



Health, Safety, Security, and Environment

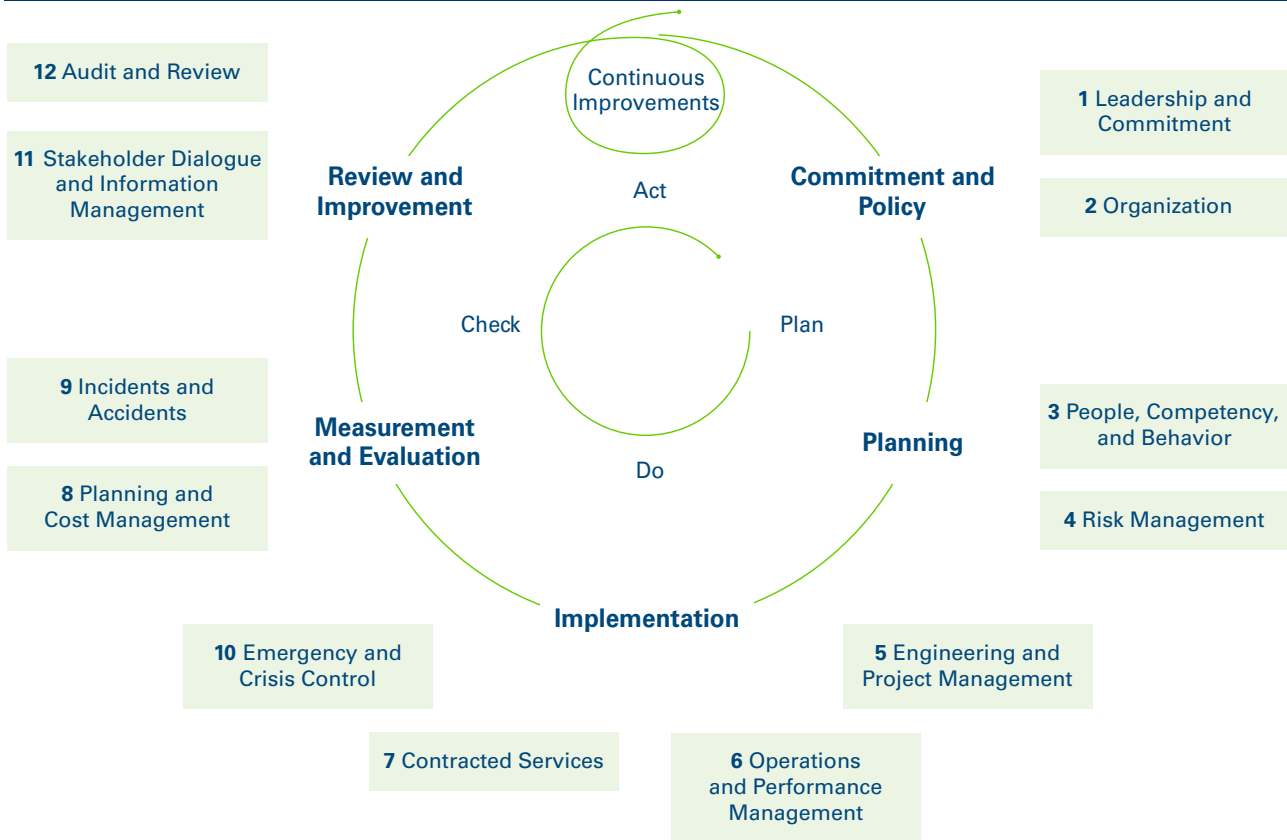
Health, safety, security, and protection of the environment (HSSE) are core values that constitute an integral part of our commitment to conducting our business in a responsible way. HSSE encompasses the two material topics Health, Safety, and Security as well as Environment. The essence of prioritizing 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/IEPCA – 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/IEPCA 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 Accident⁶ 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.

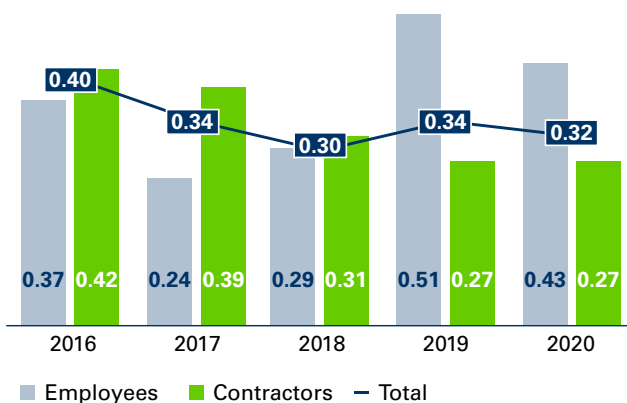
Incident Reporting and Investigation

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.

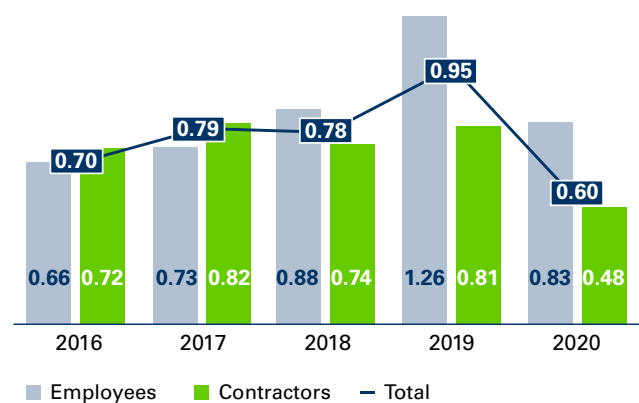
Lost-Time Injury Rate ⁷

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

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

We 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.



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, water-borne 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®



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 rel-

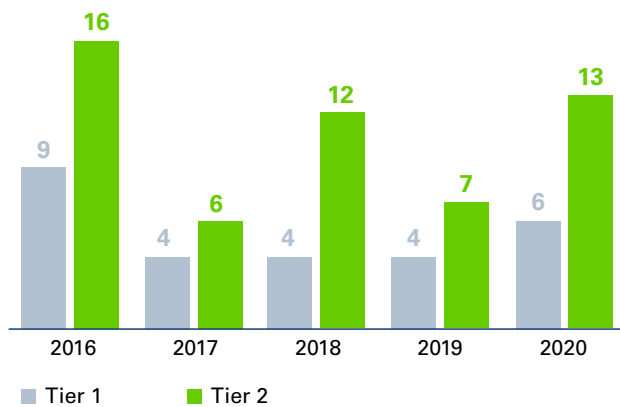
evant performance indicators, high-severity process safety accidents and near misses as well as current process safety activities. Regular alignment meetings are held between Group HSSE and local HSE Management as well as between the relevant Group HSE teams (Polyolefins, Base Chemicals, and Fertilizers, 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

- ▶ 0.18¹¹

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, water-borne 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 IT¹³ and OT¹⁴ 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 CO₂ 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.



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

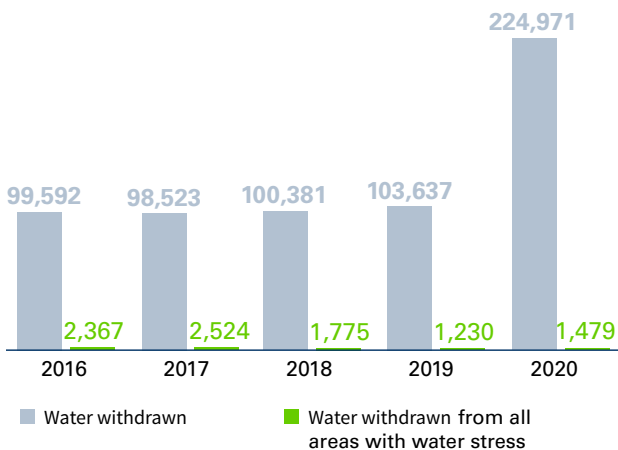


Activities in Areas With Water Stress

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 Petrobraz, Brazi power plant, and the Crişana 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 spills¹⁸ 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.

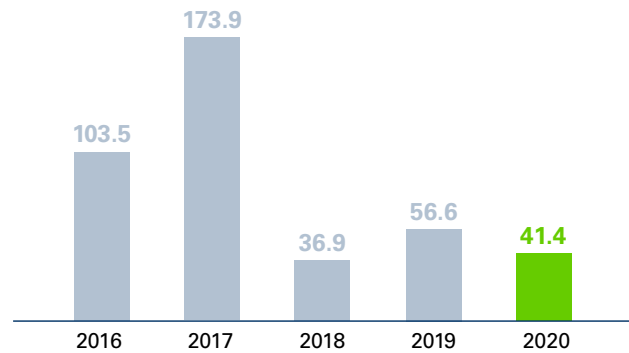
Spill Remediation

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 m³



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 m³ (2019: around 56.6 m³).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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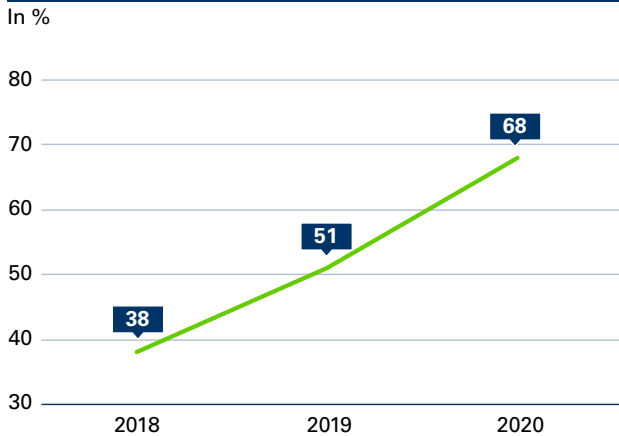


shelf technology available to suit the needs and expectations of this location, the solution was custom-built with the help of university partners and technology providers.

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 Crişana 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 MacArthur 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, Bourouge, and Siegwark. In addition, Veolia, the Schwarz Group, and HP have joined as technical and supporting partners. (For more information on Project STOP, see www.stopocean-plastics.com/en_gb/.)



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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.



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.