

Performance Report QMS/EMS/OHS/EnMS

Year: 2020/2021



POLITIKA

„HIP-Petrohemija“ a.d. Pančevo je proizvođač baznih i polimernih petrohemijskih proizvoda i posluje na regionalnom tržištu više od 40 godina zahvaljujući proizvodima vrhunskog kvaliteta i neprekidnom dijalogu sa svim zainteresovanim stranama.

Društveno odgovornim poslovanjem postizemo održivost i pozitivne učinke u društvenom i ekonomskom okruženju.

Težimo da svojim proizvodima i uslugama razumemo sve aktuelne i buduće potrebe korisnika, ispunjavamo zahteve kupaca i nastojimo da pružimo i više nego što oni očekuju.

Odgovorno upravljamo rizikom u poslovnim procesima u cilju proaktivnog delovanja, podizanja nivoa korporativne odgovornosti i poboljšavanja ključnih performansi naših procesa. Kontinualno planiramo ciljeve i obezbeđujemo sve potrebne resurse i informacije za realizaciju naših proizvoda i procesa. Preispitujemo realizovane rezultate i na osnovu njih planiramo poboljšanja.

Primenjujemo važeću nacionalnu i evropsku zakonsku regulativu u oblasti kvaliteta, efikasne energije, zaštite životne i radne sredine, kao i normative međunarodnih standarda i dobre industrijske prakse.

Suština naše kompanije su ljudi, a stalnim uključivanjem svih zaposlenih, negovanjem znanja, zdravlja i bezbednosti, inovacija i kreativnosti, postizemo da zaposleni razumiju ulogu i značaj svog doprinosa u realizaciji politike i ciljeva kompanije.

Posvećeni smo unapređenju performansi životne sredine i prevenciji od zagađenja. Modernizacijom postrojenja i stalnom kontrolom procesa kontinualno smanjujemo uticaje svojih procesa na vazduh, vodu, zemljište i generisanje otpada.

Primenjujemo programe prevencije, lečenja i rehabilitacije, brinemo o zdravlju zaposlenih i eliminišemo posledice eventualnih povreda i incidenata. Podstičemo učešće i konsultujemo radnike u vezi sa bezbednošću, kako bi u efikasnoj komunikaciji podigli svest o bezbednim i zdravim uslovima rada. Stalno unapređujemo korporativnu odgovornost prema zaposlenima, mladima, invalidima, lokalnoj zajednici i društvu u celini, u cilju obostranog zadovoljstva i uspeha.

Razvijamo uzajamno korisne odnose sa našim isporučiocima, tako što jasno i transparentno komuniciramo, optimizujemo troškove i resurse, stvaramo uslove za brze i fleksibilne odgovore na promene. Podstičemo nabavku energetski efikasnih proizvoda i projektovanje energetski efikasnih procesa, u cilju razvoja svesti o energetskej efikasnosti u našem poslovnom okruženju.

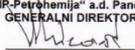
Kontinualno unapređujemo kvalitet svih naših procesa i proizvoda u skladu sa najboljim raspoloživim tehnikama u cilju održivog razvoja i povećavanja energetske efikasnosti procesa. Stalno poboljšavamo sisteme menadžmenta kvalitetom, energijom, životnom sredinom, bezbednošću i zdravljem na radu.

Primenjujemo Integrirani sistem menadžmenta usklađen sa standardima ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 i ISO 50001:2018. Posedujemo akreditovane laboratorije u skladu sa SRPS ISO/IEC 17025:2017. Posvećeni smo unapređenju bezbednosti u železničkom saobraćaju kao Lice zaduženo za održavanje ECM, prema zahtevima propisanim Dodatkom III Priloga A ATMF-a, Dodatak G COTIF-a.

Generalni direktor i najviše rukovodstvo imaju konačnu odgovornost za kontinualno poboljšavanje Integriranog sistema menadžmenta kroz promociju i primenu ove Politike. Naši zaposleni učestvuju u sprovođenju Politike i tako potpuno doprinose njenoj realizaciji.

Pančevo, 01.01.2019.god

„HIP-Petrohemija“ a.d. Pančevo
GENERALNI DIREKTOR



Velimir Unković



THE INTERNATIONAL CERTIFICATION NETWORK

CERTIFICATE

Quality Assure

Has issued an IQNet recognized certificate that the organization:

HIP-Petrohemija a.d. Pančevo
 Srbija, 26000 Pančevo, Spojnostarčevačka 82

for the following scope:

Production of Petrochemical products, Raw materials and Chemicals on location: Pančevo, Štampar and Čengić
 IAF: 12.19

has implemented and maintains a

QUALITY MANAGEMENT SYSTEM

which fulfils the requirements of the following standard:

ISO 9001:2015

The certificate is valid based on the following information and is valid until the next surveillance audit:

Issue of:	2023-05-22
Validity until:	2025-05-22
Quality Assure certified since:	1999-12-21

Registration Number: AT-04560

Aljoša Stanić *Aljoša Stanić*
 Vice Chairman / President of IQNet / Vice Chairman / Authorized Representative of Quality Assure

Mag. Predrag Kuzmanović
 Authorized Representative of Quality Assure

Realizovan resertifikacioni audit za ISO 9001 i ISO 14001



THE INTERNATIONAL CERTIFICATION NETWORK

CERTIFICATE

Quality Assure

Has issued an IQNet recognized certificate that the organization:

HIP-Petrohemija a.d. Pančevo
 Srbija, 26000 Pančevo, Spojnostarčevačka 82

for the following scope:

Production of Petrochemical products, Raw materials and Chemicals on location: Pančevo, Štampar and Čengić
 IAF: 12.19

has implemented and maintains an

ENVIRONMENTAL MANAGEMENT SYSTEM

which fulfils the requirements of the following standard:

ISO 14001:2015

The certificate is valid based on the following information and is valid until the next surveillance audit:

Issue of:	2023-06-22
Validity until:	2025-06-22
Quality Assure certified since:	2003-08-24

Registration Number: AT-04560

Aljoša Stanić *Aljoša Stanić*
 Vice Chairman / President of IQNet / Vice Chairman / Authorized Representative of Quality Assure

Mag. Predrag Kuzmanović
 Authorized Representative of Quality Assure



THE INTERNATIONAL CERTIFICATION NETWORK

CERTIFICATE

Quality Assure

Has issued an IQNet recognized certificate that the organization:

HIP-Petrohemija a.d. Pančevo
 Srbija, 26000 Pančevo, Spojnostarčevačka 82

for the following scope:

Production of Petrochemical products, Raw materials and Chemicals on location: Pančevo, Štampar and Čengić
 IAF: 12.19

has implemented and maintains an

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS

which fulfils the requirements of the following standard:

ISO 45001:2018

The certificate is valid based on the following information and is valid until the next surveillance audit:

Issue of:	2020-06-29
Validity until:	2023-06-29
Quality Assure certified since:	2006-06-26

Registration Number: AT-00210

Aljoša Stanić *Aljoša Stanić*
 Vice Chairman / President of IQNet / Vice Chairman / Authorized Representative of Quality Assure

Mag. Predrag Kuzmanović
 Authorized Representative of Quality Assure



THE INTERNATIONAL CERTIFICATION NETWORK

CERTIFICATE

Quality Assure

Has issued an IQNet recognized certificate that the organization:

HIP-Petrohemija a.d. Pančevo
 Srbija, 26000 Pančevo, Spojnostarčevačka 82

for the following scope:

Production of Petrochemical products, Raw materials and Chemicals on location: Pančevo, Štampar and Čengić
 IAF: 12.19

has implemented and maintains an

ENERGY MANAGEMENT SYSTEM

which fulfils the requirements of the following standard:

ISO 50001:2018

The certificate is valid based on the following information and is valid until the next surveillance audit:

Issue of:	2020-06-29
Validity until:	2023-06-27
Quality Assure certified since:	2019-12-20

Registration Number: AT-001170

Aljoša Stanić *Aljoša Stanić*
 Vice Chairman / President of IQNet / Vice Chairman / Authorized Representative of Quality Assure

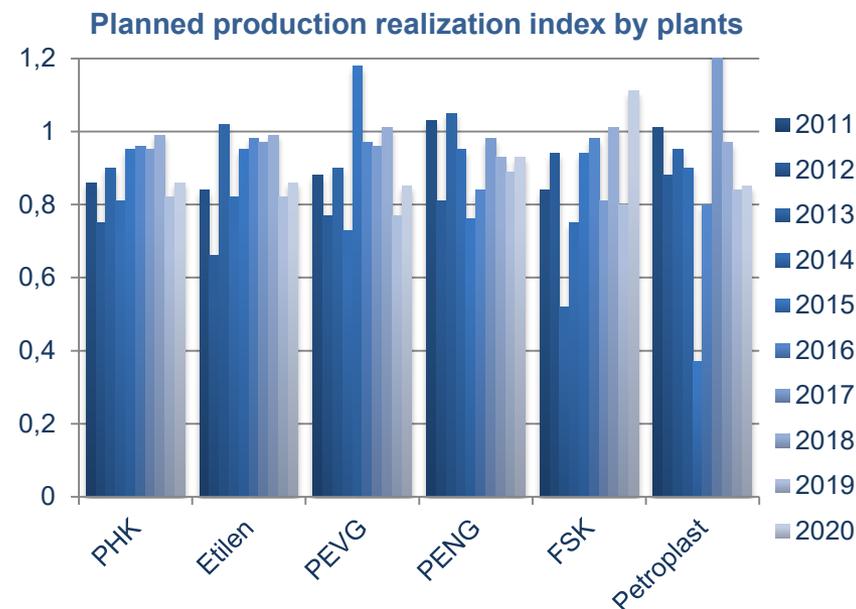
Mag. Predrag Kuzmanović
 Authorized Representative of Quality Assure

Supervisory audit for ISO 45001 and ISO 50001 completed

- Context of HIPP in 2021 has been examined, including 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, living environment, corporate social responsibility, energy management);
 - internal fields** (ownership structure, finances, organizational structure, technology, development strategy, certified management systems, certifications, care about employees, health and safety at work, business and industrial safety and energy management of HIPP).

The impact of COVID-19 and declared state of emergency, upon the raw material market and products sales, was also taken into consideration.

Plants	Goal 2020	Production realization in t			
		2018	2019	2020	Index
SB Processing	567.300	483.728	409.869	485.886	0,86
HIPP	723635	605.363	512.295	623.594	0,86
Ethylene	468.023	395.203	335.020	401.944	0,86
HDPE	107.056	83.220	71.024	90.592	0,85
LDPE	58.800	50.778	45.104	54.681	0,93
SBR	88.245	74.705	59.629	74.695	1,11
Petroplast	1.512	1.457	1.518	1.682	0,85



The realized production in 2020 was for 21.73% higher than in 2019, due to higher SB processing capacities and higher number of operating days. Deviations from the plan in most cases resulted from unplanned 25-days shutdown of all the plants due to lack of SB .

Equipment maintenance			
Preventive maintenance		Corrective maintenance	
Planned	Realized	Planned	Realized
100% of planned	100%	100% of requests	94%

Unplanned interruptions / equipment malfunctions, 2019	
Goal - minimize unplanned interruptions / equipment malfunctions	
Maintenance	Number of total unplanned interruptions in HIPP
Mechanical equipment	There was one unplanned interruption in August 2020 / replacement of the exchanger tube bundle T-20 with a new one in the Ethylene Plant, because of hydrocarbon leak into cooling water/ Shutdown duration was 66.83 h
Instrumental equipment	No unplanned interruptions / malfunctions were recorded
Electrical equipment	

REPORT ON PROCESS EXAMINATION FOR 2020

Realization of IMS goals / Realization of business-technical support

Realization of tests			
Laboratory tests		Mechanical equipmnet tests	
Planned	Realized	Planned	Realized
Laboratory tests: • Input materials, • Checkups during process, • Final products checkups, In accordance with checkup plans and internal users' requirements, 100%	404.802*	Checkups and adjustments of 1000 safety valves	351
		Ultrasonoic measurements of thickness at 1850 spots	1577
		Tests with penetrants at 950 spots	888,3
		Vibration measurements on 900 machines	598**

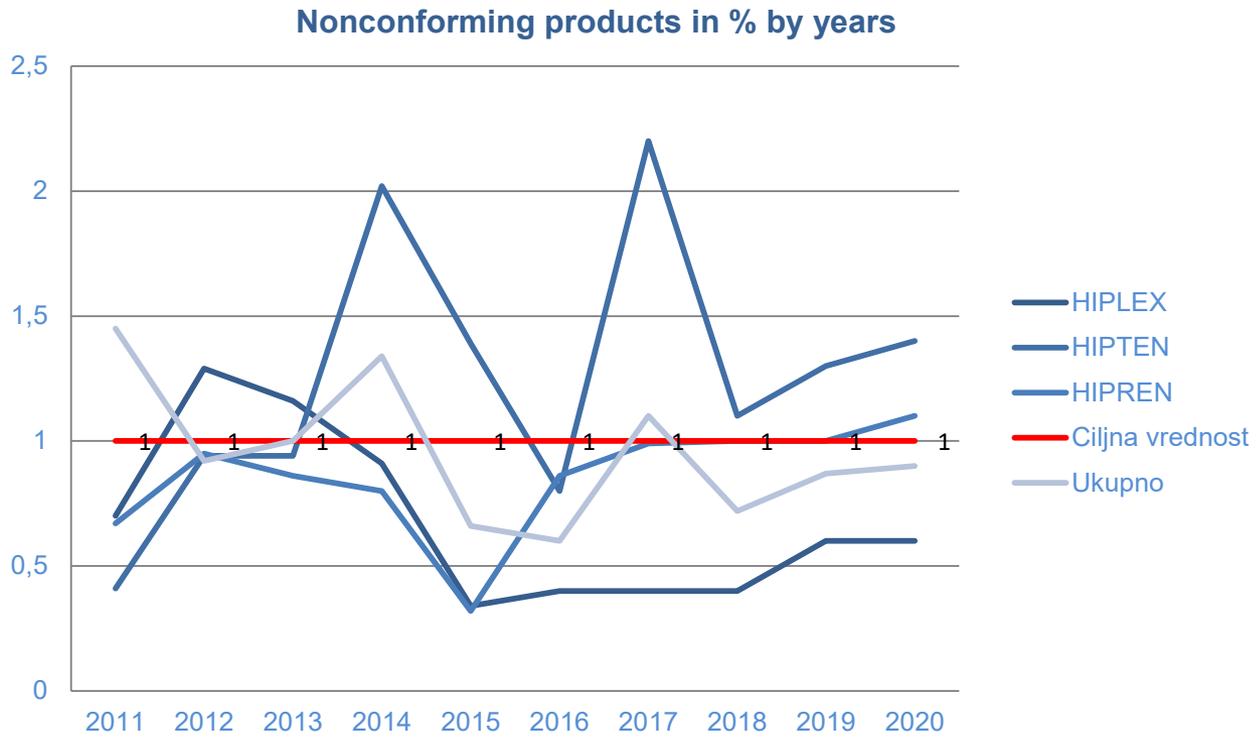
Remarks:
 *There was no longer shutdown which would enable VS disassemble
 **Labour shortage due to the pandemic and people leaving the Maintenance Dept.

Note: 1.514 laboratory examination were not completed due to the equipmnet malfunction, chemicals shortage, or determination method issues. In spite of that, the realization index is still high, 0,99.

Continual support processes					
Treatment of waters required for processocess		Energy fluids production		Electric power supply	
Planned per request	Realized	Planned per request	Realized	Planned per request	Realized
100% received waters	1.265.300 m3 PHK 1.240.737 m3 RNP	Water steam Instr. and proc. air Demi water	286.181 t 59.595.525 Nm3 631.406 m3	214.419.056 kWh	189.441.499 kWh

IMS Management certified systems maintenance and laboratory accreditation

SM/ standard	2020	2019	2018
QMS/ ISO 9001:2015	Recertification / QA certificate	Regular supervision	Regular supervision
EMS/ ISO 14001:2015	Recertification / QA certificate	Regular supervision	Regular supervision
OHS/ ISO 45001:2018	Regular supervision	Regular supervision	Certification / Transition from OHSAS 18001:2007 to ISO 45001:2018
EnMS/ ISO 50001:2018	Regular supervision	Certification / Transition from ISO 50001:2011 to ISO 50001:2018	Recertification / QA certificate
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)	Regular supervision (without nonconformities)
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)	Regular supervision (without nonconformities, 1 note)
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)	Certification (without nonconformities)



Goal - the total quantity of nonconforming products to be less than 1% - was achieved in 2020

Providing knowledge and development to the employees

Planned	Realized	Index
Internal / external trainings per employee		
20 h	17,26 h	0,86
Checking of employees' skills and knowledge		
212 employees	168 employees	0,79*

Note: Checking of employees skills and knowledge has not been completed due to the epidemiological situation.

Absenteeism of HIPP employees in 2020, was 8.9% what presents very high percentage of absenteeism in accordance with the absenteeism classification.

Percentage of absenteeism is in a category of very high due to the increased number of sick leaves longer than 30 days.

Total number of employees as on 31.03.2021 is **1286**.

Age structure as on 31.03.2021

Age	Number of employees
≤ 50	586
> 50	700

Average age of employees in HIPP as on 20.05.2021 is 49,4.

During 2020, total number of new people employed was 60 (HIPP) and 77 (agencies).

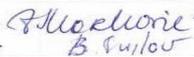
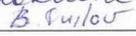
		LISTA OCENE NEUSKLAĐENOSTI SA ZAKONSKIM I OSTALIM ZAHTEVIMA HIP-PETROHEMIJA 2021.godina				Datum: Mart 2021 Strana: 1 od 2 (Lista zakona izd.33 /2021)	
Red. broj	Zakonski propis, pravilnik, uredba	Izdavač	Broj/godina	Usklađenost	Obaveze u sl. 1 i 2	Odgovoran	Rok za usklađivanje
/ZAKONI / REPUBLIKA SRBIJA							
1.	Zakon o zaštiti vazduha	SL.GL.RS	36/09, 10/13, 26/21	-	U toku je sagledavanje obaveza/ Zakon izašao u martu 2021.god.	IDF KPP	-
2.	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)	IDF KPP	kraj 2021
3.	Zakon o ozakonjenju objekata	Sl.gl.RS	96/15, 83/18, 81/20	2	HIPP/ Od početnih 73 objekata za ozakonjenje, ostalo je još 30 objekata koji su u postupku ozakonjenja	GD	kraj 2021
4.	Zakon o integrisanom sprečavanju i kontroli zagađivanja životne sredine	Sl.gl.RS	135/04, 25/15	2	HIPP/ Pribavljanje IPPC dozvole za rad HIPP. Prosleđena dokumentacija/ FSK dokumentacija će biti uzeta u razmatranje, za lokaciju Pančevo fali ozakonjenje preostalih 30 objekata	IDF KPP	Nije dobijen novi rok od strane Pokrajinskog sekretarijata za urbanizam i ZŽS
5.	Zakon o arhivskoj građi i arhivskoj delatnosti	Sl.gl.RS	06/2020	2	Imenovanje lica zaduženog za arhiviranje. Usklađivanje sa novim metodama arhiviranja.	DS PP	30.06.2021
6.	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./ Očekuje se izlazak pratećih uredbi.	IDF KPP	septembar 2021

Legend: Conformity 1- Nonconformed / 2 – Conformity under process / 3 – Fully conformed

During 2019./ 2020, harmonization with legal requirements was carried out:

- **Copyright and Related Rights Law** / Action Plan has been realized, requirements for licences fulfilled
- **Personal Data Protection law** / An act has been issued regarding information and communication system security, the Privacy Policy is available on HIPP's site, and a person responsible for personal data protection has been appointed

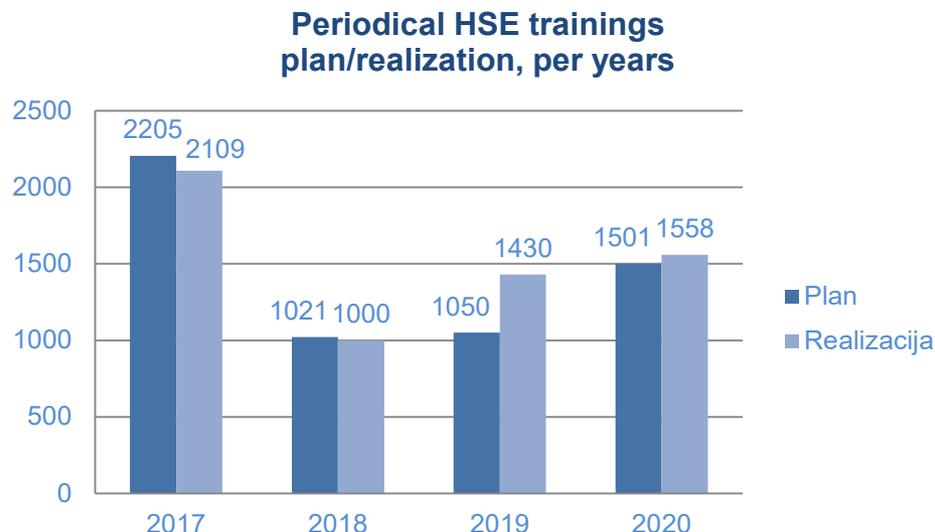
		LISTA OCENE NEUSKLAĐENOSTI SA ZAKONSKIM I OSTALIM ZAHTEVIMA HIP-PETROHEMIJA 2021.godina				Datum: Mart 2021 Strana: 2 od 2 (Lista zakona izd.33 /2021)	
Red. broj	Zakonski propis, pravilnik, uredba	Izdavač	Broj/godina	Usklađenost	Obaveze u sl. 1 i 2	Odgovoran	Rok za usklađivanje
PRAVILNICI / REPUBLIKA SRBIJA							
7.	Pravilnik o opremi i zaštitnim sistemima namenjenim za upotrebu u potencijalno eksplozivnim atmosferama	Sl. gl. RS	10/17, 21/20	2	HIPP / Usaglašavanje sa ATEX direktivom: Definisano je Uputstvo Nabavka, kontrola i održavanje električnih uređaja koji se koriste u eksplozivno ugroženim prostorima/ Potrebno je usaglasiti i deo koji se odnosi na mašinsku opremu (RJ MO)	IDF KPP/ DS TP	30.06. 2021
8.	Pravilnik o organizovanju zaštite od požara prema kategoriji ugroženosti od požara	Sl. gl. RS	06/21	2	Urađen je Plan akcija za usaglašavanje.	IDF KPP	kraj 2021
UREDBE, ODLUKE							
9.	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, energetska menadžer 	Odobrili: Dragan Zavišić, IDF KPP  Miša Bulajić, IDF PTP 
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New obligations appearing in 2020, related to adjustments in according with the **Act on Archive Materials and Archive Activities**./ adjustments are planned to the end of June 2021

List of adjustment at HIPP has total of 9 obligations, and measures and activities for their realization have been initiated. Some of the obligations appeared in the beginning of 2021, so the considering and planning of necessary actions are in progress.

Provision of HSE knowledge	Realization		
Goal / years	2018	2019	2020
Goal – Organization of internal periodical HSE trainings for employees - 5% more than in 2019	1000	1430	1558
Goal – Organization of external HSE trainings for employees - 5% more than in 2019	87	91	25*



Realizovane eksterne HSE obuke odnose se na realizaciju obuka za:

- Prvu pomoć: 13 zaposlenih;
- Stručni ispit ZOP: 12 zaposlenih.

*Tokom pandemije nisu realizovane sve planirane HSE eksterne obuke.

Conformity with HSE requirements

In 2020 there were 10 inspection checkups of which:

- 7 for Env.Prot.
- 3 for FF

HSE field	Review of measures required after inspection checkups	Status
Env.Prot.	No measures required.	-
FF	10 measures required.	-6 measures completed; -4 measures under process of realization (approval obtained for prolongation of completion deadline)

Environment protection / Emissions to air

Measurement plan realization in 2019

Dot emitter measurements		Diffuser emitters emission calculation	
planned	realized	planned	realized
66	58*	4	4

*Measurements done on all emitters which were employed.

All measured pollutant concentrations in the air were **under ELV**, except for NOx at pregrejaču in Ethylene Plant. An action plan was made for elimination of the non-conformities. The plan realization was completed, and the control measurements showed positive results.

Air emission coefficient 2020

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

Planned	Realized
CCO ₂ ≤ 0,90 t/t SB	CCO ₂ = 0,86 t/t SB

Air emissions coefficient in the last three years

2018	2019	2020
442.181 t CO ₂ CCO ₂ = 0,91 t/t sb	402.336 t CO ₂ CCO ₂ = 0,98 t/t sb	412.431 t CO ₂ CCO ₂ = 0,86 t/t sb

PERFORMANCE REPORT FOR 2020

Environment protection / Emissions to Water

Realization of waste waters external measuring plan cija plana for 2020

WWTP-afrer 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

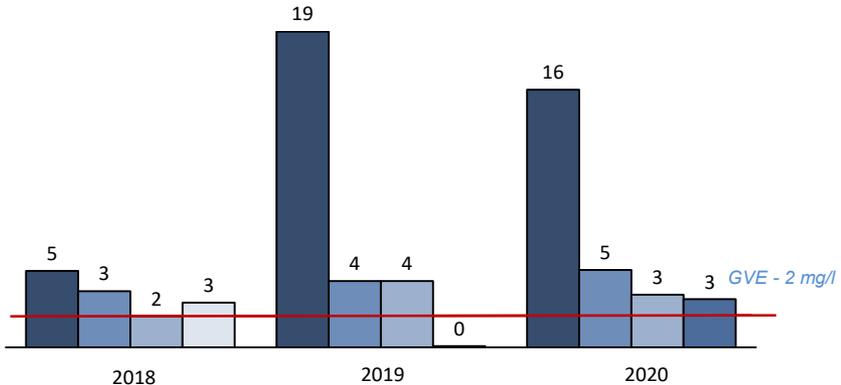
Results of waste waters monitoring

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**. The action plan is beign realized in accordance with the projected dynamics.

Emission of total phosphorus in water - FSK, by campaigns from I to IV



PERFORMANCE REPORT FOR 2020

Environmental Protection / Emissions to Soil

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

HIPP ground waters monitoring results

Excess of Hg, VCM and EDC was noticed at the areas registered as contaminated due to the NATO bombing, at the location Spoljno-starčevačka 82, Pančevo

According to the new legal regulations, the soil monitoring shall be carried out in the following five years, in order to have the parameter values registered and adequate actions timely undertaken.

PERFORMANCE REPORT FOR 2020

Environmental protection / Waste management

Waste management

Type of wastes	Non-hazardous (t)		Hazardous (t)	
	Generated	Disposed	Generated	Disposed
Year				
2018	747	696	174	100
2019	645	704	250	287
2020	796	821	212	271*

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.

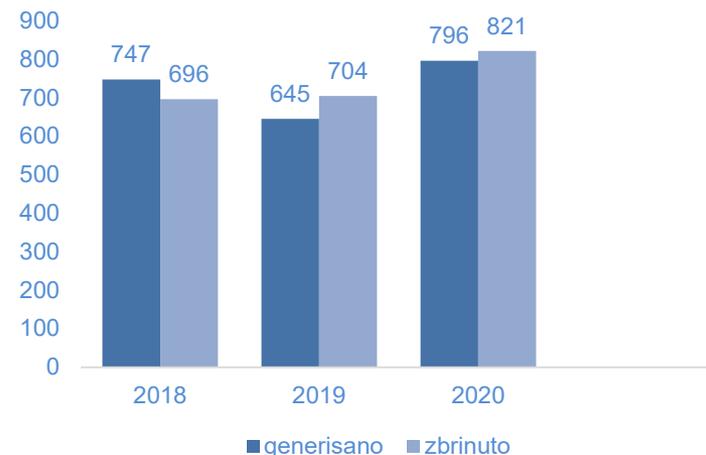
Generated waste coefficient (Cw)

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

Planned	Realized
$C_w \leq 1,82$ (kg/t SB)	$C_w = 1,69$ (kg/t SB)

Target value of generated waste coefficient for 2020 was fully achieved.

Non hazardous wastes management in t by years



Hazardous wastes management in t by years



Safety and health at work / Employees participation

OHS	Comment
Collective Agreement for Safety & Health at Work	<ul style="list-style-type: none"> New Collective Agreement for Safety & Health at Work was adopted and became effective on 19 March 2020. It shall be in force for the following three years.
Board for safety / acting in accordance with the Collective Agreement for Safety & Health at Work	<ul style="list-style-type: none"> 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. The new representatives were appointed by the Decision of 25 May 2021, with two-year mandate.
Employees representatives for issues related to Safety & Health at Work by organizational units	<ul style="list-style-type: none"> For both locations (Pančevo and Elemir), as legally required, the employees representatives were appointed, as persons in charge for Safety and Health at Work, and their 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. For that reason 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. have been reviewed and modified.
HSE observations	<ul style="list-style-type: none"> In 2020, 488 observations were made in HIPP's organizational units.
Management visits (MWA)	<ul style="list-style-type: none"> In 2020, there were 12 MWA to HIPP'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 bulletin boards; HSE quartal reports (Executive Board, Supervisory Board, HSE Board); Informing during the manager team meetings in HIPP / Organizational units;

PERFORMANCE REPORT FOR 2020

Safety and health at work / Health protection

Health protection

Goal	Realization of preventive medical examination, 100% per plan		
Year	Plan	Realization	Index
2018	1076	1076	1,00
2019	1183	1091	0,92
2020	1023	1023	1

Preventive medical examinations

Of **1038** employees registered for cardiovascular examination, **42%** have been examined, what is for **75%** higher rate than in 2019. The remaining employees shall be examined in 2021.

- According to the reports of the Occupation Medicine Dept. on the basis of periodical examination of the employees, of all examined employees:
 - 0.09% were rated as incapable for work
 - 16% employees are capable for work with certain restrictions, and
 - 5.37% employees are required to do additional checkups.
 The most restrictions refer to wearing glasses, banning work at height and banning night shift work.
- Total of 289 ophthalmological examinations were organized for the employees who use monitors at work

Healthcare rehabilitation

During 2020, total of 391 employees were sent for healthcare rehabilitation.

PERFORMANCE REPORT FOR 2020

Safety and health at work / Injuries at workplace

Injuries at workplace

Parameters	Goal	Realization	Index
Lost time injury frequency rate LTIF	LTIF ≤ 1,65	1,17	1
Serious workplace injuries rate LTIS	LTIS ≤ 0,46	0,51	0,86*
Coefficient of workplace fatal injuries FAR	FAR= 0	0	1

*LTIS: there were total of 132 lost days, of which 120 due to employee injuries in FSK

During 2020, there were also 15 injuries which were not LTIF. Causes of these injuries were as follows:

- 12 injuries were caused by falling down while walking ;
- 3 injuries were caused while coming to / leaving workplace.

During 2020, there were 3 LTIF injuries, of which 1 serious and 2 minor ones.

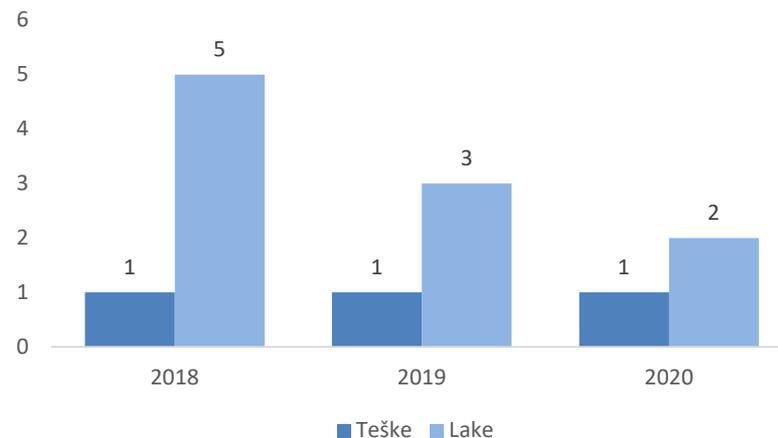
For each injury case, investigation and the case analyses were done. Also corrective measures were initiated.

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

LTIF injuries at work in the last three years

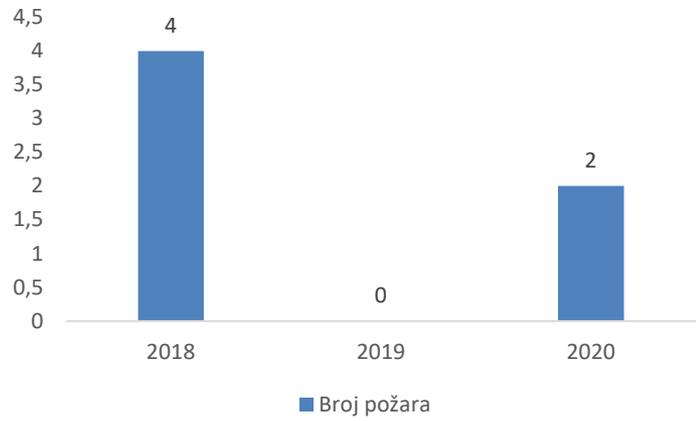


PERFORMANCE REPORT FOR 2020

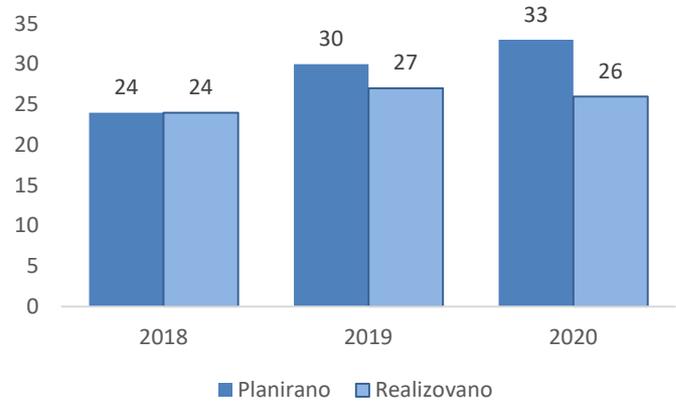
Safety and health at work / Process safety

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 25% when compared with 2019. During 2020, there were 26 drills, what is 80% of the planned goal.

During 2020, 1 minor traffic accident was reported, with neither injuries nor damage which would prevent a vehicle from further traffic.

RAR = 0
Road accident rate (RAR) – the number of accidents divided by the kilometers travelled, multiplied with 1.000.000

PERFORMANCE REPORT FOR 2020

Energy management / Specific and total consumption of final energy

Specific and total consumption of final energy (GJ; GJ/t SB)	Planned capacity: 1550 t/day; 49.412 t C4		Realized capacity: 1435 t/day; 41.169 t C4		Index
	Natural gas + Mazut	2.389.175 GJ 4,21 GJ/t	2.564.164 GJ 5,28 GJ/t	0,75*	
	Electrical energy	771.909 GJ 1,36 GJ/t	681.994 GJ 1,40 GJ/t	0,97	
	Total energy	BP (1550 t /d) 10.055.568 GJ 17,73 GJ/t	EnPI (1435 t/dan) 8.690.269 GJ 17,89 GJ/t	0,99	
Normalization Base line	BL (1.435 t/d) 18,53 GJ/t		1,034		
Realization of energy efficiency improvement measures and EnMS	Realization of additional measures for process improvements, 90% of the Plan for IMS improvements in 2020		Process improvement measures plan realization was 90%		1

Normalization of Base Line 2020 (BL) goal for processing capacity of 1.435 t SB/ day

Energy efficiency realization
0,64 GJ/t or 3,43%

*PConsumption of mazut was higher than planned due to pyro oil substitution with NIS

PERFORMANCE REPORT FOR 2020

Energy / Analysis of primary energy consumption

All the requirements in accordance with the Act on Efficient Use of Energy (EMS) of the Republic of Serbia were fulfilled , in the period 2016 - 2020

HIPP - Pančevo	2016	2017	2018	2019	2020
EnPI 1 (el.energy) (toe / t _{SB})	0,091	0,087	0,084	0,089	0,084
Comparison – five-year period	- 7,26%				
EnPI 2 (gorivo) (toe / t _{SB})	0,389	0,384	0,372	0,391	0,368
Comparison – five-year period	-5,28%				
aTotal EnPI (toe / t _{sb})	0,480	0,471	0,456	0,480	0,453
Comparison total 2016-2020	-5,66%				

HIPP - Elemir	2016	2017	2018	2019	2020
EnPI 1 (el.energy) (toe/t _{C4})	0,196	0,188	0,182	0,197	0,182
Comparison – five-year period	-7,22%				
EnPI 2 (fuel) (toe/t _{C4})	0,334	0,298	0,281	0,306	0,301
Comparison – five-year period	-9,57%				
Total EnPI (toe / t _{C4})	0,530	0,486	0,463	0,503	0,484
Comparison total 2016-2020	-8,70%				

HIPP operates in compliance with the Act on Efficient Use of Energy (Sl.gl 25/13) – energy savings requirement min 1% per year or 5% in five-year period

We keep improving all our processes, through continual planning, result monitoring and analysing 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 realized and accomplished, in the year that follows the effects and achieved improvements are analysed.

The accomplished investments were mostly targeted to improvements in business profitability and market competency. Total value of investments in 2020 was approximately EUR 6,34 million.

All the projects were financed from the company's own resources, and the most significant were the 4th processing line at HDPE Plant and the 1st phase of Ethylene Plant reinstrumentation, which included installation and implementation of the advanced process parameters control system. These investments have provided safer and more economical production.



- Company's commitment to segments like development of human potentials, building trust with employees and partners, and business improvement, 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 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 broader social and local level.

The corporate social responsibility in 2020 was mainly targeted to the prevention of covid19 infection spread, and the employees protection, by imposing precautionary measures, taking actions and rearranging the work activities:

- Precautionary measures were enhanced and new protective measures adopted;
- Employees were kept continuously informed;
- Protective equipment was distributed;
- An annex to Collective Agreement was executed on salary compensation during absence from work;
- The possibility of work from home was introduced during the state of emergency.
- HIP-Petrohemija, being a socially responsible company, responded to the invitation of the Republic Fund of Health Insurance, donated RSD 118 million to help procurement of equipment and goods necessary for health care and life protection of those who are most at risk from coronavirus.
- The Ministry of Defence awarded special recognition to HIP-Petrohemija for its contribution and support in fighting the epidemic.



- Humanitarian actions of voluntary blood donation were organized.
- Participation in collecting resources to support seriously ill persons.
- All employees have life and work injury insurance covering 24 hours daily.
- Kids of the employees were given vouchers for the new year presents.
- "I know how!" has been continued, what is a program which motivates employees to participate with ideas for positive changes and operating process improvements (68 ideas from the programme initiation)
- Technical/working practice was organized for students, undergraduates and trainees.