



Business Principles and Social Responsibility

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

Business Principles and Anti-Corruption

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

Business Ethics Regulatory Framework

The OMV Group follows a zero-tolerance policy with regard to bribery, fraud, theft, and other forms of corruption. Based on this policy, the OMV Group is committed to detecting any

potential policy violations at the earliest stage, thoroughly investigating any such incidents of non-compliance and determining appropriate organizational measures or sanctions for the individuals involved. The integrity of our employees is the foundation for the trust placed in our Company by our customers, suppliers, and other stakeholders.

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

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

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



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

OMV Compliance Management System

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

In 2020, face-to-face business ethics trainings were conducted with 496 employees. We also monitor the compliance of all of our operations with laws and regulations concerning capital markets law and antitrust law as well as international trade sanctions and embargoes that are applicable to OMV. Face-to-face trainings in these other compliance areas were conducted with 339 employees in 2020.³⁸

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

In 2013, OMV became the first organization in Austria to comply with the comprehensive IDW Assurance Standard 980. The IDW Assurance Standard 980 is the benchmark certification standard for DAX and ATX companies. The OMV Compliance Management System is regularly reevaluated and was recertified under IDW PS 980³⁹ in 2017. Both external and internal risk factors, in particular changes in the regulatory framework, as well as recent developments or incidents are monitored on an ongoing basis to evaluate their possible impact on OMV's current risk exposure. This ongoing risk analysis also includes an institutionalized semi-annual risk analysis, which is part of OMV's Enterprise-Wide Risk Management (EWRM).

Corruption Prevention

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

OMV has implemented a process for screening both potential new and existing business partners using EU and US sanction lists. In addition to those sanction checks, more exhaustive due

diligence assessments are conducted prior to the engagement with a business partner or during the business relationship as needed.

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

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

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

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

³⁸ All compliance data excluding Borealis. Borealis data is contained in the Borealis Annual Report.

³⁹ IDW PS 980 regulates the Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems. The corresponding English version is IDW AsS 980.

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



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

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

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

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

Business Ethics Training

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

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



Sustainability Strategy 2025 Target

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

Status 2020

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

Action Plan to Achieve the Target



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

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

⁴⁰ On October 6, 2020, the Polish Competition Authority UOKiK issued a decision with respect to OMV's financing of the Nord Stream 2 natural gas pipeline. In this decision, UOKiK concluded that this financing arrangement breaches Polish merger control rules and imposed a fine of EUR 19,571 mn against OMV. OMV does not share the legal analysis of this decision and is appealing against it.



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

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

The training on antitrust law we provide concentrates on the rules for dealing with competitors, customers, and

suppliers. Employees are also trained on conduct in markets where OMV has a market-controlling role. An overview of existing sanction rules and trade bans rounds out the content of the training.

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

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



Compliance App for Employees Launched

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



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

Tax Transparency

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

Our tax planning supports OMV's business and reflects our commercial and economic activity. OMV does not engage in aggressive tax planning, which consists of artificial structures put in place merely to save taxes or of transac-

tions lacking economic substance aimed at obtaining undue tax advantages.

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

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

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



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

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

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

Public Policy

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

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

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

Human Rights

Human rights are universal values that guide our conduct in every aspect of our activities. We have been a signatory

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

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

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

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



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

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

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

- ▶ Human rights risk management in general, including compliance with national and international standards, human rights training, the grievance mechanism, and organizational structures
- ▶ Equality and non-discrimination, including the implementation of appropriate guidelines and awareness training measures
- ▶ Security, including preventive, defensive, and community-oriented approaches to security; clear guidelines; supervision and trainings
- ▶ Health and safety, including OMV health and safety management as well as community arrangements
- ▶ Labor rights, including decent wages, working hours, employee representation, collective bargaining, and provisions against forced labor, child labor, and human trafficking
- ▶ The right to education, including training for employees as well as support for basic education in surrounding communities
- ▶ Property and standard of living, including land rights and poverty reduction
- ▶ Local communities and indigenous peoples, including consultation based on free, prior, and informed consent, IFC Performance Standard 7⁴¹, and ILO Convention 169⁴²
- ▶ Privacy and family life, including personal data protection and appropriate living and working conditions

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

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

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

Due Diligence

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

⁴¹ The IFC (International Finance Corporation) Performance Standard on Indigenous Peoples recognizes that indigenous peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population.

⁴² The Indigenous and Tribal Peoples Convention, ILO (International Labour Organization) Convention 169, is the major binding international convention recognizing the specific rights of indigenous peoples.



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

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

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

The Human Rights Self-Assessment is one of the tools we use to assess the effectiveness of our human rights due diligence approach. Such assessments create internal

awareness, capture our self-perception of our human rights performance, and facilitate the definition of gaps and further actions. For example, we conducted a Human Rights Self-Assessment at OMV Petrom in Romania in 2018. By 2020, all the recommendations from the assessment had been implemented, including the following key measures:

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

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

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

Human Rights Training

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



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

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

Across OMV, 13% of all employees received training on human rights in 2020. 63% of all employees received training between 2016 and 2020.⁴³

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

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



Sustainability Strategy 2025 Target

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

Status 2020

- ▶ 80% of target group trained

Action Plan to Achieve the Target



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

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

⁴³ All human rights training data excluding Borealis

⁴⁴ The target group was recalculated in 2020 to represent a cumulative number from 2016 to 2020. The cumulative 2016–2020 target group is 795 employees.



Community Relations and Development

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

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

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

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

from turnarounds, by way of stakeholder meetings, social media, leaflets, and other channels as appropriate.

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

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

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

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



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

Community Grievances

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

During 2020, we received reports of 812 grievances: 367 grievances relating to our impact on society ⁴⁷ received (243 resolved); 445 grievances concerning an impact on the

environment ⁴⁸ received (357 resolved); zero human rights grievances received ⁴⁹. The open cases will be handled during 2021.

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

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

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

⁴⁶ Excluding Borealis

⁴⁷ Society category grievances include noise, dust, land acquisition, access to project benefits, or other disturbances relating to OMV activities. Data excluding Borealis.

⁴⁸ Environment category grievances include land degradation, water pollution, air pollution, etc. Data excluding Borealis.

⁴⁹ Human rights category grievances are related to the "essential" rights category in the OMV Human Rights Matrix, e.g., disproportionate use of force by security, incidents related to indigenous peoples' rights, cases of forced or child labor. Data excluding Borealis.

⁵⁰ For Malaysian assets, we took a different approach to alignment with the UN Effectiveness Criteria, given that the CGM was only established in 2020. Instead of assessing an established CGM, we worked with an external expert to establish a CGM in alignment with the UN Effectiveness Criteria from the start.



Sustainability Strategy 2025 Target

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

Status 2020

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

Action Plan to Achieve the Target



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

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

Community Investments

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

- ▶ Access to basic services



- ▶ Education, entrepreneurship, and employment



- ▶ Climate action and circular resource management



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

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

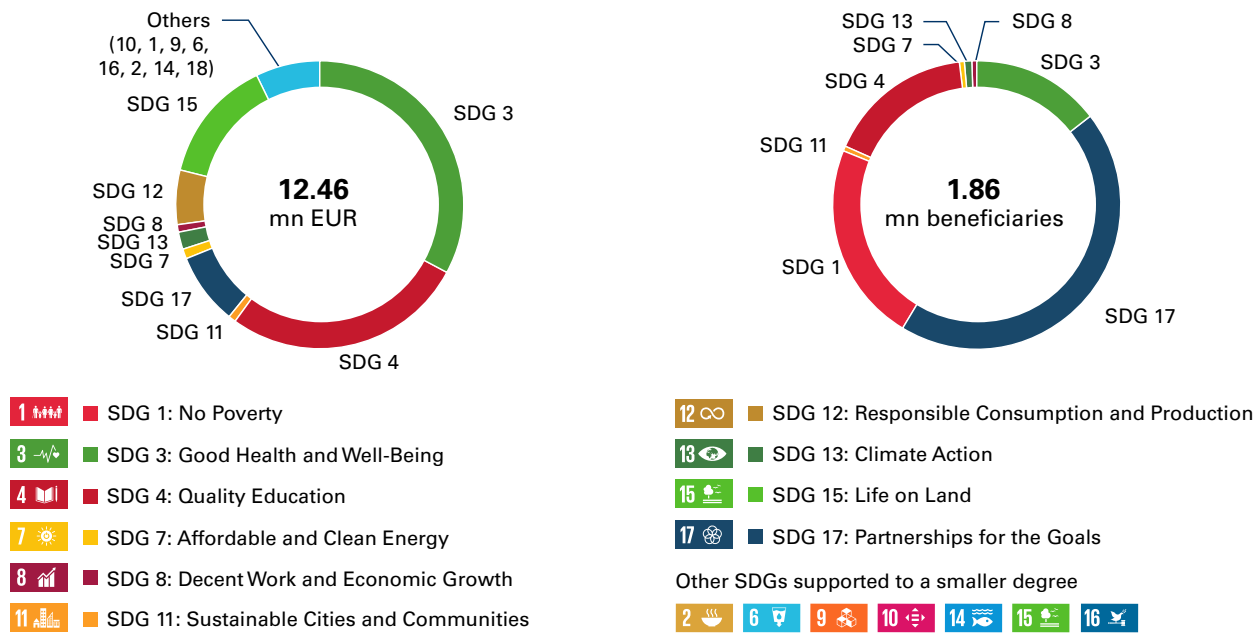
⁵¹ UN Effectiveness Criteria for Non-Judicial Grievance Mechanisms as set out in the United Nations Guiding Principles on Business and Human Rights. The UN Effectiveness Criteria require the grievance mechanism to be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source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

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

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

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

2020 Investments by Main SDGs and by Beneficiaries



In 2020, the global COVID-19 pandemic presented our societies with challenges that are unprecedented throughout many of our lifetimes. OMV supported the countries and communities where we do business by focusing on enhancing medical preparedness and ensuring supplies, donating fuel to critical services, and mitigating the social and economic impacts of the pandemic, for example, ensuring access to remote schooling. For example, we donated EUR 1 mn worth of fuel to the Austrian Red Cross and Caritas to power the vehicles they are using to serve socially marginalized people during the crisis. Jet fuel worth EUR 0.5 mn was donated to the Austrian federal

government for relief flights during lockdowns. EUR 1 mn in support went to enhancing medical preparedness in Romania. We donated EUR 0.5 mn to Libya and smaller sums to organizations and support initiatives in other OMV countries. In addition, during the COVID-19 pandemic, many people around the world are urgently dependent on the support of food banks. OMV donated fuel vouchers to food banks in Austria so that they could continue their work during the pandemic. All COVID-19 support measures across OMV countries can be viewed here: <https://www.omv.com/en/covid-19>.



Borealis Social Fund

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

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

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



Corporate Volunteering

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

ility Directive in 2021. This standard ensures the reporting on our volunteer work in hours across the Group.

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



Volunteering at the Climate Research Forest

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

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



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

Culture and Sports Sponsoring

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

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

In 2020, we continued to invest in infrastructure to improve access to basic services such as health care and water. The

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

2020 Investment Highlights

Support for Health Sector in Libya

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



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

Donation to Yemeni Hospital



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



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

CAPE 10 in Vienna

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



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

Impact Snapshot: Education, Entrepreneurship, Inclusion, and Employment

Education, entrepreneurship, and employment are key factors in socio-economic development and positively contribute to numerous other SDGs. OMV has been involved in community and social investments focused on educa-

tion, entrepreneurship, and employment for many years now. We invest in vocational training, microlending, scholarships, and supplier capacity building. A total of 1,104 people received education or support for improving their local employment opportunities in 5 countries.

2020 Investment Highlights

Vocational Training in Romania

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



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

Community Development in Tunisia



Basboussa is a small, marginalized community near the Nawara Gas Treatment Plant (GTP) with high expectations for resolving their deep-rooted socio-economic problems due to the neighboring Nawara project. This community is still not recognized by local authorities, and no constructive dialogue has been established yet. The Basboussa Community Empowerment Project (B-CEP) aims to help alleviate the socio-economic issues in the neighborhood by supporting small-scale job creation projects, improving access to better public services by liaising with the municipality of Bouchemma and

enhancing the quality of life and livelihood of the community. The project started in November 2020 with a series of stakeholder meetings with regional and local authorities to coordinate project implementation and get needed support from the authorities. The project is expected to generate microprojects to help unemployed members of the Basboussa community, to improve access to public services for the community of Bouchemma (cleaning, lighting, etc.), and to raise awareness for organizing and engagement in civic life along with environmental self-awareness.



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

“Skill Up Your Future” Project in Serbia

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



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



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

Max & Lara in Austria



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

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

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



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

Impact Snapshot: Climate, Energy, and Circular Resource Management

Climate and the environmental changes inevitably affect communities and their livelihoods, health, and opportunities around the world. We can no longer afford to tackle the social challenges the world faces without recognizing the depth of the effects environmental changes have on people and their well-being. Therefore, climate change, sustainable energy access, and environmental protection are key priorities in our community and social develop-

ment efforts. A total of 100 low-income households in New Zealand improved their energy efficiency, reducing pollution by 3.45 t CO₂ equivalent. Waste collection services were provided to 133,587 people, and 8,123 t of waste (thereof 1,118 t of plastic) were collected and prevented from entering seas as part of Project STOP. Project STOP has also created 168 new jobs in Indonesia. A total of 584,000 trees were planted in three countries, sequestering 42,500 t CO₂ in Austria, Romania, and New Zealand.

2020 Investment Highlights

Climate Research Forest in Austria

Our sustainability approach concentrates not only on reducing CO₂ emissions, but also on storing CO₂. Forests do this in a completely natural way, so we must protect and nourish them. In Austria, we continued establishing a Climate Research Forest in 2020. Since 2019, a total of 23 different tree species have already been planted on around five hectares in Matzen-Raggendorf in Lower Austria. In 2020, a total of 4,800 seedlings were planted and tended, and the last planting will be finalized in spring 2021. Each tree absorbs CO₂ from the atmosphere and stores 4–7 t of CO₂ throughout its lifetime. This forest is also a subject of research: climate-relevant data collection has already started in order to evaluate the diverse functions of forests (e.g., carbon storage, biodiversity support). The research goal of this project is to find tree species and combinations of tree species that can grow well even in areas undergoing climate change and sustainably maintain forest functions.



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

Romania Plants for Tomorrow



In 2020, OMV Petrom contributed EUR 1.6 mn to the largest private forestation initiative in Romania. More than 500,000 trees were planted, preventing the emission of around 2.75 mn kg CO₂ on average per year in around 12 counties and at 22 locations. The campaign is operated in partnership with the Ministry of Environment and six environmental NGOs. Romania Plants for Tomorrow supports three goals on the 2030 UN Agenda for Sustainable Development: (13) Climate Action, (15) Life on Land, and (17) Partnerships for the Goals.

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

Project Crimson in New Zealand

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



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

Project STOP – Stop Ocean Plastics



Copyright: Project Stop

Project STOP was initiated by Borealis and co-founded together with SYSTEMIQ in 2017 as a program that works hand-in-hand with cities to create leak-free, low-cost, and more circular waste management systems in regions with the highest ocean plastic leakage rates. Supported by industry and government partners, Project STOP's goal is to achieve zero leakage of waste into the environment and more plastics recycling. In this process, it also creates community benefits, including jobs in waste management, and a reduction in the harmful impact of mismanaged waste on public health, tourism, and fisheries. Project STOP currently partners with three cities in Indonesia. In 2020, construction

began on a new waste processing facility in Jembrana, Indonesia. The facility is the regency's first-ever solid waste management service that aims to benefit as many as 150,000 residents. As of 2020, over 133,000 people have received waste collection services as part of Project STOP.



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

Supply Chain

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

protection, and human rights when managing our supply chain.

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



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

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

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

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

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

Assessments and Audits

Close collaboration between our contractual partners (suppliers) and Procurement at OMV is a key element for good supplier relationship management. It is therefore important to give and get feedback. We foster partnerships with our suppliers through a standardized evaluation system, making sure

that we collect the feedback received on a regular basis. The input from suppliers can make a difference using the diverse channels implemented so far, such as supplier audits, supplier meetings, ESG assessments, and 360-degree evaluations.

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

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

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

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



We also perform yearly subject-specific audits on topics such as process safety, quality, and efficiency. In 2020, we com-

pleted 119 audits of our suppliers, most of them done remotely due to COVID-19.



Sustainability Strategy 2025 Target

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

Status 2020

- ▶ 18 audits in 2020

Action Plan to Achieve the Target

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



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

In addition to supplier audits, OMV Procurement defined an internal tool to assess the impact of COVID-19 on selected suppliers based on their criticality to our business in 2020. The COVID-19 assessment focused on topics related to the financial stability of suppliers, their risk of insolvency/bankruptcy, downsizing, and OMV's dependency on the services/product delivered by the respective supplier. A COVID-19 supplier risk

score was calculated based on the assessment by the Procurement category managers after a prior meeting with the selected suppliers and OMV business representatives. For all high-risk suppliers, we have defined mitigation measures and are monitoring them closely to ensure no interruptions will affect our business.



SAP Ariba Enables Supplier Risk Monitoring

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



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

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



Local Procurement and Capacity Building

We continue to further support the local communities in the locations where we operate: our spend with local suppliers accounts for 81% in 2020, which includes local expenditures amounting to 74% in Austria and 91% in

Romania. Furthermore, we believe it is important to take into consideration our impact in the areas of environment, social, and governance, which is why we support local communities and suppliers to further their development and advance our sustainability agenda.



Local Procurement Strategy Launched in Yemen

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

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

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



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