



Health, Safety, Security, and Environment

Health, safety, security, and protection of the environment (HSSE) are core values that constitute an integral part of our commitment to conducting our business in a responsible way. The essence of prioritizing HSSE is expressed in OMV's HSSE Vision of "ZERO harm – NO losses." The Vision establishes the dependence of OMV's long-term business success on our ability to continually improve the quality of our business activities while protecting people, the environment, assets, and our reputation. The integrity of OMV operating facilities, loss prevention, and proactive risk management are essential for achieving OMV's HSSE Vision.



- ▶ Achieve Group-wide **ZERO Harm – NO Losses**
- ▶ Protect **People, Assets, the Environment**

The Vision is embedded in the HSSE Policy. The full text of the HSSE Policy is available on [OMV's website](#).

Key Figures

0
Fatalities

-8%
Energy consumption vs.
2018

0.34 LTIR
per mn hours worked



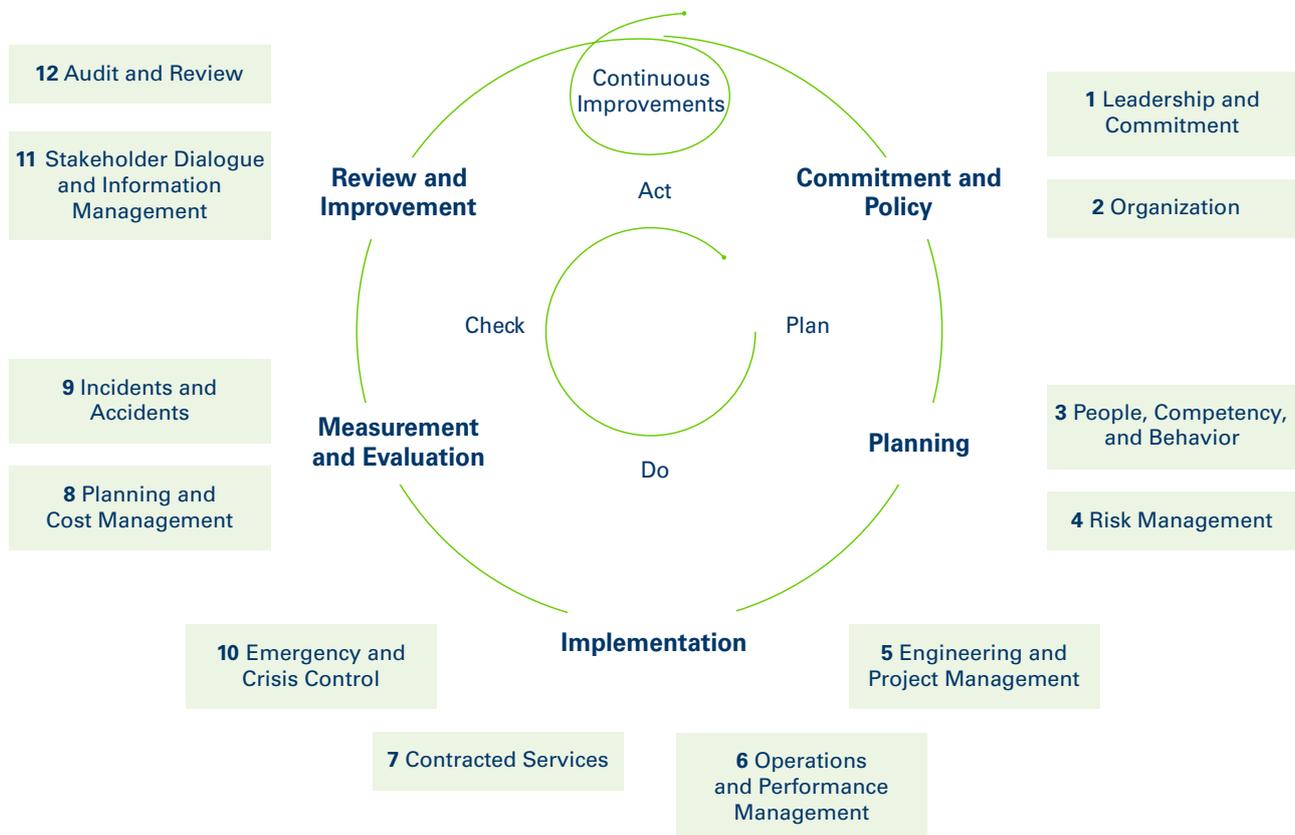
Health, Safety, Security, and Environmental Management

Due to a high degree of interdependence between Health, Safety, Security, and the Environment, these concepts are grouped into one single management focus: HSSE. HSSE management is governed by the HSSE Directive, which defines key expectations in compliance with internal HSSE regulations at various levels of the organizational structure as well as across Group and local functions. The Directive sets out the principles and rules for the management of HSSE-related risks and activities throughout the life cycle of Group business and activities, including capital projects,

mergers, and acquisitions. The Directive also defines key HSSE responsibilities for all OMV Group employees, partners, and contractors. It additionally contains the HSSE Policy, the Major Accident Prevention Policy, and the Life Saving Rules. It also stipulates the continuous improvement of HSSE performance.

The HSSE Directive defines core aspects of HSSE management, grouped into twelve elements revolving around the “Plan-Do-Check-Act” cycle. For each element, the HSSE Directive defines the approach to follow for effective HSSE management. The HSSE Strategy and its implementation are aligned and fully embedded into the Corporate Strategy and the corporate governance structure.

Core aspects of HSSE management



Based on the HSSE Strategy, a business-specific HSSE Plan was developed for 2019 based on cross-functional and subject-matter goals. Leadership responsibility is assigned to the members of the Executive Board. OMV's HSSE management includes interaction with employees or their representatives (trade unions) as a channel of

engagement regarding issues that are particularly important and necessary for improvement. Health, Safety, Security, and Environment (HSSE) Days are organized by the HSSE department for OMV's various units to inform employees about HSSE topics.



Executive Board



Health

Health management

The well-being and physical and mental health of our employees are the foundations for a successful company, since they affect the performance levels of our Company’s core asset – human capital. We have established a Group-wide health care standard to ensure a high level of care for our employees’ health across the Company. The standard includes preventive initiatives, such as targeted health promotion campaigns, a systematic assessment of health risk mitigation, and curative care.

Health management at OMV is both a strategic and an operational system. Its success depends on leadership, commitment, and participation at all levels and functions in the organization, and on the part of medical specialists and partners as well as employees. The OMV Group Standard for Health describes the main principles, roles and responsibilities, and lines of communication within the OMV Group. The standard provides a framework for managing preventive health measures and curative health care, as well as collaboration among HSSE specialists.

The standard regulates the work of operative medical service providers in relation to providers in the following areas:

- ▶ Planning of human resources, medical facilities and services, and local health plans
- ▶ Implementation of operational health risk assessment and management, emergency preparedness, health programs and trainings
- ▶ Checks and audits of medical suppliers (laboratories, partner clinics, pharmacies), hygiene in food facilities, customer satisfaction
- ▶ Reporting
- ▶ Collaboration with contractors and subcontractors on health and safety



For example, in the health care standard we have defined the minimum equipment and materials for our clinics – both on land and offshore – like electrocardiogram (ECG), defibrillators, suction units, rescue devices, and emergency medication. It also supplements local legal requirements, allowing us to establish a harmonized level of health care services and access to medical facilities at all OMV sites.

OMV applies its own risk management standard including a thorough assessment of possible risks, including health-related risks. We have therefore developed guidelines – based on international guidelines from IOGP/IPIECA – for health risk assessment that cover such health risks as harm from chemical agents, psychological strain, physical injuries, and others.

A special health audit program developed by the Corporate Health Management department serves as evaluation tool to ensure that our common corporate health care standard is implemented and followed throughout the Group. The program stipulates that all clinics and medical partners be audited every three years, and clinics also report on a self-conducted audit every year. In 2019, 14 clinics in at least 6 countries were audited, and 46 clinics in 17 countries reported on self-performed audit results. Audit results serve as the basis for identifying areas for further improvement and analyzing the effectiveness of our health management approach.



Health promotion activities

Every year we organize health promotion activities, to enhance the knowledge of our employees on health-related issues.

In 2019, we carried out the “Passport for Health” campaign at OMV Petrom for the fourth time. This campaign aims to strengthen the culture of health care to encourage employees to participate in voluntary health programs and to start living a healthy lifestyle. The 2019 campaign covered topics relating to resilience, physical activity, and a healthy diet, with 3,353 participants taking part in these activities.

We also organized a special event at OMV Petrom called “Win Health: ON!”. This was a competition where five teams across the country competed in their knowledge of health in a series of theoretical challenges.



Another example of employee interaction with the Health Management System is the Health Circle organized in Gänserndorf, Austria. Twice a year employees gather to address work-related health issues and create customized solutions in collaboration with the local health team. In 2019, the topics included action needed to improve preventive care, collaboration on HSSE Days, training and refresher courses on resuscitation and defibrillator use, vaccination initiatives, preventive care, and other health-related concerns.

To mitigate occupational health risks, our medical staff carries out specific preventive examinations in accordance with the legal regulations of the countries in which we operate. These exams include blood tests for employees working with specific hazardous substances and hearing tests for employees exposed to noise.

We offer general health screenings for our employees. In addition, we run seasonal campaigns to provide free vaccinations against flu and tick-borne encephalitis in affected areas. In 2019, 32,380 voluntary health screenings,

5,339 vaccinations, 111,457 medical consultations, and 146,700 occupational health examinations were performed and/or organized by OMV medical staff.

Medical facilities



OMV maintains or works with a total of 35 medical units at all locations where we have operating facilities.

OMV maintains or works with a total of 35 medical units at all locations where we have operating facilities. The presence of OMV first aid facilities benefits the local population, as it often provides necessary medical help in remote areas where medical services might not be easily accessible quickly (particularly in Yemen and Kazakhstan). In 2019, OMV first aid facilities assisted around 1,974 individuals in the local population in need of urgent care. From this perspective, our assistance to the local population provides a positive impact outside OMV’s operational boundaries, thereby contributing to building a good relationship with our neighbors.





Safety of people and processes

Occupational safety management

OMV aims to adhere to the highest standards to provide its employees and contractors a safe workplace. Our Safety Management System is based on the OMV Group's HSSE Policy, the HSSE Directive, and corporate regulations, such as HSSE Risk Management, Contractor HSSE Management, Management of Hazardous Substances, Personnel Transportation, and Reporting, Investigation, and Classification of Incidents, which provide the framework for safety management. 19% of OMV sites, including all three refineries, have been certified to OHSAS 18001/ISO 45001.

We establish feasible and viable mitigation measures to prevent accidents and to minimize the negative impact on people and the environment when incidents occur. Our regulations stipulate mandatory risk assessments for non-routine work, any changes, and projects as well as regular reviews of the risk assessments of existing installations and Last-Minute Risk Analysis (e.g., in the course of toolbox meetings) prior to every job.

The Major Accident¹² Prevention Policy, which is part of the HSSE Directive, sets out the overall aims and guidelines for controlling the risk of a major accident as part of OMV Group operations and activities for achieving those aims. Acknowledging that the risks of major accidents in onshore or offshore operations related to oil and gas extraction, transportation, refining, and distribution activities are significant, and recognizing that such major accidents can have severe consequences for the environment and affected persons, OMV firmly believes that a strong safety culture is the foundation for all of its operations and relationships with contractors.

Major risks and the respective mitigation measures are evaluated and monitored within the Enterprise-Wide Risk Management (EWRM) process, documented in a Group-wide database (Active Risk Management System; ARMS) and reported to top management biannually or on an ad-hoc basis whenever issues arise. Senior management is directly involved in the review of risks identified as a top priority.

In 2019, we focused on updating the information related to OMV operated assets with the potential for Major Accident Events (MAEs) in ARMS. Special emphasis was placed on facilities that are regulated by (or meet the criteria of) the Seveso III Directive of the European Union (the Directive on the control of major accident hazards involving dangerous chemical substances) and on high-risk pipelines, flowlines, and high-risk wells. We also included facilities in non-EU countries which meet the criteria of the Seveso Directive. Operational integrity assessments and barrier reviews were

conducted for these facilities. These assessments not only audited the suitability of existing barriers that are critical for preventing and/or mitigating the impact of a Major Accident Event but also assessed the effectiveness of process safety management implementation. A similar approach will continue in 2020 for assessing other critical facilities in the OMV Group which include, but are not limited to, offshore-operated assets, refineries, operated tank farms, etc. The overall goal is to prevent major accidents and limit the consequences of any accidents that may occur, in line with HSSE's Vision of "ZERO harm – NO losses."

In line with the HSSE Directive, clear roles and responsibilities are defined for all staff, line management, and senior management. Line management is responsible for ensuring that HSSE issues are integrated into all business decisions and activities. They are required to demonstrate commitment and leadership by acting as role models and undertaking appropriate measures to control and manage all HSSE risks in their spheres of responsibility.

All staff is required to be familiar with the HSSE Policy, internal HSSE regulations, and the relevant legislation. They actively contribute to and further develop HSSE awareness as part of the corporate culture, stop and report unsafe or irresponsible acts and conditions, and report any incidents and non-compliance. OMV employees at all levels are regularly trained on their roles and responsibilities. Moreover, our Life Saving Rules are presented and discussed regularly during awareness programs, workshops, management walk-arounds and safety walks, and even at the start of various meetings.

We have a central HSSE reporting tool in place where all incidents, findings, and defined actions are reported and tracked. Over many years, our aim was to increase awareness regarding entries into this reporting tool to boost their quality, create transparency, and improve data owner accountability. Various types of reports are available and regularly distributed in order to create an informed basis for managing HSSE and decision-making.

During 2019, 106,231 (2018: 101,889) unsafe conditions and behavior reports were collected in our reporting system.

All employees and contractors are encouraged to bring to the attention of line management unsafe conditions and behaviors in order to identify and resolve potential issues that might otherwise lead to future accidents. We acknowledge – locally and at Group level – these improvement opportunities raised by employees and contractors.

In 2019, we continued to organize training sessions for 96 persons as Investigation Team Leaders, involving a third-party specialized company to provide them with the necessary information. The aim is to ensure that our Company

¹² Major Accident refers to an incident involving an explosion, fire, loss of well control, release of oil, gas, or dangerous substances, serious damage to the installation or connected infrastructure, involving or with a significant potential to cause fatalities or serious personal injury or environmental damage within a large area outside the boundaries, as well as any other incident leading to fatalities or serious injury to five or more persons.



has skilled and knowledgeable people available to find root causes and establish suitable and necessary measures to prevent the occurrence of severe incidents or incidents with a high potential for loss.

We continued integrating technical experts into the investigation teams to better understand and address the root causes of technically complex incidents. At the same time, we remained focused on verifying the effectiveness of actions implemented after severe incidents and High-Potential Incidents (HiPos) in previous years, including process safety incidents.

We used a common HSSE platform to ensure Group-wide sharing of knowledge and takeaways from incidents. A complete collection of case studies and information on incidents from Upstream and Downstream since 2013 is available at Group level for use and communication during safety moments, in toolbox talks, or at HSSE trainings.



The health and safety of the people who work for us are key priorities at OMV. Our Executive Board shows strong leadership and commitment to these goals. In 2019, we defined three focus areas related to safety, with an Executive Board member the owner of each. Biannual sharing sessions were organized between the owners and Upstream and Downstream colleagues to establish a common basis of understanding and to exchange information about safety culture, contractor HSSE management, and process safety through value-creating projects.

We believe that promoting open dialogue and establishing a culture in which health and safety are integrated into every employee's role are effective ways to empower people to work safely. Workers are engaged in launching, implementing, evaluating, and improving health and safety programs. They work closely with their managers to find joint solutions to common problems, which helps managers pinpoint issues, while workers are motivated and encouraged to improve their own safety. In 2019, 180 formal joint health and safety committees comprising management and worker representatives were organized at OMV Group sites.

Education and training are important tools for informing workers and managers about workplace hazards and controls so they can work more safely and be more productive.

Training topics are defined in part based on an analysis of the incidents' root causes and contributing factors, as well as findings from various HSSE assessments. During 2019, we organized awareness trainings as well as trainings on HSSE roles and responsibilities, hazard identification, and controls. Some of the sessions covered work permits, gas testing, hydrogen sulfide, and hazardous substances, as well as hazards with the potential for serious consequences (such as work at height, excavations, lifting operations, transportation). Awareness on process safety topics was enhanced through the use of computer-based training modules.

A quarterly Petrom Safety Committee meeting and, later on, a quarterly Environmental Committee meeting began to be held regularly at OMV Petrom Board level in order to analyze HSSE-specific performance and projects and define actions to continuously improve HSSE performance.

In 2019, the Lost-Time Injury Rate (LTIR)¹³ for our own employees and contractors (combined) per 1 million hours worked was 0.34 (2018: 0.30). Our combined Total Recordable Injury Rate (TRIR)¹⁴ was 0.95 (2018: 0.78).

Lost-Time Injury Rate

Per 1 mn hours worked



Total Recordable Injury Rate

Per 1 mn hours worked



¹³ See [Definitions](#) for details

¹⁴ See [Definitions](#) for details



Sustainability Strategy 2025 targets

Achieve zero work-related fatalities

Stabilize Lost-Time Injury Rate at below 0.30 (per 1 million hours worked)

Status 2019

- ▶ Work-related fatalities: zero
- ▶ Lost-Time Injury Rate: 0.34

Action plan to achieve the targets



Contractor management

- ▶ Improve oversight of contractor activities by periodically reviewing the HSSE performance of key contractors and addressing the concerns during quarterly service quality meetings
- ▶ Perform contractor HSSE audits with a strong focus on sub-contractors
- ▶ Perform joint HSSE walk-arounds at contractor sites

Safety culture

- ▶ Enhance dialogue in HSSE walk-arounds/safety walks
- ▶ Develop hazard-awareness activities linked to the HSSE Life Saving Rules to improve employee engagement in identifying hazards and managing risks
- ▶ Recognize good performance in HSSE reporting and reward safe behavior at business units and Corporate level
- ▶ Organize HSSE trainings for employees and managers with focus on safety leadership and Life Saving Rules

Incident investigation

- ▶ Continue sharing experience at Group level through the central platform
- ▶ Follow up on actions derived from incident investigations



We continued to concentrate on quality over quantity in terms of reporting, management walk-arounds, safety walks, and action close-out as well as putting our efforts toward bringing safety closer to the hearts and minds of our colleagues. We are focusing more attention on improving our management walk-arounds and safety walks through development of an open dialogue during these, which promotes understanding of the challenges in the operating fields and increases trust between the workforce and management. In this respect, a dedicated number of walk-arounds and safety walks were performed with coaching or in pairs made up of an experienced and a less experienced colleague.

In our operations, we recognized safe behavior and good safety practices to improve the relationship between the workforce and management and to encourage safe behavior in a positive manner. For example, we rewarded good safety practices observed on the spot with vouchers, recognized individuals and teams during quarterly site visits in Refining, organized forums and periodical management meetings in Upstream, and conducted dedicated recognition events, such as the Petrom Annual Safety Excellence Award.

In Upstream, we conducted audits to check compliance with the work permit system in all OMV Petrom Upstream assets. At the same time, we effectively communicated the Life Saving Rules across all MEA countries through extensive Aware Care Talks with own employees and contractors' employees in order to improve daily adherence to these. In Downstream, we launched a pilot for a new electronic permit to work, which will increase the efficiency of the process.

Focus on contractor safety

The safety of our contractors is just as important as the safety of our own employees. For this reason, we have established processes that require contractors to work according to our standards.

Our Contractor HSSE Management Process begins when we issue the scope of work with information about HSSE requirements and the HSSE Key Performance Indicators (KPIs). The process continues through the tender stage with the HSSE prequalification and capability audit. Once the contract terms are agreed and the contract is awarded, before starting work on site, we reinforce our expectations and requirements during HSSE induction, site-specific trainings, and common meetings. During the contract, we monitor our contractors by way of audits, inspections, joint safety walks, service quality meetings, forums, and workshops, using the outcomes to share experience and encourage improvement of our HSSE performance as a team.

In 2019, we continued to integrate contractor organizations into our HSSE audit program and to organize the service quality meetings with key contractors on a quarterly basis, making HSSE an important part of the agenda. In addition, our strengths and weaknesses in HSSE management in our relationships with our contractors and suppliers were discussed during the annual strategic supplier meetings organized by Procurement, as well as in various forums and workshops.

Based on the gap analysis performed in 2018, we issued a new Contractor HSSE Management Standard in 2019. The standard defines the minimum requirements for integrating HSSE issues into all phases of the contract life cycle and into the contractor management process. The standard aims to define a standardized process for the HSSE management of contractors, from selection through contract close-out.

Safety promotion activities

In 2019, we continued to run the Group-wide Safety Culture Program with the main goal of driving change and striving for the best in an environment where safe behavior is a prerequisite for good safety performance.

Protect your and your colleagues' lives

 Q/A Ask when you are in doubt!	 Stop all unsafe work, acts and conditions!	 Obtain authorization before entering excavation activities!
 Risk Assessment: Know the hazards before you start!	 Obtain authorization before entering a confined space (e.g. vessel, tank., pipe)!	 Conduct gas tests when required!
 Make sure you have a Permit to Work or authorization for your job!	 Do not walk under a suspended load!	 Wear personnel protection equipment including a personal flotation device when required!
 Use fall protection whenever you could fall from heights!	 Verify isolation before work begin!	 Do not work under or near overhead electric power lines!
 Follow basic rules for every lift and plan all your lifts!	 Prevent dropped objects!	 Obtain authorization before overriding or disabling safety critical equipment!
 Maintain your workplace clean and tidy!	 Position yourself in a safe zone in relation to moving and energized equipment!	 No alcohol or drugs while working or driving!
 Drive safely and comply with road transportation rules!		 Do not smoke outside designated smoking area!

We held three HSSE café sessions at our headquarters in Vienna, one for celebrating the "World Day for Safety and Health at Work," one for promoting the Life Saving Rules, and one on Carbon Management. During these sessions, staff had the opportunity to refresh their knowledge of safety in the head office. We continued the campaign on promoting the use of handrails to encourage safety on stairs and to visibly show commitment to our safety culture.



At OMV Petrom headquarters, various campaigns and events were developed and organized with the main purpose of raising awareness of safety as our first priority. We rolled out the Life Saving Rules at Petrom City through posters, stickers, and an animated training video. We also organized the “Be a Survivor!” road safety campaign and held a “Setting the Tone in Petrom City” event led by OMV Petrom’s CEO.

The implementation of the Life Saving Rules continued at the operational sites across the entire Group through trainings and workshops, such as “I ACT” in the countries of the Middle East and Africa region, “Protect Your and Your Colleagues Lives!” at OMV Petrom Downstream, and others.

Based on the takeaways from last year’s pilot project launched at Romania’s Upstream Asset IX, we conducted the same activities to further integrate the Safety Culture Program into operations at all OMV Petrom Upstream assets. Local employees from various disciplines were organized into working groups assigned to improve implementation of defined Life Saving Rules and to ensure safe behaviors related to those rules in the areas of gas testing, lifting operations, electrical and mechanical isolations, work permits, and others. The teams of multipliers, i.e., employees disseminating the knowledge and skills received in information sessions, were expanded. They continued to train and coach other coworkers and contractors in the field on recognizing hazards and assessing risks on the job.

A dedicated training session for frontline managers was launched at OMV Petrom Upstream and workshops were held with the leadership team at OMV Petrom Downstream to improve safety leadership skills.

The safety culture assessment was extended to other operating sites in New Zealand, Serbia, and Moldova, and to OMV Petrom Aviation.

In early 2019, we cascaded defined actions and targets related to implementation of the Safety Culture Program into all local HSSE plans. The following defined actions and targets were successfully implemented and achieved:

- ▶ HSSE walk-arounds, safety walks, and dialogues on site were performed at all sites in accordance with our plans. Some of these involved coaching in order to improve the quality of communication.
- ▶ Hazard awareness activities were developed and implemented in accordance with the specific needs of the sites.
- ▶ The close-out rate for actions arising from (or related to) level 3+ incidents and HiPos was 97.8% vs. the >80% target.

All of these activities and related indicators were monitored and evaluated on a quarterly basis.

Process safety management

Process safety management is the proactive identification, analysis, and evaluation of risks related to accidental releases of hazardous substances or process accidents that could occur as a result of failures in process technology, procedures, or equipment, and it includes prevention of such releases or accidents. It is applicable to the management of hazards associated with the chemical and physical properties of the substances we handle in our oil, gas, and energy activities.

Tier 1 and Tier 2 key performance indicators provide baseline performance information and are measured each year for a consistent overview of Company process safety performance. In addition, we monitor and report Tier 3 events for a better assessment of the critical barriers at facility level.

The monitoring and reporting of Tier 3 events provides an overview of the weaknesses in critical barriers at facility level. In 2019, the number of Tier 3 Process Safety Events (PSEs) reported was 4,379 (2018: 5,329).

The number of Tier 1 events in 2019 was the same as in the last two years: 4 events.

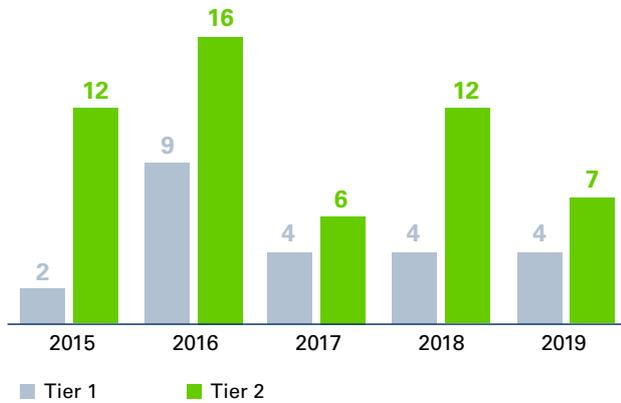
The number of Tier 2 events in 2019 decreased in comparison with 2018 data (2019: 7 events; 2018: 12 events).¹⁵ We continued to perform detailed investigations of process safety incidents and used the outcomes in our learning process.

In Upstream, we focused our process safety efforts on monitoring the maintenance of safety-critical elements and completing regulatory inspections. Our operations achieved significant improvements in 2019: We completed almost 100% of work orders and all regulatory inspections.

¹⁵ A Tier 1 Process Safety Event (PSE) is a Loss of Primary Containment (LOPC) with the greatest consequence. A Tier 2 PSE is an LOPC with lesser consequence. A Tier 3 PSE is a so-called “near miss” not leading to actual consequences, or is not classified as Tier 1 or Tier 2. For a more detailed definition of Tier 1, Tier 2, and Tier 3 PSEs, see [Definitions](#).

Process Safety Events, Tier 1 and Tier 2

In number of events



In Downstream, we continue to develop our process safety management activities in the operating units based primarily on process safety information and awareness,

employee qualifications, and constant monitoring of process safety performance using a comprehensive set of leading and lagging process safety performance indicators. This year, we completed our series of internal process safety management assessments with an assessment at the Petrobrazi refinery performed by a cross-site and cross-disciplinary team. We also focused our activities on process safety leadership and communication and on the ongoing assessment of the effectiveness of process-safety-relevant regulations in the field.

We began to implement process safety projects in Austria Upstream, adhering to the principle “operate according to needs, not what you are used to.” The goal of these projects is to create long-term value by mitigating safety risks and environmental impact. They aim to reduce pressure, stored inventory, and operating equipment. In addition, these projects will allow us to save fuel, reduce emissions, and increase production wherever possible.



Sustainability Strategy 2025 target

Keep leading position in Process Safety Event Rate

Status 2019

▶ 0.15¹⁶

Action plan to achieve the target



- ▶ Continue consolidating Major Accident Event (MAE) scenarios for Seveso and offshore facilities as well as for other onshore facilities which meet the criteria of the Seveso III Directive in the Active Risk Management System (ARMS)
- ▶ Perform process safety assessments in Downstream and operation integrity assessments in Upstream for verifying key risk control barrier status
- ▶ Harmonize process safety KPI reporting across the Group in order to improve the measuring and monitoring process related to process safety, which in turn can be used to improve preventative actions, such as management system revision, training, and facilities engineering improvements

¹⁶ The scope of the Process Safety Event Rate performance is limited to events and working hours from entities in the Upstream segment: Austria, Kazakhstan, Malaysia, New Zealand, Norway, Romania, Tunisia, and Yemen; in the Downstream segment: Refining and Petrochemicals, Gas Connect Austria.



Security

Security management

The objective of OMV’s security activities is to protect the OMV Group’s personnel, assets, information, operations, value, and reputation against any intentional or malicious threats. A still-unstable geopolitical environment in 2019, combined with enduring regional conflicts resulted in an ongoing emphasis by the Security experts on OMV’s assets located in the Middle East and North Africa. In addition to the challenges of operating securely in Yemen, Tunisia, and Libya, the enduring threat of terrorist attacks in Europe and elsewhere has remained significant. Political extremism, organized crime, and asymmetric cyberthreats ensure that the Security team continues to maintain a robust yet flexible security strategy to enable OMV to continue operating in such dynamic environments.

The philosophy of using information and protective intelligence as a preventive security instrument remains a fundamental principle of our strategy. It affords the ability to anticipate or instantly respond to a broad spectrum of geopolitical events, regional conflicts, or isolated incidents. Effective interaction with government agencies also augments this approach with the reliable corroboration of facts.

OMV’s unique Security Risk Assessment Platform provides real-time oversight of OMV asset risk exposure levels and can be quickly readjusted in response to geopolitical or security events.

The Integrated Travel Security Platform incorporates all OMV ventures and individual travelers, and is used to monitor all international and domestic business travel for security-related events. Mitigation procedures and evacuation contingencies are adapted or activated depending on known or emerging threats.

OMV also utilizes a comprehensive range of security regulations, plans, procedures, measures, and systems as part of a Security Management Standard. This document utilizes IOGP best practice guidelines and other industry best practice (ASIS and UK Security Institute) to enable OMV to more effectively detect, deter, protect, prevent, record, and investigate threats.

All of the above platforms and components form a unique, agile, and proven Security Management System that is regularly reviewed, changed, or enhanced as the situation requires.

In 2019, the Security team at Corporate level continued to deliver operational support to OMV ventures. In addition, in high-risk countries, we have dedicated Country Security

Managers and Asset Protection Experts on site to add additional expertise. As the business continues to evolve in the Middle East and Africa region, this will remain an enduring commitment for 2020.

OMV’s human rights policies and actions remain crucial in terms of security. Effective community engagement at a local level is a powerful security mitigation measure in regions experiencing conflict or instability. In high-risk countries, OMV’s local security and community engagement strategies are tightly integrated, promoting effective policies, mutual respect, and transparency with all local stakeholders. They, in turn, have directly contributed to OMV’s stable and secure operating environment in 2019. This cooperation encourages a precautionary approach in early detection and resolution of local grievances.

Our employees responsible for security management constitute part of the target group in the scope of the strategic target of conducting training in human rights. (For more details, see [Human rights training](#).)

Security initiatives

Throughout 2019, the OMV Security function continued to actively enable numerous business initiatives in high-risk or semi-permissible environments.

In the third quarter 2019, OMV Security redeployed into Yemen as the first “expat” rotational field workers into Block S2 since its evacuation in 2015. In the fourth quarter, the Security team was joined by rotational OMV colleagues engaged in technical operations along with third-party service companies to successfully deliver the venture’s resumption strategy.



OMV Security teams in Yemen initiated the installation of solar power at the permanent checkpoints and guard positions around its concession in Shabwa, Yemen. Solar power will be used to power the facilities and provide lighting, electricity, and heating while reducing carbon emissions, maintenance, and fuel costs incurred in running fossil-fuel generators.



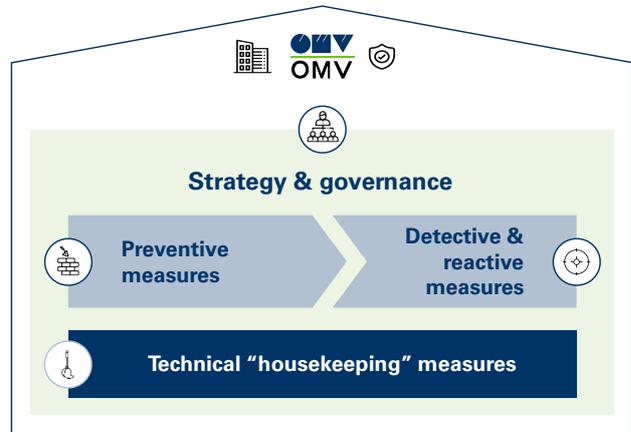
We also try to improve working conditions for our local guards in remote locations, where local infrastructure is not sufficiently developed. Thus, we are extending the water pipeline to the remote checkpoints in Yemen to eliminate the need for time-consuming and expensive daily replenishment via water trucks. Such remote infrastructure initiatives can also be utilized by and benefit the local population, especially nomadic people in tribal communities. For example, OMV Tunisia's Security team at Nawara took the initiative to construct fixed watering points to help the local nomadic camel herds and their herds in an attempt to support the local community and reduce any potential social grievances regarding access to water.

Information security management

In an increasingly interconnected global environment, information is exposed to a rapidly growing variety of risks, threats, and vulnerabilities. OMV invests in information security to protect technology, assets, and critical information as well as to protect our reputation and avoid any damage or monetary loss resulting from unauthorized access to our systems and data.

We build the foundation for a secure environment on clear and actionable standards and processes, supported by well-defined organizational responsibilities in order to implement the increased requirements of cybersecurity. We achieve this with our integrated IT¹⁷ and OT¹⁸ security framework across Corporate, Upstream, and Downstream, which are continually aligning security standards, detailing security requirements, executing tools for security risk assessment and prevention, and setting up contract and incident management.

We rely on a stable foundation of four elements in order to ensure IT and OT security at OMV.



Strategy and governance are essential for setting our direction, providing the relevant security framework, building internal capabilities, pursuing the information security strategy, empowering the security organization, and creating awareness. We train and inform the workforce regarding potential risks and security issues in our everyday business. Furthermore, mandatory and optional trainings equip employees with the tools to handle problems such as phishing or ransomware attempts. In addition, these trainings support employees based on specific advanced information security solutions and processes.

Preventive measures are in place in order to lower the risk of security breaches by introducing new tools, detection strategies, and response plans in order to maintain a strong perimeter. We ensure the stability of our security system's architecture.

Detective and reactive measures are designed to create transparency around existing risks, security gaps, and vulnerabilities. In order to protect our assets and eliminate intruders, we integrate reactive measures to mitigate possible damage and take remediation measures to ensure a fast and total recovery.

Technical "housekeeping" measures ensure a solid foundation with up-to-date hardware and software as well as adequate information security processes. Keeping OMV free from security gaps and potential security risks is essential for the whole business. To achieve this, we implement security patches and offer guidelines in order to provide consistent hardware and software life cycles.

¹⁷ Information Technology (IT) is a set of cybersecurity strategies that prevents unauthorized access to organizational assets such as computers, networks, and data. It maintains the integrity and confidentiality of sensitive information, blocking the access of sophisticated hackers.

¹⁸ OT Security is defined as Operational Technology (OT) hardware and software that detects or causes a change through the direct monitoring and/or control of physical devices, processes, and events in the enterprise. OT is common in Industrial Control Systems (ICS) such as a SCADA System.



Environment

Environmental management

In striving to minimize the impact of our operations, we particularly emphasize issues of material importance to both OMV and our stakeholders: spills, energy efficiency, greenhouse gas (GHG) emissions, water and waste management.

All topics of material importance related to our environmental impact are managed through a single management approach, governed by general and topic-specific Group regulations, and reported to management accordingly. Specifics regarding the definition of the scope and management of each environmental topic are provided in the corresponding sections: [Energy efficiency](#), [Spills management](#), [Water management](#). Reporting on the management of GHG emissions can be found in the [Carbon Efficiency](#) section, since this is a separate focus area of our Sustainability Strategy. As mentioned in the [Reporting on materiality](#) section, we also cover the topics of biodiversity and waste management, as these are also important to OMV.

OMV tracks environmental performance in all relevant areas through an annual campaign using suitable IT tools for collecting, validating, and analyzing environmental data. Based on the results of the reporting, OMV can evaluate where our operations have the greatest potential for improvement. Detailed information on the performance of selected environmental indicators is presented under [Performance in Detail](#).

Minimizing environmental impacts by way of water and soil pollution prevention, reduction of emissions, efficient use of energy and natural resources, and avoiding biodiversity disruption is an integral part of the OMV HSSE Policy. In particular, our focus on climate change mitigation as part of our environmental policy led to the inclusion of three related targets in the Sustainability Strategy 2025. (For more information on targets related to reducing GHG emissions, see [Carbon Efficiency](#).)

The principles and rules for environmental management are set out in the OMV Group's HSSE Directive and the OMV Group Environmental Management Standard. The HSSE Directive defines the "environment" as "a natural and human surrounding in which an organization operates, including air, water, land, natural resources, flora, fauna, humans, and their interrelationships."

The OMV Group Environmental Management Standard requires that all relevant OMV businesses and activities (including investment, acquisitions, and divestment) implement an Environmental Management System (EMS) consistent with ISO 14001 and adhere to the minimum require-

ments listed. All relevant OMV businesses are required to review and update the EMS at least once per year, while a full EMS audit must be carried out either by an external independent auditor or OMV corporate environmental experts every three years for sites not certified to ISO 14001. Internal EMS audits are performed at the local level at least once a year to identify improvement measures.

By 2020, OMV aims to achieve 100% compliance by all operational sites with the OMV Group Environmental Management Standard as well as the requirements of ISO 14001 and ISO 50001. Our intermediate target for 2019 was 70% compliance, which we achieved. In order to achieve this target, we developed and rolled out a self-assessment tool and have defined the units that will undergo the assessment to determine where there are gaps with respect to the system and standards. Following the analysis, the units undergoing the assessment will be required to implement compliance plans defining how they will close the identified gaps.

The Central Integrated Management System (C-IMS) of OMV's Downstream business is certified according to ISO 14001, ISO 9001, ISO 50001, and OHSAS 18001. The OMV Refining and Petrochemicals business, including OMV Petrom power plants and the Petrobrazi refinery, are covered by the C-IMS.

EMS of other OMV business units are externally certified according to the following international EMS standards:

- ▶ OMV Deutschland GmbH holds certification according to EMAS III (Eco Management and Audit Scheme).
- ▶ Gas Connect Austria is certified according to ISO 14001, ISO 9001, ISO 50001, and OHSAS 18001.
- ▶ OMV Tunisia is certified according to ISO 14001 and ISO 50001.
- ▶ OMV Petrom Upstream Romania is certified according to ISO 14001, ISO 9001, and OHSAS 18001 for its Maintenance and Gas Pipeline Management System.
- ▶ The OMV Petrom Group's Energy Management System is certified according to ISO 50001, and the certification covers all Upstream and Downstream business activities.
- ▶ OMV Petrom Marketing S.R.L.'s, OMV Bulgaria OOD's, and OMV Srbija d.o.o.'s OMV branded filling stations; OMV Petrom S.A.'s supply, marketing, and trading activity; and OMV Petrom Gas S.R.L.'s gas supply activity are certified according to ISO 14001.
- ▶ The OMV New Zealand Pohokura and Maui activities are certified according to ISO 14001.
- ▶ OMV Tunisia's operated assets are certified according to ISO 14001 and ISO 50001.
- ▶ DUNATÀR is certified according to ISO 14001.

The Executive Board members are informed regularly, at least quarterly, about present and upcoming environmental, climate, and energy-related policies and regulations; related developments in the fuels and gas market; the financial implications of CO₂ emissions trading obliga-

tions; the status of innovation project implementation; and progress on achieving sustainability-related targets. (For a more detailed description of sustainability governance, see [Sustainability governance](#).)



Modernization of the Arad fuel terminal

The Arad fuel terminal is the largest in western Romania and the second largest in the country. We invested EUR 19 mn in the terminal with 32,000 m³ storage capacity, equipping it with state-of-the-art technologies that reduce environmental impact, enhance safety, and increase operational efficiency as follows:

- ▶ Automated management and automated fuel deliveries
- ▶ Best available fire protection systems
- ▶ Vapor recovery system
- ▶ Double-wall and double-bottom tanks with bunds and overfill protection system for fuel tanks
- ▶ Watertight concrete platforms and wastewater treatment system



Emissions control projects at the Petrobrazi refinery

Emissions monitoring and control measures are in place at all refineries. These include emissions measurement and monitoring, minimization of diffuse sources through routine testing programs, and connection of particularly emissions-relevant storage tanks to vapor recovery systems. In 2019, we conducted a modernization project at the Petrobrazi refinery in Romania. The best available technology, a closed blowdown system, was implemented during the upgrade of the coker unit, thus eliminating any potential emissions of volatile organic compounds and reducing odor. In addition, two benzene tanks were modernized with an internal floating membrane, cutting benzene emissions by 99%. Six old tanks were put out of service. We also enhanced the air quality monitoring capacity by installing two stations outside the refinery perimeter that monitor sulfur dioxide (SO₂), hydrogen sulfide (H₂S), particulate matter (PM), and the volatile organic compounds (VOC) benzene, toluene, ethylbenzene, and xylene (BTEX). Monitoring results will be provided to authorities and local communities.





Management of environmental compliance

OMV is liable for the impact that our activities have on the environment. Breaching environmental regulations on a national and international level results in both monetary losses and harm to our reputation. Our license to operate depends on compliance with regulations relating to environmental protection, which is also of particular importance to governmental authorities, shareholders, and stakeholders, such as the public and environmental NGOs and NPOs.

In 2019, we recorded only minor fines for environmental breaches, paying no fines above EUR 10,000 in any of our operations.

The OMV Group Environmental Management Standard requires compliance with all applicable environmental laws and regulations, identification of legal and other requirements, development and maintenance of appropriate legal compliance databases, and alignment with internationally accepted best practices as part of our EMS. According to the standard, we must also establish programs to prevent non-compliance to avoid monetary losses. The OMV Group Environmental Management Standard stipulates an assessment of environmental impacts and risks, and adherence to environmental performance requirements in terms of energy use, emissions into the atmosphere, water use and discharge, the use of raw materials, waste management, hazardous substance handling, and biodiversity and ecosystem protection. The OMV Group Environmental Management Standard furthermore defines the process of carrying out Environmental and Social Impact Assessments (ESIAs). Preventive and mitigation measures and the monitoring program to ensure implementation of the proposed measures are documented in an Environmental and Social Management Plan. The final ESIA report is submitted to the local regulator or lender (whichever is applicable) for review, public disclosure, and approval.

Environmental risks and opportunities include regulatory, operational, reputational, and financial drivers and specifically relate to issues such as climate change, availability and quality of water used for operations, and the impact of energy, climate, and water policies. The management of environment-related risks is part of OMV's Enterprise-Wide Risk Management (EWRM) activities as described in the [Risk and Opportunities Management](#) section.

Digital technologies are used in monitoring and managing environmental risks through a special risk management IT tool – the Active Risk Management System (ARMS). This tool allows us to better integrate environmental risk scenarios with other HSSE and business risks. Identified and assessed risks are controlled and mitigated at all organiza-

tional levels thanks to clearly defined risk policies and responsibilities. Strategic risks and opportunities (e.g., related to climate change or water stress) are assessed in a top-down process, while a bottom-up process with a standardized methodology is used to assess environmental aspects, impacts, and risks, including legal compliance risks, in our operations.

The framework and methodology for our coordinated Group-wide Environmental Risk Assessment are based on best practice standards, meet ISO 14001 requirements, and ensure the consistent qualitative assessment of operational risks and impacts related to the environment. The resulting environmental risk database includes information on existing controls for environmental risks and future actions required.

Before undertaking new operational activities or entering new countries, we perform environmental risk assessments, including evaluations of local legislation, the potential impact of our activities on sensitive and protected areas, and the effects on endangered species. Each subsequent phase of project implementation is accompanied by a detailed assessment of environmental risks.

Energy efficiency

As an integrated oil and gas company, OMV operates large facilities and is also a major energy consumer. The amount of energy we use creates a significant impact on the environment. Effective management of energy consumption reduces the environmental cost of our operations, increases financial savings thanks to energy efficiency, prevents non-compliance with regulatory requirements on energy use, and mitigates the climate effects of GHG emissions.

Energy efficiency measures therefore have a considerable effect on issues relating to energy consumption of interest to stakeholders:

- ▶ Governmental authorities: compliance with EU Emissions Trading System (EU ETS) regulations relating to the submission of emissions allowances within EU ETS, compliance with the EU Energy Efficiency Directive requiring greater energy efficiency in all stages of the energy value chain
- ▶ Shareholders and other stakeholders with a direct financial interest in OMV: financial savings resulting from reduced energy consumption, lower production costs, and lower GHG emissions
- ▶ NGOs/NPOs: reduced impact of our operations on the environment

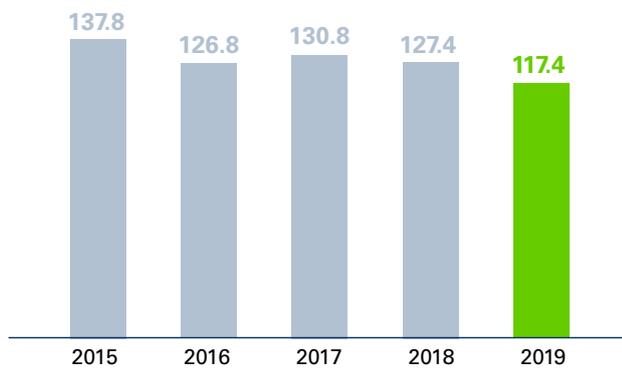
The OMV Group Environmental Management Standard requires that all OMV businesses and activities use energy responsibly, conserve primary energy resources, and implement energy management plans in accordance with ISO 50001. The potential for reducing energy use is identified in annual campaigns encouraging improved environmental performance, including energy consumption. For example, we have set targets for refineries to reach certain

energy index ratings through annual monitoring campaigns. Based on their energy index rating, we identify and assess areas for improvement in energy efficiency. Subsequently, we decide which measures to implement to improve energy consumption as part of our environmental governance process. (For more information on activities aimed at enhancing environmental performance as part of sustainability governance, see [Sustainability governance](#).)

Energy efficiency activities

Energy consumption

In PJ



Energy efficiency measures in OMV operations are closely linked with technical improvements directed at reducing energy use while achieving the same operational output. Process optimization and increasing energy efficiency to save costs and reduce CO₂ emissions are a strong focus of

our refineries. Energy efficiency measures implemented in our three refineries in 2019 led to an annual decrease of more than 27,950 t in CO₂ equivalent, and energy savings of 365 TJ. GHG reduction projects implemented in our refineries between 2009 and 2019 have so far delivered a total reduction of 0.7 mn t in CO₂ equivalent.

In 2019, within the Downstream Oil division, one of our focus areas was to continue implementation of initiatives for improving GHG intensity.

The Petrobrasi refinery continued to implement measures to reduce energy consumption through programs and initiatives:

- ▶ Advanced condensate recovery and reuse
- ▶ Enhanced firing system in cogeneration plant

The above projects will result in yearly energy savings of around 34,000 GJ and over 2,000 t CO₂ equivalent.

Case study: enhanced firing system in cogeneration plant



The EUR 75,000 project aimed at installing an efficient and effective technical solution to reduce steam consumption at the gas turbine firing system in the cogeneration unit. Consequently, an annual steam reduction of around 22,000 GJ was achieved, equivalent to a CO₂ reduction of around 1,200 t per year.

Spills management

Oil spills¹⁹ are a critical environmental issue for our industry. Spills management is defined as the prevention of spills in operations and other spills (e.g., caused by sabotage or natural hazards), and the management and remediation of spills resulting from an incident.

Stakeholders with major concerns relating to potential impacts stemming from spills are as follows:

- ▶ Government authorities: potential breaches of environmental regulations

¹⁹ Oil spills are defined as hydrocarbon liquid spills that reach the environment.



- ▶ Employees and contractors: potential health and safety issues arising from accidents and damage to the environment and society
- ▶ NGOs/NPOs: potential damage to the environment and society
- ▶ Society: damage to the surrounding environment
- ▶ Shareholders: direct financial losses due to the costs of remediation measures and reputational risks

Spill prevention

Spill prevention and control measures include:

- ▶ Hazard identification and risk assessment
- ▶ Preventive measures and maintenance to avoid leaks
- ▶ Emergency response and contingency plans including materials and equipment for spill intervention
- ▶ Cleanup and remediation procedures

We aim to prevent and reduce oil spills and leakage in our operations at sea as well as on land. Appropriate spill prevention and control plans that account for specific business conditions have been put in place. The majority of our oil spills involve OMV Petrom Upstream, where we concentrate our efforts to safeguard and maintain our infrastructure and to improve the reliability of our facilities.

The remuneration of the Company's executive management is linked to OMV's oil spill performance. The number and volume of oil spills constitute a part of the sustainability multiplier that impacts their annual bonus as decided by the Supervisory Board. Hydrocarbon spills are documented and reported using OMV's incident reporting tool. The data input for the sustainability multiplier, including the number of spills and their volume, is audited externally as part of the scope of the Sustainability Report audit. (More information is provided in the [Sustainability governance](#) section.)

Spill remediation

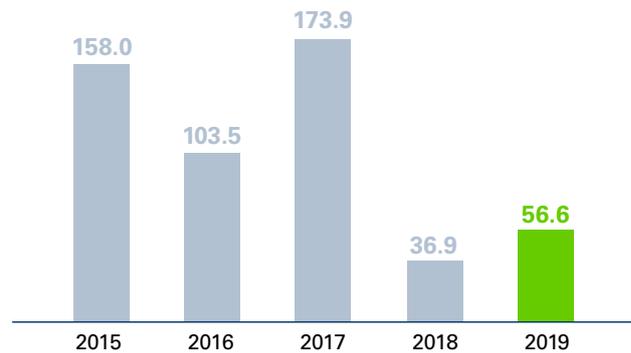
Hydrocarbon spills are assessed and cleaned up immediately after their occurrence in accordance with internal procedures governing spill remediation. Leaks are repaired immediately or within defined time frames in accordance with the site's maintenance processes and based on the risk assessment outcome and other factors, such as feasibility of repair during operation. In order to strengthen our response to and reduce the environmental impact of oil spills, we continued to perform emergency drills, including pollution scenarios.

In 2019, we recorded one major hydrocarbon spill in Romania (2018: two major spills).

In OMV Petrom's Moldova asset, a tank containing a mixture of salt water and oil leaked due to poor mechanical integrity. Approximately 2 m³ of oil and 18 m³ of salt water leaked onto the ground over an area measuring approximately 200 m². Tank farm operations were stopped, fluids spilled into secondary containment and an underground rainwater sump tank were collected by vacuum trucks, and contaminated soil was excavated and transported to a bioremediation plant.

Total volume of spills

In m³



In addition, 2,046 minor releases occurred in 2019 (2018: 2,182). Total hydrocarbon spillage was around 56.6 m³ (2018: around 36.9 m³). Spills and leaks were mainly due to the corrosion of aging infrastructure.

OMV has developed a Corrosion Management Framework (CMF) to provide a proactive and consistent approach to corrosion monitoring and management across the entire OMV Group. Covering the full life cycle of the equipment exposed to the risk of corrosion in both oil and gas facilities from the well to the sales point, this framework encompasses the entire value chain of our business. A team of 30 in-house experts with multidisciplinary and multicultural backgrounds are working to embed CMF principles into everyday operations.

In 2019, we continued to implement the OMV Petrom Pipeline Integrity Management Program, which demonstrated significant results from multi-year data collection and software implementation. Risks are prioritized using the software, thereby ensuring that our pipeline integrity efforts focus on the locations with the greatest need. As a result of the Pipeline Integrity Management Program, OMV Petrom also increased the use of non-metallic pipeline materials in new projects to prevent corrosion and the risk of pipeline-related spills.

The Hazard and Operability (HAZOP) Program at OMV Petrom also continued in 2019, resulting in completion of 25 studies reviewing and updating all of the required technical documentation in order to identify operational risks



carrying potential hazards for personnel, equipment, or the environment. So far, 225 facilities have participated, and 20

more facilities are scheduled to be included in the HAZOP study in 2020.

Water management



OMV Upstream and Downstream operations both affect water resources. OMV uses significant amounts of water for its operations in Upstream as well as in Downstream activities. Freshwater is used, for example, for drilling, steam generation, and cooling, among other processes. Smaller amounts of water are also used for non-industrial purposes. Some water used in operations is recycled back for reinjection to pressurize hydrocarbon reservoirs in order to optimize the extraction rate.

Desalinated water is used in some offshore operations. Refineries and various other operating facilities also use brackish and/or recycled water for various operational purposes. Some of OMV's operating facilities are located in water-stressed areas.²⁰



The key goals of our water management activities are to reduce water consumption, to utilize water resources efficiently, and to treat wastewater appropriately.

Our impact on water resources is material to stakeholders as follows:

- ▶ Government authorities (regulatory and river basin management authorities): compliance with water use rules and environmental parameters relating to wastewater generated
- ▶ Local communities: sharing of local water resources and the quality of discharged wastewater
- ▶ NGOs/NPOs: environmental preservation and water resource conservation
- ▶ Local water utilities: supply of freshwater (for OMV operations)



Water Ambition Statement

The Company's commitment to water management is based on OMV's Water Ambition Statement. We respect water as a precious limited resource and focus on its sustainable use.

- ▶ We are committed to meeting all applicable legislative requirements or our OMV regulations – whichever is more stringent.
- ▶ Water management is a key component of our social license to operate. We cooperate with local communities and prove to be responsible partners.
- ▶ We are committed to transparency when it comes to our impact on water resources.
- ▶ Every OMV employee is responsible for minimizing the impact of our activities on water resources.

²⁰ Water stressed areas are areas where the demand for water exceeds the available amount during a certain period or when poor quality restricts its use. In such areas, water stress causes deterioration of freshwater resources in terms of quantity (aquifer over-exploitation, dry rivers, etc.) and quality (eutrophication, organic matter pollution, saline intrusion, etc.). Source: European Environmental Agency www.eea.europa.eu/themes/water/glossary



OMV’s Group-wide Water Strategy was developed in 2014 and is based on five strategic pillars:

- ▶ Transparency
- ▶ Risks and opportunities
- ▶ Water efficiency and treatment
- ▶ Training and awareness
- ▶ Stakeholder engagement

In line with the great importance of the material topic of water management, we will continue to plan to establish targets to improve water consumption efficiency. For the Sustainability Strategy 2025, however, we have prioritized safety-related targets in the focus area of HSSE. Environment-related targets were incorporated as part of the Carbon Efficiency focus area. OMV’s Water Strategy was reviewed in 2019 and will be revised in 2020.

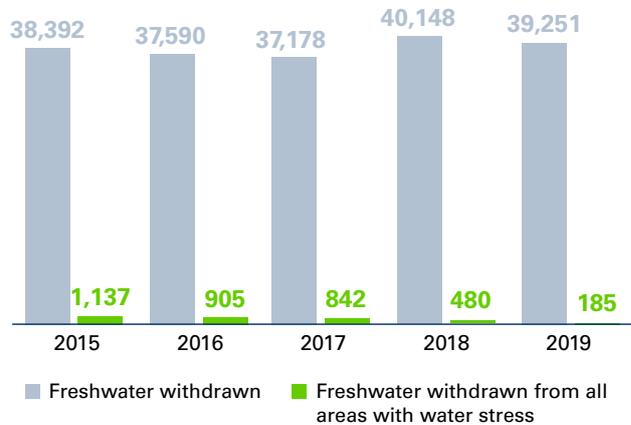
High-level water stress assessments are conducted on an annual basis. OMV uses international tools and indexes, such as Verisk Maplecroft’s “Water Stress Index” complemented by the World Resources Institute’s (WRI) Aqueduct “Baseline Water Stress” index, as well as own assessments as required, to identify operations in areas affected by water scarcity and water stress. Operating facilities located in places that are affected or are likely to be affected by water scarcity issues and operations utilizing significant water resources (i.e., Tunisia) are prioritized when developing and implementing water management plans. These plans aim to allow sustainable long-term production with minimal effects on the environment. 75% of priority sites have completed water management plans, with the development of plans in progress at the remaining sites.

A bottom-up approach in the assessment of water-related risks is taken in accordance with the OMV’s Group-wide Environmental Risk Assessment (ERA) guideline to ensure consistent qualitative assessments of operational risks and impacts related to the environment, including water. Significant risks are integrated into OMV’s Enterprise-Wide Risk Management (EWRM) system.

When entering a new country or considering new operational activities, OMV primarily uses the World Resources Institute’s (WRI) Aqueduct and Verisk Maplecroft indexes to identify future potential water-related constraints, such as baseline water stress, groundwater stress, and seasonal variability.

Freshwater withdrawn

In megaliters



Water-management-related risks are closely linked with the material topic of spill prevention. Offshore operations may lead to oil spills with significant impact on marine water resources and ecosystems. The response strategy aims to minimize the probability of such risks and maximize readiness so that we can provide timely remediation measures in the unlikely event of an oil spill. OMV allocates significant resources to prevention and mitigation measures. Any new or existing offshore drilling activity is accompanied by a third-party analysis evaluating the magnitude of a major event and its possible consequences. As part of the biannual Group-wide EWRM process, water-related risks and mitigation measures are assessed in a larger strategic context, while a systematic approach is taken in day-to-day operations to monitoring and managing high-impact/low-probability risks, such as blowouts during offshore drilling.



Rehabilitation of industrial water distribution system at Suplac

In 2019, we continued to rehabilitate the industrial water distribution system in four parks (16, 24, 31, and 49) at our Upstream Suplac site Romania. Around 853 meters of new pipe were installed at a cost of around EUR 316,000. Project benefits include avoiding water losses from old water hydrant networks and pipelines, as well as improved safety in operations.



OMV adheres to the requirements laid down in local legislation when setting standards for effluent discharge quality. The OMV Group Environmental Management Standard requires all OMV businesses and activities to minimize the impact of effluents on the environment and local communities and outlines specific requirements for wastewater discharge onshore and offshore. The direct discharge of wastewater on land, in wetlands, or in other bodies of water without prior treatment is not permitted. The standard furthermore stipulates that no discharge may alter or diminish the value of the receiving environment. All discharge must be systematically monitored and any environmental impacts must be managed appropriately.

In areas where OMV operations require large amounts of water, it is particularly important to include local stakeholders in water management activities in order to secure a “social license to operate.” Among the most important stakeholders OMV includes in defining socially equitable, environmentally sustainable, and economically beneficial water management practices are local communities, neighboring industrial facilities, NGOs, regulators, and river basin management authorities.

OMV water management activities pursue socially equitable water use. In our Human Rights Matrix, we commit to ensuring an adequate standard of living, including access to water and food for our employees. This applies not only to our own operations but also to those of our suppliers that sign and commit to following the OMV Code of Conduct. As indicated in the [Supply Chain](#) section, OMV regularly carries out supplier audits to ensure compliance with our human rights requirements.



To ensure that the interests of local communities are known and taken into account during the project life cycle, OMV conducts social baseline studies and community needs assessments as part of Social Impact Assessments (SIAs). (For more information on SIAs, see [Community Relations and Development](#).)

Following these assessments, OMV launches community projects aimed at increasing access to clean water for local communities. This partnership with local communities allows them to benefit from OMV’s presence in the region and provide consent for the use of natural water resources in their area. Examples of OMV support for local communities in Libya to water-use-related projects can be found under [Community Relations and Development](#).

Local regulatory and river basin authorities are involved whenever needed to ensure that OMV is in compliance with local environmental regulations and has obtained all of the required permits for freshwater usage and wastewater discharge.

Water efficiency activities



In 2019, modernization of the Săcuieni water station in Upstream’s Muntenia asset was completed. This facility ensures fully automated control of the water flow so that water delivery can be finely tuned to water requirements and so that water withdrawal does not exceed water demand. The water station is located in the Ialomița river basin, which experiences water scarcity and water stress risk in dry years according to the Romanian National Institute of Hydrology and Water Management. In addition to minimizing the environmental impact, this upgrade also enables increased reliability of the water supply for production.

In 2019, we continued to evaluate the water risks of the largest water users at OMV Petrom. Water risks were assessed for the Brazi power plant in Downstream and for the Crisana asset in Upstream by using the WWF Water Risk Filter. This takes into account physical criteria, such as water scarcity (determined by considering access to water resources, competing needs, and supply patterns in the region) and water stress (defined by the physical availability of the water resources), as well as compliance and reputational aspects.

Given that some regions where OMV Petrom operates have already experienced water stress in dry years, and the fact that we expect a further decline in water availability, we determined the need to continue implementing measures for efficient water use.

Biodiversity protection



According to the OMV Group Environmental Management Standard and Environmental and Social Impact Assessment Procedure, all OMV activities must be conducted in such a way as to cause minimal disturbance to protected areas and local flora and fauna. Observed or predicted direct and indirect impacts on biodiversity and ecosystem services (BES) are described and analyzed in the environmental impact assessment. BES screenings are carried out at all relevant sites to identify as far as reasonably possible the potential for the presence of nationally or globally threatened species, legally protected threatened or fragile ecosystems, and internationally recognized areas with sensitive biodiversity. In the event of significant observed or predicted impacts, we apply the mitigation hierarchy, and action planning gives priority to avoidance and minimization over restoration and offsetting of the impact.

In 2019, we supported the following biodiversity-related projects in New Zealand:

- ▶ A partnership with Ngāti Koata and the Department of Conservation for the Moawhitu lake and wetland regeneration project
- ▶ A partnership with the Rotokare Scenic Reserve Trust to reintroduce the endemic hihi bird (stitchbird) back into this reserve located just outside of New Plymouth
- ▶ A partnership with Tiaki Te Mauri o Parininihi Trust in North Taranaki for critical pest control work and providing a safe haven for the endangered kōkako, along with other native wildlife, such as the kiwi
- ▶ A partnership with the National Institute for Water and Atmospheric Research to undertake passive acoustic monitoring to assess cetacean distribution and movement through New Zealand's Cook Strait
- ▶ A partnership with the Friends of Mana Island to assist with the regeneration of Mana Island to provide a secure ecosystem for endangered species
- ▶ A partnership with Ngāti Tara Sandy Bay Society to restore and protect the native sand dunes, which are home to rare shorebirds, such as the endangered New Zealand dotterels
- ▶ A partnership with Montfort Trimble Foundation (MTF) for a period of three years to fund a project for the regeneration of threatened native mistletoe (*Tupeia antarctica*) at Rewanui Forest Park, near Masterton
- ▶ A partnership with Environmental Education for Resource Sustainability Trust to fund the Paper4Trees project in Taranaki, a project where local schools and kindergartens are rewarded with native trees for their recycling efforts

In 2019, OMV Petrom initiated the development of a mobile application to enable employees to easily identify protected species observed within their operational boundaries. This project contributes to improving biodiversity conservation monitoring and increasing awareness on this topic.



Waste management

Our activities generate solid and liquid waste, including hazardous waste, such as oily sludge, waste chemicals, catalysts, and construction debris. Examples of non-hazardous waste include concrete not containing dangerous substances, welding waste, drilling wastes, mud without oil content, as well as mixed municipal waste, paper, and metal.

In 2019, activities operated or majority-owned by OMV generated 633,722 t of waste, 310,453 t of which was hazardous waste and 323,268 t of which was non-hazardous waste. We recovered or recycled 325,298 t and safely disposed of 308,523 t of waste, for an overall waste recovery and recycling rate of 51%.

Within the framework of the 2016–2020 OMV-Gazprom Scientific & Technical Cooperation and Partnership, a three-day workshop on “Best Available Techniques (BAT) in the Oil & Gas Industry” was held in Vienna. A group of OMV and Gazprom experts shared their experience and best practice examples in the field of waste management systems in the EU and Russian Federation as well as drilling waste management in onshore and offshore operations.

We are applying best practices in the management of drilling waste. For example, in our OMV Petrom Upstream Crişana asset, inert drill cuttings resulting from water-based drilling waste are taken over by a waste management contractor and are used as a stabilization agent for other waste (mostly sludge) along with other stabilization materials (such as cement). The stabilized waste is sub-

jected to a leaching test and, depending on the test results, can be used as cover layer in non-hazardous waste landfills.

In our Upstream ventures in Abu Dhabi and Yemen, we launched an “Environmental Challenge Week” to discuss challenges and opportunities for a sustainable change in behavior. Employees of OMV and contractors discussed topics such as recycling, zero food waste, zero printing, and the green office.

Decommissioning activities

The OMV Group Environmental Management Standard requires that environmental and social components are identified for the entire life cycle of facilities, including decommissioning and abandonment, so that any future adaptation measures are identified and planned for.

In 2019, OMV Petrom Downstream Oil continued to achieve a high waste recovery rate of 97% in the demolition projects completed at fuel terminals and at the Petrobrazzi refinery. Around 40,000 t of waste was generated, which was grouped in 14 categories. The largest amount of waste (91%) were clean concrete and mixtures of concrete, bricks, tiles, and ceramic materials, which were crushed and prepared for further use. Around 2,140 t of scrapped metallic ferrous and non-ferrous materials were recycled by authorized companies. Over USD 615,000 was generated from selling the scrapped metallic ferrous and non-ferrous materials. The other 8 waste categories were directed to specialized waste facilities for either recovery or disposal.