RESPONSIBILITY TOWARDS THE COMMUNITY
In 2016, as part of the programme “Together for the Community”, NIS supported 106 projects in 11 local governments where it operates: Belgrade, Novi Sad, Niš, Pančevo, Zrenjanin, Kikinda, Novi Bečej, Žitište, Kanjiža, Srbobran and Čačak. Partnership relations with local communities are intensified through support for projects in the field of sports, culture, environmental protection, science and social protection.
RESPONSIBILITY TOWARDS THE COMMUNITY

Future at Work

The development of the communities where the Company does business is one of NIS’s strategic objectives, which was maintained in spite of the many challenges on the global oil market in 2016. The Company’s desire is to be a reliable partner of organisations and individuals in those regions. For this purpose, the Company initiated a dialogue with all stakeholders, enabling NIS to examine the essential needs of the environment in which it operates as well as to initiate positive changes in the society and to encourage others to engage in the welfare of the entire environment. Partnerships between NIS and the communities where it operates is reflected, inter alia, in its determination to hire as many local people as possible, particularly those young professionals that will be carriers of future development of the Company. Convinced that knowledge is the foundation of success, the Company has spent years investing in improving educational conditions. We fund talented students and provide many of them with the opportunity to make their first professional steps within NIS. In addition, the Company’s business policy is to cooperate with a large number of domestic suppliers, contributing to the economic development of the whole country and also to transfer NIS’s best business practices to its partners. NIS is also committed to continuously working on improving its employees at all the levels. For this purpose, it organises a number of internal and external trainings that will enable them to respond to all business challenges.

An important part of the partnership with the community is NIS’s responsible attitude towards the occupational health and safety of its employees and associates as well as towards environmental protection. NIS will continue to work on improving working conditions and reducing an adverse environmental impact. To this end, the Company ascribes great significance to introducing new technologies that, in addition to improving business processes, also have an important environmental impact.

In addition to environmental its responsibility, NIS will - despite the crisis in the oil sector - continue with its responsible attitude towards the community. In accordance with its slogan “Future in Action”, it will continue investing in education, supporting culture and art and further promoting sporting values and providing assistance to those who need it. NIS employees will continue contributing to the prosperity through humanitarian projects, voluntary actions and social engagement. NIS implements socially responsible projects through five corporate programs: “Energy of Sports”, “Culture without Limits”, “Energy of Knowledge”, “Humanitarian Projects” and “Together for the Community”. Nearly RSD 380 million have been invested in community development through these five programmes during 2016.

Energy of Sport

Promotion of healthy lifestyles, fair competition, continuous progress through training and other sports values are among the main directions of implementation of NIS’s policy on social responsibility. Through programme “Energy of Sport”, NIS supports top athletes, amateur sports events and activities that contribute to the proper physical and mental development of children.

With an aim to contribute to developing children’s sports, NIS supported the organisation of the International Minibasket Festival “Rajko Žižić” for the seventh consecutive time in Belgrade in 2016. This four-day event attracted more than 200 teams and more than 2,000 boys and girls from Serbia and the region, divided into four age groups. The seminar for coacher called “From Minibasket to Basketball” was also held during the tournament.

For basketball, NIS is a multiannual partner of Basketball Club “Partizan” of Belgrade and in the last four years has been the general sponsor of the club, one of the most successful sports clubs in Serbia. Generations of basketball players and coaches originating from Basketball Club “Partizan” left a deep mark on both Serbian and world basketball. By supporting “Partizan”, NIS promotes professional sport, the pursuit of excellence and development of team spirit.
NIS is also the general sponsor of the Tennis Association of Serbia, with which it organises a series of events aimed at presenting this sport to the youngest children, where Serbian representatives achieved significant results in recent years, both individually and as a team. Through this partnership, the Company supports the best national male and female tennis players representing Serbia in elite competitions such as the Davis and FED cups. As part of this cooperation, NIS and the Tennis Association of Serbia organised free “Open Tennis School” for children for the fifth consecutive year in 2016. During this event, more than 4,000 children had the opportunity to familiarise themselves with the basics of tennis with the help of a coach.

NIS paid considerable attention to promoting the culture of non-violence and sports competition. Therefore, it continued conducting the campaign “Sport against Violence” during 2016, together with the Tennis Association of Serbia and Ministry of Education, Science and Technological Development. The plan was to continue this campaign during school year 2016/2017 and including more than 300 schools in Serbia. During the previous two school years, this event was attended by more than 30,000 students from 60 schools throughout Serbia.

For the purpose of promoting professional sport, NIS in 2016 continued its support for the leading national car racing driver and European champion Dušan Borković, member of the NIS Petrol Racing Team. Borković, in return, has achieved great results, fought fairly in competitions and promoted team spirit. In 2016, NIS invested RSD 134 million through programme “Energy of Sport”.

Culture without Limits

Support and widespread promotion of true values are some of the most important objectives of NIS’s projects relating to social responsibility. Therefore, the programme “Culture without Limits” holds a special place for NIS. This programme also supports artistic events of national and regional importance, cultural institutions, talented young artists and children’s creativity events.

In 2016, NIS also supported the “Nišvil” Jazz Festival in the town of Niš for the eighth consecutive time, with 660 musicians from different parts of the world holding 110 concerts in front of more than 100,000 visitors.

In 2016, for the fourth consecutive time, the Company supported the “Balkan Traffic” festival of culture and art of the Balkan countries in Brussels. As NIS is one of the largest companies in the Balkan region, the support for this festival is an expression of a desire to present the culture of the region in the best way possible in Brussels, the seat of the EU institutions. The star of the festival in 2016 was famous film director Emir Kusturica, who held a “master class” as an introduction to the screening of his film “Underground”.

For the ninth consecutive year, NIS supported the oldest and largest international event of children’s creativity, “Joy of Europe”. More than 800 children from 19 countries attended the festival. The theme of the children’s encounter, who presented the cultural heritage of their countries in interesting stage performances, was a commemoration of 160 years since the birth of notable Serbian and world-renowned scientist Nikola Tesla, with the aim of popularising the work of this great inventor among young people.

In 2016, NIS was a sponsor of the first “Teatar Fest” festival in Morka Gora, which popularises the theatre and theatrical art. The aim of this festival, created by Emir Kusturica, was to provide support for young artists and affirmation of students from theatre academies from Serbia, which are also the goals of NIS’s corporate programme “Culture without Limits”.

A total of RSD 16 million were invested in the implementation of this programme in 2016.

Nearly **RSD 380 million** have been invested in community development through “Future at work” platform during 2016.
In the field of secondary education, in 2016 NIS organised, with the Technical School in Zrenjanin, an approach for organising vocational practice for secondary school students as one of initial models of dual education, which will be introduced for the secondary educational system in Serbia.

As part of the cooperation with the Technical School in Zrenjanin, 54 students undertook their vocational practice in NIS. The Technical School in Zrenjanin opened an “Oil Classroom”, which NIS equipped with the necessary equipment and tools. The Ministry of Education selected the NIS approach for organising vocational practice for secondary school students as one of initial models of dual education, which will be introduced for the secondary education system in Serbia.

In the field of secondary education, in 2016 NIS organised, together with competent companies, three national Olympic Games of knowledge to promote natural sciences: mathematics, physics and chemistry. The Company was also a partner of talented secondary school students who represented Serbia at the International Olympics in the relevant fields, achieving great results: four gold, 12 silver and 16 bronze medals.

Special attention was paid to those activities and projects that contribute to the reaffirmation and popularisation of the Russian language in Serbia. NIS organised the fourth Russian Language Olympics and continued to support three bilingual Serbian-Russian divisions in Serbian schools (in PS “Jovan Popović” and gymnasium “Jovan Jovanović Zmaj” in Novi Sad and the gymnasium in Aleksinac). Taking into account the existing need to build and professionally train teaching staff, NIS continued its active cooperation with the Faculty of Education in Sombor at the University of Novi Sad and RCSC “Russian House”.

In order to improve working conditions and implementation of educational, scientific and research activities, the Company adapted and equipped 25 computer classrooms and 15 laboratories in schools and faculties in Serbia. Some of the most recently opened facilities in 2016 were the “Oil Classroom” in the Technical School in Zrenjanin and two equipped laboratories for chemistry and physics at the Faculty of Technical Sciences “Mihajlo Pupin” in Zrenjanin. NIS also donated computer equipment to the Faculty of Political Sciences at the University in Belgrade, for the purpose of furnishing the Centre for Russian Studies, and to the Faculty of Education in Sombor at the University in Novi Sad, for the Informatics Classroom.

For many years, the NIS “Energy of Knowledge” has been focused on cooperating with educational institutions, universities, faculties, schools and professional scientific societies. It is continuing its strategic cooperation with universities and faculties both in Serbia and abroad, and has established three new partnerships: with N.I. Lobachevsky State University of Nizhny Novgorod - National Research University (Russia), with the Faculty of Economics at the University in Belgrade and with the organisation of Serbian students abroad.

Cooperation and exchange of existing knowledge with faculties was intensified to help promote partnership relations in implementing training and courses for the employees as well as joint projects. Therefore in 2016, professors from the Faculty of Mechanical Engineering at the University in Belgrade held seminars for the employees-mechanical engineers in “Exploration and Production”, “Refining”, “Services” and “Energy” as part of the Programme for continuous professional development of members of the Serbian Chamber of Engineers. In addition, lecturers from the same faculty held three more vocational trainings for the employees in “Exploration and Production”, “Refining” and “Energy”. Professors from the Faculty of Civil Engineering at the University in Belgrade held a seminar, as part of the same programme as well as vocational training for civil engineers in “Exploration and Production”.

To supplement the curriculum, NIS organised a series of visiting lectures by experts at faculties and a number of student visits to NIS, including a presentation on NIS Group and business processes as well as a tour of the plants. Student practice was organised from June to October 2016, with 131 students from the University in Belgrade, Novi Sad, Niš and Krugujevac, while field practice was conducted with 177 students from so-called “oil” faculties in Serbia and Bosnia and Herzegovina.

Two-week summer practice with training “Main qualification for exploration and production plants and complexes” was organised, funded by NIS for 25 students that study at the oil and gas faculties in Russia and with two students from the partner Ukhta State Technical University. Other examples of how the Company supports development of students include workshops for active job searches, writing resumes and development of personal and professional competences, which NIS held from November 2014 to November 2016 as a partner in TEMPUS project SIPUS (Strengthening of Internationalisation Policies at Universities in Serbia).

During school year 2016/2017, NIS concluded 43 scholarship agreements with the most successful students attending target faculties at the University in Belgrade and University in Novi Sad and universities abroad (27 students with scholarships at oil and gas universities in Russia and one at the University of Cambridge). In 2016, NIS hired 16 people that had received scholarships.
Science Centre Petnica

One of important partnerships cultivated by NIS is that with Science Centre Petnica. The Company has cooperated continuously with this institution since 2009, which is important for the promotion of science in the Republic of Serbia. Since then, NIS has supported Petnica’s work with RSD 12 million every year. Cooperation with Petnica, the most famous centre for creating young scientific talents in Serbia is particularly important for NIS because the company relies on new technologies, innovations and scientific achievements in all its segments of its operations.

In addition to supporting undisturbed implementation of programmes in Petnica (courses, summer schools, camps and seminars), the cooperation agreement between NIS and this institution also envisages visiting lectures for the Company’s employees on seminars at the Science Centre, and that Petnica acting as a host for preparing Serbian Olympic teams participating in international competitions in mathematics, physics and chemistry. In 2016, NIS, together with Petnica, enabled employees’ children attending primary or secondary school to stay on a two-day seminar in the Science Centre. A total of 33 primary school students enjoyed a scientific adventure in November, who had an opportunity to familiarise themselves with the facilities in Petnica, visit the Petnica Cave and attend thematic lectures and practice in biology, chemistry, physics, geology and archaeology. A total of 25 secondary school students visited the Science Centre for two days in December. All returned with many learnings, positive impressions and newly-established friendships.
In 2016, NIS employees demonstrated their willingness to help those in need and to provide an example of voluntary engagement for general benefit by conducting a series of philanthropic and volunteer actions. Also in 2016, a corporate volunteerism strategy was adopted as an integral part of philanthropy and corporate social responsibility of NIS. In accordance with this document, employees are primarily engaged in activities with the objective of improving living conditions for socially vulnerable categories of the population, providing support to talented young people and environmental protection. NIS employees invested their time or knowledge in accordance with its possibilities and under the slogan “Be the Change You Wish”. The objective of corporate volunteer actions is to further develop empathy and initiative among the employees, strengthening team spirit within the Company, encouraging involvement in achieving broad social goals and providing support to vulnerable social categories.

Such an action was undertaken in the Centre for Children and Youth with Mental Disabilities “Veternik” during the Christmas and New Year holidays. NIS employees began by packing and preparing gifts for the residents of the Centre, and then, just before New Year’s Eve, they presented gifts in a festive atmosphere and spent time with the children from “Veternik” Centre. The campaign lasting for three days, involved a total of 67 volunteers from the Company. Company volunteers spent a total of 164 volunteer hours, made 533 New Year gifts and most importantly, the children from “Veternik” greeted holidays with a smile.

In addition, during the Company Day in September, NIS employees gathered items for the residents of the Children’s Village in Sremska Kamenica. More than 2,000 items were collected during this campaign, ranging from toys and clothing to school supplies and sweets, which can improve daily life of the children in the Village. The items were presented to the children from the Village by a dozen NIS volunteers and by spending time with them, showed how care for those in need of support is one of the priorities for the volunteer and philanthropic activities of the Company’s employees.

In 2016, NIS continued with humanitarian and environmental campaign “Bottle Lids for Smiles” where a total of 500,000 bottle lids were collected. The objective of this activity was to raise funds for helping children with physical or mental disabilities. Lids were collected in all NIS business centres in Belgrade, Novi Sad, Zrenjanin, Pančevo and Niš.

In 2016, the Company and employee philanthropic activities focused on the most sensitive but also the most promising category in our society - children. NIS employees had the chance to select an institution to which they wish to donate funds via the internal corporate portal, as part of the traditional New Year’s campaign. The University Children’s Hospital “Tiršova” in Belgrade was selected this way, with the objective of improving conditions for treating the youngest in this institution and to ensure modern medical equipment for its operation. To encourage greater involvement, the Company decided to engage in this campaign and match the amount collected by the employees. Following this, the campaign entitled “Festive Magic is in Our Hands” was extended to NIS petrol stations, where the Company donated RSD 25 from every purchase of 25 litres or more of any type of fuel to the needs of Hospital “Tiršova”. More than RSD 18 million was collected this way for the University Children’s Hospital and for procuring modern medical equipment.
As a socially responsible company, NIS would like to maintain ‘good neighbour’ status in all areas where it operates. In line with this objective, the Company has established solid partnerships with the communities where NIS does business and in which it has spent many years working on improving the living conditions of the population, together with local self-governments, institutions, organisations and individuals. The NIS corporate programme, “Together for the Community” is implemented in cooperation with 11 cities and municipalities throughout Serbia: Belgrade, Novi Sad, Niš, Pančevo, Zrenjanin, Kikinda, Novi Bečej, Žitiše, Kanjiža, Srbobran and Čačak. The objective of the programme is not only to provide financial support for the projects proposed by local organisations but also to provide an incentive for the local communities to engage in the activities that contribute to overall prosperity.

The most Important Projects per Segments of Programme “Together for the Community”

- Children’s playgrounds in local communities Tanasko Rajić and Ljubić Selo” - constructing and furnishing of the first children’s playground in both local communities in Čačak;
- “Baby friendly children’s playground” - expanding the playground in day-care centre “Gnezdo” in Kanjiža and furnishing it with additional playground equipment for physical development at an early age;
- “Reconstruction of the basketball court in Novo Miloševo” - reconstructing and refurbishing of the court and thereby improving sports facilities in Novi Bečej;
- “Reconstruction of the physical education gym” - renovating the gym in primary school “Đura Jakšić” to ensure conditions for sports for the pupils and young people of the town of Kikinda.
- Remediation and reconstruction of Academic Cultural and Artistic Society “Ivo Lola Ribar” in Belgrade;
- Remediation of the flat roof of the Puppet Theatre in Niš to improve the level of safety of theatre audience and the staff;
- 19th Pančevo Jazz Festival - affirmation of jazz culture among young people with the performances by music high school students and getting together and exchanging knowledge with international performers in Pančevo;
- Converting old army barracks into museum “TERRA” - restoring army barracks and converting them into a museum in Kikinda;
- “Nikolay Krasnov Remembrance Book” - publishing a remembrance book dedicated to the life and work of Nikolay (Nikola) Krasnov, architect of the Court of the Russian Tsar and organising and holding exhibition dedicated to the artist with related lectures in Belgrade.
• “Microbiology Laboratory of the Public Health Institute in Pančevo” - procuring equipment for improving conditions for increasing the scope and type of environmental testing in Pančevo;

• Hardware and software concept for the collection of metal cans and plastic bottles - encouraging waste collection competition among citizens of Niš by using a metal can and plastic bottle press and with the assistance of hardware and software for counting delivered cans and plastic bottles;

• “For the Cleaner Future” - a campaign involving planting over 1,500 plantings in all populated areas, and placing five trash bins at most frequently-visited areas in Žitište;

• “Making Our Park More Beautiful” - landscaping and furnishing the park in Banatsko Višnjičevo in Žitište and additional landscaping.

• “Reconstruction of Modern Physics Laboratory” - ensuring a functional physics laboratory for conducting modern experiments and lab practice in the First Belgrade Gymnasium;

• “Science - Light as Music” - procuring equipment intended for the students of the Regional Talent Centre “Mihajlo Pupin” in Pančevo;

• “Russian Language Smart Classroom” - reconstructing and converting of the existing Russian language classroom at “Svetozar Marković” Gymnasium in Niš into a multimedia classroom;

• “Knowledge Park - Science in Nature” - refurbishing planted area and installing three-dimensional figures for the Science Park to be used for practical and theoretical science classes in Čačak.

• “A Warm Meal in a Warm Home” - distribution of warm meals to the most vulnerable soup kitchen visitors in their homes in their villages in Kikinda;

• “I Have the Right to Live Healthy” - setting up the first sports and recreational area for outdoor workouts for disabled persons and strengthening inclusion in Srbobran;

• “Together to Sensory Room” - furnishing a specialised room primarily intended for the psychomotor treatment of children and young people with disabilities in primary and secondary school “9th May” in Zrenjanin;

• “Furnishing Relaxation Room for Adults with Autism” in primary and secondary school “Milan Petrović” and the student dorm in Novi Sad;

• “Meet the World by Touch and Movement” - furnishing a specialised room intended for psychomotor treatment of children with disabilities in the School for the Deaf and Hard-of-Hearing “Stefan Dečanski” in Belgrade;
TOGETHER FOR THE COMMUNITY

106 PROJECTS

11 CITIES AND MUNICIPALITIES

RSD 110.5 MILLION FINANCIAL SUPPORT