Focus Areas

IN THIS CHAPTER

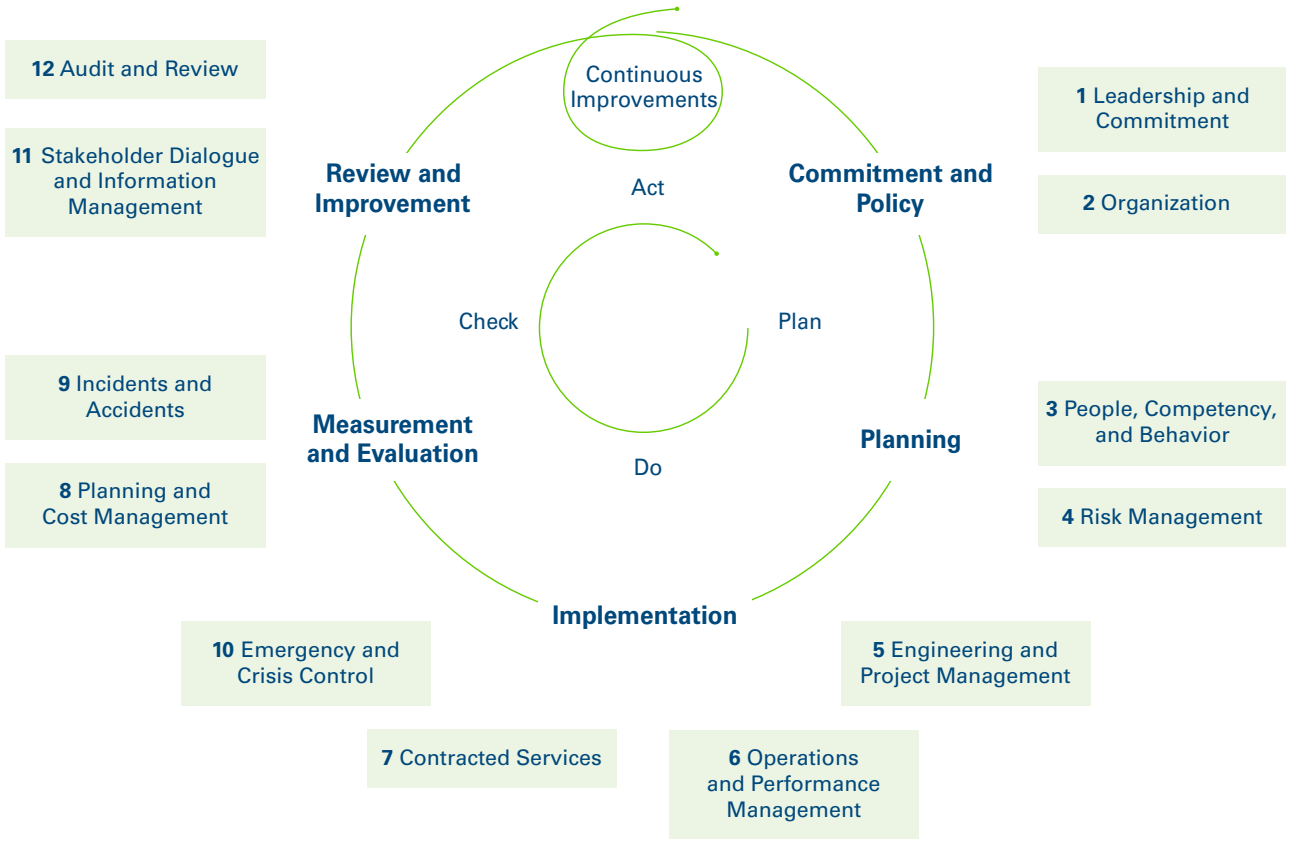
Health, Safety, Security, and Environment

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. HSSE encompasses the two material topics Health, Safety, and Security as well as Environment. 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. The Vision is embedded in the HSSE Policy.

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



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. Based on the HSSE Strategy, a business-specific HSSE Plan was developed for 2020 based on cross-functional and subject-matter goals.

Health

The well-being and physical and mental health of our employees are the foundations for a successful company. 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 electrocardiograms (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 an 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. Due to the COVID-19 pandemic, only one country and one clinic could be audited directly in 2020. 49 clinics in 19 countries reported on self-performed audit results. [4] Audit results serve as the basis for identifying areas for further improvement and analyzing the effectiveness of our health management approach.

COVID-19 Response

The spread of COVID-19 required a lot of effort from all of us, especially from the medical workforce of OMV and OMV Petrom, to help our organization best cope with its impact. OMV has had a Pandemic Preparedness Standard and was thus well prepared for the COVID-19 pandemic. Since its development, the Pandemic Preparedness Standard has been updated regularly and integrated into our overall Business Continuity Standards.

Due to this preparatory work, well-developed pandemic plans, and a ready supply of masks, OMV was able to quickly introduce measures to protect our employees at the onset of the COVID-19 pandemic. Corporate Health and local medical providers supported HSSE teams and management with evidence-based information on the spread of the infection and on preventive measures, prepared virtual information sessions, and helped infected people find the best possibilities for treatment. Collaboration with other oil and gas companies in the IOGP/IPIECA Health Committee helped us learn from best practices on specific issues like the most effective testing regimes for employees working in remote areas.

Very soon it became obvious that the virus was not only harmful to the immune system and body, but to mental health as well. Isolation due to working from home and uncertainty lead to anxiety, sleep disorders, and other mental health problems. For this reason, psychological help lines were set up to address these needs as well. We also offered virtual sessions on specific COVID-19 information, ergonomics, physical movement, and healthy nutrition.

We also supported our communities during the pandemic by donating medical equipment such as ICU beds and ventilators. For more information, see Community Investments and the case study in Yemen under Corporate Security.

Employee and Community Health

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

In 2020, we carried out the "Passport for Health" campaign at OMV Petrom for the fifth time. This campaign aims to raise awareness of health care to encourage employees to participate in voluntary health programs and to start living a healthy lifestyle.

At the Health Circle in Gänserndorf, Austria, employees gather regularly to address work-related health issues and create customized solutions in collaboration with the local health team. In 2020, the virtual gathering was dominated by COVID-19. The main issues discussed were how to communicate and implement preventive measures as well as potential topics for voluntary health examinations in 2021.

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

4 All health data excluding Borealis

exams include blood tests for employees working with specific hazardous substances and hearing tests for employees exposed to noise. We offer general health screenings to our workforce. In addition, we run seasonal campaigns to provide free vaccinations against flu and tick-borne encephalitis in affected areas. In 2020, 33,683 voluntary health screenings, 6,797 vaccinations, 82,905 medical consultations, and 155,187 occupational health examinations were performed and/or organized by OMV medical staff.

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 2020, OMV first aid facilities supported around 843 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

Occupational Safety

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, Process Safety Management, Occupational Safety Management, Contractor HSSE Management, Management of Hazardous Substances, and Personnel Transportation, as well as Reporting, Investigation, and Classification of Incidents, which provide the framework for safety management. A total of 48% of OMV sites, including all three refineries, have been certified to ISO 45001. This covers 39% of our employees. [5]

Risk Assessments

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. They also require regular reviews of the risk assessments of existing installations and a Last-Minute Risk Analysis (e.g., in the course of toolbox meetings) prior to every job.

The Major Accident [6] 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. 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 2020, our special focus was continuing to ensure the completeness and accuracy of the information on sites with the potential for Major Accident Events (MAEs) in this central database. Among such sites are OMV facilities operating under the Safety Case Regime in non-EU countries, 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 – as well as high-risk pipelines and flowlines, high-integrity risk wells, and off-

5 Excluding Borealis
6 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.

shore facilities. The goal is to prevent major accidents and limit the consequences of any accidents that may occur. The scenarios for MAEs, including the risk control barriers for these facilities, were introduced in ARMS in 2019. In 2020, onsite Operation Integrity Assessments were further carried out remotely, with desktop assessments being performed to confirm the risk control status.

Roles and Responsibilities

The health and safety of the people who work for us are key priorities at OMV. Our Executive Board exhibits strong leadership and commitment to these goals. In 2020, we again defined three focus areas related to safety, with an Executive Board member assigned as the owner of each. Biannual online 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. A quarterly Petrom Safety Committee meeting was held regularly at OMV Petrom Board level to analyze safety-specific performance and projects, and define actions for continuous improvement.

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 taking 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, as well as during various meetings.

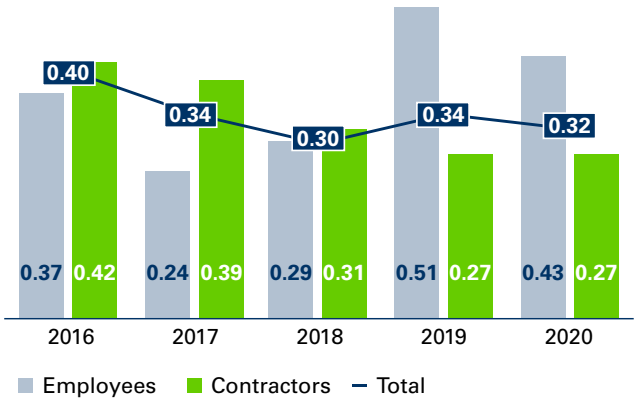
Incident Reporting and Investigation

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 incidents or accidents. We acknowledge these suggestions for improvement submitted by employees and contractors locally in the Report of the Month and at corporate level in the Report of the Quarter, which are broadly communicated one-pagers to facilitate the sharing of lessons learned.

We launched a new central reporting tool (OMV Synergi) in 2020. All incidents, hazards, HSSE walks, audits, findings, and defined actions are reported and tracked in this tool. Regular online trainings are being organized via the My Learning platform to ensure effective use of the new tool by highlighting the importance of data input quality. Dashboards for the significant HSSE data and relevant KPIs (e.g., LTIs, TRIs, HiPos, process safety events, actions status, etc.) were set up and made available to different management levels throughout the Group. Our aim here was to increase awareness regarding OMV Synergi entries to boost their quality and transparency, and to improve data owner accountability. During 2020, 38,069 (2019: 106,231) unsafe condition and behavior reports were collected in our reporting tool.

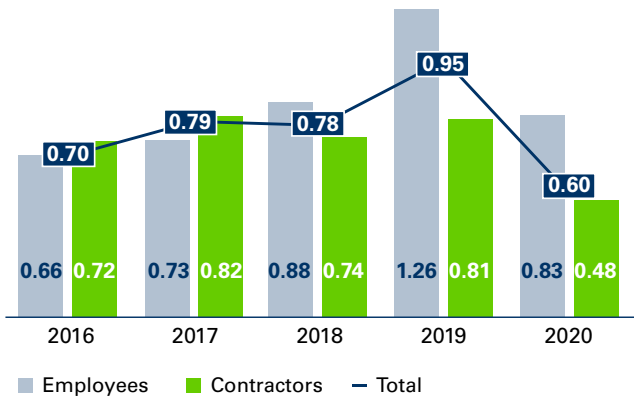
Lost-Time Injury Rate [7]

Per 1 mn hours worked



Total Recordable Injury Rate [8]

Per 1 mn hours worked



7 Lost-time injuries are any occupational injuries resulting in fatalities, permanent total disabilities, and lost workday cases, but excluding restricted work cases and medical treatment cases.
8 Total recordable injuries are any injuries resulting in fatalities, permanent total disabilities, lost workday cases, restricted work cases, and medical treatment cases.

We continued to investigate incidents and accidents using the knowledge of our incident investigation skill pool members and other technical experts. Our aim was to find the root causes of incidents and carry out suitable and necessary measures to prevent the occurrence of more severe incidents. At the same time, we remained focused on verifying the effectiveness of actions implemented in the past years after severe incidents and High-Potential Incidents (HiPos), including process safety incidents. We also further developed the incident investigation process and established a subprocess to share HSSE information and promote our lessons learned as an organization. Our Incident Investigation Panel met on a quarterly basis to obtain a clear overview regarding the whole process and to implement practical actions for its improvement.

We maintained our central platform to ensure Group-wide sharing of knowledge and takeaways from incidents. Starting in 2020, however, new HSSE alerts and lessons learned were input directly in the OMV Synergi system. This provides a complete collection at Group level of case studies and information on incidents in Upstream and Downstream since 2013 for use and communication during safety moments, in toolbox talks, or in HSSE training.

Training, Awareness Raising, and Safety Promotion Activities

Even under difficult conditions in 2020, we continued to operate the Group-wide Safety Culture Program with the same goal of pushing for change and striving for the best in an environment where safe behavior is a prerequisite for good safety performance. Education and training are important for informing workers and managers about workplace hazards and controls so they can work more safely and be more productive.

Protect Your and Your Colleagues' Lives

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 2020, 28 formal joint health and safety committees comprising management and worker representatives were organized at OMV Group sites. [9]

We continued to concentrate on quality over quantity in terms of reporting, management walk-arounds, safety walks, and action close-outs. In addition, we continued our efforts to make safety a top priority in the minds of employees. We are focusing more attention on improving our management walk-arounds and safety walks through the 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 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 acknowledged the safe behavior of individuals and teams on the spot during various site visits and the "stop work" actions in online forums or periodical management meetings. During the year, we held one open online session with more than 300 participants from throughout the Group to celebrate the UN's World Day for Safety and Health at Work. Under the auspices of the Safety Culture Program, we rolled out a Life Saving Rules e-learning course to remind employees about simple rules to follow that can prevent accidents that could lead to serious injury or death.

Many training topics were defined based on an analysis of the root causes of incidents and contributing factors as well as findings from various HSSE assessments. During 2020, we organized online training sessions on awareness as well as HSSE roles and responsibilities, hazard identification, and controls in the workplace. E-learning sessions covered the Life Saving Rules, leadership safety skills, and HSSE walks. Work permits, gas testing, and hazards with the potential for serious consequences (such as work at height, excavations, transportation) were addressed in the Life Saving Rules e-learning course, in safety alerts, and during the toolbox talks before starting the activities. Awareness of process safety topics was enhanced through the use of computer-based training modules.

9 Excluding Borealis

Safety During COVID-19

In an effort to remind people that safety continues to be important for them and their colleagues even in this difficult pandemic situation, we used the internal communication system MyNews to send out a series of short letters about the following topics: safety in critical times (risk assessment, asking, stopping work, complacency, and time pressure), shift handover and work permits, gas testing and hazardous substances, and work at height. All of these were sent out under the "Sign of life" initiative.

SDG targets: 3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, waterborne diseases and other communicable diseases; 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

We organized quarterly online sessions with the coordinators of the Safety Culture Program from throughout the OMV Group to share experiences and learn from each other. Various people from different corners of the world presented the stories of their efforts toward safety culture development, including what they have done at their sites to reduce risks associated with COVID-19.

OMV Petrom Downstream continued to hold regular Safety Committees meetings, which were introduced last year in each business unit, as well as safety awareness campaigns ("All accidents are preventable" and "Fight routine/complacency at the workplace"). In parallel, a short training session reminded people about the power of intervention in case of unsafe acts, something anyone can do. At OMV Petrom Upstream, dedicated workshops were organized to raise awareness of the five principles established and supported by the OMV Petrom Group Board: All accidents are preventable; Safety is number one because we care about people; Safety is above all other business objectives; Every job can be done safely; Open reporting is a means of learning and improvement.

The idea behind the workshops was to breathe life into these principles, to make people think about them, and to show our leaders' commitment to the safety of their people – who are the most valuable resource in any organization.

We began a safety culture maturity level reassessment at various operational sites to see and truly understand how they have progressed in recent years. In 2020, the reassessments were completed for the following entities: OMV Petrom Upstream Workover and Drilling, Projects, Assets Muntenia West and Oltenia, OMV Petrom Downstream Retail, Burghausen refinery, and OMV Austria Exploration and Production. The reassessments represent the "consolidate change phase" of the Safety Culture Program in alignment with the continuous improvement cycle.

Dedicated e-learning training sessions were launched at OMV Petrom on improving managers' safety leadership skills and on HSSE walk-arounds to remind them of the power of interaction and dialogue. Taking into account the global situation, we developed a short guide on remote HSSE walk-arounds, because continual contact between employees and managers is important, even if it cannot be face to face.

Sustainability Strategy 2025 Targets

- Achieve Zero work-related fatalities
- Stabilize Lost-Time Injury Rate at below 0.30 (per 1 million hours worked)

Status 2020

- Work-related fatalities: 0
- Lost-Time Injury Rate: 0.32

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 focus on subcontractors
- 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

For 2021, we agreed on and cascaded defined actions and targets related to the implementation of the Safety Culture Program into all local HSSE plans:

Empower Line Management

- Use OMV Synergi dashboards actively to manage HSSE and HSSE performance; strengthen risk awareness of the workforce, based on Life Saving Rules and locally identified risk areas; conduct local safety culture activities with defined additional actions, if needed

Incident Investigation

- Continue to improve the quality of our investigations
- Improve the "Share HSSE information and promote organizational learning" process
- Follow up on actions derived from incident investigations

SDG targets: 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination; 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

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, but before work begins at the site, we reinforce our expectations and requirements during HSSE induction, site specific trainings, and joint meetings. The presence of contractors at our sites is monitored permanently using an electronic registration system (refineries) or paper sign system (e.g., presence sheet, permit to work, induction sheet, etc.). During the contract period, 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 2020, we continued to integrate contractor organizations into our HSSE audit program mainly through remote audits. We also organized quarterly service quality meetings with key contractors, making HSSE an important part of the agenda. In addition, our strengths and weaknesses in HSSE management in our relationships with contractors and suppliers were discussed during the annual strategic suppliers' meetings organized by Procurement and in various online forums and workshops.

In 2020, we rolled out a new Contractor HSSE Management Standard, organizing trainings for the main stakeholders, i.e., the Procurement department, contract holders, and contract owners. 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.

Process Safety

For OMV, process safety management is an integral part of the Group's overall approach to managing HSSE. Process safety management comprises the systematic use of uniform instructions, practices, and specifications to achieve and maintain safe and reliable production. The fundamental components include our organization, resources, management processes, people and equipment performance, the prevailing safety culture, and documented regulations and practices. It covers the management of the hazards associated with the chemical and physical properties of the substances we handle in our oil, gas, and energy activities.

OMV and Borealis process large quantities of flammable and/or toxic materials under high pressure and temperatures that, if not properly handled, could potentially lead to serious process safety incidents. In a worst-case scenario, leaks, fires, or explosions could also cause fatalities. In addition, this could result in a substantial disruption of the supply to customers along with additional costs. Process safety events could at times affect communities in the vicinity of our operations. For this reason, we have robust emergency management plans in place, which are coordinated with the surrounding communities.

Responsible Care®

RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

Borealis is committed to implementing the guidelines of the Responsible Care Global Charter which is the chemical industry's voluntary initiative aimed at continuous improvement in health, safety, and environmental (HSE) performance. The guidelines contained in the charter, such as efficient use of natural resources and efforts to avoid the production of waste, are also among the central principles guiding Borealis.

Through Responsible Care, Borealis commits to:

- ensuring it has a corporate leadership culture which proactively supports safe chemical management through the global Responsible Care initiative;
- safeguarding people and the environment by continuously improving the HSE performance and security of Borealis' facilities, processes, and technologies and by driving continuous improvement in chemical product safety and stewardship throughout the supply chain;
- strengthening chemicals management systems by participating in the development and implementation of life-cycle-oriented, science- and risk-based chemical safety legislation and best practices;
- influencing business partners to promote the safe management of chemicals within their own operations;
- engaging stakeholders, understanding and responding to their concerns and expectations for safer operations and products, and communicating openly on Borealis' performance;
- contributing to sustainability through improved performance, expanded economic opportunities, and the development of innovative technologies and other solutions to societal challenges.

OMV has implemented comprehensive measures to ensure process safety. Process safety risks are assessed through a variety of process hazard assessments such as HAZOP (Hazard and Operability) studies, QRAs (Quantitative Risk Assessments), and risk assessments according to the Seveso Directive, the main EU regulation dealing with the control of onshore major accident hazards involving dangerous substances.

In each refinery, we have a dedicated person who heads up the process safety management. This person is in direct contact with and actively collaborates and communicates with all departments that manage process safety as part of their daily business. Comprehensive inspection and maintenance programs are carried out by dedicated departments in asset management. Other key elements of process safety management at the refineries are a comprehensive change management process, pre-startup safety reviews, and continuous monitoring of process safety performance with a robust set of process safety performance indicators.

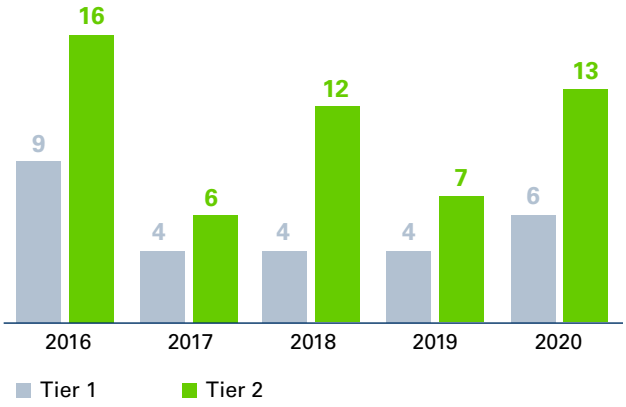
Borealis has established a PS Committee, which is managed by EVP Base Chemicals and Operations and includes the participation of relevant senior managers from operations together with Group HSSE/Process Safety. This committee reviews the relevant performance indicators, high-severity process safety accidents and near misses as well as current process safety activities. Regular alignment meetings are held between Group HSSE and local HSE Management as well as between the relevant Group HSE teams (Polyolefins, Base Chemicals, and Fertilizers, Melamine and Technical Nitrogen Products).

In 2020, Borealis continued to make improvements on critical aspects of process safety by updating and creating new corporate procedures that define minimum requirements for safe isolation, handling of flexible hoses, and leak testing. Additionally, a working group was started to define the corporate minimum requirements for a "line breaking and first cut" process.

In addition, a process was set up to enable knowledge sharing across divisions and continuous learning about different sites. Building on this, the effectiveness of protection layers for main equipment (e.g., loop reactors in polyolefin plants) was reviewed using modeling technologies. An HSE boost program was introduced for the newly acquired recycling production sites of Ecoplast and mtm plastics, including updates of critical process safety procedures. (For more information on Borealis' process safety initiatives, see the Borealis Annual Report 2020.)

Process Safety Events, Tier 1 and Tier 2

Number of events



Tier 1 and Tier 2 events provide baseline performance information and are measured each year for a consistent overview of the Company's process safety performance. In addition, we monitor and report Tier 3 events for 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 2020, the number of Tier 3 Process Safety Events (PSEs) reported was 4,429 (2019: 4,379). [10]

We continued to perform detailed investigations of process safety incidents and used the outcomes in our learning process.

In 2020, we defined a harmonized set of process safety KPIs across the Group. We also developed a process safety road map at Group level with guidance for the ventures, assets, and refineries on how to compile the road map for their facilities.

Employee competence in the field of process safety is ensured by a well-defined training plan as well as continuous communication of process safety topics and sharing of lessons learned and other relevant process safety information. Scenario-based emergency drills involving the site emergency management team are conducted quarterly in the refineries in addition to regular drills by the fire service.

At Borealis, the required HSE competence is defined by the "HSE training for own employees" procedure, which lists the relevant skills and provides a guideline for training employees in relevant HSE processes and practices.

In addition, we established the OMV Group Process Safety Network, creating an online collaboration platform including a reference library, discussion board, and other features. We hosted several online sessions for exchanging process safety knowledge across the Group, with participants from a variety of OMV countries working in different fields of expertise to foster continual learning.

Sustainability Strategy 2025 Target

- Keep leading position in Process Safety Event Rate

Status 2020

- 0.18 [11]

Action Plan to Achieve the Target

- Improve accuracy of data in the Active Risk Management System, and perform two operational impact assessments and two desktop reviews for confirming the barriers status
- Develop process safety road map at OMV Group level with guidance for the sites on how to compile the map for their facilities

SDG targets: 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination; 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally; 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

10 Tier 1, 2, and 3 PSEs as defined by API RP 754
11 The Process Safety Event Rate scope excludes work hours from the corporate functions General Management (OMV)/Executive Office (OMV Petrom) and Corporate Finance (OMV)/Finance Office (OMV Petrom).

Product Safety

OMV assumes responsibility for delivering safe, high-quality products. At the same time, we continuously work on exploring ways to reduce our environmental impact during our product life cycle. We take a comprehensive approach to product safety, with technologically advanced solutions used to deliver safe top-quality products, while taking action to ensure responsible use of our products.

Chemical substances, or products containing them, when not properly handled, can pose risks to health, safety, and the environment. These include potentially negative health effects such as sensitization, irritation, or intoxication; physical hazards such as fires, explosions, or exposure to dust; or environmental hazards such as bioaccumulation or persistence. We have established adequate processes and workflows to ensure our compliance with the EU regulations on Registration, Evaluation, and Authorization of Chemicals (REACH) and on Classification, Labelling, and Packaging (CLP) of substances and mixtures as well as with the Toxic Substances Control Act in the United States. Borealis has a Banned Substances List, which contains more than 220 substances and substance groups that the Group has banned for use in its production processes and products. The Banned Substances List can be found on the Borealis website.

We are committed to maintaining and updating our mandatory registrations so as to keep up with relevant regulatory developments. To this end, we closely follow the guidance published by the European Chemicals Agency and participate in the REACH consortia (Concawe, Lower Olefins and Aromatics, Fuel Ethers, Renewable Fuels, Phenol and Derivatives, Melamine, FARM [Fertilizer And Related Materials], Eurogypsum, etc.) as well as in working groups through oil and chemical industry trade associations. Safety data sheets are available on the OMV and Borealis websites. These documents are regulated under REACH and include comprehensive information on potential health, safety, and environmental issues. In addition, they inform customers and employees about how to handle and use our products safely.

Product safety is particularly important for our subsidiary, Borealis. All incoming chemicals used in Borealis' products are assessed, rated, and documented to ensure legal compliance before they are approved for use. Local teams then perform additional assessments at each plant to ensure the chemical meets plant-specific requirements and complies with national or community-related legislation. This process ensures that the procurement organization does not purchase any substance before the Product Stewardship team has reviewed and approved it. Once materials are approved for purchase, they are subject to Borealis' quality control to ensure they continue to comply with the agreed material properties. All materials are documented based on Borealis' knowledge of the exact composition of the raw material and on detailed information about the material's hazardous constituents. Proper documentation of the raw materials used is a key element of high-quality Borealis product compliance statements, such as safety data sheets (SDSs), application-related statements such as medical use, food contact, and drinking water, and other statements such as on raw materials origin.

Borealis has adopted a hazardous chemicals strategy. This follows the precautionary principle of continuously assessing the risk potential of all substances used in Borealis' products to identify critical chemicals no longer permitted to be used or that can be replaced by safer alternatives. This includes all substances which were already classified as substances of very high concern (SVHC) according to REACH and other comparable legislation beyond the EU or which fulfill the criteria to be considered as SVHC in the future. Examples include raw materials based on cadmium salts, octyl- or nonylphenol compounds, or many poly-halogenated organic compounds. The risk evaluation utilizes a tailor-made analysis and assessment tool which ranks the substances according to their overall risk. It considers related HSE risk and regulatory aspects, evolving stakeholder concerns, the technical feasibility of substitution, and the financial consequences of doing so, such as the required innovation costs, approval costs, and modifications to technical equipment. Substances with the highest identified risk are further assessed by the Product Stewardship Committee. The committee selects the substances to be evaluated using the Borealis Risk Matrix, which is a proprietary ranking tool to evaluate risks in detail. These assessments enable Borealis to identify, mitigate, and manage the risks posed by hazardous chemicals. In addition, Borealis is committed to the principles of Responsible Care® and enforces high product stewardship standards to ensure that its products do not pose a risk at any stage along the value chain. (For more information, see Process Safety).

Working With Customers

OMV aims to market its products in a responsible manner by engaging consumers in lowering greenhouse gas emissions. OMV also works in close collaboration with leading automobile manufacturers, research institutes, and universities to stay at the forefront of fuel technology. Our MaxxMotion premium fuels provide maximum power to vehicles, prolong engine life, and contribute to lowering emissions. Our MaxxMotion100-octane gasoline fulfills the highest fuel quality requirements in accordance with the Worldwide Fuel Charter, the guideline issued by major automobile and engine manufacturers' associations. [12]

Borealis also offers training and education to customers. Health care is one of the most sensitive application segments

12 CFPP value according to EN 590

in terms of reliability, hygiene, and product consistency. Sharing Borealis' expert product safety knowledge with value chain partners therefore makes an important contribution to helping customers continuously meet the highest product quality standards. Borealis shares this knowledge via formal customer training sessions and through technical dialogues throughout the year. Borealis also offers education and awareness activities for farmers regarding fertilizers to inform them about the proper use of chemical fertilizers and how to avoid groundwater and soil pollution.

Security

Corporate Security

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. An unstable geopolitical environment in 2020, combined with complex and enduring regional conflicts resulted in Corporate Security's emphasis remaining 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 never diminished. Political extremism, organized crime, and the increasing convergence of cyber risks with physical threats ensured the Corporate Security department's continued focus on a robust yet flexible security strategy to enable OMV to continue operating in dynamic environments such as this with converging asymmetric threats.

The philosophy of using information and protective intelligence as a preventive security instrument remains a fundamental principle of the Corporate Security 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.

The system proved invaluable during the early containment phases of the 2020 COVID-19 pandemic. Corporate Security was immediately able to manage and, where required, restrict travel to specific countries as infections spread there or they became subject to international travel restrictions. Effective utilization of the platform was fundamental in the proactive relocation of employees and families from countries where medical care was seriously compromised by the pandemic.

OMV Corporate Security 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 2020, 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 2021.

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, directly contributed to OMV's stable and secure operating environment in 2020. 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 of the human rights training target that forms part of the Sustainability Strategy 2025. (For more information, see Human Rights Training.)

COVID-19 Support in Yemen

Due to COVID-19 pandemic health and travel restrictions, OMV Security's ability to enable business initiatives in high-risk or semi-permissible environments has been understandably limited. In the second quarter of 2020, and despite the ongoing conflict and Saudi coalition air traffic restrictions, OMV Security teams in Yemen facilitated the delivery of critical medical supplies for the local governate of Shabwa by charter aircraft.

Years of ongoing conflict in Yemen have driven the country's health system to near collapse. In the face of the COVID-19 pandemic, international organizations warned that, without humanitarian support, this pandemic would be disastrous for the Yemeni population. OMV responded to this call and provided much-needed support to increase the treatment capacity of Yemen's health services. OMV donated COVID-19-related medical equipment and medical supplies, including hospital and ICU beds, ventilators, and associated equipment. Additionally, our donation included disinfectant and personal protective equipment (PPE) for medical workers.

Given the complexity of both the fighting and the COVID-19 pandemic in Yemen, this was a great logistical achievement. The medical equipment, consumables, ICU beds, and medicines were delivered directly to the Al Māfūd Hospital in the Arma district of the Shabwa governate, where OMV Block S2 is located. As required, OMV Yemen security teams also provide a secure environment to enable safe PCR/COVID-19 testing of local communities who live and work in the immediate vicinity of the Block, especially during routine crew changes.

SDG targets: 3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, waterborne diseases and other communicable diseases; 3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks

Information and Cybersecurity

In an increasingly interconnected global environment, information is exposed to a rapidly growing variety of risks, threats, and vulnerabilities. OMV invests in information and cybersecurity 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 which are ISO 27001 certified, supported by well-defined organizational responsibilities in order to implement the increased requirements of cybersecurity. We achieve this with our integrated IT [13] and OT [14] security framework, through which security standards are continually aligned, security requirements are detailed, tools for security risk assessment and prevention are implemented, and contract and incident management is set up.

We rely on a stable foundation of four core 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 of cybersecurity within OMV. 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 order to ensure that these trainings are effective, the various measures are monitored and adjusted if necessary.

Preventive measures are in place in order to lower the risk of security breaches by introducing new tools, individual detection strategies, and response plans in order to maintain a strong perimeter for our on-premise as well as our cloud environment. We ensure the stability of our operative processes through a holistic security architecture.

13 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.
14 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.

Detective and reactive measures are designed and executed on an ongoing basis to create transparency around existing risks, security gaps, and vulnerabilities. In order to protect our assets and eliminate intruders, we integrate detective and 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.

Environment

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.

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."

In striving to minimize the impact of our operations, we particularly emphasize issues of material importance to both OMV and our stakeholders. Environment, in particular spills management, is a material topic for OMV (see Material Topics). All aspects of 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.

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.

Odor Management Added to Environmental Management Standard

In 2020, OMV's Environmental Management Standard was revised and minimum requirements on odor emissions were established. Whenever odor and odor nuisance have or could have a relevant impact on the environment and the health of people, or might cause public concern, prevention or mitigation measures will be established, preferably by application of best available techniques (i.e., during design). An Odor Management Plan and Odor Complaint Management complement these if needed. Odor is a subjective matter, and its assessment is complex and often difficult to quantify. Although there are many guidelines and standards dealing with odors around the world, there are only a few specific regulations for odor. For example, in 2020, Romania passed a law to establish the regulatory frame for odor management. Methodological norms of application will be developed going forward. In this context, OMV Petrom, in partnership with the Oil and Gas Employers' Federation of Romania, initiated a project to identify international best practice in controlling and managing odor. The results will be provided to authorities in order to establish application norms for the odor law.

SDG targets: 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination; 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life-cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

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.

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 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 organizational 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.

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.

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. 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 CO_2 emissions trading obligations; the status of innovation project implementation; and progress on achieving sustainability-related targets. (For more information on sustainability governance, see Sustainability Governance.)

Environmental Compliance

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.

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 all our refineries, we monitor emissions of pollutants such as SO_x, NO_x, CO, particulate matter/dust, and (NM) VOC as required by European and national legislation and the respective permits. If emissions are found to be in excess of nationally prescribed limits and/or limits defined in a permit, additional monitoring stations are installed and measures are implemented.

EMS Certification

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 requirements 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.

OMV aims to achieve 100% compliance by all operational sites with the OMV Group Environmental Management Standard. 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.

A total of 65% of OMV sites, including all three refineries, have been certified to ISO 14001. [15] A total of 57% of OMV sites, including all three refineries, have been certified to ISO 50001. [16] In addition, OMV Deutschland GmbH also holds certification according to EMAS III (Eco Management and Audit Scheme).

Water

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. Produced water is treated 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. [17]

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

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.

6

SDG targets: 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all; 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally; 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

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 Environment, we will continue to plan to establish targets to improve water management. For the Sustainability Strategy 2025, however, we have prioritized safety and carbon-related targets. OMV's Water Strategy is currently under review.

Water-management-related risks are closely linked with the 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 monitor and to manage high-impact/low-probability risks, such as blowouts during offshore drilling.

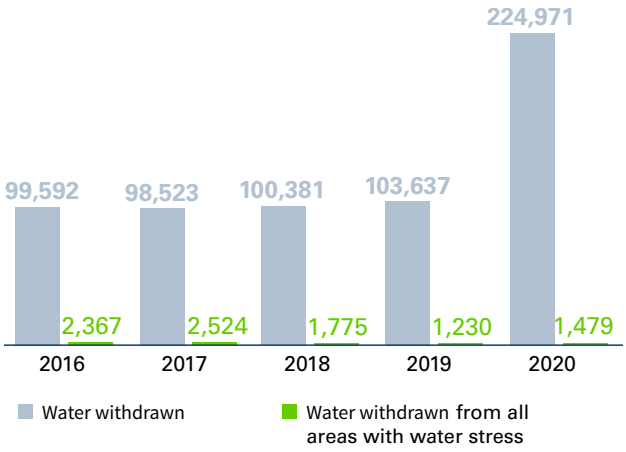
15 Excluding filling stations
16 Excluding Borealis and filling stations
17 Water-stressed areas are areas where the demand for water exceeds the available amount during a certain period or when poor quality restricts its use. In such areas, water stress causes deterioration of freshwater resources in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

Activities in Areas With Water Stress

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 (e.g., 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. Water management plans have been completed for 29% of priority sites, with the development of plans in progress at the remaining sites.

Water Withdrawn

In megaliters



A bottom-up approach in the assessment of water-related risks is taken in accordance with 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. In 2020, we evaluated the water risk for the Arpechim Terminal at OMV Petrom Downstream and for the Muntenia asset at OMV Petrom Upstream. The water risk assessment was performed by using an international methodology developed by WWF. Both river basin data and industrial activity data were analyzed. The evaluation takes into account physical criteria including water scarcity as well as compliance and reputational aspects. Given that some regions where OMV Petrom operates have already experienced water stress in dry years and that a further decline in water availability is expected, mainly due to climate change, we determined the need to continue implementing measures for efficient water use.

Results from these water risk assessments are used as input for assessing climate change-related water stress risk. In 2019, we evaluated the water risk at Petrobrazi, Brazi power plant, and the Crișana asset. In 2020, the results from these water risk assessments were used as input for the climate-change-related water stress under EWRM.

Interaction With Stakeholders

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) and treatment of wastewater

OMV pays particular attention to interaction with stakeholders in water-stressed areas.

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 on local communities, and outlines specific requirements for wastewater discharge onshore and offshore. The direct discharge of wastewater on land, in wetlands, or in other water bodies 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 impact must be managed appropriately.

Local regulatory and river basin authorities are involved to ensure that OMV is in compliance with local environmental regulations and has obtained all of the required permits.

In areas where OMV operations require large amounts of water, or areas that suffer from water stress, it is particu-

larly 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 and contractors working for OMV. This applies not only to our own operations but also to those of our suppliers, who sign and commit to following the OMV Code of Conduct. 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). If these assessments identify the need, 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 provides consent for the use of natural water resources in their area. Our Community Grievance Mechanisms also enable communities to raise concerns about water-related issues such as contamination. (For more information, see Community Relations and Development.)

Spills

Oil spills [18] 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
- 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. We conduct the spill response according to a plan which identifies appropriate resources (persons in charge and intervention materials) and expertise. It assists on-site personnel with dealing with spills by clearly setting out the responsibilities for the actions necessary to stop and contain the spill and to mitigate its effects. This includes techniques for preventing the spill from moving beyond the immediate site and collecting the spilled substance and contaminated material. Clear communication and coordination protocols are set out in the local plans, particularly where national or international response resources may be required.

We have a Well Integrity Management System in place, and detailed Hazard and Operability (HAZOP) and Hazard Identification (HAZID) studies have been conducted for all of our wells. We also carry out regular oil spill response drills and training. In addition, we rely on third-party support for capping and containment, surface clean-up, and emergency management.

In 2020, OMV Petrom continued to improve the Pipeline Integrity Management Program, even during challenging times. New and existing risks were prioritized using the Pipeline Integrity Management System software. The highest-ranked pipelines were targeted for complete or sectional replacement, again ensuring that our pipeline integrity efforts focus on the locations where the greatest risks exist. We also continued developing corrosion management plans for our high-risk pipelines along with projects to install "pig launchers and receivers" to enable cleaning and internal inspection of these pipelines. External coatings and cathodic protection are now mandatory for all new metallic pipelines in accordance with OMV Group and OMV Petrom standards and procedures. A pipeline inspection program is in place and functional for all pipelines with capability for internal inspection. The program is managed and planned in SAP CMMS (Computerized Maintenance Management System). The Hazard and Operability (HAZOP) Program for Upstream facilities had to be put on hold for 2020 due to COVID-19. However, we plan to increase the number by an additional 15 to 35

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

HAZOP studies in 2021. A leak detection and repair program using infrared detection cameras was also established and rolled out with its execution planned in CMMS. Retrofits of existing assets are now underway in some assets as are projects that reduce the number of facilities, thus reducing our carbon footprint.

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.

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.

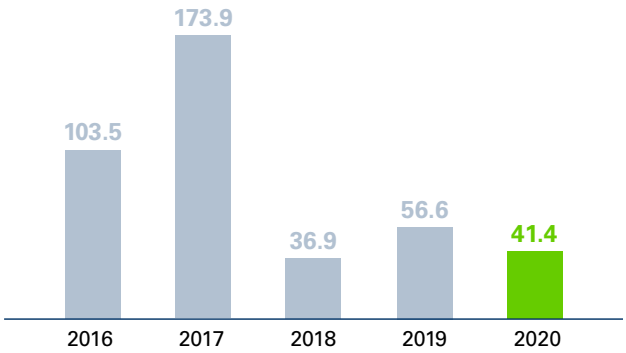
Spill Remediation

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. We approach remediation measures in line with the relevant legal requirements, which include clean-up, restoration, rehabilitation, and/or replacement of damaged environmental receptors. Due to the very effective and efficient cleaning and remediation techniques applied, oil spills recorded at OMV by 2020 had only a minor short-term impact on the environment.

We ensured that the affected land was fit for the intended use by implementing remediation measures including cleaning up spills (e.g., by excavation and clean earth filling) as well as relying on natural attenuation (recovery) based on the respective decision of the environmental authorities. Provisions are recognized in our accounts for the liabilities related to spills and cover cleaning and remediation costs.

Total Volume of Spills

In m^3



Oil Spill Performance

In 2020, we recorded no major hydrocarbon spill (2019: one major spill).

In 2020, 2,390 minor releases occurred (2019: 2,046). Total hydrocarbon spillage was around 41.4 m^3 (2019: around 56.6 m^3). [19] Spills and leaks were mainly due to the corrosion of aging infrastructure.

Pellet Spills

Plastic pellets released unintentionally during production, transportation, conversion, and recycling can end up in streams, rivers, and oceans. Preventing spillage is a core responsibility for the industry. Borealis is committed to achieving zero pellet loss in and around its operations and was therefore an early signatory to Operation Clean Sweep® (OCS), an international program initiated by the Society of the Plastics Industry and the American Chemistry Council and rolled out in Europe by PlasticsEurope. Borealis is also a signatory of the "Zero Pellet Loss" pact in Austria, which is the Austrian equivalent to OCS. Achieving zero pellet loss is a continuous journey and requires leadership, effort, investment, and targeted and effective work practices.

In 2020, the OCS requirements newly developed by PlasticsEurope were used as the basis for audits of all Borealis polyolefin locations. The audits confirmed that Borealis' locations in general live up to the requirements that will be the basis for the certification scheme. Nevertheless, there are still some gaps to be closed before all locations can be certified to the soon-to-be-released OCS standard.

Borealis' upgraded state-of-the-art water treatment system in Schwechat, Austria, became fully operational in 2020 as well. The EUR 6 mn investment in the novel filtering system at production facilities in Schwechat further minimizes the risk of plastic pellet loss. As there was no off-the-

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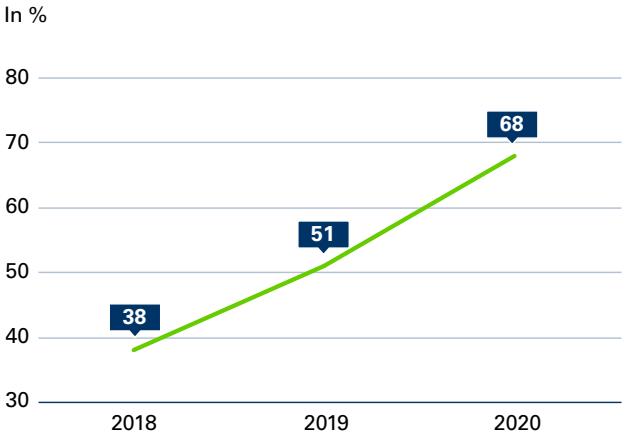
shelf technology available to suit the needs and expectations of this location, the solution was custom-built with the help of university partners and technology providers.

Waste

Production Waste

Waste Recovery or Recycling Rate



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. Waste is recovered and recycled where possible.

We apply best practices in the management of drilling waste. For example, in our OMV Petrom Upstream Crișana asset, inert drill cuttings stemming from water-based drilling waste are picked up by a waste management contractor and used as a stabilization agent for other waste (mostly sludge) along with other stabilization materials such as cement. The stabilized waste is subjected to a leaching test and, depending on the test results, can be used as cover layer in non-hazardous waste landfills.

OMV conducts knowledge-sharing on waste management. For example, as part of the 2016–2020 OMV-Gazprom Scientific & Technical Cooperation and Partnership, OMV and Gazprom experts share 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.

Waste Segregation in Yemen

In 2020, we implemented new waste management measures in Yemen. Previously, waste segregation was limited, with most waste simply burned. In 2020, the Yemen team devised new waste management solutions that include the segregation of waste and recycling of waste such as plastic and used batteries. Food waste is transformed into fertilizer using a food waste composter.

SDG targets: 12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including postharvest losses; 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

We also seek to reduce waste in our office operations. For instance, OMV Petrom has launched the Paperless Project, where it takes a close look at its day-to-day operations involving paper consumption and considers ways to reduce the related environmental impact. To this end, the company has deployed various initiatives under the umbrella "Go paperless," including implementing electronic signatures starting in 2017. The environmental benefits include reducing paper consumption, preventing paper waste, avoiding carbon emissions from courier services as well as minimizing the impact on natural resources required for maintaining controlled parameters (e.g., tem-

perature and humidity) in the storage rooms. In addition, increased business efficiency and reduced costs are among the wins of this project. Its implementation was gradual, starting with several flows of internal financial documents, then with external ones such as commercial contracts. An important step took place in 2020, when around 6,000 employees were provided with qualified electronic signature solutions for most types of documents. This technology helped the company reduce its paper consumption by 25% in 2020 versus 2019.

Decommissioning Activity

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. The views of local communities, especially of indigenous peoples, are incorporated and addressed throughout all phases of the project life cycle including during decommissioning or abandonment. OMV is committed to rehabilitating land and sets aside funds for this purpose. In 2020, EUR 4.1 mn in environmental provisions were recognized for rehabilitation. [20]

End-of-Life Waste

As a producer of plastics, we are deeply aware of the issue of plastic waste. Too often, unmanaged plastic waste is dumped in unsanitary landfills or burned, therefore increasing the risk of leakage into waterways, lakes, or oceans and thus causing negative impacts on the environment, marine life, and, potentially, human health. OMV and Borealis are committed to become a leading "plastic-neutral" producer. (For more information, see Plastics Recycling.) Borealis is a partner in the Ellen MacArthur Foundation's New Plastics Economy initiative (NPEC), a member of the EU's Circular Plastics Alliance, and a signatory to the "A line in the sand" initiative of the Ellen McArthur Foundation. Borealis has also signed a manifesto calling on UN member states to commit to the development of a global treaty on plastic pollution.

In 2017, Borealis initiated and co-founded Project STOP, a program that works hand in hand with cities to create low-cost circular waste management systems to prevent the leakage of plastics into the environment and oceans. Project STOP also creates community benefits, including jobs in waste management and a reduction of the harmful impact of mismanaged waste on public health, tourism, and fisheries. Project STOP is currently operating in three cities in Indonesia, and there are plans for further expansion. (For more information, see Community Investments.)

Project STOP uses a "system enabler" approach, wherein the entire system, not just certain areas, is the focus of improvement. At its core is a team of experts, who work with local governments, communities, and non-governmental organizations (NGOs) to establish a waste collection and recycling system on the one hand and improve the necessary institutional capacities, the legal framework, and the behavior of the population and ensure sustainable financing on the other hand. Project STOP has been joined by additional partners, who are each committed to bringing their expertise, know-how, and financial and technical support to the initiative. They include the Norwegian Embassy in Jakarta, NOVA Chemicals, Nestlé, the Alliance to End Plastic Waste, Borouge, and Siegwerk. In addition, Veolia, the Schwarz Group, and HP have joined as technical and supporting partners. (For more information on Project STOP, see www.stopoceanplastics.com/en_gb/.)

Copyright: Project STOP

Biodiversity

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 2020, OMV Petrom finalized 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.

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.

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Preventing Risks of Accidental Pollution in Protected Areas

In order to mitigate the potential operational risks to an environmentally sensitive area, OMV Petrom Upstream implemented a project for rerouting 2.5 km of the main oil pipeline from the Central Offshore Platform to the Midia Terminal in the Petromar asset. This segment of pipeline is located in a sandy, swampy area with a high water table where an effective response to a potential spill would have been difficult.

The environmentally sensitive area – RO SCI 0065 Danube Delta, which is a Site of Community Importance and part of the Danube Delta Biosphere Reserve and Danube Delta Razim-Sinoe Complex (Special Protection Area) – is home to the Mediterranean spur-thighed tortoise and the Mediterranean salt meadows protected habitat. It is around 1 km away from RO SPA 0076 Black Sea and the RO SCI 006 Maritime Zone of the Danube Delta.

The main scope of the project was installing a new pipeline segment (with a cathodic protection system to ensure long-term pipeline integrity) on a deviated route as well as decommissioning an old pipeline segment (by cleaning and sealing). The land was returned to its original status after the construction work, and the protected habitat was not affected.

SDG targets: 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements; 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

In 2020, we supported the following biodiversity-related projects in New Zealand:

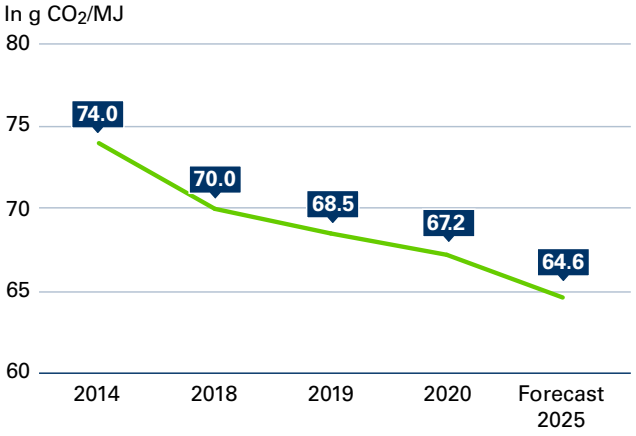
- A partnership with Ngāti Koata and the Department of Conservation for the Moawhitu lake and wetland regeneration project: OMV New Zealand's funding helped plant over 12,000 trees in 2020.
- A partnership with the Rotokare Scenic Reserve Trust protecting the endemic hihi bird (stitchbird) in this reserve located just outside of New Plymouth: Funds also support ongoing biosecurity work within and around the halo of the reserve.
- A partnership with Tiaki Te Mauri o Parininihi Trust in North Taranaki for monitoring the endangered kōkako bird
- A partnership with the Friends of Mana Island to assist with the regeneration of Mana Island to provide a secure ecosystem for endangered species: In 2020, OMV's funding helped translocate 150 white-faced storm petrels from the Chatham Islands to Wellington, with the aim of establishing a new colony on Mana Island.
- A partnership with the 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 2020, OMV New Zealand invested in a new partnership with Project Crimson, supporting two large-scale tree planting projects in Taranaki and Wairarapa over the next four years.

Carbon Efficiency

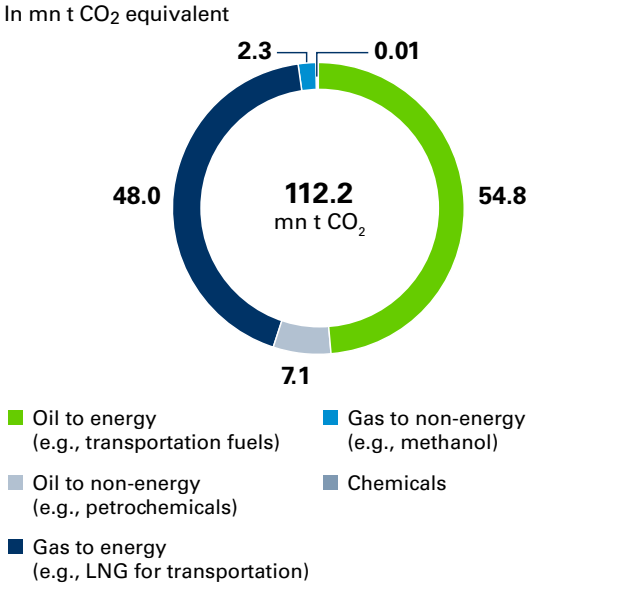
OMV clearly recognizes that climate change is one of the most important global challenges today and fully supports the goals set forth by the Paris Climate Change Agreement. OMV takes climate action in its operations, product and service portfolio, innovations and R&D activities, working environment, and social investments.

OMV is fully committed to climate change mitigation and responsible resource management, and has consequently set targets to manage and reduce the carbon footprint of our operations and product portfolio. In 2020, we set new carbon targets, pledging for the first time to become carbon neutral in our operations by 2050.

Carbon Intensity of Energy Supply [21]



GHG Scope 3 Emissions from Products [22]



21 The carbon intensity of the energy supply is measured by assessing the intensity of their Scope 1 and 2 emissions plus Scope 3 emissions (in g CO_2) from the use of sold energy products, against the total energy value of all externally sold energy products (in MJ).
22 Excluding Borealis; includes Scope 3, Category 10: Processing of sold products, and Scope 3, Category 11: Use of sold products

GHG Emissions from Operations

Reducing emissions from operations is an important strategic target for OMV and demonstrates our commitment to the material topic Climate Change and Energy Transition. Our goal is net-zero emissions from our operations by 2050 or sooner. OMV's carbon efficiency agenda focuses on process optimization, energy efficiency, and delivering projects that reduce our direct GHG emissions.

Carbon efficiency in operations is managed as part of the sustainability governance process, as described in the section on Sustainability Governance. The Executive Board approves carbon-related goals as part of the Sustainability Strategy and the Health, Safety, Security, and Environment (HSSE) Strategy, which reflects climate change targets, such as zero routine flaring by 2030.

OMV reduces greenhouse gas emissions from operations by applying energy efficiency measures, using renewable electricity, modernizing our equipment and processes, and reducing the venting and flaring of gas. (For more information, see Energy Efficiency and Flaring, Venting, and Fugitive Emissions.) Since 2009, our emissions reduction projects have already helped us cut our greenhouse gas emissions by 1.9 mn t CO_2 equivalent, and we intend to reduce emissions by at least another 1 mn t by 2025. In 2020, we continued implementing greenhouse gas reduction projects with an annual reduction of around 77,900 t CO_2 equivalent. [23]

New Compressor Station at Bustuchin

OMV Petrom Upstream developed a project related to the shutdown of Compressor Station 10GK Bustuchin at its Oltenia asset between 2017 and 2020, investing around EUR 5 mn in this project. Four new two-stage electric compressors and related auxiliary equipment were installed to replace the former Compressor Station 10GK Bustuchin, which had been in operation since 1989. The new facility, Compressor Station 2 Bustuchin, significantly reduces operational and integrity risks. This project enabled optimization of the gas compression system downstream to the Hurezani gas hub, which reduced direct GHG emissions by some 18,500 t CO_2.

SDG target: 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

In 2019, OMV achieved its 2025 carbon targets ahead of schedule. We therefore set new, more ambitious targets to reduce the carbon intensity of OMV's operations (Scope 1) and of the product portfolio (Scope 3) in June 2020. The Scope 1 emissions intensity will be reduced by at least 30%, previously 19% (vs. 2010). This will be achieved by reducing the carbon intensity of Upstream operations by at least 60% and of refining operations by at least 20%. Moreover, OMV and Borealis have set goals of achieving net-zero operations by 2050 or sooner. OMV is taking an active approach in transforming its future business operations.

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Sustainability Strategy 2025 Targets

- Reduce the carbon intensity of OMV's operations [24] by 30% by 2025 (vs. 2010)
- Reduce the carbon intensity of OMV's Upstream operations by 60% by 2025 (vs. 2010)
- Reduce the carbon intensity of OMV's refinery operations by 20% by 2025 (vs. 2010)
- Reduce emissions from operated assets by at least 1 mn t CO_2e in the period from 2020 to 2025

Status 2020

- Group intensity: reduction of 19% achieved by 2020 (vs. 2010)
- Upstream intensity: reduction of 37% achieved by 2020 (vs. 2010)
- Refinery intensity: reduction of 11% achieved by 2020 (vs. 2010)
- Absolute emissions: 77,900 t CO_2e reduced in 2020 through concrete emissions reduction initiatives

Action Plan to Achieve the Targets

- Upstream business segment phasing out routine flaring and venting
- Energy efficiency improvements in OMV Upstream and in refineries
- Fugitive methane emissions reduction through field modernization, integrity improvement, and operational measures (e.g., Leak Detection and Repair [LDAR] program, Green Kaizen)

SDG targets: 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix; 7.3 By 2030, double the global rate of improvement in energy efficiency; 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

In 2020, carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) emissions levels directly related to our operations (Scope 1) totaled 10.7 mn t CO_2 equivalent (2019: 10.6 mn t CO_2 equivalent). The other GHGs are not relevant to our business and therefore have not been included in our figures.

OMV is taking a number of steps to reduce emissions from operations, such as increasing our energy efficiency and phasing out flaring. (For more information, see Energy Efficiency and Flaring, Venting, and Fugitive Emissions.) We are also increasingly turning to renewable sources of electricity to power our operations. For instance, we have invested EUR 2.1 mn to install solar panels at 82 filling stations in Romania to provide power to these stations. Notably, Borealis aims to source 50% of total electricity consumption from renewable sources in major business areas.

24 CO_2 equivalent emissions produced to generate a certain business output using the following business-specific metric – Upstream: t CO_2 equivalent/toe produced; refineries: t CO_2 equivalent/t throughput (crude and semi-finished products without blended volumes); power: t CO_2 equivalent/MWh produced – consolidated into an OMV Group Carbon Intensity Operations Index, based on weighted average of the business segments' carbon intensity

Schönkirchen Photovoltaic Plant Powers OMV Operations

OMV and electricity producer VERBUND have joined forces to build Austria's largest photovoltaic plant. The plant with a PV capacity of 11.4 MWp was built on a 13.3-hectare (133,200 m^2) compound owned by OMV in Schönkirchen in the first phase of construction. The east-west facing solar park will use 34,600 PV modules to produce around 10.96 GWh of solar power, corresponding to the annual electricity consumption of some 3,400 households. This will reduce emissions by around 8,000 t CO_2. Operation started successfully in December 2020. By the end of 2021, another 10,400 PV modules will be added to the plant in the final phase of construction. This will increase the total capacity to 14.85 MWp for total power generation of around 14.25 GWh, which is enough to meet the annual demand of 4,400 households. Emissions will be reduced further by an additional 2,400 t CO_2 per year.

7

SDG target: 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Borealis Sources Renewable Energy

In 2020, Borealis signed a long-term power purchase agreement with Eneco to source renewable electricity from Mermaid. The agreement covers the purchase and supply of over 1,000 GWh of wind power over the next decade, with delivery to begin in January 2021. By increasing the share of renewable power in its overall energy consumption at its Belgian production facilities, Borealis is moving closer to its aim of sourcing at least 50% of the electricity used by its Polyolefins and Hydrocarbon & Energy business areas from renewable sources by 2030. The renewable electricity generated within the framework of this agreement will reduce Borealis' indirect CO_2 emissions at its Belgian operations by approximately 20,000 t per year.

7

SDG target: 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Norwegian Offshore Operations Powered by Wind Farm

Hywind Tampen, the world's first renewable power project for offshore oil and gas, is an 88 MW floating wind farm designed to provide electricity to the Snorre and Gullfaks offshore field operations, operated by Equinor, in the Norwegian North Sea. The Hywind Tampen project consists of eleven wind turbines with a combined capacity of 88 MW, estimated to be enough to meet 35% of the annual power demand of the five platforms. This wind power solution will help reduce the use of gas turbines for the Snorre and Gullfaks offshore fields, while also offsetting 200,000 t of CO_2 emissions and 1,000 t of NO_x emissions per year. OMV holds a 19% stake in the Gullfaks field.

7

SDG target: 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

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.

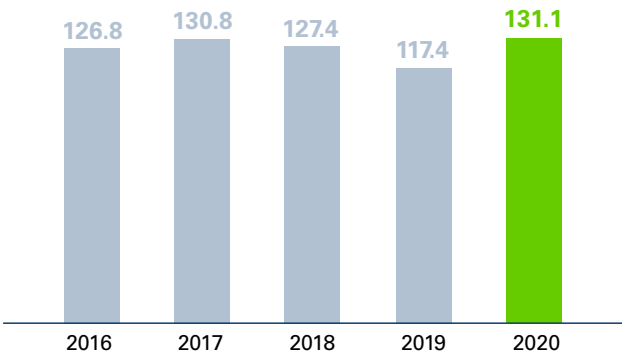
Energy efficiency measures therefore have a considerable effect on issues relating to energy consumption of interest to stakeholders:

- 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.

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 CO_2 emissions are a strong focus of our refineries. Energy efficiency measures implemented in our three refineries in 2020 make an annual decrease of more than 22,000 t CO_2 equivalent and energy savings of 246 TJ possible. GHG reduction projects implemented in our refineries between 2009 and 2020 have so far enabled a total reduction of 760,000 t CO_2 equivalent.

Revision Program at Schwechat Refinery Leads to Energy Efficiency Innovations

Four steam turbines generate 85% of the electricity needed to operate the Schwechat refinery. During the revision program, three of the four steam turbines were overhauled. Two of the turbines have already been fitted with state-of-the-art 3D blade geometry, with the third set to follow in the coming year. Cutting-edge blading enhances the performance of the steam turbines and thereby their efficiency, while simultaneously reducing CO_2. By the end of 2020, 40,000 t were reduced.

SDG targets: 7.3 By 2030, double the global rate of improvement in energy efficiency; 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

In 2020, we continued to develop projects to obtain electricity (gas to power; G2P) or electricity and useful thermal energy (Cogeneration or Combined Heat & Power; CHP) from gas in Upstream. For instance, in OMV Petrom Upstream, we finalized G2P Icoana and G2P Ţintea Phase 2 and initiated other two new G2P projects: G2P Oarja in the Muntenia Vest asset and G2P TF Baicio Vest in the Muntenia asset. These projects allow us to supply between 61% and 66% of the annual electricity used by our OMV Petrom Upstream business and to also cut production costs.

Flaring, Venting, and Fugitive Emissions

Phasing out routine flaring is one of the essential steps toward combining resource efficiency with long-term economic success and a way to strongly support our efforts to reduce the carbon footprint of our operations. In 2020, routine flaring at OMV totaled 462 mn m^3. [25] In 2017, to reinforce our clear commitment to responsible resource management and sustainable business, we also endorsed the World Bank's "Zero routine flaring by 2030" initiative to end routine flaring of associated gas during oil production by 2030. We report annually to the World Bank on our progress in adherence to this initiative.

New OMV oil and gas fields are developed and operated according to plans that incorporate sustainable utilization or conservation of the field's associated gas without routine flaring. Existing sites where routine flaring of associated and free gas still takes place are required to develop a phase-out plan to eliminate legacy routine flaring as soon as possible, but no later than 2030.

In refineries, state-of-the-art plant design is implemented in order to avoid routine flaring by flare gas recovery and balancing the fuel gas system. Such advanced process control includes sufficient capacity of the flare gas recovery system, the use of high-integrity relief valves, and other economically viable organizational and control measures. As a result of such measures, we aim to use flaring as a safety system for other than normal operations, such as start-up, shutdown, emergency, process upsets, and others.

Sustainability Strategy 2025 Target

- Achieve zero routine flaring and venting of associated gas by 2030

Status 2020

- Volume of gas routinely flared decreased from 501mn m^3 in 2019 to 462 mn m^3 in 2020

Action Plan to Achieve the Target

- Prepare and approve routine flaring phase-out plans
- Continue with ongoing flaring and venting reduction projects
- Systematically monitor and report on GHG performance
- Report our progress on routine flaring phase-out in conjunction with OMV's commitment to the World Bank

SDG targets: 7.3 By 2030, double the global rate of improvement in energy efficiency; 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

All OMV operations are required to minimize methane emissions from point sources as well as technically unavoidable emissions (such as well testing and well workover, among others). The main sources of methane emissions are routine/non-routine venting of gas during oil and gas production and processing as well as gas leaks.

Methane emissions and other non-methane volatile organic compounds (NMVOCs) are monitored or estimated and controlled systematically by leak detection and repair programs. The identification of methane and NMVOC emissions sources serves as the basis for developing reduction projects in accordance with best practice in the industry and the best available technologies.

25 Excluding Borealis

Knowing the main potential sources of methane emissions also allows us to implement precautionary measures for preventing such emissions in new production assets.

The minimum requirement for identifying leaks is conducting routine audio, visual, and olfactory inspections as part of daily operator rounds at all relevant OMV operating facilities. Leak detection also entails soap-bubble testing and optical gas imaging with defined scopes and intervals (annually or more frequently, as required in accordance with a related risk assessment). At some facilities, infrared cameras are also used for leak detection.

In order to prevent as well as to mitigate fugitive emissions, we have taken important steps, such as implementing a pipeline integrity program and modernizing facilities such as compressor stations.

Green Kaizen Events Decrease Fugitive Emissions

OMV Petrom Upstream implemented a Leak Detection and Repair (LDAR) program in all assets as part of Green Kaizen events in 2020. The aim is to remediate all leaks identified in the respective location, while raising awareness of low-carbon operations among field personnel and local contractors. The Green Kaizen events consist of five main activities: leak identification, volumetric measurement of fugitive gas leaks, leak repairs, post-repair measurement in repaired sources, and, finally, the assessment of results. These activities aim to encourage employees to see the problem, understand the size of the problem, implement the solution, confirm the solution, and sustain the result. In 2020, we succeeded in decreasing fugitive emissions through two Green Kaizen events at large facilities in our Crișana and Oltenia assets. We intend to continue this approach in all operated assets and to incorporate lessons learned and best practices to ensure that we achieve the targets we set.

SDG targets: 7.3 By 2030, double the global rate of improvement in energy efficiency; 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries; 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

GHG Emissions from the Product Portfolio

In 2020, our Scope 3 emissions totaled around 118 mn t CO_2 equivalent (2019: 126 mn t CO_2 equivalent) and related to total product sales volumes as well as purchased goods and services and capital goods at all our fully consolidated companies. [26]

About 87% of OMV's products are directly used for combustion. Scope 3 emissions from the use and processing of our products as well as from purchased goods and services and capital goods therefore constitute around 91% of our impact in terms of GHG emissions. [27]

The development of low-carbon products and new energy solutions to reduce this major impact is therefore central to the material topic of Climate Change and Energy Transition. In this regard, we have developed strategic targets to shrink the carbon footprint of our product portfolio. By 2025, the carbon intensity of the product portfolio (Scope 3 emissions) will be reduced by at least 6%, previously 4% (vs. 2010), by ensuring that at least 60% of our product portfolio is made up of low-carbon or zero-carbon products by 2025. [28]

Achieving this goal will entail stepping up our sales of gas, renewables such as biofuels, power, and petrochemicals.

We continued to build the New Energy Solutions department in 2020 to further develop our low-carbon business solutions and technologies. This unit develops small- and large-scale low-carbon technologies for energy supply, for mobility, and for industry. New Energy Solutions connects to OMV's core competencies and maintains a direct link to the existing business. First studies and projects were initiated in the course of 2020, e.g., in the areas of hydrogen, carbon capture and utilization

26 Excluding Borealis
27 We take into account the impact of the products sold by OMV to external customers and on the market. Intracompany sales between OMV subsidiaries are not taken into account in order to avoid double-counting GHG emissions from products and services. Our Scope 3 figures for 2020 do not include Borealis.
28 Low- or zero-carbon sales comprise oil and gas to non-energy, gas to energy, renewables, power, and petrochemicals third-party sales.

(CCU), alternative usage of subsurface reservoirs, and renewable energy. We have set up a centralized portfolio management for all New Energy Solutions projects within the OMV Group and integrated it into the Group's planning, budgeting, and strategy development activities.

Oil remains a valuable and important raw material which, however, will be refined in petrochemical processes rather than burned. OMV focuses on high-quality refinery products such as low-emission premium fuels and feedstocks for the chemical industry. The acquisition of Borealis was a key step to transforming our product portfolio with the goal of using our equity oil to produce petrochemicals. (For more information, see Petrochemicals and Plastics.)

Sustainability Strategy 2025 Target

- Increase the share of low-/zero-carbon products to at least 60% by 2025

Status 2020

- 61% [29]

Action Plan to Achieve the Target

- Reduce the carbon footprint of OMV's product portfolio by increasing the gas-to-oil ratio in Upstream production, increasing gas sales in Europe, and shifting to higher-value-added petrochemical products, which in combination with recycling of the plastics used will increase resource efficiency
- Research alternative feedstocks, technologies, and fuels such as hydrogen and CNG to develop innovative energy solutions aligned with demand trends

SDG targets: 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix; 7.3 By 2030, double the global rate of improvement in energy efficiency; 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Gas for Industry

Natural gas is the fossil fuel with the lowest carbon intensity. As such, natural gas is the fastest growing major energy source among fossil fuels, supported by strong global decarbonization policies and more stringent emissions standards. Gas demand will grow at an annual rate of 1.2% by 2030. This is attributable to the ability of natural gas to displace coal in the power generation sector. It also provides a reliable fuel source for the energy transition, serving as backup for the increasing share of renewables in the power generation mix.

Gas (natural gas, biomethane, hydrogen, and synthetic methane) supports the integration of renewable energies. That is why OMV is actively exploring options with partners for taking the key power-to-gas technology to an industrial scale. With power-to-gas, wind and solar energy can be stored as hydrogen and sector coupling becomes a reality. Separate gas and electrical grids have the potential to become one energy cloud with fluid transitions. OMV also operates gas infrastructure (pipeline and storage facilities) in Austria and Germany, which are essential for ensuring the security of supply in our markets. The gas infrastructure will also play an essential role in cost-effectively making the shift toward carbon-neutral gas solutions (synthetic gas, biomethane, and hydrogen) and an integrated energy system.

Gas sales rose significantly in 2020. Total gas sales in Downstream Gas amounted to 164.0 TWh (2019: 136.7 TWh). In Upstream, OMV has been consistently increasing the share of natural gas in production and aims for gas to account for around 60% of the production portfolio. In 2020, gas production accounted for 62% (2019: 57%) of total Upstream production.

29 Nearly all major oil products were impacted negatively in 2020 due to COVID-19. Read more about the impact of COVID-19 on OMV's 2020 business in the Annual Report.

Climate-Neutral Gas Offering for Customers

In 2019, we began offering our B2B customers the option of procuring climate-neutral gas. In 2020, we rolled out climate-neutral gas at our filling stations in Austria and Slovenia. Through our cooperation with ClimatePartner, we are able to offer our customers a carbon-offsetting service for emissions generated during the consumption of gas. We have defined a rigorous set of criteria and standards for the selection of climate protection projects to ensure optimal emissions offsetting verification. For instance, the technologies we selected for climate protection in our projects are wind power and forest protection. Climate protection projects are verified according to the internationally recognized standards for voluntary emissions reduction: the Verified Carbon Standard (VCS) and the Gold Standard (GS).

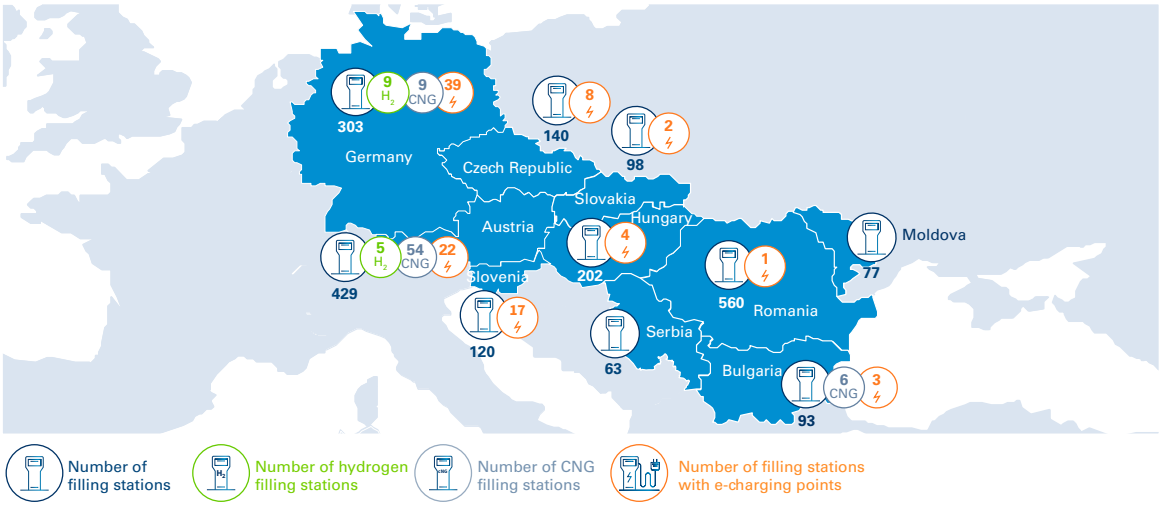
SDG target: 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Future Mobility

OMV provides various solutions suited to different types of transportation, including successfully reducing CO_2 emissions for short-distance passenger transportation as well as for long-haul heavy-duty transportation. Whereas battery-powered electric vehicles present a suitable option in the first case, natural gas and hydrogen are a more efficient option for the latter. Directly and through its partnerships, OMV offers several options for lower-carbon transportation such as electricity, compressed natural gas (CNG), liquefied natural gas (LNG), and hydrogen. In addition, Borealis' automotive solutions offer ideal replacement solutions for conventional materials like metal, rubber, and engineering polymers. Borealis' material solutions help facilitate lightweight construction and thus play an important role in enhancing fuel efficiency. Over the lifespan of an automotive application like a bumper, for instance, 8 kg of carbon emissions can be avoided by using 1 kg of polypropylene (PP). Using lightweight materials is also important in hybrid and electric vehicles to mitigate their high battery weight.

In 2020, OMV invested EUR 2.3 mn (2019: EUR 1 mn) in future mobility assets.

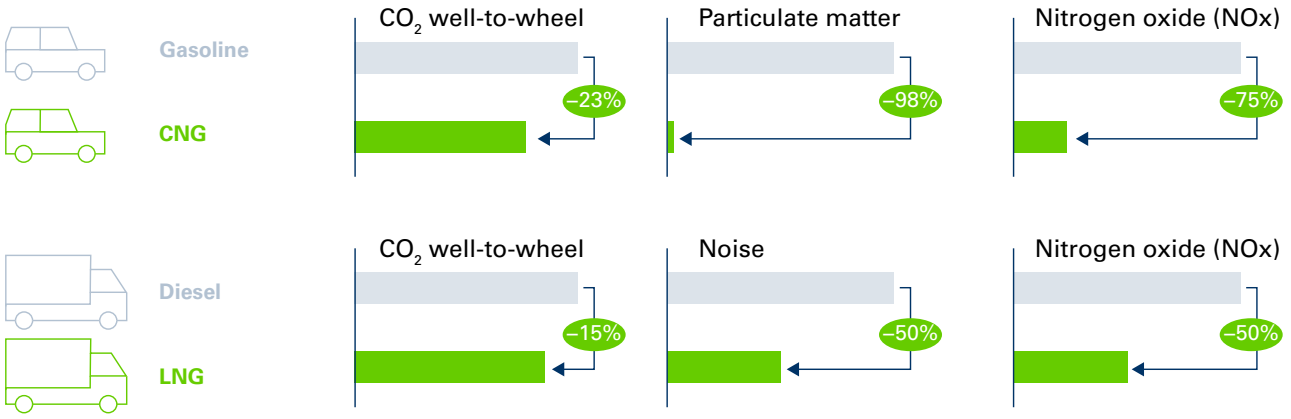
Retail



Gas Mobility With CNG and LNG

Natural gas is a clean, safe, and readily available alternative fuel for transportation. Natural gas vehicles (NGVs) provide a cleaner mobility alternative with emissions reductions of up to 23% less CO_2, 75% less nitrogen oxide, and 98% fewer particulates.

Emission Savings With Natural Gas (CNG and LNG) vs. Gasoline and Diesel (Euro 6)



Sources: thinkstep, EMPA, Volkswagen, Equilibre

According to an analysis by the Natural & bio Gas Vehicle Association (NGVA Europe) and the European Biogas Association (EBA), which published the Roadmap to 2030, the number of LNG trucks in Europe is expected to increase to 280,000 by 2030. The growing popularity of this fuel is attributable to the benefits of lower CO_2 and particulate matter emissions as well as less noise. We are preparing to expand the requisite infrastructure. In the first half of 2021, we will open our first LNG filling station to supply our heavy-duty truck customers with this alternative fuel. OMV also operates 69 CNG filling stations in Europe, 54 of which are in Austria.

Hydrogen Mobility

OMV considers hydrogen to be a key solution for decarbonization and actively contributes to the development of the hydrogen filling station network in Austria and Germany in order to enable sustainable mobility.

OMV has been pioneering hydrogen filling stations in Austria and Germany, with Austria's first public hydrogen filling station in Vienna opening in 2012. Additional stations were unveiled in Innsbruck, Asten, Graz, and Wiener Neudorf. In Germany, where OMV is part of the H_2 MOBILITY initiative, there are nine OMV hydrogen filling stations in Bavaria and Baden-Württemberg operated by H_2 MOBILITY Deutschland GmbH & Co. KG, in which OMV is a shareholder. This initiative intends to build a country-wide hydrogen refueling station network in Germany by 2023. At the end of 2020, 90 filling stations were in operation.

OMV will continue to conduct pilot projects with industry partners in order to develop a business model for the cross-sector use of hydrogen gas (H_2). The aim is to establish hydrogen as a pathway for carbon-neutral mobility, especially in the freight and public sectors. We will also advocate for the use of H_2 for balancing the electricity grid in view of the increasing strain from intermittent renewable electricity sources. Currently, OMV is engaged in several pilot projects, including the UpHy project, which involves the production of hydrogen for use in the mobility sector and in the refining process.

UpHy Aims to Upscale Green Hydrogen for Industry and Mobility

OMV aims to provide various solutions suited to different types of transportation, including successfully reducing CO_2 emissions from short-distance passenger transportation as well as from long-haul heavy-duty transportation. OMV has been developing the UpHy project since 2018. The construction of a large electrolysis plant generating up to 10 MW is planned for this purpose. The electrolysis will be powered by renewable electricity, so the plant will produce green, zero-carbon hydrogen. The green hydrogen will initially be used in the Schwechat refinery for the hydration of vegetable oil and fossil fuels, thus reducing the CO_2 emitted by up to 15 kt per year. The second step will be to use the green hydrogen for decarbonizing "hard-to-electrify" transportation segments like buses and trucks. OMV aims to build a new H_2 filling station for buses and heavy-duty vehicles close to Vienna. This is the first project of its kind in Europe and aims to not only lower production costs but also to demonstrate the lowest downtimes and highest plant availability for commercial use in industry and mobility. In addition to the electrolysis system, OMV will build the entire value chain, including H_2 trailer loading, trailer logistics (using 300 bar trailers in Austria for the first time), and a high-availability, energy-optimized bus fueling station. One of the goals is to supply the first commercial H_2 bus line in Europe.

7

SDG target: 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

As part of the H2Accelerate initiative, OMV, Shell, Daimler Truck AG, IVECO, and the Volvo Group made a commitment in 2020 to work together to help create the conditions for the mass-market roll-out of hydrogen trucks in Europe. Achieving a large-scale roll-out of hydrogen-fueled trucks is expected to create new industries: zero-carbon hydrogen production facilities, large-scale hydrogen distribution systems, a network of high-capacity refueling stations for liquid and gaseous hydrogen, and the production of the hydrogen-fueled trucks themselves. The decade-long scale-up is expected to begin with groups of customers willing to make an early commitment to hydrogen-based trucking. These fleets are expected to operate in regional clusters and along European high-capacity corridors with good refueling station coverage. During the next decade, these clusters can then be interconnected to build a truly pan-European network.

E-Mobility

Currently, e-charging points are available at 96 OMV filling stations in Austria, Bulgaria, Czech Republic, Germany, Hungary, Romania, Slovakia, and Slovenia. We continue to develop our charging network via numerous partnerships and joint ventures. Through our 40% interest in SMATRICS, Austria's leading e-mobility infrastructure provider, OMV is part of a SMATRICS-operated network of more than 450 e-charging points, powered 100% by renewable energy. In 2020, international roaming was activated on the OMV ROUTEX e-mobility card for Austrian customers.

OMV Petrom Installs Fast-Charging Stations for Electric Vehicles

OMV Petrom and Eldrive, the leading electric vehicle charging points operator in Southeastern Europe, have partnered to install 30 fast-charging stations for electric vehicles in OMV branded filling stations in Romania and Bulgaria. The project will take approximately two years. In 2020, three stations were installed. The new charging station network will allow drivers to charge the electric vehicle's battery up to 80% in approximately 40 minutes. In addition, OMV Petrom and Enel X România, member of Enel X, the division of advanced energy services of the Enel Group, will install ten fast-recharging stations for electric cars at OMV and OMV Petrom filling stations during the next months.

7

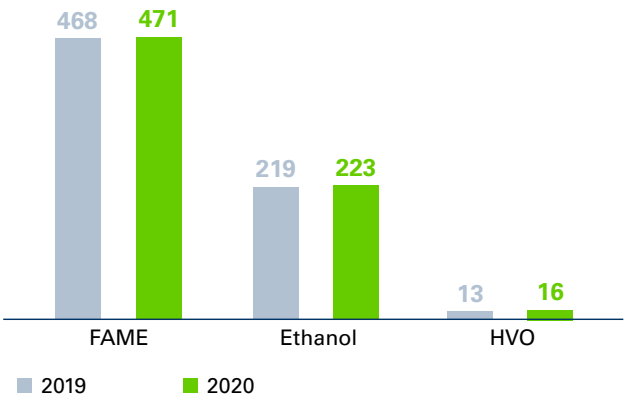
SDG target: 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Biofuels

All biofuels purchased by OMV in 2020 and used for blending meet the requirements of the EU's Renewable Energy Directive (2009/28/EC). Since 2013, the ISCC-EU certificate issued for OMV Refining & Marketing GmbH has been renewed on an annual basis. OMV Petrom, OMV Hungary, OMV Czech Republic, and OMV Slovenia are also certified according to the ISCC-EU standard.

Biofuel Volumes [30]

In megaliters



OMV purchases biodiesel (FAME) mainly from European producers that use very little palm oil. In 2020, of all biofuels placed on the market by OMV, only around 2.7% were based on palm oil. Certain biofuels are almost exclusively available with palm oil as the feedstock. However, ISCC standards require that no deforestation take place from January 2008 onward for any feedstock that is used for biodiesel generation.

We plan to increase the use of regional rapeseed oil and used cooking oil as well as other potential waste and advanced feedstock, which is made possible using our Co-Processing technology. (For more details, see Bio-Waste as Raw Material.) In 2019, OMV and AustroCel Hallein GmbH signed a multi-year agreement to supply advanced bioethanol. The fuel components will be derived exclusively from spruce-based cellulose, which is a scrap material from the sawmill industry. These advanced biofuels will be added to OMV gasoline and will contribute to reducing the carbon intensity of OMV's product portfolio. The first successful trial delivery of the advanced bioethanol occurred in December 2020. Since January 2021, AustroCel Hallein GmbH is delivering 1.5 mn l per month to OMV. Substituting biofuel for fossil fuel will reduce emissions by around 45 kt CO_2 per year.

Sustainable Aviation Fuels

Synthetic fuels made of CO_2 and water are a key technology for decarbonizing the aviation industry. OMV is working on a project to construct and operate an electrolyzer using green electricity, water, and CO_2 from the refinery to produce what is known as "syngas." This syngas will then be synthesized into sustainable aviation fuel using the Fischer-Tropsch process.

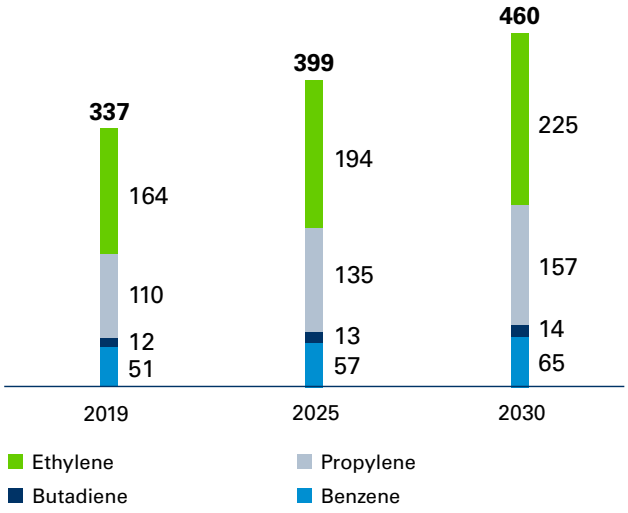
30 2019 figure restated and 2020 figure estimated as both Austria and Germany data are based on year-to-date actuals plus a forecast for the remaining months each year, given that the annual deadline for closing all biofuel balances of a given year is not before the publication of the Sustainability Report

Petrochemicals and Plastics

Responsible use of natural resources means not only producing and processing them efficiently but also maximizing their value for society. For crude oil, this translates into finding long-lasting high-tech applications for hydrocarbons rather than burning them as a fuel. Products that are made from petrochemical products, such as ethylene, propylene, and butadiene, are largely used in our daily life.

Global Petrochemical Demand

In mn toe



Economic development will drive a significant increase in the demand for petrochemical products. Demand for olefins, such as ethylene, propylene, butadiene, and benzene, is expected to increase by 37% by 2030.

In 2020, OMV acquired a majority stake in Borealis, a leading producer of polyolefins, upping the shareholding from the previous 36% to 75%. The purchase of a controlling majority in Borealis makes OMV a leading provider of polyolefins and base chemicals. OMV's refineries produce mainly ethylene and propylene, which are further converted into polyethylene and polypropylene at Borealis. The joint production capacities make OMV and Borealis the number one producer of ethylene and propylene in Europe and one of the top ten polyolefin producers worldwide. The acquisition is a strategic extension of OMV's value chain into high-value chemicals.

Increasing the share of petrochemicals and plastics in our product portfolio will reduce its carbon intensity: Using petrochemical products does not produce CO_2 emissions unlike using combusted fuel products. This is also a significant contributor to achieving our goal of ensuring that 60% of our product portfolio is composed of low- and zero-carbon products by 2025.

Furthermore, polyolefins are used to make products that are important for the energy transition, such as solar panels and cables for transmitting renewable electricity. For instance, a high-voltage direct current (HVDC) cable compound based on Borealis' Borlink™ technology is being used in cross-linked polyethylene (XLPE) power cables in the "German corridor projects." This enormous undertaking will transport renewable energy from wind farms off the north coast of Germany to southern areas of the country. In addition, Borealis' pioneering solutions are transforming what is possible with photovoltaic technology. Borealis' Quentys encapsulant film considerably improves the reliability and durability of photovoltaic modules by enabling superior resistance to ultraviolet rays, a low rate of water vapor transmission, and no acetic acid or potential-induced degradation (PID). The technology offers a proven solution for increasing power output and reducing output decay, with minimal risk of electrochemical defects. There are substantial savings for the end user too, because degradation of the modules is significantly reduced over the module's lifetime compared to traditional technology.

Innovation

OMV seeks innovative solutions to optimize operations, explore business opportunities, and establish new business models. We develop new technologies and products with the aim of reducing our impact on the environment, increasing efficiency, and achieving our main goal of lowering the carbon intensity of our operations and product portfolio.

We believe that transitioning to a circular economy will significantly reduce our impact on the environment and our CO_2 emissions. A circular economy decouples economic growth from resource constraints, while eliminating as much as possible the leakage of waste into the environment and, in particular, into the oceans as well as to landfills. The circular economy will also curb global warming. Through the efficient use of our precious resources, we can recover and reuse byproducts or waste to make new materials and products. This process has the potential to greatly decrease associated emissions across product value chains.

The creation of a truly circular economy also has wider societal implications. It will provide economic benefits to society by reducing the major financial burden of ineffective waste management systems and pollution management, and will create new business opportunities and employment at various stages of the value chain. A circular economy will also result in better living and working conditions, and in general in a cleaner environment.

In 2020, OMV took a major step in its circular economy and innovation journey through the acquisition of a controlling stake in leading polyolefins producer Borealis. Borealis' innovative activities in plastics recycling, such as the Ecoplast and mtm plastics recycling plants, and initiatives, such as Project STOP (see also Waste and Community Investments) and the Design for Recycling (DfR) initiative, are perfect additions to OMV's ReOil® technology for chemical recycling of post-consumer plastic to synthetic crude.

OMV manages the development of innovative technologies and the transition to a circular economy in a number of ways: through investments, through innovation centers to harness innovation inside the organizations, and through strategic partnerships.

Investments

We are committed to becoming a major player in the circular economy and will invest up to EUR 1 bn by 2025 in innovative energy solutions such as ReOil®, Co-Processing, hydrogen, and mechanical recycling for a circular economy and lower-carbon future. In 2020, EUR 45.4 mn were invested in sustainability innovations in Upstream and Downstream.

The Group's research and development (R&D) expenses increased from EUR 49 mn in 2019 to EUR 61 mn in 2020. Out of total R&D expenses in 2020, EUR 13 mn (or 21%) was attributable to low-carbon solutions, such as hydrogen, advanced fuels, plastics recycling, Co-Processing, carbon capture and utilization, and other Upstream and Downstream innovations.

Innovation Centers

In 2020, OMV opened its Innovation & Technology Center (ITC) in Gänserndorf. The outstanding technologies of OMV Upstream, which are developed in the Weinviertel region of Austria and used worldwide, are exhibited on around 1,600 m^2 by using state-of-the-art presentation technology. The main focus is placed on the technology areas of geology and geophysics, drilling technology, artificial lift, smart oil recovery, material and corrosion, saltwater treatment, and nanotechnology. Sustainability is the connecting factor for all technologies. The ITC is intended for OMV business partners, investors, OMV employees, and universities, as well as schools and interested visitors.

Borealis' key innovation sites are its Innovation Headquarters (IHQ) in Linz, Austria, and two Innovation Centers: in Stenungsund, Sweden, and Porvoo, Finland. Three PE and PP pilot plants are also integral to Borealis' competencies in innovation and technology. Two of these pilot plants are in Porvoo and one is in Schwechat, Austria. Borealis' innovation facilities engage in independent but coordinated efforts, with the common aim of developing innovative solutions that provide added value for customers and end users. The IHQ's main R&D focus is on polymer design and compound research for polymer applications in the energy, automotive, advanced packaging, and health care industries. In the Innovation Center in Stenungsund, the focus is on polymer design, scientific services, and R&D in the area of energy and infrastructure industry solutions. The Innovation Center in Porvoo is an important site for advanced catalyst and process research, as it includes catalyst scale-up facilities and fully integrated Borstar™ PE and PP pilot plant lines. All Innovation Centers collaborate closely with local and international universities and research institutes.

The Borouge Innovation Center in Abu Dhabi, UAE, cooperates closely with Borealis' Innovation Centers to explore enhanced infrastructure, automotive, and advanced packaging application solutions.

Collaboration With Research Institutions

OMV collaborates globally with universities, research institutes as well as with industry partners and relevant initiatives.

For example, OMV and Borealis cooperate with various research institutions in the following areas:

- Hydrothermal liquefaction of biomass waste to bio-oil (with University of Leoben)
- Fast pyrolysis of biomass waste to bio-oil (European-funded research project)
- Storing and utilizing sustainable electric energy via synthetic e-fuels or chemical products (through a partnership within the German-funded Kopernikus project)
- Gaining deeper knowledge of the value chains of recyclates from different waste streams and identifying best possible applications where recyclates are the primary material (Circumat is a multifirm partner consortium project funded by the Upper Austrian funding line "Innovatives Oberösterreich 2020.")
- Creating an infrastructure that is necessary for further developments of products, including ones made from recyclates (The LIT Factory is the open research platform of the Linz Institute of Technology (LIT) of Johannes Kepler University Linz funded by the Austrian Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology, the Province of Upper Austria, the City of Linz, and company partners. Borealis is one of the major initiators.)

EverMinds®

Borealis' dedicated platform EverMinds® serves to streamline all Borealis circular-economy-related activities in order to boost their impact and engender familiarity with the topic. It facilitates deeper collaboration between Borealis and its partners in the interest of developing innovative and sustainable polyolefin solutions based on the circular model of recycling, reuse, and design for circularity. An example of how EverMinds® serves to promote awareness of the circular economy is the "10 Codes of Conduct for Design for Recyclability." Based on extensive knowledge of polyolefins – polyethylene and polypropylene – as well as expertise from mtm plastics and Ecoplast, the two recycling companies wholly-owned by Borealis, these are ten Codes of Conduct for polyolefin packaging designers to adopt. The Codes provide critical guidelines on how to maximize the quality and quantity of packaging materials that can be recycled, while at the same time supporting the achievement of recycling targets and contributing to a more sustainable transition to a circular economy.

Circular Economy

Plastics Recycling

The versatile properties of plastics enable a plethora of products and applications which make daily life safer, more mobile, and more eco-efficient. These properties allow us to ensure more sustainable living, while the global population grows and demand for plastics increases. However, within the linear economic model, plastic products are made, used, and then disposed of. Continuing with this model will lead to more plastic waste and environmental pollution, while putting pressure on the planet's limited resources. The reduction of plastic waste is a key aspect of the material topic Circular Economy.

There is a growing consensus on the need for a circular economy to preserve the environment. In 2020, the European Commission developed a Circular Economy Action Plan, which aims to increase plastics recycling rates and minimize plastic leakage into the environment. OMV recognizes the environmental footprint of petrochemicals and assumes responsibility for petrochemical value chain impacts throughout their lifespan. The solution is to further transition to a circular economy, where plastics are reused, recycled, and made from renewable feedstock.

Chemical Recycling

OMV has been exploring the potential for utilizing post-consumer plastics – polyethylene, polypropylene, and polystyrene – through chemical recycling since 2011. The Austrian Research Promotion Agency has also contributed with subsidies covering part of the project investment. The first test facility was launched in 2013. In 2018, the next-level test facility – the ReOil® 100 pilot plant – began fully refinery-integrated operation with a processing capacity of up to 100 kg per hour and production capacity of up to 100 l of synthetic crude per hour. The crude is then further processed at the Schwechat refinery into fuel products or base materials for the plastics industry.

The ReOil® process is an important part of the circular economy, where post-consumer plastics are used to create value-added products, thereby reducing dependence on natural resources and lowering carbon intensity as compared to standard oil processing. This innovative chemical recycling technology closes the loop of post-consumer plastics recycling. Substituting crude oil with post-consumer plastics is estimated to reduce CO_2 emissions by 45% from the use of this product and lower energy demand by 20% in comparison to using fossil resources. [31] OMV holds the patent for this chemical recycling process in Europe, the United States, Russia, Australia, Japan, India, China, and other countries.

In 2020, OMV worked on testing various market feedstocks to further improve the thermal cracking process. Additional activities included developing the necessary technical parameters for a further scale-up and supporting the engineering process initiated at the end of 2019 to develop a ReOil® demo plant with a post-consumer plastic feedstock capacity of 16,000 to 20,000 t per year. A special focus was on feedstock preparation and post-treatment of the ReOil® synthetic crude to be processed in the refinery. OMV aims to develop ReOil® into a commercially viable industrial-scale recycling technology with a processing capacity of up to 200,000 t of used plastics per year by 2025. OMV has also signed a memorandum of understanding (MoU) with ADNOC for the establishment of a joint working group to assess the feasibility of a scalable ReOil® plant in the United Arab Emirates.

31 Austrian Federal Environmental Agency, "ReOil – Bewertung eines Konzeptes zur kaskadischen Nutzung von Altkunststoffen im Raffineriekontext" (available only in German), 2016

Sustainability Strategy 2025 Target

- Develop ReOil® into a commercially viable industrial-scale process (capacity: up to 200,000 t of post-consumer plastics transformed per year)

Status 2020

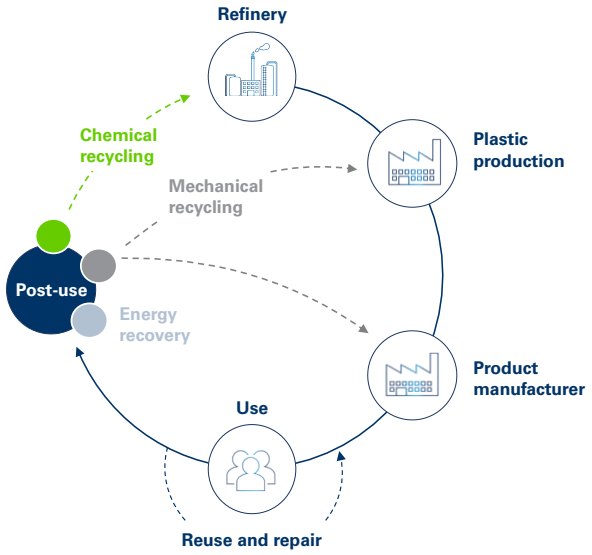
- More than 250 t of post-consumer plastics transformed into synthetic crude in 2020
- ReOil® plant integrated in 24/7 operation of the refinery

Action Plan to Achieve the Target

- Continually improve the process and the reliability based on defined test run programs, and utilize results achieved to improve process modeling and the design basis for the ReOil® demo plant
- 2022: demo plant with a post-consumer plastic feedstock capacity of around 16,000 t per year

SDG targets: 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead; 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities; 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse; 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Mechanical Recycling



With the acquisition of Borealis, OMV is also expanding into mechanical recycling. Borealis mechanically recycles polyolefin plastic materials in Germany (mtm plastics) and flexible plastics in Austria (Ecoplast). It has committed to delivering 350,000 t of recycled polyolefins (polyethylene [PE] and polypropylene [PP]) per year for the production of second-generation products by 2025. Major European polyolefin plastics producers have pledged to the EU Commission that they will deliver 1 mn t of recycled polyolefins.

In 2019, Borealis and the EREMA Group, the global market leader in the development and production of plastics recycling systems, signed a letter of intent signaling their aim to deepen their existing mechanical recycling partnership.

Recycled Product

Borealis aims for its Consumer Products portfolio to be 100% recyclable, reusable, or contain renewable content by 2025. In 2020, Borealis launched the new plastics recycling technology Borcycle™. This evolving technology will be used to produce high-quality compounds made of recycled polyolefins (rPOs). For example, Borcycle™ MF1981SY is one of several new rPO compounds especially suited for use in visible black parts, e.g., in small appliances. The solution contains over 80% recycled materials and delivers an ideal balance of stiffness and impact. Pilot applications molded in this sustainable addition to Borealis' rPO portfolio include several parts for a Bosch vacuum cleaner.

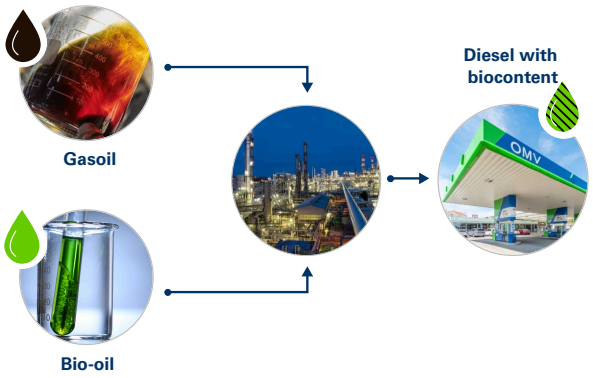
Biowaste as Raw Material

Together with partners, OMV is actively pursuing the development of industry-scale projects to produce biofuels and/or biochemicals from waste biomass. Waste biomass such as agricultural, forestry, and wood processing residues or mixed municipal waste are not in competition with the food and feed chain. While the conversion of such waste biomass to high-value products is often technically challenging, the related benefits are a significant reduction in CO_2 compared with fossil-based fuels and local resource utilization that creates value.

Co-Processing

OMV uses new technologies to increase the quality and stability of fuels with biogenic components through what is known as Co-Processing. Co-Processing involves introducing biogenic feedstock during the fuel refining process instead of the conventional method of blending biogenic components into fuel after production. This concept allows OMV's existing refineries to produce transportation fuels from various types of biogenic feedstock, such as domestic rapeseed oil, sunflower oil, used cooking oil, or future advanced oils. The high degree of integration within OMV refineries reduces greenhouse gas emissions from Co-Processing by up to 85% compared with the EU standard for similar finishing steps for biofuels.

Co-Processing



In 2016 and 2017, OMV successfully conducted the first field trials of Co-Processing in the Schwechat refinery using rapeseed oil and obtained certification in accordance with the REDcert standard, an EU-recognized system for the certification of sustainable biomass. In 2020, a further field trial was successfully completed at the Petrobrazi refinery. OMV continues to implement the Co-Processing technology, and by 2025, the Company aims to co-process approximately 200,000 t of sustainable feedstock per year, depending on future legislation.

Sustainability Strategy 2025 Target

- Raise the share of sustainable feedstock co-processed in the refineries to ~200,000 t per year by 2025

Status 2020

- Basic engineering finalized for Schwechat refinery
- Process studies finalized for Petrobrazi refinery

Action Plan to Achieve the Target

- Selection of technical concept and start of process design work for Co-Processing at the Petrobrazi refinery
- Perform detail engineering for Co-Processing in Schwechat

SDG targets: 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead; 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities; 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse; 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Other Projects and Products

OMV is currently planning to construct and operate a pilot plant to convert different types of raw glycerin, an eligible second-generation bio-feedstock, into propanol. Propanol can be used as a biofuel blend and for biochemicals.

During 2020, Borealis achieved a milestone by launching additional renewable polyolefin grades based on second-generation feedstocks sourced from biomass waste. To that end, Borealis and Neste, the world's leading provider of sustainable renewable diesel and renewable jet fuel, and an expert in delivering drop-in renewable chemical solutions, have entered into a strategic cooperation for the production of renewable polypropylene (PP). Neste offers bio-based alternatives (including ones based on lower-quality waste and residue oils) to conventional fossil-based feedstock for use in the production of polymers and chemicals. Borealis will use Neste's renewable propane, produced in Rotterdam, at its facilities in Belgium to create an entire portfolio of applications based on renewable PP. Through this project, Borealis uses bio-based feedstock to partially replace fossil feedstock in the commercial production of PP.

In 2020, Borealis also launched Bornewables™, a new range of circular polyolefin products. Bornewables™ are produced with renewable feedstock derived entirely from waste and residue streams. These premium polyolefins provide similar material performance as virgin polyolefins, but with a reduced carbon footprint. Unlike renewable feedstocks that are produced with agricultural crops grown for food and livestock feed, Bornewables™ are made of renewably sourced feedstocks that are derived from waste and residue streams, including vegetable oil production, and oil waste and residues. The entire Bornewables™ product range is ISCC PLUS-certified.

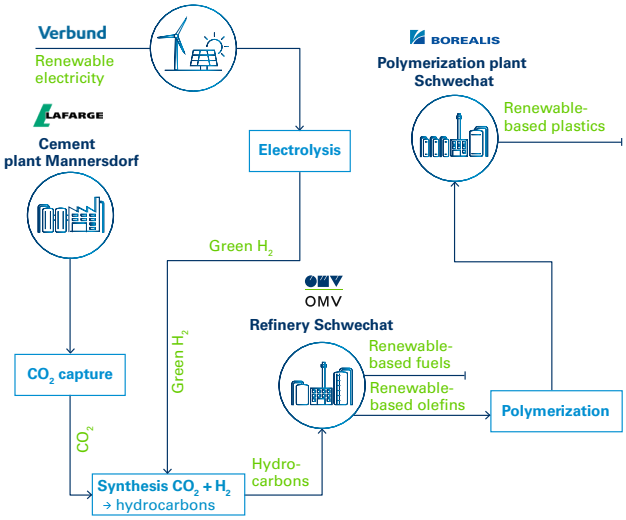
CO_2 as Raw Material

OMV aims to capture CO_2 and use it as a resource, such as by capturing CO_2 emissions from the refineries, hydrating the CO_2, and then reusing it as fuel. We are currently planning to construct and operate an innovative electrolyzer at our Schwechat refinery, where steam and CO_2 will be used to generate syngas. (For more information, see Sustainable Aviation Fuels.)

In 2020, OMV, Lafarge Zementwerke GmbH (part of the LafargeHolcim Group), VERBUND, and Borealis co-signed a Memorandum of Understanding (MoU) for the joint planning and construction by 2030 of a full-scale plant to capture CO_2 and process it into synthetic fuels, plastics, or other chemicals. The plant will eventually capture almost 100% of the 700,000 t of CO_2 emitted annually by Lafarge's cement plant in Mannersdorf, Austria. In combination with green hydrogen (from renewable energies) produced by VERBUND, the captured CO_2 will be transformed by OMV into renewable-based hydrocarbons, which, in turn, can be used to produce renewable-based fuels or be utilized by Borealis as a feedstock to manufacture value-added plastics.

The main objective of the Carbon2ProductAustria (C2PAT) project is to engineer and operate a carbon capture plant at the cement plant. Infrastructure and a fully operating system for producing renewable-based hydrocarbons will also be built. This compound will be used to produce a broad range of renewable-based olefins, plastics, and fuels. The partners aim to put the full-scale plan into operation by 2030. A first step toward this goal will be to further investigate current technological and economic hurdles by jointly conducting research and development on the envisaged carbon value chain.

C2PAT – Cross-Sectoral Value Chain to Drive Climate Neutrality



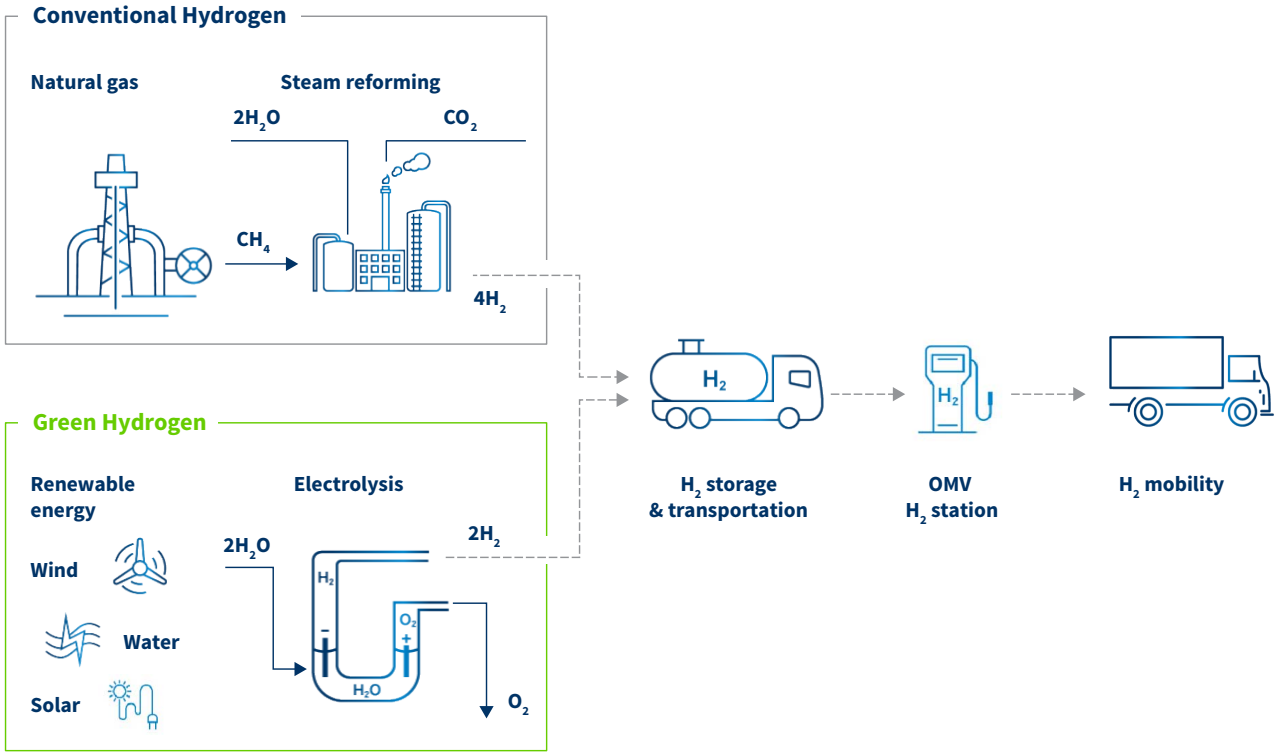
Further Innovations

Hydrogen

We are working to advance and optimize the entire energy value chain with sustainable clean hydrogen. OMV is currently developing a first-of-its-kind green hydrogen production system based on a 10 MW electrolysis project at the Schwechat refinery as part of its UpHy project. The electrolysis will be powered by renewable electricity, producing green, zero-carbon hydrogen. The initial plan is to use the green hydrogen in the refinery in Schwechat for the hydration of vegetable oil and fossil fuels, thereby reducing the CO_2 emitted by up to 15 kt per year. The second step will be to use the green hydrogen for decarbonizing hard-to-electrify transportation segments like

buses and trucks. (For more information on UpHy, see Hydrogen Mobility.)

The activities are part of the H2Accelerate project, where OMV is developing the heavy-duty infrastructure network around the TEN-T corridors in Europe. H2Accelerate is a joint approach together with four European partners under the framework of the newly launched Hydrogen IPCEI call (Important Project of Common European Interest).



In conventional hydrocarbon-based hydrogen production, we are looking into ways to prevent CO_2 produced in the steam-reforming process from being expelled as emissions. Instead, we aim to capture it and use it as a feedstock for producing methanol. This is then further turned into renewable-based chemicals and fuels.

Another highly promising alternative is splitting natural gas into hydrogen and pure solid carbon with the pyrolysis method. This process does not emit any CO_2 and even uses less energy compared to electrolysis with water.

Upstream Technologies

Optimizing drilling and production processes prolongs the lifetime of hydrocarbon reserves, thus increasing production efficiency and reducing the impact on the environment. OMV continuously works on optimizing the amount of hydrocarbons that can be extracted from an oil reservoir (recovery rate) and on extending the reliability of facilities and materials.

OMV is among the global front runners in terms of achieving high recovery rates in mature fields. By 2025, OMV aims to increase the amount of oil that can be extracted from selected fields in Central and Eastern Europe by 5 to 15 percentage points, making our Company a leader in efficient production in the region.

In 2012, OMV started injecting viscous saltwater to achieve higher recovery rates in a pilot project in the Matzen area in Austria. This launched our Enhanced Oil Recovery (EOR) activities and paved the way to attaining the strategic goal of further increasing the recovery rate. In total, 430,000 bbl of incremental oil were produced by the end of 2020. We were able to significantly increase oil rates compared to conventional produced saltwater reinjection. In 2020, OMV made further progress in rolling out EOR projects in various fields in Austria and Romania.

OMV has made considerable progress in developing new technologies and improving the operational performance of produced water treatment processes. In a series of field pilots targeting optimum produced saltwater quality for reinjection, OMV was able to identify innovative flotation

and filtration technologies which can also effectively treat challenging emulsions. Thanks to the implementation of new technologies in running produced water treatment facilities, OMV greatly reduced the amount of water treatment chemicals used. Moreover, cleaning processes were finetuned to achieve a high quality of the injection produced water. Furthermore, OMV is investigating the possibilities for capturing CO_2 from its own assets and introducing it into former gas reservoirs to reduce OMV's carbon footprint (carbon capture and storage [CCS] technology).

Extending the lifetime and reliability of facilities and materials ensures safe and efficient hydrocarbon production. Over the past 20 years, OMV has implemented extensive materials selection and corrosion management programs to ensure asset integrity, reduce safety risks, and minimize environmental impact. Applying these measures at nearly 6,500 wells with artificial lift systems resulted in measurable reductions in power consumption and downtime of sucker rod pumps. Consequently, the number of well interventions decreased by 25% in Austria, reducing associated HSSE risks accordingly. OMV is investigating nanotechnologies in the field of advanced coatings to extend material resistance, for enhanced oil recovery and well stimulation, in the field of chemicals to inhibit paraffin deposits to optimize the production process, and in the field of spill prevention and remediation for soil and water. OMV continues its cooperation with third-party research institutes on these technologies and is in the process of setting up programs together with other operators. OMV works on extending the lifetime of operational facilities by mitigating abrasion and corrosion. To this end, cross-linked polyethylene pipes are inserted in tubing with a special polymer lining that was developed by OMV and patented in 16 countries. In addition, OMV has performed pilot tests on polymer flowlines under various operating conditions, which will allow us to cut costs and increase the efficiency of flowline replacement.

Sustainability Strategy 2025 Target

- Increase the recovery factor in the CEE region in selected fields by 5–15 percentage points by 2025 through innovative Enhanced Oil Recovery methods

Status 2020

- More than 130 kboe additional production in pilot project in Austria in 2020
- Pilot EOR project started in Romania, with an initial increase in the recovery rate and in production in 2020

Action Plan to Achieve the Target

- Finalize the pilot EOR project in Romania
- Further mature the full field implementation project in two Matzen field reservoirs

SDG targets: 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead; 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities; 12.2 By 2030, achieve the sustainable management and efficient use of natural resources

Digitalization

Digital Transformation – OMV's Digital Journey

OMV's Digital Journey is our strategy for digital transformation, which will enable us to become a digital leader in our field and unlock smart opportunities along the entire value chain. Digital transformation is powered by key initiatives orchestrated across the entire Group and built on three pillars: Digitalize, Act, and Enable.

The digital strategy was developed in line with OMV's structure alongside key divisional programs, namely DigitUP in Upstream, digital*motion* in Downstream, and Finance 4.0 in corporate services. Lighthouse projects have contributed to operationalizing our business strategies and generating maximum value since 2018. Our digital strategy also enables digitalization based on hybrid IT infrastructure services and state-of-the-art cybersecurity. We promote cultural change and develop future skills to foster an innovative mindset and create digital dexterity in our organization.

For OMV, digital leadership also means acting as an industry role model for sustainable HSSE, reducing our carbon footprint, and maintaining a highly efficient and effective process operation. Digitalization is an additional lever for sustainability, for example by increasing remote collaboration (less travel), lowering CO_2 emissions by optimizing data center operations, and unlocking opportunities for improved maintenance in Upstream and Downstream.

Today, digitalization is vital for business at OMV, for example, to ensure optimal evaluation and convergent use of digital and analog data in machine controls for increased efficiency and availability, safer operations, and more targeted maintenance activities. Leveraging our experience, collaborating with strategic partners, and transforming key elements of the IT landscape into platforms allows us to execute a well-balanced portfolio of use-case and value-drive digital endeavors.

OMV Group

Digitalization in Procurement

The implementation of the new SAP S/4HANA enterprise resource planning software enables us to use automation and state-of-the-art digital tools, which are key enablers of transformation with the ultimate aim of value-oriented procurement. The SAP Ariba Strategic Sourcing Suite is the basis for a global electronic signature process ensuring efficient remote approval workflows regardless of office location. This results in 75% of purchase orders being fully automated, digitalization of the process, and 100% paperless sourcing resulting in reduced cycle times. (For more information, see Supply Chain.)

Paperless Initiative at OMV Petrom

OMV Petrom started the roll-out of the Paperless initiative to minimize the use of paper for daily work activities. Goals of the initiative are twofold: avoidance of printed paper and establishing a digital working culture where employees have the necessary tools and skills to go paperless. Numerous other tools in the initiative help reduce the use of paper, including the roll-out of digital signatures and digital documentation storage. Currently e-signatures are replacing paper-based approvals. More than 50% of OMV Petrom employees were enrolled by mid-2020 and over 9,000 documents electronically signed.

Culture Initiative "Make a Difference"

The objective of this initiative is to create an environment receptive to innovation and change based on our people, culture, and organization by building digital capabilities and adapting our ways of working. The "Make a Difference" initiative consists of a network of over 100 volunteers in six different workstreams and focuses on improving diversity, empowerment, integrated leadership, collaboration, and sustainability at our Company. This initiative is supported by our Digital Academy, which offers online trainings and events. Thanks to webinars and e-learning, OMV employees participated in Digital Academy learning events in 2020 at the same level as before the pandemic.

Each quarter, we also hosted global virtual Digital Breakfasts with over 350 participants to share digital and culture hacks, and F-up Nights to promote a learning culture that celebrates learning from mistakes. In addition, last year we launched a Culture Toolkit containing several guides and tools to support working from home, empowerment in teams, collaborative steering committees, virtual facilitation guides, and much more.

DigitUP

DigitUP is OMV Upstream's digital transformation initiative that will make OMV the "digital frontrunner" in the oil and gas industry. We have set up a global program encompassing the entire Upstream value chain to accelerate the integration of digital technologies into our day-to-day activities. Our ambition is to become a safer, more resilient, and more efficient organization. We are committed to "go green" and contribute to OMV's HSSE and climate targets to reduce the carbon intensity of our Upstream operations. We aim to do this with digital technologies such as automation, cloud technology, and artificial intelligence.

Digital Subsurface

The Digital Subsurface program focuses on subsurface-related matters ranging from exploration to development within OMV's supply chain. The digital representation of subsurface models will be part of the high-performance computing (HPC) environment and deliver deep insight into our reservoir properties. Compared to traditional stand-alone models and technologies, no search will be required for information and tools; instead, they are available anytime so that all employees can contribute to fast and valuable decision-making. For example, the Digital Rock project creates Digital Twins of real rocks with all their components in the micrometer range. Compared to traditional rock scanning, this yields fast results, uses less hazardous chemicals for laboratory measurements (mainly mercury), and helps improve the quality of our exploration and development activities. In another lighthouse project, a Digital Twin will connect models for reservoir simulation directly with real-time production data. This Twin allows us to increase the accuracy of our subsurface model predictions and, consequently, update production forecasts more quickly and accurately.

Real-Time Digital Oilfield

Every two years, the data generated by our operations approximately doubles in volume, with signs this pace is increasing. The subsequent transformation into actionable insights for safe operational performance is complex, and the value of information erodes the longer it takes us to make sense of it. Extending our human ability to cope with this constant flow of information in operations is at the forefront of our lighthouse project. Value is created if the right performance data is available at the right time to the right skilled professionals in order to facilitate the best decisions. Pilots prove that supplementing the work of our experts with algorithm-based insights, digital reality, and robotics in their day-to-day activities is directly improving on-site safety, while reducing costs as well as our carbon footprint. In the 2020 COVID-19 environment, our remote certification and commissioning approach helped us successfully start our Nawara facilities even with closed borders in Tunisia. It also helped demonstrate to certifiers that our New Zealand pipeline repairs were complete, and it was safe to operate. With high-quality images, including digital site visits and information streamed from location, OMV experts around the world can provide support and make decisions remotely without the need to travel. Based on the aforementioned examples, OMV aims to achieve a sustained reduction in long-distance travel by 30% by 2022 thanks to remote support. This will reduce CO_2 emissions and external costs for staff transportation.

Advanced process control systems are in the execution phase, implementing an algorithm-based predictive model that helps operators control and optimize the facilities at all times so that they can operate as efficiently as possible. This reduces the internal consumption of energy, decreases the carbon footprint, and increases the efficiency of processing chemicals, thus optimizing our carbon footprint and production costs. The connected operator (or connected worker) uses technology that enables direct data and streaming connections between the office and operational production sites, and allows our OMV experts to connect and make decisions remotely, thus making these processes location-independent. This helps facilitate same-day support and just-in-time decisions, which minimizes long-distance travel to high-risk areas. Our CO_2 footprint is therefore reduced, while our employees' safety is increased.

Digital Rig of the Future

This program focuses on reducing the time spent during the drilling phase of well delivery, while providing for real-time monitoring to reduce the impact of drilling issues. It uses AI-supported decision-making to address hazards through historical probability. The use of automated rigs and just-in-time logistics shrinks the rig site footprint considerably, reducing traffic to the rig site, improving efficiency, and easing the environmental impact due to less time spent drilling.

Addressing drilling hazards in the planning phase through the use of AI in the Decision Making & Simulation project will cut non-productive time, reducing operating days for the drilling rig. Furthermore, new well delivery software which will automate workflows is ushering in the future of well planning with an integrated, multidimensional model that reacts immediately to new engineering and subsurface information. This will reduce development well engineering

time by 90%. Improving efficiencies in planning and execution opens the door to exploring geothermal drilling.

Digital Office of the Future

The above DigitUP lighthouse projects are enabled by the Digital Office of the Future. One goal of the Digital Office of the Future lighthouse is to modernize and consolidate our worldwide infrastructure and to provide the technologies needed for safe operations at all our locations. To a large extent, this is achieved through a transition from on-premise data centers to modern and public cloud providers. This transition enables us to actively modernize and consolidate our worldwide infrastructure to remove redundant equipment and to sharply decrease the need for cooling power, thus reducing the carbon footprint of our IT operations.

Another goal of the Digital Office of the Future is to provide the right data at the right time to our decision-makers. We are therefore providing a global and integrated data ecosystem with the objective of increasing the safety and efficiency of our operational activities. For example, our GIS systems display live weather data in combination with our asset data to ensure safe logistics and people transfers to our offshore platforms. We also provide information on safety risks on the roads we use to increase awareness of potential hazards. Moreover, we provide access to about 400,000 real-time sensors in our facilities to ensure that equipment integrity can be monitored.

digital*motion*

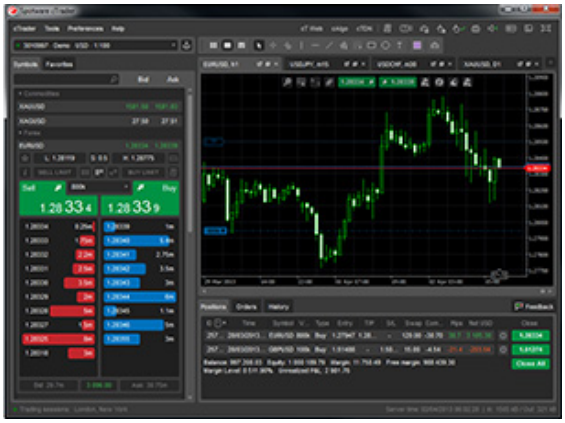
digital*motion* is Downstream's effort to reach the next level of digital transformation covering all business aspects in Downstream's value chain. But digital transformation is more than applying and scaling technology – it's about people and culture. We therefore meet in an impact hub where collaborators share, innovate, and shape the digital transformation in Downstream and contribute to OMV's HSSE and climate targets.

Predictive Heat Exchanger Cleaning

One digital energy-efficiency measure is the development of a "digital twin" to optimize the preheat train of the crude distillation unit in the Schwechat refinery. Process simulation is used here to help optimize the selection of cleaning cycles and flow conditions in the heat exchangers. The result is an increase in energy efficiency, meaning that we can recover more heat from our preheat systems and therefore reduce CO_2 emissions up to 18,000 t CO_2 annually.

Algorithms to Support Gas Traders

As part of its emissions reduction strategy, OMV has been consistently increasing the share of natural gas in production and aims for gas to account for around 60% of the production portfolio and for increased natural gas sales in Europe. Through this emphasis on natural gas, the fossil fuel with the lowest carbon intensity, OMV can reduce the carbon intensity of our energy system today and enhance the viability of operations in the long term. Automatic gas trading supports this scale-up of our gas activities. Western European gas markets have made great strides in the last 15 years. Like financial markets, gas exchanges and brokers operate electronic marketplaces for trading gas contracts. OMV GAS is authorized to trade in twelve EU gas markets with physical gas delivery periods ranging from the remaining hours of the current day up to full calendar years and quoting in different currencies and energy units.



OMV GAS implemented an algorithmic trading tool connected via an API to the electronic trading platform to monitor the various and constantly changing order book activities and related opportunities simultaneously and 24/7. Every event is read and stored in real time in a high-performance database, which generates around 400,000 data records per day. Data analytics tools consolidate market information to search for patterns and optimize trading decisions. These combined with other customized Python scripts developed in-house enable trade signals to be processed in real time and order updates sent or deals closed within milliseconds. Up to 15 algorithms are in operation simultaneously to balance fluctuating gas supply and demand, as well as optimize gas transportation and gas storage capacities.

Consistency, multi-tasking capability, and speed are the main character traits of our algo-trading bot. Once set up and activated, the whole process from order entry, deal closing, deal capturing in the ETRM system, and renomination of the physical gas flow runs automatically without manual interference. These algorithms therefore support the work of gas traders and further optimize OMV's gas portfolio – all day, every day.

Employees

Building and retaining a talented and competent team for international and integrated growth is a key factor in the success of the Group's strategy. We are committed to creating an environment in which every employee can learn, grow, connect, and collaborate as well as live a safe and healthy life. Within the material topic Employees, we focus on talent attraction and retention, skill development and training, diversity and inclusion, and upholding labor rights, all of which successfully enables us to be an employer of choice.

In 2020, the COVID-19 situation required considerable additional focus from our HR function. During the COVID-19 pandemic, many employment-related measures were newly implemented not only to protect the health, well-being, and economic situation of our employees, but also to ensure that we foster a supportive culture throughout the year.

COVID-19 Management

The COVID-19 situation required considerable additional effort from the Group's HR function. During the COVID-19 pandemic, many employment-related measures were newly implemented to protect the health, well-being, and economic situation of our employees. By closely monitoring the immense legislative output, we succeeded in maintaining full labor law compliance while also offering our staff new options to help with their pandemic-induced personal situations and needs. Employees were granted various new solutions (depending on the local jurisdiction) to more flexibly combine work duties and care obligations. Work from home was made available to all employees where practically and technically feasible. The Working From Home Guide was created. This is a virtual guide containing tips and tricks to for improving virtual teaming use of technology. Learning Collections were provided to support employees in leading during times of crisis and managing stress and virtual working. Information and advice on all employee-relevant questions are regularly provided. Reliable internal processes mirroring new administrative processes were promptly implemented. Free psychological support was offered to all employees, in which they could talk to a professional about coping with the pandemic. Due to the extensive organizational efforts and the outstanding flexibility of our employees, we were able to avoid measures like short-time work or redundancies.

Especially last year, we needed to ensure we engaged with our employees. We therefore launched a continuous listening strategy, which is focused on improving how our organization listens to our employees for their feedback as well as their input and ideas (e.g., through quick polls, Q&A, and listening circles).

Highlighted here is our quick poll on the coronavirus and its challenges. This quick poll resulted in a response rate of 47%, which is a higher response rate than in our previous surveys.

- Most respondents (77%) reported they were doing ok or were completely fine and were satisfied with the support they received from the Company's measures, leadership, and working virtually from home.
- Of the respondents who were struggling (6%) most were not working in virtual teams and were impacted by school restrictions.
- To investigate further, listening circles (virtual group discussions) have been organized to explore further support.
- Additional measures that were put in place were a Working From Home Guide on how to improve virtual teaming and Learning Collections to provide online learning that offered employees support on how to lead during times of crisis, manage stress, virtual working etc.

Overall, it was important for us last year to increase our employee engagement. This was achieved as shown in the Net Promoter Score of 8.50 reported, which was almost 1 point higher than in our previous engagement surveys. We continued to make "remaining a great place to work" our strategic priority: after all, 9 out of 10 employees recommend OMV as a workplace.

SDG targets: 3.4 By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being; 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Other Highlights in the Past Year Included:

Increasing Organizational Agility

Continuing our Digital Journey, last year we focused on shifting development toward more global and virtual programs that are easily accessible and can be facilitated in-house. By switching to virtual and online training, we were able to continue these despite the COVID-19 restrictions. At the end of the year, we are proud to report that we were able to keep the participation rate as high as in the previous year.

Increased Focus on Diversity and Inclusion

We introduced several global initiatives as part of our ongoing commitment to gender diversity at OMV. To highlight two: Firstly, we launched a new women's leadership program, SHEnergy, focused on the personal advancement and leadership development of current and future female leaders. Secondly, we held Career Aspiration Talks to make our women more visible and in doing so to also strengthen our pipeline of future female leaders. These individual talks with a panel of senior managers and HR help us learn about our female employees' career aspirations so that we in turn can support them by providing development opportunities and job recommendations.

Ensuring OMV Remains a Great Place to Work

OMV and Borealis have joined forces and will continue to grow stronger together. A larger business means a broader range of professional development opportunities are available. We focus on strategic talent exchanges between both companies, secondments and international assignments for critical projects and/or personal growth, and cross-divisional transfers for continuous career development. These measures enable us to create a more diverse and inclusive workforce across the entire Group while increasing knowledge-sharing potential.

Our second strategic investment, SapuraOMV, is also providing career opportunities. We are proud of our partnership with SapuraOMV and our ability to offer assignments to OMV employees at SapuraOMV and to SapuraOMV employees at OMV. This allows us to continue to strengthen our employees' experiences and skillsets and to apply their learning upon return from assignment.

Labor Rights

OMV respects and supports human rights as described in the Universal Declaration of Human Rights and in internationally recognized treaties, including those of the International Labour Organization (ILO). This includes a commitment to upholding labor rights, including decent wages, working hours, employee representation, and provisions against forced labor, child labor, and human trafficking. We support the "four fundamental principles and rights at work" outlined in the ILO Declaration:

- Freedom of association and the effective recognition of the right to collective bargaining
- The elimination of all forms of forced or compulsory labor
- The effective abolition of child labor
- The elimination of discrimination in respect of employment and occupation

The rights and obligations of our employees are set out in employment contracts. The vast majority of our employees, i.e., 96.4% (2019: 98.9%), have the right to exercise their freedom of association and collective bargaining. For more details on collective bargaining, see Workforce Data.

We are committed to respecting workers' rights, in line with the International Labour Organization Core Conventions on Rights at Work and we expect our contractors, suppliers, and joint ventures we participate in to do the same. Employee representation is a valued and long-standing feature in the Company's strategic orientation. Where legally required, employee representatives are afforded information and consultation rights.

Part-time work is offered as a signal of flexibility, but some jurisdictions where we operate also stipulate a legal entitlement to part-time work. In general, our part-time employment contracts mainly reflect reduced working hours without significantly limiting the benefits not related to working time.

We offer our employees various channels for bringing forward issues, concerns, and grievances. This includes PetrOmbudsman at OMV Petrom, where employees and management can have confidential, off-the-record, informal discussions and address issues related to the workplace. Moreover, employees can bring forward their concerns in direct dialogue with human rights managers, human resources business partners, and works council members.

Diversity and Inclusion

OMV is committed to its diversity strategy focusing on gender equality and internationality. Diversity is an enormous strength that we are actively leveraging by creating diversity-based business value. It has therefore become a strategically important goal with two measurable targets in our Sustainability Strategy 2025: gender equality and internationality. The focus on diversity is one of the key pillars of our People Strategy, which has been defined under the strategic priority of leadership as "Inspiring leaders – building high-performing, diverse teams." To achieve this goal, we have embedded diversity targets into our people processes, such as recruitment, talent and succession planning, learning, and leadership development. We continuously monitor gender, age, employee background, seniority, and salary equality to ensure fair treatment and equal opportunities at all career levels. At the same time, we strive to continuously develop new initiatives and measures that cultivate a culture of diversity and equal opportunity at OMV.

Sustainability Strategy 2025 Targets

- Increase share of women at management level [32] to 25% by 2025
- Keep high share of executives [33] with international experience [34] at 75%

Status 2020

- Share of women at management level: 20.7% [35]
- Executives with international experience: 76% [35]

32 Management level: executives and advanced career level
33 Executives are defined as Senior Vice Presidents
34 International experience: equal to or greater than three years of living and working abroad
35 Data excludes the following legal entities: Borealis Group, Gas Connect Austria GmbH, Avanti GmbH, and DUNATÀR Kòolajtermék Tároló és Kereskedelmi Kft.

Action Plan to Achieve the Targets

In 2020, we defined a joint action plan between business functions and the HR department to strengthen diversity throughout our organization by:

- Engaging and raising awareness through specific actions and initiatives to support professional progress for female employees
- Diversity Network: a self-organized Group-wide network that raises awareness of specific needs, provides support, and builds a strong network within the Company
- Maintaining and improving a work environment that helps female employees be their best by supporting work-life balance and parenthood
- Offering, in some countries, OMV daycare, summer camps, flexitime, home office, 16 flexible part-time models, "stay connected" guide, job sharing
- Providing tailored trainings and information to leaders and employees to ensure gender balance at OMV
- Unconscious bias e-learning course, advanced mentoring for women, and female leadership development program SHEnergy.
- Career Aspiration Talks to make our female talents more visible and through this to also strengthen our pipeline of future female leaders
- Encouraging leaders to create an inclusive work environment; unconscious bias is covered in our leadership programs
- Including the criteria of internationality in the assessment of candidates in the process of executive recruiting

Looking forward, in 2021, we are planning additional events, such as speaker series based on diversity success stories and a New Parent coaching program where new parents gain further information on parental leave and future career and financial planning.

SDG targets: 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life; 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Share of Women at Management Level

OMV has committed itself to supporting the advancement of women in management positions. The strategic objective is to achieve the best diversity mix at management level. By 2025, we aim to increase the proportion of women in management positions from 20.7% to 25%.

Considering the fact that we operate in an industry with a strong technical focus, it is particularly challenging for OMV to achieve a balanced gender ratio in all areas of business activity. The proportion of women in the Group as a whole amounts to 25%.

We support increasing the proportion of women in senior management positions through a range of initiatives, such as mentoring, succession planning, specific trainings, and our recruitment policy. Initiatives to increase work-life flexibility and country-specific programs, such as company daycare and summer camps for school kids, facilitate the balance between work and family life.

Recruitment

To encourage gender diversity, our recruitment policy reflects our commitment to promoting equal opportunities: At least one female candidate is included in every shortlist for each position. Internationality, another focus of our diversity strategy, is integrated into the recruitment process by highlighting the advantage of recruiting candidates with professional international experience.

Gender is one of the diversity criteria we apply when selecting members of the Supervisory Board and of the Executive Board. In 2020, we appointed a female Chief Commercial Officer, Elena Skvortsova, to the Executive Board. (For additional information, see the Annual Report 2020.)

Succession Planning

Our diversity targets are also embedded in succession planning, with a preference for female candidates when identifying top talent. We recently introduced Career Aspiration Talks to make our women more visible and thereby also strengthen our pipeline of future female leaders.

Training

To achieve this goal, we anchored diversity in leadership expectations and in all leadership initiatives. In OMV's leadership development programs, the proportion of women was 42% in 2020 (26% in 2019). [36] Our development activities include, for example, mentoring for female leaders and specific trainings on unconscious bias and decision-making. In 2020, we introduced the pilot for our new female leadership program, SHEnergy, focused on the personal advancement and leadership development of future and current female leaders.

We support women in technical training at the early pre-professional stage. The proportion of women in OMV's Upstream graduate development program for technical skill pools was 31% in 2020 (27% in 2019).

Executives With International Experience

International experience is a key requirement for becoming a leader at OMV. We plan and encourage more international experiences for our future leaders through an increased focus on measuring leadership potential and succession planning in our People Review processes. (For more information, see Career Development.)

Skills Management and Employee Development

Talent Acquisition

The Corporate Strategy 2025 stipulates further growth and internationalization.

OMV is committed to building and retaining talent for international and integrated growth. Internally, we are focusing on job rotations, promotions, and skill development to tackle the challenges and focus on innovative solutions to enhance our workforce. Externally, we are focusing on building robust talent pipelines through cooperation with key universities. In addition, OMV is currently offering internships and apprentice programs at both our refinery in Schwechat and our Upstream operations site in Gänserndorf, mainly focused on technical and commercial aspects of our business.

In order to ensure consistent quality in the recruitment process, we have introduced an online satisfaction survey, which is conducted quarterly among our business managers participating in the recruiting process.

Career Development

Effective succession planning contributes to managing business continuity risk by ensuring the preservation of human capital – OMV's most valuable asset. "Personal Impact x Potential" is an evaluation tool used to provide structural feedback in performance reviews and in succession planning. Managers evaluate their employees on Personal Impact and Potential and identify successors for business-critical positions. Based on this, an employee's development plan is created to improve the skills needed for his or her future role. We have developed Company-wide career paths that outline the experience and skills required for a position.

One of the People Strategy priorities is to strengthen leadership capabilities. We aim to ensure that our leaders continually grow and develop. In 2020, more than 200 leaders have participated in one of our Group-wide leadership programs. These programs are designed to support both those employees who take on new leadership roles as well as current leaders who want to upgrade their basic knowledge on how to lead people.

On a more personal level, we offer mentoring to provide employees with guidance on key career issues. In 2020, 94 OMV senior leaders at the Board, executive, and advanced levels provided mentoring services to 130 emerging, rising, and top talents across OMV. OMV strives for competitive compensation and benefits packages.

36 All training data excluding Borealis

Rewards and Performance Management

OMV strives to maintain a uniform organizational structure that provides clarity and transparency with regard to responsibilities and the hierarchical classification of positions.

We continuously monitor market trends and international best practices in order to attract, motivate, and retain the best-qualified talent around the world. Long-term employment relationships are what we strive for. We encourage salary equality at all career stages, for example, by setting up standardized salaries for entry-level employees that are reviewed each year in line with the local market situation.

Additionally, we ensure a fair and objective evaluation of positions that is consistent across all divisions and countries through a clearly defined methodology and process. The outcome of the evaluation is the basis of the remuneration decision for every employee.

At OMV, we aim to optimize employee performance through our Principles-led culture. To unlock an employee's full potential, we look at what we do and how we do it. Both aspects are important when we set our performance and development goals, review our progress, evaluate our achievements, and ultimately are rewarded and recognized annually. The purpose of our annual review process is to support our employees and managers through structured, systematic planning of performance and personal development within the Company.

The general rules for the remuneration of the Executive Board are described in the Remuneration Policy, and the individual remuneration of the Executive Board members is fully disclosed in the Corporate Governance Report and in the Remuneration Report drafted from the 2020 financial year onward. (For more information on the Executive Board remuneration and on the compensation of and benefits for OMV employees, see the OMV website.)

Recognition Program

Employees can give and receive three types of awards as a token of appreciation for their colleagues' accomplishments:

- OMV Excellence Award: provides recognition for outstanding results and significant impact in connection with strategic projects or business transactions. The Executive Board discusses and selects the best projects and initiatives that have the greatest impact on the success of the Company in a quarterly calibration.
- Job Excellence Award: recognizes employees for exceptional performance that goes beyond the usual job requirements
- Principle in Action Award: provides instant recognition to an individual for being a role model and living by our Foundation Principles, which reinforces our desired culture of performance and cooperation

We highly encourage employees to pursue continuing education to further enhance their various skills. Employees identify their learning needs through a mixture of localized training matrices. These assist them in creating development-oriented action plans linked to career paths, competencies, and professional goals.

The four key competencies in which we encourage our employees to further develop are functional and technical skills, business skills related to effective work in the OMV Group, personal skills, and leadership skills.

Training

Our functional and technical training focuses on maintaining a skilled and capable workforce. This training is planned and delivered annually in line with our workforce requirements.

We encourage the use of online resources for training. The expansion of our online learning content enables employees to access more consistent training content and enhances its accessibility on a global level. We therefore see continued growth in the use of online courses and online materials in 2020. Furthermore, due to the COVID-19 situation, we have paid special attention to virtual training delivery. We not only switched many of our face-to-face courses to webinars but also offered comprehensive support to our internal trainers and participants on how to attend online classes. This enabled us to provide a comprehensive selection of learning and development offers once again in 2020. At the end of the year, we are proud to report that we were able to keep the participation rate as high as in the previous year.

However, learning on the job remains an important element in employee development and training. We encourage employees to learn on the job, where they can apply their professional or educational skills to the specifics of OMV business and culture. Our 70:20:10 approach gives the importance of learning on the job a weighting of 70, learning from others a weighting of 20, and learning from training a weighting of 10.

Business Principles and Social Responsibility

We act in accordance with the highest ethical standards on an international level everywhere we operate. OMV is a signatory to the United Nations (UN) Global Compact and is fully committed to the UN Guiding Principles on Business and Human Rights. With our global activities, we aim to contribute to the UN's 2030 Agenda for Sustainable Development.

Business Principles and Anti-Corruption

Anti-corruption and preventing anti-competitive behavior are a key aspect of the material topic Economic Impacts and Business Principles. OMV is a signatory to the UN Global Compact. Although we are headquartered in Austria – a country with high business ethics standards – we operate in several countries in the Middle East, North Africa, Asia-Pacific, and Central and Eastern Europe that are defined as high risk by the Transparency International Corruption Perception Index. We strive to avoid the risks of bribery and corruption that are specific to our sector. We also highly value our reputation. Therefore, our highest priority is ensuring uniform compliance with our business ethics standards wherever we operate. Compliance with ethical standards is a non-negotiable value that supersedes any business interest. Absolute commitment to this objective is embedded at all levels at OMV from top management to every employee. Our business partners are also expected to share the same understanding of and commitment to ethical standards. Every company activity, from planning business strategy to daily operations, is assessed for compliance with ethical standards, such as the Code of Conduct and Code of Business Ethics.

Business Ethics Regulatory Framework

The OMV Group follows a zero-tolerance policy with regard to bribery, fraud, theft, and other forms of corruption. Based on this policy, the OMV Group is committed to detecting any potential policy violations at the earliest stage, thoroughly investigating any such incidents of non-compliance and determining appropriate organizational measures or sanctions for the individuals involved. The integrity of our employees is the foundation for the trust placed in our Company by our customers, suppliers, and other stakeholders.

The regulatory instruments at OMV that establish ethics principles and standards and guide our approach to ethical conduct are our Code of Business Ethics, an internal policy applicable to OMV employees, and our Code of Conduct [37], an external policy governing the work with our business partners and stakeholders. The procedures established by these documents are implemented at every fully consolidated subsidiary of OMV and apply to everyone who works for OMV or in the name of OMV. We require compliance with international business principles from all parties with whom we enter into partnership agreements, such as joint ventures. Companies performing services for OMV (i.e., suppliers) must follow anti-bribery procedures that are consistent with the principles of OMV's Code of Business Ethics and with OMV's business ethics standards, as defined in the Code of Conduct. (For more details, see Supply Chain.)

Company management is committed to establishing and maintaining an ethical standard of trust and integrity in our day-to-day business. Our senior management signs a Compliance Declaration to confirm that their conduct is in line with

37 Our Code of Conduct and a brochure with the key elements of our Code of Business Ethics are available at: www.omv.com/en/business-ethics-and-anti-corruption

the Code of Business Ethics. New senior management also receives onboarding to introduce OMV integrity standards.

OMV Compliance Management System

OMV has set up a comprehensive Compliance Management System including policies, audits, and trainings. The system aims to anchor OMV's business ethics policies throughout the organization and to ensure their correct implementation.

In 2020, face-to-face business ethics trainings were conducted with 496 employees. We also monitor the compliance of all of our operations with laws and regulations concerning capital markets law and antitrust law as well as international trade sanctions and embargoes that are applicable to OMV. Face-to-face trainings in these other compliance areas were conducted with 339 employees in 2020. [38]

OMV employees are encouraged to regularly participate in compliance training covering topics that are relevant to various types of jobs. The Compliance Management System is implemented Group-wide through collaboration between centrally based management units and local compliance officers in all countries in which OMV operates. This international compliance organization, which is dedicated to ensuring Group-wide implementation of OMV's ethical standards, comprises 37 compliance experts.

In 2013, OMV became the first organization in Austria to comply with the comprehensive IDW Assurance Standard 980. The IDW Assurance Standard 980 is the benchmark certification standard for DAX and ATX companies. The OMV Compliance Management System is regularly reevaluated and was recertified under IDW PS 980 [39] in 2017. Both external and internal risk factors, in particular changes in the regulatory framework, as well as recent developments or incidents are monitored on an ongoing basis to evaluate their possible impact on OMV's current risk exposure. This ongoing risk analysis also includes an institutionalized semi-annual risk analysis, which is part of OMV's Enterprise-Wide Risk Management (EWRM).

Corruption Prevention

Before we launch activities in a new country, we perform a thorough analysis of business ethics and sanction law issues in that country. The Business Ethics Entry Assessment includes an analysis of the Corruption Perception Index assigned by Transparency International to a given country. Based on the outcome of the assessment, corporate governance in local operations is adapted to assure compliance with OMV's ethical standards.

OMV has implemented a process for screening both potential new and existing business partners using EU and US sanction lists. In addition to those sanction checks, more exhaustive due diligence assessments are conducted prior to the engagement with a business partner or during the business relationship as needed.

Critically, counterparties in M&A transactions, strategic partnerships, or business partners that have been in the media spotlight in the context of criminal conduct are assessed in greater depth. Such an assessment involves the potential business partner, its direct and indirect shareholders, other investors, and the ultimate beneficiaries of directly or indirectly involved legal entities. To that end, OMV requests that counterparties provide information focused on corruption, money laundering, other criminal conduct, and related sanctions as per OMV's standardized know-your-customer (KYC) questionnaire.

Key red flags are connections to government officials, other individuals, and companies referred to in high-attention media reports related to political and corruption cases, sanctioned entities, or any other suspected involvement in criminal conduct. In cases where intermediaries, lobbyists, or consultants are engaged, we use a third-party service provider to do comprehensive research, including field research. Furthermore, supplier assessments conducted by the OMV Procurement department include a compliance analysis.

In 2020, our Internal Audit department carried out 14 internal compliance audits across the full range of business ethics issues (thereof 10 at OMV and 4 at OMV Petrom). Risk-related audits covering fraud and corruption issues form an integral part of the Corporate Internal Audit. Additional preventive measures were set up for OMV Petrom, such as third-party background checks of OMV Petrom's business partners. Besides raising employee awareness through training, we have established channels to help identify ethical misconduct at an early stage. Timely notification is crucial for taking precautionary measures directed at avoiding or mitigating major financial loss or reputational harm. If an employee observes or becomes aware of potential or actual misconduct or violation of internal rules or statutory regulations, whether committed by other employees or by a business partner, that employee is encouraged to speak up and report the incident.

Besides employees, other stakeholders also represent a valuable source of information, which can help identify breaches of ethical standards. To this end, the OMV Group has introduced a whistleblower mechanism – the Integrity Platform. Anyone can access it online (omv-group.integrityplatform.org) and report an issue relating to corruption, bribes, conflicts of interest, antitrust law, or capital markets law. The report can be filed anonymously, if desired. Special protection is given to employees in their capacity as whistleblowers. Acting as a whistleblower does not bring any adverse consequences. The report will be analyzed and an answer provided through the same platform within ten days. Identified violations of ethical

38 All compliance data excluding Borealis. Borealis data is contained in the Borealis Annual Report.
39 IDW PS 980 regulates the Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems. The corresponding English version is IDW AsS 980.

standards will be handled further by the Whistleblowing Committee, which includes members of senior management.

Zero incidents of corruption; zero incidents when contracts with business partners or employees were terminated or not renewed due to violations related to corruption

Zero public legal cases involving corruption brought against the organization or its employees during the reporting period

One [40] legal action pending or completed during the reporting period regarding anti-corruption activities and violations of antitrust and monopoly legislation in which the organization has been identified as a participant

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SDG target: 16.5 Substantially reduce corruption and bribery in all their forms

Business Ethics Training

It is of strategic importance for us to make sure that every single employee is fully aware of our ethical values and principles. This mission is one of the targets of our Sustainability Strategy 2025.

In 2020, OMV fostered an exchange of information between the central Group Compliance department and the appointed local compliance officers. This included trainings with a focus on risks that were identified due to the local compliance officers' past reporting and experience.

Sustainability Strategy 2025 Target

- Promote awareness of ethical values and principles: conduct in-person or online business ethics trainings for all employees

Status 2020

- Face-to-face and virtual business ethics trainings were conducted with 496 employees

Action Plan to Achieve the Target

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Relaunch of e-learning for business ethics for all white-collar employees in 2021
- Enhancing communication between employees and the Compliance department by launching an app that provides information and enables employees to directly interact with the Compliance department
- Setting up organizational prerequisites for the implementation of the EU Whistleblowing Directive

SDG target: 16.5 Substantially reduce corruption and bribery in all their forms

40 On October 6, 2020, the Polish Competition Authority UOKiK issued a decision with respect to OMV's financing of the Nord Stream 2 natural gas pipeline. In this decision, UOKiK concluded that this financing arrangement breaches Polish merger control rules and imposed a fine of EUR 19.571 mn against OMV. OMV does not share the legal analysis of this decision and is appealing against it.

Business ethics training includes training of employees in dealing with invitations, gifts, and potential conflicts of interest. In addition, the employees are trained on the topics of donations and sponsorships as well as the requirements for dealing with intermediaries and lobbyists.

The online training for business ethics is aimed at all employees of the OMV Group and the OMV Petrom Group, while the participants in the classroom training courses are selected according to risk-specific criteria, such as work in the Sales or Procurement department. They are invited to attend in the course of a three-year training cycle.

The training on antitrust law we provide concentrates on the rules for dealing with competitors, customers, and suppliers. Employees are also trained on conduct in markets where OMV has a market-controlling role. An overview of existing sanction rules and trade bans rounds out the content of the training.

The participants in the online and face-to-face training sessions are selected and invited to participate in the course of the three-year training cycle according to risk-specific criteria.

All target groups are defined at the beginning of the training cycle based on the existing organization. Organizational and personnel changes during a training cycle are continuously adjusted and taken into account.

Compliance App for Employees Launched

In 2020, OMV launched a compliance app employees can use on their mobile phones. This provides employees with easily accessible resources and related tools for all compliance-related matters. Employees can submit inquiries on all ethics topics, for instance gifts, invitations, or conflicts of interest; have their sponsorships or donations checked and registered; have new business partners checked against trade sanction and embargo lists; learn how to deal with inside information and file for trading approval; retrieve useful guidance on all ethics topics; and submit reports on ethical misconduct over the secure Integrity Platform messaging service.

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SDG target: 16.5 Substantially reduce corruption and bribery in all their forms

Tax Transparency

Our business activities generate a substantial amount and variety of taxes. We pay corporate income taxes, royalties, production taxes, stamp duties, and employment and other taxes. In addition, we collect and remit payroll taxes as well as indirect taxes, such as excise duties and VAT. The taxes we collect and pay represent a significant part of our economic contribution to the countries in which we operate. At OMV, we are committed to complying with tax laws in a responsible manner and to having open and constructive relationships with tax authorities, which is also reflected in OMV's Tax Strategy. In 2020, we published our new Tax Strategy.

Our tax planning supports OMV's business and reflects our commercial and economic activity. OMV does not engage in aggressive tax planning, which consists of artificial structures put in place merely to save taxes or of transactions lacking economic substance aimed at obtaining undue tax advantages.

We comply with applicable tax laws and seek to limit the risk of uncertainty or disputes. We perform transactions between OMV Group companies on an arm's-length basis and in accordance with current applicable OECD principles.

OMV Group companies are established in suitable jurisdictions, giving consideration to our business activities and the prevailing regulatory environment. OMV does not establish its subsidiaries in countries that do not follow international standards of transparency and exchange of information on tax matters, unless justified by operational requirements in line with OMV's business ethics principles and our Code of Conduct.

Since 2016, OMV has been providing mandatory disclosures under the Payment to Government Directive (according to Section 267c of the Austrian Commercial

Code) and publishes its payments made to governments in connection with exploration and extraction activities, such as production entitlements, taxes, or royalties, in the consolidated financial statements. (For more details, see the Consolidated Report on the Payments Made to Governments in the Annual Report 2020.)

In addition, OMV reports payments made to public authorities, such as taxes or royalties in connection with exploration and extraction activities, in countries that are members of the Extractive Industries Transparency Initiative (EITI).

We also file a Country-by-Country Report (CbCR) for the OMV Group with the Austrian tax authorities. This is done in accordance with Action 13 of OECD's Base Erosion and Profit Shifting (BEPS) Action Plan. The CbCR is an annual tax return that breaks down key elements of the financial statements by tax jurisdiction.

Public Policy

OMV strives to earn stakeholders' confidence by implementing a high standard of corporate governance, transparency, and predictability. OMV has therefore pledged to comply with the Austrian Code of Corporate Governance, and, in this context, through its Code of Business Ethics forbids any support of political parties, including donations. Accordingly, we made no political donations in 2020.

We follow political and regulatory initiatives (at both EU and national levels) in our areas of interest, including energy, the environment, climate change, trade, and others. OMV has a dedicated Public Affairs department. We are fully in line with all reporting obligations at the national and EU levels, and we are fully compliant with all transparency requirements.

As part of our commitment to transparency on climate action, OMV aims to report not only its own position and action on climate change but also the position of the industry associations in which OMV is a member. A review process was established in early 2020 to ensure that the main associations in which OMV is a member also support the Paris Agreement. Twelve key industry association memberships were reviewed in 2020 to determine whether OMV's memberships remain appropriate. OMV is continuously monitoring this issue and will report on it annually going forward. Our 2020 report can be found on our website.

Human Rights

Human rights are universal values that guide our conduct in every aspect of our activities. We have been a signatory to the UN Global Compact since 2003 and are fully committed to the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Universal Declaration of Human Rights. We continuously work on improving our human rights management systems, due diligence processes, and performance by learning from international experience and good practice. We are part of the UN Global Compact Network Austria and a member of IPIECA and benefit from the professional support of internationally recognized third-party experts. Safeguarding human rights is central to the material topic Human Rights and Communities.

We are active in countries where human rights are not always respected and protected in accordance with internationally accepted human rights standards. The primary responsibility for the protection of human rights lies with governments. However, OMV recognizes its responsibility to respect, fulfill, and support human rights in all business activities and to ensure that OMV does not become complicit in any human rights abuses as defined under current international law. In 2020, we were active in ten countries with elevated human rights risks. As a company, we must therefore be aware of any human rights impact we may have. We must ensure that we do not violate human rights while conducting our business activities. In meeting our human rights responsibilities, OMV acts in strict compliance with applicable national law. In order to ensure that the national legal framework is in line with OMV's human rights standards, we conduct a Human Rights Country Entry Check before launching operations in a country. Where national law falls short of OMV standards, which are based on international human rights law, OMV is guided by its higher standards unless this is in contradiction with applicable law.

Our employees, contractors, public authorities, legislators, investors, shareholders, communities, customers, and NGOs all expect us to respect and uphold human rights. The demand by our stakeholders that we respect human rights defines the drivers of our related policies. The OMV Human Rights Policy Statement sets out our understanding of and responsibility for respecting and upholding human rights in our business environment. It has been approved by the Executive Board and serves as our guiding principle for dealing with human rights issues in all aspects of our daily business.

The overall accountability for our compliance with human rights lies with the respective business heads. Locally based human rights officers conduct due diligence at the operating facilities with the support of three human rights managers at Group level (at OMV, SapuraOMV, and OMV Petrom). Action plans and mitigation measures are implemented and reported by the respective functions, depending on which aspect of human rights is in question.

Thus, the Human Resources department would deal with human rights issues related to labor rights, the Procurement department is responsible for managing human rights issues in the supply chain, the HSSE department is responsible for security-related human rights issues, and the Community Relations and Development function implements OMV policy related to human rights impact on communities and indigenous peoples. Internationally recognized third-party experts support OMV in conducting the due diligence on the Company's exposure to human rights risks.

Since 2008, we have mapped our human rights responsibilities in a comprehensive Human Rights Matrix designed to serve as the foundation for our activities in this area. We use this tool to assess our human rights challenges and activities and prioritize our actions as essential, expected, or desirable in defense of human rights. We regularly review the priorities in our Matrix and redefine them in accordance with international best practice and the latest developments in the human rights field.

The OMV Human Rights Matrix covers responsibilities in the following areas:

- Human rights risk management in general, including compliance with national and international standards, human rights training, the grievance mechanism, and organizational structures
- Equality and non-discrimination, including the implementation of appropriate guidelines and awareness training measures
- Security, including preventive, defensive, and community-oriented approaches to security; clear guidelines; supervision and trainings
- Health and safety, including OMV health and safety management as well as community arrangements
- Labor rights, including decent wages, working hours, employee representation, collective bargaining, and provisions against forced labor, child labor, and human trafficking
- The right to education, including training for employees as well as support for basic education in surrounding communities
- Property and standard of living, including land rights and poverty reduction
- Local communities and indigenous peoples, including consultation based on free, prior, and informed consent, IFC Performance Standard 7 [41], and ILO Convention 169 [42]
- Privacy and family life, including personal data protection and appropriate living and working conditions

OMV holds itself responsible for protecting the human rights of our employees (issues such as non-discrimination, decent wages, working hours, employee representation) as well as of the outside world, for example our suppliers, communities, indigenous peoples, and society as a whole. Our external responsibilities in the area of human rights include, but are not limited to, equality and non-discrimination, security, primary health care, labor rights in the supply chain (such as fair wages and working hours), education, poverty reduction, land rights, and free, prior, and informed consultation. We specifically concentrate on the impact of our activities on the human rights of vulnerable groups, such as indigenous peoples, women, and children.

According to the UN Guiding Principles, an effective grievance mechanism is a crucial instrument for ensuring compliance with our human rights commitment and a source of continuous learning for improving company human rights performance. At OMV, human rights grievances from community members and suppliers are submitted through the Community Grievance Mechanism (CGM) and then analyzed locally and at Group level. No incidents related to child labor, forced labor, violation of indigenous peoples' rights, or other human rights violations were reported in 2020 (2019: no incidents). In 2020, OMV has assessed its Community Grievance Mechanisms against the UN Effectiveness Criteria at OMV New Zealand and designed a CGM in line with the Effectiveness Criteria to be put in place at SapuraOMV in Malaysia. (For more information about the Community Grievance Mechanism and the assessments, see Community Relations and Development.)

OMV employees also have various channels for bringing forward issues and grievances related to human rights. For instance, the Integrity Platform is available to anyone in the Group (for more information, see Corruption Prevention). PetrOmbudsman at OMV Petrom is where employees and management can have confidential, off-the-record, informal discussions and address issues related to the workplace. Moreover, employees can bring forward their concerns related to discrimination, employee representation in challenging environments, and maternal protection in direct dialogue with human rights managers, human resources business partners, and works council members.

Due Diligence

OMV has developed due diligence tools and techniques to assess the risk of human rights violations related to our business, even before we launch or acquire business in a new country. Human rights are one of the decision-making components determining OMV's engagement in a given country and are presented to the respective Executive

41 The IFC (International Finance Corporation) Performance Standard on Indigenous Peoples recognizes that indigenous peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population.
42 The Indigenous and Tribal Peoples Convention, ILO (International Labour Organization) Convention 169, is the major binding international convention recognizing the specific rights of indigenous peoples.

Board member before taking a decision to engage in a country. We use these assessments to derive concrete measures to reduce the risk of direct and indirect involvement in potential human rights violations. At all stages of the human rights due diligence process, we use the OMV Human Rights Matrix as a common standard, mapping reality on the ground against the concrete responsibilities as defined in the Matrix and identifying any gaps we need to focus on. This approach ensures that any potential human rights impact of our business activities is identified – whether this relates to non-discrimination and diversity, labor-related issues (e.g., minimum wage, adequate rest times), indigenous peoples' rights, or human rights in the supply chain.

In 2020, we commissioned a human rights country assessment for the United Arab Emirates (UAE) by an external human rights expert. This country assessment provided an analysis of ongoing human rights issues and the resulting potential reputational and operational risks associated with our business engagement in the country. We identified general country concerns related to labor rights (such as union rights, migrant workers' rights, health and safety at work) and human rights in the supply chain (such as the risk of child and forced labor). Depending on the level and type of future engagement in the country, these could potentially become concrete human rights risks. We are preparing an action plan based on our analysis and the findings in order to mitigate potential risks associated with our business engagement and ensure OMV's compliance with its commitments to international human rights standards. In Malaysia, SapuraOMV has signed and published its Human Rights Policy Statement. Human rights aspects were also integrated into an environmental and social impact assessment in 2020.

Our current operations are also subjected to regular assessments of their exposure to the risk of human rights violations. Due diligence starts with an Initial Risk Ranking at country level: Every country we operate in (or plan to operate in) is assessed based on comprehensive human-rights-related data and on consultation with internal and external experts. The countries are ranked by low-, medium-, and high-risk, countries with highest manageable risk, and "no-go" countries with unmanageable risk. Based on this ranking, we develop our yearly work plan, defining further due diligence actions and human rights training. In 2020, country operations were informed about the outcome of the annual Country Risk Ranking, including information about the main human rights challenges as well as recommended mitigation measures and training options.

The Human Rights Self-Assessment is one of the tools we use to assess the effectiveness of our human rights due diligence approach. Such assessments create internal awareness, capture our self-perception of our human rights performance, and facilitate the definition of gaps and further actions. For example, we conducted a Human Rights Self-Assessment at OMV Petrom in Romania in 2018. By 2020, all the recommendations from the assessment had been implemented, including the following key measures:

- OMV Petrom's practice of wage deductions was analyzed in detail and full compliance with international standards was determined.
- An internal awareness campaign against discrimination, sexual harassment, and violence was launched.
- A lactation room to be used by employees that decide to return to work early and are still breastfeeding was set up at Petrom City headquarters.
- Our human rights expert cooperates closely with Procurement in order to ensure the full inclusion of human rights in the supplier auditing program.
- The Community Grievance Mechanism was externally assessed against the UN Effectiveness Criteria. (For more information, see Community Relations and Development.)

OMV strongly opposes forced labor, slavery, child labor, and human trafficking. We therefore fully support the aims of the UK Modern Slavery Act 2015 and are committed to operating our business and supply chain free from forced labor, slavery, and human trafficking. The OMV Statement against Modern Slavery and Human Trafficking explains in detail the measures taken against modern slavery and human trafficking in all parts of the business and supply chain. The statement is updated annually and signed by the Executive Board in accordance with the requirements of the UK Modern Slavery Act 2015 and is available on our website.

OMV has engaged in dialogue with Corporate Human Rights Benchmark and participated in their assessment for 2020.

Human Rights Training

We conduct trainings on human rights, which equip our employees with an understanding of our human rights management process and give them a space to work on concrete operational issues and local challenges. Even though the key concepts of OMV Human Rights Management are the same across our countries, the training focal points and discussions vary significantly, ranging from human rights in armed conflict environments and the risk of OMV's complicity to OMV's human rights responsibilities in joint ventures, to personal legal liability and employees' human rights and grievances.

All employees are strongly encouraged to complete an interactive e-learning training course, which guides them through human rights norms and situations. With the launch of the new OMV learning platform, human rights e-learning was added to the training curriculum of all employees worldwide. This module is an interactive 30-minute training session that teaches a basic understanding of human rights in general and their relevance to our business specifically. It provides an opportunity for employees to test their knowledge using real-life examples.

In 2020, 21 individuals participated in face-to-face human rights trainings in Russia and Romania, the only such trainings we were able to carry out before the travel restrictions imposed by COVID-19 hit. The participants were introduced to basic human rights concepts and their relevance to OMV. They also learned about the tools and processes for implementing OMV's human rights management process, familiarized themselves with the human rights responsibilities of their own roles, and discussed specific operational challenges and opportunities with regard to human rights.

Across OMV, 13% of all employees received training on human rights in 2020. 63% of all employees received training between 2016 and 2020. [43]

In the context of the Sustainability Strategy 2025, we have pledged to train all employees exposed to human rights risks by 2025. This target group consists of employees responsible or accountable for the implementation of our human rights responsibilities (Human Resources, Security, Site Management, HSSE Auditing, Community Relations/Community Development, Procurement) working in countries with elevated human rights risks or in corporate functions. By the end of 2020, 80% employees from the target group were trained. [44]

We also implement internal awareness-raising campaigns throughout the Group. All of the business heads in countries where we have operations were informed about their country's human rights risk level. We provided information about the main challenges and recommended due diligence steps and trainings, where applicable. A human rights awareness campaign was also conducted on the occasion of the International Human Rights Day on December 10. All employees Group-wide were informed about our commitment and invited to complete the human rights e-learning program.

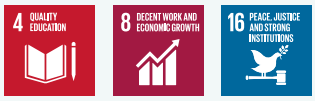
Sustainability Strategy 2025 Target

- Conduct human rights trainings for all employees exposed to human rights risks by 2025

Status 2020

- 80% of target group trained

Action Plan to Achieve the Target



- Annual internal awareness campaign on Human Rights Day
- Human rights classroom training session for corporate functions in Vienna and Bucharest (postponed due to COVID-19)
- Human rights training for employees in Malaysia and introduction of e-learning tool
- Further promotion of human rights e-learning across the Group

SDG targets: 4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development; 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms; 16.1 Significantly reduce all forms of violence and related death rates everywhere

43 All human rights training data excluding Borealis
44 The target group was recalculated in 2020 to represent a cumulative number from 2016 to 2020. The cumulative 2016–2020 target group is 795 employees.

Community Relations and Development

For OMV, transparency, trust, and partnership-based relationships with local communities are key to ensuring we are a responsible and welcomed neighbor wherever we operate. Adding value to the communities in which we operate is key to securing our operations for the future. Community relations and development are central to the material topic Human Rights and Communities.

We acknowledge that the presence of OMV's business has direct and indirect impacts on local communities. We aim to steer the impacts of our business activities in a positive direction by building and maintaining mutual trust and pursuing respect-based community relations, investing in local development, safeguarding human rights, and ensuring that local suppliers who work with OMV follow sustainable practices. (For more information on OMV's involvement in these areas, see Human Rights and Supply Chain.) Community development investments are always aligned with identified local needs and made in consultation with local stakeholders, as well as in consideration of country priorities with regard to Sustainable Development Goals (SDGs).

Our community relations and development management process is based on centralized policies and targets and implemented by locally responsible persons with local resources. We start by conducting a Social Impact Assessment (SIA), which includes free and prior informed consultation with and consent of local stakeholders. Sometimes, an SIA is integrated into an Environmental Impact Assessment (ESIA) to foster synergies and efficiencies. The purpose of an SIA is to ensure that the views of the local communities, especially of indigenous peoples, are incorporated and addressed throughout all phases of the project life cycle: commencement, operational phase, and decommissioning or abandonment. We also pay particular attention to any possible impact on human rights. Based on the internal regulation for conducting SIAs, we include a baseline study, community needs assessments, stakeholder analyses, and a study of social risks associated with the project. Where possible, SIAs are conducted in a participatory manner by directly consulting with potentially affected communities. Our standards require that the outcomes of the SIA are communicated to affected stakeholders.

Based on the SIA's outcome, site-specific strategies for community relations and development, stakeholder engagement plans as well as Community Grievance Mechanisms are developed and implemented. We maintain regular communication with our communities and strive to inform them in advance of any planned business activities that may affect them. For example, in the vicinity of our refineries, stakeholders and communities are proactively informed in advance of work that may cause a disturbance, such as noise from turnarounds, by way of stakeholder meetings, social media, leaflets, and other channels as appropriate.

We contribute to community development through community or social investments. These are prioritized based on local needs identified as part of the SIA and their potential for an impactful contribution to the SDGs most relevant for targeted areas. Our community and social investments are focused on preventing or mitigating social risks and positioning OMV as a socially responsible company vis-à-vis our stakeholders. These often also include knowledge transfer initiatives aimed at building the local technical capacity of potential workforce or supply chain partners (for example, offering students from our Upstream business countries scholarships to study petroleum engineering at the Montanuniversität Leoben). When plants are decommissioned or we exit a location, our community relations team ensures that potential social impacts are addressed by drawing up targeted community engagement plans, social impact assessment and management plans, and exit strategies for ongoing community development projects.

The Group level function governs and steers community relations and development implementation across the countries in which we operate, receives regular reporting and feedback from local social responsibility managers, and monitors and ensures that the Group guidelines on community relations and development are adhered to. We hold regular structured alignment meetings with our local social responsibility managers to monitor and steer local implementation of our site-specific global community relations and development commitments. We also organize regular exchanges among all countries in order to share challenges and best-practice experiences as a supplement to the guidance provided. In 2020, we increased the transparency of our approach to managing community grievances (see also Community Grievances). In 2020, we additionally established a detailed MEA-specific community relations and development standard. Following our acquisition of a majority stake in Borealis in late 2020, we focused our efforts on integrating Borealis' locations into our community relations and development management processes. [45]

Community relations and development management activities are reviewed in each country in which we operate in accordance with business developments. In 2020, due to the global pandemic, some of our planned community relations and development management activities had to be delayed or efforts refocused on a response to more immediate community needs. Following our entry into Malaysia in early 2019, we finalized the integration of OMV community relations and development standards at SapuraOMV in 2020. In the past year, we also updated the community development strategy in New Zealand and started conducting a social risk assessment focused on our operations in Sarawak, Malaysia, to further inform our stakeholders in the region. In adherence

45 An analysis of Borealis' community relations and development management (SIA self-check excluding human rights aspects) in 24 locations was completed in 2020. This took into account the socio-economic profile of each country and provides a baseline for further CRCD processes and activities in 2021.

to our internal community relations and development procedure, all OMV projects require community consultation in the development phase. In 2020, two out of eight [46] projects were in the process of community consultation.

Community Grievances

Our approach to managing community grievances follows the precautionary principle of ensuring local approval for OMV operations by identifying and resolving the issues of concern to the local community early on. We strive to conduct our operations in a way that reduces any disruption to our neighboring communities to a minimum; however, grievances may still arise. We manage these grievances through localized Community Grievance Mechanisms (CGMs). At OMV, a CGM is a key tool for preventing and managing our potential impacts on local communities and related social risks. The CGM stipulates a stringent approach to systematically receiving, documenting, addressing, and resolving grievances in all of the countries where we operate, therefore laying the foundation for our social license to operate. We define a grievance as an expression of dissatisfaction stemming from a real or perceived impact of the Company's business activities. Our grievance management system is based on dialogue with our stakeholders first and foremost and is designed to prevent any retaliation risks. The CGM helps OMV and those potentially impacted by its operations to resolve issues without resorting to the legal system. However, OMV's CGM does not hinder or prevent affected stakeholders, including local communities, from accessing judicial or other remedies for their complaints or grievances. The CGM offers a channel for resolving grievances out of court and, depending on the case, provides a remedy to community members (for more information on our approach to community grievance management, see the OMV website). The CGM remained fully operational in all operated Upstream assets, in the three OMV refineries (Schwechat in Austria, Burghausen in Germany, and Petrobrazi in Romania), and at one power plant (Brazi in Romania) in 2020. In addition, a new CGM was established at SapuraOMV operated assets in Malaysia in 2020.

During 2020, we received reports of 812 grievances: 367 grievances relating to our impact on society [47] received (243 resolved); 445 grievances concerning an impact on the environment [48] received (357 resolved); zero human rights grievances received [49]. The open cases will be handled during 2021.

In the interest of full alignment with IPIECA's best practice for grievance management, OMV has set a target to assess the CGMs at all of its sites against the UN Effectiveness Criteria for Non-Judicial Grievance Mechanisms by 2025. The UN Effectiveness Criteria require the grievance mechanism to be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue.

The alignment of CGMs with the UN Effectiveness Criteria is assessed by conducting a management processes review and consulting with internal and external stakeholders. The assessments result in recommendations and tailored action plans to improve grievance management at site level. The action plans are implemented by local management and monitored by the Corporate function. In 2020, we conducted an assessment in New Zealand and established a CGM in line with UN Effectiveness Criteria in Malaysia [50]. The assessments were performed by a third-party expert. The sites already assessed account for 98% of all registered grievances at OMV in 2020. We will conduct assessments of the CGMs according to the UN Effectiveness Criteria at additional OMV sites in 2021. In 2019, CGM assessments were carried out in Austria (Upstream, Schwechat Refinery) and at the Burghausen refinery in Germany. The major UN Effectiveness Criteria for OMV were determined to be transparency and predictability. In 2020, the following key improvements were made to the CGMs:

- In 2020, the Petrobrazi refinery stepped up its external outreach to local communities to inform them about the CGM and increase its use for resolving community concerns.
- The Schwechat and Burghausen refineries further improved their public information on local accessibility of the CGM.
- Increased predictability of the CGM: The three assessed sites are in the process of reworking their local community grievance management standards to ensure consistency, structure, and greater predictability in handling community grievances.

46 Excluding Borealis
47 Society category grievances include noise, dust, land acquisition, access to project benefits, or other disturbances relating to OMV activities. Data excluding Borealis.
48 Environment category grievances include land degradation, water pollution, air pollution, etc. Data excluding Borealis.
49 Human rights category grievances are related to the "essential" rights category in the OMV Human Rights Matrix, e.g., disproportionate use of force by security, incidents related to indigenous peoples' rights, cases of forced or child labor. Data excluding Borealis.
50 For Malaysian assets, we took a different approach to alignment with the UN Effectiveness Criteria, given that the CGM was only established in 2020. Instead of assessing an established CGM, we worked with an external expert to establish a CGM in alignment with the UN Effectiveness Criteria from the start.

Sustainability Strategy 2025 Target

- Assess Community Grievance Mechanisms of all sites against UN Effectiveness Criteria [51] by 2025

Status 2020

- Seven out of ten sites in scope [52] assessed (Romania Upstream, Petrobrazi refinery in Romania, Austria Upstream, Schwechat refinery in Austria, Burghausen refinery in Germany, New Zealand Upstream, Malaysia Upstream)

Action Plan to Achieve the Target

- Follow-up on CGM assessments conducted in 2020
- Conduct a self-assessment at Borealis to create a baseline for the organization's CGM alignment to the UN Effectiveness Criteria

SDG targets: 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status; 16.6 Develop effective, accountable and transparent institutions at all levels; 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

Community Investments

We implement our community development projects as investments, therefore expecting each project to generate a return for our communities or society more broadly. We prioritize projects with a potential to generate long-term societal value and make a lasting change to beneficiaries' lives. Community and social investments are aligned with the SDGs and the community needs identified during SIAs, or with broader societal priorities (e.g., by consulting the Social Progress Index [53]). We aim to implement our projects in partnership with locally active stakeholders or non-governmental organizations to ensure a maximum social return on our investment. Key OMV focus areas for our community and social investments are the following:

- Access to basic services
- Education, entrepreneurship, and employment
- Climate action and circular resource management

At OMV, countries with the highest socio-economic development needs and/or where we have the largest business footprint are prioritized for community and social investment funding.

- EUR 12.46 mn in community and social investments [54]
- 264 community and social investments in 18 countries
- 1.86 mn beneficiaries reached
- 901 employee volunteers

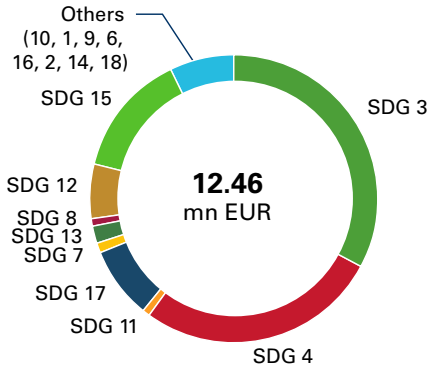
51 UN Effectiveness Criteria for Non-Judicial Grievance Mechanisms as set out in the United Nations Guiding Principles on Business and Human Rights. The UN Effectiveness Criteria require the grievance mechanism to be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue.

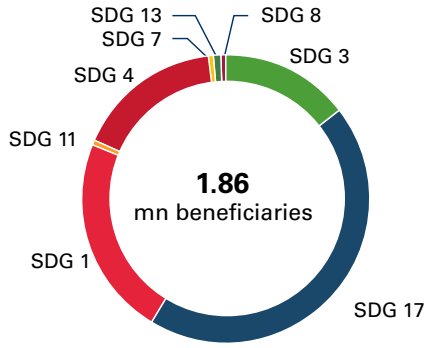
52 The target scope includes production sites where OMV is an operator. In 2020, Borealis was not included in the scope of this target. In 2020, a Community Grievance Mechanism was operational at ten sites: seven in Upstream (Austria, Romania, Tunisia, New Zealand, Malaysia, Yemen, Kazakhstan) and three in Downstream (Austria, Romania, Germany).

53 The Social Progress Index, developed by the Social Progress Imperative, is a comprehensive measure of real quality of life, independent of economic indicators across countries. More details can be found at: www.socialprogress.org

54 Includes contributions in cash, contributions in kind, and donations; excludes related management overheads; all community investment data excluding Borealis

2020 Investments by Main SDGs and by Beneficiaries





- SDG 1: No Poverty
- SDG 3: Good Health and Well-Being
- SDG 4: Quality Education
- SDG 7: Affordable and Clean Energy
- SDG 8: Decent Work and Economic Growth
- SDG 11: Sustainable Cities and Communities
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action
- SDG 15: Life on Land
- SDG 17: Partnerships for the Goals

Other SDGs supported to a smaller degree

In 2020, the global COVID-19 pandemic presented our societies with challenges that are unprecedented throughout many of our lifetimes. OMV supported the countries and communities where we do business by focusing on enhancing medical preparedness and ensuring supplies, donating fuel to critical services, and mitigating the social and economic impacts of the pandemic, for example, ensuring access to remote schooling. For example, we donated EUR 1 mn worth of fuel to the Austrian Red Cross and Caritas to power the vehicles they are using to serve socially marginalized people during the crisis. Jet fuel worth EUR 0.5 mn was donated to the Austrian federal government for relief flights during lockdowns. EUR 1 mn in support went to enhancing medical preparedness in Romania. We donated EUR 0.5 mn to Libya and smaller sums to organizations and support initiatives in other OMV countries. In addition, during the COVID-19 pandemic, many people around the world are urgently dependent on the support of food banks. OMV donated fuel vouchers to food banks in Austria so that they could continue their work during the pandemic. All COVID-19 support measures across OMV countries can be viewed here: https://www.omv.com/en/covid-19.

Borealis Social Fund

Borealis has established the Borealis Social Fund to strengthen its position as a socially responsible company. To maximize the impact of its engagement and to align its social engagement activities with its Sustainability Strategy, Borealis has defined three areas of engagement that contribute directly to the UN SDGs:

- SDG 14: working on waste and resource efficiency and prevention of marine litter (e.g., through Project STOP)
- SDG 6: investing in water and sanitation through Water for the World, a joint initiative with Borouge focusing on South-East Asia and Africa
- SDG 4: supporting education and social integration through long-standing partnerships with a number of educational institutions in Europe as well as in the UAE

In 2020, EUR 1.7 mn were invested through the Borealis Social Fund.

Corporate Volunteering

The OMV Group's employees are also encouraged to personally play an active part in sustainability initiatives, including by volunteering. We offer OMV employees opportunities to actively engage in encouraging responsible and sustainable behavior, and facilitate employee engagement and involvement with charitable partners. Group-wide volunteering activities in line with specific targets are part of our community and social investments. In 2020, the Corporate Volunteering Standard was finalized and will be incorporated in the Sustainability Directive in 2021. This standard ensures the reporting on our volunteer work in hours across the Group.

The first half of 2020 was affected by the global pandemic. In the light of the restrictions put in place to protect members of society who are especially vulnerable to the virus, we have canceled many of our planned volunteering activities in 2020. Nevertheless, we held smaller and outdoor volunteering events in line with hygiene and social distancing guidelines.

Volunteering at the Climate Research Forest

OMV supports the climate-research forest of the Austrian Research Center for Forests (BFW) in the Lower Austrian district of Matzen-Raggendorf, a research project that will run to 2030. BFW will plant the research forest in the eastern part of Lower Austria, after which the forest will be cultivated, managed, and studied. During the summer, twelve OMV volunteers learned more about the Climate Research Forest on-site and discussed the impact of climate change on the trees with experts. Topics included widespread bark beetle damage as well as hands-on climate protection achieved by cutting weeds to promote the growth of the trees planted.

Bees are also extremely important for safeguarding biodiversity in this area. Beehives for honey bees and nest boxes for wild bees were put in place, and beekeepers in the region will take care of them. In addition to trees, bushes and flowers have been planted as food for the bees and to enhance biodiversity.

SDG targets: 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries; 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning; 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

Culture and Sports Sponsoring

In addition to community and social investments, we sponsor major cultural institutions and sports, both of which contribute to a better life. Especially in these difficult times, it is very important for us to remain a reliable partner to the organizations and projects we sponsor.

Impact Snapshot: Access to Basic Services for Health, Water, and Food

In 2020, we continued to invest in infrastructure to improve access to basic services such as health care and water. The former is especially important during the current health crisis. Our investments focused especially on underprivileged groups or areas with limited access to basic services in the countries in which we operate. These investments in basic human needs are also in line with our commitment to respecting human rights. A total of 380,000 people gained access to health services in 14 countries in 2020.

2020 Investment Highlights

Support for Health Sector in Libya

Public health is intrinsically linked to human development. Recognizing that, OMV supports the Al-Magariaf Hospital in Ajdabiya, Libya, by providing biomedical equipment and various medical consumables. The project benefits around 140,000 people in surrounding areas. In addition, OMV Libya donated coronavirus preparedness and prevention equipment and supplies to its local operating companies and partners for the communities around its facilities in Libya. In 2020, OMV contributed essential medical equipment and supplies to the Benghazi Children's Hospital, benefiting around one million people.

3

SDG target: 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

Donation to Yemeni Hospital

In 2020, Yemen was selected as the recipient of the thx! employee recognition program award. The thx! program allows employees who are recognized for their outstanding achievements to select a social and community investment to which they want to donate. In 2020, the donation to Yemen supported the Al Māfūd Hospital, the largest local hospital in the district of Arma, where OMV Yemen operates (Block S2). Our support helped procure medical equipment and consumables, furniture, and specific medicines to help the hospital serve the local community's health care needs.

3

SDG target: 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

CAPE 10 in Vienna

OMV has supported the CAPE 10 project in the city of Vienna from the very start. The project aims to establish a medical clinic, health care, and support center in the city's district with the highest percentage of immigrants and lowest level of educational attainment. Compulsory health insurance does not cover 1.5% of people in Austria. Our support helps establish the low-threshold outpatient clinic to provide health care to everyone, regardless of whether they are covered by public health insurance or not.

SDG target: 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

Impact Snapshot: Education, Entrepreneurship, Inclusion, and Employment

Education, entrepreneurship, and employment are key factors in socio-economic development and positively contribute to numerous other SDGs. OMV has been involved in community and social investments focused on education, entrepreneurship, and employment for many years now. We invest in vocational training, microlending, scholarships, and supplier capacity building. A total of 1,104 people received education or support for improving their local employment opportunities in 5 countries.

2020 Investment Highlights

Vocational Training in Romania

OMV Petrom began launching a series of projects dedicated to vocational and technical education in 2015 and since then has allocated over EUR 3.5 mn to projects such as the Vocational Camp, the Oilmen's School, and the Vocational Students League. In these five years, over 1,300 students have been involved in these projects, more than 370 scholarships have been awarded to students, and almost 300 teachers have taken courses to develop their teaching skills. In 2020, OMV Petrom continued to support vocational and technical education through the Vocational Week project. The project was carried out in partnership with two high schools from OMV Petrom communities in the Prahova County: Mechanical Technological High School in Câmpina and Elie Radu Technical College in Ploiești. A total of 237 students who are studying to become mechanics and electricians as well as teachers took part in the Vocational Week. These future tradespersons went through an intense program including online workshops on personal and professional development. The teachers involved in the project participated in online training courses for adapting methods and subjects to online teaching and for managing conflicts in the teacher-student relationship. All beneficiaries of the project from the two partner schools will receive digital equipment, tablets, and a one-year Internet subscription.

SDG targets: 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship; 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value; 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training

Community Development in Tunisia

Basboussa is a small, marginalized community near the Nawara Gas Treatment Plant (GTP) with high expectations for resolving their deep-rooted socio-economic problems due to the neighboring Nawara project. This community is still not recognized by local authorities, and no constructive dialogue has been established yet. The Basboussa Community Empowerment Project (B-CEP) aims to help alleviate the socio-economic issues in the neighborhood by supporting small-scale job creation projects, improving access to better public services by liaising with the municipality of Bouchemma and enhancing the quality of life and livelihood of the community. The project started in November 2020 with a series of stakeholder meetings with regional and local authorities to coordinate project implementation and get needed support from the authorities. The project is expected to generate microprojects to help unemployed members of the Basboussa community, to improve access to public services for the community of Bouchemma (cleaning, lighting, etc.), and to raise awareness for organizing and engagement in civic life along with environmental self-awareness.

SDG targets: 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value; 11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

"Skill Up Your Future" Project in Serbia

Our successful partnership with Caritas Serbia continued in 2020 through the Skill Up Your Future project for transitioning teenagers from socially vulnerable families to independent living. The project is designed in accordance with the socially responsible business policy of OMV Serbia and the corporate culture of the company, which encourages providing equal opportunities to all and rewarding young people who show potential, willingness to learn, and progress. The aim of the project, which started in 2016, is to help young people overcome the challenges of independent living and working without compromising their education. In October, contracts were signed with two young men. One of them got the opportunity to work part-time (20 hours a week) at the OMV filling station in Jagodina, while the other will have the opportunity to gain work experience at the OMV filling station in Subotica.

The OMV Partner Network employs around 800 people at 63 filling stations in Serbia, 23% of whom stay in their jobs for more than ten years. There are numerous examples of young people who started out pumping gas or working as a cashier, then advanced to become shift managers at stations, and finally became filling station partners and run their own company, providing opportunity to a new generation of young people.

SDG target: 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Max & Lara in Austria

Under the auspices of the CAPE 10 project, OMV supports the Max & Lara project for children, which aims to influence the behavior of socially disadvantaged children and young people in a positive way. Children and young people are particularly affected by COVID-19 measures in view of homeschooling and the lack of IT equipment. Therefore, OMV donated EUR 5,000 to provide equal and high-quality education and to foster further opportunities for lifelong learning.

In addition, we made it possible for 25 children to participate in a workshop at the Vienna Open Lab, where they got the chance to become passionate scientists. The children experienced a variety of exciting experiments in the fields of molecular biology, chemistry, and genetics. Sharing experiences with their peers at Max & Lara promotes the children's development, expands their horizons, enhances their general education, and builds soft skills.

This is our effort to send a signal and pursue the strategic aim of promoting access to basic human needs, reducing inequality, and eliminating gender disparities in education.

SDG targets: 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations; 10.2 By 2030, empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Impact Snapshot: Climate, Energy, and Circular Resource Management

Climate and the environmental changes inevitably affect communities and their livelihoods, health, and opportunities around the world. We can no longer afford to tackle the social challenges the world faces without recognizing the depth of the effects environmental changes have on people and their well-being. Therefore, climate change, sustainable energy access, and environmental protection are key priorities in our community and social development efforts. A total of 100 low-income households in New Zealand improved their energy efficiency, reducing pollution by 3.45 t CO_2 equivalent. Waste collection services were provided to 133,587 people, and 8,123 t of waste (thereof 1,118 t of plastic) were collected and prevented from entering seas as part of Project STOP. Project STOP has also created 168 new jobs in Indonesia. A total of 584,000 trees were planted in three countries, sequestering 42,500 t CO_2 in Austria, Romania, and New Zealand.

2020 Investment Highlights

Climate Research Forest in Austria

Our sustainability approach concentrates not only on reducing CO_2 emissions, but also on storing CO_2. Forests do this in a completely natural way, so we must protect and nourish them. In Austria, we continued establishing a Climate Research Forest in 2020. Since 2019, a total of 23 different tree species have already been planted on around five hectares in Matzen-Raggendorf in Lower Austria. In 2020, a total of 4,800 seedlings were planted and tended, and the last planting will be finalized in spring 2021. Each tree absorbs CO_2 from the atmosphere and stores 4–7 t of CO_2 throughout its lifetime. This forest is also a subject of research: climate-relevant data collection has already started in order to evaluate the diverse functions of forests (e.g., carbon storage, biodiversity support). The research goal of this project is to find tree species and combinations of tree species that can grow well even in areas undergoing climate change and sustainably maintain forest functions.

SDG targets: 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries; 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning; 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

Romania Plants for Tomorrow

In 2020, OMV Petrom contributed EUR 1.6 mn to the largest private forestation initiative in Romania. More than 500,000 trees were planted, preventing the emission of around 2.75 mn kg CO_2 on average per year in around 12 counties and at 22 locations. The campaign is operated in partnership with the Ministry of Environment and six environmental NGOs. Romania Plants for Tomorrow supports three goals on the 2030 UN Agenda for Sustainable Development: (13) Climate Action, (15) Life on Land, and (17) Partnerships for the Goals.

SDG targets: 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning; 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally; 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Project Crimson in New Zealand

In 2020, we kicked off a partnership with Project Crimson in New Zealand aiming to support the large-scale restoration of indigenous forests in New Zealand. Over the coming years, OMV's support will be directed to two areas: Taranaki along the Waiwhakaiho River catchment, and Wairarapa, establishing ecological corridors in Tonganui from the Aorangi to Remutaka. Overall, the partnership will reforest over 23 ha of land by engaging local farmers and OMV volunteers.

SDG targets: 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning; 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

Project STOP – Stop Ocean Plastics

Copyright: Project Stop

Project STOP was initiated by Borealis and co-founded together with SYSTEMIQ in 2017 as a program that works hand-in-hand with cities to create leak-free, low-cost, and more circular waste management systems in regions with the highest ocean plastic leakage rates. Supported by industry and government partners, Project STOP's goal is to achieve zero leakage of waste into the environment and more plastics recycling. In this process, it also creates community benefits, including jobs in waste management, and a reduction in the harmful impact of mismanaged waste on public health, tourism, and fisheries. Project STOP currently partners with three cities in Indonesia. In 2020, construction began on a new waste processing facility in Jembrana, Indonesia. The facility is the regency's first-ever solid waste management service that aims to benefit as many as 150,000 residents. As of 2020, over 133,000 people have received waste collection services as part of Project STOP.

SDG targets: 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse; 14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution

Supply Chain

Supply Chain is a material topic for OMV. At OMV, we aim to foster innovation, maximize value contribution, and enable growth of the supply chain in line with both our Corporate and Sustainability Strategies. We achieve this by applying our sourcing and logistics expertise to ensure that the highest-quality materials and services are provided through our supply chain. It is of paramount importance to our organization to be fully compliant with all applicable legal requirements, as well as with our internal standards in areas of safety, environmental protection, and human rights when managing our supply chain.

Corporate and legal HSSE requirements are communicated to potential suppliers at the tender stage. Furthermore, OMV's Code of Conduct stipulates that suppliers must support OMV's Principles: Team Spirit, Accountability, Passion, Pioneering Spirit, and Performance. In order to mitigate supply chain risks including forced labor, slavery, human trafficking, and corruption, OMV imposes the legal requirements and internal rules and standards applicable to OMV on its suppliers. Our suppliers are obligated to fully comply with the content of the Code of Conduct, and all supply chain partners are required to

sign the Code of Conduct. However, we saw the need to further outline adherence to our Principles and the business standards (e.g., labor rights) described in OMV's General Conditions of Purchase. Our suppliers must accept these as an integral part of the contractual agreements.

OMV reserves the right to terminate relationships with suppliers if non-compliance with applicable policies is discovered or if non-compliance is not addressed in a timely manner. OMV has a process in place to ensure that parties sanctioned by the EU or international organizations, such as the United Nations, are not accepted as procurement partners.

It is the goal of our procurement vision Create Value to establish effective operations, improve efficiency, and simplify processes. OMV Procurement supports the five focus areas of OMV's Sustainability Strategy 2025 through several activities (e.g., embedding HSSE in supplier prequalification; mandatory HSSE clauses in contracts; supplier audits; spend with local suppliers; ESG assessments). However, we saw the need to advance sustainability further in our procurement activities. We have developed a new concept with the aim of bringing sustainability closer to our core processes in Procurement (e.g., plan-to-strategy, source-to-contract, supplier relationship, and performance management). Including sustainability in supplier onboarding and analyzing sustainability factors (e.g., the carbon footprint of the goods and services purchased through procurement) when developing procurement strategies are just two examples of initiatives defined in 2020 that will be developed further in 2021.

Furthermore, OMV Procurement together with OMV Carbon, Energy & ESG Management have refined the calculation method for carbon emissions from purchased goods and services. We now have more transparency on the carbon emissions generated by our suppliers thanks to a dedicated Power BI report accessible to the entire procurement community. In 2021, we plan to begin engaging directly with high-impact suppliers and setting up joint improvement measures that will enable us and our suppliers to decrease our respective carbon footprints.

In 2020, we worked with Borealis to assess the incorporation of sustainability principles in Procurement in both companies and defined synergies and a way forward. Borealis is part of the Together for Sustainability initiative, which aims to improve the sustainability standards of the supply chain of chemical companies.

Assessments and Audits

Close collaboration between our contractual partners (suppliers) and Procurement at OMV is a key element for good supplier relationship management. It is therefore important to give and get feedback. We foster partnerships with our suppliers through a standardized evaluation system, making sure that we collect the feedback received on a regular basis. The input from suppliers can make a difference using the diverse channels implemented so far, such as supplier audits, supplier meetings, ESG assessments, and 360-degree evaluations.

Since the implementation of a standardized system focused on enhancing supplier quality management back in 2017, Procurement has assessed its strategic suppliers in the areas of environment, social, and governance in order to raise awareness of the ESG agenda and OMV's commitments to it. These include GHG reduction targets and environmental programs. In 2020, Procurement assessed 16 strategic suppliers, [55] thus achieving its goal of receiving feedback on ESG elements from all of its strategic suppliers by the end of 2020. Most of the suppliers in the scope of these assessments were in line with our requirements, and recommendations were agreed upon for identified areas of improvement (e.g., human rights).

Furthermore, despite COVID-19 restrictions, online suppliers' meetings were encouraged and supported to ensure agile interaction with strategic suppliers and stay connected on a global level. We ran 360-degree questionnaires, feedback was discussed on current open issues, insights were given and received on dedicated topics, and development-oriented action plans were agreed upon for 2021. Finally, we paid considerable attention to our climate change and carbon management plans along the supply chain and shared our strategic approach and examples to improve carbon footprints, looking to 2021 and beyond. In addition to building up a much greater level of understanding on the nature of carbon emissions from materials and services purchased by OMV Procurement, sustainability initiatives and insights of both parties were used as examples to improve environmental impact and limit its influence on climate change.

Due to the effects of COVID-19 on our day-to-day activities, OMV Procurement has revised and defined a new supplier audit process. OMV conducts supplier audits during the prequalification process and/or during contract execution. The aim of the audits is to measure the performance of our suppliers and define actions which will enable them to optimize their performance and meet OMV requirements. During the audits, we pay special attention to the financial stability of our suppliers, their strategy and organization, and the supply chain and sustainability (e.g., human rights, carbon management, environmental management, certifications, and social responsibility).

In 2020, we performed 18 audits covering sustainability topics. Out of these, only three audits were performed on-site. The rest were done remotely due to the travel restrictions imposed because of COVID-19. Out of the 18 supplier audits, follow-up measures were agreed upon with the suppliers at 16, and were in different stages of implementation at the end of 2020. None of the audits found actual or potential environmental and social impacts in the supply chain.

55 All supply chain data excluding Borealis

We also perform yearly subject-specific audits on topics such as process safety, quality, and efficiency. In 2020, we completed 119 audits of our suppliers, most of them done remotely due to COVID-19.

Sustainability Strategy 2025 Target

- Increase the number of supplier audits covering sustainability elements to >20 per year by 2025 [56]

Status 2020

- 18 audits in 2020

Action Plan to Achieve the Target

- We will continue onboarding with our new auditor and perform additional audits.

SDG targets: 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms; 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment; 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries; 16.5 Substantially reduce corruption and bribery in all their forms

In addition to supplier audits, OMV Procurement defined an internal tool to assess the impact of COVID-19 on selected suppliers based on their criticality to our business in 2020. The COVID-19 assessment focused on topics related to the financial stability of suppliers, their risk of insolvency/bankruptcy, downsizing, and OMV's dependency on the services/product delivered by the respective supplier. A COVID-19 supplier risk score was calculated based on the assessment by the Procurement category managers after a prior meeting with the selected suppliers and OMV business representatives. For all high-risk suppliers, we have defined mitigation measures and are monitoring them closely to ensure no interruptions will affect our business.

SAP Ariba Enables Supplier Risk Monitoring

OMV continues its journey toward the digital transformation of procurement. Understanding a supplier's risk is an important factor in deciding whether and how we do business with the supplier. Since 2019, we have received daily alerts about our registered suppliers through SAP Ariba. These enable us to monitor their risks in four categories: Environmental and Social; Finance; Regulatory and Legal; and Operations. In 2020, we added a new feature to obtain even more reliable information about the financial ratings of our suppliers. The new process eliminates the manual request/ordering of a financial report and enables updates on financial ratings to be automatically pushed to SAP Ariba. By digitally integrating all of these elements into one system, SAP Ariba helps us implement our preventive risk management process.

SDG target: 16.5 Substantially reduce corruption and bribery in all their forms

56 Suppliers in scope for this target are active suppliers (at least one purchase order in the past year) who meet certain criteria such as procurement spend and strategic fit.

Local Procurement and Capacity Building

We continue to further support the local communities in the locations where we operate: our spend with local suppliers accounts for 81% in 2020, which includes local expenditures amounting to 74% in Austria and 91% in Romania. Furthermore, we believe it is important to take into consideration our impact in the areas of environment, social, and governance, which is why we support local communities and suppliers to further their development and advance our sustainability agenda.

Local Procurement Strategy Launched in Yemen

In 2019, OMV Yemen launched a local procurement strategy to strengthen the local economy and meet the local procurement expectations of neighboring communities. As the Republic of Yemen is a tribal-based society, the supply chain is predominantly Yemeni. The focus of the local procurement strategy is to strengthen economic ties with the tribes and communities physically surrounding our operations. Increased local procurement has the added benefit of reducing business disruption, which can occur due to local political conflicts.

In 2019, OMV Yemen began providing workshops to educate and train local suppliers and contractors. The focus was on enhancing technical and financial capabilities. Moreover, OMV Yemen set up an annual local procurement plan and adjusted its procurement processes accordingly. Such adjustments included modifying internal standards and contract templates to enable more local procurement by using a fit-for-purpose approach.

In 2020, a local Value creation dashboard was developed to measure the efficacy of the strategy. The dashboard tracks items including order values, the local personnel of our main contractors, local equipment rented, local suppliers qualified, and local spend. An informal and friendly competition was also launched among suppliers in three categories: top supplier for local personnel hired, top supplier for local equipment rental, and top supplier for local spend to local contractors. The aim was to further encourage local procurement throughout the supply chain.

SDG targets: 8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries; 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services