The NIS Press Service prioritizes timely and comprehensive information to the public, as well as maintaining good relations with the media, while following modern trends in external communication. In 2024, the Press Service continued to improve its external communication style, and in the coming period, the main goal will be to strengthen relations with the media and provide transparent information to the public about the Company's operations through as many traditional PR and digital communication channels as possible.

Aware of the importance of education on sustainable business, NIS continued its cooperation with three portals – telegraf.rs; novosti.rs; dnevnik.rs, with the aim of informing the general public about the importance of achieving the UN Sustainable Development Goals and NIS's contribution in this area. With its innovative approach, the Company has enabled various important topics in the field of sustainable Development, as well as data from the Company's Sustainable Development Report, to be presented to a wider audience in an understandable and receptive manner, thus overall contributing to raising awareness of the importance of this topic.

CORPORATE WEBSITE

The improvement of the user experience on the NIS corporate website ([www.nis.rs](#)) continued in 2024, applying the latest trends. Previous improvements were upgraded by adjusting the visual identity, as well as search options, in order to provide all stakeholders with easy and quick access to the most important information about company's products, services, business topics, innovations and socially responsible business operations. The digital corporate identity of NIS was further refreshed with visual solutions on the website itself, but also with the launch of the new digital platform ENERGIZE. This platform, in a unique way and from a completely new perspective, brings together important business topics, news from the oil industry, sustainable development, social responsibility, environmental protection, with stories from NIS employees.

CONSUMER WEBSITES

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

SERBIA

The company regularly informs consumers about its operations, petrol stations (hereinafter: PS), 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 may find more information about premium G-Drive fuels. In 2024, with the support of premium G-Drive fuels, the Open Championship of the Serbian Sports Karting Federation was held, as well as, for the third year in a row, LoveFest, an electronic music festival in Vrnjačka Banja. The year was also marked by the "Great NIS Prize Game", held from 18 November to 30 December, 2024 with the largest prize fund to date. 1,503 prizes were awarded: 3 Hyundai Tucson cars and 1,500 full tanks of fuel, and the prize game was presented to consumers through an integrated communication campaign.

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 addition to the aforementioned websites, G-Drive fuels were also promoted on online channels as part of car tests and podcast episodes.

DRIVE CAFE

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 petrol stations. *Drive Cafe* coffee originates from the oldest Italian roastery, *Caffe 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 2024, an event was organised to promote this best-selling product from the additional range, with representatives from *Caffè Vergnano*, in the presence of media and influencers.

In 2024, a new record was achieved in Serbia - 7 million cups of this coffee sold during the year. The number of consumers - fans of *Drive Cafe* coffee is growing year by year. The gastronomic offer of the *Drive Cafe* shop was promoted through a national campaign, as well as through tastings during February and October at over 50 PSs. In cooperation with influencers, Coffee Day on October 1 was also marked through promotion and a prize competition on social networks.

During the year, 8 new packaging was created for the company's private label products, which were promoted along with many other new products introduced to the NIS Petrol and Gazprom PS networks in 2024.



“JAZAK” WATER

“Jazak” water from the area of untouched, pure nature of the Fruška Gora mountain is sold as a consumer brand in more than 8,000 retail outlets, both within NIS Petrol and Gazprom stations, as well as in retail chains on the Serbian market. According to survey results, “Jazak water” holds 3.4% share on the overall market, with its share being 4.7% for still water, 0.6% for carbonated beverages, and 10.9% for flavoured beverages. In 2024, “Jazak” water ranked 4th in terms of sold volumes of flavoured beverages, and 5th in terms of sold volumes of still water.

In 2024, an integrated media image campaign was implemented with the aim of promoting, building the brand, expanding brand communication and increasing sales of “Jazak” water.

On the occasion of World Water Day, on 22 March a promotion of “Jazak” water in a 0.75 litre package was organised in the “Ušće” shopping centre, where 2,000 consumers were contacted.

In 2024, “Jazak” water sponsored four *InStore* conferences: *Marketing Summit*, *Supply Chain Summit*, *FMCG Summit* and *CEO Summit*. These conferences gathered at one place the representatives of the consumer goods sector, retail chains and related industries, as well as business leaders.

The quality and importance of “Jazak” water are further evidenced by the “Čuvarkuća” (Houseleek) trademark, which represents confirmation that this product is part of the natural, cultural, and gastronomic heritage of our country and which this water has proudly carried for the third year. 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. Consumers can see the full range of “Jazak” water at the website www.jazakvoda.rs.

During 2024, 7 new episodes of the series “On the Road with Us through Serbia” was published on YouTube channel “On the Road with Us”, with detailed recommendations of locations in Serbia that are interesting for visit.



Distribution in more than 8,000 retail outlets



In 2024, “Jazak” water ranked 4th in terms of sales volume



The quality and significance of “Jazak” water is also evidenced by the “Čuvarkuća” quality label



“Jazak” water holds a 3.2% share of the total market. Its share in the still water segment is 4.6%, in the carbonated drinks segment 0.6%, and in the flavored water segment 10.9%.



stvaranousrbiji.rs

RETAIL NETWORK

In 2024 NIS Company continued carried on with continuous upgrade of retail network and regularly informed its consumers about it - the following new and reconstructed stations were opened: PS Prijepolje, PS Zitiste, PS Ada, PS Vrbas 1, PS Negotin 1, PS Novi Kneževac, PS Adaševci, PS Boljevac, PS Kruševac 4, PS Paraćin 5, PS Pančevo 3, and PS Zemun Kej (quay) were restored to the network, and the interior of 11 Gazprom petrol stations was refurbished.

Implementing the green agenda, with the aim of reducing carbon dioxide emissions and global warming, NIS commissioned 45 solar power plants at NIS Petrol and Gazprom PSs, with their total capacity of 1.5 MWp. The electricity generated is mostly used for the needs of petrol stations, while a smaller portion is delivered to the distribution grid. The solar power plants have been installed on the roof structure above petrol stations, so as not to disrupt the architectural concept of the stations themselves. To the end of promoting the importance of solar energy and the savings achieved through its application, the entrance doors of these stations bear the notice stating that the station is powered by solar energy. In this way, NIS points out to its consumers and visitors at petrol stations the great importance that the Company attaches to ecology and the preservation of the environment in which we live, thereby also wishing to contribute to raising the awareness of all visitors to PSs about the preservation and protection of the environment.



- PvPPs built in 2024 and put into operation
- PvPPs built in 2022 and 2023 and put into operation
- Reconstruction PSs
- Renovation project PSs
- Purchase/Rent and Rebrand PSs

REGION

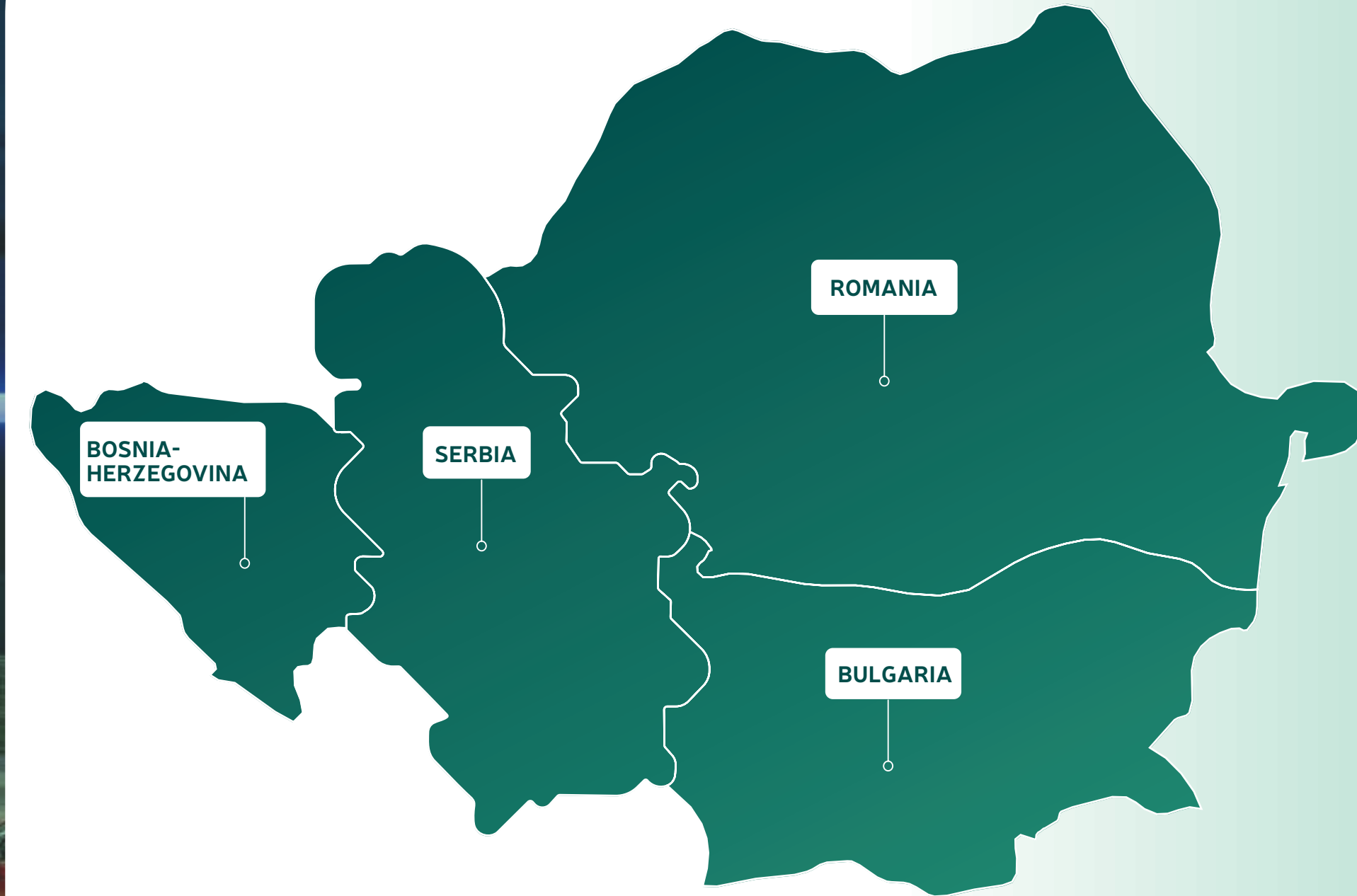
When it comes to the region, the retail network of petrol stations is active in Serbia, Bosnia and Herzegovina, Bulgaria and Romania.

On both networks of petrol stations in Bosnia and Herzegovina, promotions for the sale of fuel and non-fuel products are periodically implemented in accordance with the needs of the target market. In 2024, campaigns were carried out on the Facebook and Instagram pages "On the Road Together" with the aim of increasing sales and recognition of premium *G-Drive* fuel and the *Drive Cafe* brand and acquiring new loyalty program users.

The image campaign promoting premium *G-Drive* fuel, as well as activations for consumers at PSs, was carried out during the European Football Championship EURO 2024, and *G-Drive* was the exclusive fuel of the event "Car of the Year", organised in cooperation with the Klix.ba portal. From 2024 onwards, an additional benefit for consumers was introduced in the application "On the Road Together" – collecting coupons and issuing vouchers for free products.

Drive Cafe restaurants at PSs marked and observed special dates by presenting a wide range of coffee and gastro products. Traditionally, in 2024, NIS is a sponsor of the *G-Drive* 5K race in Sarajevo, as well as the "Snješko" ski school for children with developmental disabilities. The company is the general sponsor of the "Electrijada" competition, organised by the Student Association of the Faculty of Electrical Engineering in East Sarajevo. The corporate Gazprom card was presented at the International Trade Fair in Mostar.

In Bulgaria, activations were periodically implemented to increase fuel sales and acquire new users of the "S nas na pět" (On the Road with Us) loyalty program. At the end of 2024, an instant win activation was launched, which will continue in 2025, and whose mechanism allows consumers who fill up 15 litres of fuel at NIS's petrol stations to win one of 8,000 gifts.



BULGARIA

Brand: Gazprom

Website:

For retail network: <https://www.gazprom-petrol.bg/>

For loyalty programme: <https://www.snp.bg/>

ROMANIA

Brand: Gazprom

Website: <https://www.gazprom-petrol.ro/ro>

BOSNIA-HERZEGOVINA

Brand: Gazprom and NIS Petrol

Website: <https://www.gazpromnis.ba/>

MOBILE APPLICATIONS

“ON THE ROAD WITH US”

The NIS mobile application "On the Road with Us" allows users to collect and use bonus points via QR code in the application with every purchase at NIS Petrol and Gazprom PSs, and it also enables the view of collected coupons when purchasing selected products from the *Drive Cafe* product range and received gift vouchers. The application offers the insight into basic information such as transactions, balance of bonus points, selection and sending of fiscal receipts to email. The application also includes an interactive map showing the locations of NIS Petrol and Gazprom PSs, their opening hours and the services they offer.

During 2024, the mobile application was improved with new functionalities for better user experience, the home screen of the mobile application was redesigned so that all benefits and information were more clearly laid out and functional, and “stories” were introduced through which users can learn about current events and special offers at PSs.

The mobile application "On the Road with Us" is one of the five most downloaded applications in Serbia in 2024, according to research published by the WebMind platform, and in December it had a fantastic rating of 4.6 on the *Google Play* store.



DRIVE.GO

Drive.Go mobile application was introduced in April, 2020, and it enables payment for fuel at all NIS petrol station without approaching cash register, which is something that is available in Serbia for the first time. In creating and developing this mobile application, the most advanced technologies were enhanced, in line with the best global practices - both in terms of reliability and payment security.

In addition to the ability to pay for fuel without going to the cash register, this mobile application also has additional functionalities, such as registering a loyalty card of "On the Road with Us", collecting bonus points when purchasing fuel through the application, in the same way as when paying directly at the cash register, and displaying the map with the route to the nearest station. In addition, *Drive.Go* also displays all the information regarding working hours, types of fuel and services available at specific petrol stations. In addition to the existing important functionalities of the application - sending bills and receipts to email, the "My Company" option and the application's operating model in prepaid mode, then the "My Car" option, thanks to which consumers do not have to worry about the expiration date of documents, a new version of the application was released in 2024 with an important functionality - *IPS Scan* payment method. The application is unique in this regard on the Serbian market, users can now pay for fuel at the spot of fuel dispenser, without entering payment card details, by connecting it to their m-banking application.

Clients in Serbia positively assessed the convenience of NIS's *Drive.Go* mobile application. From the moment of its launch to the end of 2024, more than 40 million litres of fuel have been sold with the help of *Drive.Go*, while the application has been downloaded over 480,000 consumers. Currently, there are more than 60,000 active users in the application.

During the reporting period, the application is available on *Google Play*, *Apple*, and *Huawei Store* platforms.

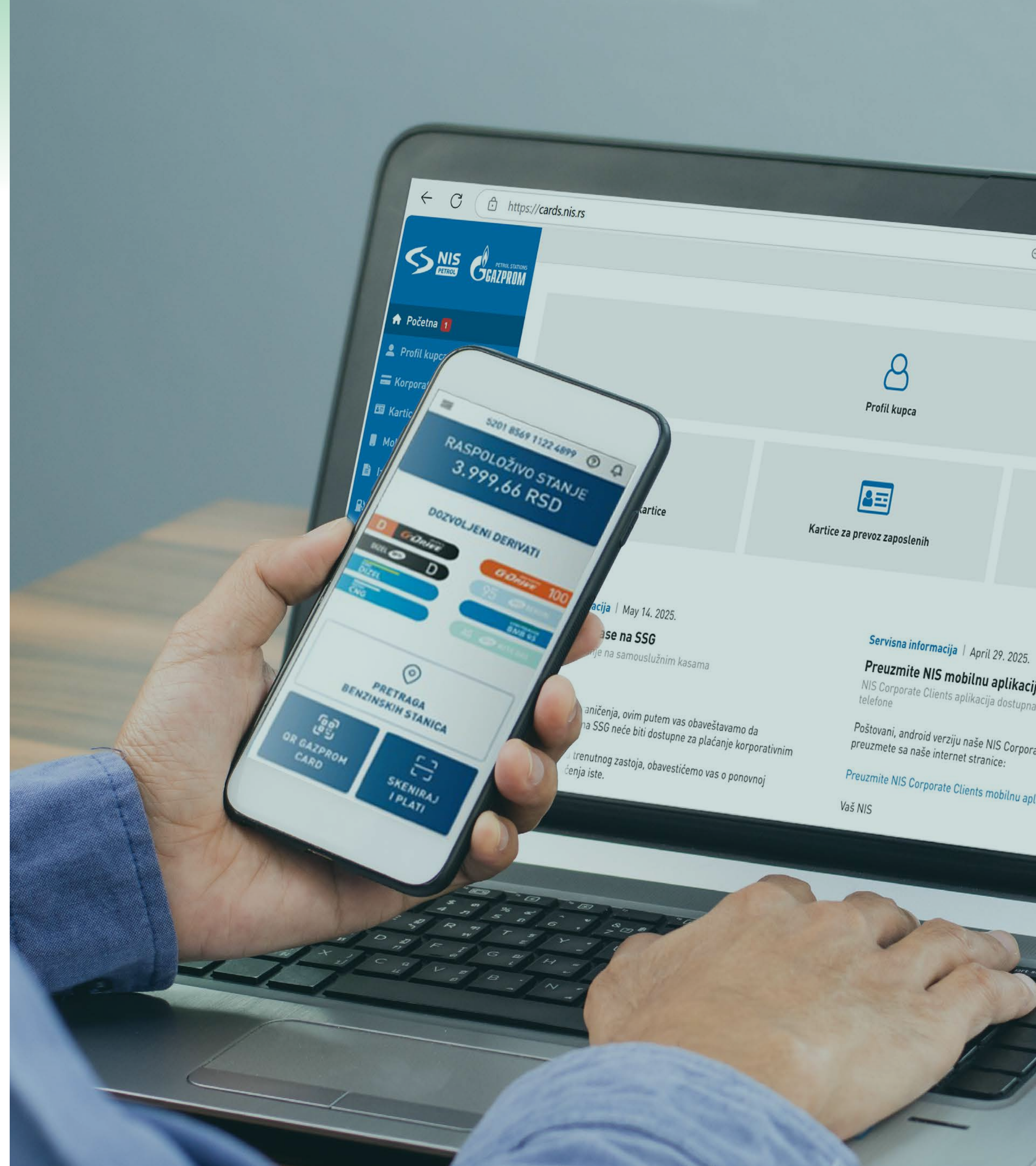


NIS CORPORATE CLIENTS

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 2024, within NIS Corporate clients mobile application, modelled after Drive.Go mobile application, the following functionalities were developed: "Scan and Pay" - refuelling without entering a retail outlet and access to viewing fiscal receipts via a link. Based on the "Scan and Pay" functionality, corporate clients are enabled to pay for fuel at petrol stations without approaching to the cash register. This functionality has been implemented and is available to clients for new card types issued in 2024.

As a result of the improvements, the application offers completely new user experience and, 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 petrol 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. During 2024, the work was continued 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:

- The menu order has been adjusted;
- Improved user warning about contract expiration;
- Improved Notifications tab;
- Enabled security code for security-sensitive features;
- Enabled submission of requests for the creation of new corporate cards;
 - Enabled the insight into the list of active portal users by the customer;
 - Info page with data on PSs;
 - Faster card search – based on the last 4 card numbers.



NIS AGRO CARDS

NIS Agro Card is intended for registered agricultural husbandries; it has options that provide the monitoring of consumption, view of transactions and the possibility of selecting appropriate period in calendar. The card also contains the map of all NIS Petrol and Gazprom PSs, as well as the path to the nearest stations.

In Agro segment, in cooperation with eAgrar in 2024, NIS Company enabled electronic submission of applications for NIS Agro Card, which may be activated now through several simple steps on the website.

In 2024, the mobile application was updated, so that customers is given the information regarding the approved volumes of petroleum products bought at preferential price from the Regulation on the Limit of Petroleum Product Prices, as well as the information about the remaining quantities that user may purchase at the price defined by the Regulation, and there is also a possibility of changing email address.

SELF-SERVICE PAYMENT AT PSS

In early 2024, the pilot project to install a self-service cash register at the PS Block 45 was launched in early 2024. Consumers initially had the option to pay for fuel with a payment card, using an NIS benefit card (Agro, Taxi or "With us on the road"), or an NIS corporate card. As the pilot project showed excellent results, the project was expanded to a larger number of PSs in the retail network in 2024, with the Company planning to have self-service checkouts at 55 stations. Also, in 2024, the cash register was improved with additional functionalities, the most important of which is certainly the ability to pay for products from an additional assortment, while initially only fuel payments were possible.

INNOVATIVE SERVICES

In line with current trends, NIS has enabled consumers to withdraw cash at NIS Petrol and Gazprom stations using *Master*, *VISA* and *Dina* payment cards. The cash withdrawal payment service allows payment card users to withdraw cash from their bank account via POS terminals exclusively when making purchases and payments at all NIS Petrol and Gazprom stations. Maximal withdrawal amount is 5,000 Serbian dinars; minimum is not set.

At all NIS Petrol and Gazprom stations in Serbia, a bill payment service is available using the *IPS QR* code of the National Bank of Serbia, scanning which enables bill payment in a simple, fast and reliable manner. The introduction of the one of most modern payment methods at NIS points of sale is another proof that Company NIS is committed to continuous modernisation and implementation of innovative solutions to its customers.

In cooperation with "Poštanska štedionica", an additional benefit has been developed for *Post Card DinaCard* users, who have the option of deferred payment for up to 30 days or paying bills in two instalments - 30 and 60 days from the date of purchase. This service is available for minimal amount of RSD 5,000, spent for purchases of fuel or other goods from the product range of NIS Company.

Thanks to the cooperation between NIS, the National Bank of Serbia, NLB Commercial Bank and the Union Pay International payment system (*UPI*), it is now possible to pay for fuel, goods and services in the retail network using *Union Pay* payment cards, making NIS a pioneer in the domestic market when it comes to introducing this type of service. The *Union Pay* payment system was established in 2002 and, as of today, it represents the prevailing card system worldwide, with over 7.5 billion issued cards used in over 175 countries globally.

SOCIAL NETWORKS

NIS's digital communication channels, which rely on the company's corporate website (<https://www.nis.rs/>), the new digital platform ENERGIZE (<https://energize.nis.rs/>) and indispensable social networks, contribute to an extremely transparent approach to informing the broad target audience. The sheer availability, ease of use, and wide spread make social networks one of the most popular and desirable tools in the corporate communication system. Year after year, the communication portfolio expands, taking into account the extremely dynamic environment and rapid development of social networks themselves. Content is increasingly oriented towards video formats, which are particularly beneficial to the Company in presenting key communication occasions and the timely and highly efficient implementation of the communication strategy.

By appearing on social networks, NIS provides *PR* support to key business processes, as well as *HR*, *CSR* and sustainable development projects, following best global practices. The company will continue to conduct intensive analyses and improve its performance on digital communication platforms in the coming period.

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

In April 2024, a TikTok channel called "Moja Stanica" (My Station) was launched, with the aim of bringing the offers at NIS Petrol and Gazprom stations closer to the younger population. This is one of the most popular business pages, whose video content has a large number of views, and the community is growing day by day and has more than 23,000 followers. In 2024, this page recorded 25 million video views. A large number of the videos created have gone viral, with the most viewed having 2.5 million views.

EMPLOYEE COMMUNICATION

Timely and accurate sharing of information with employees on all current topics is an important task of NIS's internal communications and significantly affects the achievement of the Company's business goals. In the previous year, continuous work on the development of digital communication channels continued. Emphasis was placed on the mPortal application, which is intended for employees in the field, who do not have access to online communication channels, so that they can be informed and interconnected at all times. During 2024, thanks to promotions in the field, the number of users of this application increased by 36%. On the other hand, the internal portal, as the leading channel for the company's communication with employees in the administration, recorded an average daily visit of around 6,000 during 2024.

RISK MANAGEMENT

RISK MANAGEMENT SYSTEM

Integrated risk management system is a continuous and systematic business process, which is necessary for achieving the goals of sustainable development and it offers support in making managerial decisions and in conditions of risk exposure.

Risk management system in NIS Company is based on principles COSO Enterprise Risk Management framework and international standards ISO 31000. Basic normative methodological document that govern this process are the following:



Company Policy

Policy of Risk and Internal Control Management



Company Standards

Risk Management Standard



Company Instructions

Instruction Methodological Guidelines for Risk

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 found within the *Annual Performance Report for the year 2024*.

INTEGRATED MANAGEMENT SYSTEM

Doing business in accordance with the principles of sustainable development implies, among other things, compliance with various standards. NIS Company adheres to 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 and

ISO 55001:2014 Property Management;

as well as ISO 39001:2012 - Road Traffic Safety Management;

SRPS EN ISO 22000:2018 - Food Safety Management or CAC/RCP 1 where applicable.

Integrated Management System (IMS), which is based on process approach, links all the implemented management systems. The existing IMS is continuously developing in accordance with certification strategy, and its implementation is being supervised by the IMS Committee.

In the process of defining business processes (BP), their individual elements and the sequence of activities within them are determined. All BPs are classified and displayed in the Process Model, and together with the organisational structure, they are integrated into the company's business architecture. For defined BPs, risks and key performance indicators (KPIs) are determined.

The method of implementing activities in BPs is described in the appropriate normative and methodological documents. Verification of compliance with the applied national and international standards is carried out by accredited certification bodies, which issue appropriate certificates based on the verification.

In addition to external audits that are performed in accordance with annual plans, the Company continuously conducts internal audits of the BP and the established management systems. After these checks, appropriate reports are prepared with corrective and improvement measures.

CORPORATE RESPONSIBILITY

Responsibility in business is one of the key principles which NIS bases its activities on. The focus is on environmental protection, employee safety and health, human resource management and cooperation with contractors. Apart from that, projects in the segment of social responsibility and sustainability that contribute to improving living conditions in the community are of particular importance in the Company's operations.

ENVIRONMENTAL PROTECTION

Sustainability and environmental responsibility are part of the strategic commitment of NIS. During 2024, NIS continued to make significant investments in environmental projects and invested 1,065 million dinars 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. Work also continued on projects that contribute to reducing pollution and combating climate change, such as, for example, the production of electricity from renewable energy sources. Photovoltaic power plants have been built at NIS facilities, primarily at petrol stations, which, in addition to saving energy, also reduce carbon dioxide emissions. In addition, the implementation of projects aimed at reducing the consumption and losses of energy resources, as well as injecting CO₂ from the Amine plant into the Rusanda reservoir, continued. The company, in cooperation with local communities, also participated in environmental actions, such as the improvement of the Officers' Beach in Novi Sad and the planting of trees in the city of Kikinda. In addition, educational campaigns and workshops contributed to strengthening the environmental awareness of employees, which demonstrates the Company's commitment to long-term sustainability and responsible business.

OCCUPATIONAL HEALTH AND SAFETY OF THE EMPLOYEES

In terms of OHS, the NIS's goal is to run its aims for the most ambitious goal – operations without any injuries and harmful impact on the environment. The Company has introduced golden HSE rules, the aim of which is to establish uniform principles when performing work activities and to establish a culture of safety by raising the awareness of all employees. These rules apply to all employees, visitors and third parties at NIS locations. As a socially responsible company, NIS strives to provide a healthy and safe working environment that will enable employees to maintain good health. Continuous work is being done to improve the health of employees through preventive activities, education and health examinations. Preventive medical examinations were organised in cooperation with health institutions, and during the "HSE Week" the NIS Health Festival was held, which provided employees with additional health services and advice.

HUMAN RESOURCE MANAGEMENT

NIS has long been one of Serbia's most attractive employers, whose team consists of 13,770⁹ employees (including the employees of "HIP-Petrohemija"). The company strives to adapt constantly to the labour market, employee expectations, and business needs. NIS is dedicated to increasing employee satisfaction, their professional training, as well as programs for attracting and developing young people, new models of motivation, learning, development, and fostering a culture of respect. In 2024, in cooperation with external providers, we organized 4703 training sessions attended by 13,343 participants in total. The total

of RSD 311.4 million was invested in employee training.

When it comes to youth programs, it is important to note that in 2024, the eighth season of the NIS Calling internship program for students from selected domestic universities was implemented, which was attended by 44 interns. The implementation of the NIS Energy program, which aims to employ young people, also continued. Following the competition, 25 selected young professionals began working at NIS.

COOPERATION WITH CONTRACTORS

In 2024, the sharing of best practices and exchange of experiences with partners continued. Among other things, the 15th "HSE Contractor Forum" was held under the slogan "Safety is my responsibility", which brought together more than 100 participants from the Company and more than 140 guests from contractor companies. The goal of the Forum is to promote fair, open and partnership relations with contractors, as well as with representatives of competent state bodies and educational institutions. The goal of the contractor management process is to prevent unwanted events, including injuries, property damage and environmental incidents. Partnership with contractors and the implementation of unified safety principles contribute to the creation of a culture in which people's health and life are the highest value.



⁹ Total headcount of NIS Group in 2024 was 13,770, and if we exclude subsidiaries abroad, it amounts to 13,168.

NIS AS A SOCIALLY RESPONSIBLE COMPANY

TOGETHER FOR GREEN ENERGY

BELGRADE NOVI BEČEJ ČAČAK
 ZRENJANIN SRBOBRAN NIŠ
 NOVI SAD POŽAREVAC ŽITIŠTE
 VELIKO GRADIŠTE KIKINDA PANČEVO
 KANJIŽA

Projects for the construction of photovoltaic power plants at institutions of public

40
 institutions in
 13
 cities

144.5 mln. for the construction of photovoltaic power plants of 10 - 50 kW, for the production of own electricity in a sustainable and environmentally acceptable manner.



ENERGY OF KNOWLEDGE

COOPERATION WITH UNIVERSITIES AND FACULTIES AND SCHOOLS

3 Universities

10 Schools

5 Faculties

4 Scientific Societies

16 Interns from the selected courses of the secondary schools in Pančevo, who will acquire practical knowledge at the Pančevo Oil Refinery

5 New Memoranda signed

SPONSORSHIPS AND DONATIONS

- Partizan basketball club
- Bolshoi Ballet Gala Concert
- Basketball Federation of Serbia
- Volleyball Federation of Serbia
- Paralympic Federation of Serbia
- “Jedro” Foundation
- “Family” Foundation

During 2024,

4811

mln. RSD was invested in socially responsible projects together with professional sports.

VOLUNTEERISM

9
 Volunteer campaigns

653
 Volunteer websites

Almost
2,000
 Members of the Volunteer Club

27
 Days of community support

DIGITAL TRANSFORMATION

In order to improve business efficiency, NIS pays special attention to the digital transformation process. This process is ongoing and is aimed at improving business processes and introducing digital solutions and technologies. In addition to improving business processes, special attention is paid to developing employee competencies through intensive educational modules on digital technologies and the application of acquired knowledge in the business environment and the development of internal trainers.

The Company's portfolio includes a wide range of digital projects, which currently number around 140.

During 2024, work continued on the implementation of the HSE Function digitalization program, which aims to

improve employee performance and facilitate easier and safer contractor management. The first version of the *HSE Digit* application was developed.

As part of regular activities to explore new opportunities created by modern technologies, in 2024, the focus was on artificial intelligence - a space for the application of Chat GPT was identified within corporate functions and the Refining Block.

In the area of data management and analytics, several projects were implemented, enabling a significant reduction in the time spent on for routine data processing and contributing to faster, better, and smoother daily work for our employees.

NIS's digital transformation remains an integral part of the corporate strategy for the future, a solid foundation for sustainable development. By implementing innovation, the Company solves challenges and turns them into opportunities, standing out in a dynamic and changing business environment.

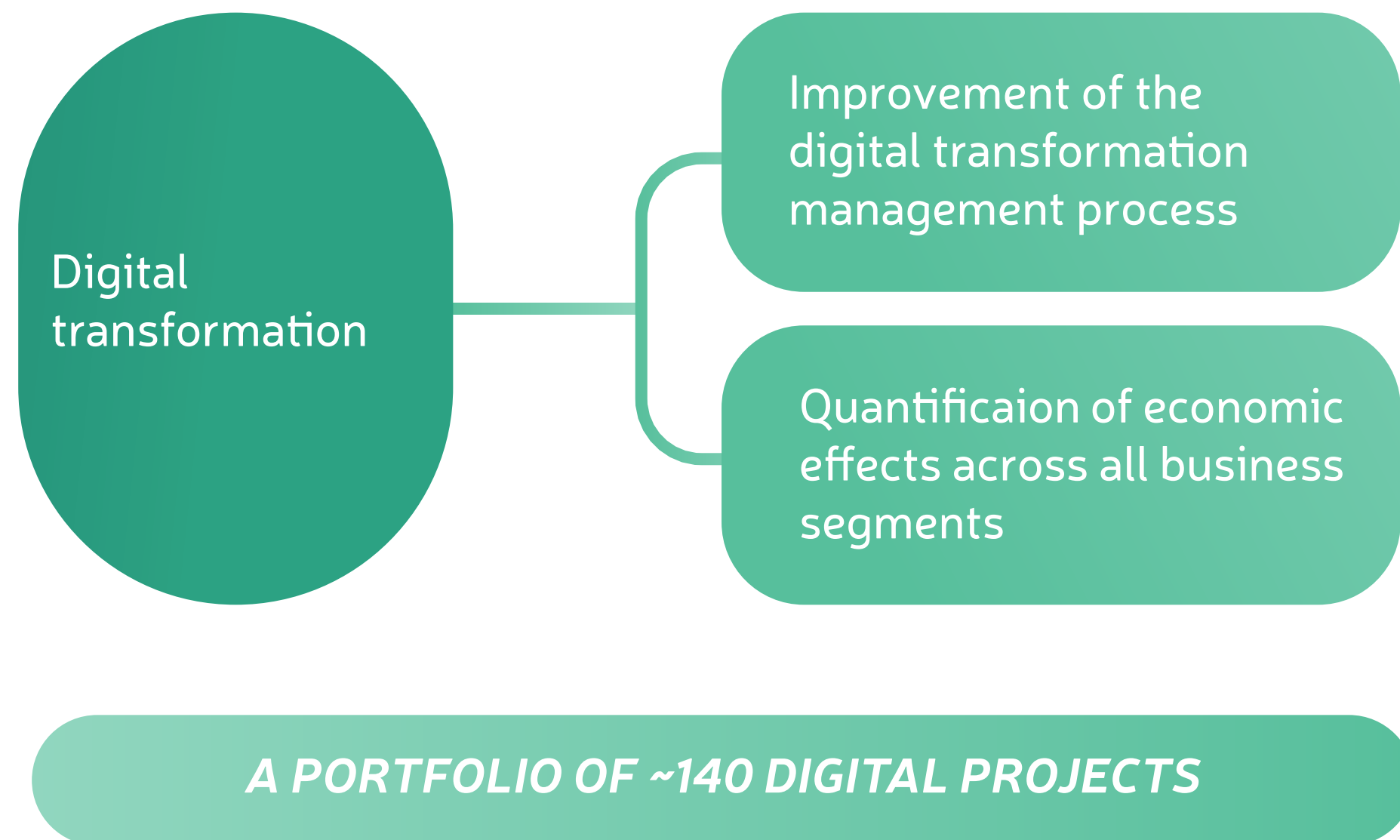
INNOVATIONS

Innovations in all business processes are an important segment of development and improvement of business efficiency, and NIS's strategic approach is to monitor global trends and implement innovative solutions in various business segments.

Innovations are introduced in all organisational units of the company, but the Science and Technology Centre leads the way in the number of innovative projects, of which the following stand out:

- Reducing various types of emissions and injecting CO₂ emissions into the atmosphere and to increase the volume of oil and gas production;
- Reducing emissions of pollutants through CCUS (carbon capture, utilization and storage) projects, which include both external decarbonisation of large industrial emitters and internal decarbonisation, where NIS is working on the concept of producing blue hydrogen (with low carbon content), using the oil and gas field where exploitation has been completed as a potential CO₂ storage site.

RESULTS FOR 2024:



	Exploration and Production Block	Increasing the efficiency and transparency of the drilling and overhaul process with the implementation of digital instruments based on Industry 4.0 technologies.
	Refining Block	Constant search for solutions that contribute to the high-quality and smooth operation of the plant, as well as the prediction of failures and overhaul activities.
	Sales and Distribution Block	Optimizing the value creation chain from the oil base to the end consumer, in which the key role is played by the development of digital solutions that improve the experience of our users and clients.
	Energy Block	Development of digital solutions that contribute to energy and operational efficiency in a broader sense.

AWARDS AND ACCOLADES IN 2024

According to results of the largest local survey regarding the perception of employer brands in Serbia, **TalentXX**, carried out by the group of websites for employment **Poslovi.Infostud**, NIS has once again, been ranked among three leading employers in Serbia.

On the occasion of the 15th anniversary of the “Common Cause Community” program, NIS has received the prestigious “**Benefactor**” award for its continuous contribution to the community.

According to the results of the **Youth Speak Voice** survey by the student organisation **AIESEC Serbia**, students see NIS as a leader in business on the local market.

NIS was presented with a certificate of appreciation from the **Fund for Scholarships and Encouragement of Advancement of Gifted Students and Young Scientists and Artists of the University of Novi Sad** – for its long-term support and scholarship of students.

The Faculty of Technical Sciences in Čačak of the University of Kragujevac awarded a plaque to NIS for its support for the development and affirmation of the faculty provided within the “Common Cause Community” programme.

The Serbian Chemical Society awarded a certificate of appreciation to NIS as a token of appreciation for its support in organizing the 2024 high school student competition.

NIS is the recipient of a **plaque** for long-term cooperation and support to the **Faculty of Mechanical Engineering, University of Belgrade**, within the “Energy of Knowledge” programme.

NIS Company was presented with the certificate of appreciation from **Aleksinac Grammar school**, on the occasion of 10 years of support and the existence of bilingual Serbian - Russian classes at this educational institution.

The Elementary School Dragan Kovačević in Belgrade presented a certificate of appreciation to NIS for its contribution to the education and upbringing of students with developmental disabilities, which the company provided to the school through the implementation of a project within the “Common Cause Community” programme.

The Partizan Basketball Club presented a certificate of appreciation to NIS for two decades of continuous partnership.



SUSTAINABLE DEVELOPMENT GOALS

At the summit held in September 2015, the United Nations adopted resolution A/RES/70/1 – *Transforming our World: the 2030 Agenda for Sustainable Development*. “Agenda 2030” is universal strategy which defines 17 goals of *Sustainable Development Goals*, (abbreviated: *SDGs*) includes three areas - economic growth, social inclusion, and environmental protection. The goals are interconnected – often the key to success on one will involve tackling issues more commonly associated with another.

NIS is continuously focused on achieving the global goals of

sustainable development and in the Report before you reports on its contribution to the achievement of 12 out of a total of 17 goals. The principles of sustainable development are integrated into all business processes with the aim of improving living conditions in the community in which the company operates, developing human resources and preserving natural resources.

The contribution that NIS makes to the achievement of the goals of sustainable development encourages the creation of long-term value for all stakeholders and thus helps create a sustainable future.



3

GOOD HEALTH



ENSURING HEALTHY LIVES AND
PROMOTING THE WELL-BEING FOR ALL
AT ALL AGES

3 GOOD HEALTH
AND WELL-BEING

ONLY A HEALTHY COMMUNITY CAN BE SUCCESSFUL – THAT IS WHY CARING FOR THE HEALTH OF EMPLOYEES AND CONTRIBUTING TO THE IMPROVEMENT OF WORK CONDITIONS IN COOPERATION WITH PUBLIC HEALTHCARE INSTITUTIONS ARE AMONG THE PRIORITIES OF NIS

CARE FOR THE HEALTH OF EMPLOYEES

In the focus of employee care, NIS places the need to provide its employees with a stimulating and safe working environment, which contributes to the prevention of occupational diseases, the preservation of good physical and mental health, and provides well-being support. With this goal in mind, various preventive activities are organized that go beyond legal and regulatory obligations and include regular medical examinations, education on various health topics and disease prevention, as well as the implementation of numerous activities that encourage a healthier and more productive work environment.

During 2024, the following key activities were carried out in the field of preventive healthcare for employees:

- **Preventive medical examinations:** The total of 21,650 medical examinations were carried out, of which 7,622 examinations for jobs with increased risk, 357 examinations of professional drivers, 26 examinations of railway workers. There were 3,523 systematic and specialist examinations in 2024. In addition to the above, in cooperation with Health Centres, additional examinations were organized in the company's facilities, which included the control of blood sugar levels, blood pressure, BMI index, as well as the control of CO₂ levels in smokers.

- Active work was carried out on the program of **digitalization of the HSE process:** A software solution for employee medical examinations was developed, which

involves the automatic generation of requests for the implementation of legally mandatory periodic medical examinations and the creation of Instructions for medical examinations, as well as monitoring their implementation. The year 2025 will be dedicated to further adaptation, implementation and active use of this solution.

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

TEAM ACTIVITIES FOR THE IMPROVEMENT OF CORPORATE HEALTH

In 2024, NIS continued to implement four complementary programs, which are also aimed at strengthening the health and lifestyle of employees, but also contribute to improving efficiency and strengthening the sense of belonging to the company.

- The improvement of corporate health engaged over 2,800 employees, who worked on improving their health through surveys, health and food intolerance testing, and direct communication with experts. 28 events were organised throughout Serbia, where employees could see the basic factors for strengthening their health.

- One of the benefits for all employees in the company is free participation in various sports and recreational activities. This benefit was taken advantage of by 2,740 employees, who used the services of more than 20 different sports activities in 32 cities, at more than 150 different locations.

- NIS sports teams, composed only of employees, achieved excellent results in various competitive events: medals and cups were won in eight different sports. More than 500 competitors from all organisational parts of the Company, divided into eight teams of different age and gender, participated in the NIS sports games, organized in Zlatibor.

- In order to further connect with local communities, NIS participated in events at more than 10 different locations across the country organized by well-known sports institutions, civic associations and UNICEF, in memorial and humanitarian sports tournaments.

More than 4,000 employees were engaged in all four corporate health improvement programs and team activities during the year, which is 24 percent more than in the previous year. The goal is to maintain the level of engagement this year in accordance with the number of employees, their preferences and health status, but also for NIS to be a positive example in the business world in terms of its relationship with employees and the community in which it operates.

CARE FOR THE COMMUNITY HEALTH

Caring for the health of the community is one of the priorities of NIS's socially responsible business. The Company took part in a major humanitarian campaign of the "Family" Foundation called "This Time for Children's Joy", in which support was directed at the reconstruction and arrangement of part of the paediatric oncology department

of the Institute of Oncology and Radiology of Serbia. NIS also provided support to the "Jedro" Foundation with a donation to improve healthcare and the treatment of patients suffering from Duchenne muscular dystrophy.

During 2024, NIS continued to donate "Jazak" water to healthcare institutions, this time for the needs of employees and patients at the "Dr Dragiša Mišović" Clinical Centre.

The Company's employees demonstrated their humanity and care for others during 2024 by participating in 15 voluntary blood donation campaigns. The altruism and empathy of employees during the campaigns in Belgrade, Novi Sad, Pančevo and Zrenjanin resulted in 579 units of blood collected. In cooperation with the Serbian Blood Transfusion Institute, a significant innovation was introduced: during the voluntary blood donation campaigns at the Belgrade Blood Centre, it is possible to register with the Serbian Stem Cell Donor Registry.



Visit to the Institute for Oncology and Radiology of Serbia

4

QUALITY EDUCATION

ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

4 QUALITY EDUCATION



BY INVESTING IN THE EDUCATION SYSTEM AND COOPERATING WITH SCIENTIFIC INSTITUTIONS, NIS ACTIVELY CONTRIBUTES TO THE DEVELOPMENT OF A RESPONSIBLE AND PROMISING COMMUNITY

“COMMON CAUSE COMMUNITY”

The "Common Cause Community" program cycle, launched in 2023 and implemented during 2024, was dedicated to the development of science and education in 13 partner cities and municipalities, namely to improving conditions for education and building the capacity of scientific institutions. Within this cycle, the Company supported 54 projects in implementation of which it invested RSD 144.5 million. The results were presented to the public through the organisation of the "Common Cause Community" caravan during 2024.

The aforementioned caravan promoted, among other things, the results of the project of the "Karolina Karas" Primary School in Horgoš, which was equipped with new digital devices, video surveillance, and furniture. The entrance hall of the "Jovan Bandur" Music School in Pančevo was completely reconstructed, and the Technical School in Kikinda received a modern welding simulator that, in addition to artificially creating the desired real-life situation and improving the quality and safety of teaching, significantly reduces carbon dioxide emissions. Projects for the renovation of the walls of the gymnasiums of two elementary schools in the municipality of Žitište have been implemented. At the "Dositej Obradović" Elementary School in Bočar, the gymnasium has been equipped with a new LED sports scoreboard and sound system, while the gymnasium at the "Miloje Vasić" High School in Veliko Gradište has been equipped with new lighting and inverter air conditioners for energy efficiency increase. In addition to the above, other projects of different organisations and institutions were implemented in partner cities and municipalities.

“THE ENERGY OF KNOWLEDGE”

The "Energy of Knowledge" program has been implemented for more than ten years as a program that creates a correct value system and positively influences the culture of education and work in the social community, and especially encourages positive identification with young people. During 2024, NIS implemented numerous activities within this program, and continued successful cooperation with educational and scientific institutions, as well as providing scholarships to the best students, in accordance with its personnel needs.

In past year one new scholarship was awarded to a student studying in the Russian Federation, as well as five scholarships awarded through the Fund for Scholarships and Encouraging the Advancement of Gifted Students and Young Scientists and Artists of the University of Novi Sad. These scholarships allow students from different parts of Serbia to receive equal opportunities for quality education. The Fund for Scholarships and Encouraging the Advancement of Gifted Students and Young Scientists and Artists awarded NIS a certificate of appreciation for its long-standing support and scholarship of students.

In addition to the above, NIS has also signed five new memoranda of cooperation with higher education institutions, namely with the University of Defence, the Faculty of Philosophy in Niš, the Faculty of Security, the Faculty of Law in Novi Sad, and the Faculty of Law in Belgrade.

Through the "Energy of Knowledge" program, NIS adapted more than 70 classrooms and laboratories from 2012 to the end of 2024. In 2024 alone, it renovated Russian language classrooms in three schools: Elementary School "Prva Vojvođanska Brigada" in Novi Sad, Elementary School "Filip Višnjić" in Višnjićevo and Elementary School "Despot Stefan Lazarević" in Babušnica, and the Russian language department at the Philological Grammar School in Belgrade was also officially opened, as was the physics department at the Electro technical School "Nikola Tesla" in Belgrade. These activities not only improve the education infrastructure, but also create better conditions for the learning and work of students and teaching staff.

Continuous cooperation with educational institutions

continued through the implementation of more than 15 guest lectures by employees for students of partner faculties. Three engineers employed by the Company continued their regular lectures at the Technical Faculty "Mihajlo Pupin" in Zrenjanin, within the study program "Industrial Engineering in Oil and Gas Exploitation", in accordance with the Law on Higher Education. This type of cooperation allows students to get acquainted with practice and gain valuable practical experience. NIS's support was also crucial for the accreditation of the master's program "Industrial Engineering in Oil and Gas Exploitation" at the "Mihajlo Pupin" Faculty of Technology in Zrenjanin.

Five chromatographs were also donated to the Institute of Chemistry, Technology and Metallurgy and the Faculty of Mechanical Engineering of the University of Belgrade. At the ceremony marking the Day of the Faculty of Mechanical Engineering, NIS was presented with a Plaque for Charity for the Benefit of the Academic Community.

During 2024, the company also introduced a new initiative in the form of a two-week student internship for 62 students from nine partner faculties, which contributed to a stronger connection between theoretical knowledge and practical experience and increased the level of cooperation with educational institutions. 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 the company facilities.

Since NIS traditionally supports competitions in the fields of mathematics, physics and chemistry, last year it provided support to domestic and international knowledge Olympiads. Our high school students won 14 medals at international competitions in Great Britain, Iran and Saudi Arabia. Supporting competitions encourages academic excellence and motivates young people to engage and develop in various fields of science. For its long-term support to the Serbian Chemical Society, NIS was awarded a certificate of appreciation by this society. The two-day 11th NIS Russian Language Olympiad was also held at the Faculty of Philosophy in Niš, in which more than 700 students participated in the first round, while 110 students from Serbia, Montenegro, and Bosnia and Herzegovina competed in the final for the title of the best.

Support for bilingual Serbian-Russian classes in three schools in Serbia continued - the "Jovan Jovanović Zmaj" Gymnasium in Novi Sad, the Aleksinac Gymnasium and the "Jovan Popović" Elementary School in Novi Sad.

The "Energy of Knowledge" program continues to contribute to the development of the academic and professional potential of young people, and NIS plays an important role in strengthening the quality of education and improving the quality of life of the community in this area.



"Common Cause Community" caravan at "Karolina Karas" Primary School in Horgoš

5

GENDER EQUALITY

ACHIEVE GENDER EQUALITY AND
EMPOWER 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



FOR NIS COMPANY, GENDER EQUALITY IS NOT ONLY A DECLARATIVE ORIENTATION, BUT ITS PRACTICE THAT IS CONTINUOUSLY BEING IMPROVED

NIS believes that fostering diversity not only improves the work environment, but also contributes to the company's growth and competitiveness. The diversity of experiences, cultures, ideas and views creates the prerequisites for innovation and efficient business, and therefore everyone is provided with equal opportunities for employment, development and advancement, regardless of gender, age, nationality and other personal characteristics. The goal is to build an inclusive work environment in which gender equality is one of the fundamental principles.

Through a strategy that promotes diversity, the company's priority remains the balanced representation of both genders in all positions, so that teams are as diverse as possible and ready for successful exchange of experiences and development. All aspects of work at NIS are focused on creating conditions for continuous growth - both of the organisation and of the employees themselves.

When talking about gender equality, the following initiatives and benefits available to employees are particularly noteworthy:

- **Gradual return of mothers from maternity leave** – for the first two working weeks after returning, mothers can work only four hours a day, with full pay.
- **Maternity leave allowance** – for employees who are on maternity leave, leave of absence for childcare or special childcare, payment of the difference between the allowance and the basic salary is approved, which does not exceed five times the average salary at the level of the Republic of Serbia.
- **Encouraging women to work in sectors that are traditionally perceived as "male"** - continuous support and education of women to work at NIS is being implemented, as well as for engagement in positions that require professional and technical skills.

- **Talent programs for young people** – NIS implements various programs for high school graduates, students, and graduates without experience. In 2024, the percentage of participants in these programs was 54%.

- **"Respect Before All" Platform** – a concept and platform was created with the aim of ensuring and promoting a work environment in which labour relations are in accordance with the highest standards of equality.

GENDER EQUALITY IN THE DIVERSITY AND INCLUSION STRATEGY

In 2020, the Company began implementing a Diversity and Inclusion Strategy, which is based on the important principles of equality, inclusiveness, and openness for all employees. By implementing the action plan that follows this strategy, activities that include gender equality as a key segment continued in 2024. One of them is the cooperation with the organisation AFA (All for All), within which NIS supports a community and an online platform that enables women from various fields to participate in the exchange of ideas and education, as well as in professional projects. Additional activities include working with people with disabilities, both through cooperation with the organisation Youth with Disabilities Forum (which deals with improving the quality of life and position in society of people with disabilities), and through a new internship program for people with disabilities, the organisation of which began in 2024, with an official start in 2025.

INTERNAL REGULATIONS THAT PROMOTE DIVERSITY AND INCLUSION

NIS has adopted a series of documents, namely the *Equality Policy*, the *Diversity Policy*, the *Corporate Governance Code of NIS j.s.c. Novi Sad* and the *Code of Business Ethics*, which define principles regarding employee representation at all levels and prescribe clear goals, implementation and reporting on results. These documents define the framework for better implementation of business strategy, as well as opportunities for achieving maximum performance and sustainable business, by giving everyone an equal chance for employment and decision-making - regardless of gender, age, nationality, or any other personal characteristics. The documents also explain new steps in the field of equality and inclusiveness, including goals related to gender equality and support for women in corporate structures.

NIS believes that nurturing diversity improves business on many levels – it strengthens it with diverse experiences, enriches it with different cultures, provides a variety of ideas and perspectives, and ensures competitiveness in the market.

PANEL DISCUSSION ON THE SUBJECT OF GENDER EQUALITY: WOMEN AS INITIATORS OF POSITIVE SOCIAL CHANGES

In order to contribute to increasing the visibility and highlighting the importance of the topic of gender equality, representatives of the Company participate in various gatherings and panel discussions dedicated to this topic. Thus, the panel on the topic of gender equality was organized by the NIS Company and the Dnevnik newspaper and held on 26 August at the Cultural Station "Svilara" in Novi Sad, participated by Vadim Smirnov, Deputy CEO of the Company. Panellists included Maja Gojković, president of the Provincial Government of Vojvodina, and Dina Vučinić, speaker of the City Assembly of Novi Sad.

The panellists discussed the importance of gender equality, the position and influence of women on social and public life in Serbia, and also talked about the challenges faced by women in the professional segment.



Panel discussion at the Cultural Station "Svilara" in Novi Sad

6

CLEAN WATER AND SANITATION

ENSURE ACCESS TO DRINKING WATER AND GOOD SANITATION CONDITIONS FOR ALL

6 CLEAN WATER AND SANITATION



NIS COMPANY USES WATER RESOURCES IN A RESPONSIBLE AND SUSTAINABLE WAY, WITH PRIORITY CONCERN ABOUT WASTEWATER TREATMENT AND PRESERVATION OF WATERWAYS

Various work processes, such as the oil production process (upstream), oil refining process (downstream), petrochemical and other processes in the Company require the use of water resources. Water is used in different manners: In the production and technological (steam production processes, cooling systems), for fire protection, tank cooling and water tightness testing, drinking water bottling, as well as for washing of vehicles and equipment, watering and sanitation needs.

For the needs of production, the Company uses water from least sensitive water resources - surface waters (83%), out of which 82.5% is withdrawn from the Danube and the Danube-Tisa-Danube Canal. In addition to watercourses, the affected water is from public waterworks (6.3%) and wells (10.4%). The Danube and the Danube-Tisa-Danube canal are high-flow water bodies, so the company's withdrawal does not affect their potential, as it accounts for less than 5% of their average yearly flow.

NIS gives high priority to wastewater treatment, especially considering that 89% of wastewater is discharged to waterways, mostly in the Danube river. By treating wastewater to the quality required by the legal regulations, the Company protects the public sewage systems and final recipients. Wastewaters in the Company is divided into: process wastewater, atmospheric, and sanitary wastewater. All wastewater undergoes appropriate treatment in accordance with the water permit, water conditions and other binding documents (IPPC permit, environmental impact assessment study) and only treated wastewater is discharged to the final recipient (regardless of the type of recipient).

Oil-contaminated wastewater resulting from process activities at the company, and oil-contaminated rainwater could pose a real risk for the recipient bodies (waterway,

public sewer system, lagoons, and waste pits) and, consequently, every year, the Company installs new and replaces/reconstructs the existing separators, as assessed to be necessary.

The water treatment technology and the choice of plant depend on the type and concentration of contaminants, wastewater volumes, rate of generation, and release, and the intended recipient. Wastewater treatment in the company is carried out at water treatment plants, separators and clarifiers, and biological purifiers - of which there are currently 425, while last year there were 417 of them, and this data speaks in favour of the Company's commitment to continuously investing in wastewater treatment plants, aware of their importance.

The Pančevo Oil Refinery consumes the largest amount of water for its own needs and also generates the most wastewater. Process wastewater after pre-treatment of wastewater in the API separator (removal of oily and suspended matter) from the Pančevo Oil Refinery is sent to "HIP-Petrohemija" for further treatment. The quality of technological wastewater shipped from the Pančevo Oil Refinery to "HIP-Petrohemija" must be in accordance with the Instructions on the Reception of Wastewater NIS, "Refining Block", Pančevo Oil Refinery, to "HIP-Petrohemija" Pančevo.

In order to check the quality of treated wastewater and the efficiency of the treatment process in accordance with applicable legal regulations, regular monitoring of all emitters, including groundwater, is carried out, thereby controlling the impact of the work activities of the NIS company on groundwater and soil. We also monitor the technical condition of the treatment facilities, in terms of functionality and containment, transparently report accidents, maintain all necessary licenses and pay all fees and taxes.

One of our main goals in terms of water use is to minimize the share of fresh water we use. The Pančevo Oil Refinery continues to save about 20 percent of the fresh water it uses, which was achieved through condensate recovery, i.e. water recirculation (in 2024, the saving effect is 23%).

The impact of industrial operations on water bodies is one of the significant topics. NIS cooperates with the

competent authorities responsible for water management, as well as with other local and national institutions. Data on the quality of wastewater discharged after treatment are submitted to the local and national registry of pollution sources on a regular basis.

During 2024, 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](#).



Danube River

7

ACCESSIBLE AND RENEWABLE ENERGY

ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE, AND INNOVATIVE ENERGY FOR ALL

7 AFFORDABLE AND CLEAN ENERGY



BY IMPLEMENTING ITS ENERGY TRANSITION, NIS CONTRIBUTES TO THE REALIZATION OF THE GOALS OF THE REPUBLIC OF SERBIA IN THIS AREA AND PROVIDES AN INCENTIVE TO THE COMMUNITY IN THE USE OF RENEWABLE ENERGY SOURCES

In the period from 2012¹⁰ to 2024 the Company achieved the total increase in energy efficiency of 32%. One of the primary strategic goals of NIS Company is diversifying its business through the construction of new capacities for electricity production.

RENEWABLE ENERGY SOURCES

NIS, as an energy company, is paying increasing attention to projects in the field of renewable energy sources, as well as projects for the utilization of SO₂, but also to supporting the construction of photovoltaic power plants in local communities.

During 2022, NIS began the implementation of a pilot project for the construction of photovoltaic power plants at petrol stations (PSs). In the first phase of the project, solar power plants were put into operation at eight NIS Petrol and Gazprom PSs, in 2023 at 17 PSs, and in 2024 at an additional 20 PSs, so that today the Company has solar power plants in operation at 45 PSs, with a total capacity of 1.5 MWp. At the entrance doors of all the mentioned PSs, a notice is displayed stating that the station is powered by solar energy, whereby the Company, in this way, also wants to promote the importance of using energy from the Sun's potential.

In 2024, the construction of photovoltaic power plants at additional 30 petrol stations, with the total capacity of 1 MWp was approved, the commissioning of which is planned by

the end of 2025. In this way, from 2026, NIS will have green electricity production at 75 PSs, or over 20% of the total number of PSs in Serbia. The total capacity of solar power plants at PSs will reach 2.5 MWp. The electricity generated is mostly used for the needs of petrol stations, while a smaller portion is delivered to the distribution grid.

The total annual electricity production in solar power plants on PVPP increased from 69,805 kWh in 2022¹¹, to 509,056.6 kWh in 2023 and reached 1,459,160.4 kWh in 2024, which is 20-fold increase in annual production in the period 2022 – 2024. All 45 solar power plants have so far produced over 2 million kWh. With the commissioning of an additional 30 photovoltaic power plants in 2025, annual electricity production across all 75 PSs will reach 2.5 million kWh¹², with an annual reduction in carbon dioxide emissions of over 2,500 tons¹³.

In addition to the above, four solar power plants with a total capacity of 1.7 MWp were built and put into operation in 2024, namely:

- PVPP at roofs of four facilities in Petroleum Product Storage Facility in Novi Sad, pf the capacity of 0.585 MWp;
- PVPP on one business building in Novi Sad – with a capacity of 99.9 KWp;
- PVPP “Jazak” in the Jazak Drinking Water Factory – with a capacity of 620 KWp and
- PVPP on 5 buildings in the Pančevo Oil Refinery – with a capacity of 400 KWp.

Electricity production of these four photovoltaic power plants in 2024 amounted to 770,000 KWh.

In 2024, the construction of a ground-based solar power plant in Petroleum Product Storage Facility in Novi Sad, with a capacity of 6.59 MWp, was also started, and its commissioning is expected in the first half of 2025.

NIS currently operates 49 solar power plants (45 solar power plants on PSs; and four on the following different facilities: the Jazak water plant, SDN in Novi Sad, the Pančevo oil refinery

operation of solar power plants.

¹² The assessment is based on production calculations for an average year, which are confirmed by measured production at each individual power plant (i.e. each FSS) - the indicator is specific production kWh / KWp

¹³ The assessment is based on CO₂ emission factors for Serbia and annual electricity production.

and a business facility in Novi Sad), with a total capacity of 3.2 MWp, which produced 2.27 million kWh in 2024, while 31 power plants are under construction (30 power plants on PSs and one power plant on the ground of Petroleum Product Storage Novi Sad), with a total capacity of 7.59 MWp, with a planned commissioning in 2025. By the end of 2025, NIS will have 80 solar power plants with a total capacity of 11 MWp, with an annual production of 14 million kWh.

During 2024, four additional projects for the construction of solar power plants with a total capacity of 10 MWp were approved, for which preparatory work has been carried out or implementation has begun.

"TOGETHER FOR GREEN ENERGY"

In order to encourage the use of renewable energy sources in local communities, NIS is the first company in the country to independently conduct and finance a competition for the construction of solar power plants on the premises of public institutions in 13 partner cities and municipalities across our country. With that objective NIS allocated RSD 144.5 million within the “Common Cause Community” programme, to support the implementation of 40 selected projects for the construction of solar power plants at public institutions

in Belgrade, Novi Sad, Zrenjanin, Kikinda, Pančevo, Niš, Čačak, Požarevac, Novi Bečej, Žitište, Kanjiža, Srbobran, and Veliko Gradište. Owing to this contest, 40 selected institutions engaged in education and science, health care, social protection, culture and sport, could construct solar power plants on their facilities and use the solar energy potential to produce green energy. The implementation of the projects is underway and it is expected that the first solar power plants from this group will be put into operation by the end of 2025.

USING WIND ENERGY

NIS, as a co-owner of Wind Park Plandište (WPP), remains committed to the implementation of projects focused on the use of wind energy. During 2024, WPP applied for an extension of its permit for connection to the electricity transmission system. By actively participating in the public debate and providing comments on the Draft Amendments to the Energy Law, WPP contributed to the adoption of the relevant legal provisions.

Detailed information regarding the energy management process at NIS is presented within individual GRI indicators: [302-1](#), [302-3](#), [302-4](#) and [302-5](#).



Solar power plant at the Jazak Drinking Water Factory

¹⁰ 2012 is a referent year because that is when EII monitoring according to Solomon Methodology was introduced, and it is being monitored for the entire period in relation referent year.

¹¹ The construction of solar power plants began in 2022. The first contract for the construction of 7 PSs was signed in February 2022, and the first power plants were put into operation from 26 May to 30 September 2022. The year 2022 is the first year of

8

DECENT WORK AND ECONOMIC GROWTH

PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, EMPLOYMENT AND DECENT WORK FOR ALL

8 DECENT WORK AND ECONOMIC GROWTH



NIS COMPANY CONTINUES TO BUILD A STABLE AND INCLUSIVE WORK ENVIRONMENT, IMPROVING WORKING CONDITIONS, WITH ONGOING SUPPORT FOR EMPLOYEES AND PROFESSIONAL DEVELOPMENT OF EXPERTS

Maintaining the stability of NIS, as one of the largest employers in the country, in challenging circumstances caused by the geopolitical situation, was a priority in the field of human resources management during 2024. The Company paid great attention to maintaining its position as one of the most desirable employers in the country, increasing employee satisfaction, implementing various programs aimed at attracting and developing young people, motivating, learning and developing, as well as fostering a culture of respect.

In accordance with NIS's human resources management strategy, as well as the results of employee engagement research, a large number of projects are being implemented that are focused on fostering corporate values, diversity and inclusion, as well as projects that encourage initiatives, employer brand strategy and learning and development strategy, but also further increase employee engagement and provide new opportunities for development. One of them is the "Academy of Engagement", which is focused on developing new leaders in the Company.

The Company's employees are provided with numerous material and non-material benefits, which aim to establish a better balance between private and professional obligations, as well as to improve employee satisfaction and efficiency. Some of these benefits relate to various flexible models of work, out of which the following are available: work from home, phased return from maternity leave, accumulation and use of overtime hours within the "hour bank," working at employer's offices near the employee's residence (if their

workplace is in another city). Also, according to internal procedures for 12 defined particularly sensitive categories of employees, there are special opportunities for working from home.

To the end of improving the professional knowledge of its employees, NIS also engaged the world's leading companies in the field of education in 2024 (*Apave Mare, Yokogawa, COTRUGLI Business School, Tomsk University, Siemens, Petroskills, Skolkovo*), as well as the best companies and educational institutions in the country (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 order to provide its employees with the best possible conditions for professional development.

In line with this goal, during 2024, 4703 training courses was organised in cooperation with external providers, attended by 13343 participants, or 4148 employees. The total number of training hours was 118,622, while the total of RSD 311.4 million was invested in training.

In 2024, NIS continued to develop young people through programs for the most talented students and graduates of various faculties, as well as high school graduates. The eighth season of the "NIS Calling" student program was implemented for 45 interns, and this time "HIP-Petrohemija" was included. The fourth season of the "NIS Energy" program was organised for 25 young graduates, and a recruitment campaign and selection process were conducted for the fifth season of this program. Following this, 26 selected participants began working at the Company in January 2025. In addition to these two programs, the first season of the "NIS Academy" program for 60 interns was designed and implemented, and it allows students to attend an internship lasting 80 hours, which is mandatory for all state faculties according to the new Education Law. As a part of the work with high school graduates, the third season of internships for young operators began for 28 interns, who this time, in addition to the Pančevo Oil Refinery, also

attended internships at the Scientific and Technical Centre NIS Naftagas and "HIP-Petrohemija".

The student organisation AIESEC conducted a survey of young people's opinions on the labour market in Serbia - "Voice of the Youth of Serbia", in which more than 3,000 young people from across the country participated, and in which the company NIS was recognized as the most desirable employer for young people.

During 2024, the Company also participated in numerous events and projects focusing on human resources, including:

- Over 10 youth fairs (such as the JobFair employment fair), with over 2,000 participants;
- Over 20 projects with student organisations and faculties (such as the DigiHack hackathon and the "Belgrade Engineers' Days" conference), with over 3,500 participants;

- Eight projects and partnerships with the HR community (such as the HR Week conference), with over 10,000 participants;

- Two workshops for youth at risk, held in cooperation with the organisation SOS Children's Villages Serbia, in which 45 young people participated.

The good practices implemented in NIS, as well as continuous and dedicated work on improving employee satisfaction, distinguish it and position it among the best employers on the market, and the Company will continue to make efforts to preserve this reputation in the future.

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](#).



Event within the NIS Energy Program at the NIS Business Center in Belgrade

¹⁴ While the number of employees is unique, the number of participants is higher, given that one employee can attend multiple training sessions, as the case may be.

9

INDUSTRY, INNOVATION, AND INFRASTRUCTURE

BUILD RESILIENT INFRASTRUCTURE,
PROMOTE INCLUSIVE AND
SUSTAINABLE INDUSTRIALISATION,
AND FOSTER INNOVATION

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



MODERNISATION OF ALL BUSINESS SEGMENTS, INTRODUCTION OF INNOVATIVE SERVICES, AS WELL AS IMPLEMENTATION OF DIGITAL PROJECTS ARE THE BASIS FOR THE FURTHER DEVELOPMENT OF NIS IN THE DYNAMIC ENERGY MARKET

The implementation of a large number of investments and laying the foundation for further development were the priorities of NIS in 2024. Thus, as much as 53.2 billion dinars were invested in the modernization of the NIS Group, which is a record amount in the company's history. The funds were invested in further development of technologies, procurement of modern equipment, improvement of plant reliability, as well as increasing energy efficiency. Investments were made in all business segments.

When it comes to oil and gas exploration and production, the year was marked by the acquisition of modern facilities and new mechanisation. Two new robotic drilling rigs were acquired, named after prominent domestic scientists – “Tesla” and “Pupin”. Their use increases work efficiency and optimizes costs, while achieving environmental effects through reduced exhaust emissions, smaller land footprint and significantly lower noise levels. In addition, NIS has purchased new machinery, namely 11 new machines of the latest generation, which will significantly contribute to improving work processes, efficiency and safety in the field and preserving the environment. These machines are used for the construction, reclamation and rehabilitation of NIS company sites, thereby improving working conditions, reducing the need for hiring third-party mechanization and increasing flexibility in the execution of works.

In 2024, the most complex and challenging overhaul of the Pančevo Oil Refinery was completed, which is now one of the most modern in this part of Europe. In addition to the Company's employees, more than 2,000 external contractors were engaged in the overhaul and

implementation of investment projects. The implemented activities enable the improvement of the reliability of the plant's operation, as well as the improvement of industrial safety and energy efficiency at the Pančevo Oil Refinery. The operational availability indicator of the plant is 96.4%, which places the Pančevo Refinery among the best refinery plants in the world. In addition, the project to increase the reliability of the catalytic cracking plant (FCC) and modernize the most important rotary equipment continued. The focus in the further development of the NIS processing complex is on strengthening the efficiency and reliability of refining, digitalization, continuous improvement of energy efficiency and environmental protection.

In the area of retail, infrastructure development continued, with 10 more new or reconstructed facilities put into operation, including the strategically important petrol station “Adaševci” on the Belgrade - Zagreb highway. As part of the modernisation of the retail network, NIS has also worked intensively on improving the visual identity, comfort and efficiency of its facilities, and last year the interior of 11 Gazprom-branded petrol stations across Serbia was modernized. In addition, in 2024, two petrol stations – Zemun Quay and Pančevo 3 – were returned to the network after being out of service for the past few years.

In 2024, the reconstruction of the oil derivatives warehouse in Niš was completed, with the construction of three new 5,000 m³ tanks. A new railcar and tanker truck transfer station was also built, as well as a new pumping station. The construction of a bio-components transfer station with four tanks for this raw material was completed. In addition, the operation of the G11 and G12 aviation fuel tanks at the Novi Sad warehouse began. In retail, the implementation of new digital projects continued, and a self-service cash register project was launched at selected petrol stations. In addition to faster service, this innovation brings additional flexibility and greater comfort for consumers while purchasing.

Digital transformation projects have also been implemented in other segments of the Company, and NIS's digital portfolio contains around 140 projects. As part of the research into new opportunities created by modern technologies, in 2024 the focus was on artificial intelligence - the possibility of applying artificial intelligence in the areas of corporate

functions and in certain processes in Refining Block was examined, within which machine learning can increase efficiency. Modernisation and the acquisition of new

technologies remains one of NIS' priorities in the coming period.



Pančevo Oil Refinery

11

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

11 SUSTAINABLE CITIES AND COMMUNITIES



THE DEVELOPMENT OF NIS IS COMPLETE ONLY IF IT SIMULTANEOUSLY CONTRIBUTES TO THE WELL-BEING OF THE COMMUNITY, WHICH IS WHY THE IMPLEMENTATION OF SOCIALLY RESPONSIBLE PROJECTS IS ONE OF THE COMPANY'S PRIORITIES

One of NIS' priorities in the social responsibility and sustainability segment in 2024 is to support projects that focus on all members of society, with a special emphasis on youth, local community development in all areas, and improving environmental protection. NIS once again stood out as one of the leading investors in socially responsible projects in Serbia, in which, together with support for professional sports, 481.1 million dinars were invested in 2024.

PROGRAMS OF COMMUNITY SUPPORT

NIS pays great attention to the youngest members of the community, and thus, at the beginning of 2024, it delivered a new van for food distribution to the Preschool Institution Zrenjanin, which enabled fresh meals from the central kitchen to arrive on time in 20 kindergartens belonging to his institution. Also, at the beginning of the year, another holiday donation was made, and in a joint humanitarian action with the Partizan Basketball Club, new winter clothing and footwear were provided for almost 600 socially vulnerable children who are beneficiaries of the services of social welfare institutions and organisations throughout Serbia. In order to provide support to young people from vulnerable social groups, NIS and the SOS Children's Villages Serbia Foundation organized educational workshops aimed at empowering young people supported by this organisation, with the aim of preparing them for entering the labour market and supporting them in finding their first job.

As a part of the traditional, end-of-year holiday campaign, NIS provided vouchers worth RSD 25,000 each for the purchase of clothing and footwear for 120 large families and families of single parents cared for by the Religious Charitable Trust. The campaign was also joined by company employees - members of the Volunteer Club, who, in their desire to brighten up the holidays for sensitive members of our society, provided a large amount of sweets for the beneficiaries of the Religious Charitable Trust's Kitchen in Belgrade, as well as for the beneficiaries of the "Duga" Day Care Centre in Leskovac.

In 2024, more than 45 sponsorship projects were implemented in the fields of sports, culture and science. The long-term cooperation with the Partizan Basketball Club, the Basketball and Volleyball Federations of Serbia continued. Support was also provided to the Paralympic Committee of Serbia, as well as the Volleyball Club of Vojvodina, and youth sports were of particular importance to the company. In the field of culture, support was provided to the Belgrade Philharmonic Orchestra, as well as to the gala concert "Stars of the Bolshoi Theatre Ballet", which visited Belgrade for the first time in almost 50 years. All proceeds from ticket sales for this concert were donated to improve the conditions for the education of young artists in our country. The project involves major donor support for the purchase of equipment for the needs of 71 member schools of the Association of Music and Ballet Schools of Serbia, founded by local governments or the Republic, and for specific educational areas within the framework of artistic education.

CORPORATE VOLUNTEERISM

The NIS Volunteer Club, which is also one of the largest corporate volunteer clubs in the country, with almost 2,000 members, continued to implement numerous campaigns. In 2024 alone, with the aim of creating a more humane social environment and achieving a higher level of social and environmental responsibility, members of the Volunteer Club donated more than 600 hours of volunteer work to the community.

Among other things, the NIS Volunteer Club, through its activities, also advocates for the development of social

entrepreneurship and fosters cooperation with associations focused on supporting vulnerable members of our community. To this end, the Company's hardworking volunteers supported the work of the "Evo ruka" association in early autumn by participating in the campaign of ajvar preparation, the sale of which the Association raises funds to improve the quality of life and empower families of children with developmental disabilities and rare diseases.

Support was also provided to the "Naša kuća" association, which cares for people with developmental disabilities and through its activities advocates for their social inclusion and economic empowerment. At the Company's Business Centre in Novi Sad, the Volunteer Club organized the sale of this association's products, in order to contribute to the sustainability of its business.

PANEL DISCUSSION "OUR SUSTAINABLE COMMUNITY"

In order to highlight the importance of sustainable development and the importance of contributing to the achievement of the United Nations Sustainable Development Goals, a panel on the topic of a sustainable future was organized by NIS and the Dnevnik newspaper on 29 November at the Cultural Station "Svilara" in Novi Sad. The panel was attended by Vadim Smirnov, Deputy General Director of NIS, Vladimir Arsenović, State Secretary at the Ministry of Economy of the Government of the Republic of Srpska, and Prof. Dr. Srđan Kolaković, Director of the Science and Technology Park in Novi Sad.

The topics that were in the focus of the discussion were sustainable development, responsible attitude towards natural resources, the importance of energy transition and green agenda in business.



Volunteer campaign at the "Evo Ruka" Association

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

SUSTAINABLE FORMS OF
CONSUMPTION AND PRODUCTION -
PRIORITY IN BUSINESS OPERATION

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



NIS COMPANY CONSISTENTLY IMPROVES SAFETY AND ENVIRONMENTALLY RESPONSIBLE BUSINESS PRACTICES, INVESTING SIGNIFICANT RESOURCES IN SUSTAINABLE PRODUCTION AND ENVIRONMENTAL PROTECTION

NIS has incorporated its attitude towards environmental protection into its strategic documents and applies them in every business process. This specifically means that business projects, in addition to financial benefits, should also contribute to improving environmental protection, and be implemented in a manner that is safe for the Company's employees, contractors and all other persons present at the Company's sites. In 2024, RSD 1,065 billion were invested in the implementation of environmental projects, and 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.

During the turnaround at the Pančevo Oil Refinery, a project of cyclone replacement in the FCC regenerator and tank reconstruction was implemented in order to reduce the emission of dust particles. Last year, the Pančevo Oil Refinery received a new integrated IPPC permit, confirming that the production process is in line with the highest local and European standards in the field of environmental protection. Pančevo Refinery received its first integrated permit in 2017, making it the first energy facility in Serbia to receive an integrated pollution prevention and control permit. The new integrated permit also covers the Deep Processing complex at the Refinery, which began operating in 2020. At the same time, the full integration of "HIP-Petrohemija" into the NIS Group system continued. During the planned downtime at "HIP-Petrohemija", an audit of the main equipment was carried out and new steps were taken in the preparation of the polypropylene factory construction project, which is a key investment in forming a long-term sustainable business model for this factory.

At the beginning of 2024, the Regulation on Monitoring and Reporting on Greenhouse Gas Emissions entered into force in the Republic of Serbia, which defines in more detail the method of monitoring, calculating and verifying GHG emissions, as well as the obligation of operators to issue GHG emission permits for their facilities. The aim is to reduce emissions from the industrial sector in the long term and accelerate the decarbonisation of the economy.

As the confirmation of the quality of the activities implemented so far and the timely fulfilment of legal obligations in the field of climate change management, the Ministry of Environmental Protection has issued a Decision on the issuance of a greenhouse gas emission permit for four of the Company's facilities: Petroleum Product Storage Novi Sad – Power Plant, Pančevo Oil Refinery, Plant for the preparation and transport of oil and gas in Elemir and "HIP-Petrohemija" (a permit was issued for Synthetic Rubber Factory of Elemir in April 2025). Facilities for which permits have been issued are required to monitor GHG emissions, and then to prepare a GHG Emissions Report, which has to be verified by an independent verifier.

In the area of waste management, NIS has concluded umbrella contracts with authorized waste management operators for the period 2024–2026, which cover the collection, transport and treatment services of waste generated within the Company.

NIS invests significant efforts in the area of occupational health and safety. Sector for HSE Supervision and Control conducted internal inspections within the framework of the "Karkas - Safety Shield" programme. During 2024, the implementation and application of the Karkas - Safety Shield 1-5 Programme continued, diagnostics for Karkas 6 was conducted, and the preliminary budget for the implementation of the program was defined.



Pančevo Oil Refinery

13

CLIMATE ACTION



TAKE URGENT ACTION AGAINST CLIMATE CHANGE AND ITS CONSEQUENCES

13 CLIMATE ACTION

AS PART OF ITS GREEN AGENDA, NIS IS TAKING SPECIFIC STEPS TO COMBAT CLIMATE CHANGE THROUGH DECARBONISATION AND INVESTMENTS IN RENEWABLE ENERGY SOURCES

Climate change has become one of the greatest global challenges, and action to mitigate it is crucial to preserving the planet and human lives.

The oil and gas industry is one of the largest emitters of carbon dioxide and other greenhouse gases. Activities in this industry, including exploration, production, oil and gas refining, as well as transportation, significantly contribute to emissions that affect the global climate.

Given these challenges, NIS is committed to contributing to global efforts to combat climate change, implementing a wide range of significant projects within its green agenda. In order to achieve its goals in this area, NIS focuses on three key areas: implementation of environmental projects, implementation of business initiatives with a significant environmental impact, and active participation in actions aimed at preserving and protecting the environment.

During 2024, NIS continued to implement numerous initiatives contributing to the fight against climate change, including the production of electric energy from renewable sources.

Within the framework of the Energy Transition Goals and the Environmental Protection Strategy until 2030, it is planned to reduce carbon intensity by 30% by 2030 compared to 2018. To achieve the target reduction in carbon intensity, it is necessary to devote maximum attention to increasing electricity and the production and use of renewable energy sources, more information about which can be found under Goal 7 "Affordable and Renewable Energy". In addition to the aforementioned projects, an analysis of additional opportunities for the use of decarbonisation technologies is also planned.

World Climate Change Day, which is celebrated worldwide on November 4, was marked at NIS by holding a two-day

training on the topic of "Calculation of Greenhouse Gas Emissions", with the aim of establishing a monitoring and reporting system for GHG emissions in the company.

At the beginning of 2024, the Regulation on Monitoring and Reporting on Greenhouse Gas Emissions entered into force in the Republic of Serbia, which defines in more detail the method of monitoring, calculating and verifying GHG emissions, as well as the obligation of operators to issue GHG emission permits for their facilities. The goal is to reduce these emissions from the industrial sector in the long term and to accelerate the decarbonisation of the economy, which is one of the important pillars of the Green Agenda of the Republic of Serbia.

Planning and implementing decarbonisation projects will be a significant challenge for NIS Company 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.

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](#) and [305-7](#).

PARTICIPATION IN THE AGRICULTURAL FAIR

NIS Company participated in the International Agricultural Fair in Novi Sad last year, where, under the slogan "Our Sustainable Community", it presented its efforts and achievements in the field of sustainable development, which it achieves through its business and socially responsible activities. Visitors to the NIS stand in the Master Hall of the Novi Sad Fair were presented with activities through which the company contributes to improving environmental protection and mitigating climate change. The representatives of NIS also spoke about projects being implemented in the field of renewable energy sources, primarily the construction of solar power plants at NIS facilities, which will save energy costs and reduce CO₂ emissions. Visitors to the stand also had the opportunity to view photographs by Predrag Kostin, an NIS employee and one of the best photographers of natural sites in Serbia.

"FORUM 02 GREEN ENERGY FOR A SUSTAINABLE FUTURE"

NIS participated in the panel discussion "Green Energy - for a More Sustainable Future" organized by Novosti with the aim of raising public awareness of the importance of sustainable development, responsible attitude towards natural resources and rationalisation of energy consumption. NIS was represented by Ivan Dmitriev, Director of the HSE Function. The panel, which was held in July last year at the Botanical Garden in Belgrade, was attended by, in addition to representatives of NIS, Sara Pavkov, State Secretary of the Ministry of Environmental Protection, and Milan Macura, Acting Director of the Administration for Financing and Promoting Energy Efficiency of the Ministry of Mining and Energy. In the introductory part of the panel, Prof. Dr.

Miloš Banjac from the Faculty of Mechanical Engineering, University of Belgrade, addressed the attendees.

The gathering participants discussed the possibilities of increasing the share of electricity generation from renewable sources (RES) and the importance of implementing RES projects in order to achieve carbon neutrality and improve environmental protection. The panellists talked about ways in which companies can contribute to finding the best solutions in the process of implementing the energy transition, and in addition to examples of good practice, they also discussed the improvement of legal regulations, the state's strategy and plans in this area, as well as the need to educate new personnel who will contribute to the improvement of the renewable energy sector with their knowledge and new skills.



Forum 02: Green Energy for a Sustainable Future

15

LIFE ON LAND

PROTECTING, RESTORING AND PROMOTING THE SUSTAINABLE USE OF EARTH' ECOSYSTEMS, PROTECT FORESTS, COMBAT DESERTIFICATION, REVERSE LAND DEGRADATION, AND STOP THE LOSS OF BIODIVERSITY



15 LIFE ON LAND

NIS CONSISTENTLY WORKS TO PRESERVE ECOSYSTEMS, PROTECT BIODIVERSITY, AND SUSTAINABLY USE NATURAL RESOURCES

One of NIS's strategic priorities is environmental protection. The Company strives to implement the best available practices in investment projects and continuously improves the environmental performance of processes, while actively contributing to improving environmental awareness among both employees and the wider community through education and volunteer activities.

In 2024, in Sales and Distribution Block of NIS, and to the end of improving employees' competencies, the Company organised three campaigns: "Disposal of Oily Sand as an Adsorbent", "Construction and Demolition Waste – Handling" and "Procedure in the Event of an Emergency and Traffic Accident".

Last year, eight existing PSs were demolished and the same number of new ones were built, with new separators, piezometers, double-jacketed tanks with leak signalling, and vapour recovery systems, phases I and II. The reconstruction of the Niš petroleum products and LPG depot has been completed with the construction of three new 5,000 m³ tanks (with a cup-in-cup system), two 100 m³ tanks for bioethanol and two 500 m³ tanks for biodiesel. VRU units have been installed at the truck and railcar transfer stations, which will contribute to reducing emissions of volatile organic compounds into the air.

At "HIP-Petrohemija", 2024 was marked by activities related to the disposal of historical waste. Waste from the Ethylene Plant was disposed of and a contract was signed with an operator for the disposal of mercury (Hg). In addition, a contract was signed, an export permit was issued, and the client began the disposal of liquid hydrocarbon residue from the Synthetic Rubber Plant. Activities have begun on the implementation of the polypropylene factory construction project, within which, in order to clean the site for the construction of the future factory, waste concrete and brick, as well as building materials containing asbestos, were disposed of.

During 2024, the good practice of exporting waste catalyst from the Pančevo Oil Refinery to the Netherlands for permanent disposal continued, with a total of 288.48 tons of waste catalyst being delivered.

THE CONTRIBUTION OF THE VOLUNTEER CLUB TO ENVIRONMENTAL PROTECTION

The Company also cares about the environment in synergy with its employees, who regularly participate in the Volunteer Club's environmental actions. Educational workshops and campaigns are also conducted to increase the environmental awareness of employees. By implementing such initiatives and actions, we continuously contribute to the preservation and improvement of the environment.

One of the activities of the NIS Volunteer Club in recent years has been the traditional support for the global initiative "Earth Hour", the basic idea of which is to encourage the general public to use resources rationally and the necessity of reducing greenhouse gas emissions, increasing energy efficiency and taking urgent action in the fight against climate change and preserving biodiversity. Like numerous companies and millions of people around the world, during the event, the Company took part by symbolically turning off the illuminated advertisements in business centres in Belgrade and Novi Sad for an hour.

On the occasion of World Environment Day in 2024, an ecological cleaning campaign was traditionally implemented, which NIS organized in partnership with the City Administration for Environmental Protection of the City of Novi Sad, all with the aim of cleaning and beautifying the Officers' Beach in Novi Sad. In addition, volunteers implemented the campaign of planting 100 ornamental tree seedlings in a public area in Kikinda. The traditional, fourth internal volunteer competition of the Company was focused on environmental protection and was conducted under the slogan "Change, Go Green, be someone". Four actions were implemented within the competition, and the Company's volunteers planted flowers and installed a solar bench in the yard of the "Aleksa Šantić" Primary School in Sečanj, while in the "1. Oktobar" Primary

School in Bašaid they installed a solar charger, a press and ecological containers for collecting plastic packaging and waste paper, painted the protective fence around the sports field with ecological paints and, in cooperation with members of the ECO Junior section of this school, held an ECO class to explain the process of separating raw materials, the benefits of recycling and demonstrate the use of a press. The remaining two actions were aimed at supporting preschools, so volunteers at the kindergarten in Gajdobra prepared and cultivated the soil for planting indigenous fruit varieties, whitewashed the walls and painted the fence using ecological paints, and installed composters for organic waste. By implementing these

activities, a mini garden was created that contributes to the education of children about natural cycles and the care of local plants, while also promoting environmental awareness and a sustainable environment. As part of the fourth action, volunteers planted 70 thuja seedlings and 60 flower plants in the yard of the "Paša i Nataša" Primary School in Nova Varoš. In addition to the Company's volunteers, children attending supported institutions and community members also participated in the above actions, which is a practice that the Volunteer Club will continue to foster in the future and thus, in synergy with the community, contribute to the preservation of environmental protection as a common goal and obligation.



Volunteer Action for the Cleanup and Arrangement of Oficirac Beach in Novi Sad

16

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



COMPANY NIS IS WILLING TO CONTRIBUTE WITH 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 2024, representatives NIS Company actively cooperated with the following business and professional associations:

- National Energy Committee Serbia – WPC Energy (*WPC Energy Serbia*)
- 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.

NIS reviews amendments to regulations, participates in public hearings, and takes part in the preparation of draft laws and by-laws that regulate the issues of energy and fiscal system, as well as the topics concerning environmental protection, striving to contribute to regulatory activities as much as possible.

In 2024, 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 Energy Law;
- Laws the Environmental Impact Study;
- Law on Assessment of Environmental Impact;
- Law on Electronic Dispatch Notes;
- Law on Amendments to the Law on Excise Duties;
- Law on Amendments to the Law on Electronic Invoicing;
- Energy Development Strategy of the Republic of Serbia until 2040 with projections until 2050;
- Environmental Protection Strategy – Green Agenda for the Republic of Serbia for the period from 2024 to 2033;
- Integrated National Energy and Climate Plan of the Republic of Serbia for the period until 2030 with a vision until 2050 and
- The Strategy for Occupational Safety and Health in the Republic of Serbia for the period from 2024 to 2027 with the Action Plan for its implementation.

Regulations that were subject to public consultations or were provided to the company for consideration and feedback were thoroughly analysed. Of particular note are the Law on Amendments to the Energy Law and the Integrated National Energy and Climate Plan of the Republic of Serbia for the period until 2030 with a vision 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.



National Assembly of the Republic of Serbia

GRI INDICATORS



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Statement of Use			NIS j.s.c. Novi Sad reported in accordance with GRI Standards for the period from 1 January 2024 to 31 December 2024		
GRI 1 Standard used			GRI 1: Base 2021		
Applicable GRI Sector Standard			GRI 11: Oil and gas sector 2021		
GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION
Општи индикатори					
	2-1 Organizational details	Page 4 of Sustainable Development Report 2024	A grey 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	Page 10 of Sustainable Development Report 2024			
	2-3 Reporting period, frequency and contact point	Page 10 of Sustainable Development Report 2024 Page 109 of Sustainable Development Report 2024			
	2-4 Restatement of information	Page 73 of Sustainable Development Report 2024			
	2-5 External assurance	Page 106 of Sustainable Development Report 2024			
GRI 2: General indicators 2021	2-6 Activities, value chain and other business relationships	Yearly Performance Report 2024 (pages 17-25)			
	2-7 Employees	GRI 401 Employment Practices			
	2-8 Workers who are not employees	GRI 401 Employment Practices			
	2-9 Governance structure and composition	Yearly Performance Report 2024 (pages 60-71)			
	2-10 Nomination and selection of the highest governance body	Yearly Performance Report 2024 (pages 60-71)			
	2-11 Chair of the highest governance body	Yearly Performance Report 2024 (pages 60-71)			
	2-12 Role of the highest governance body in overseeing the management of impacts	Yearly Performance Report 2024 (pages 60-71)			

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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)	REASON
		EXPLANATION		
	2-13 Delegation of responsibility for managing impacts	Yearly Performance Report 2024 (pages 60-71)		
	2-14 Role of the highest governance body in sustainability reporting	Yearly Performance Report 2024 (pages 60-71)		
	2-15 Conflicts of interest	Yearly Performance Report 2024 (pages 60-71)		
	2-16 Communication of critical concerns	Yearly Performance Report 2024 (pages 60-71)		
	2-17 Collective knowledge of the highest governance body	Yearly Performance Report 2024 (pages 60-71)		
	2-18 Evaluation of the performance of the highest governance body	Yearly Performance Report 2024 (pages 60-71)		
GRI 2: General indicators 2021	2-19 Remuneration policies	Yearly Performance Report 2024 (pages 60-71)		
	2-20 Process to determine remuneration	Yearly Performance Report 2024 (pages 60-71)		
	2-21 Annual total compensation ratio	GRI 201-1, GRI 202-1		
	2-22 Statement on sustainable development strategy	Page 3 of Sustainable Development Report 2024		
	2-23 Policy commitments	Page 73 of Sustainable Development Report 2024		
	2-24 Embedding policy commitments	Page 73 of Sustainable Development Report 2024		
	2-25 Processes to remediate negative impacts	Page 73 of Sustainable Development Report 2024		

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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)	REASON
		EXPLANATION		
GRI 2: General indicators 2021	2-27 Compliance with laws and regulations	Page 73 of Sustainable Development Report 2024		
	2-28 Membership in associations	Page 13 of Sustainable Development Report 2024		
	2-29 Approach to stakeholder engagement	Page 13-21 of Sustainable Development Report 2024		
	2-30 Collective bargaining agreements	Page 89 of Sustainable Development Report 2024		
Material topics				
GRI 3: Material topics 2021	3-1 Process to determine material topics	Page 10-11 of Sustainable Development Report 2024	A grey 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	Page 10-11 of Sustainable Development Report 2024		
	3-3 Management of material topics	Page 10-11 of Sustainable Development Report 2024		
Economic indicators				
GRI 201: Economic indicators 2016	201-1 Direct economic value generated and distributed	Page 74 of Sustainable Development Report 2024		
	201-2 Financial implications and other risks and opportunities due to climate change	Page 74 of Sustainable Development Report 2024		
	201-3 Defined benefit plan obligations and other retirement plans	Page 74 of Sustainable Development Report 2024		
	201-4 Financial assistance received from the Government	Page 75 of Sustainable Development Report 2024		
Market Presence				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations	Page 75 of Sustainable Development Report 2024		
	202-2 Proportion of senior management hired	Page 75 of Sustainable Development Report 2024		

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GRI 1 Standard used GRI 1: Base 2021

Applicable GRI Sector Standard GRI 11: Oil and gas sector 2021

GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION

Indirect Economic Impacts

GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported primarily for the public benefit through commercial or pro bono engagement or in-kind contributions	Page 76 of Sustainable Development Report 2024			
	203-2 Significant indirect economic impacts, including the magnitude of the impacts	Page 76 of Sustainable Development Report 2024			

Procurement Practices

GRI 204: Procurement Process 2016	204-1 Proportion of spending on local suppliers at significant locations where the company operates	Page 76 of Sustainable Development Report 2024			
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Anti-corruption Procedures

GRI 205: Anti-corruption 2016	205-1 Total number and percentage of organisational units assessed for corruption-related risks and significant identified risks	Page 77 of Sustainable Development Report 2024			
	205-2 Communication and training about anti-corruption policies and procedures	Page 77 of Sustainable Development Report 2024			
	205-3 Confirmed accidents of corruption and actions taken	Page 78 of Sustainable Development Report 2024			

Anti-Competitive Behaviour

GRI 206: Anti-Competitive Behaviour 2016	206-1 Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices, according to outcomes	Page 78 of Sustainable Development Report 2024			
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Taxes

GRI 207: Taxes 2019	207-1 Approach to tax	Page 78 of Sustainable Development Report 2024			
	207-2 Tax governance, control, and risk management	Page 79 of Sustainable Development Report 2024			
	207-3 Stakeholder engagement and management of concerns related to tax	Page 79 of Sustainable Development Report 2024			
	207-4 Country-by-country reporting	Page 79 of Sustainable Development Report 2024			

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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)	REASON	EXPLANATION

Materials Used

GRI 301: Materials 2016	301-1 Materials used by weight and volume	Page 80 of Sustainable Development Report 2024			
	301-2 Recycled input materials used	Page 80 of Sustainable Development Report 2024			
	301-3 Reclaimed products and their packaging materials	Page 81 of Sustainable Development Report 2024			

Energy Management

GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 81 of Sustainable Development Report 2024			
	302-2 Energy consumption outside of the organization	Page 82 of Sustainable Development Report 2024	Yes	Information is not available or is incomplete	For all activities outside of 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.
	302-3 Energy efficiency	Page 82 of Sustainable Development Report 2024			
	302-4 Reduction of energy consumption	Page 82 of Sustainable Development Report 2024			
	302-5 Reductions in energy requirements of products and services	Page 82 of Sustainable Development Report 2024			

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Statement of Use	NIS j.s.c. Novi Sad reported in accordance with GRI Standards for the period from 1 January 2024 to 31 December 2024
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GRI 1 Standard used	GRI 1: Base 2021
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Applicable GRI Sector Standard	GRI 11: Oil and gas sector 2021
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GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION

Water Management

GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 82 of Sustainable Development Report 2024			
	303-2 Management of water discharge-related impacts	Page 83 of Sustainable Development Report 2024			
	303-3 Water withdrawal	Page 83 of Sustainable Development Report 2024			
	303-4 Water discharge	Page 84 of Sustainable Development Report 2024			
	303-5 Use of water	Page 84 of Sustainable Development Report 2024			

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	Page 85 of Sustainable Development Report 2024			
	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	Page 85 of Sustainable Development Report 2024			
	304-3 Habitats protected or restored	Page 85 of Sustainable Development Report 2024			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations, by the level of vulnerability	Page 85 of Sustainable Development Report 2024			

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Statement of Use NIS j.s.c. Novi Sad reported in accordance with GRI Standards for the period from 1 January 2024 to 31 December 2024

GRI 1 Standard used GRI 1: Base 2021

Applicable GRI Sector Standard GRI 11: Oil and gas sector 2021

GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION

Emissions

GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	Page 86 of Sustainable Development Report 2024			
	305-2 Indirect GHG emissions from energy usage (Scope 2)	Page 86 of Sustainable Development Report 2024			
	305-3 Other indirect GHG emissions (Scope 3)	Page 86 of Sustainable Development Report 2024			
	305-4 GHG emissions intensity	Page 86 of Sustainable Development Report 2024			
	305-5 Reduction of GHG emissions	Page 87 of Sustainable Development Report 2024			
	305-6 Emissions of ozone-depleting substances	Page 87 of Sustainable Development Report 2024			
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Page 87 of Sustainable Development Report 2024			

Waste Management

GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 87-88 of Sustainable Development Report 2024			
	306-2 Management of significant waste related impacts	Page 87-88 of Sustainable Development Report 2024			
	306-3 Waste generated	Page 87-88 of Sustainable Development Report 2024			
	306-4 Waste diverted from disposal	Page 87-88 of Sustainable Development Report 2024			
	306-5 Waste directed to disposal	Page 87-88 of Sustainable Development Report 2024			

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GRI 1 Standard used GRI 1: Base 2021

Applicable GRI Sector Standard GRI 11: Oil and gas sector 2021

GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION

Employment Practices

GRI 401: Employment Practices 2016	401-1 New employee hires and employee turnover by age group, gender and region	Page 88 of Sustainable Development Report 2024			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 89 of Sustainable Development Report 2024			
	401-3 Return to work and retention rates of employees that took parental leave, by gender	Page 90 of Sustainable Development Report 2024			

Labour/Management Relations

GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes (including information whether notice period is defined by the Collective Bargaining Agreement)	Page 90 of Sustainable Development Report 2024			
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Occupational Health and Safety

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 90 of Sustainable Development Report 2024			
	403-2 Hazard identification, risk assessment, and incident investigation	Page 91 of Sustainable Development Report 2024			
	403-3 Occupational health services	Page 91 of Sustainable Development Report 2024			
	403-4 Employee participation, consultation, and communication on occupational health and safety	Page 92 of Sustainable Development Report 2024			
	403-5 Worker training on occupational health and safety	Page 93 of Sustainable Development Report 2024			
	403-6 Promotion of worker health	Page 93 of Sustainable Development Report 2024			

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GRI 1 Standard used GRI 1: Base 2021

Applicable GRI Sector Standard GRI 11: Oil and gas sector 2021

GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION

Occupational Health and Safety

GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 93 of Sustainable Development Report 2024			
	403-8 Workers covered by an occupational health and safety management system (Occupational Health and Safety System – HSE system)	Page 93 of Sustainable Development Report 2024			
	403-9 Safety indicators	Page 94 of Sustainable Development Report 2024			
	403-10 Work-related ill health	Page 94 of Sustainable Development Report 2024			

Training and Education

GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee, per employee gender and category	Page 95 of Sustainable Development Report 2024			
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 97 of Sustainable Development Report 2024			
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 97 of Sustainable Development Report 2024			

Diversity and Equal Opportunity

GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 97 of Sustainable Development Report 2024			
	405-2 Ratio of basic salary and remuneration of women to men	Page 97 of Sustainable Development Report 2024			

Non-discrimination

GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 97 of Sustainable Development Report 2024			
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GRI 1 Standard used GRI 1: Base 2021

Applicable GRI Sector Standard GRI 11: Oil and gas sector 2021

GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION

Union and Collective Bargaining

GRI 407:
Freedom of Association and Collective Bargaining 2016

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

[Page 98 of Sustainable Development Report 2024](#)

Child Labour

GRI 408:
Child Labour 2016

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

[Page 98 of Sustainable Development Report 2024](#)

Forced Labour

GRI 409:
Forced or Compulsory Labour 2016

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

[Page 98 of Sustainable Development Report 2024](#)

Rights of Indigenous Peoples

GRI 411:
Rights of Indigenous Peoples

411-1 Number and description of significant disputes with local communities and indigenous peoples

[Page 98 of Sustainable Development Report 2024](#)

Local Communities

GRI 413:
Local Communities 2016

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

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413-2 Operations with significant actual and potential negative impacts on local communities

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GRI 1 Standard used GRI 1: Base 2021

Applicable GRI Sector Standard GRI 11: Oil and gas sector 2021

GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION

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)	Page 98 of Sustainable Development Report 2024			
	414-2 Significant actual or potential negative impacts on the company within the supply chain	Page 99 of Sustainable Development Report 2024			

Public Policy

GRI 415: Public Policy 2016	415-1 Total value of contributions to political parties by country and beneficiary of support	Page 99 of Sustainable Development Report 2024			
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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	Page 99 of Sustainable Development Report 2024			
	416-2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the impact of products and services on consumer health and safety throughout the entire life cycle of products and services	Page 99 of Sustainable Development Report 2024			

Marketing and Labelling

GRI 417: Marketing and Labelling 2016	417-1 Information on the type of products and services required by the procedures, and the percentage of significant products and services that are subject to such information requirements	Page 100 of Sustainable Development Report 2024			
	417-2 Total number of incidents of non-compliance with regulations and voluntary codes concerning product or service labelling	Page 101 of Sustainable Development Report 2024			
	417-3 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, advertising, sponsorships and promotions	Page 101 of Sustainable Development Report 2024			

Data Privacy

GRI 418: Customer Privacy 2016	418-1 Total number of breaches of customer privacy and losses of customer data	Page 101 of Sustainable Development Report 2024			
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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)	REASON	EXPLANATION
GRI 11 Oil and Gas Sector 2021					
	302-1 Energy consumption within the organization	Page 81 of Sustainable Development Report 2024			
	302-2 Energy consumption outside of the organization	Page 82 of Sustainable Development Report 2024			
	302-3 Energy efficiency	Page 82 of Sustainable Development Report 2024			
11.1 GHG emissions	305-1 Direct GHG emissions (Scope 1)	Page 86 of Sustainable Development Report 2024			
	305-2 Indirect GHG emissions from energy usage (Scope 2)	Page 86 of Sustainable Development Report 2024			
	305-3 Other indirect GHG emissions (Scope 3)	Page 86 of Sustainable Development Report 2024			
	305-4 GHG emissions intensity	Page 86 of Sustainable Development Report 2024			
11.2 Climate Adaptation, Resilience, and Transition	201-2 Financial implications and other risks and opportunities due to climate change	Page 74 of Sustainable Development Report 2024			
	305-5 Reduction of GHG emissions	Page 87 of Sustainable Development Report 2024			
11.3 Air Emissions	305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x), and other significant air emissions	Page 87 of Sustainable Development Report 2024			
	416-1 Assessment of the health and safety impacts of product and service categories	Page 99 of Sustainable Development Report 2024			

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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)	REASON
EXPLANATION				
GRI 11 Oil and Gas Sector 2021				
11.4 Biodiversity	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	Page 85 of Sustainable Development Report 2024		
	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	Page 85 of Sustainable Development Report 2024		
	304-3 Habitats protected or restored	Page 85 of Sustainable Development Report 2024		
11.5 Waste Management	306-1 Waste generation and significant waste-related impacts	Page 87-88 of Sustainable Development Report 2024		
	306-2 Management of significant waste related impacts	Page 87-88 of Sustainable Development Report 2024		
	306-3 Waste generated	Page 87-88 of Sustainable Development Report 2024		
	306-4 Waste diverted from disposal	Page 87-88 of Sustainable Development Report 2024		
	306-5 Waste directed to disposal	Page 87-88 of Sustainable Development Report 2024		
11.6 Water Management	303-1 Interactions with water as a shared resource	Page 82 of Sustainable Development Report 2024		
	303-2 Management of water discharge-related impacts	Page 83 of Sustainable Development Report 2024		
	303-3 Total water withdrawals	Page 83 of Sustainable Development Report 2024		
	303-4 Water discharge	Page 84 of Sustainable Development Report 2024		
	303-5 Use of water	Page 84 of Sustainable Development Report 2024		

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GRI 1 Standard used GRI 1: Base 2021

Applicable GRI Sector Standard GRI 11: Oil and gas sector 2021

GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION
GRI 11 Oil and Gas Sector 2021					
11.7 Closure and Rehabilitation	402-1 Minimum notice periods regarding operational changes (including information whether notice period is defined by the Collective Bargaining Agreement)	Page 90 of Sustainable Development Report 2024			
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 97 of Sustainable Development Report 2024			
11.8 Asset Integrity and Critical Incident Management	306-3 Generated waste	Page 87-88 of Sustainable Development Report 2024			
	403-1 Occupational health and safety management system	Page 90 of Sustainable Development Report 2024			
11.9 Occupational Health and Safety	403-2 Hazard identification, risk assessment, and incident investigation	Page 91 of Sustainable Development Report 2024			
	403-3 Occupational health services	Page 91 of Sustainable Development Report 2024			
	403-4 Employee participation, consultation, and communication on occupational health and safety	Page 92 of Sustainable Development Report 2024			
	403-5 Worker training on occupational health and safety	Page 93 of Sustainable Development Report 2024			
	403-6 Promotion of worker health	Page 93 of Sustainable Development Report 2024			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 93 of Sustainable Development Report 2024			
	403-8 Workers covered by an occupational health and safety management system (Occupational Health and Safety System – HSE system)	Page 93 of Sustainable Development Report 2024			
	403-9 Safety indicators	Page 94 of Sustainable Development Report 2024			
	403-10 Work-related ill health	Page 94 of Sustainable Development Report 2024			

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GRI 1 Standard used GRI 1: Base 2021

Applicable GRI Sector Standard GRI 11: Oil and gas sector 2021

GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION

GRI 11 Oil and Gas Sector 2021

11.10 Employment Practices	401-1 New employee hires and employee turnover by age group, gender and region	Page 88 of Sustainable Development Report 2024			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees"	Page 89 of Sustainable Development Report 2024			
	401-3 Return to work and retention rates of employees that took parental leave, by gender	Page 90 of Sustainable Development Report 2024			
	402-1 Minimum notice periods regarding operational changes (including information whether notice period is defined by the Collective Bargaining Agreement)	Page 90 of Sustainable Development Report 2024			
	404-1 Average hours of training per year per employee, per employee gender and category	Page 95 of Sustainable Development Report 2024			
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 97 of Sustainable Development Report 2024			
	414-1 New suppliers that were screened using social criteria (corruption, lobbying, anti-competitive practices, legal non-compliance)	Page 99 of Sustainable Development Report 2024			
	414-2 Significant actual or potential negative impacts on the company within the supply chain	Page 100 of Sustainable Development Report 2024			
11.11 Non-discrimination and Equal Opportunity	202-2 Proportion of senior management hired	Page 75 of Sustainable Development Report 2024			
	401-3 Return to work and retention rates of employees that took parental leave, by gender	Page 90 of Sustainable Development Report 2024			
	404-1 Average hours of training per year per employee, per employee gender and category	Page 95 of Sustainable Development Report 2024			

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GRI 1 Standard used GRI 1: Base 2021

Applicable GRI Sector Standard GRI 11: Oil and gas sector 2021

GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION
GRI 11 Oil and Gas Sector 2021					
11.11 Non-discrimination and Equal Opportunity	405-1 Diversity of governance bodies and employees	Page 97 of Sustainable Development Report 2024			
	405-2 Ratio of basic salary and remuneration of women to men	Page 97 of Sustainable Development Report 2024			
	406-1 Incidents of discrimination and corrective actions taken	Page 97 of Sustainable Development Report 2024			
11.12 Forced Labour	409-1 Operations and relevant suppliers at significant risk for incidents of forced or compulsory labour, and measures taken to effectively prevent all forms of compulsory labour	Page 98 of Sustainable Development Report 2024			
	414-1 New suppliers that were screened using social criteria (corruption, lobbying, anti-competitive practices, legal non-compliance)	Page 98 of Sustainable Development Report 2024			
11.13 Union and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 98 of Sustainable Development Report 2024			
11.14 Economic indicators	201-1 Direct economic value generated and distributed	Page 74 of Sustainable Development Report 2024			
	202-2 Proportion of senior management hired	Page 75 of Sustainable Development Report 2024			
	203-1 Infrastructure investments and services supported primarily for the public benefit through commercial or pro bono engagement or in-kind contributions	Page 76 of Sustainable Development Report 2024			
	203-2 Significant indirect economic impacts, including the magnitude of the impacts	Page 76 of Sustainable Development Report 2024			
	204-1 Proportion of spending on local suppliers at significant locations where the company operates	Page 76 of Sustainable Development Report 2024			

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GRI 1 Standard used GRI 1: Base 2021

Applicable GRI Sector Standard GRI 11: Oil and gas sector 2021

GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION

GRI 11 Oil and Gas Sector 2021

11.15 Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Page 98 of Sustainable Development Report 2024			
	413-2 Operations with significant actual and potential negative impacts on local communities	Page 98 of Sustainable Development Report 2024			
11.16 Land and Resource rights			The Company did not conduct operations and activities that contributed to population resettlements.		
11.17 Rights of Indigenous Peoples	411-1 Number and description of significant disputes with local communities and indigenous peoples	Page 98 of Sustainable Development Report 2024			
11.18 Conflict and Security	Taking into account the requirements of the GRI sector standard, and in the process of detailed analysis and comparison of the requirements of the GRI 11 Standard: Oil and gas sector 2021 (regarding material topic Conflict and security) with activities and business processes of NIS j.s.c. Novi Sad at the greater scale, it has been determined that this topic is not of material significance for NIS.				
11.19 Anti-Competitive Behaviour	206-1 Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices, according to outcomes	Page 78 of Sustainable Development Report 2024			
11.20 Anti-corruption	205-1 Total number and percentage of organisational units assessed for corruption-related risks and significant identified risks	Page 77 of Sustainable Development Report 2024			
	205-2 Communication and training about anti-corruption policies and procedures	Page 77 of Sustainable Development Report 2024			Due to data confidentiality, contracts with suppliers and their licenses are not publicly available.
	205-3 Confirmed accidents of corruption and actions taken	Page 78 of Sustainable Development Report 2024			

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GRI 1 Standard used GRI 1: Base 2021

Applicable GRI Sector Standard GRI 11: Oil and gas sector 2021

GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION

GRI 11 Секторски индикатори из области нафте и гаса 2021

	201-1 Direct economic value generated and distributed	Page 74 of Sustainable Development Report 2024			
	201-4 Financial assistance received from the Government	Page 75 of Sustainable Development Report 2024			
11.21 Payments to Governments	207-1 Approach to tax	Page 78 of Sustainable Development Report 2024			
	207-2 Tax governance, control, and risk management	Page 79 of Sustainable Development Report 2024			
	207-3 Stakeholder engagement and management of concerns related to tax	Page 79 of Sustainable Development Report 2024			
	207-4 Country-by-country reporting	Page 79 of Sustainable Development Report 2024			
11.22 Public Policy	415-1 Total value of contributions to political parties by country and beneficiary of support	Page 99 of Sustainable Development Report 2024			

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GRI 1 Standard used	GRI 1: Base 2021
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Applicable GRI Sector Standard	GRI 11: Oil and gas sector 2021
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GRI STANDARD / OTHER SOURCE	INDICATOR	INDICATOR LOCATION	OMISSION OF INDICATORS		
			OMITTED REQUEST(S)	REASON	EXPLANATION

GRI 11 Секторски индикатори из области нафте и гаса 2021

	Estimated volume and value of oil and gas reserves	Page 101 of Sustainable Development Report 2024	
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	Volume of produced and disposed formation water	Page 101 of Sustainable Development Report 2024	
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	Total number and volume of significant spills	Page 101 of Sustainable Development Report 2024	
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	Volume of flared and vented hydrocarbon	Page 101 of Sustainable Development Report 2024	
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	Benzene, lead and sulphur content in fuels	Page 101 of Sustainable Development Report 2024	
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	Closure and rehabilitation of wells and facilities	Page 101 of Sustainable Development Report 2024	
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	Safety processes by business activity	Page 101-103 of Sustainable Development Report 2024	
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	PSE (Process Safety Events)	Page 103 of Sustainable Development Report 2024	
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	Volume of biofuels produced and purchased meeting sustainability criteria	Page 103 of Sustainable Development Report 2024	
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GRI INDICATORS

GRI 2-4 RESTATEMENT OF INFORMATION

The 2024 sustainable development report does not contain significant changes to the information provided in previous reports. Difference from the previous report is that some indicators encompass also the data for "HIP-Petrohemija" (indicated in footnotes), which has been within NIS Group as a subsidiary of NIS since June 2023.

GRI 2-23 POLICY COMMITMENTS

Within NIS, numerous internal normative and methodological documents, strategies and policies have been adopted that define work processes, courses of action and beliefs, and which play a significant role in the operations of the entire company.

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 component 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.

GRI 2-24 EMBEDDING POLICY COMMITMENTS

Strategies, policies and other important internal normative and methodological documents that are adopted and applied in certain organisational units of NIS define measures and activities that are binding and that are adhered to, when performing business processes.

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 Company 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 INCOMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

In commercial misdemeanour and violations regarding environmental protection, there were no fines in 2024. One new proceeding of commercial violation was recorded.

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. During 2024, there were no complaints from citizens regarding the impact on the environment, received via calls to the call centre, or via e-mail address: office@nis.rs

NUMBER OF FILED, PROCESSED AND RESOLVED COMPLAINTS RELATED TO THE LABOUR LAW

In 2024, 37 new labour disputes were initiated against the Company (excluding 5 disputes initiated with regards to mobbing and discrimination), while 122 labour disputes from the previous period remain open (excluding 12 procedures related to mobbing).

Out of the total number of labour disputes in 2024, resolution was reached for 59 disputes that were initiated in the previous period, namely 29 in favour of the company with positive financial effect of RSD 42,798,176.22 and 30 disputes with the negative effect of RSD 33,584,498.56.

NUMBER OF COMPLAINTS WHICH REFER TO VIOLATION OF HUMAN RIGHTS, PROCESSED AND SETTLED THROUGH OFFICIAL MECHANISMS FOR COMPLAINTS

During 2024, concerning mobbing and discrimination issues, the Company documented 5 new disputes related to mobbing and 12 disputes from previous periods. There are no legally concluded disputes during 2024.

MONETARY VALUE OF LARGE FINES AND THE TOTAL NUMBER OF THE NON-CASH PENALTIES DUE TO INCOMPLIANCE WITH THE LAWS AND REGULATIONS

In 2024, there were no large penalties or financial fines for the Company due to non-compliance with laws and regulations.

MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES

In 2024, 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 2024

Various surveys have shown that in most companies, respect in the workplace is the most important thing for employees.

Accordingly, on 1 February 2022, NIS launched the "Respect Above All" program, with the aim of providing support to employees who believe they are facing situations of disrespect or that their labour rights, dignity and / or feelings are being threatened.

Each employee may understand respect in their own way, but basically it means respect, appreciation, recognition, and protection. An employee who feels respected is one who is valued, respected, and protected. Understanding the importance of these values, NIS has decided to invest in strengthening respect among employees and improving fair relations in the workplace.

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

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

Depending on their specific situation, employees can choose one of these help centres:

- In situations where employees have challenges in overcoming unpleasant situations, feel pressure, have problems expressing their opinions, or feel isolated and unaccepted by their team, they can contact the Psychological Support Team,

- If employees suspect that they are being continuously subjected to mobbing and want to find out what steps they need to take to initiate proceedings, they can contact the support team,

- When employees experience insults that threaten their dignity or believe that they are being treated contrary to the Company's values and Code of Business Ethics, they can contact the Ethics Advisor, who is a representative of the top management of NIS.

In 2023, NIS established a corporate channel, the "Red Line", through which violations of business ethics are reported with the aim of improving corporate culture and achieving the Company's strategic goals.

During 2024, nine reports were received through the corporate channel "Red Line". Upon receipt of the reports, analyses were performed, reports were prepared, and measures were defined to eliminate irregularities.

Within the framework of the "Respect Above All" program, 15 cases were reviewed and resolved during 2024. The Ethics Advisor has reviewed a total of 100 cases during its four years of work, of which 99 have been resolved. In the fourth year of the Ethics Advisor's work, advice was provided in seven cases, out of a total of 15 cases. The essence of this role is precisely in timely advice that prevents violations of the Code. No employee who has contacted the advisor was left without a response, and thus the Company showed the seriousness of its approach, and its commitment to preventing behaviour that is not in line with business ethics.

A quality work environment means employee satisfaction, which directly affects their productivity. Therefore, NIS is committed to strengthening such an environment, and one of the key tools for this is the "Respect Before All" program. It is important to emphasize that this platform is completely independent, impartial and guarantees discretion, as well as the protection of all employees during communication and resolution of raised cases.

GRI 201: ECONOMIC INDICATORS

GRI 201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Distributed economic value in thousand RSD	2023	2024
Directly generated value	417,148,250	410,785,067
Distributed economic value	411,395,123	395,923,853
Operating costs	306,322,281	330,059,205
Employee earnings and other remuneration	38,486,743	43,490,678
Interest on received loans and paid dividends	26,074,169	13,780,574
Taxes*	33,263,354	8,396,318
Investments in the community	7,248,576	197,078
Increase in the economic value of the Company	5,753,127	14,861,214

*Indirect taxes are not included in the given amount.

GRI 201-2 RISKS AND OPPORTUNITIES FOR COMPANIES RELATED TO CLIMATE CHANGE

One of the key directions of NIS's development is to improve the environmental performance of business processes, reducing carbon intensity, and preserving the environment.

Accordingly, last year the Company also paid great attention to improving energy efficiency, increasing the share of renewable energy sources in its own production, as well as to projects for the utilization of CO₂. Projects aimed at reducing the consumption and losses of energy resources, such as steam, gas and electricity, were continuously implemented. An analysis of existing wells as potential candidates for additional CO₂ injection/utilization from industrial facilities in Serbia was also performed.

Work continued on the EOR project, which involves injecting CO₂ extracted at the amine plant at the Elemir Oil and Gas Preparation Plant into the Rusanda reservoir, in order to maintain reservoir pressure and increase production. In 2024, the total of 79,278,497 cubic meters of CO₂ was injected. Instead of flaring off the gas with high CO₂ content along with other gasses of methane group, which would increase greenhouse gas emissions and negatively impact the environment, it is treated to the standards required for distribution into the Srbijagas "network.

In case of inability to utilise CO₂ there are two options to

manage the produced CO₂. One option is to release the produced CO₂ from the fields in Central and Northern Banat into the atmosphere, which would have a huge impact on ecology and environmental protection. The other option is to stop production from gas fields with increased CO₂ content, which would lead to financial consequences for the company due to reduced production. The estimated annual revenue from the sale of gas from the Srpska Crnja field (65% CO₂) is over RSD 300 million.

The company also pays special attention to the utilisation of geothermal energy. Through the implementation of several projects using its own geothermal resources, it has enabled the heating of buildings, the preparation of sanitary hot water, the heating of swimming pools, greenhouses and industrial facilities, with a constant growth in application in recent years. In 2024, 486,507 m³ of geothermal energy was delivered to consumers, which represents an increase of 23% compared to 2023, due to the commissioning of the new Aqua Park in Palić. Regarding geothermal energy, the financial loss for the company due to its non-use would amount to over 20 million dinars, which is the value of the water delivered in 2024. Projects related to the use of geothermal energy contribute to improving energy efficiency, and the implementation of advanced technologies to increase efficiency has a positive impact on mitigating climate change. Through these investments, the

Company is expanding its activities in the energy industry, while respecting environmental standards and principles.

GRI 201-3 DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

NIS Company pays severance packages and jubilee awards. Upon termination of employment and retirement at the age of 65 and with 15 years of pension insurance, the Company calculates severance pay in the amount of two average salaries in the Republic of Serbia, according to the latest published statistical data. When an employee meets another condition for old-age pension or early old-age pension in accordance with the Law, and submits a request to the Company for termination of employment, NIS pays severance pay in the amount of two average salaries that the Company paid in the previous month. NIS Company makes long-term provisions for severance pay upon retirement of employees, as well as for jubilee awards in accordance with the Collective Agreement (CA). In accordance with the CA, the Company pays a contribution for voluntary pension insurance for employees to one of four designated Voluntary Pension Funds registered with the National Bank of Serbia, from 1,000 dinars to 2,500 dinars, and the Company pays an equal amount proportionally to the amount paid by the employee up to the specified amount.

GRI 201-4 FINANCIAL ASSISTANCE RECEIVED FROM THE GOVERNMENT

The ownership share of the Republic of Serbia in the share capital structure of NIS is 29.87%.

In 2024, there were no financial aid payments from the Government of the Republic of Serbia in the form of premiums, subsidies, grants, or donations.

GRI 202: MARKET PRESENCE

GRI 202-1 THE RATIO OF THE LOWEST WAGE IN THE COMPANY TO THE LEGALLY PRESCRIBED MINIMUM WAGE AT SIGNIFICANT LOCATIONS.

In addition to safety, NIS continuously strives to provide its employees with the best working conditions and ensures that all positions have a minimum monthly gross base salary which is higher than 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	Director of Subsidiary	Department Director	Department Director Advisers and Deputies	Representative Office Director	
Age	НИС j.s.c. Нови Сад	1	0	14	5	0	61	2	0	
	<30	0	0	0	0	0	0	0	0	
	30-50	1	0	10	1	0	43	1	0	
	>50	0	0	4	4	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	0	7	17	0	0
	<30	0	0	0	0	0	0	0	0	
30-50	0	0	0	0	0	3	10	0	0	
>50	0	0	0	0	0	4	7	0	0	
Sex	НИС j.s.c. Нови Сад	1	0	14	5	0	61	2	0	
	Men	1	0	11	4	0	44	2	0	
	Women	0	0	3	1	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	0	7	17	0	0
	Men	0	0	0	0	0	7	16	0	0
	Women	0	0	0	0	0	0	1	0	0
	Citizenship	НИС j.s.c. Нови Сад	1	0	14	5	0	61	2	0
Serbian		0	0	3	4	0	39	1	0	
Foreign		1	0	11	1	0	22	1	0	
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	0	7	17	0	0
Serbian		0	0	0	0	0	4	9	0	0
Foreign		0	0	0	0	0	3	8	0	0
Total		1	0	14	5	7	78	2	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.

Percentage of senior management at significant business locations	Total number of senior management members	Number of senior management members - local population	Local employees (%)
Belgrade	37	34	91.89
Novi Sad	18	14	77.78
Pančevo	13	3	23.08
Zrenjanin	3	1	33.33

Expats are not included in the table

GRI 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

The strategic commitment of NIS is the continuous implementation of projects that contribute to improving living conditions in the community, focusing on all members of society, with a special emphasis on young people - in line with the corporate strategy and the slogan "Future in Action". In 2024, NIS stood out as a leader in the segment of investments in socially responsible projects in Serbia, so that total investments in the aforementioned projects, together with professional sports, amounted to RSD 481.1 million.

The Company provided in 2024, through the "Common Cause Community" programme incentives to local communities in the use of renewable energy sources, rationalisation of energy consumption and creation of an environmentally responsible environment. NIS is the first company in Serbia to announce, independently implement and finance a competition for projects that produce green energy by using the potential of the Sun. For the implementation of the Program, i.e. for the support of 40 projects for the construction of solar power plants on objects of public importance in 13 partner cities and municipalities across Serbia, RSD 144.5 million have been allocated Consistent with its slogan "Together for Green Energy", Company NIS wants to support actively the energy development of partner cities and municipalities and promotion of green energy for building a more sustainable future.

The Company's Volunteer Club also continued to implement numerous activities, with members dedicating more than 600 volunteer hours to the community in 2024 alone. The NIS Volunteer Club, through its activities, also advocates for the development of social entrepreneurship and fosters cooperation with associations focused on supporting vulnerable members of our community. During 2024, support was provided to the associations "Naša kuća" and "Evo ruka".

The Company's employees also demonstrate their humanity by regularly participating in the actions of the Voluntary Blood Donors Club of the Trade Union of "NIS j.s.c. Novi Sad", which are organized in cooperation with the competent transfusion services. During 2024, 15 campaigns were carried out in the company's premises in Belgrade, Novi Sad, Pančevo and Zrenjanin, during which 579 units of blood were collected.

More than 45 sponsorship projects were implemented during 2024. 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. In addition, 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.

GRI 203-2 SIGNIFICANT INDIRECT ECONOMIC IMPACTS, INCLUDING THE MAGNITUDE OF THE IMPACTS

Modernisation of NIS Company's business processes continued in 2024. Capital investments in the amount of RSD 53.2 billion were implemented, which is one of the most ambitious cycles in the history of NIS. The goal is to further modernize production equipment, have a positive impact on the environment, increase efficiency and further reduce operating costs. The turnaround that was carried out at the Pančevo Oil Refinery was the most extensive and complex in the history of the refinery. In addition to fulfilling legal obligations regarding the inspection and testing of refinery equipment and plants, the workover activities carried out ensure reliable and safe operation of the equipment, greater energy efficiency, reduced operating costs and safe and secure operation until the next turnaround which is planned for 2028. Investment projects have been implemented that ensure the upgrade of equipment and technological processes, increase energy efficiency, increase the reliability of plant operation and optimize production processes. During the planned downtime at "HIP-Petrohemija", an audit and overhaul of the main equipment was carried out with the aim of increasing the reliability of its operation and new steps were taken in the preparation of the project for the construction of a polypropylene factory. Investments were

also made in all other areas of business operation.

In 2024, 25% of the net profit realized in 2023 was paid to shareholders as dividends, which is an amount of 10.5 billion dinars, or a gross amount per share of 64.26 dinars.

Furthermore, NIS is one of Serbia's largest exporters and employers. It engages many 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

Trust and long-term relationships with suppliers are the foundation of NIS's business strategy, which continues to implement electronic and digital solutions to improve the efficiency of its procurement process. The key goal in this segment is the complete digitalisation of the procurement process, which enables the integration of the entire supply chain and affects numerous aspects, especially supplier relation management.

Currently, NIS uses the *SAP NetWeaver* portal, a platform that allows NIS suppliers to submit their bids in digital format during the procurement process, of which they were previously notified. The "Supplier Personal Cabinet" has been developed

on this platform with the aim of making suppliers' work more efficient and reducing the repetition of administrative steps (such as attaching documentation). So this space allows for the storage and tracking of documentation along with monitoring of its validity periods.

The KupiNA portal is a solution that enables electronic ordering of materials and services under contracts, covering the entire process from order creation, through the process of coordination and interaction with suppliers, to monitoring the delivery of the materials or services in question.

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 can find detailed instructions on how to use NIS's digital tools here, as well as contact information for technical support.

In order to further improve its cooperation with suppliers, Company a survey once a year and regular workshops with key suppliers. Using quantitative and qualitative research mechanisms, NIS Company identifies and examines all potential challenges the suppliers encounter in the procurement procedure. This approach enables the alignment of the needs of suppliers and the Company, while respecting all key company principles and standards.

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
2023	342,308,545	2,244	124,460,944	2,010	36%	90%
2024	379,408,539	2,323	175,101,342	2,099	46%	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 petrol 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

Corruption-related risks are continuously analysed in all organisational parts of the Company (NIS j.s.c., subsidiaries in Serbia (Naftagas – Oilfield Services, Scientific and Technology Centre, Technical Services, "HIP-Petrohemija" and NIS Petrol) and subsidiaries abroad (B-H, Bulgaria and Romania)), through constant monitoring of corruption indicators¹⁵. The monitoring is conducted, primarily in the areas of procurement of goods and services, business operations with customers, and through the candidate verification process for employment.

Business activity 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 both by bidders and by the client.

Despite precisely defined standards and procedures, Client may, before making decision on the selection of the most advantageous bidder, 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 practices in conducting procurement activities, NIS strives to act preventively and minimize the potential for corrupt practices to occur. If, despite this, conditions for the same are created, it acts in accordance with the Company's regulatory documents regulating 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 2024, 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 unauthorised activities anonymously through the Monitoring Centres of the Corporate Security Function and the Red Line.

Goals for the future:

- Building and raising employee awareness and ability to recognize damaging forms of corruption;
- Monitoring and preventive activities, which would improve the work atmosphere and reduce the possibility of corruptive actions;
- Training courses and professional workshops as a form of expert assistance to management in identifying corruption elements;

- Participating in the development and approval of internal normative and methodological documents with the aim of implementing control mechanisms to minimize the possibilities of corruption;

- Controlling the implementation of anti-corruption and other measures to prevent unlawful activities and

- 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 Committee and Remuneration Committee) and Shareholders' Assembly Board for business activity supervision and reporting to shareholders are thoroughly familiar with current rules and procedures aimed at combating corruption.

NEW EMPLOYEES

The admission of candidates to the Company is strictly defined and as such transparent, and the Function of Corporate Security is one of the entities that verifies each candidate who has applied for admission to the Company. At the Company level, the Economic Security Management

standard has been adopted, which defines the obligations of all entities involved in the candidate verification process.

NIS uses an application for candidate verification that ensures accurate management of all data on each candidate who has entered the verification process, up to the results of the verification, as well as the application for candidate verification for new employees at retail stores.

In 2024, 3,255 potential hires were verified. Besides, all new employees participate in induction training that includes anti-corruption rules and procedures.

EMPLOYEES

In order to prevent the occurrence of corrupt practices, education of all employees is carried out at the company level.

During 2024, direct training of employees on the topic of information protection, encryption and other illegal activities was implemented at NIS. 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.

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 organisational, technical, and personnel measures, as well as procedures, all aimed at protecting personal data, including measures and procedures in the field of cybersecurity.

During internal compliance audits the employees of a responsible organisation unit within the company suggest improvement measures and educate employees in anti-corruption activities.

¹⁵ 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.

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. And during the year 2024, the specialised training courses for such employees included the following topics:

- Information protection, receipt and transmission of confidential data and protection of personal data);
- Confidential record keeping for office managers of the Pančevo and "HIP-Petrohemija" front offices;
- Informing new employees about information protection as a part of Onboarding;
- Training by the Commissioner and Deputy Commissioner of Civil Protection;
- Training in the field of "Personal Data Protection" organized by Bizkon Group;
- Implementation of anti-drone system at the Pančevo Oil Refinery to protect critical infrastructure from the increasing threats of drones;
- Participation of FCS management in the organisation and implementation of the "10th International Conference of Security Managers" on the topic of new technologies and AI as a support for corporate security.
- Participation of 21 employees of FCS in the "Corporate Financial Investigations" training, which was organized as a discussion, exchange of opinions and practical experiences, or as a practical workshop with the aim of improving skills and competencies, which will contribute to more efficient preventive work.

BUSINESS PARTNERS

The Company's operational procedures mandate the conclusion of the Anti-Corruption Agreement with all business partners with which it enters into contractual relationship. The purpose of this Agreement is to preserve and ensure a favourable business environment through preventive and specific actions against corruption and/or other illegal activities. The CEO's Decision also outlines the procedure applied in cases where a business partner refuses to sign the Agreement. In these cases, the initiator of the Agreement NIS Company informs the competent bodies, which is followed by undertaking measures and

actions to determine the actual reasons behind the refusal to sign the Agreement and adopting a harmonized decision on further steps.

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

Commitments and Goals for the Future:

- The Company will pursue implementation of systemic anti-corruption measures in order to protect its business operations.
- The measures will include continuous education and exchange of experience and good practices with Company's management and employees, particularly in the organisational units in charge of procurement and sale of goods and services.

GRI 205-3 CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

In 2024, responsible managers received 76 proposals to initiate disciplinary proceedings against employees whose actions or omissions resulted in damaging consequences for the Company, and which were based on corruptive 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).

In addition, 62 criminal reports were filed with the competent institutions, of which two reports relate to company employees, and 60 criminal reports relate to third parties.

The total number of criminal reports, which total 62, concerns the following criminal offenses:

- Theft (48);
- Grand larceny (9);
- 2 are related to robbery;
- And 3 to other charges.

Because of the above-mentioned criminal offences, the Company suffered damages to the total financial amount of 11.2 million dinars. 9 employees were fired from the

Company on the grounds of proven criminal activities. One of them was a medium-level manager, and eight were front-line employees (engineers, technicians and workers).

In 2024, there were 53 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 AGAINST THE COMPANY RELATED TO CORRUPTION

During the 2024, 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 2024.

GRI 207: TAXES

GRI 207-1 APPROACH TO TAX OBLIGATIONS

Taxes are the key source of income and an important component of fiscal policy, which ensures macroeconomic stability of every country. As the leader on the regional market, NIS Company has a special responsibility to act in accordance with that position. Sustainable development does not assume only compliance with applicable legal regulations, but also the recognition of the role that NIS plays in strengthening economy and value creation in its business environment. In that sense, the centralised

tax function has this assignment in NIS Company and it coordinates its activities in cooperation with the CFO.

NIS is not guided solely by tax considerations when making business decisions, but always focuses on fulfilling tax obligations and respecting the laws in all countries in which it operates, while carefully considering economic and social factors. Given its presence in several different jurisdictions, where tax regulations change frequently, NIS is engaged in constantly monitoring these changes and adapting its business processes to ensure compliance with the legislative framework.

NIS Company has started implementing the Tax Management Standard since 2023, as an internal document that defines in detail the business processes related to taxes and the responsibilities of all participants in that process. The Standard covers all organisational units of the Company with the aim of ensuring full compliance with tax regulations and optimising tax costs in accordance with legal obligations. The process includes the analysis of tax effects, the determination of tax liabilities, as well as the organisation and implementation of tax audits. In creating tax plans, the key responsibility lies with the CFO and the Director of the Tax Department, who work together to determine the strategy. Every year, the Standard is reviewed to determine the need for updating.

The transfer pricing policy of NIS aims at the correct distribution of profits between entities within the NIS Group, taking into account their economic roles, functions, resources and risks. Transactions between related parties are carried out according to the "arm's length" principle, and in cases where necessary, adjustments are made to the tax balance.

Within the framework of sustainable development, the NIS tax function analyses tax benefits and costs that may affect key indicators of sustainable development. The analysis also included programs for the development of local communities through donations and sponsorships, i.e. the tax effects of those activities.

GRI 207-2 TAX GOVERNANCE, CONTROL, AND RISK MANAGEMENT

In the organisational structure of NIS, there is a special section that deals exclusively with tax management within the NIS Group, whose primary task is to ensure compliance with tax regulations, as well as to continuously monitor tax activities through ongoing employee education. Responsibility for the work of the tax function lies with the Director of the Tax Function. The tax function is regularly reviewed and improved, using both internal and external resources and expertise.

The evaluation and development of the tax function occurs continuously based on feedback from various sources:

- In order to verify the tax function, an external tax consultant is engaged as needed, who provides additional support to the internal audit with his expertise in its work. Recommendations are implemented and implemented in accordance with the instructions of the internal audit.
- The tax function is also subject to an audit by an authorized external auditor every year, whose focus is on the legal compliance of the company. Significant deviations are subject to analysis by the Audit Committee. In line with the conclusions of the Audit Committee, measures to eliminate deviations are implemented in accordance with regulations and in the shortest possible time.
- The work of the tax function is measured by the results of the control of the competent tax authorities.
- NIS as a business company is a member of various business organisations. The tax function is thus enabled to exchange experiences with other business companies.
- The analysis of employee performance and annual employee evaluation.
- Assessment of the optimization of cash flow outflows related to taxes.

The tax function covers the entire cycle of tax activities, from the initial analysis of taxation needs, the type of tax treatment and the amount of tax, to the final calculation of tax liabilities and the delivery of relevant information to the

responsible organisational units within NIS. In the event of ambiguities regarding the correct tax treatment or the complexity of the issue, and based on their professional knowledge and experience, independent tax consultants are engaged.

Risk management monitoring, including tax risks, is carried out in a unified and centralised manner by Function for Internal Audit, Risk and Internal Control. The risk status is reviewed on a quarterly basis, while measures to reduce or eliminate risks are taken on an ongoing basis or until it is determined that the risk is no longer present.

GRI 207-3 STAKEHOLDER ENGAGEMENT AND MANAGEMENT OF TAX RELATED ISSUES

NIS shareholders attach great importance to compliance with tax legislation and open cooperation with relevant state institutions. By actively participating in public discussions on new tax laws, the Company has the opportunity for direct communication with representatives of tax authorities. The process of collecting views of stakeholders includes the following:

- Meetings and workshops with other organisational units where the needs of the economy will be identified - Direct communication with interested stakeholders to discuss tax issues.
- Participation in public discussions when publishing draft laws and bylaws and collecting public comments from the economy if available.
- Interviews with experts - Expert opinions on tax regulations.

NIS maintains transparent and constructive cooperation with state authorities, providing them with all necessary support and basing communication on professional and legal grounds. As an active member of business and industry associations, the Company advocates for improving the tax environment, recognizes challenges in practice, and proposes concrete solutions that enable clearer and more precise definition of tax regulations.

GRI 207-4 COUNTRY-BY-COUNTRY REPORTING

According to the regulations of the Republic of Serbia, NIS is currently not required to submit CbC reports, but it collects reports from its members and submits them to the parent company in a timely manner for each tax year.

The overview of tax obligations for 2024 are listed in the table below

NIS j.s.c. Novi Sad	
Direct tax	12.00
Indirect tax	226.85
Total:	238.85
Subsidiaries in Serbia	
Direct tax	2.90
Indirect tax	2.94
Total:	5.84
Subsidiaries beyond Serbia	
Direct tax	6.96
Indirect tax	9.63
Total:	16.58
NIS Group total:	261.27

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

Information on the Company's core activities, revenues from sales to third parties and between entities, as well as data on tangible assets other than cash are available in the Consolidated Financial Statements, NIS Group Annual Report for 2024, and information on the number of employees is provided in this report within the framework of individual GRI indicators 401.

GRI 301: MATERIALS USED

GRI 301-1 MATERIALS USED BY WEIGHT AND VOLUME

Materials used			
Raw materials/materials	UOM	2023	Quantities used 2024
Domestic crude oil	t	815,968	791,583
Imported crude oil	t	3,870,728	2,656,103
Natural gas*	t	119,318	103,237
Geothermal water**	m ³	394,445	486,507
Raw water***	m ³	56,160	50,013

*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, energy sources 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	2023	Quantities used 2024
Crude oil - light waxy	t	512,084	510,776
Crude oil - heavy waxy	t	77,754	67,038
Crude oil - naphtenic	t	226,130	213,769
Crude oil - REB	t	26,675	0
Crude oil - Bosnian	t	270	827
Crude oil - Kirkuk	t	834,197	239,450
Crude oil - Novy Port	t	418	0
Crude oil - Timisoara	t	10,780	7,478
Crude oil - Cpc Blend	t	254,953	229,190
Crude oil - Johan Sverdup	t	418,863	119,851
Crude oil - Crude oil blend	t	438	7,003
Crude oil - Azeri	t	167,510	721,215
Crude oil - ES Sider	t	79,622	83,679
Crude oil - Bonga	t	56,197	4
Crude oil - Basra medium	t	678,112	751,383
Crude oil - Bonny light	t	120,314	109
Crude oil - Al Jurf	t	165,914	252
Crude oil - Caspian blend	t	40,959	13
Crude oil - Kebco	t	139,542	495,406
Crude oil - Qaroun Egipat	t	59,994	243

Intermediate products/materials	UOM	2023	Quantities used 2024
Pyrolysis gasoline	t	81,030	13,918
MTBE	t	4,761	11,697
Isobutane and gasoline from Elemir Plant	t	859	945
Imported vacuum gas oil (VGO)	t	0	34,980
Additives and polymer mass	t	773	296
Slop (including degraded products)	t	245	123

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

GRI 301-2 RECYCLED INPUT MATERIALS USED

Overview of packaging materials			
Material	UOM	2023	Quantities used 2024
Paper and cardboard	t	91	100
Wood	t	1,038	1,154
Plastic	t	886	1,047.5
Metal packaging	t	112	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.

The volumes shown for 2023 and 2024 include the data concerning "HIP-Petrohemija".

GRI 301-3 PERCENTAGE OF PRODUCTS AND THEIR PACKAGING MATERIALS SOLD BY THE COMPANY THAT ARE RECLAIMED, BY CATEGORIES

NIS, as a package filling specialist and a distributor that places packaging on the market, engages a waste management system operator, holding the license allowing them to perform this activity. With a view of meeting the national objectives set for 2024, the packaging waste taken over and collected in 2024 was re-used, recycled and disposed of in the current year.

The Company bottles mineral water and juices in Jazak

and produces different brands of oils and lubricants in the Oils and Lubricants Production and Logistics Unit in Novi Sad, and its retail facilities offer a non-fuel goods, packed in G Drive packaging. "HIP-Petrohemija" produces high- and low-density polyethylene, while the Synthetic Rubber Company of Elemir manufactures and packages rubber intended for further sale.

The Company organises packaging waste collection in labelled bins (paper and PET packaging, and used cans, at all larger facilities and petrol stations).

Overview of packaging placed on the Serbian market*				
Material	UOM	2023	2024	
Plastic	PET - Beverage bottles	386	499	
	PET - Other bottles		13	
	PET - Other		0.5	
	Polyethylene - HDPE	t	271	221
	Polyethylene - LDPE		229	228
	Polypropylene			14
	Other multilayered plastic			72
Metal	Metal packaging for beverages		9	
	Iron	t	112	75
	Aluminium packaging for beverages		25	
Paper and cardboard	Cardboard and paper	t	91	78
	Multilayered cardboard packaging for beverages			22
Wood	Pallets	t	1,038	1,138
	Other wood (planks, cork)			16
Total	t	2,127	2,410.5	

*The above new reporting form was adopted at the beginning of 2024.

** The volumes shown for 2023 and 2024 include data concerning "HIP-Petrohemija".

GRI 302: ENERGY

GRI 302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Overview of energy consumption*											
Energy type	UOM	Quantities used		Quantities used, in toe		Energy by source					
		2023	2024	2023	2024	Produced internally		Purchased from supplier		Sold	
						2023	2024	2023	2024	2023	2024
Natural and associated gas	m ³	177,174,900	165,977,553	142,971	134,694	199,146,544	192,238,786	113,866,035	91,719,569	4,846,780	5,564,205
Fuel for own consumption (gasoline, diesel)	t	4,376	4,236	4,691	4,539	4,376	4,236	0	0	0	0
Fuel – own consumption (light fuel oil, refinery gas, coke, torch oil, offgas)	t	429,474	359,377	246,781	190,885	429,474	359,377	0	0	0	0
LPG	t	210	193	221	203	103,497	92,172	0	11,917	104,142	101,749
Water steam (in the form of high-pressure steam)	t	946,718	995,312	73,010	76,765	946,718	533,325	0	461,987	0	0
Electricity purchased	MWh	382,909	378,754	32,924	32,567	0	0	382,909	378,754	0	0
Electricity produced	MWh	65,575	55,516	5,638	4,773	118,543	114,991	0	0	52,968	59,475
Thermal energy	MWh	7,398	6,871	636	591	0	0	7,398	6,871	0	0

*The volumes shown for 2023 and 2024 exclude data concerning "HIP-Petrohemija".

**Water steam from own production of energy power plant and combined-cycle power plant Pančevo.

In 2024, energy consumption was lower by 6.3 per cent than the consumption envisaged in the business plan and 15 per cent lower than in 2023. The decrease on the year before is mainly caused by the turnaround, which was conducted in the period from March to April 2024.

GRI 302-2 ENERGY CONSUMPTION OUTSIDE THE ORGANIZATION

The Company cannot report on either energy consumption outside the organisation or the applied methodologies and sources of conversion factor in this context, due to the insufficiency of available data.

GRI 302-3 ENERGY EFFICIENCY

The Energy Intensity Index (EII) is a key indicator of continual energy efficiency improvement in the fields with high energy consumption. This index 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 the reference year, in the period from 2012 to 2024, the Company achieved the total increase in energy efficiency of 32 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 16 per cent. With the production of electricity from the backpressure turbogenerator at the Pančevo Oil Refinery, in addition to 49 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 2024 is 26 per cent.

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

GRI 302-4 REDUCTION OF ENERGY CONSUMPTION

The most significant projects and measures completed and launched in 2024 include:

- Utilisation of waste heat from HVGO pumparound¹⁶
- Replacement of the condensate separator with supercooling (500 pcs.)
- Furnace modernisation (new burners, installation of SMART gate valve, installation of CO, O₂ analyser, measurement of draft and temperature of the coil wall surface area)
- Replacement of the heat exchanger with a new one with a higher capacity
- Optimization of pumping units operation, including balancing
- Replacement of pump units
- Cement squeeze operation
- Shutting in unprofitable wells
- Optimising operation of diesel generators

Implementation of projects and measures defined under the 2024 Energy Efficiency Improvement Program and introduction of additional measures and especially challenge measures in the Refining Block resulted in overall energy savings of 907 TJ.

Overview of planned and realized energy savings			
Energy source	Planned savings in 2024 (GJ)	Actual savings in 2024 (GJ)	Actual savings in 2024 (%)
Electricity	-112,371	-63,482	56
Thermal energy	577,575	914,678	158
Fuels	88,895	56,416	63
Total:	554,099	907,612	164

NIS has a procedure for the approval of nominated projects 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 is 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 significantly 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 (much higher than that of other motor fuels) and its high octane number, which is 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 of organic lead or benzene.

In 2024, 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, was stopped operating on 30 June 2024.

GRI 303: WATER MANAGEMENT

GRI 303-1 INTERACTIONS WITH WATER AS A SHARED RESOURCE

Given that the Company needs to use water resources for oil production and refining processes, petrochemical and other systems, water management is one of the primary objectives that is give special focus. Water is used for the production and technological processes (steam generation, cooling systems operation), fire protection, tank cooling and water tightness testing, bottling of drinking water,

hence reducing the share of fresh water withdrawal, while increasing the share of water from recirculation has been adopted as a strategic goal.

The Company obtains water from least sensitive water resources - surface waters (83.3%), out of which 82.5% is withdrawn from the Danube and Danube-Tisa-Danube Canal, then from public waterworks (6.3%), and underground water bodies (10.4%). Considering the Danube and Danube-Tisa-Danube are high-flow waterways, as well as that water intake for the Company's purposes is significantly under 5 per cent of their average annual flow, the Company's activities do not compromise their potential. The water sources for production and other processes are located in the areas extremely affected by water pumping.

With an aim of preserving water quality and preventing pollution, the Company has a large number of normative and methodological documents in place, which regulate all the activities related to monitoring, management and maintenance of water facilities, including roles and responsibilities in this process.

The Company strives to continually reduce the share of fresh water in the overall volume of water used, which is one of objectives of the Company's Strategy. The Pančevo Oil Refinery, owing to condensate recovery that enables water recirculation, maintains the savings trend in the fresh water intake at a level of around 20% (in 2024, the effect of savings was 23%).

In addition to improving water intake, NIS continually strives to improve the wastewater treatment process.

NIS gives high priority to wastewater treatment, especially considering that 89% of wastewater is discharged to waterways, mostly the Danube river. By treating wastewater to the quality required by the legal regulations, the Company protects the public sewage systems and final recipients. NIS generates process, atmospheric, and sanitary wastewater. At NIS, all wastewater is properly treated and only treated wastewater is discharge into the final recipient, irrespective of the type of recipient, in compliance with the water permit, water management requirements, and other compulsory documents (IPPC permit, environmental impact study).

Oil-contaminated wastewater resulting from process

¹⁶ HVGO – heavy vacuum gas oil

activities at NIS and oil-contaminated rainwater could pose a real risk for the recipient bodies (waterway, public sewer system, lagoons, and waste pits) and, consequently, every year, the Company installs new and replaces/reconstructs the existing separators, as assessed to be necessary. In the previous year, with an aim of meeting the EU and RS requirements, the locations for the implementation of new wastewater quality improvement projects were designated, which envisage the replacement of equipment and complete infrastructure.

The water treatment technology and the choice of plant depend on the type and concentration of contaminants, wastewater volumes, rate of generation, and release, and the intended recipient. Wastewater in the Company is treated in water treatment plants, separators and settling tanks, and biological clarifiers, which there are currently 425.

To assure the quality of treated wastewater and ascertain that the treatment process is efficient and meets the applicable regulations, the Company regularly monitors all the emitters, including groundwater, thus controlling the impact of its process activities on groundwater and soil. NIS also monitors the technical condition of the treatment facilities on a regular basis (in terms of functionality and pressure tightness), transparently reports accidents, maintains all necessary licenses, and pays all fees and taxes.

The impact of industrial operations on water bodies is an important topic. NIS cooperates with the competent authorities responsible for water management and other local and national institutions. Data on the quality of wastewater discharged after treatment are submitted to the local and national registry of pollution sources on a regular basis.

GRI 303-2 MANAGEMENT OF WATER DISCHARGE-RELATED IMPACTS

Wastewater treatment is one of NIS' priorities, as a result all wastewater is properly treated and only treated wastewater is released. The method of treatment is determined by the quality standard wastewater has to meet before it may be discharged into the final recipient body prescribed by water acts, legal regulations, decisions issued by the inspections,

and the IPPC permit. The Company releases 89 per cent of wastewater into waterways, mostly into the Danube.

Water treatment technology and the choice of plant depend on the type and concentration of contaminant, volume of water, rate of production and release of wastewater, and the intended recipient. For wastewater treatment, the Company uses water treatment plants, separators and clarifiers, and biological purifiers, while "HIP-Petrohemija" treats wastewater from the Pančevo Oil Refinery and "HIP-Petrohemija" in the water treatment plant (WTP). There are 425 wastewater treatment facilities in total. Wastewater quality analyses are performed by an accredited laboratory on a quarterly basis, and the resulting reports are submitted to the competent government and local authorities.

The Company has adopted internal normative and methodological documents to regulate the inspection of efficiency of treatment equipment and the quality of treated wastewater.

Considering that the Pančevo Oil Refinery withdraws highest volumes of water and generates highest volumes of wastewater, this organisational unit formed a Task Force with the task of ensuring the wastewater quality in line with legal regulations of the Republic of Serbia and the European Union. In 2024, this Task Force compiled the Report on the analysis of wastewater management in the Pančevo Oil Refinery, including the proposal of a solution for achieving compliance with the aforesaid legal regulations. The procurement procedure for the service of the Feasibility Study development, with a technical solution for the pre-treatment/treatment of process wastewater in the Refining Block, was launched with the objective to additionally improve the quality of released wastewater.

The Oilfield Services conducted the analysis of the wastewater treatment systems and plants on all the locations and identified the locations for the improvement of such systems and plants.

The Company regularly monitors all the emitters, including groundwater, thus controlling the impact of its work activities on groundwater and soil. We also monitor the technical condition of the treatment facilities, in terms of functionality and containment, transparently report accidents, maintain all necessary licenses and pay all fees and taxes.

GRI 303-3 TOTAL WATER WITHDRAWALS

Total volume of water withdrawn by source			
Type of the water intake	Unit of measurement	2023	2024
Surface waters including rivers, lakes, and channels		6,976,364	6,858,169
Groundwater	m ³	868,962	858,085.70
Storm water		0	0
Public water supply		505,785	520,241.35
Total volume of water withdrawn *	m³	8,351,111***	8,236,496
Formation water **		4,800,542	4,885,044

*All withdrawn water can be classified as freshwater ($\leq 1,000$ 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 volumes shown for 2023 and 2024 include data concerning "HIP-Petrohemija" and consequently they differ from the published and verified data in the NIS Report on Sustainable Development for 2023.

Note: The volume of withdrawn water is read from the flow meters

For the purposes of business processes in the Pančevo Oil Refinery, 4,238,124 m³ of water was withdrawn from the Danube river, or 134 l/s (0,134 m³/s), which represents 0.0026% of the average Danube flow (5,200 m³/s). In 2024, the volume of water withdrawn from the Danube for the needs of the Pančevo Oil Refinery decreased by 7.5%, as a result of one of the largest turnarounds during which the units recorded lower operation time and lower water requirement, having an impact on the overall water intake in the Company.

For the purposes of the Novi Sad Tank Farm, 230,453 m³ of water was withdrawn from the Danube river, or 7 l/s (0,007 m³/s), which represents 0.0115% of the average flow of the Danube-Tisa-Danube Canal at Novi Sad (60 m³/s).

For the purposes of "HIP-Petrohemija" of Pančevo, 2,324,321 m³ of water was withdrawn from the Danube river, or 73.5 l/s (0,074 m³/s), which represents 0.0014% of the average Danube flow (5,200 m³/s).

GRI 303-4 WATER DISCHARGE

Total quantity of released water by recipient and treatment				
Recipient	Unit of measurement	2023	2024	Treatment type
Water bodies	m ³	591,773.35	639,570	physical
		3,103,018.07	2,977,871	Physical, chemical, biological
		0,00	0,00	No treatment
		0,00	0,00	External wastewater treatment plant (applying the physical and chemical method) - WTP - the water treatment plant of "HIP-Petrohemija" treats oil-contaminated wastewaters from the Pančevo Oil Refinery (in 2024, 1,370,563 m ³ of water was transferred from RNP to HIPP, and 1,569,339 m ³ in 2023)
Total water flow:	m³	3,694,791.42	3,617,441.70	
Public sewer system	m ³	392,648.90	394,728	physical
		223	243	Physical, chemical, biological
		33,445	35,098	no treatment (business centres)
		4,999.33	6,059	External wastewater treatment plant (applying the physical and chemical method)
Public sewer system, total:	m³	431,316.23	436,128	
Other (absorption pit, lagoon, collection pit)	m ³	61,764	25,406	physical
		3,175	5,475	Physical, chemical, biological
		0,00	0,00	No treatment
Total other:	m³	64,939	30,881	
Total volume of water released:	m³	4,191,046	4,084,451	

The decrease of discharged water arises as a consequence of reduced process activities in the Pančevo Oil Refinery due to the turnaround. The volumes shown for 2023 and 2024 include the data concerning "HIP-Petrohemija".

The Company does not affect the biodiversity by discharging treated wastewater into water bodies. The obtained water acts ascertained that the water bodies into which treated wastewater is discharged are not categorized as those under special protection or with values of biodiversity.

The quality of wastewater produced in the processes of the Pančevo Oil Refinery is monitored in accordance with the applicable legal regulations. Complete oil-contaminated water from the refinery area is first treated on API separators on the premises of the Pančevo Oil Refinery, then it is sent to the wastewater treatment plant in "HIP-Petrohemija", and finally discharged into the Danube river. In 2024, the total of 1,370,563 m³ wastewater from the API separator was transferred to "HIP-Petrohemija" for further treatment.

The average annual concentration of hydrocarbon in the process wastewater from the Pančevo Oil Refinery is 31.13 mg/l. In particular, the annual amount of hydrocarbon¹⁷ in process wastewater, prior to the secondary treatment, is 7.3 t.

Average annual concentration of hydrocarbon (mg/l)	31.13
Annual volume of hydrocarbon in process wastewater (t/year)	48.8

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

The emission limit values for the tested wastewater parameters, as well as the parameters being tested, are defined in accordance with the legal regulations of the Republic of Serbia. On the other hand, the emission limit values for the wastewater that is transported from the refinery to "HIP-Petrohemija" are regulated by the internal instruction. In the reporting period, there were no significant deviations from the defined legal limit emission values that would harm the recipient quality.

GRI 303-5 WATER USE

	2023	2024
NIS + "HIP-Petrohemija"	4,160,064.51	4,152,045.30
NIS	m ³ 2,872,036.51	2,902,019.30
REF	2,653,385.00	2,542,108.00
"HIP-Petrohemija"	1,112,026.00	1,250,026.00

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

In addition to the refinery, "HIP-Petrohemija" is also a large water consumer, which withdraws water from the Danube for its purposes, without compromising its potential. In particular, in 2024, the volume of withdrawn water was 0.0014% of the average annual potential of the Danube.

For bottling of Jazak potable, water is withdrawn from the Jazak spring.

The Company also uses water for drilling, tank cooling and fire protection.

¹⁷ Hydrocarbons are characteristic to oil industry and their limit values are defined by the law.

GRI 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 2024
Special reserve	Deliblato Sands	HTS Devojački bunar Db - 1/H	out of operation
		Tilva gathering gas station	out of operation
	Okanj Lake	Elemir Oil and Gas Preparation and Transport Unit	in operation
		Eli-1 oil well	out of operation
Special reserve	Meadows of Great Bustard	Synthetic rubber factory, Elemir	in 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
		Palić Lake	HTS Palić (1 Pj - 1/H, Pj - 2/H)
	Jegrička	Pć-24	in operation
Natural park	Junaković Forest	Zmajevu filling station	in operation
		HTS Prigrevica - Junaković Spa (Pb-1/H)	in operation
National Park	County Park – Zrenjanin Town Gardens	Zrenjanin 1 filling station	in operation
		Đerdap	Donji Milanovac filling station
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

Through a number of activities that have a negative impact on nature, the man has established himself as the main cause of reduction of many plant and animal species. Some of the aggravating factors that undermine biodiversity include:

- habitat destruction due to expansion of farming areas,
- intensive grazing,
- burning of primary vegetation,
- deforestation,
- hydromelioration,
- urbanisation and infrastructure construction,
- overexploitation (overharvesting, overhunting, overfishing),
- 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 takes pride in not making any adverse impacts in the protected areas or areas with high biodiversity value outside these areas.

In 2024, NIS engaged in exploration and production of oil, gas and thermal water, and sale of petroleum products at 12 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 Jegrička, as a natural monument (Junaković Forest and Zrenjanin city gardens). All these activities were performed in strict compliance with the requirements defined by the competent authorities of the Institute for Nature Conservation of Serbia and the Provincial Institute for Nature Protection.

In 2024, the Decisions on Environmental Requirements were obtained for the purpose of developing the project of applied hydrogeological exploration in the Idoš Field, for oil

and gas extraction on production fields Melenci, Bradarac Maljurevac, Sirakovo, Čestereg, and Kikinda.

Additionally, the Decisions on Environmental Requirements were obtained for drilling and testing wells Vo-058, Vo-061, Vo-063, Lo-027, Lo-029, Lo-031, Lo-032.

GRI 304-3 HABITATS PROTECTED OR RESTORED

In 2024, 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

Whilst plant and animal species play a key role in the preservation of the ecosystem, 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.

The International Union for Conservation of Nature (IUCN) has compiled the IUCN Red List of Threatened Species currently including over 166,000 species, out of which 46,300 are facing extinction (41 percent of amphibians, 37 percent of sharks and rays, 440percent of stony corals, 34 percent of coniferous trees, 26 percent of mammals, and 12 percent of birds).

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 regulations 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. The calculation is inclusive of CO₂, CH₄, N₂O, HFC gases, expressed as an equivalent of CO₂, while biogenic CO₂ is not generated.

The emission factors are systematically applied to commercial fuels. The Global Warming Potential (*GWP*) covering the time period of 100 years is taken from the

IPPC Assessment Report (the IPCC Fifth Assessment Report - AR5 of the Intergovernmental Panel on Climate Change (*IPPC*)).

	Unit	2024
CO ₂ direct emissions (Scope 1)	t CO ₂ eq	1,619.352
CO ₂	t	1,510,769
CH ₄	t	94,956
Direct emissions by source type (t CO₂eq):		
Stationary combustion		267,466
Flaring		47,278
Oil refining		1,185,898
Fugitive emissions		90,207
Mobile sources air pollutions		24,387
Other emissions		4,116

Direct emission of CO₂ (Scope 1) were increased due to the inclusion of "HIP-Petrohemija" into the calculation.

The Company calculated the emissions for three plants (Pančevo Oil Refinery, Elemir oil and gas conditioning plant, and the power plant at the Novi Sad tank farm), which are, in accordance with the Regulation on Greenhouse Gas Emissions Monitoring and Reporting ("Official Gazette of the Republic of Serbia", No. 118/2023), subject to the monitoring and reporting obligation. In 2024, the greenhouse gas emissions amounted to 956,821.89t of CO₂, which is 17 per cent lower compared to the CO₂ emissions in 2023 of 1,148,445.67t, specifically due to a lower oil refining output in the Pančevo Oil Refinery as the result of turnaround.

In 2024, 45,439,750 m³ of CO₂ was injected in the Rusanda reservoir, which was separated at the amine unit within 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). In 2024, Messer took over 7,373,242 m³ of CO₂.

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. The disclosed emissions are those over which the Company has an operative control.

In 2024, GHG emissions from imported electricity and heat used by the Company and its subsidiaries in the Republic of Serbia (Scope 2) stood at 428,305.55t CO₂eq. The indirect emissions are higher on the year before (when they amounted to 271,238.5 t CO₂eq), given that the emissions calculations also cover the emissions of "HIP-Petrohemija".

*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 warning values for greenhouse gas 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 greenhouse gas 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 11,381,830.3 t CO₂eq.

The Company is considering to expand the calculation to

other categories for the coming period, as well as to make the calculation for "HIP-Petrohemija".

Category	In thou. t CO ₂ eq
Purchased goods and services (category 1)	640.0
Production assets (fixed assets) (Category 2)	49.9
Use of sold products (Category 11)	10,691.9
Total– other indirect GHG emissions*	11,381.8

*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". Note: The calculation includes exclusively CO₂ emissions, while biogenic CO₂ emissions are not included in the report.

GRI 305-4 GHG EMISSIONS INTENSITY

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

	2023	2024
Upstream	255.2	246.5
Refining	276.9	241.1

The calculation is inclusive of CO₂, CH₄, N₂O, HFC gases, expressed as an equivalent of CO₂.

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 2024, the carbon intensity recorded a slight (3%) year-on-year decrease in the Upstream, given a lower volume of flared gas and lower own gas consumption.

Due to the turnaround in the Refining Block in 2024, the carbon intensity was 13% lower on the year before.

The Company currently monitors the intensity of Scope 1 emissions for the purpose of reporting and meeting the requirements of the legal regulations of the Republic of Serbia, which constitute the largest share in both produced oil and gas and oil refined in the refinery, as the core activities in the oil and gas sector.

GRI 305-5 REDUCTION OF GHG EMISSIONS

In 2023, in terms of strategic documents governing renewable energy sources, energy efficiency, and reduction of GHG emissions, the Company adopted 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. At the end of the year, a regulation stemming from the Law on Climate Changes, the Rulebook on Greenhouse Gas Emissions Monitoring and Reporting ("Official Gazette of the Republic of Serbia", No. 118/ 2023) was passed. This regulation introduces the obligation of annual monitoring, reporting, and verification of GHG emissions for the operators in Serbia.

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%, 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.

NIS has identified the risks related to climate changes and the impact of increasingly stringent climate regulations on its operations. As the result, the Company will give the focus to the projects of energy efficiency improvement, power generation from renewable energy sources, CO₂ utilisation, and use of geothermal energy, which have a direct impact on the reduction of direct and indirect GHG emissions and mitigation of negative effects of climate changes.

In 2021, the consultants developed the Study "Analysis of Technical and Technological Measures to Reduce GHG Emissions, with the Assessment of Costs for NIS j.s.c. Novi Sad and Quantitative Definition of Potential Reduction of GHG Emissions Until 2030 Resulting from the Implemented Measures". The possibilities of reducing the emissions from all GHG emission sources at NIS level were analysed, and the emission reduction potential and costs were assessed based on the data on the measures/projects having an

impact on the emission reduction. The aforesaid Study served as the basis to define the emission reduction goals at the Company level.

In the upcoming period, once the conditions are in place, the Company will start reporting on GHG emission reduction against the goals it adopted. In doing so, the special focus will be given to corporate decision-making contributing to the identification of future GHG emissions reduction opportunities.

GRI 305-6 EMISSIONS OF OZONE-DEPLETING SUBSTANCES

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

GRI 305-7 NITROGEN OXIDES (NO_x), SULPHUR OXIDES (SO_x), AND OTHER SIGNIFICANT AIR EMISSIONS

Air pollutant emissions (t/g)*	2023	2024
SO ₂ emissions	193.0	167.0
NO _x emissions	1,483.8	1,289.7
Particulate matter (PM) emissions	51.7	27.0

*The table shows the most significant gas emissions, including NO_x, SO₂, and PM, characteristic of the oil industry, whose monitoring is required under the legal regulations.

In 2024, the total emissions of pollutants (SO₂, NO_x, and particulate matters) were lower by 14% as opposed to 2023, due to a lower refining output in Pančevo Oil Refinery resulting from the turnaround.

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 2024, all results of the continuous internal measurement of air pollutant emissions in the Pančevo Oil Refinery are in conformity with the set LELs. The air pollutant emissions monitoring was fully implemented through periodical measurements, without identifying exceeding of the LELs during both measurement sessions in 2024. The Fuel Consumption Plan is still in force, which contributed to phasing out heavy fuel oil from use and maximizing the use of natural gas and the gas produced and treated in the

Company's production processes.

The emissions from large combustion units covered by the National Plan for Reduction of Emissions of Major Pollutants from Old 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

Overview of generated and disposed waste in tons		
Waste type	Generated waste in 2024	Disposed waste in 2024
Hazardous	9,660	9,626
Non-hazardous waste	13,218	14,053
Mining	63,218	63,218
Total:	86,096	86,897

Overview of disposed waste by type in tons		
Disposal method	2024	
	Non-hazardous waste	Hazardous
Landfill disposal	2,734	50
Recycling	10,989	1,770
Re-refining	56	0
Storage	36	166
Solidification	145	2,963
Co-burning	30	4,388
Treatment of mixed municipal waste	63	0
Export– renewable catalyst components	0	289

* The results show are inclusive of waste volumes from "HIP-Petrohemija".

The waste to be handed over to the engaged waste management operators is regularly measured on calibrated scales, and the Company uses the Waste Reporting Application to track, on a regular basis, generated and disposed of amounts of waste at the Company level and for the purpose of internal and external reporting. The Company regularly reports to the competent government authorities, through the National Register of Pollution Sources of the Environmental Protection Agency, on hazardous waste flows. The reports on the waste generated and disposed of in 2024 have been submitted.

According to the applicable waste management regulations, the Company has contracted 57 operators for the service of waste disposal. The operators hold the waste management licenses (collection, transport, storage, re-use, disposal), issued by the competent authorities of the Republic of Serbia. All the engaged operators provide waste disposal in accordance with the applicable legal regulations and requirements indicated in the relevant licenses.

In 2024, the Downstream mainly generated hazardous waste consisting of petroleum-based waste, generated during cleaning of oil tanks in the Pančevo Oil Refinery, fuel tank farm of the Sales and Distribution Block, and waste from cleaning tanks at petrol stations. The Upstream mainly generated hazardous waste from oil tank cleaning at the oil gathering and transport stations. The hazardous waste structure features predominantly mud and sludge, oil-contaminated waste, generated during maintenance and cleaning of tanks and separators, and oil-contaminated waste sewage systems (76 per cent). Of all types of generated non-hazardous waste, 48% was waste concrete from cleaning the grounds for construction of the polypropylene plant in "HIP-Petrohemija".

Different types of waste require different treatment methods. Most non-hazardous waste, primarily concrete, metals and packaging items, is transferred for recycling. Depending on the concentration of hydrocarbons, hazardous waste (mud, sludge, and oil-contaminated waste), is disposed of by co-burning or solidification. The catalyst from the Pančevo Oil Refinery is exported for the purpose of catalyst regeneration.

The construction of the SARU enabled regeneration of sulphur from spent sulphuric acid, hydrogen-sulphide, and other sulphur compounds, in a form of concentrated sulphuric acid, without adding chemicals and forming waste products. Using the SARU helped resolve the problem of storing, transport, and treatment of waste spent sulphuric acid in the Refining Block.

AMOUNT OF DRILLING WASTE AND STRATEGIES FOR DISPOSAL

In 2024, as part of regular activities on drilling of new oil wells, a total of 57 wells was drilled, out of which 52 development wells and 5 exploration wells, and around 63,000 t of waste mud material was generated in total, which was immediately disposed of. This is by 13 per cent higher than in 2023, when 56,000 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 2024 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 2023		31 December 2024	
	Direct	Total	Direct	Total
Exploration and Production Block	1,079	1,079	1,108	1,108
Downstream Division	2,592	2,592	2,622	2,622
Refining Block	997	997	1,004	1,004
Sales and Distribution Block	1,384	1,384	1,408	1,408
Energy Directorate	46	46	49	49
Rest of Downstream Division	165	165	161	161
NIS – expert services	1,215	1,215	1,581	1,581
Representative offices and branches	4	4	3	3
NIS j.s.c. Novi Sad	5,317	5,317	5,314	5,314
Naftagas – Oilfield Services	2,294	2,294	2,415	2,415
Naftagas – Technical Services	428	428	436	436
Naftagas - Transport - MTO	2	2	137	137
NIS Petrol	3,170	3,170	3,196	3,196
STC NIS Naftagas "HIP-Petrohemija"	413	413	415	415
	-	-	1,255	1,255
Subsidiaries in Serbia	6,307	6,307	7,854	7,854
Total:	11,624	11,624	13,168	13,168

*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	Q	SQ	LQ	Total	
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	11,624	
2024	NIS j.s.c. Novi Sad	Direct	13	752	1,804	362	1,620	2	96	663	1	1	5,314
		Leasing	0	0	0	0	0	0	0	0	0	0	0
	Subsidiaries in Serbia	Direct	5	301	902	482	3,706	75	191	2,185	5	2	7,854
		Leasing	0	0	0	0	0	0	0	0	0	0	0
	Total:	18	1,053	2,706	844	5,326	77	287	2,848	6	3	13,168	

Overview of employee gender structure by contract type					
Year		Men	Women	Total	
2023	NIS j.s.c. Novi Sad	Direct	3,784	1,533	5,317
		Leasing	0	0	0
	Subsidiaries in Serbia	Direct	4,459	1,848	6,307
		Leasing	0	0	0
	Total	8,243	3,381	11,624	
2024	NIS j.s.c. Novi Sad	Direct	3,745	1,569	5,314
		Leasing	0	0	0
	Subsidiaries in Serbia	Direct	5,743	2,111	7,854
		Leasing	0	0	0
	Total:	9,488	3,680	13,168	

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	
2023	Men	254	68.65%	7,989	70.99%
	Women	116	31.35%	3,265	29.01%
	Total	370	100%	11,254	100%
2024	Men	285	69.68%	9,488	72.05%
	Women	124	30.32%	3,680	27.95%
	Total	409	100%	13,168	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
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
2024	NIS j.s.c. Novi Sad	7	554	1,479	1,560	1,372	342	5,314
	Subsidiaries in Serbia	50	1,493	2,437	2,052	1,473	349	7,854
	Total	57	2,047	3,916	3,612	2,845	691	13,168

Employee turnover	Men		Women		Total	
	2023	2024	2023	2024	2023	2024
Employment						
NIS j.s.c. Novi Sad	209	263	133	121	342	384
Subsidiaries in Serbia	719	811	401	416	1,120	1,227
Total	928	1,074	534	537	1,462	1,611
Termination of employment						
NIS j.s.c. Novi Sad	169	229	78	89	247	318
Subsidiaries in Serbia	598	637	304	356	902	993
Total	767	866	382	445	1,149	1,311
Total:	1,695	1,940	916	982	2,611	2,922

* Representative offices, branches, 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 14%.

***Ratio of employees who left the Company and employee headcount at the beginning of the period is 11%.

Employee turnover	up to 19		20-29		30-39		40-49		50-59		over 60		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Employment														
NIS j.s.c. Novi Sad	5	5	126	152	134	126	56	68	16	24	5	9	342	384
Subsidiaries in Serbia	45	54	449	499	279	311	219	242	108	106	20	15	1,120	1,227
Total:	50	59	575	651	413	437	275	310	124	130	25	24	1,462	1,611
Termination of employment														
NIS j.s.c. Novi Sad	1	0	40	37	64	73	37	70	18	35	87	103	247	318
Subsidiaries in Serbia	25	12	349	324	223	232	145	176	77	96	83	153	902	993
Total	26	12	389	361	287	305	182	246	95	131	170	256	1,149	1,311
Total:	76	65	964	1,018	700	742	457	556	219	261	195	280	2,611	2,922

*Representative offices, branches, 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 differences neither between the benefits provided to permanent employees and temporary employees nor between employees working on different locations of the Company.

NIS provides a high-level social support to its employees, which is regulated by the Collective Bargaining Agreement and internal regulations and which surpasses that required under 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;
- New Year's (vouchers) gifts for the employee's children;
- One-off financial aid to the family in case of the employee's death;
- Reimbursement of damage sustained by the employee due to the destruction of or damage to residential facilities, 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.

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 2024								
Organizational unit	Employees whose leave began in 2023	Employees who returned to work from leave that began in 2023	Employees whose leave began in 2024	Employees who returned to work from leave that began in 2024	Employees who returned to work after the leave until 31.12.2020 and 31.12.2021	Remaining number of employees expected to return from leave in 2025 and 2026	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
Women	81	66	70	3	69	82	6	8
Men	1	1	0	0	1	0	0	0
NIS j.s.c. Novi Sad	82	67	70	3	70	82	6	8
Leasing	0	0	0	0	0	0	0	0
Total:	82	67	70	3	70	82	6	8

*Representative offices, branches, subsidiaries abroad and other subsidiaries are not shown in the table.
 **The total of 6 new mothers left the Company after the parental leave, within the period of less than one year, as opposed to 70 new mothers who returned to work.
 ***Out of 70 new mothers who returned to work, the total of 8 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 92% and the value of the employee retention indicator is 11%..

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 six months from the date of transfer. Amending the contracted employment terms and conditions is also covered by the NIS Collective-Bargaining Agreement.

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

Since 2020, NIS has been certified and has been administering and improving the implemented health and safety management system in accordance with the requirements of standard SRPS ISO 45001:2018 “Occupational Health and Safety Management Systems – Requirements with Guidance for Use”. The occupational safety and health system covers, without exception, all employees of NIS and all persons discharging duties for

and on behalf of the Company.

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,
- Rulebook on Health and Safety at Work,
- 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.

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 ensure employee commitment, 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 the HSE Policy;
- Identification of hazards and assessment of risks and opportunities;

- Setting up 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;
- Proposing for unscheduled inspections and control;
- Filing proposals and requests for the introduction of preventive measures in terms of employee safety;
- Analysis of the employee health reports resulting from periodic medical examinations and checking regularity of examinations performed;
- Analysis of work-related injuries and professional diseases, reason and cause for their occurrence, and issuance of measures for their prevention;
- Analysis of other issues, relevant from the aspect of OHS and for the application of the OHS management system.

Following the analysis of HSE events at NIS, at the end of 2018 and beginning of 2019, 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 - 2024, NIS invested 1,006.1 million dinars in the said project in an effort to improve OHS. In line with the budget planned for the period 2025-2027, the Company allocated 994.7 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

One of the legal requirements is the assessment of workplace and work environment risks. In accordance with the laws and regulations of the Republic of Serbia and internal Instruction "Drafting and Amending the Workplace and Work Environment Risk Assessment Act", NIS conducts risk assessment for all workplaces.

The risk assessment is performed by each organisational unit by engaging a licensed service provider. The law and the above mentioned internal instruction define clear and specific steps and documents for the risk assessment.

In 2024, the Workplace and Work Environment Risk Assessment Act underwent revisions. The Act defines that NIS, along with its subsidiaries, employs 5,700 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 OHS aspect, require adopting the Safe Work Instructions that, relevant to the hazards and harms identified and the risk assessed, define preventive safe work measures for the performance of such activities. 274 Safe Work Instructions have been adopted in NIS.

In accordance with the internal Company documents: HSE Policy, Rulebook on Occupational Safety and Health, and Instruction "Stopping Unsafe Activities", each Company employee must stop work, that is, unsafe activities that may create an immediate hazard leading to 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 the Company facilities, on mobile or other equipment, and at the facilities used under 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 shall not be tolerated. Such persons will face a disciplinary action in accordance with the internal Instruction UP-08.01.62-005: "Disciplinary Procedure".

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 of large medium HSE events and, as one of the key segments following the investigating the causes of HSE events, exchange of lessons learnt from HSE events.

The objectives of HSE event management include the following:

- 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.

NIS investigates all HSE events that affect people (such as workplace injuries, ill health or occupational diseases), fires, traffic accidents, equipment failures that may affect human safety and/or the environment, and natural disasters, if the severity of consequences is classified as high or medium, or if the accident is classified as a high-potential accident.

According to the HSE Event Classifier, all HSE events are classified into large, medium, small, near misses, and HiPo (high-potential events), i.e. 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.

Investigation of the causes of an HSE event is a complex process that employs an adequate corporate methodology to discover ineffective barriers, determine immediate, basic and systemic causes for the occurrence of HSE events and corrective measures targeting systematic causes of HSE events, in order to eliminate causes and prevent similar events in the future. All corrective measures ensuing from an event investigation are entered into the Company's software - HSEnet, and their implementation is being monitored.

GRI 403-3 OCCUPATIONAL HEALTH SERVICES

Protecting the health of employees and creating safe work conditions are among NIS' top priorities. Accordingly, the Company continuously invests efforts to provide health protection to employees in compliance with legal regulations and internal internal standards, including the Standard "Preventive Employee Health Care", Workplace Risk Assessment Act, and other relevant instructions that are aligned with the best OHS practice.

Preventive employee health care plays a key role in the systematic occupational risk reduction, protection of employees' work ability, identification of risks to employees' health, definition of measures to eliminate or reduce such risks, raising employee awareness of the need to protect their own health, as well as promotion of workplace health and healthy lifestyle.

Preventive employee health care, as a process, covers the following:

- Conduct of physical, periodic, and control medical examinations, in accordance with the Workplace Risk Assessment Act;
- Determining employee health fitness for the performance of specific work tasks, including recommendations for restrictions or changes to the working conditions, as the case may be;
- Early detection of health disorders originating from lifestyle habits;
- Performing the analysis of the employee's health

condition;

- Organisation of first aid or emergency medical evacuation in case of occurrence of an event, injury at work, or ill health;
- Prevention and suppression of alcoholism and drug abuse at the Company's facilities and sites;
- Investigation of an ill-health event;
- Providing drinking water at the facilities with no safe drinking water available, etc.

There are two medical institutions at NIS' facilities, one on the premises of Pančevo Oil Refinery and the other on the premises of Oil Refinery in Šangaj, Novi Sad. In 2024, the HSE Function launched the project of adaptation and opening of the medical centre in the Belgrade Office Building.

In accordance with the applicable Workplace and Work Environment Risk Assessment Act, Rulebook on Pre-Job and Periodic Medical Examinations of Employees Performing High-Risk Jobs, best practices and recommendations of specialised medical institutions, and with an aim of providing preventive health protection of employees, NIS arranges the following medical examinations:

Legally required medical examinations:

- Medical examinations of employees performing high-risk jobs:
 - » pre-job examination;
 - » periodic medical examinations;
 - » periodic control medical examinations;
 - » specialist medical examinations for employees working with sources of ionizing radiation;
 - » assessment of remaining work ability;
- Preventive (target) medical examinations for employees working at positions other than high-risk positions, provided the Workplace and Work Environment Risk Assessment Act for 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;
- Occupational health screenings;

Medical examinations not required under law:

• Physical examinations for administrative positions that, in accordance with the Workplace and Work Environment Risk Assessment Act, are not classified as high-risk;

• Specialist medical examinations for Company employees:

» specialist examinations for women (gynaecological and breast examination);

» specialist examinations for men (prostate examination);

» other specialist 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.

All medical examinations are aimed at diagnosing the risk factors and early detection of high-risk diseases that have no symptoms at the initial stage. The high quality of examinations is ensured through the individual approach, where the scope of physical examination is tailored to the person's age and gender, taking into account the family disease history.

For the purpose of ensuring employee well-being and preventive health care, the Company defines the required minimum scope of physical and specialist medical examinations for all employees on an annual basis. As the result, all employees have the same required scope of physical examination.

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 selected medical institutions.

HEALTH INDICATORS:

In 2024, the total of 21,650 examinations were conducted, or 93 per cent of the total number of all scheduled medical examinations, out of which:

- 7,622 were pre-job, periodic, control and unscheduled examinations for high-risk positions, from which 86 examination were for positions involving work with sources of ionising radiation;

- Physical examinations covered 3,523 of employees or 90 per cent of the planned number of examination (examinations on a voluntary basis);

- Specialist medical examinations for women - gynaecological and breast examination, which covered 1,237 of female colleagues;

- Specialist examinations for men - screening for prostate cancer and consultations with a urologist, which covered 1,286 of male colleagues;

- The physical examinations also included screening for cardiovascular and endocrine disorders, where 542 employees underwent targeted cardiac examination and colour doppler scan of blood vessels.

Out of the total number of employees on high-risk job positions who underwent pre-job and periodic medical examinations:

- 6,524 employees or 86 per cent of employees were assessed as fit for the duties they perform, without restrictions;

- 26 employees were assessed as incapacitated for work due to health problems and they were transferred to another job position;

- 13 employees were temporarily incapacitated for work;

- 832 employees were referred for control examinations;

- 444 employees had work restrictions due to different reasons,

- » with most of the restrictions relating to work at height - 52% of employees,

- » night work - 9% of employees,

- » physical loads and load carrying - 14% of employees,

- » vision correction and required use of glasses - 20% and other.

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;
- Enforcement and protection of employee rights;
- Right to strike.

Pursuant to the provisions of the Collective Bargaining Agreement, the Occupational Safety and Health Boards (OSHB) 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 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
- OSHB of NIS MTO d.o.o. Belgrade,
- OSHB of "HIP-Petrohemija" d.o.o. Pančevo.

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

The 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. The Occupational Health and Safety board has the following tasks:

- Consultation with and involvement of employees at all levels for the purpose of planning and issuing measures related to employee safety and health;

- Consultations on the organisation of OHS jobs and determining a specific number of employees to be trained in first aid;

- Consideration of OHS matters and giving related proposals;

- Consultation, consideration of proposals and partaking in drafting of regulatory and normative and methodological documents;

- Cooperation with competent OHS sections and monitoring the enforcement of the NIS Collective Bargaining Agreement;

- Consultation and consideration of requests related to training and employee expectations;

- Encouraging employees to report on incidents, hazards, risks and opportunities, and protecting them from possible pressures in doing so;

- Analysis of OHS conditions and definition of measures to eliminate hazards and mitigate risks;

- Analysis of the conduct of preventive and periodic examinations and inspection of work equipment, including testing of the work environment;
- The initiative for determining high-risk jobs and the safety program for the employees performing high-risk jobs;
- Analysis of work-related injuries and professional diseases, reason and cause for their occurrence, and issuance of measures for their prevention;
- Intermediation in negotiations for the reimbursement of damage suffered by the employee as a result of an occupational injury or an occupational disease;
- Initiating and attending audits conducted by the labour inspectorate, if they should consider that the management has failed to issue specific OHS measures, as well as filing comments and observations. The employees and their representatives should not be put in a disadvantaged position because of their activities related to the organisation and implementation of HSE measures and similar.

The Board convenes regular sessions once or twice in a quarter. The Board submits a six-month performance report to the Chief Executive Director and trade union.

NIS management and employees, by their personal example and actions, improve HSE performance and demonstrate commitment to the HSE principles.

403-5 WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

EMPLOYEE TRAINING

In 2024, in the field of employee training, the focus in NIS was on the harmonisation against new legal OHS regulations, specifically the fulfilment of legal requirements concerning the competencies of the OHS Advisor. With a view to improving the HSE training, a special emphasis was placed on updating of educational material for on-the-job training (M2), preparation of digital educational material (e-learning content) and educational videos. In accordance with legal requirements, new programs and educational materials for the Induction Training for managers, employees, and employee representatives were

prepared.



CONTRACTOR TRAINING

Considering that contractors are engaged to perform different activities on Company locations on a daily basis, NIS regards improving HSE knowledge of its contractors as very important. These training courses familiarise contractors with 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

NIS conducts internal campaigns promoting the Company values and goals, continuing education, and raising HSE awareness of employees, contractors and other individuals. With the object of raising awareness of HSE risks, the Company conducted campaigns in the fields of traffic safety, preventing injuries at work, promoting HSE culture through different activities in HSE weeks, preventive health care and environmental protection.

GRI 403-6 PROMOTION OF WORKER HEALTH

The Company continuously works on raising employee awareness on the importance or preventive measure and health protection, notably through educational campaigns,

training courses, and different communication channels. In 2024, regular health campaigns were focused on raising awareness of importance of preventive measures and healthy habits, as well as on the recognition of early symptoms of diseases. The campaigns, which were attended by over 3,000 employees, covered the following topics: Autoimmune conditions, gut health, deficit of vitamin D and B12, insomnia, but also different practical ways that employees can employ to help themselves in such situations.

As part of the HSE Week, the Company organised the NIS Health Festival, where different medical institutions offered examinations, education, special offers and vouchers, and “health packages” for employees and their family members. The above mentioned activities enabled employees to check their health and detect any health risks in a timely manner.

Since 2022, the Ask a Doctor application is available to employees, which enables them to hold remote consultations with different medical specialists, receive advice, opinion, and interpretation of medical findings.

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 safety of all stakeholders, including employees, contractors, third parties and local communities.

Safe working conditions for all employees and business partners are among NIS strategic goals. The top management and all-level managers are responsible for the provision of adequate resources as to enable the efficient implementation of OHS measures. In addition, each employee is obliged to actively implement and observe the OHS measures.

The Company applies the prevention principles in an effort to continuously improve the working conditions, reduce the number of work-related injuries and occupational diseases. In this respect, NIS’ OHS standards and the adopted practice surpass the requirements of the applicable legal regulations governing risk management.

With a view to preventing alcohol and drug abuse, but

also as part of regular OHS activities, the internal control procedure intended for the prevention of alcohol and drug abuse at NIS facilities underwent revisions. The Company conducted regular and out-of-schedule alcohol testing for employees and third parties at the entrances and at Company facilities: over 12,380 control tests were recorded, out of which 6,429 control tests of NIS employees and 5,944 of contractors and third parties, whereat presence of alcohol was detected with 18 persons, 2 of them being Company employees, 5 “Hip-Petrohemija” employees, and 11 contractor’s employees.

As part of the Traffic Safety Week, in cooperation with the Traffic Safety Agency, NIS implemented various activities and workshops. Among other things, employees and thrid parties could use simulator glasses to experience effects of alcohol or drug intoxication and physical fatigue on driving ability.

NIS will continue, in a continuous, planned, and systematic manner, to implement best practices and take proactive measures in an effort to prevent and mitigate potentially adverse effects on its business processes, and which are directly linked to occupational safety and health.

GRI 403-8 WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (HSE SYSTEM)

The Company has a health and safety management system in place, which is administered and improved in accordance with the requirements of the standard SRPS ISO 45001:2018: “Occupational Health and Safety Management Systems – Requirements with Guidance for Use”.

The OHS management system is process-oriented and based on the concept “plan-do-check-act” (PDCA).

NIS imposes the same OHS requirements for all NIS employees, contractor and third party employees working or staying at NIS’ premises, 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 normative and methodological documents (reconciling the differences in the treatment of third parties and employees).

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, where every engaged employee and contractor assume responsibility for their own safety and safety of the people around them. Each individual 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 other people, irrespective of 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 lies with the line management of NIS at all levels, in accordance with the internal documents and granted authorisations. The management is responsible for providing the 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.

NIS performs 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. This analysis is designed to identify the weak and strong areas of OHS, room for improvement and potential 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 covers external and internal monitoring and auditing of key elements of the OHS management system, checking the compliance with

the legal requirements, regulations and internal standards of the Company.

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 the internal standard "General Provisions and HSE Management Structure" and the instruction "Toolbox Meetings".

Bearing in mind that timely information helps improve safety at work and minimise risks involved in an activity, and preserve the reputation, the Company promotes an active dialogue with all stakeholders.

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, using different internal communication channels and tools to engage employees, both within and among all of its organisational units.

The employees are informed of their representative and management representative for occupational health and safety issues. They are offered the opportunity, through 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 and it is used regularly (over 2,600 active participants, around 6,000 logs monthly). This software enables advanced analytics, i.e. a better and easier overview of data from the system. In addition, it is used for reporting on HSE indicators.

HSE indicators*	2023	2024
Workplace injuries	112	126
Workplace injuries – with sick leave	50	69
Workplace injuries – fatal	0	1
Days of sick leave due to workplace injuries	2,667	3,261
LTIF ¹	1.92	2.13
Number of hours of regular work	20,309,385	22,394,067
Fires	24	25
Traffic accidents	7	10
Environmental accidents	20	30
Number of visits of inspection authorities	540	553
Number of measures prescribed by inspection authorities	94	148
Types of injuries	2023	2024
Falls	29	31
Thermal and chemical injuries	6	9
Mechanical injuries	40	43
Traffic	9	8
Fall from height	3	8
Other	25	27
Total	112	126

¹LTIF (Lost Time Injury Frequency) – the indicator of lost work day cases due to injuries. This indicator was 11% higher than in 2023.

Fatality rate = 0.03; Rate of recordable workplace injuries = 3.52 (excluding health)
Note: HSE indicators are calculated using the coefficient of 1,000,000 and they include all employees and contractors.

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.

Given that the Company has the incident reporting procedure in place, each work-related ill-health incident can be reported to a competent HSE specialist and/or by contacting the call centre.

First aid is provided by trained employees and professional medical assistance by dialling the Emergency Medical Services to provide transport to the closest medical facility, as the case may be. Each facility has a First Aid and Emergency Medical Response Plan in place and each year first aid drills are organised in the Company's facilities, in accordance with the plan. The Company held first aid drills for cardiac arrest on several locations, according to the scenario "First Aid for Cardiac Arrest", using automated external defibrillators (AEDs) at the facilities equipped with this device. The Pančevo Oil Refinery, Novi Sad Oil Refinery, and Elemir Gas Refinery are equipped with

emergency vehicles.

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

- 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 examined 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 are surveyed 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 Workplace and Work Environment Risk Assessment Act for and in accordance with the internal standard Preventive Employee Health Protection, NIS identifies risks to employee health, implements risk elimination or mitigation measures, informs employees and continuously works on raising risk awareness of employees.

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	2023	2024
Training costs	256.4	289.5
Cost of professional training	253.0	286.3
Consulting costs	0	0
Costs of membership in professional associations	3.3	3.2
Organizational costs for training programs	16.9	21.8
Total:	273.3	311.4

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	78,142	40,480	2,913	1,235	42,811	75,811	1,270	2,878	311,350	75.06	118,622	28.60
Leasing	-	-	-	-	-	-	-	-	-	-	-	-

Additional statistical data:

- Average hours of training (women): 32.78 h
- Average hours of training (men): 26.83 h
- Average hours of training per employee category (managers): 33.71 h
- Average hours of training per employee category (excluding managers): 26.34 h

In 2024, NIS continued all activities on the development and implementation of the Engagement Academy, leadership development programs, trainings for development of digital skills, and specialized professional and technical training of employees.

In 2024, in cooperation with external providers, 4,703 training sessions were organized with 13,343¹⁸ participants, including 4,148 employees. The total training hours amounted to 118,622 and the total cost was 311.4 million dinars.

As part of corporate and development programs, in 2024, the Company committed to promotion and further development of the current strategic and development initiatives, additional adaptation and implementation of training in keeping with business needs. Additionally, new development programs were prepared for specific employee groups, with a specific focus on promotion and further development of the learning culture.

ENGAGEMENT ACADEMY

The Engagement Academy, as one of strategic initiatives, strives to increase the engagement level across the Company. As part of this initiative, in 2024, 28 workshops were organised with the attendance of 314 lower-, middle- and top-level managers. Last year, "HIP-Petrohemija" employees took part in the Engagement Academy for the first time.

DIGITAL ACADEMY

In 2024, the Digital Academy became an integral part of the management and employee development program - NIS KOMPAS, which covers the topics in the field of digital transformation, digital technologies, data management, and project and product management. NIS also continued educational activities within the Digital Academy program, where top professionals in the digitalisation field, both internal and external, gave lectures to different employee groups. The education curriculum covered over 20 topics from key digitalisation areas and the training was attended by 630 employees.

DRIVE

The Drive leadership development program was created to support the middle- and lower-level management, as the key link in the operational management of the Company. In 2024, 22 participants from all Blocks and Functions finished the program. Having stated in 2024, they attended 99% of all modules, demonstrating high level of motivation and awareness of the program's value for their personal development and development of their teams.

In 2024, in cooperation with its long-term partners, the leading education providers in Serbian and the region, NIS also held over 100 *soft skills* trainings for almost 2000 employees in keeping up with its business needs.

LEARNING DRIVER

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 all employees willing to step into the role of a trainer or mentor, or take on other similar roles and educational activities that support the principle of life-long learning and promote efficient exchange of experience.

¹⁸ While the number of employees is unique, the number of participants is higher, given that one employee can attend multiple training sessions, as the case may be.

JOB SHADOWING

Another ongoing educational activity is the Job Shadowing program created to facilitate cross-functional cooperation and knowledge sharing. Through the Job Shadowing activities, the employees internally transferred their knowledge and improved communication, thus contributing to a higher transparency and improvement of business processes in the Company. In 2024, 39 employees participated in this program, with 93 working days or 221 hours spent in on-the-job activities.

FIRST-TIME MANAGER

NIS implements the First-Time Manager program to support the colleagues who have recently stepped into their first managerial roles and help new them improve their managerial skills, understand key HR processes - essential to employee management, and connect with peers across the Company. In 2024, 86 employees took the chance to improve their leadership skills through eight workshops.

NIS KOMPAS MANAGER

The curriculum of the NIS KOMPAS manager development program was created to help improve employee engagement and manager development. This program uses five spheres of development (*Leading Self, Leading Others, Leading Business, Leading Digital, Well-being, and responsible behaviour*) to help managers lead their teams more successfully. The draft development program curriculum for all management levels is validated in cooperation with key stakeholders from the top-level management. Four pilot training sessions were organised within the NIS KOMPAS program, followed by the training evaluation through focus groups with the participants.

NIS ENERGY, NIS CALLING AND NIS ACADEMY

In 2024 as well, NIS continued implementing the NIS Energy and NIS Calling programs. The fourth season of the NIS Energy, a one-year mentorship employment program, was attended by 24 candidates, out of which 19 candidates took up employment with the Company. The fifth season of this program also included a free conference for 350 candidates, where different external lecturers and Company employees supported young people in their search for the

first employment.

The eighth season of the NIS Calling flexible internship program was attended by 45 candidates, out of which seven established an employment relationship, and three continued gaining experience in the fifth season of the NIS Energy program that was launched in January 2025.

In addition, a new two-week internship program NIS Academy was attended by 60 interns. All the interns in the program had a chance to get introduced to different organisational units of NIS, take part in training for skills required for finding and navigating through first employment, and working on case studies along with Company employees.

CAREER PLANNING INTERVIEWS

The concept of Career Planning Interviews was introduced with a view to setting up and improving career development in the Company. This concept included holding workshops with members of the top and senior management on the topic of career development of employees, definition and review of the current succession plans, and the theoretical sessions about the manager's role in the career development of an employee. The concept featured 22 workshops with 147 participants. It produced revised succession plans and 1,000 successor nominations. In addition, 72 employees were identified, whose development is of special interest considering their personal contribution to their respective jobs, and also additional 29 employees to step into the positions that are designated as key and/or critical. Furthermore, the obligation of priority inclusion of the nominated successors into the selection for vacancies was defined. As the result, the percentage of vacancies to be filled by the nominated successors went up by 44%.

360 DEGREES' ASSESSMENT

The process 360 Degrees' Assessment continued in 2024, on the SAP Success Factors platform. Thus this process was first-time implemented as an entirely internal process. Previously, this process was implemented with the aid of external partners. The pilot project included the assessment by two different teams, one from the business, and the other from the HR. Around 300 employees in the capacity of assessors was assessing the teams with a total of

30 employees. All the employees participating in the process received the feedback at a one-on-one meeting with the representatives of the Talent Management and Career Development Group within the Talent Management, Learning and Career Development Sector. In addition, they had an opportunity to create an individual development plan.

REFINING BLOCK

The Refining Block hosted the Best in Profession 2024 competition with 65 participants, and the winners received monetary rewards.

The second science and technical conference was held in the Refining Block. The contest participants included the representatives of the Refining Block and Technical Services. The winner then competed in the international contest and won the first place in the category "Efficiency Increase - Oil and Gas Refining Mechanics".

NAFTAGAS – OILFIELD SERVICES

Naftagas – Oilfield Services ran the Best in Profession contest, where 28 employees competed in 3 categories. In 2024, a new category was introduced - an electrician.

In 2024, the first in-house professional training was provided for forklift and telescopic handler operators, which was attended by 142 employees. Until then, the training was offered externally.

An in-house Rig Inspection training was developed for the employees of Naftagas - Oilfield Services and the Exploration and Production Block. The project of Cardwell-4 workover rig was approved for use it in the Oilfield Services Training Centre and the works are in progress.

NIS can pride itself in the excellent results of its employees at different contests. A female employee from Oilfield Services participated in the Meeting of Young Specialists in Russia, where, together with her team, she won the first place.

EXPLORATION AND PRODUCTION BLOCK

The Exploration and Production Block continued its Rotation and Internship Program, which allows its employees to

spend some time on professional development in order to improve their competencies, gain new knowledge and experience. In 2024, nine four-week internships were completed abroad, and one rotation was started which takes two years.

In 2024, the 7th Scientific and Technical Conference was held for young Upstream scientists and specialists. The participants - presenters were young specialists and young scientists up to 35 years old, 24 in total with 19 projects. The in-person conference was attended by over 150 participants. For the first time, the conference was attended by the students from profession-related faculties from Serbia and Russia.

Eleven Upstream employees of NIS took part in the final international 14th Scientific and Technical Conference of the Exploration and Production Block and presented nine projects.

The Best Technologist 2024 and the Best in Profession 2024 contests took place at the Elemir oil field. 44 engineers and operators participated in seven categories. The competitors presented their competencies through practical and theoretical tasks, and the winners then took part in the central contest. There, they were awarded the plaque for the best practical part within the Oil Transport Operator category and for the best theoretical part in the practice-theory combination within the Oil and Gas Production Operator.

In 2024, the total of 1,267 employees of the Exploration and Production Block attended 243 training sessions (external and internal professional and technical training, conferences, seminars, forums, workshops, legally required training).

Apart from regular trainings, as part of the 2024 cycle, 250 young specialists from the Exploration and Production Block took part in four workshops dedicated to career planning, professional and personal development, and improvement of technical competencies. Five employees participated in the international conference for young specialists in Tymen, Russia.

The Technical Training Section of the Exploration and Production Block has officially received the status of Publicly Recognized Organizer of Adult Learning Activities

(JPOA) issued by the Qualifications Agency of the Ministry of Education. By acquiring this status, the Technical Training Section has become part of the unified education system of the Republic of Serbia, in accordance with the Adult Training Law. The status is a guarantee of the high-quality training, enabling candidates to obtain publicly recognized accredited certificates or confirmations.

SALES AND DISTRIBUTION BLOCK

The Sales and Distribution Block traditionally hosted the largest Best in Profession competition, having gathered over a thousand participants from Serbia and Bosnia and Herzegovina. In 2024, a new category was introduced - a food service worker, and a new contest task "Administering First Aid" for all categories in the finals, as to be aligned with the categories of the Gazprom Neft Grand Final Competition. At the Grand Competition in Russia, the NIS employees achieved notable results taking two second places in the Cashier and Petrol Station Attendant categories, as well as one third place in the Territory Manager category.

In August 2023, NIS launched the Mentorship Program in the Sales and Distribution Block, with a primary business objective of reducing employee turnover at petrol stations. As the result, by the end of 2024, the turnover of employees at stations involved in the program was 12.8% lower compared to those not involved in the program, showing its direct impact on employee retention. Further improvements to the program are planned based on the feedback of the managers and mentors taking part in three workshops in December 2024.

Internal instructors from the Training and Development Section of the Sales and Distribution Block organised 619 internal training groups, attended by 2,864 candidates or 2,065 employees. The total internal training hours amounted to 30,534.

As part of the Talent Management Process, three career planning interview workshops were held with the members of medium and top management of the Sales and Distribution Block, with 17 attendees. As upgrade to the Engagement Academy, 11 workshops were held with 123 participants, which makes the total response rate of 95 per cent.

NIS runs the Gemba project, a business practice where management and Company employees are familiarised with daily work of petrol station employees through theory and practice. This includes stepping into the shoes of these employees and having direct contact with customers and employees, with the objective of understanding of the process and challenges, but also giving improvement proposals. In 2024, Gemba was held for a total of 14 employees from the Function for Legal and Corporate Affairs and the CEO Office on four petrol stations.

"HIP-PETROHEMIJA"

"HIP-Petrohemija", a new company in the NIS Group, has recognised the benefits of dual education. With the aim of helping the participants gain practical competencies and be successful in their profession, "HIP-Petrohemija" has fulfilled the requirements for on-the-job training for the students from the following education areas: mechatronics technician, operator for mechanical treatment by cutting and machinist-welder. In the Technical Directorate of "HIP-Petrohemija", during the 2023/24 school year, nine students were learning in the job under supervision of licensed instructors. In October, another five got the chance. In 2024, the total of 1,556 hours of practice were recorded.

GRI 404-2 PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS

In order to equip its employees with the skills they need to address all business challenges, NIS invests in their development and facilitates the improvement of their potential.

The previous indicator details the delivered training courses, aimed at a continuous development of Company employees.

In 2024, the Company applied the redundancy scheme.

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 different ways.

At the end of 2024, the annual competency-based

assessment was carried out using the SAP Success Factors platform, which is the first additional step towards the digitalisation of HR processes. The process initially included 5,225 employees and, for the first time, employees of "HIP-Petrohemija" as well. All the employees involved in the annual competency-based assessment created individual development objectives that they need to achieve in the course of 2025. Another novelty in this process is that the employees may apply for different activities offered within NIS KOMPAS, using the SAP Success Factors platform. As a result of this, 1,800 applications were filed.

The annual competency-based assessment, in addition to promoting the culture and conduct aligned with the corporate values and reinforcing the Company's strategic business direction, also helps reinforce the feedback culture.

The percentage of employees who, in 2024, received a feedback on their performance in the process of structured and digitalised annual competency-based assessment, using the gender criteria, was as follows: 37% women and 63% men.

The percentage of the received feedback by gender, for the above indicated categories, is as follows:

- Managers: 30% women and 70% men
- Specialists: 53% women and 47% men
- Employees: 8% women and 92% men

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

- Workers whose competence-based evaluation does not 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 2024, the Board of Directors consisted of nine male and two female members, with two members belonging to the 30-50 age group, and the remaining nine 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 those in other renowned 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 2024, NIS and subsidiaries did not record any cases related to labour discrimination.

The above mentioned issues are governed by a number of internal regulations, 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 2024, it continued closely cooperating with the representatives of trade unions (in NIS j.s.c. and subsidiaries). No cases of compromised freedom of association and collective bargaining were recorded.

Number of employees in trade unions		
Trade union	2023	2024
United Trade Union NIS j.s.c.	5,915	5,761
Oilfield Services TU	1,046	1,211
NTC NIS Naftagas TU	131	133
Total	7,092	7,105

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 2024.

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 2024.

GRI 411: RIGHTS OF INDIGENOUS PEOPLE

GRI 411-1 INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLE

In 2024, four new disputes were initiated in the Company regarding the compensation for non-use of land and recultivation.

Nine active disputes from the previous period, relating to land recultivation, were identified.

Out of the total number, one dispute from the previous period was closed in favour of the Company, as well as one dispute relating to land recultivation with a negative financial effect of RSD 10,000.

INVOLUNTARY RESETTLEMENT OF PEOPLE AND HOW THEIR LIVELIHOODS WERE AFFECTED IN THE PROCESS

In 2024, 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 it operates, in an effort to strengthen the key pillars of social development and support the development of local communities.

In 2024, NIS allocated RSD 144.5 million under this program, to support 40 selected projects for construction of solar power plants at public institutions in Belgrade, Novi Sad, Zrenjanin, Kikinda, Pančevo, Niš, Čačak, Požarevac, Novi Bečej, Žitište, Kanjiža, Srbobran, and Veliko Gradište. Owing to this contest, 40 selected institutions engaged in education and science, health care, social protection, culture and sport, could construct solar power plants on their facilities and use the solar energy potential to produce green energy. The

projects are underway, and the first solar power plants are scheduled for start up by the end of 2025. Consistent with its slogan “Together for Green Energy”, NIS seeks to actively support the energy development of partner towns/cities and municipalities and promotion of green energy for building a more sustainable future.

When selecting the area to support under the “Common Cause Community” program cycle, besides the national priorities and results of corporate researches, NIS takes into account the needs of local communities. With respect to the “Together for the Community 2024” program cycle, the conditions and needs from the aspect of the environmental protection were analysed, specifically focusing on energy efficiency and renewable energy sources. The analysis is prepared based on the surveys with local self-governments - Program participants regarding the conditions and need in local communities involved in the Program, their objectives, strategic plans, capital investments, and similar. The Company processes and analyses data obtained through surveys and, based on the results, plans investments and the method of program implementation. When selecting the projects to be financed, the focus is placed on positive effects of specific investments, ensuring that all projects under the 2024 Program cycle improve energy efficiency and environmental protection accordingly.

In addition to surveys conducted with local self-governments, NIS also conducts surveys providing insight about user satisfaction and benefits of completed projects.

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, driven by the idea to foster, through mutual understanding and giving away, the values that help improve the quality of life of the communities in which we live and work. As a result, the Volunteer Club donated 653 volunteer hours last year, mostly dedicated to children and young people and environmental protection.

Apart from the listed activities, NIS traditionally organises blood donation campaigns, which, since 2022, have been conducted systematically, under the auspices of the Blood Donation Club of the United Trade Union of NIS j.s.c. These continuous blood donation campaigns help create stable

blood reserves at the competent blood transfusion services and aid the patients for whom the blood is one and only medicine. During 2024, Company employees demonstrated their humanity by taking part in these campaigns. Owing to the altruism and strong empathy of NIS employees, the 15 voluntary blood donation campaigns held in Belgrade, Novi Sad, Pančevo, Zrenjanin, Kikinda, and Niš), the total of 572 units of blood were collected.

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. All potential business entities undergo a unique check procedure for each procurement. 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 may be categorized as corruption. In addition, with respect to the relevant procurement, it is checked if the potential contractor meets all the requirements set out in the Technical Requirement (headcount, annual turnover, number of employees with specialized knowledge/licences/certificates). In the course of implementation, in case of long-term engagement of workers, it is checked if all the agreed and legally required obligations are settled for those workers (salary/taxes/contributions/social security and retirement allowance). All

workers performing work at NIS facilities must be registered, must wear an adequate personal protection equipment and be trained in HSE practices.

In 2024, the Company verified 2,744 legal entities, with which it planned to conduct business, and 39 of them or 1.42 per cent 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);
- Negative cooperation history with the Company or its subsidiaries;
- Unreliable potential supplier.

The competent department participated in the approval of 5,165 contracts, of which 54 or 1.05 per cent 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 entering into 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 specialists with the representatives of potential contractors in cases where there is a suspicion of an actual or a potential negative impact on the Company and its procurement activities.

In order to eliminate business risks, the Company 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, unjust business cooperation, incidents of abuse, etc.).

In 2024, NIS blacklisted 44 potential vendors. Three companies were removed from the blacklist due to the improved quality of operations and elimination of violations, following which the request for removal from the Blacklist was approved and they were again qualified 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. In this way, NIS plays a significant role in improving the overall business environment 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 impacts. The previous indicator delineates the measures and activities undertaken to prevent negative impacts in the supply chain, including the statistical data for 2024.

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

In accordance with legal regulations (Law on Chemicals), NIS crates and updates safety data sheets and duly keeps records of all products it produces and trades within the distribution chain, as to avoid any adverse effects to human health and environment.

To ensure continuous improvement of fuel quality and user experience, NIS tested Euro Diesel and G Diesel fuel from its 2023/2024 portfolio.

On the request of NIS, for a couple of years now, the Faculty of Mechanical Engineering of Belgrade has been testing winter properties of Euro Diesel, using a dedicated installation. The test results in 2024 indicated excellent winter properties of these fuels, with an exceptional cold filter plugging point (CFPP), proving stability of NIS Diesel fuels in winter conditions.

All newly constructed NIS petrol stations are equipped with phase I and II gasoline vapour recovery system reducing air emissions that occur during fuel transfer from tanker trucks to underground tanks (phase I) and then during refuelling customers' vehicles (phase II). This feature is indicated on adequate labels. There are no such systems for diesel fuel, as only gasoline vapours are deemed hazardous to health and safety.

On unloading fuel (Diesel and gasoline) from tanker trucks into underground tanks at petrol station, connecting the vapour recovery line to the tanker truck and connecting the tank vertical recovery relief pipe facilitate gathering liquid fuel vapours from storage tanks to the tanker truck tank (compartment), instead of releasing them into the environment. This helps reduce emissions of volatile organic compounds forming from the loading terminal to the petrol station (phase I). During refuelling by customers, petrol stations use vapour recovery system installed at fuel dispensers. This system has a built-in compressor that transports, from the fuel tank of the motor vehicle, vapours into the underground storage tank (phase II, gasoline vapour gathering). In this way, it reduces hazardous effects

of gasoline to employees and petrol station customers, as well as to the environment.

Once the fuel dispenser is installed and commissioned, the fuel is pumped out from the tank and the fuel dispenser is calibrated. At that moment, the operation of the gasoline vapour recovery system is tested.

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 growing 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 2024, 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. Considering that a significant share of NIS products are sold in the EU, the Company conducted extensive analyses and activities to meet its REACH obligations. All REACH obligations are to be fulfilled within the time frame defined by the EU. Furthermore, NIS consistently introduces and applies the measures governing this area, prescribed by the EU and the European Chemicals Agency (ECHA), in order to protect human health and environment from the risks associated with the use of chemicals. NIS received a positive decision of the ECHA upon verification of the REACH registered substances produced by the Company. It also registered 17 substances in the EU according to the REACH regulations, allowing it to export 30 products to the EU. *Nisotec* lubricants are produced from components containing REACH-registered substances.

The quality control was conducted by analysing the market demand, production process optimisation, and flexibility of the distribution chain, and by reviewing all dossiers and REACH registration of Company products in 2024. Upon completing the analysis, the dossier was updated for each ECHA registered product. This confirms that all the requirements of the REACH regulations for the distribution chain - from the producer to the end consumer - have been met. Safety Data Sheets to be delivered with the goods on the domestic market were created and harmonised against the EU regulation that have been in force since September 2024.

During the previous year, two unscheduled REACH audits were conducted in the distribution chain, from the producer, over the distributor, to the final user.

Today, the Company strategically manages compliance with laws and regulations, aware of the enforcement and impact of the REACH regulation, which leads to the fulfilment of the REACH goals:

- Collection of data on chemicals used in the EU;

- Promotion of health protection and environmental protection;

- Higher competition through creation of an open market and a level playing field within the EU.

A Safety Data Sheet, as the key method of communication between the supplier and the consumer, contains information on chemical composition and properties, requirements for storage, handling, transport, and disposal of waste. It also provides statements on safe use of substances or mixtures to protect health and the environment.

The contents of the Safety Data Sheet, both for fuels and *Nisotec* lubricants, are tailored 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 health and environmental risks.

Safety data sheets in the Serbian language are posted and updated on the NIS website, for the goods in the domestic market, and in the English language, for the goods to be exported from the producer to the end consumers in foreign markets. This helps improve the approach to customers and forwarders, while ensuring compliance with the regulations and customs clearance procedures.

In addition to legal compliance, the technical support for the marketed products paves way to placement of effective and accurate information to customers and stakeholders, higher adherence to the safety and environmental standards, and timely informing about the products and product changes.

NIS fulfilled all requirements of the REACH regulation, which are prerequisite for export of fuel to the EU markets, successfully passed all EU audits and expanded its portfolio of products cleared for export.

In order to improve the quality of transport service and safety of vehicles used, the Transport Maintenance Section of the Sales and Distribution Block launched two investment projects in 2024: An overhaul of measurement and control equipment on two Mercedes tanker trucks with a capacity of 14 m³, which was finalized, and an overhaul of six ACERBY semi-trailers for LPG, with a capacity of 48 m³, partially completed in 2024 and due to be finished in 2025. An overhaul of measurement and unloading equipment for two tanker trucks transporting middle distillates and motor

fuels. In addition, the substructures at six semi-trailers for LPG transport were overhauled, as well as the LPG tank on one semi-trailer. In 2024, eight new LPG tanker trucks were put into operation, and, in an aim of expanding own motor pool of NIS, a contract was signed for the acquisition of 39 tractors and 22 semi-trailers for middle distillates and motor gasoline. The technical requirement for the procurement of new vehicles was prepared with the focus on state-of-the-art systems to ensure active and passive traffic safety, and also on the quality and reliability of measurement and loading/unloading equipment.

The daily and periodic inspection of flexible hoses for unloading of liquid petroleum products was implemented and regulated by normative documents, in an effort to reduce the risk of environmental pollution and improve occupational safety when handling hazardous materials.

TireOptix system was introduced for tire management of tractor units and towed vehicle to enable optimum tire performance and improved transportation process.

Professional drivers of the Sales and Distribution Block attend regular and periodic seminars for the improvement of professional driving skills, training on defensive driving and retraining on the dangerous good carriage. Their competencies were tested at the Best in Profession contest.

At the end of 2024, *Bureau Veritas Certification* conducted an audit to verify compliance of the Company's transport with the requirements of *ISO 39001*, the internationally adopted standard that defines requirements for the road transport safety management systems. The audit highlighted the Company's commitment to the improvement of transport service quality and vehicle safety, as well as to training of professional drivers, by implementing best international practices in the field.

In 2025, the new tractor units and semi-trailers will be put into operation and the overhauls that are currently in progress will be completed.

PRACTICES RELATED TO CUSTOMER SATISFACTION, INCLUDING RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION

The project "Tracker Study on Drivers' Habits and Attitudes", which was started in 2023 and resumed in 2024 in Serbia and Bosnia and Herzegovina, with the objective continuously monitoring and evaluating key performance indicators of consumer brands - among them usage, loyalty, satisfaction, and willingness to recommend (NPS). The study is conducted annually during the final quarter of the year.

In 2024, the *Driver Incidence Study* was conducted designed to update the profile of Serbia's driving population. This allows the Tracker Study to more accurately mirror consumer behaviours and attitudes. According to the study results, in 2024, the NIS Petrol brand remains an undisputed leader in fuel services usage across Serbia, with an impressive 46% of regular customers reported to purchase fuel most frequently at NIS Petrol petrol stations and 65% of customers reported to have bought fuel at these petrol stations minimum once in the past six months.

The Gazprom brand is ranked third in the Serbian market, with 9% of regular customers and 18% of customers reporting they have bought fuel at the said petrol stations minimum once in the past six months.

Both NIS Petrol and Gazprom boast remarkably high customer satisfaction rates of 96% and 98% respectively, closely reflecting the overall sentiment in the Serbian market.

NIS Petrol and Gazprom petrol stations record the highest willingness to recommend (WTR) in the Serbian market with 78% and 82% of customers, respectively, saying they would recommend these brands to other customers. The small part of respondents, who are not ready to recommend either of NIS retail brands, most offer cite petrol station location as the key factor (especially referring to Gazprom).

Unlike most petrol stations in Serbia whose images remain indistinct, NIS Petrol stands out as the most developed and highest rated. It is recognised as an accessible network of petrol stations, offering a broad selection of fuels, an industry expert, with a strong value for money, and reliable, efficient service. Moreover, the customers find its

professional staff approachable - friendly, part of my daily life, for someone like me, a long-standing friend.

Gazprom is approaching the second-ranked OMV in the perception of attributes such as: reliable, for people like me, unpretentious and welcoming petrol station, a long-standing friend.

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 2024.

GRI 417-2 INCIDENTS OF NON-COMPLIANCE CONCERNING PRODUCT OR SERVICE INFORMATION AND LABELLING

In 2024, the company was not imposed any penalties related to non-compliance with regulations and voluntary codes concerning the labelling of products and services. All proceedings from the previous period have been concluded.

GRI 417-3 INCIDENTS OF NON-COMPLIANCE CONCERNING MARKETING COMMUNICATIONS

In 2024, the company was not imposed any sanctions 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

In 2024, no proceedings were initiated due to the violation of customer data privacy - either in the form of complaints submitted to the Commissioner or lawsuits filed for the protection of rights.

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.

ADDITIONAL SECTOR-SPECIFIC INDICATORS IN THE FIELD OF OIL AND GAS INDUSTRY

ESTIMATED VOLUME AND VALUE OF OIL AND GAS RESERVES

In accordance with 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 way, there is no impact on the quality of groundwater.

Produced and disposed formation water (m ³)	2023 (m ³)	2024 (m ³)	Relative change 2024/2023
Produced formation water	4,800,542	4,885,044	1.7%
Disposed formation water	4,800,542	4,885,044	1.7%

TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS

Number of environmental accidents by type		
Accident type	2023	2024
Oil/petroleum products spill on soil	17	23
Wastewater spills	0	4
Chemical spills	1	1
Gas emissions	0	0
Other	2	2
Total:	20	30

In 2024, NIS recorded 30 environmental incidents, which is an increase compared to 2023, when 20 incidents were recorded in this area. According to the NIS Event Classifier, 29 environmental accidents from 2024 were classified as minor HSE events, and one as a medium event.

Out of all spills in 2024, 14 exceeded 1 barrel (bbl). The total volume of material released or spilled was 18.6 m³, with small areas affected and no damage to the land.

Causes of environmental accidents (%)	2024
Work activity	8
Technological failure or breakdown – process	1
Pipeline rupture	8
Damage to structures	0
Other	13
Total	30

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 associated gas, which was flared off earlier. In 2024, the cogeneration power plants used 22,122,602 m³ of associated gas. The aim is to activate unused gas resources through the utilization of gas in cogeneration power plants, increase in production of non-standard quality gas, and ensure additional electricity generation.

Gas is flared off for safety reasons. In 2024, the volume of flared off gas was 11,121,012 m³, which is 43.2% less on the year before, when 11,306,393 m³ of gas was flared.

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 were located.

Rehabilitation includes removing complete equipment and restoring soil to the original condition, i.e. backfilling with high-quality soil that can be re-cultivated, and which had been there before facilities or the well were constructed.

The content of mining designs is governed by by-laws (Regulation on Content of Mining Designs). One of such designs is the Main Mining Design for Permanent Termination of Exploitation, which sets requirements for a field to be considered abandoned. This design 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 of works. A mining inspector may visit the location to make sure that the works have been completed in accordance with the design.

In 2024, no field liquidation works were recorded.

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

Following a detailed analysis of data collected in 2024 from the Company's operational sites, in relation to process safety, the method applied in corporate audits was modified. The elements that are audited were reviewed and a program was developed to define what should be checked and how the audited elements should be evaluated. In accordance with

the 2024 Plan, ten production sites were audited, covering all Company divisions/blocks and subsidiaries. A practice has been established whereby, at the Industrial Safety Council meeting, representatives of all Company organizational units exchange relevant information gathered through audits and present preventive/corrective measures identified in the audit process.

To strengthen hazard identification and risk analysis, the Company has introduced the application of the *PHSER (project HSE review)* - a risk analysis methodology. The hazard identification and risk analysis phase has also been successfully completed in the Upstream for the worst-case scenario with major consequences. A set of preventive measures was defined and their implementation is underway.

Personnel working at operational sites are key for the improvement of process safety. Accordingly, enhancing their competencies is a critical activity carried out throughout the year. Significant part of training courses and hours were allocated to the employees of "HIP-Petrohemija". Throughout 2024, colleagues from the Department for Industrial Safety and Emergency Response were actively involved in adapting the normative and methodological documents governing production process safety, with the objective of transferring and applying the Company's accumulated experience and operational practices within "HIP-Petrohemija".

KARKAS SAFETY SHIELD PROGRAM

The project was created in Gazprom Neft after the analysis of HSE 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 2024, substantial funds were invested in the procurement of additional equipment for employees, training, technical documentation, and elimination or reduction of safety risks to an acceptable level. Furthermore, 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 2025 (application of Karkas 6 barrier requirements).

In 2024, the Safety Shield program was extended to include "HIP-Petrohemija". The Sector for HSE Supervision and Control has conducted communication sessions to familiarise employees with the Safety Shield program requirements and assist the self-diagnostics process. The budget for the period 2025-2027 was prepared and approved.

In 2025, 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 within the framework of Karkas 6 are planned, which include the diagnostics in line with the newly installed barriers and setting the preliminary budget to support the functionality in the period from 2004 to 2006.

FIRE PROTECTION

To provide better working conditions for employees and improve the operational functionality of the firefighting units, in 2024, NIS renovated and furnished the fire stations in Smederevo and Prahovo and the training centre of the Novi Sad fire station. The training centre also received new modular training grounds where fire fighter can practice rescue from height, rescue from depth, and rescue from confined spaces. This will significantly improve day-to-day operations of the fire units and their performance. The Company regularly replaces the required equipment and resources for fire units (fire-fighting and protective equipment, rescue equipment, self-contained breathing apparatuses, etc.).

The Company continue adopting new normative documents, harmonised with legal regulations and business requirements, which additionally regulate work of firefighting units, both in terms of operations and organisation.

In respect to training, 2024 was a highly successful year, as reflected by the following indicators:

- HSE drills were conducted in accordance with the 2024 Plan, 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, as well as two fire units of HIP Pančevo and the synthetic rubber plant in Elemir. NIS fire units also attended the external competitions of firefighting and rescue teams held by GPN, the Russian Ministry for Emergencies, and the Serbian Fire Fighting Association. The firefighting units of NIS achieved positive results at these competitions;

- NIS continues its cooperation with the Serbian-Russian Humanitarian Centre in Niš and held theory and practical trainings for 86 fire fighters for rescue from height and rescue from depth in the industrial environment.

- In cooperation with the National Emergency Training Centre of the Serbian Ministry of Interior, NIS held training for IV-class operational managers on emergency response;

- *Bronto Skylift* was engaged to train the personnel at the Pančevo Oil Refinery to operate fire trucks and hydraulic lifts.

In 2024, 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

NIS undertakes different activities to be able 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 regulations, as well as good industrial practices and technical standards of the Company. By fulfilling the obligations arising from the Decision on Designation of Entities of Special Importance for Protection and Rescue issued by the Government of the Republic of Serbia, the Company reinforces its resilience to emergencies and disasters and improves safety of employees, environment and assets both across the Company and in local communities.

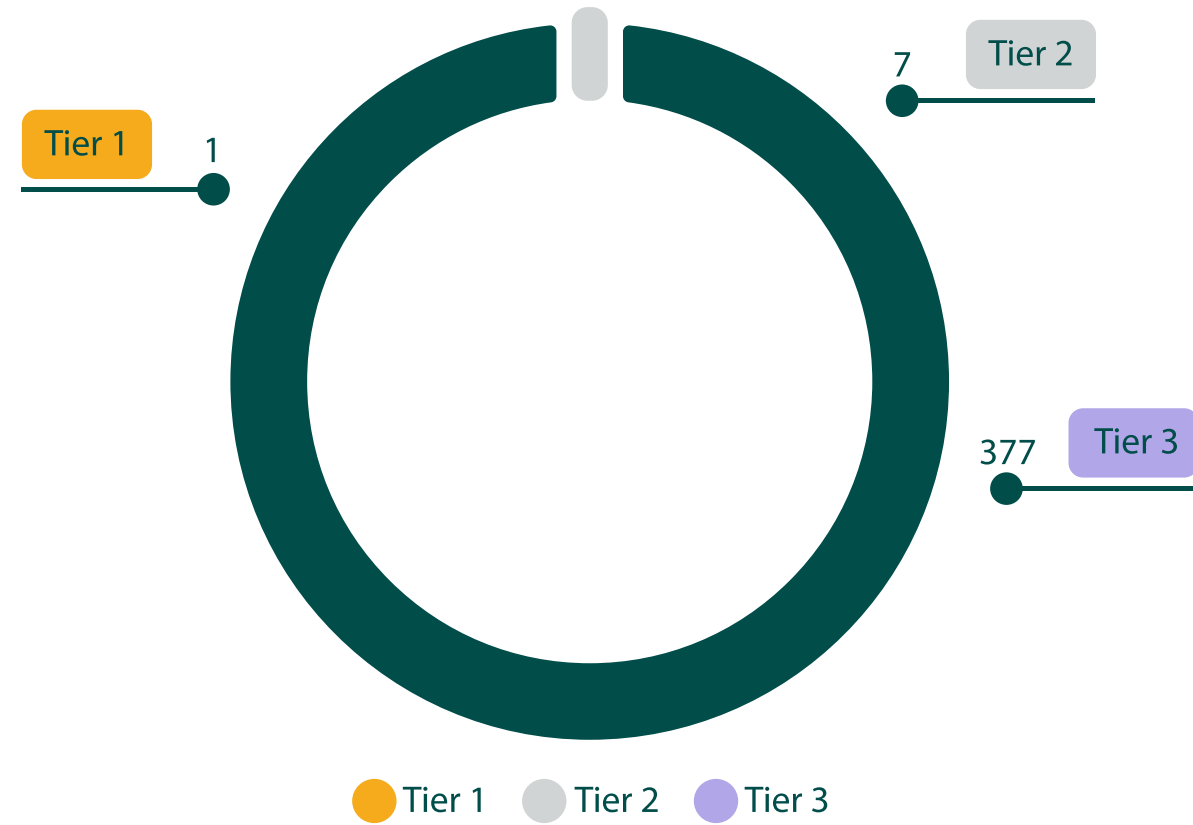
In 2024, NIS continued improving the business process that covers preparedness for emergency response. The Disaster Management Plan was updated, focusing on the implementation of this process in "HIP-Petrohemija". Following the adoption of relevant normative and methodological documents and training of all employees who have roles and responsibilities in the field of protection and rescue, a command-simulation exercise was conducted with the participation of emergency preparedness and response teams from "HIP-Petrohemija" and the Refining Block. The initial scenario of this exercise covered the response to emergency caused by heavy rainfall, stormy winds, thunderstorm, and super-cell storms, resulting in the total breakdown in the city, including additional risks of floods and technical and technological accidents. The representatives of the Department of Industrial Safety and Emergency Situations of NIS, as well as representatives of the National Emergency Training Centre and the Emergency Situations Sector of the Ministry of Interior of the Republic of Serbia analysed the coordination of the exercise and the testing of the implemented system.

In accordance with the 2024 HSE Drill Plan, the total of 238 HSE drills were planned and all of them were successfully completed.

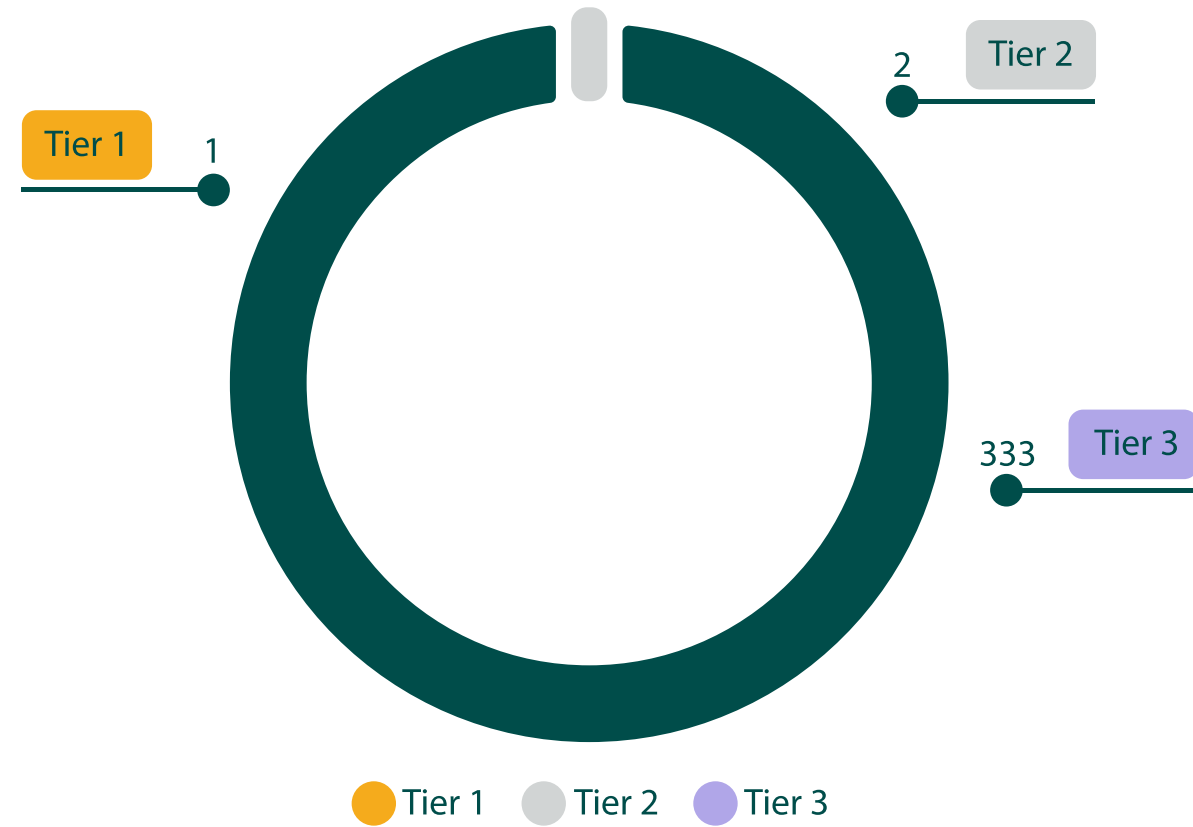
During 2024, in cooperation with the National Emergency Training Centre of the Serbian Ministry of Interior, over 250 employees belonging to the Company's protection and rescue forces were trained. The training was provided for civil defence commissioners and deputy commissioners, managers of emergency response operations, and through joint command and simulation drills, implemented in compliance with the adopted programs of the Serbian Ministry of Interior. This cooperation has been raised to a higher level upon signing the Memorandum of Cooperation between NIS and the Serbian Ministry of Interior, for professional training for Company employees in the field of disaster risk reduction and emergency management. This cooperation will include official visits, courses, training and drills, conferences, seminars, experience sharing and consulting. In addition, the Memorandum will facilitate the communication between the Serbian Ministry of Interior and NIS, considering that the Company has been designated as an entity of special importance for protection and rescue in the Republic of Serbia.

PSE (PROCESS SAFETY EVENTS) 2023-2024

PSE Tier events 2024.



PSE Tier events 2023.



TIER	2023 (12m)	2024 (12m)
TIER-1	1 ¹⁹	1
TIER-2	2	7 ²⁰
TIER-3	333	377
Total	336	385

PSE Tier (Process safety event Tier-1, Tier-2 technological events of the first and second level) – 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.

Organisational units	Tier-1		Tier-2	
	2023	2024	2023	2024
"Hip-Petrohemija"	1			1
Refining Block		1	2	3
Naftagas–Oilfield Services				1
Exploration and Production Block				2

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, NIS implemented two projects facilitating blending of biofuels. A few years ago, the Pančevo Oil Refinery completed a project enabling it to blend biofuels, while the biofuel blending project for Niš Oil Terminal is in the stage of functional testing. The objectives include blending biocomponents into Euro Diesel and motor gasoline (the maximum ratios are regulated by the EU standards adopted by the Republic of Serbia). The use of renewable energy sources, such as biofuel, electricity from renewable sources, and other, in the transport sector, are one of the preconditions for the accession of Serbia to the EU.

The Pančevo Oil Refinery is currently able to blend biodiesel into diesel fuel. Enabling blending ethanol into motor

gasoline necessitates a project, for which the design and technical documentation has been completed. The project completion date is contingent on the time frame for the introduction of biofuels, which will be determined by the Serbian Government. The Niš Oil Terminal has the capacity for blending biocomponents both in Euro Diesel and motor fuels.

Biofuel are components derived from renewable energy sources that are blended with diesel fuel or gasoline. Bio components for Euro Diesel B7 (the designation for Euro Diesel containing up to seven volume percentages of biocomponents) are usually produced from different, most often edible oils, such as rapeseed oil, soybean oil, used frying oil, palm oil. To produce motor fuels with biocomponent, ETBE (ethyl tert-butyl ether) and ethanol (of the quality required for the ethanol used in fuel production) will be used. As there are currently no biocomponent production facilities in Serbia, NIS imports biocomponents for production of Euro Diesel B7, which are blended in the Pančevo Oil Refinery.

In 2024, NIS imported 295.7 tons of B-100 biocomponent for blending of B7 Euro Diesel. B7 Euro Diesel was produced in the volume of 3,318.1 tons, and 274.9 tons of B-100 biocomponent were blended to that end. B7 Euro Diesel was exported to Romania.

In 2023, NIS received the ISCC certificate - an internationally adopted standard for sustainable control of the entire production chain, particularly for production and use of biomass and bioenergy, in accordance with the requirements of the Renewable Energy Directive (RED). This certificate allows that the Euro Diesel produced at the Pančevo Oil Refinery to be placed also on those markets requiring that the producer of fuels with blended biocomponent holds this certificate. This certificate also serves as a guarantee of data credibility for the future yearly reporting on sustainability of biofuel used (or to be used) in blending with mineral fuels. Once the Serbian Government adopts the decision on mandatory placement of biofuel on the domestic market, NIS will be under the obligation to submit this report.

¹⁹ In 2023, TIER classification did not cover "HIP-Petrohemija", however, following harmonisation of HIP-Petrohemija processes with those of NIS, it was decided that TIER-1 be included in the event statistics.

²⁰ Upon the analysis of the collected additional information that led to the reclassification of events, it was determined that TIER-2 in 2024 amounted to 7, which is lower by 1 than the datum presented in the 2024 Annual Report.

ESG INDICATORS

	Unit of measurement	2023 of	2024 of ²¹	Δ
Climate change and environment				
CO ₂ direct emissions (Scope 1)	In mn t of CO ₂	1.397	1.619	+16%
Carbon intensity trend in the Exploration and Production Block for Scope 1	in kg of CO ₂ E /t of oil output	255.2	246.5	-3%
Carbon intensity trend in the Refining Block for Scope 1	in kg of CO ₂ E /t of oil output	276.9	241.1	-13%
CO ₂ direct emissions (Scope 2)	In thou. t of CO ₂ eq	271.2	428.3	+58%
Other indirect GHG emissions (Scope 3) ²²	In thou. t of CO ₂ eq	11,172	11,381	+2%
Energy consumption within the organisation, total	in t.o.e.	506,872	445,016	-12%
Total number of leak events ²³	Number	20	30	+50%
Number of leak events (>1 barrel)	Number	5	14	+180%
Volume of substance released ²⁴	m ³	10.2	18.6	+82%
Water intake per ton of refined oil	mn m ³ /mn t	1.44	2.39	+66%
Water discharged per ton of refined oil	mn m ³ /mn t	0.70	1.18	+70%
Total generated waste	Thou. tons	10.7	21.5	+101%
Hazardous	Thou. tons	7.6	9.2	+21%
Non-hazardous waste	Thou. tons	3.1	11.8	+283%
Total disposed waste	Thou. tons	11.0	22.3	+103%
Hazardous	Thou. tons	7.9	9.6	+22,3%
Non-hazardous waste	Thou. tons	3.1	12.7	+309%

²¹ All climate change and environmental indicators in 2024 also include data for "HIP-Petrohemija", except for Scope 3.

²² Other indirect greenhouse gas emissions resulting mostly from use of Company products - Category 1 emissions - purchased goods and services, Category 2 - production assets (steel, mortar), and Category 11 - use of company products sold. The above data for Scope 3 for 2024 do not include "HIP-Petrohemija".

²³ Release of crude oil and petroleum products in the soil, wasteware, chemicals, gas emissions, etc.

²⁴ The indicated data pertain to the release of crude oil and petroleum products in the soil.

²⁵ Number of employees at the level of NIS Group.

²⁶ Employees engaged based on the contract of services. As at 31 December 2024, NIS j.s.c. Novi Sad has 92 employees engaged through the contract of services.

²⁷ According to data for 2023, the Company invested RSD 471.7 million in all support areas and RSD 7 billion is the Company's donation to support projects of the Serbian Government in the fields of education, social protection, and health care, which came after excellent business results of the Company in 2022.

* Company investments excluding donations as support to the Serbian Government projects

²⁸ LTIF (Lost Time Injury Frequency) – the indicator of lost work day cases due to injuries

	Unit of measurement	2023 of	2024 of	Δ
People and community				
Number of employees ²⁵	number	12,248	13,770	+12%
Number of part-time employees ²⁶	number	30	34	+13%
Employee turnover rate	%	11	11	0%
Out of which voluntary turnover	%	8	7	-13%
Out of which forced turnover	%	3	4	+33%
Percentage of women in the total headcount	%	30	28	-7%
Percentage of women in the management	%	30	32	+7%
Average training hours per employee	hours	12.50	8.61	-31%
Average training cost per employee	RSD	22,306.7	22,614.4	+1%
Employees covered by the collective bargaining agreement	%	97	97	0%
Investments in the community ²⁷	mn. RSD	7,471	481.1	-94%
Investments in the community*	mn. RSD	471.7	481.1	+2%
Volunteer hours	number	1,121	653	-42%
Blood donation (blood units collected)	number	572	579	+1%
Health and Safety				
Fatalities - Company employees	number	0	1	-
Fatalities - contractors (on and out of locations)	number	0	0	-
Fatalities - third parties (work-related)	number	1	0	-100%
LTIF ²⁸	per 1 mn of working hours	1.92	2.1	+11%
Tier 1 (Process Safety Events ²⁹)	number	1 ³⁰	1	-
Tier 2 (Process Safety Events)	number	2	7 ³¹	+250%
Tier 3 (Process Safety Events)	number	333	377	+13%
Members in the Board of Directors				
Number of Board of Directors members	number	11	11	-
Number of executive members	number	1	1	-
Number of non-executive members	number	10	10	-
Out of which independent Board members	number	2	2	-
Number of Board of Directors sessions	number	22	24	+9%
Number of Board of Directors Committee	number	3	3	-

²⁹ PSE Tier (Process safety event Tier-1, Tier-2 technological events of the first and second level) – 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

³⁰ In 2023, TIER classification did not cover "HIP-Petrohemija", however, following harmonisation of "HIP-Petrohemija" processes with those of NIS, it was decided that TIER-1 be included in the event statistics.

³¹ Upon the analysis of the collected additional information that led to the reclassification of events, it was determined that TIER-2 in 2024 amounted to 7, which is lower by 1 than the datum presented in the 2024 Annual Report.

INDEPENDENT AUDITOR'S REPORT



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 2024 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

11000 Beograd, Makedonska 30/III sprat, Tel.: 011 655 88 00
Mejl: office@tpa-group.rs, www.tpa-group.rs, www.tpa-group.com,
Matični broj: 20738227, PIB: 107078944

Albanija | Austrija | Bugarska | Mađarska | Poljska | Rumunija
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 2024, 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 qualitative statements of the management that were the subject of the analysis and that are included in the Report according to the GRI General Standards;
 - We did not come to any knowledge that would lead us to the conclusion that the materiality 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 are the statements (GRI Management Approach Data) related to the GRI Specific Standard Data that are 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 Specific Standard Data;
 - We have not come to any knowledge that indicates the existence of irregularities (errors and irregularities) within the quantitative data related to the GRI Specific Standard Data, which were the subject of our analysis;
 - By verifying the information and explanations of the selected management statements (GRI Data on Management Approach) related to the GRI Specific Standard Data presented in the 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 would lead us to the conclusion that the Company does not meet the requirements of the basic level 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 3000 - Revised". Mentioned standards require compliance with ethical standards, as well as engagement for the sake of limited assurance on the subject matter listed above.

By implementing International Standard for Quality Management 1 (ISQM 1), we reflect an intensive quality control system including policies and procedures that document compliance with relevant ethical and professional standards and legal and regulatory requirements.

We comply with the independence requirements as well as other ethical codes prescribed by the IFAC Code of Ethics for Professional Accountants which discloses the general principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

Belgrade, 29 May 2025

TPA Audit
Certified auditor
Jelena Hadzic

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GLOSSARY

Abbreviation	Meaning
Carbon footprint	Carbon footprint assessment
CBC report	Country-by-Country Report
CCUS (Carbon Capture, Utilization 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 emissions
Chromatograph	A device used to perform a chromatography experiment
CNG	compressed natural gas
CO₂	Carbon dioxide
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
CSR	Corporate Social Responsibility
DCU	Delay cooking unit
Desertification	Anthropogenic land degradation
ECHA	European Chemicals Agency
ELV	Emission Limit Values
EOR (Enhanced Oil Recovery) projects	The method aimed at increasing the final utilisation rate of reservoir oil. One of the techniques is CO ₂ injection into the reservoir to induce additional production
ETBE (Ethyl Tert-Butyl Ether)	Additive for improving gasoline characteristics
EU	The European Union
FCC (Fluid Catalytic Cracker)	Fluid catalytic cracking unit in the Pančevo Oil Refinery
FS	Filling Station
GGS	Gas gathering station
GHG	Greenhouse Gasses
GJ	Gigajoule
GMS	Gathering and metering station
Grade	A 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
GRI (Global Reporting Initiative)	International non-profit organisation established in 1997 with the goal to achieve the highest quality of corporate reporting on sustainable development. GRI provides the world's most widely used sustainability reporting standards – GRI standards
IPPC permit	Permit for industrial pollution prevention and control
IUCN	International Union for Conservation of Nature
HR	Human Resources
HSE	Health, Safety, Environment
HTS	Hydrothermal System

Abbreviation	Meaning
LPG	Liquid Petroleum Gas
LTIF (Lost Time Injury Frequency)	The indicator of lost work day cases due to injuries
MTBE (Methyl Tert-Butyl Ether)	Additive for improving gasoline characteristics
NIS j.s.c. Novi Sad	NIS or the Company
NMD	Normative and Methodological documents
NO₂	Nitrogen dioxide
NO_x	Nitrogen oxides (nitrogen monoxide and nitrogen dioxide)
Off gas	Gas generated as a by-product in materials production or processing
OHS	Occupational Health and Safety
OU	Organisational Unit
PDCA	Plan-Do-Act-Check
PiTNiG	Sector for Oil and Gas Preparation and Transport
POR	Pančevo Oil Refinery
PM	Particulate matter
PR	Public Relations
PS	Petrol Station
PSE	Process Safety Events
PVPP	Photovoltaic Power Plants
REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)	International legislation for registration, evaluation, authorization and restriction of chemicals
Remediation	A term generally referring to cleaning or renewal – restoration (recultivation, revitalisation, regeneration) of a polluted location – area or otherwise damaged environment due to human actions
RES	Renewable Energy Source
RS	Republic of Serbia
RS Mol	Ministry of Interior of the Republic of Serbia
SDS	Safety Data Sheet
SO₂	Sulfur dioxide
SO_x	Sulfur oxides (sulfur dioxide and sulfur trioxide)
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
Sustainable development	Development that satisfies the present-day needs without jeopardizing the ability of future generations to satisfy theirs
TE-TO Pančevo	Pančevo combined-cycle power plant
TOE	Ton of oil equivalent
VOC	Volatile Organic Compounds

CONTACT INFORMATION

The Company's sustainability report NIS is intended for all stakeholders who want to monitor its progress in the areas of corporate responsibility and sustainability.

Any suggestions or comments that can help us improve our reporting and communication are welcome. You can send suggestions and comments to the following address:

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 NIS