

Performance Report QMS/EMS/OHS/EnMS

Year: 2021/2022



Supervisory audit for ISO 9001, ISO 45001 and ISO 50001 completed

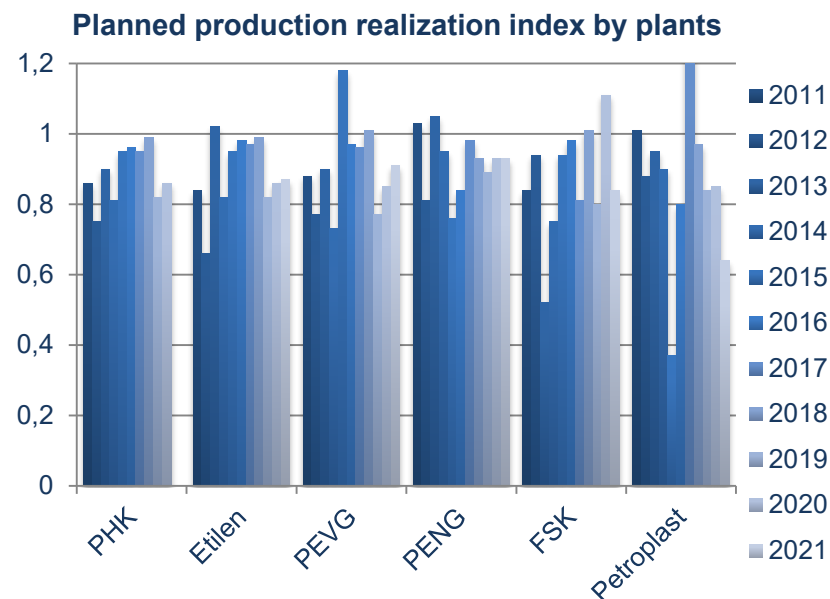


Recertification audit for ISO 45001 completed

- The context of HIPP in 2022 has been examined, in the fields of current external and internal business environment. The context is attached to the IMS Rules of Procedure and is available on IS DSK / HIPP intranet.
- Analyses included:
 - external fields** (legal context, society, policy, economic context, sales/ market, competence, raw material and energy supply, appearance of covid-19, living environment, corporate and legal regulations, energy management);
 - internal fields** (ownership structure, finances, organizational structure, technology, future development plans, certified management systems, certifications, employees and care about employees, health and safety at work, business and industrial safety and energy management of HIPP).

Special efforts were directed to COVID-19 impact analysis and the required measures application, as well as to disturbances in raw material markets and sales of the products.

Plants	Goal 2021	Production realization in t			
		2019	2020	2021	Index
SB Processing	519.750	409.869	485.886	465.160	0,89
HIPP	661.913	512.295	623.594	587.186	0,89
Ethylene	428.381	335.020	401.944	379.570	0,87
HDPE	99.162	71.024	90.592	90.243	0,91
LDPE	53.088	45.104	54.681	49.519	0,93
SBR	79.759	59.629	74.695	66.879	0,84
Petroplast	1.523	1.518	1.682	975	0,64*



The realized production in 2021 was for 5.84% lower than in 2020, due to less operating days in spite of the higher VN processing capacities. In December the HDPE Plant reached the highest monthly capacity (9.325 t) ever since the plant was put into operation, also the annual production of HDPE was the second biggest, after the highest capacity recorded in 2020. Deviations from the plan in Petroplast Plant is a result of the reduced orders.

IMS Goals Realization / Realization of Business-Technical Support

Tests performed			
Laboratory tests		Mechanical equipment tests	
Planned	Realized	Planned	Realized
Laboratory tests: • input materials testing • checkups during process • final products checkups In accordance with the checkup plans and internal users' requirements, 100%	366.700 regular and extraordinary analyses on 126.959 samples	Checkups and adjustments of 1000 safety valves	1071
		Ultrasonic measurements of thickness at 1850 spots	1963
		Tests with penetrants at 950 spots	751,52
		Vibration measurements on 900 machines	1004

Note: *989 laboratory examinations were not completed due to the equipment malfunction, lack of staff, and adjustment of the methods used. In spite of that, the realization index is still high, 0.99.

Continual support processes					
Treatment of waters required for the process		Energy fluids production		Electric power supply	
Planned per request	Realized	Planned per request	Realized	Planned per request	Realized
100% received waters	1.217.398 m3 PHK 1.552.190 m3 RNP	Water steam Instr. & proc. air Demi water	358.142 t 44.044.074 Nm3 608.913 m3	202.854.285 kWh	176.342.173 kWh

Planned	Realized / Comment	
Providing documents required for legalization of the constructions in HIPP / Obtaining Decision on construction legalization	*HIPP obtained 23 decisions on legalization / 41 decision in total, realization depends on EGIS PS	*Status in May 2022: of 73 objects in total, 13 objects have remained to be legalized

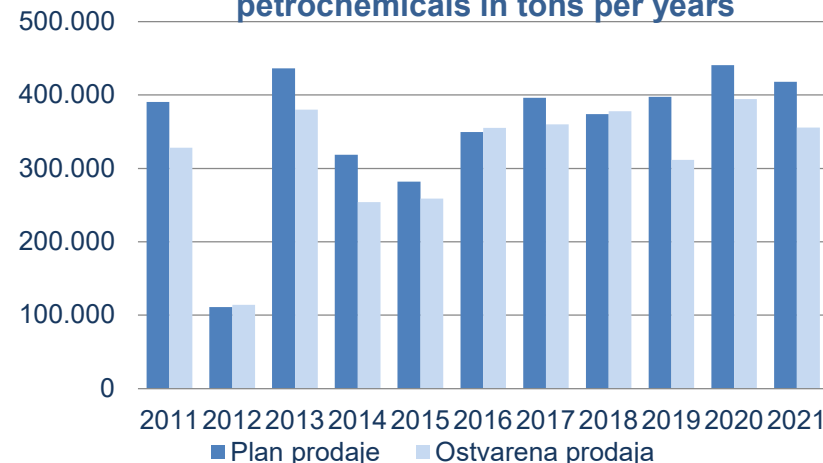
Planned	Realized / Comment
ETHYLENE PLANT	
Ethylene Plant reinstrumentation - II phase / Providing approvals	100%
SYNTHETIC RUBBER PLANT	
Measurments of total organic carbons (TOC) in the return condensate in the boiler room / Production of TD	100%
WWTP	
Conceptual design for prevention of scale deposit formation on the walls of pump suction/pressure pipelines B-1A/B/ Making conceptual design	The Orderer gave up the project
POWER SUPPLY PLANT	
SCADA / DCS / Energy management for electric energy system / Elaboration of as-built design	100%

Petrochemicals scope of sales

KPI	2019	2020	2021
Realized scope of sales of petrochemicals (t)	311.776	394.563	355.744
Realized income from sales (billion RSD)	28,66	28,9	42,73
Realization index (Realized sales / Realized income from sales)	0,78 / 0,66	0,90 / 0,73	0,85 / 1,29*

Note: Although the achieved scope of sales was 85%, the realized income from sales was significantly higher than planned, due to higher sales prices of petrochemicals on both foreign and domestic markets.

Planned sales vs. realized sales of petrochemicals in tons per years



Domestic vs. foreign sales ratio 46% : 54%

Contract vs. spot sales ratio 82% : 18%

Total turnover of petrochemicals in 2021 was for 10% lower comparing with the previous year and for 15% lower than planned.

IMS Management certified systems maintenance and laboratory accreditation

SM/ standard	2021	2020	2019
QMS/ ISO 9001:2015	Regular supervision	Recertification / QA certificate	Regular supervision
EMS/ ISO 14001:2015	Regular supervision	Recertification / QA certificate	Regular supervision
OHS/ ISO 45001:2018	Recertification / QA certificate	Regular supervision	Regular supervision
EnMS/ ISO 50001:2018	Regular supervision (without nonconformities)	Certification / Transition from ISO 50001:2011 to ISO 50001:2018	Certification / Transition from ISO 50001:2011 to ISO 50001:2018
QLI / Laboratory SRPS ISO/IEC 17025:2017	Regular supervision (1 nonconformity, 1 note)	Certification / Transition from SRPS ISO/IEC 17025:2006 to SRPS ISO/IEC 17025:2017 (2 nonconformities, 1 note)	Certification / Transition from SRPS ISO/IEC 17025:2006 to SRPS ISO/IEC 17025:2017 (2 nonconformities, 1 note)
QLI / Mechanical maintenance SRPS ISO/IEC 17025:2017	Regular supervision (without nonconformities)	Certification / Transition from SRPS ISO/IEC 17025:2006 to SRPS ISO/IEC 17025:2017 (1 nonconformity)	Certification / Transition from SRPS ISO/IEC 17025:2006 to SRPS ISO/IEC 17025:2017 (1 nonconformity)
ECM-Certification of HIPP as ECM person in charge for railway wagons maintenance	Regular supervision (realized in March 2021) (with 4 nonconformities)	Recertification (without nonconformities)	Recertification (without nonconformities)

QMS/EMS/OHS/EnMS Internal audits			
IP	Standard	Findings	Number of nonconformities
IP 01/2022	ISO 9001 ISO 14001 ISO 45001 ISO 50001	Production Dept.	3
		Technical support Dept.	3
		Supply chain function	-
		Corporate Affairs Dept.	6
		Legal Dept.	1
		Total	13

Internal audit for all organizational units / processes was completed in situ, in accordance with the Plan for QMS/EMS/OHS/EnMS internal audit.

Internal audit conclusion 01/2022:
IMS fulfills the requirements of
ISO 9001/ ISO 14001/ ISO 45001/ ISO 50001,
with 13 minor nonconformities.

After the internal audit , total of 11 corrective measures were initiated , since two nonconformities in two organizational units were of the same kind, and for the one nonconformity a corrective measure had already been taken which case has not been closed.

During 2021, the internal audits were also done for QLI in accordance with SRPS ISO/IEC 17025:2017 in the accredited laboratories of the Laboratory Working Unit and Working Unit of Mechanical Maintenance, as well as the ECM internal audit in accordance with the ECM rules, within the Working Unit of Mechanical Maintenance and Logistics Dept.

Type of corrective measures	Period 2021-2022 (QMS/EMS/OHS/EnMS)		
	Initiated	Realized 100%	Realization in %
Process (P)	18	14	89,7
Internal checks IP 01/2021	11	6	59,1
Internal checks IP 01/2022	11	ongoing	-
Total	40	20	74,4%

During the 2021-2022 period, there were **18 CM** during the operation:

- 1 measure / appearance of dust and wool due to cyclon adjustment
- 1 measure/ truck driving close to the reactor wall
- 2 measures/ injuries at work
- 6 measures/ fire
- 6 measures/ inspector's decision FPP
- 2 measures/ claims

Present status of corrective measures realization is **74,4%**.

Realization of measures from IA 01/2022 are not taken into consideration since they have been only recently initiated or are in the process of realization

Realization of measures in the last three cycles

2018-2019	2019-2020	2021-2022
95%	90%	74,4%

Decline in realization of corrective measures after the internal checks in 2021, was a result of postponing the instruction reviews and their modifications due to ongoing changes in the organizational schemes. production processes and preparation for strategic partnership with NIS a.d. Also, due to increased stocks in the Synthetic Rubber Plant it was not possible to mark the storage area.

Providing trainings and development to the employees

Planned	Realized	Index
Internal / external trainings per employee		
14 h	21,95 h	1*
Checking of employees' skills and knowledge		
327 employees	257 employees	0,79**

*The increased number of training hours is a result of realization the trainings which were not completed in 2020.

** Reasons for not completing the plans for checking the employees skills and knowledge include leaving for retirement, reorganization, and relinquishment from higher positions.

Absenteeism of HIPP employees in 2021 was 9.7%. This very high percentage of absenteeism resulted from the increased number of over-30-days sick leaves and bad epidemiological situation.

HR data as on 24.05.2022:


- Total number of employees: **1190**

- Average age of the employees in HIPP: 49

Age structure

Age	Number of employees
≤ 50	563
> 50	627

In 2021, total number of new people employed was in HIPP was 10, of which 9 on a fixed-term basis contract, and 1 for indefinite time.

		LISTA OCENE NEUSKLAĐENOSTI SA ZAKONSKIM I OSTALIM ZAHTEVIMA HIP-PETROHEMIJA 2022.godina				Datum: Mart 2022 Strana: 1 od 2 (Lista zakona izd.35 /2022)	
Red. broj	Zakonski propis, pravilnik, uredba	Izdavač	Broj/godina	Usklađenost	Obaveze u sl. 1 i 2	Odgovoran	Rok za usklađivanje
ZAKONI / REPUBLIKA SRBIJA							
1.	Zakon o zaštiti od požara	Sl.gl.RS	111/09, 20/15, 87/18	2	HIPP/ Usaglašavanje Plana zaštite od požara sa zakonskim propisima (Plan za FSK je urađen i dobio je saglasnost)	IDF KPP	kraj 2022
2.	Zakon o ozakonjenju objekata	Sl.gl.RS	96/15, 83/18, 81/20	2	HIPP/ Od početnih 73 objekata za ozakonjenje, ostalo je još 13 objekata koji su u postupku ozakonjenja.	GD	novembar 2023
3.	Zakon o integrisanom sprečavanju i kontroli zagađivanja životne sredine	Sl.gl.RS	135/04, 25/15, 109/21	2	HIPP/ Pribavljanje IPPC dozvole za rad HIPP. Nakon ozakonjenja preostalih 13 objekata, pristupiće se ažuriranju dokumentacije. Potrebno je proslediti dokumentaciju, ne stariju od 6 meseci.	IDF KPP	Izmenom pravilnika dat je nov rok za usaglašavanje, 31.12.2024.god.
4.	Zakon o klimatskim promenama	Sl.gl.RS	26/21	2	U toku je sagledavanje obaveza koje nam predstoje, Zakon je donet 18.03.2021.god., još uvek se čeka izlazak pratećih uredbi.	IDF KPP	kraj 2022
5.	Zakon o sprečavanju korupcije	Sl.gl.RS	35/19, 88/19, 11/21, 94/21 14/22	2	Doneta Odluka GD o imenovanju koordinatora u vezi sa donošenjem, sprovođenjem i izveštavanjem o sprovođenju Plana integriteta. U pripremi je Odluka GD o formiranju radne grupe za izradu Plana integriteta. Potrebno je izraditi Plana integriteta.	GD	31.10.2022

MA1200-OB005

Legenda: USKLAĐENOST: 1 - nije usklađeno / 2 – usklađivanje je u toku / 3 – potpuno usklađeno;


During 2020/2021, harmonization with the legal requirements was carried out as follows:

- according to the **Law on Archival Material and Archival Activity**, a person was appointed for archiving, adjustments were made in line with the new method of archiving, and an internal document was issued – Guidelines on the manner of recording, classifying, archiving, and storing the archival material and the documentary material in HIPP.
- also some of the requirements referring to harmonization were planned to be fulfilled in phases, so they had partly been completed earlier. This slide and the next one show the requirements regarding the conformity with the regulations.

REPORT ON PROCESS EXAMINATION FOR 2021

IMS Goals Realization / Conformity with Regulations

2022

		LISTA OCENE NEUSKLAĐENOSTI SA ZAKONSKIM I OSTALIM ZAHTEVIMA HIP-PETROHEMIJA 2022.godina				Datum: Mart 2022 Strana: 2 od 2 (Lista zakona izd.35 /2022)	
Red. broj	Zakonski propis, pravilnik, uredba	Izdavač	Broj/godina	Usklađenost	Obaveze u sl. 1 i 2	Odgovoran	Rok za usklađivanje
6.	Zakon o rodnoj ravnopravnosti	Sl.gl.RS	52/21	2	Odrediti i sprovoditi posebne mere u okviru godišnjih planova i programa rada koje se odnose na ostvarivanje i unapređivanje rodne ravnopravnosti. Obaveštavati nadležno mistarstvo o realizaciji tih mera. Evidentirati podatke razvrstane po polu taksativno pobrojane zakonom, radi praćenja i ostvarivanja rodne ravnopravn. i izveštavanja o tome.	GD	januar 2023
PRAVILNICI / REPUBLIKA SRBIJA							
7.	Pravilnik o organizovanju zaštite od požara prema kategoriji ugroženosti od požara	Sl. gl. RS	06/21	2	Urađen je Plan akcija za usaglašavanje/ Sa aspekta definisanog minimuma oprema ZOP-usaglašeni; prijem zaposlenih u cilju usaglašavanja je u toku.	IDF KPP	01.07.2022
UREDBE, ODLUKE							
8.	Uredba o graničnim vrednostima emisije zagađujućih materija u vode i rokovima za njihovo dostizanje	Sl.gl. RS	67/11, 48/12, 01/16	2	FSK/ Usaglašavanje GVE sa uredbom	Direktor fabrike FSK	2025
Izradio: Dragana Videnović, rukovodilac SKS		Kontrolisali: Zorica Marković, direktor sektora PP Biljana Suslov, energetski menadžer			Odobрили: Dragan Zavišić, IDF KPP Igor Stanković, IDF PTP		

MA1200-OB005

Legenda: USKLAĐENOST: 1 - nije usklađeno / 2 – usklađivanje je u toku / 3 – potpuno usklađeno;

The list of non-conformities in HIPP has total of 8 requirements for adjustments, and measures and activities for their realization have been initiated.

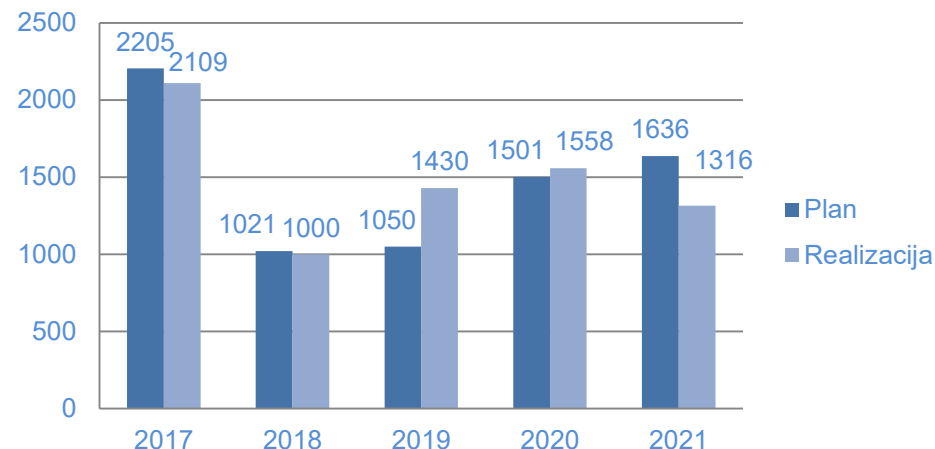
HSE Management / Trainings / Conformity with HSE Requirements

Provision of HSE knowledge	Realization		
Goal / years	2019	2020	2021
Goal – Organization of internal periodical HSE trainings for employees - 5% more than in 2020	1430	1558	1316
Goal – Organization of external HSE trainings for employees - 5% more than in 2020	91	25	30

Realization of external HSE trainings includes:

- First Aid: 21 employees
- FPP test: 9 employees

Periodical HSE trainings plan/realization, per years



Conformity with HSE requirements

In 2021 there were 14 inspection checkups of which:

- 6 for Env. Prot.
- 8 for FPP

HSE field	Review of measures required after inspection checkups	Status
Env.Prot.	3 measures required.	Completed
FPP	6 measures required.	- 5 measures completed; - 1 measure under process of realization (approval obtained for prolongation of deadline for completion, till December 2022)

Environment Protection / Emissions to Air

Measurement plan realization in 2021

Dot emitter measurements		Diffuser emitters emission calculation	
planned	realized	planned	realized
60	59*	4	4

*Measurements done on all emitters which were employed.

All measured pollutant concentrations in the air were **under ELV**.

Air emission coefficient 2021

Total pollutant emissions in the air (expressed in CO₂) by quantity of consumed raw material (VN)

Planned	Realized
CCO ₂ ≤ 0,90 t/t VN	CCO ₂ = 0,94* t/t VN

*Reason for higher CCO₂ than planned lies in higher fuel / energy consumption for 6,5% in 2021, comparing to 2020, and the VN consumption was lower for 4,5%.

Air emissions coefficient in the last three years

2019	2020	2021
402.336 t CO ₂ CCO ₂ = 0,98 t/t sb	412.431 t CO ₂ CCO ₂ = 0,86 t/t sb	412.431 t CO ₂ CCO ₂ = 0,94 t/t sb

Realization of waste waters external measuring
for 2021

WWTP-after treatment (B-17)	
planned	realized
6	6

Petroplast-sanitary waste waters at discharge from BioDisk	
planned	realized
3	3

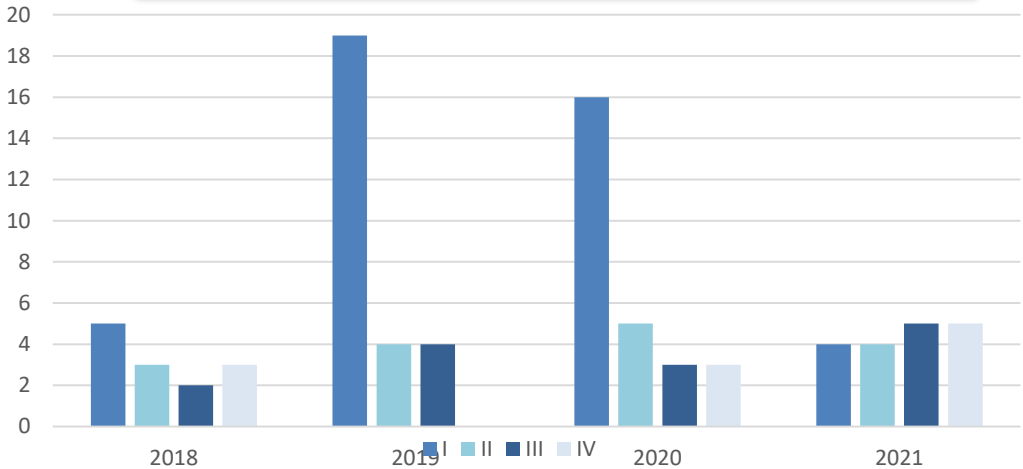
FSK-waste waters at discharge to the Tisa river	
planned	realized
4	4

Results of waste waters monitoring

WWTP (B-17) and Petroplast (Biodisk): All campaign parameter values were within the ELV.

FSK: All campaign parameter values were within the ELV except for **total phosphorus**.
Deadline for bringing it in line with legal requirements is **2025**.

Emission of total phosphorus in water - FSK,
in all four campaigns, by years



Coefficient Cspills	
Number of hazardous materials spills per quantity of basic raw material consumption in t)	
Planned	Realized
Cspills =0 (no spills of hazardous materials in quantities higher than 1 barrel)	Cspills = 0

Ground waters in HIP were tested for quality control, 100% in accordance with the plan, and soil samples were taken at the location reported as contaminated.

The analyses of test results for soil from 36 positions at three depths showed exceeding remediation values of Hg for 3 positions each at the same depth. For the location of Elemir, the soil test analyses were made for 17 positions, and the reports were submitted in March 2022.

According to the new legal regulations, the soil monitoring shall be carried out in the following two years for the location of Pančevo, and for the location of Elemir in five years time, i.e. in 2026, in order to have the parameter value changes registered so that adequate actions may be timely undertaken.

Environmental Protection / Waste Management

Waste management

Type of wastes	Non-hazardous (t)		Hazardous (t)	
Year	Generated	Disposed	Generated	Disposed
2019	645	704	250	287
2020	796	821	212	271*
2021	534	523	293	276

Total quantity of generated wastes, both hazardous and non-hazardous, was 1008 t, and total of 1092 t was disposed, as there were some remains from the previous period. Therefore the target which was to dispose 70% of generated quantity was reached.

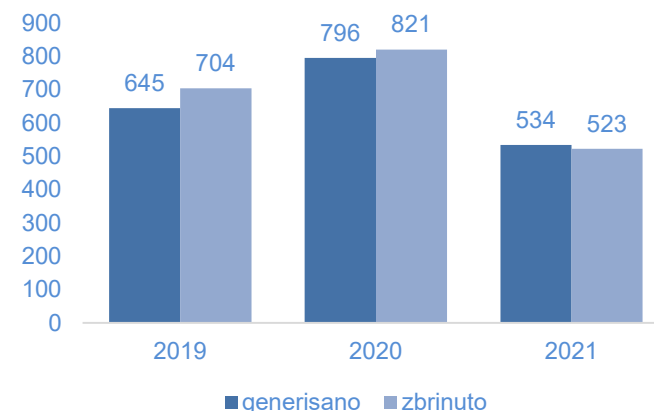
Generated waste coefficient (Cw)

Generated wastes quantity (at regular activities) by quantity of basic raw material consumed (kg/t VN)

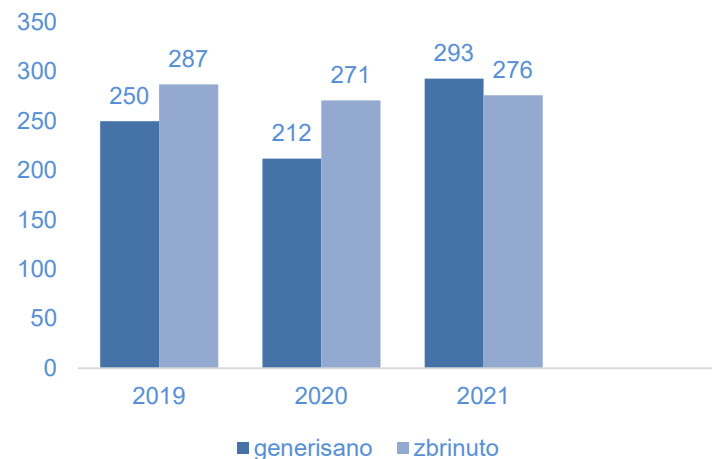
Planned	Realized
$C_w \leq 1,80$ (kg/t VN)	$C_w = 1,79$ (kg/t VN)

Target value of generated waste coefficient for 2021 was fully achieved.

Non hazardous wastes management in t by years



Hazardous wastes management in t by years



PERFORMANCE REPORT FOR 2021

Safety and Health at Work / Employees Participation

OHS	Comment
Collective Agreement for Safety & Health at Work	<ul style="list-style-type: none"> The current Collective Agreement for Safety & Health at Work has been applicable since 19 March 2020, and its validity is three years.
Board for safety / acting in accordance with the Collective Agreement for Safety & Health at Work	<ul style="list-style-type: none"> The authorized representatives of the Board for Safety & Health at Work in HIP-Petrohemija a.d. Pančevo act in accordance with the Collective Agreement for Safety & Health at Work. New representatives were appointed by the Decision of 25 May 2021, with two-year mandate. In 2021, two sessions were held, one in July, and another in October.
Employees representatives for issues related to Safety & Health at Work by organizational units	<ul style="list-style-type: none"> It is legally required that both locations, Pančevo and Elemir, should have a representative appointed to be in charge for safety and health at work, whose responsibilities are defined by the Act on Safety and Health at Work. <u>The appointed representatives are:</u> Vladimir Stefanović, Head of Health & Safety Dept / Pančevo location (appointed on 21 April 2021) Jaroslav Hrubik, Head of Safety Dept / Elemir location Adoption of new Collective Agreement for Safety & Health at Work, on 19 March 2020, and its Article 46 brought changes in appointment of representatives for OSH, upon the request of the trade union representatives. Instead of electing representatives as it used to be earlier, now the representatives are the elected commissioners of each of the representative trade unions and their deputies in the organizational units. The Instructions SP0800-UP035 about the employees representatives roles regarding the OHS issues, in order to have healthier and more safe work conditions in HIP-Petrohemija a.d. are applied in practice.
HSE observations	<ul style="list-style-type: none"> In 2021, 358 observations were made in HIPPP's organizational units.
Management visits (MWA)	<ul style="list-style-type: none"> In 2021, there were 12 MWA to HIPPP's organizational units.
Employees participation	<ul style="list-style-type: none"> The Procurement Procedure defines the way of procurement for goods and services required for Safety and Health at Work, and the bidding committee formed for such procurement includes the employees representatives who participate in procurement procedure. Employees participate in the HSE events analyses.
Reporting / informing the employees	<ul style="list-style-type: none"> Availability of documents through IS DSK; Annual Report available on Intranet; Internal inspection reports displayed on the bulletin boards of Organizational units; HSE quartal reports (Executive Board, Supervisory Board, HSE Board); Informing during the manager team meetings in HIPPP / Organizational units; Trade union meetings (three representative trade unions); HIPPP Official Informator / Intranet, mail, bulletin boards in all Organizational units.

PERFORMANCE REPORT FOR 2021

Safety and Health at Work / Health Protection

Health protection

Goal	Realization of preventive medical examination, 100% per plan		
Year	Plan	Realization	Index
2019	1183	1091	0,92
2020	1023	1023	1
2021	1019	1009	0.99

- According to the reports of the Occupation Medicine Department, on the basis of periodical examination of the employees:
 - all examined employees are assessed as “capable for work”
 - Of the above number, 191 employees are “capable for work with a restriction”

Preventive medical examinations

- 228 employees had cardiovascular examination (examination by a specialist in internal medicine - cardiology, hearth ultrasound scan, blood pressure measurement and ECG with analyses)
- 196 specialist's examinations for women
- 4 specialist's examination for men

Healthcare rehabilitation

During 2021, the total of 468 employees were sent for healthcare rehabilitation to the VU “Tara” facilities, what was for 3.6% more than planned.

PERFORMANCE REPORT FOR 2021

Safety and Health at Work / Injuries at Workplace

Injuries at workplace

Parameters	Goal	Realization	Index
Lost time injury frequency rate LTIF	LTIF \leq 1.40	0.8	1
Serious workplace injuries rate LTIS	LTIS \leq 0.35	0,68	_*
Coefficient of workplace fatal injuries FAR	FAR= 0	0	1

During 2021, there were 2 LTIF injuries of the employees, of which both were characterized as serious, and 1 LTIF of the contractor, characterized as a minor injury
For each injury case, investigation and the case analyses were done.

FAR – number of fatal workplace injuries x 1.000.000 / total number of working hours of all employees

LTIF – total number of injuries x 1.000.000 / total number of working hours

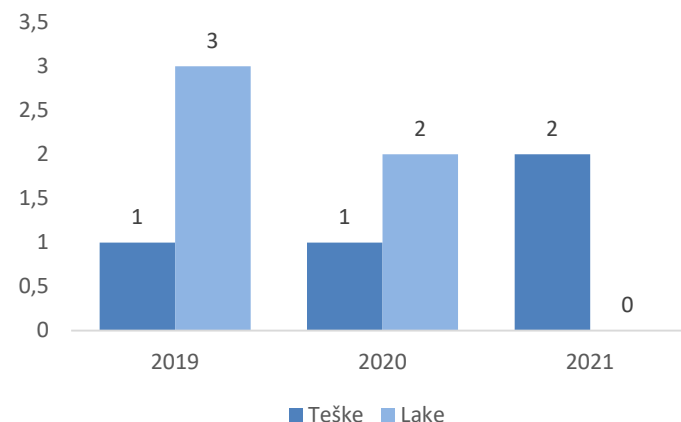
LTIS – total number of lost days due to workplace injuries x 1.000.000 / total number of working hours

*Note: Exceeding LTIS comparing to the plan is a result of two LTIF injuries. The injured employees were on a long sick-leaves

During 2021, there were also 13 injuries which were not LTIF. Causes of these injuries were as follows:

- 4 injuries were caused by falling down while walking
- 7 injuries were caused while coming to / leaving workplace
- 3 injuries were of mechanical nature
- 1 injury was chemical

LTIF injuries at work in the last three years

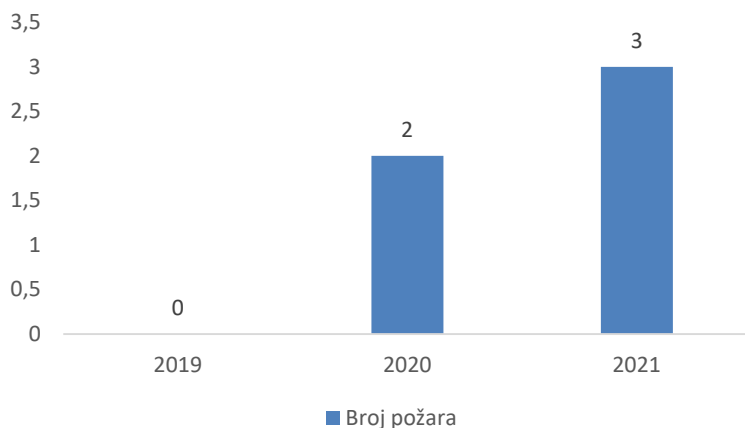


PERFORMANCE REPORT FOR 2021

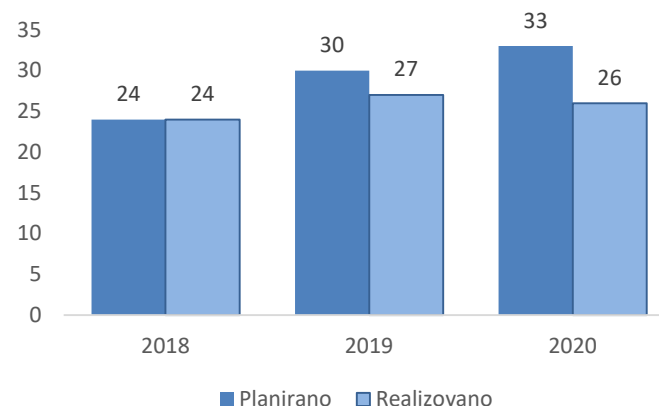
Safety and Health at Work / Process Safety

In 2020, there were 2 incipient fires, so the goal, which was the total number of all fire categories to be NoF = 0, was not achieved. For both incipient fires, analyses and investigation were made and adequate corrective measures undertaken.

Number of incipient fires in the last three years



HSE drills in the last three years



The goal was to have firefighting and rescue drills \geq at the same level as in 2020. During 2021, there were 33 drills, what means that the goal was exceeded for 27%. The increased realization is a result of the implemented corrective measures required after the fire in the Ethylene Plant.

In 2020, no traffic accident was reported.

RAR = 0

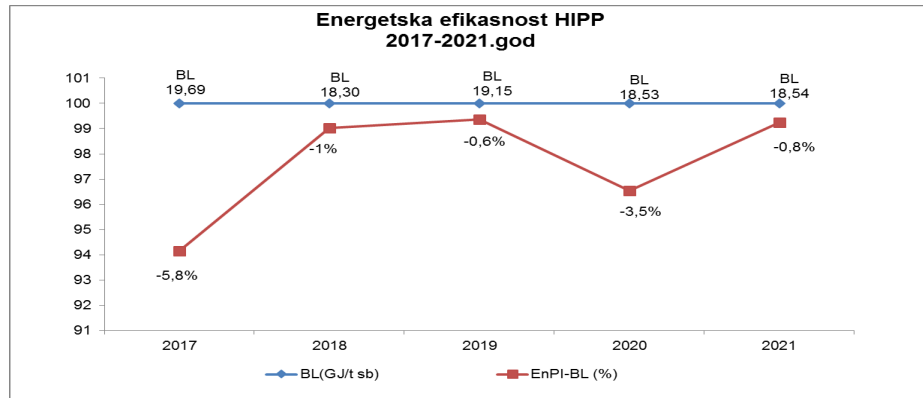
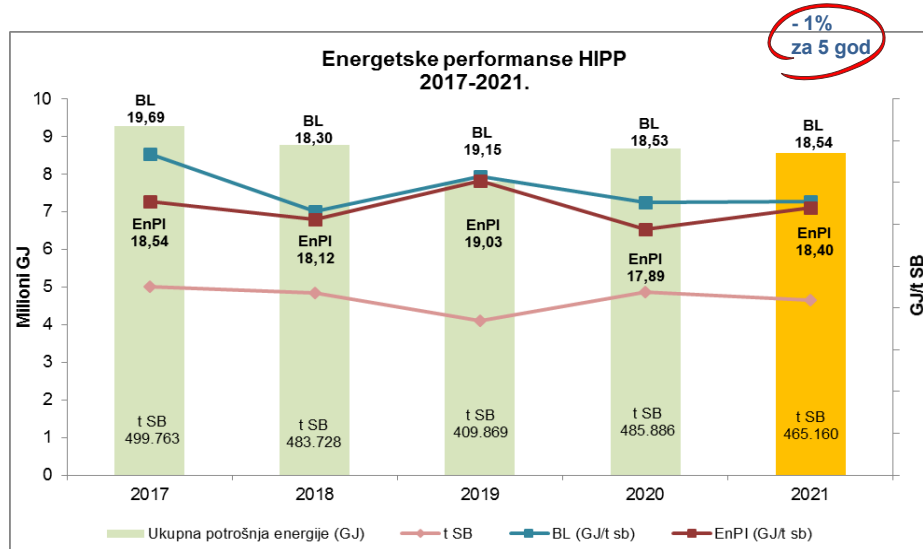
Road accident rate (RAR) – the number of accidents divided by the kilometers travelled, multiplied with 1.000.000

PERFORMANCE REPORT FOR 2021

Energy Management / Energy Consumption Analysis 2017-2021

2022

Capital investment projects –Ethylene Plant reinstrumentation, phase I; Ethylene Pl. turbo compressor regulation replacement; New production line dorade PEVG; New packaging lines in HDPE and LDPE plants; HDPE Catalyst actuator , Improved insulation of valves and pipelines, renovations using energy efficient equipment.



2017 – 2021:

- Specific energy consumption is lower for **1%** for five-year period
- Absolute energy consumption is lower for **7,6%** for five-year period / 700.000 GJ
- Financial effect of energy consumption decrease amounts over **6 million EUR**, at current prices for energy (**8,57 €/GJ**)

EnPI 2021:

- vs 2017. / **- 1 %**
- vs 2019. / **- 3 %**
- vs 2018. / **+1,5%** (t VN, **-3,8%**)
- vs 2020. / **+ 2,8%** (t VN, **-4,3%**)
- vs BP 2021 / **+ 2%** (t VN, **-10,5%**)
- vs BL / **- 0,8%**
- Realized EnEf / Financial effects achieved, 564 thousand EUR**

2017 – 2021:

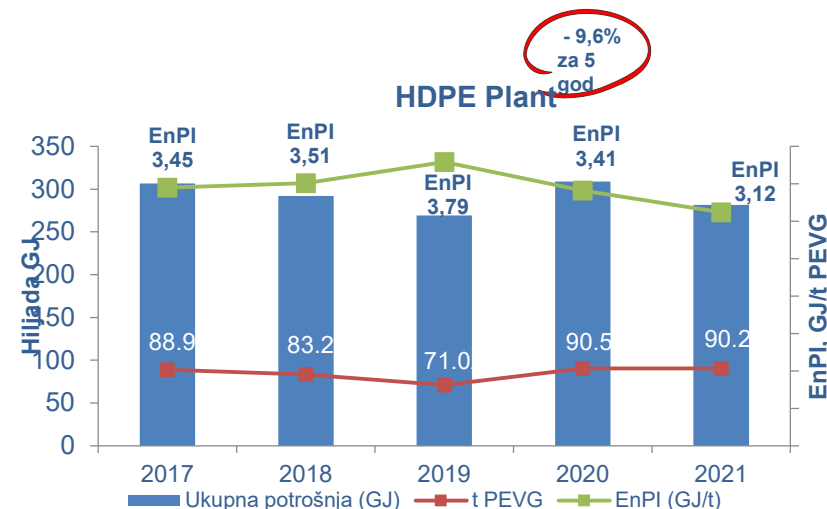
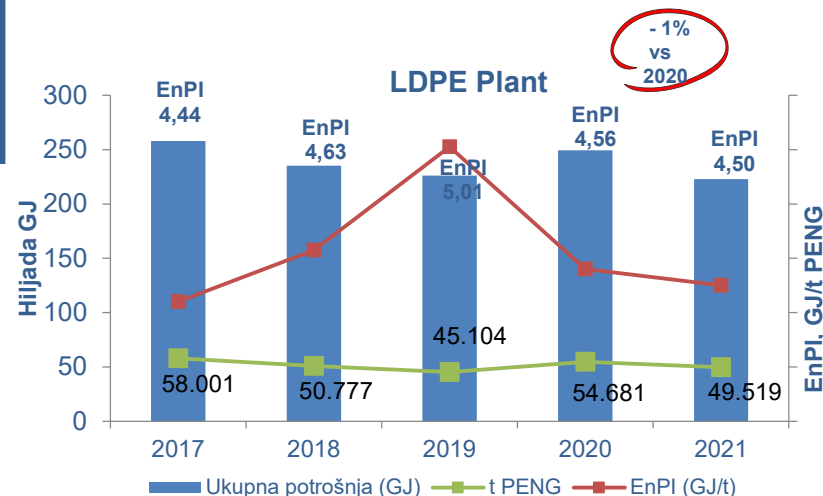
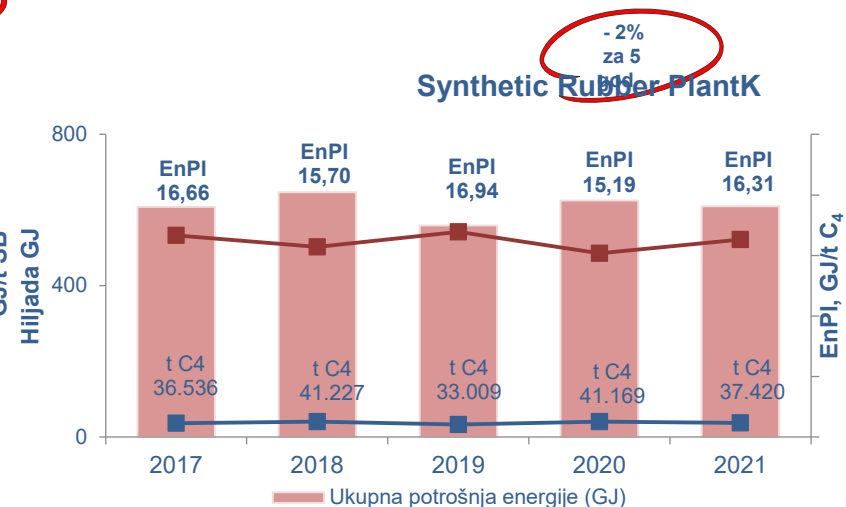
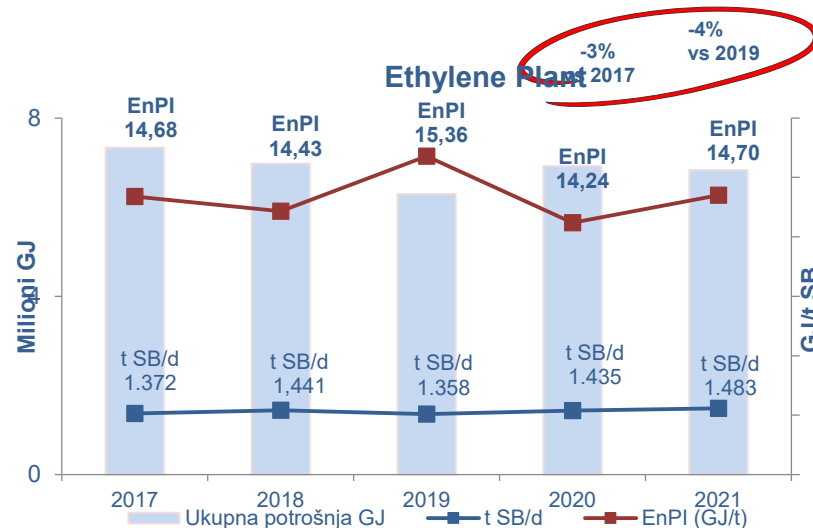
Energy efficiency kept being improved each year, since the specific energy consumption was under the baseline, comparative value for certain VN processing capacity.

EnPI (GJ/t SB) - specific energy consumption
BL (GJ/t SB) – baseline, comparative value
VN (t) – basic raw material, virgin naphtha

Energy Management / Consumption Analysis – Large Consumers in HIPP

Ethylene PI. 2021

Specific energy consumption was increased due to several factors in the process (April overhaul, operation interruptions in January, February and September, leakage on boilers, lowering the total scope of processing...)



PERFORMANCE REPORT FOR 2021

Analysis of Primary Energy Consumption

2022

Energy Management System (SEM) in the Republic of Serbia 2017 - 2021

HIPP is a designated party of SEM / industry sector. Energy consumption is limited to 2,500 toe (105 TJ or 29 GWh)

HIPP PA = 215,000 toe
HIPP, FSK = 18,000 toe

2017-2021 period the requirements were fulfilled for decrease of 1% in average per year only for el. power in Pančevo.

Deviation from the target is explained by the processing scope decrease for the period/ PA, 7% and 10% (2020); FSK, 9% (2020)

HIPP - Pančevo	2017	2018	2019	2020	2021
EnPI 1 (el. power) (toe / t _{SB})	0,087	0,084	0,089	0,084	0,082
Comparison – five-year period	- 5,6%				
EnPI 2 (fuel) (toe / t _{SB})	0,384	0,372	0,391	0,368	0,381
Comparison – five-year period	-1%				
Total EnPI (toe / t _{SB})	0,471	0,456	0,480	0,452	0,463
Comparison total 2017-2021	-1,81%				

HIPP - Elemir	2017	2018	2019	2020	2021
EnPI 1 (el. power) (toe/t _{C4})	0,188	0,182	0,197	0,182	0,189
Comparison – five-year period	+0,7%				
EnPI 2 (fuel) (toe/t _{C4})	0,298	0,281	0,306	0,271	0,297
Comparison – five-year period	-0,2%				
Total EnPI (toe / t _{C4})	0,486	0,463	0,503	0,453	0,486
Comparison total 2017-2021	+0,15%				

Law on energy efficiency and rational use of energy (Official gazette 40/21) – obligatory savings of min 1% per year or 5% in five-year period.

PROCESS IMPROVEMENT **PLAN / RESULT** IN 2021

We keep improving all our processes, through continual planning, results monitoring and their analyses, and business upgrading.

In accordance with the Process Improvement Procedure, the organizational/process units make annual plans for improvements within their sectors. Once the plans are accomplished and improvements applied, their effects and results keep being analysed in the year that follows.

The accomplished investments were mostly targeted to improvements in business profitability and market competency. All the projects were financed from the company's own resources. Of the completed investments, the most significant were the SCADA implementation within the Power Supply Plant and general overhaul of the LDPE Plant extruder. These investments have provided safer and more economical production.



The Company’s commitment to the segments like development of human potentials and building trust with both employees and partners, has become our normal practice which is exercised through our socially and environmentally responsible business.

- By respecting high ethical standards and doing our business in accordance with the local, national and international regulations, we endeavor, along with implementing innovations and providing sustainable business growth, to create values for all parties involved (employees, investors, and society).
- We express our dedication and responsibility beyond business frameworks, through directing our financial and human resources to support and stimulate various projects, to find solutions for social issues, and to promote cultural activities.
- Our goal is to make contribution, together with partnership organizations, to permanently improve working environment and to create sustainable benefits for the society.
- Corporate social responsibility makes an integral part of our business strategy and it refers to both the broader social and local level.

CODES AND PRINCIPLES

- The principles of sustainable development – creation of values, sustainable impact on the environment and protection and respect of human rights as well as the social-corporate responsibility are an integral part of our business strategy.
- Adopted, published and applied are the documents *Principles of Business Ethics* and *The Supplier Code of Conduct* based on the principles and standards of the UN Global Compact, by which we integrate the sustainable development and ethics in our daily activities and relations with the environment.

COVID-19

- Continuation of intensive activities directed to prevention of COVID-19 disease spreading and protection of the employees by imposing adequate measures, taking actions and rearranging the work activities:
- Organization of activities were adjusted to the pandemic conditions
 - Precautionary measures were enhanced and new protective measures adopted
 - Hygienic measures and premises disinfection were improved
 - Protective equipment and disinfection solutions were provided for employees
 - Employees were kept continuously informed
 - Annex to the Collective Agreement was made about rights and obligations of the employees having COVID-19 disease

SIGNIFICANT ACTIVITIES

- Humanitarian actions of voluntary blood donation
- Solidarity fund to help the employees
- Collecting resources to support seriously ill persons and their families
- Life and injury insurance for the employees covering 24 hours a day
- Free of charge health rehabilitation for the employees
- Preventive medical specialist examination for all interested employees, especially for women
- New Year’s presents for the employees’ kids
- Technical and working practice for secondary school / university students
- HSE training for contractors

