

Focus Areas

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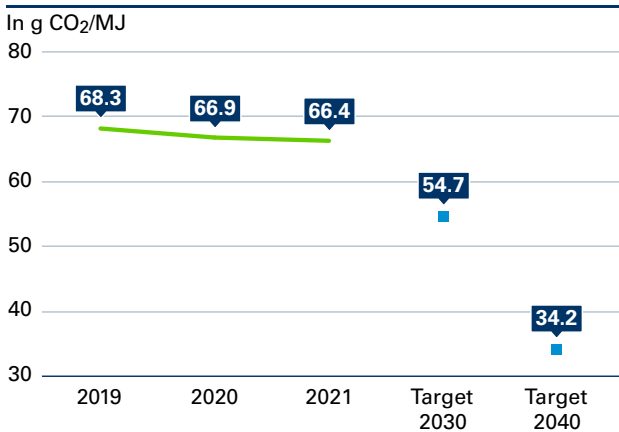
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Climate Change

OMV clearly recognizes that climate change is one of the most important global challenges today and fully supports the goals set forth by the Paris Climate Change Agreement. By 2050, OMV aims to transform into a net-zero business. This commitment includes not just our operations (Scope 1 and 2), but also our product portfolio and other material Scope 3 emissions.⁸

Carbon Intensity of Energy Supply¹⁰



This year, OMV has set out a roadmap with concrete interim short-, mid-, and long-term targets for the first time. OMV targets are set at an absolute and intensity level with the ultimate goal of achieving net-zero emissions in Scopes 1, 2, and 3 by 2050. For Scopes 1 and 2, OMV aims for an absolute reduction of 30% by 2030 and of 60% by 2040. For Scope 3, OMV strives for a reduction of at least 20% by 2030 and of 50% by 2040⁹. These absolute targets are the key to reducing the carbon intensity of our energy supply¹⁰, targeting a decline of 20% by 2030 and of 50% by 2040. These targets are approximated to IEA's Sustainable Development Scenario (SDS). However, our ambition is to achieve net-zero emissions already by 2050, thus being aligned with the IEA's Net Zero Emissions (NZE) Scenario.

To achieve these targets, OMV takes climate action in its operations, product and service portfolio, innovations and R&D activities, working environment, and social investments. There is no silver bullet for tackling climate change. Reaching our 2030 targets and beyond will require a considerable effort by all of our business units, but it will be done by building on existing strengths and know-how.

These are the key pillars that will enable us to meet our goals:

- ▶ A significant decrease in fossil fuels and natural gas sales: By 2030, we intend to reduce oil and gas production levels to below 400 kboe/d and cut crude distillation throughput by 2.6 mn t.

⁸ The following Scope 3 categories are included: Category 11: Use of Sold Products for OMV's energy segment, Category 1: Purchased Goods (feedstocks) from OMV's non-energy business segment, and Category 12: End-of-Life of Sold Products for OMV's non-energy segment.

⁹ For the absolute targets for Scope 1, 2, and 3 emissions set for 2030 and 2040, the base year emissions in 2019 have been recalculated to include emissions from Borealis, in which OMV acquired a majority stake in 2020. Target achievement here is not directly comparable to the 2019 data in Performance in Detail – Environmental Data, where figures do not include Borealis.

¹⁰ The carbon intensity of the energy supply is measured by assessing the intensity of the Scope 1 and 2 emissions plus Scope 3 emissions (in g CO₂) from the use of sold energy products, against the total energy value of all externally sold energy products (in MJ) (excluding purely traded volumes).



- ▶ An increase in zero-carbon energy sales: There will be a significant increase in sustainable and biobased fuels, green gas sales, and a build-up of photovoltaic electricity capacity for captive use, as well as geothermal heat.
- ▶ An increase in polyolefins recycling and sustainable feedstocks: We will deliver approximately 2 mn t/year of circular products, that is, polyolefins manufactured from recyclate or biogenic feedstock rather than fossil sources.
- ▶ Improved energy efficiency
- ▶ All energy purchases in the Chemicals & Materials segment will be 100% renewable. In 2021, electricity purchased by Chemicals & Materials accounted for 12.8 PJ – approximately 77% of OMV’s total electricity purchased.

Besides these efforts, neutralization measures will be necessary. OMV anticipates that it will develop around 5 mn t per year of CCS capacity across all business units. OMV aims to support and accelerate the energy transition with this new strategy.

Carbon Emissions Reduction

Material Topic: Carbon Emissions Reduction

Supporting the goals of the Paris Agreement by reducing the carbon footprint of our operations, for example by improving energy efficiency and reducing the venting and routine flaring of gas.

Key GRI

- ▶ GRI 302: Energy 2016
- ▶ GRI 305: Emissions 2016

NaDiVeG

- ▶ Environmental concerns

Most relevant SDGs



The Carbon Emissions Reduction material topic focuses on reducing the GHG emissions of our operations (Scopes 1 and 2) by way of targeted efforts such as improving energy efficiency, using renewable electricity, modernizing our equipment and processes, and reducing the venting and flaring of gas. These efforts are central to meeting our goal

of being carbon neutral in our operations by 2050, which is also enshrined in our HSSE Policy. As part of our new Company strategy, we have set specific interim targets for our short- (2025), medium- (2030), and long-term (2040) targets on the way to meeting our 2050 goals.



Targets 2025

- ▶ Reduce carbon intensity of operations¹¹ (Scope 1) by $\geq 30\%$ vs. 2010
- ▶ Achieve at least 1 mn t of CO₂ reductions in 2020–2025 from operated assets

¹¹ CO₂ equivalent emissions produced to generate a certain business output using the following business-specific metric – E&P: t CO₂ equivalent/toe produced; refineries: t CO₂ equivalent/t throughput (crude and semi-finished products without blended volumes); power: t CO₂ equivalent/MWh produced – consolidated into an OMV Group Carbon Intensity Operations Index, based on weighted average of the business segments’ carbon intensity

Target 2030

- ▶ Reduce absolute Scope 1 and 2 emissions by $\geq 30\%$ vs. 2019

Target 2040

- ▶ Reduce absolute Scope 1 and 2 emissions by $\geq 60\%$ vs. 2019

Status 2021

- ▶ Carbon intensity of operations reduced by 18% vs. 2010
- ▶ 0.53 mn t CO₂e reduced through concrete emissions reduction initiatives and divestments
- ▶ Scope 1 and 2 emissions reduced by 11% vs. 2019

Relevant SDGs**SDG targets:**

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

7.3 By 2030, double the global rate of improvement in energy efficiency

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

Effective carbon and energy management helps reduce costs and liabilities. OMV's comprehensive approach to managing GHG emissions encompasses GHG and energy accounting and reporting, inventory management, audits, assessment plans, and training for employees. For instance, in 2020, the OMV internal auditing team performed an audit on GHG accounting to evaluate reporting aspects such as completeness, correctness, reporting processes and methodologies, and quality assurance processes. The result of the audit confirmed that OMV reports emissions in a complete and correct manner, the accounting methodology is in general compliance with international standards, and the reporting process is adequate. A few initiatives for 2021 resulted from the audit, which helped improve the quality of the data even more. In 2021, Borealis set up its first corporate carbon footprint following the Greenhouse Gas Protocol, using 2020 data on Scope 1, 2, and 3 GHG emissions. (For more details, see the [Borealis Annual Report](#).) This allows us to fully integrate Borealis' GHG emissions in our Group carbon footprint and in our reduction targets.

Governance

Ultimate responsibility for Carbon Emissions Reduction lies with OMV's Executive Board. The Chief Executive Officer (CEO) is responsible for overall management and coordination and is therefore responsible for overseeing climate-related issues as well. OMV Executive Board members meet regularly (at least quarterly) to discuss current and upcoming environmental, climate, and energy-related policies and regulations; related developments in the fuels

and gas market; the financial implications of carbon emissions trading obligations; the status of innovation project implementation; and progress on achieving sustainability-related targets. The Executive Board's remuneration is tied to achievement of GHG emission reduction targets (for more information, see [Sustainability Governance](#)).

OMV's Supervisory Board also oversees the Carbon Emissions Reduction topic. In 2021, we established a new board committee especially for this purpose. The Sustainability and Transformation Committee was formed to support the Company's Supervisory Board in reviewing and monitoring OMV's sustainability strategy; ESG-related standards, performance, and processes; and specifically the Group's performance in HSSE (Health, Safety, Security, Environment) and climate change.

At Group level, responsibility for GHG accounting and management, sustainability reporting, and ESG governance lies with the Carbon, Energy & ESG Management team in Investor Relations & Sustainability, an area overseen by the CFO. OMV's Carbon, Energy & ESG Management department is responsible for generating OMV's GHG inventory based on international standards and best practice. This ensures a consistent approach across the Group. The main tasks of the team are:

- ▶ to define, implement, and manage the OMV carbon strategy process;
- ▶ to monitor, calculate, and report OMV's GHG emissions;
- ▶ to define OMV's GHG reporting protocols and tools.



This team coordinates activities throughout the business, providing guidance to stakeholder groups such as subsidiaries, business units, and assets on GHG and energy-related topics. There are also dedicated teams at OMV Petrom and Borealis. We provide voluntary trainings to interested employees on GHG monitoring and management, as well as the overall topic of climate change, on OMV's training and learning platform, MyLearning.

Flaring, Venting, and Fugitive Methane Emissions

During oil production, methane gas is produced together with the oil. Much of this gas is utilized. Nevertheless, some of it is routinely flared due to technical or economic constraints, for example. This flaring of gas releases CO₂. In 2017, to reinforce our clear commitment to responsible resource management and sustainable business, we endorsed the World Bank's "Zero routine flaring by 2030" initiative to end routine flaring of associated gas during oil production by 2030. Phasing out routine flaring is one of the essential steps toward combining resource efficiency with long-term economic success and a way to strongly support our efforts to reduce the carbon footprint of our operations. We see financial opportunities in the monetization of hydrocarbon resources by utilizing the previously flared gas and, e.g., selling it. Phasing out routine flaring also enables us to keep our license to operate by improving the environmental and safety situation at the respective production assets and helping us avoid penalties.

Reducing methane emissions from routine/non-routine venting of gas during oil and gas production and processing as well as from gas leaks also contributes to slowing down climate change and provides a valuable mitigation option for climate risk management. Methane is a powerful greenhouse gas. It is the most abundant anthropogenic GHG after CO₂ and second in its overall contribution to climate change. Its greenhouse effect is significantly stronger in the short term, making it more potent than CO₂. In our new climate strategy, we therefore also introduced a target for reducing methane emissions for the first time.

Management and Due Diligence Processes

Routine Flaring and Venting Phase-Out

Around 8% of OMV's total direct GHG emissions and around 34% of OMV's E&P GHG emissions resulted from routine flaring. With expected stricter policies requiring zero routine flaring conditions, OMV has taken initial steps by voluntarily endorsing the World Bank's "Zero routine flaring by 2030" initiative. We report annually to the World Bank on our progress on this initiative. All OMV operations are required to minimize methane emissions from point

sources as well as fugitive emissions and technically avoidable emissions (such as well testing and well workover, among others). New production sites are developed with associated gas utilization solutions and without routine flaring. Existing sites, where routine flaring of associated and free gas still takes place, are required to develop a phase-out plan to eliminate legacy routine flaring as soon as possible, but no later than 2030.

In refineries, state-of-the-art plant design is implemented in order to avoid routine flaring by flare gas recovery and balancing the fuel gas system. This type of advanced process control includes sufficient capacity for the flare gas recovery system, the use of high-integrity relief valves, and other economically viable organizational and control measures. All refineries use a flare gas recovery system in order to collect excess gas, which is desulphurized as required, pressurized, and added to the refinery fuel gas system as fuel for the process furnaces. As a result of such measures, we aim to use flaring as a safety system for other than normal operations, such as start-up, shutdown, emergency, process upsets, and others. Especially at Petrobrasi, the capacity for flare gas recovery has been increased in recent years. Emissions of volatile organic compounds (VOCs) are minimized by applying the best available techniques in such areas as hydrocarbon storage and tank sealings according to implementation plans.

Monitoring and Leak Detection and Repair

Fugitive methane emissions and other non-methane volatile organic compounds (NMVOCs) are monitored or estimated and controlled systematically with leak detection and repair programs. Knowing the main potential sources of methane emissions also allows us to implement precautionary measures for preventing such emissions in new production assets. The minimum requirement for identifying leaks is conducting routine audio, visual, and olfactory inspections as part of daily operator rounds at all relevant OMV operating facilities. Leak detection also entails soap-bubble testing and optical gas imaging with defined scopes and intervals (annually or more frequently, as required in accordance with a related risk assessment). At some facilities, infrared cameras are also used for leak detection. Leaks are repaired immediately or within defined time frames, depending on prioritization according to the site's maintenance processes, and based on the risk assessment outcome and other factors like feasibility of repair during operation. In order to prevent as well as to mitigate fugitive emissions, we have taken important steps, including implementing a pipeline integrity program and modernizing facilities such as compressor stations.



2021 Actions

In 2021, we continued to implement leak detection and repair (LDAR) programs to reduce our fugitive emissions.

- ▶ At E&P Austria, we set up a LDAR program with optical gas imaging (FLIR camera), ongoing inspection of oil and gas wells and facilities, documentation in an inspection database, and measurement of leakage amounts. This has been implemented at all facilities.
- ▶ In Tunisia, a methane emission inventory was defined for the Waha central processing facility to identify all sources and types of methane emissions and unintentional leaks.
- ▶ E&P OMV Petrom implemented a LDAR program in all assets as part of Green Kaizen events in 2020. These are intended to minimize and even eliminate the fugitive emissions in selected facilities, while enabling a low-carbon operational behavior among field personnel and local contractors. The Green Kaizen events typically last for five days and get participants actively involved throughout this period. As such, it is a very concentrated form of LDAR, which additionally incorporates before-and-after measurements by an external contractor. These activities aim to raise awareness of the problem among employees and help them understand the scope of the problem, implement a solution, and sustain the result. Building on the experience gained in 2020, OMV Petrom continued the program in 2021 by organizing Green Kaizen events at the Oltenia and Moesia assets.
- ▶ In Refining & Marketing (R&M), the Petrobrazi refinery implemented an LDAR Program according to BAT-BREF (Best Available Techniques – Reference Documents). The program’s objective is to reduce fugitive emissions from the plant’s technological equipment (e.g., vents, flanges). In 2021, the program targeted accessible fugitive emissions sources from tank farm

and aromatic units. The program also covered the screening of inaccessible sources, where no leaks were detected. The measurements were performed by using the Optical Gas Imaging (OGI) method, which involved an advanced hand-held infrared camera specifically developed for this purpose. Of the leakages identified, 84% were fixed. Unit shutdown is required to fix the rest.

We also continued working toward phasing out routine flaring by 2030. A total of 82% of our routine flaring in OMV E&P operations occurs in Yemen. Thus, in order to reduce flaring in Yemen, two gas engines for power generation were commissioned at the central processing facilities in December 2021. The gas engines will support the reduction of flaring, as they will consume gas which was previously flared. They will also replace diesel generators for additional GHG savings.

Outlook

We will continue to phase out routine flaring and venting, and instead look for ways to capture and utilize associated gas. In Tunisia, for instance, we already capture and sell the majority of the associated gas from the Waha field. However, some components of the gas could not be sold previously due to low quality and were routinely flared instead. At the end of 2021, we made the final investment decision on a project that will enable us to capture and sell all parts of the associated gas and thus completely phase out routine flaring. The project consists of recovering excess gas, which is currently routed to the flare, through the installation of three vapor recovering units. In Yemen, two gas engines were commissioned in December 2021. In addition, we will focus on reducing fugitive methane emissions through process optimization, field modernization, and integrity improvement measures in E&P. We continue to define and implement methane leakage, detection, and repair programs in all operated E&P assets.



Target 2025

- ▶ Achieve an E&P methane intensity¹² of 0.2% or lower

Targets 2030

- ▶ Achieve an E&P methane intensity of 0.1% or lower
- ▶ Zero routine flaring and venting of associated gas as soon as possible, no later than 2030

¹² Methane intensity refers to the volume of methane emissions from OMV’s E&P-operated oil and gas assets as a percentage of the volume of the total gas that goes to market from those operations. This is calculated as methane intensity [%] = methane emission [Sm] / marketed gas (sales) [Sm³].



Status 2021

- ▶ 0.6% methane intensity
- ▶ Volume of gas routinely flared decreased from 462 mn m³ in 2020 to 410 mn m³ in 2021

Relevant SDGs



SDG target:

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

Energy Efficiency and Sourcing Renewable Energy

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

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

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

Management and Due Diligence Processes

59% of sites are ISO 50001 certified

The OMV Group Environmental Management Standard requires that all OMV businesses and activities use energy responsibly, conserve primary energy resources, and implement energy management plans in accordance with ISO 50001.

Identification of Measures

The potential for reducing energy use is identified in annual campaigns encouraging improved environmental performance, including energy consumption. For example, we have set targets for refineries to reach certain energy index ratings through annual monitoring campaigns. Based on their energy index rating, we identify and assess areas for improvement in energy efficiency. Subsequently, we decide which measures to implement to improve energy consumption as part of our environmental governance process. Borealis makes up 33% of energy consumption in the OMV Group. Borealis has set a target to improve energy efficiency by 20% of the absolute primary energy consumption from a 2015 baseline by 2030. After the acquisition of a majority stake in Borealis, a new initiative to identify and raise joint synergies at the jointly operated Burghausen and Schwechat sites has been established.

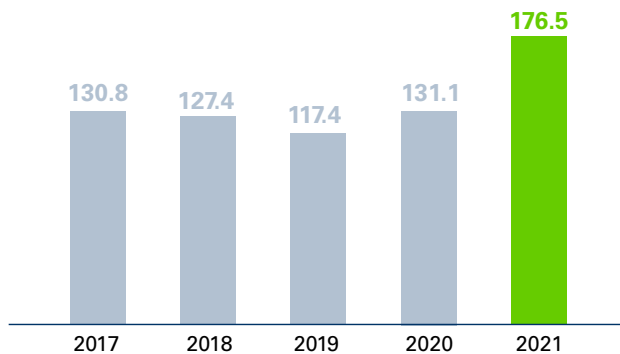
Technical Improvements

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



Energy Consumption

in PJ



One of the internal KPIs which has always been our focus in recent years is the energy efficiency of our refineries. In 2020, the lower throughputs due to COVID-19 also prevented us from running all refineries with the planned energy efficiency. The situation improved in 2021 with recovered throughputs, higher utilization, and therefore a return to better energy efficiency.

In Chemicals & Materials, Borealis' initiatives include energy teams at each production location that drive the location's energy planning process, increase awareness, act as a forum for energy issues, and ensure ISO 50001 compliance. To progress beyond this baseline, all Borealis locations run energy screening programs every four years, often with third-party support, to evaluate their energy performance and identify improvement opportunities. In 2021, to identify ways to improve energy efficiency, Borealis finalized energy screenings in Stenungsund (Sweden) and Porvoo (Finland).

Sourcing Renewable Energy

We are increasingly turning to renewable sources of electricity to power our operations. For instance, in our refineries in Schwechat and Burghausen, electricity contracts stipulate that 50% of purchased electricity must be from renewable sources. Electricity purchased in OMV's Austrian filling stations and head office is already 100% renewable. In Austria, OMV and VERBUND built a ground-mounted photovoltaic plant, which produced 11.9 GWh of renewable electricity in 2021. The electricity produced in 2021 covered 9% of the electricity demand of E&P Austria. In Norway, the Gullfaks and Snorre assets, operated by Equinor, are building a floating offshore wind farm called Hywind Tampen, which will supply power to both Gullfaks and Snorre, and reduce their emissions by 200 kt per year. Hywind Tampen will be the world's first floating wind farm to power offshore oil and gas platforms. Eleven floating wind turbines with a total capacity of 88 MW will partly electrify the Gullfaks and Snorre assets in the Norwegian North Sea, offsetting 200 kt of CO₂ emissions and 1,000 t of NO_x emissions per year.

2021 Actions

Energy efficiency measures implemented at our three refineries in 2021 make it possible to achieve an annual decrease of more than 22.2 kt CO₂ equivalent and energy savings of 310 TJ. For example, the Petrobrazi refinery continued its digitalization journey to improve energy efficiency by applying operational measures and designing new projects in order to reduce energy consumption. In 2021, Petrobrazi finalized the Energy Monitoring System pilot project at the Atmospheric Distillation Unit. It is designed to monitor energy consumption and energy losses from an operational and design perspective. This project was applied to the pump for the crude oil feed, the crude oil preheat train, and the heat exchangers as well as the atmospheric distillation furnace. The results will be analyzed in 2022.

In Chemicals & Materials, examples of energy efficiency actions taken at Borealis during 2021 included: a furnace revamp in Stenungsund, which delivered an energy performance improvement of 18 GWh primary energy; a reliability improvement program in Geleen (Netherlands), which delivered an energy improvement of 30 GWh primary energy; bypassing a distillation tower in Porvoo, which delivered energy savings of 17 GWh; the start-up of a chemical heat pump in Kallo (Belgium), which delivered primary energy savings of 8 GWh; and implementing advanced process control in ammonia production at Linz (Austria) and Grandpuits (France) to optimize energy consumption, delivering savings of 20 GWh/year for Linz and 20 GWh/year for Grandpuits. At Grandpuits, optimizing the steam network delivered energy savings of 14 GWh/year.

In E&P, key energy efficiency projects included:

- ▶ In Tunisia, additional electric and gas meters were installed at the Waha plant to improve energy monitoring in Tunisia, and energy savings tips were implemented for the Waha camp (e.g., in areas of significant energy use such as cabins, laundry, the kitchen, and restaurant).
- ▶ In Norway, a low-emission hybrid jackup rig was used for drilling in the Ommadawn exploration well. A battery package was installed on the rig to reduce diesel consumption and a catalyst to reduce NO_x emissions. As a result, CO₂ emissions were reduced by 57% (from 3,232 to 1,382 t per 30 days) and NO_x emissions were reduced by 78% (from 48 to 2 t per 30 days) as compared to 2020 operations.
- ▶ In E&P OMV Petrom, we automated the oil piston pumps at Suplac Park at the Crișana asset. The energy savings resulted from changing the continuous operating regime to operating only when necessary, according to level radars in the oil decanter. Another initiative was the optimization of gas delivery from



Bărbuncești station, Moldova asset, by adjusting the compressor regime to the needs of the consumers, which in 2021 mainly comprised the nearby local community. With this adjustment, the gas from the stage 2 compressors now has the required delivery pressure and only needs to go through the new drying station to ensure the gas is of the required quality before being delivered. The four stage 3 compressors were therefore used to a lesser extent, resulting in energy savings.

We also undertook energy saving measures at our offices. At Petrom City, conventional lighting was replaced with LED technology, for instance. This project will continue through 2022.

In addition, we continued to scale up our sourcing of renewable electricity. In 2021, Borealis installed its first solar photovoltaic rooftop array generating electricity for production purposes at the Borealis plant in Monza (Italy). The company has also signed long-term renewable energy supply deals for its assets in Sweden and Belgium.

Outlook

We will continue to identify measures to improve energy efficiency, and take the following actions in the coming years:

- ▶ OMV Tunisia will conduct a regulatory energy audit for the Waha central processing facility and the Nawara central processing facility to assess current consumption and identify potential areas for improvement and energy reduction.

- ▶ In Norway, we will continue with the same focus on reducing diesel use with hybrid jackup rigs in 2022. These rigs are provided with battery packages which reduce the use of diesel by approximately 15 to 20 t per day, which also translates to reduced emissions. In addition, a NO_x catalyst has been installed, reducing NO_x emissions by approximately 80%.
- ▶ In E&P OMV Petrom, we will improve energy efficiency in 2022 by optimizing the natural gas production system at the Moldova asset. Three engines from the Comănești combined heat power (CHP) plant will be relocated to the Albotești warehouse and Park 2 Văsiești to produce electricity and heat. Consequently, the old hot water and steam boilers will be shut down. In 2022, we also plan to modernize the Bărbuncești compressor station at the Moldova asset. The twelve old XOB compressors will be replaced with three new screw compressors and frequency converters.
- ▶ At the Schwechat refinery, further optimization will be achieved with a dynamic matrix control for a waste heat recovery system to allow additional utilization of approximately 2.5 MW of waste heat. This will help increase the amount of the refinery's waste heat channeled into Vienna's district heating system and Vienna International Airport, where an additional significant increase of GHG-free energy support is planned for 2022.

We will continue to increase our sourcing of renewable energy to power our operations. In Chemicals & Materials, the business purchasing the greatest amount of energy, our aim is to have all energy purchased be renewable by 2030.

Energy Transition

Material Topic: Energy Transition

Supporting the goals of the Paris Agreement by reducing the carbon footprint of our energy supply, specifically by increasing sales of zero-carbon energy products such as renewable mobility fuels and renewable power.

Key GRI

- ▶ GRI 305: Emissions 2016

NaDiVeG

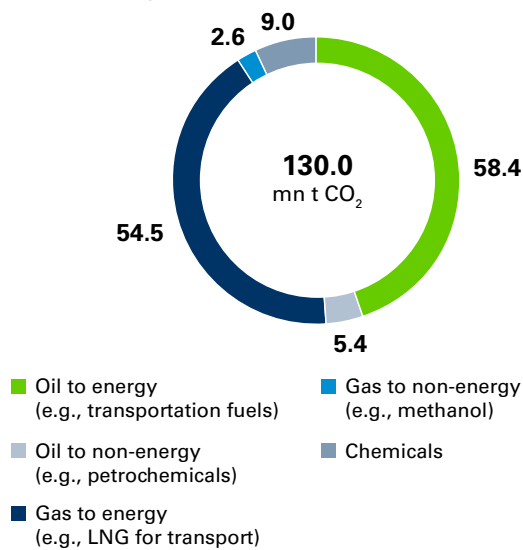
- ▶ Environmental concerns

Most relevant SDGs



GHG Scope 3 Emissions from Products¹³

In mn t CO₂ equivalent



We are aware that the vast majority of our emissions comes from the use of our products. As an oil, gas, and chemicals company, we have a unique responsibility in this regard. About 79% of OMV's products are currently directly used for combustion, significantly contributing to global climate change. The Energy Transition material topic focuses on reducing the carbon footprint of our energy supply, specifically through increasing sales of zero-carbon energy products such as renewable mobility fuels and renewable power. This is the centerpiece of OMV's commitment to support and accelerate the energy transition and become a net-zero business by 2050 or sooner.

To concretize our 2050 goals, we have set mid- and long-term targets to reduce our absolute Scope 3 emissions by at least

20% by 2030 and by at least 50% by 2040, both against the baseline year 2019. In addition, we intend to reduce the carbon intensity of the energy supply by at least 20% by 2030 and by at least 50% by 2040, both against the baseline year 2019.

The scale-up of zero-carbon energy product sales while decreasing fossil fuel sales is central to OMV's climate strategy.

In Exploration & Production, we are working to expand our photovoltaic asset base, including exploring battery and storage options. Based on our subsurface knowledge, capabilities, and asset base, we are also exploring carbon capture and storage (CCS) solutions. We collaborate on these activities in line with applicable regulatory and legal requirements in conjunction with industry and research partners. We are also investigating solutions for subsurface energy storage, e.g., with hydrogen or compressed air. Furthermore, we are looking at options to explore and commercially develop the geothermal energy potential in the countries where we operate. These projects are in the R&D or initial investment phase. By 2030, we plan to build our renewable energy production to around 10 TWh (including geothermal, photovoltaic, wind), and develop CCS storage capacity of around 5 mn t per year CO₂ net to OMV by 2030.

In Refining, we primarily focus on finding solutions for hard-to-electrify market segments, such as heavy road transportation and air travel, as well as providing feedstock for greener chemical production. Overall, we plan to grow production of renewable mobility fuels and sustainable chemical feedstocks to approximately 1.5 mn t, and produce and market at least 700 kt of sustainable aviation fuels per year by 2030.



Target 2025

- ▶ Reduce carbon intensity of product portfolio (Scope 3) by >6% vs. 2010

Targets 2030

- ▶ Reduce absolute Scope 3 emissions¹⁴ by ≥20% vs. 2019
- ▶ Reduce carbon intensity of energy supply by ≥20% vs. 2019

Targets 2040

- ▶ Reduce absolute Scope 3 emissions by ≥50% vs. 2019
- ▶ Reduce carbon intensity of energy supply by ≥50% vs. 2019

¹³ Includes Scope 3, Category 10: Processing of sold products, and Scope 3, Category 11: Use of sold products

¹⁴ The following Scope 3 categories are included: Category 11: Use of Sold Products for OMV's energy segment, Category 1: Purchased Goods (feedstocks) from OMV's non-energy business segment, and Category 12: End-of-Life of Sold Products for OMV's non-energy segment.

Status 2021

- ▶ Carbon intensity of product portfolio reduced by 5% vs. 2010
- ▶ Absolute Scope 3 emissions increased by 2% vs. 2019
- ▶ Carbon intensity of energy supply reduced by 2.8% vs. 2019

Relevant SDGs

**SDG targets:**

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

7.3 By 2030, double the global rate of improvement in energy efficiency

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

In this material topic, we focus on reducing the carbon footprint of our energy supply. However, our circular economy solutions also play a central role in our climate and carbon footprint reduction strategy. (Read more about our efforts on this topic in [Circular Economy](#).)

Governance

OMV's energy transition strategy is the cornerstone of our Group's business strategy. Our sustainability framework and net-zero goal were the basis for developing the business strategy approved by the Executive and Supervisory Boards in December 2021. The Group's decarbonization strategy is overseen by Carbon, Energy & ESG Management and Strategic Planning & Projects.

Our climate ambitions are at the heart of our strategy, and responsibility for meeting these ambitions is embedded at the highest levels. Our Executive Board is in charge of setting our climate targets and ensuring that our Group's business strategy is aligned with meeting those targets. Correspondingly, meeting our climate change targets is a part of executive

remuneration, with GHG reduction targets included in the LTIP and in the annual bonus paid to the Executive Board. (Read more in [Sustainability Governance](#).)

The responsibility for our role in the energy transition is also entrenched at Supervisory Board level. In 2021, we instituted a new committee, the Sustainability and Transformation Committee. The purpose of this committee is to support the Company's Supervisory Board in reviewing and monitoring OMV's sustainability strategy; ESG-related standards, performance, and processes; and specifically our performance in HSSE and climate change. Furthermore, the committee serves to support and oversee the transformation process toward a more sustainable business model, including the cultural integration of strategically significant acquisitions.

Low- and zero-carbon products enabling the energy transition are developed in the business units. Support for carbon impact assessments for new products is provided at Group level by the Corporate Carbon, Energy & ESG Management department.

Zero-Carbon Products

The scale-up of zero-carbon product sales while reducing fossil fuel sales is central to reducing the carbon footprint of our energy supply. Zero-carbon products include biofuels, power, mature renewable energy technologies such as e-mobility offerings, as well as new energy products. For instance, we contribute to the creation of a sustainable energy system with a dedicated team of interdisciplinary experts in Refining & Marketing who identify and mature solutions with a strong focus on hard-to-battery-electrify markets and customer segments, such as heavy road transport or air travel. What these markets have in common is that they need an energy-dense yet climate-

friendly fuel with the lowest possible downtime. The successful implementation of these projects will reduce emissions and create green, innovative products and services for society as well as provide a key differentiator for OMV.

Management and Due Diligence Processes

Responsible Biofuels Sourcing

All biofuels purchased by OMV in 2021 and used for blending meet the requirements of the EU's Renewable Energy Directive (2009/28/EC). Since 2013, the ISCC-EU certificate issued for OMV Downstream GmbH has been



renewed on an annual basis. OMV Petrom, OMV Hungary, OMV Czech Republic, and OMV Slovenia are also certified according to the ISCC-EU standard.

OMV purchases biodiesel (FAME) mainly from European producers that use very little palm oil. In 2021, of all bio-fuels placed on the market by OMV only around 2% were based on palm oil. Certain biofuels are almost exclusively available with palm oil as the feedstock. However, ISCC standards require that no deforestation takes place from January 2008 onward for any feedstock that is used for biodiesel generation. As of July 2021, OMV has also complied with the Austrian legal requirement to eliminate palm-oil-based biofuels completely.

We plan to increase the use of regional rapeseed oil and used cooking oil as well as other potential waste and advanced feedstock, which is made possible using our Co-Processing technology. Co-Processing involves introducing biogenic feedstock during the fuel refining process instead of the conventional method of blending biogenic components into fuel after production. This concept allows OMV's existing refineries to produce transportation fuels from various types of biogenic feedstock, such as domestic rapeseed oil, sunflower oil, used cooking oil, or future advanced oils. Utilizing this process leads to an annual reduction in OMV's carbon footprint of up to 360 kt of CO₂.

In 2016 and 2017, OMV successfully conducted the first field trials of Co-Processing at the Schwechat refinery using rapeseed oil and obtained certification in accordance with the REDcert standard, an EU-recognized system for the certification of sustainable biomass. In 2020, another field trial was successfully completed at the Petrobrazi refinery. OMV continues to implement the Co-Processing technology, and by 2023, the Company aims to co-process approximately 200 kt of sustainable feedstock per year, depending on future legislation. It is important to note that there will not be any palm oil being co-processed. The project will start with a mix of vegetable oils (rapeseed oil and sunflower oil). It may include some other waste and residue streams, like used cooking oil, later on (2024–2025), if not from the very beginning. In December 2020, OMV committed to investing EUR 200 mn in the construction of a Co-Processing unit at the Schwechat refinery.

Selection of Projects

In Refining & Marketing, the New Business Implementation team identifies and matures solutions with a strong focus on hard-to-battery-electrify markets and customer segments. The portfolio focuses on advanced biofuels, hydrogen, and e-fuels, as these offer the potential to utilize synergies with existing refinery assets and competences for a feasible scale-up of green technologies. The minimum GHG reduction for a "green" project is defined by the regulatory requirements, such as the Renewable

Energy Directive. All project ideas selected for maturing within these focus areas need to demonstrate a feasible trajectory from pilot and demo stage to full industrial scale in the medium term.

2021 Actions

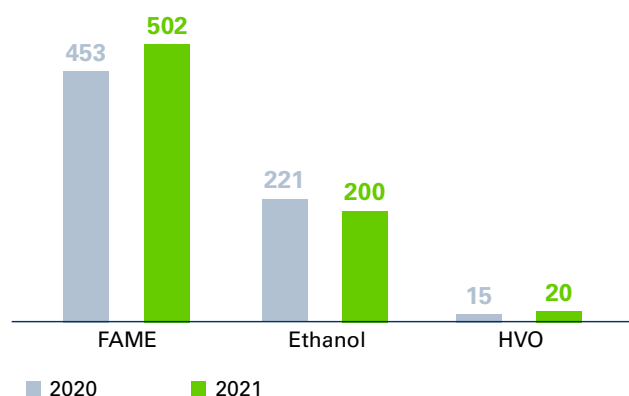
Biofuels and Co-Processing

The following key activities were carried out across the Group in 2021:

- ▶ OMV and Austrian Airlines agreed on the production and fueling of 1,500 t of sustainable aviation fuel (SAF) in 2022. The sustainable fuel is produced at the Schwechat refinery by co-processing used Austrian cooking oil. The use of 1,500 t of SAF by Austrian Airlines will prevent emissions of around 3,750 t of CO₂. This compares to the CO₂ emissions of 333 Vienna-to-London flights with a typical short- to medium-haul AUA aircraft (Airbus A320).
- ▶ OMV launched OMV EcoMotion Diesel. This product contains up to 33% renewable components consisting of no more than 6.9% of FAME (fatty acid methyl ester) and about 26.1% of HVO (hydrotreated vegetable oil). With this large share of bio-components and through CO₂ offsetting of the remaining share, this 100% carbon-neutral diesel is the first of its kind in Austria. The conventional CO₂ share of OMV EcoMotion Diesel is offset in conjunction with Climate-Partner to support internationally recognized projects. (Read more in [Neutralization Measures](#).) With 33% renewable content, OMV EcoMotion Diesel reduces greenhouse gas emissions by at least 20% to 25% compared to purely fossil-based diesel.

Biofuel Volumes¹⁵

In megaliters



Glycerin2Propanol

Using a patented process developed in-house, OMV made the final investment decision in 2021 to build a pilot plant at the Schwechat refinery that will produce second-generation biofuels from 2023. The plant involves advanced bio-

¹⁵ 2020 figure restated and 2021 figure estimated as both Austria and Germany data are based on year-to-date actuals plus a forecast for the remaining months each year, given that the annual deadline for closing all biofuel balances of a given year is not before the publication of the Sustainability Report.



fuels that are not in competition with foodstuffs. A typical refining process will see the waste-based substance glycerin turned into bio-alcohol, which when added to gasoline reduces its CO₂ footprint. The plant will use a catalyst, or reaction accelerator, developed in-house by OMV, to produce propanol (an alcohol) from glycerin. Glycerin is a byproduct or waste product from the production of bio-diesel, as well as the manufacture of detergents and soaps, but it is also considered an advanced feedstock under the European Union's RED II (Renewable Energy Directive). The propanol produced in this way will then be used as a bio-additive for gasoline. It can also be used as a sustainable feedstock for the chemical market as a replacement for fossil-based propanol. OMV is set to invest around EUR 30 mn in this project. Of this, around EUR 6.9 mn will come from the Austrian Research Promotion Agency (FFG). Another source of funding is the COVID-19 premium.

The Glycerin2Propanol pilot plant will be built at the Schwechat refinery alongside the ReOil[®] plant so that both units can utilize a single measuring station, exploiting synergy effects through a shared-operator concept. The Glycerin2Propanol pilot plant is expected to be operational in 2023. The capacity of the pilot plant will be 1.25 mn l of propanol per year. This will lead to a CO₂ reduction of around 1,800 t annually. A total of 1.2 l of crude glycerin is needed to produce 1 l of propanol. Under moderate temperature and pressure, 1 barrel (= 159 liters) of propanol will be produced per hour in an energy-efficient process. The long-term plan is to commercialize the technology in order to produce around 125 mn l of propanol per year and reduce CO₂ emissions by around 180 kt.

Besides this unique in-house development, we also partner with technology providers to develop viable business projects for transforming biomass from agriculture, municipalities, the paper industry, or wood processing into bioliquids to be used for greener fuels and chemicals.

Hydrogen

The following key activities were carried out across the Group in 2021:

- ▶ Together with our partner Kommunalkredit Austria AG, in February 2021, we announced a joint investment in the construction of Austria's largest electrolysis plant at our Schwechat refinery. Total investment will be around EUR 25 mn, with OMV and Kommunalkredit each bearing half the cost. The plant is expected to go live in the second half of 2023. The 10 MW PEM (polymer electrolyte membrane) electrolysis system will produce up to 1,500 t of green hydrogen per year. The green hydrogen will be used to hydrogenate biobased and fossil fuels, substituting grey hydrogen in the refinery. This would reduce OMV's

carbon footprint by up to 15 kt of fossil CO₂ annually. The second step of the UpHy project will be to use the green hydrogen for decarbonizing "hard-to-electrify" transportation segments like buses and trucks. OMV aims to build a new H₂ filling station for buses and heavy-duty vehicles close to Vienna. This is the first project of its kind in Europe and aims to not only lower production costs but also to demonstrate the lowest downtimes and highest plant availability for commercial use in industry and mobility. In addition to the electrolysis system, OMV will build the entire value chain, including H₂ trailer loading, trailer logistics (using 300 bar trailers in Austria for the first time), and a high-availability, energy-optimized bus fueling station. One of the goals is to supply the first commercial H₂ bus line in Europe.

- ▶ To help create the conditions for the mass-market roll-out of hydrogen trucks in Europe, the H2Accelerate initiative, a consortium consisting of OMV, Shell, Daimler Truck AG, IVECO, and the Volvo Group was formed in 2020. In 2021, TotalEnergies and Linde joined the consortium. A large-scale roll-out of hydrogen-fueled trucks is expected to create new industries: zero-carbon hydrogen production facilities, large-scale hydrogen distribution systems, a network of high-capacity refueling stations for liquid and gaseous hydrogen, and production of the hydrogen-fueled trucks themselves. The decade-long scale-up is expected to begin with groups of customers willing to make an early commitment to hydrogen-based trucking. These fleets are expected to operate in regional clusters and along European high-capacity corridors with good refueling station coverage. During the next decade, these clusters can then be interconnected to build a truly pan-European network.

Sustainable Aviation Fuels

The third focus topic in the hard-to-electrify area – e-fuels – is the core building block of OMV's Sustainable Aviation Fuel (SAF) portfolio and shows great potential for enabling climate-friendly air travel. Although the basic concept is simple – hydrogen produced with renewable electricity is combined with CO₂ – the production technology is still in the demonstration phase and requires further research and development for the required industrial scaling.

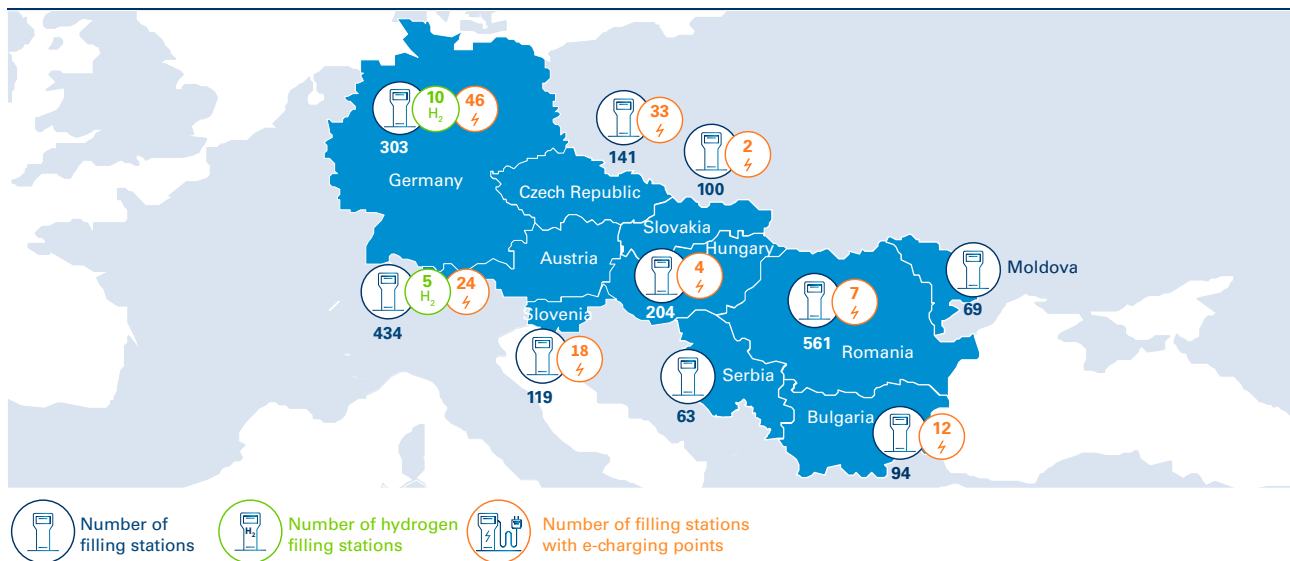
OMV works to mature this technology by engaging in various initiatives to demonstrate the large-scale industrial production of syngas (CO+H₂) via co-electrolysis of CO₂ and water. Syngas is the precursor for producing green fuels or other chemicals in a Power-to-X process. For instance, as leader of the Clean Tech Aviation consortium, we are assessing the feasibility of building an industrial plant for synthetic kerosene in Bavaria (Germany). A letter of intent was signed at the Bavarian Ministry of Economic Affairs and Energy (StMWi) in October 2021. This power-to-

liquid plant is intended to be scalable and will start with a capacity of around 50 kt of renewable jet fuel per year. In addition to the StMWi and OMV Germany, the letter of intent was signed by a broad range of companies and institutions: Siemens Energy, MTU Aero Engines, MAN Energy Solutions, Lufthansa, Munich Airport, CAPHENIA, Bauhaus Luftfahrt, Reallabor Burghausen as well as the Technical University of Munich (Straubing Campus), and the German Aerospace Center (DLR).

Outlook

In the coming years, we will focus on implementing announced investment projects (e.g., UpHy and Glycerin2Propanol), and maturing project ideas in the areas of advanced biofuels and e-fuels. By 2030, we aim to produce and market at least 700 kt of sustainable aviation fuels yearly. OMV will also expand its capabilities to take advantage of the growth in e-vehicle charging. By investing more than EUR 400 mn by 2030, OMV will offer more than 2,000 e-charging points by 2030 at highway and transit route filling stations, plus around 17,000 office wall-box charging points by 2030.

Retail 2021¹⁶



Neutralization Measures

We aim to reduce our carbon footprint to net zero by 2050 at the latest. While the biggest drivers on this journey will be decreasing our fossil fuel sales and increasing our zero-carbon product sales, we also recognize that neutralization measures, such as CCS/U or voluntary offsetting, will be necessary. By 2030, we aim to establish CCS capacities of around 5 mn t per year as our main neutralization measure toward achieving our targets. We will minimize the use of carbon credits for voluntary offsets as a contributor toward achieving our GHG reduction target. This is to ensure that we are not simply buying our way out of our responsibility to act on climate change and the energy transition.

this service in the Netherlands, Belgium, Germany, Austria, and Hungary. We recognize high and ever-increasing customer demand for this option. OMV Fuels Sales customers can offset their carbon footprint based on the use of gasoline or diesel, as well as extra-light heating oil and bitumen, in all countries where we operate. Customers of OMV Retail Mobility & Convenience (our filling stations) are able to offset their carbon footprint from gasoline and diesel by using loyalty points in Slovenia or the jö Bonus Club card in Austria. Our OMV Card customers can use their OMV Card with the Routex function to offset the carbon footprint of the diesel and gasoline they purchase.

Management and Due Diligence Processes

Offsetting Emissions

OMV's customers can offset the carbon footprint resulting from using all products they purchase from us – diesel, gasoline, bitumen, heating oil, natural gas. OMV Gas offers

OMV works closely with ClimatePartner, an internationally trusted service partner based in Munich. ClimatePartner selects certified carbon-offset projects and ensures that OMV customers who use this option are able to contribute a dedicated amount to these projects. We have defined a

¹⁶ On December 14, 2020, OMV and EG Group reached an agreement for the acquisition of 285 filling stations in Germany by EG Group. The transaction is subject to required regulatory approvals and the closing is expected in 2022. On February 4, 2021, OMV announced its intention to sell its business in Slovenia, including around 120 filling stations. The closing of this transaction is also expected in 2022. As both transactions were not completed by the end of 2021, these filling stations are still displayed in the graphic.



rigorous set of criteria and standards for the selection of climate protection projects to ensure optimal verification of emissions offsetting. For instance, the technologies we selected for climate protection in our projects are wind power and forest protection. Climate protection projects are verified according to the internationally recognized standards for voluntary emissions reduction: the Verified Carbon Standard (VCS) and the Gold Standard (GS). In 2021, verified emissions offset by customers totaled 115.7 kt CO₂e.

Carbon Capture and Storage (CCS) and Utilization (CCU)

OMV aims to capture CO₂ and ideally use it as a resource. Carbon capture and utilization technologies, such as capturing CO₂ emissions from our refineries, hydrating the CO₂, and then reusing it as fuel, are crucial to reducing overall atmospheric emissions and fostering circularity. However, achieving the goals of the Paris Agreement does not just require reducing our own emissions but also helping reduce atmospheric emissions from other sources. Thus, our CCS and CCU projects include, but are not limited to, capturing our own emissions. A key example of developing such projects with industry partners to reduce overall atmospheric emissions is the C2PAT project.

C2PAT, a joint project between Lafarge, VERBUND, OMV, and Borealis, aims to demonstrate a novel cross-sectoral carbon value chain at industrial scale. Industrial CO₂ released during cement production is captured (10 kt per year for demo plant) and transformed with green hydrogen into feedstock for a variety of renewable-based chemicals and value-added plastic products. The overall system is based on the integration and joint operation of various technologies that will be combined into one unique, holistic value chain. A facility cluster will comprise a carbon capture unit, a water electrolysis unit for the production of green hydrogen, and a new synthesis route via reverse water-gas shift reaction and Fischer-Tropsch synthesis located at the site of Lafarge's cement plant in Mannersdorf. Intermediates will be processed into olefins and ultimately renewable-based value-added plastics at OMV and Borealis sites.

By demonstrating the feasibility of this technology, C2PAT will refine innovative operational and business models to

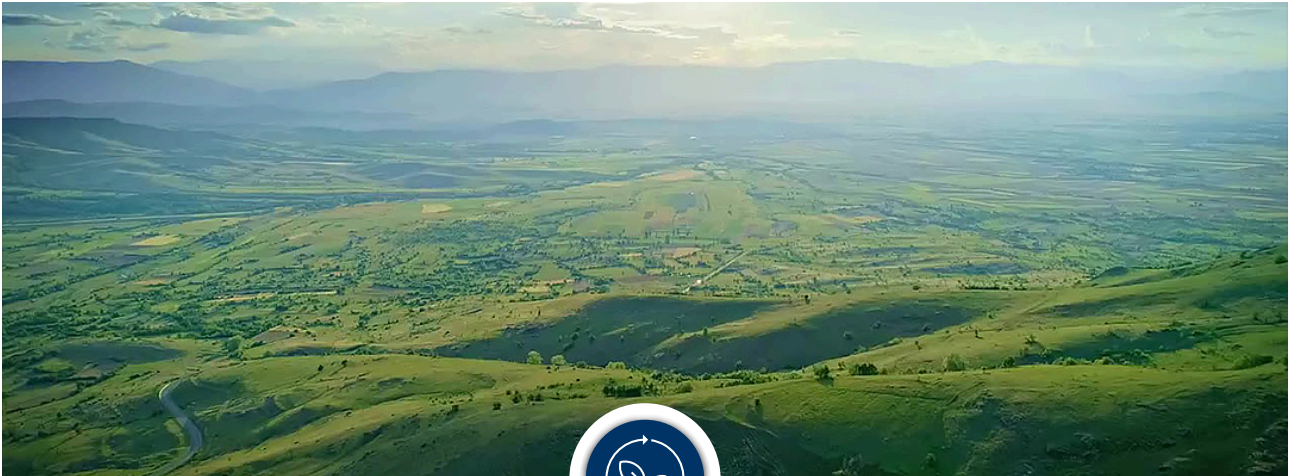
develop a scale-up concept for the carbon value chain. The key innovation is using CO₂ emissions from cement production as a feedstock for petrochemicals – an integrated and cross-sectoral approach that has never been demonstrated before. C2PAT also demonstrates a circular economy approach in the cement and chemical sector given that renewable-based plastics can be reused and recycled in various recycling streams. C2PAT will explore the market potential for renewable-based products, and develop models for control as well as for holistically optimizing the overall value chain. Experience from the demo plant will be used to scale up the process. The next step would be a full-scale plant capable of converting more than 700 kt of CO₂ per year into renewable-based products. In the current initial phase, based on a co-signed MoU, the partners are evaluating and developing a joint strategy for project development and funding opportunities, business modeling and process engineering.

2021 Actions

In 2021, we worked on innovative solutions to utilize captured CO₂. For instance, shoe company On has partnered with Borealis and LanzaTech to create CleanCloud™, a sustainability initiative using carbon emissions to create foam for running shoes. On is the first company in the footwear industry to explore carbon emissions as a primary raw material for a shoe bottom unit, as part of its move away from petroleum-based resources. Technology from LanzaTech captures carbon monoxide emitted from industrial sources such as steel mills or from landfill sites. Once captured, these emissions enter a patented fermentation process, which converts the carbon-rich gas to liquid ethanol using specially selected bacteria. The ethanol is then dehydrated to create ethylene, which Borealis polymerizes to become EVA (a copolymer of ethylene vinyl acetate), the versatile and lightweight material that On starts working with to create a performance foam for shoes.

Outlook

As part of our strategy, we foresee developing CCS storage capacity of around 5 mn t per year CO₂ net to OMV by 2030; 2 mn t per year will be in OMV Petrom. We will continue to explore CCU possibilities.



Natural Resources Management

Our impact on the environment – and responsibility to act – extends beyond just greenhouse gases. As an oil, gas, and chemicals company, OMV's environmental footprint is significant as it pertains to water use, environmental degradation due to spills, biodiversity impacts, and waste. But we also have the technological know-how to present solutions, in particular by fostering the circular economy. In contrast to the “take-make-waste” linear model, which will lead to more plastic waste and environmental pollution, while putting pressure on the planet's limited resources, a circular economy is regenerative by design and aims to decouple growth from the consumption of finite resources.

OMV is fully committed to taking action on responsible natural resources management and will proactively expedite the transition from a linear to a circular economy. OMV aims to minimize environmental impacts by preventing water and soil pollution, reducing emissions, efficiently using natural resources, and avoiding biodiversity disruption.

The Natural Resources Management strategic focus area combines our commitments and actions relating to environmental preservation under one umbrella. The first step is to manage our operational footprint, as described in the Environment material topic. The Circular Economy material topic then describes the strategies and technologies we are applying to recover and reuse by-products or waste to make new materials and products, resulting in a cleaner environment.



Environment

Material Topic: Environment

Protecting natural resources and ecosystems, especially through prevention of spills and water, air, and soil pollution.

Key GRI

- ▶ GRI 303: Water and Effluents 2018
- ▶ GRI 305: Emissions 2016
- ▶ GRI 306: Waste 2020
- ▶ GRI 306: Effluents and Waste 2016
- ▶ GRI 307: Environmental Compliance 2016

NaDiVeG

- ▶ Environmental concerns

Most relevant SDGs



OMV aims to minimize environmental impacts by, for instance, preventing water and soil pollution. OMV is liable for the impact that our activities have on the environment. Breaching environmental regulations on a local, national, and international level would result 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. OMV's Code of Conduct and HSSE Policy formalize our public commitments to safeguarding the environment.



Targets 2025 and 2030

- ▶ Increase waste reuse and recycling from operations
- ▶ Reduce freshwater withdrawal

Target 2030

- ▶ Reduce natural resources use by reducing oil and gas production levels to below 400 kboe/d and by reducing crude distillation throughput by 2.6 mn t

Status 2021

- ▶ Waste recovery or recycling rate: 68%
- ▶ Freshwater withdrawal: 332,901 megaliters
- ▶ Production: 486 kboe/d
- ▶ Crude throughput: 15.7 mn t



Relevant SDGs



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
- 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
- 6.6** By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes
- 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
- 12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
- 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 species¹⁷

Our internal Environmental Management (EM) 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. In 2020, the Environmental Management Standard was revised and minimum requirements on odor emissions were established. In 2021, we revised the Environmental Management Standard again. This time we added minimum requirements on H₂S in vented gas and the design of the environmental processes to complement the implementation of the EM Standard.

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.

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), mainly for

projects. 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.

63% of sites certified to ISO 14001

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 regularly and as necessary to identify improvement measures.

Governance

There is a high degree of interdependence between the Environment material topic and the material topics Health, Safety, and Well-Being as well as Security, Emergency, and Crisis Resilience. Thus, these distinct material topics are governed centrally by Group HSSE. The OMV Group HSSE department is organized in specialized teams with experienced experts, in areas such as:

¹⁷ Several UN SDG subtargets were initially designated to be reached by 2020. However, sources such as the UN's Global Biodiversity Outlook state that goals related to nature have not been met. OMV still considers the attainment of these goals relevant past the year 2020, and thus still links these SDG subtargets to its strategic targets.



- ▶ Development and implementation of OMV's HSSE strategy, regulations, and processes
- ▶ HSSE risk assessment
- ▶ Incident investigation
- ▶ HSSE data analysis and reporting
- ▶ Environmental management
- ▶ Process safety management
- ▶ Security and resilience management

Group HSSE is led by the SVP HSSE, who reports directly to the Chief Executive Officer. There are HSSE departments at OMV Petrom and Borealis, which oversee their specific issues and coordinate their local HSSE officers and experts. The OMV Petrom and the Borealis HSSE departments report functionally to the SVP HSSE at Group level.

Our commitment to environmental protection is anchored at the highest level. The Executive Board's bonus is subject to a Sustainability Multiplier. This Sustainability Multiplier considers the number and volume of oil spills, among other factors. The multiplier, and thus the Executive Board's bonus, is reduced in case of high frequency and volume of spills.

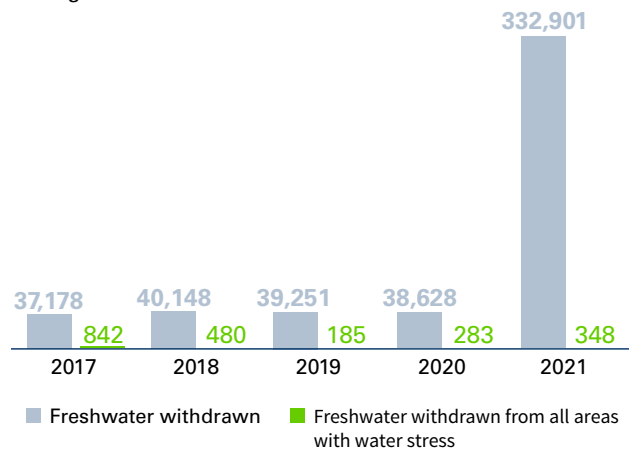
Environmental awareness is promoted throughout the Group through various activities. For instance, Quarterly Exchange on Environmental Management meetings are held where environmental experts and interested colleagues from all countries can learn about best practices being implemented at other sites and gain inspiration. At OMV Petrom, a contest to highlight key initiatives in the company was launched, with winners receiving awards from the Petrom Executive Board. Due to COVID-19 restrictions, this event was organized online, reaching over 1,300 employees.

Water

OMV uses significant amounts of water for its operations in its upstream and 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.¹⁸

Freshwater Withdrawn¹⁹

In megaliters



Specific Policies and Commitments

Our Water Ambition Statement is OMV's public commitment to water management, and says the following:

- ▶ 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.

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. 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.

¹⁸ 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](#).

¹⁹ The increase in freshwater withdrawn in 2021 compared to previous years is due to the consolidation of Borealis. The majority of freshwater withdrawn at Borealis is once-through cooling water, meaning it is discharged to the environment in its original quality, only with a very slightly elevated temperature. See Environmental Data for details.



Management and Due Diligence Processes

OMV's Group-wide Water Strategy was drafted in 2014 and is based on five strategic pillars: transparency; risks and opportunities; water efficiency and treatment; training and awareness; stakeholder engagement.

Risk Assessments

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. 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.

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 continuously conduct risk assessments. The water risk assessments are performed by using an international methodology developed by WWF. Both river basin data and industrial activity data are analyzed. The evaluation takes into account physical criteria, including water scarcity as well as compliance and reputational aspects. In any case, we deem it necessary 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.

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 (read more about spill prevention in the section [Spills](#)). 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 off-shore drilling.

Management Plans and Technologies

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. One measure to reduce freshwater withdrawal to a minimum is the installation of recirculating cooling systems.

In addition to implementing measures to reduce freshwater withdrawal, we implement the best available technologies to sustainably treat water. For instance, after a technology optimization campaign in Schönkirchen, we can now operate our produced water treatment plant without the use of water clarification chemicals. By achieving even better treatment efficiency, we are able to additionally reduce 75% of the residual volumes for thermal disposal. Furthermore, we have developed a highly effective innovative filtration technology that uses crushed recycled glass.

Stakeholder Engagement

Our impact on water resources is important to various stakeholders. We engage with government authorities, such as river basin management authorities, on compliance with water use rules and environmental parameters relating to wastewater generated. We also engage with local water utilities about the supply of freshwater for OMV operations and the treatment of wastewater. We additionally work with NGOs on environmental preservation and water resource conservation, as well as with local communities on the sharing of local water resources and the quality of discharged wastewater. For instance, in Austria, there are local fishermen who fish the Danube River in Schwechat close to both the refinery and the Lobau tank farm, and in the harbor there, with whom an active and open dialogue has been maintained for years. In areas where OMV operations require large amounts of water, or areas that suffer from water stress, it is particularly important to include local stakeholders in water management activities in order to secure a "social license to operate." OMV water management activities pursue socially equitable water use, and 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. Our Community Grievance Mechanisms also enable communities to raise concerns about water-related issues. (For more information, see [Community Impacts and Grievances](#).)

2021 Actions

The following key activities were carried out across the Group in 2021:

- ▶ In 2021, our operations in Yemen applied new water management plans and wastewater management procedures. The wastewater treatment plants, installed a few years ago, were upgraded, now allowing the treated water to be used for irrigation in this very arid environment. Furthermore, improvements were made in produced water management. Before, a simple plastic liner was used in the produced water evaporation ponds. In 2021, an HPDE liner was installed. Oil skimming barriers were also installed. These surround the floating oil to prevent it from spreading over the water's surface, and increase its thickness to facilitate recovery. The oil can thus be diverted to a suitable collection point for removal, and the increase of clear surface water increases the water evaporation rate.
- ▶ At the Schwechat refinery, more than 800,000 m³/year of water is being conserved by implementing targeted measures. This corresponds to more than 5% of the average annual water consumption there. The majority of the reduction was achieved by implementing a control concept for the cooling water in a heat exchanger group in the ethylene plant. Additional measures included the optimization of a cooling tower and the introduction of special operation modes for summer and winter periods, a systematic screening for possible leakages with immediate repairs, and the identification and adjustment of temporary water withdrawals.
- ▶ In 2021, our subsidiary Borealis became a member of the UN Global Compact and signed the UN Sustainable Ocean Principles. These commit companies to restoring and maintaining a healthy and productive ocean. Stopping the leakage of plastics into the environment and the oceans is a global challenge. Borealis is actively engaging in addressing this issue by advancing the circular economy of plastics, keeping the material in the loop, and thus preventing it from becoming waste in the first place. Moreover, Borealis has initiated Project STOP, a pioneering program to support cities in developing and emerging countries to establish cost-efficient, effective, and more circular waste collection systems. Read more on actions

Borealis is taking to prevent plastic leakage on the [Project STOP website](#).

Water management plans have been completed for **33%** of priority sites, with the development of plans in progress at the remaining sites.

0.10% of freshwater withdrawal is in water scarce areas.

Dispersed oil concentration in discharged water: **0.26 mg/l**

Outlook

As part of our Sustainability Strategy 2030, we aim to reduce freshwater use. As a next step, we plan to establish quantitative targets to improve water management. In 2022, we plan to evaluate joining international initiatives, such as the CEO Water Mandate, to formalize our commitment to equitable water use. We will also continue our efforts to recycle water wherever possible.

Spills

Oil spills²⁰ 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. Our key commitment is to prevent spills in the first place. If they do occur, we aim to reduce their impact by appropriate and fast oil spill response and clean-up.

Multiple stakeholder groups are affected by our spills management activities. Government authorities are involved through potential breaches of environmental regulations; employees and contractors through potential health and safety issues arising from accidents and damage to the environment and society; NGOs/NPOs through potential damage to the environment and society; society through damage to the surrounding environment; and shareholders through direct financial losses due to the costs of remediation measures and reputational risks.

Furthermore, as OMV is diversifying, oil spills are no longer the only relevant spills. For our subsidiary Borealis, preventing pellet spills is also a key issue. Borealis is committed to achieving zero pellet loss in and around its operations, during transportation, and across the entire value chain. The company 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

²⁰ Oil spills are defined as hydrocarbon liquid spills that reach the environment.



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. The following section will discuss our management of oil spills. Read more about our efforts on pellet spills in the [Borealis Annual Report](#).

Management and Due Diligence Processes

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. These include proactive management plans including risk assessment, preventive measures, and inspections, as well as reactive management plans including control, response, and clean-up procedures. The majority of our oil spills involve E&P OMV Petrom, where we concentrate our efforts to safeguard and maintain our infrastructure and to improve the reliability of our facilities.

Hazard Identification and Risk Assessments

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.

OMV has also 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.

Emergency Response and Contingency Plans

We conduct spill response according to a plan which identifies appropriate resources (persons in charge and intervention materials) and expertise. This plan 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 carry out regular oil spill response drills and training.

Clean-up and Remediation

Hydrocarbon spills are assessed and cleaned up immediately after their occurrence in accordance with internal pro-

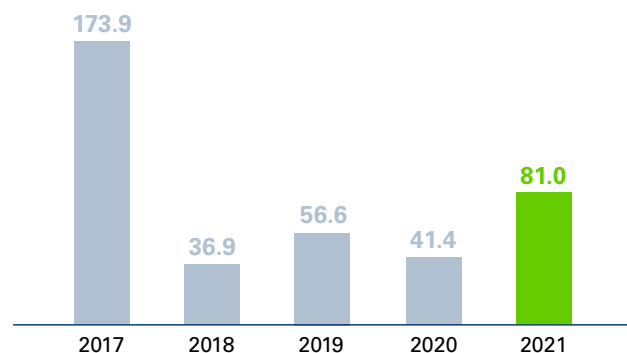
cedures governing spill remediation. In particularly difficult cases, we rely on third-party support for capping and containment, surface clean-up, and emergency management. Leaks are repaired immediately or within defined time frames in accordance with the site’s maintenance processes and based on the 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.

We ensure that the affected land is 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.

2021 Actions

Total volume of spills

In m³



OMV recorded three major spills in 2021; the most significant spill was caused by a truck rollover incident in Romania, when the tank lid was damaged and around 18,000 l of fuel (diesel and gasoline) were released to the environment.

The majority of our spills occur at OMV Petrom. In 2021, 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).

Outlook

We aim to reduce the number of process safety events at all our sites across the globe resulting in reduction of spills as well. (Read more in [Process Safety](#).)

Waste

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

In addition, 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. This section of the Sustainability Report focuses on waste management in our operations. (For more on end-of-life waste, please see the focus area [Circular Economy](#).)

Specific Policies and Commitments

According to OMV's Environmental Management Standard, all OMV Group businesses and activities are required to identify and to use the lowest hazardous material option as well as to minimize both the use of raw materials and the subsequent generation of waste. The following hierarchy is applied to control waste: prevention, preparation for reuse, recycling, other recovery (e.g., energy recovery), and, lastly, disposal in a controlled manner. The disposal of liquids in landfills and the burning of solid and liquid materials in open burning pits or any other locations are not permitted.

The OMV Group Environmental Management Standard further requires that environmental and social components be identified for the entire life cycle of facilities, including decommissioning and abandonment, so that any future adaptation measures can be identified and planned for. The needs of local communities, including indigenous peoples, are incorporated and addressed throughout all phases of the project life cycle, including during decommissioning or abandonment.

Management and Due Diligence Processes

Application of Best Practices

International industry best practice is applied for the management and treatment of waste. Where existing local, regional, or national waste management facilities are inadequate, OMV supports third parties to develop their capability.

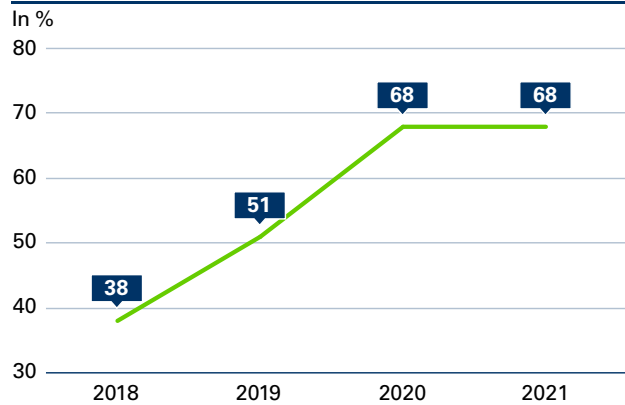
We also apply best practices in the management of drilling waste. For example, in our E&P OMV Petrom Crişana asset, inert drill cuttings stemming from water-based drilling waste are picked up by a waste management contractor and used as a stabilization agent for other waste (mostly sludge) along with 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 a cover layer in non-hazardous waste landfills.

Recycling

Waste is recovered and recycled where possible, including during site closure and decommissioning. If recycling is not possible, all waste is processed and/or disposed of only in licensed facilities or via reputable licensed contractors. Waste contractors are regularly audited.

2021 Actions

Waste Recovery or Recycling Rate



The following key activities were carried out across the Group in 2021:

- ▶ In 2021 we completed a challenging pilot project: the subsurface abandonment of the 805 Bustuchin well in Romania. The well was affected by a landslide, so we did consolidation work through a mining construction to reach the depth of 27 m. Land consolidation was necessary to cut and reconnect broken casings. In addition to the land slide and large area to be excavated, another challenge was working in a confined space and dangerous environment. We successfully restored the verticality of the casings with environ-



mental benefits including the elimination of the blowout risk (the well is located in a forest area and closed to the community); the avoidance of gas emissions from the well area; and the aquifer being isolated in the excavation area.

- ▶ In 2021, OMV Petrom continued cleaning, remediation, and ecological reconstruction work on nine former fuel terminals, which started in 2019. This showcases the company's commitment to responsible management of the end life of operations. Besides the around 145,000 m³ in petroleum-contaminated soil/subsoil, which was removed and treated in 2020, around 77,000 m³ of contaminated soil/subsoil was removed and treated in 2021 using site-specific methods in line with best practice (e.g., bioremediation technologies off-site, on-site, in-situ, in-situ with injection). The bioremediation infrastructure includes 11 bioremediation plants, 4 final deposit and 8 temporary storage platforms, strategically distributed throughout Romania. Our state-of-the-art bioremediation plants receive contaminated soil from, e.g., abandonment works, accidental spill, and operation works, which is saved and then placed in batches. The addition of minerals, nutrients, structural materials, and water follows, after which it is aerated. Thus, the microbiological activity that leads to the degradation of petroleum products is stimulated. After several aeration cycles, soil samples are taken from each batch and the total oil hydrocarbon content is determined. Depending on the results of the analyses, the bioremediated soil is classified as backfill soil, used to fill excavations, stabilizations, leveling and final storage soil, which is stored in final deposits, which belong either to our Company or to third parties. We achieved a recovery rate of 99% for the contaminated soil treated, which we further used for on-site backfills or directed to other authorized locations. In 2022, we will continue with the site restoration of the old Constanța and Oradea fuel terminals.

Outlook

As part of our Strategy 2030, we plan to increase waste reuse and recycling from operations. In 2022, we plan to review the Waste Management Plans across OMV.

Biodiversity

Biodiversity supports human and societal needs, including food and nutrition security, energy, development of medicines and pharmaceuticals, and freshwater, which together underpin good health. It also supports economic opportunities and leisure activities that contribute to overall well-being. Biodiversity conservation provides substantial benefits, such as clean, consistent water flows, protection from floods and storms, and a stable climate. The loss of

biodiversity is dangerous, and its consequences are immediate. The EU's biodiversity strategy for 2030 is a comprehensive, ambitious, and long-term plan to protect nature and reverse the degradation of ecosystems. The strategy aims to put Europe's biodiversity on a path to recovery by 2030, and contains specific actions and commitments.

Specific Policies and Commitments

OMV's Group Environmental Management Standard and Environmental and Social Impact Assessment Procedure state that all OMV activities must be conducted in such a way as to cause minimal disturbance to protected areas and to local flora and fauna.

Management and Due Diligence Processes

Risk Assessments

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 2021, OMV announced that it was selling its stake in the Wisting oil field in the Barents Sea of Norway, thereby exiting Arctic oil discovery.

Biodiversity Management Plans

OMV joined the Biodiversity Task Force of the International Petroleum Industry Environmental Conservation Association, which is working on an update of the guide to developing biodiversity action plans. Based on that guide, OMV aims to develop Biodiversity Management Plans for all major operations.

Mitigation and Rehabilitation

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. Mitigation measures include, for instance, rerouting of pipelines.

For instance, in 2021, OMV Petrom continued the cleaning, remediation, and ecological reconstruction works for nine former fuel terminals, which started in 2019 (for more information, see [Waste](#)). During this project, we performed periodic monitoring during and after site rehabilitation, as requested for each site by the environmental authorities. For example, during site rehabilitation, we took samples of soil/subsoil and monitored the groundwater in each phase of the project (e.g., excavation, bioremediation). We monitored the quality of soil/subsoil and/or underground water after site rehabilitation when requested by the environ-



mental authority. We also monitor the site status (e.g., land covering by grass, soil compaction) on a quarterly basis for one year after our works are finalized.

Working with NGOs

OMV works locally with NGOs and other third parties on restoration and rehabilitation projects. For example, in 2021, we supported the following biodiversity-related projects in New Zealand as part of our wider Corporate Social Responsibility portfolio. New Zealand has the highest number of threatened indigenous species in the world.²¹

- ▶ Partnership with Ngāti Koata and the Department of Conservation for the Moawhitu lake and wetland regeneration project
- ▶ Partnership with the Rotokare Scenic Reserve Trust protecting the endemic hihi bird (stitchbird) in this reserve located just outside of New Plymouth
- ▶ Partnership with Tiaki Te Mauri o Parininihi Trust in North Taranaki for monitoring the endangered kōkako bird

2021 Actions

In 2021, we began mapping all of our sites in a formal and harmonized way to determine if any are located in internationally protected areas. We will aim to disclose the results of this mapping in the coming years. We also continued to implement biodiversity initiatives, such as our green areas project in Tunisia. Our locations in Tunisia are in a dry and arid climate with hostile living conditions and a lack of recreation areas. The project's objective is to plant indigenous trees and shrubs in the desert. In 2020, a project was started in Waha, where 512 trees have been planted. In 2021, this was expanded to Nawara. There, 1,200 trees were planted in the first year. An irrigation system has been installed to support the budding plants. The goal is to provide recreation areas to improve the well-being of personnel and visitors, and to promote forest creation.

Outlook

We aim to develop a formal biodiversity and protected areas policy in the coming years.

Non-GHG Air Emissions

Exposure to air pollution can affect everyone's health. It is the greatest environmental threat to public health globally. The World Health Organization (WHO) recently issued stricter recommendations on safe air pollution levels in a bid to curb the millions of premature deaths and loss of millions more healthy years of life caused by air pollution.

Specific Policies and Commitments

The OMV Group Environmental Management Standard stipulates that all OMV Group businesses and activities must understand the impacts of their air emissions on local and regional ambient air quality. Air emissions are required to be monitored, controlled, and minimized in order to mitigate the potential for human health effects and harm to the environment. There are strong legal requirements surrounding air emissions in the EU, where all of our refineries are located. For instance, the EU does not permit the use of fuels containing sulfur to prevent transport-related SO_x emissions.

Management and Due Diligence Processes

Monitoring

In all our refineries, we monitor emissions of pollutants such as SO_x, NO_x, CO, particulate matter/dust, and (NM)VOCs 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.

Prevention and Treatment

OMV has long implemented technologies to reduce emissions, such as internal floating roofs to reduce emissions of VOCs. We have been focusing on upgrading such technologies to ensure that they are still doing their job and reducing emissions. For instance, in 2007, we commissioned a SNO_x flue gas cleaning plant at the Schwechat refinery. With the SNO_x Refurbishment of Wet Sulfuric Acid (WSA) program, in which a solution patented by OMV (two-layer PFA film structure with monitoring system) was implemented, both the reliability and the availability of the flue gas cleaning system could be increased. The flue gas cleaning plant at the Schwechat refinery is used for the removal of dust, and for denitrification and desulfurization of flue gases from the two power plants before they are emitted via the stack. In a first process step, dust is separated via electrostatic precipitators. In the course of selective catalytic reduction, nitrogen oxides (NO_x) are converted into free nitrogen (N₂) and water (H₂O) by injecting ammonia (NH₃). In the third step, sulfur dioxide (SO₂) is oxidized with the aid of a catalyst and reacts with residual moisture to form gaseous sulfuric acid. Finally, the sulfuric acid is condensed in the WSA by means of air cooling and heat recovery. The sulfuric acid thus obtained is then either sold or used for pH adjustment within the refinery. Through these process steps, 98% of dust can be separated, more than 96% of sulfur can be recovered, and around 90% of NO_x emissions can be prevented. With a catalyst update in autumn 2022, a NO_x reduction rate of around 95% will be achievable again.

²¹ Source: Environment Aotearoa 2019, Ministry for the Environment, <https://environment.govt.nz/publications/environment-aotearoa-2019/>



2021 Actions

The following key activities were carried out across the Group in 2021:

- ▶ At the Petrobrazil refinery, the tank modernization program continued in 2021 and included installation of internal floating membranes or double sealing for six volatile product tanks and commissioning of one new tank, according to BAT. These measures amounted to EUR 12.5 mn and contribute to the reduction of the environmental impact due to VOCs.
- ▶ In addition, OMV Petrom continued to restore sites that were formerly fuel terminals. This work can generate dust (from excavation, loading, soil treatment on the bioremediation platform, and earth fillings) and odors (from hydrocarbon vapors accumulated in the soil). The challenge was to minimize the dust and smell nuisance from a project site located in a sensitive area (with residential neighborhoods). Among the best practices applied were a water spray curtain,

dust protection nets, forced ventilation, and off-site bioremediation of the most contaminated soil. In addition, we minimized dust-producing activities in periods of strong wind along with more intense wetting of the surfaces as well as covering the surfaces on the on-site biopiles. We optimized the transportation routes to minimize nuisance to the community, covered the load, washed the wheels at the site exit to avoid contamination of public roads, and sprinkled the access roads on-site. There was periodical communication with the community and the authorities, and the relevant local authorities performed weekly site visits.

Outlook

In 2021, we launched a pilot project to develop an Odor Management Plan for one representative facility at an E&P OMV Petrom asset. We estimate that we will finalize this pilot project in 2022.

Circular Economy

Material Topic: Circular Economy

Decoupling economic growth from resource constraints by recovering and reusing byproducts or waste to make new materials and products, such as recycled or biobased polyolefins.

Key GRI

- ▶ GRI 306: Waste 2020

NaDiVeG

- ▶ Environmental concerns

Most relevant SDGs



OMV Group believes that transitioning to a circular economy will significantly reduce our impact on the environment and our CO₂ emissions. A circular economy decouples economic growth from resource constraints, while preventing the leakage of waste into the environment as much as possible and, in particular, into oceans as well as landfills. The circular economy will also curb global warming. Through the efficient use of our precious resources, we can recover and reuse byproducts or waste to make new materials and products. This approach has the potential to greatly decrease associated emissions across product value chains. In addition to recycling plastic waste and reusing it to make new materials and products, OMV Group also sees plastics based on renewable feedstock as playing a key role in the circular economy. The

use of renewable feedstock lowers the demand for fossil feedstock and considerably decreases the carbon footprint. OMV Group focuses on utilizing waste biomass such as forestry residues that are not in competition with the food and feed chain, and thus do not require the use of additional natural resources such as land or water. If then recycled, such second-generation bioplastics can play a vital role in a sustainable circular economy and reduce greenhouse gas emissions on two fronts, cutting emissions in the input and in the end-of-life phase.

The creation of a truly circular economy also has wider societal implications. It will provide economic benefits to society by reducing the major financial burden of ineffective waste management systems and pollution man-



agement, and will create new business opportunities and employment at various stages of the value chain. A circular economy will also result in better living and working conditions, and in general in a cleaner environment.

Following the acquisition of a majority stake in polyolefins producer Borealis in 2020 and the consolidation of Borealis into the Chemicals & Materials segment, circular economy is now a cornerstone of the OMV Group’s Strategy 2030. OMV plans to produce 350 kta of recycled polyolefins by 2025. By 2030, that number will grow to 2,000 kta of sus-

tainable polymers or other chemicals, in other words, polyolefin products or other chemicals derived from plastic waste (either through a mechanical or chemical recycling process) or from biobased feedstock. At the same time, the use of fossil resources will decrease, as we aim to reduce oil and gas production levels to below 400 kboe/d and reduce crude distillation throughput by 2.6 mn t by 2030. These fossil resources would ordinarily also be used to make polymers; instead, more polymers will be based on recycled waste or renewable resources such as bio-feedstock.



Target 2025

- ▶ Achieve 350 kta recycled polyolefins production

Target 2030

- ▶ Achieve approximately 2,000 kta sustainable (includes recycled and biobased) polyolefins production

Status 2021

- ▶ 91 kt of circular material (recyclates and biobased material) sold via Borealis
- ▶ Production capacity of 100 kt established at Borealis

Relevant SDGs



SDG targets:

8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead

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

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

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

Through Borealis, the OMV Group is promoting the circular economy across the industry, by launching initiatives and participating in activities and platforms that drive recycling options and solutions. Borealis is a core partner in the New Plastics Economy (NPEC) and a signatory to the “A line in the sand” initiative of the Ellen McArthur Foundation. Borealis has also endorsed the Ellen MacArthur Foundation’s position paper on Extended Producer Responsibility (EPR). In addition, Borealis is a member of the EU’s Circular Plastics Alliance and has signed a manifesto calling on UN member states to commit to the development of a global treaty on plastic pollution.

The OMV Group’s goal is to develop a leading position in the circularity of plastics and to offer its customers innovative solutions that advance the circular economy. To transition to a truly circular and carbon-neutral economy, a variety of solutions will be required to keep products circulating at their highest value, quality, and utility over many lifetimes. We aim to achieve circularity through the following hierarchy:

Design for Eco-Efficiency

This means adopting a design mindset from the start that sets the agenda for minimizing the use of resources and maximizing their lifetime value. The Borealis foam busi-



ness is a prime example of eco-efficient polyolefin solutions. This business line is used in industries such as packaging, sports, transportation, and construction, and helps facilitate the transition to a circular economy as it is especially suited for ultra-lightweight foam applications while being fully recyclable.

Reuse

The Chemicals & Materials business helps maximize the lifetime of products already in circulation by leveraging knowledge of plastic use and processing, and by establishing systems and business models for reuse. We have been engaging with start-ups and participating in collaborative projects to develop and advance our position on the topic of reuse. For example, Borealis has been working with a Finnish start-up, Kamupak, to accelerate the use of reusable takeaway packaging in Helsinki (Finland). In December 2021, Borealis announced that it has acquired a minority stake in Bockatech, further deepening the existing partnership between the two companies. Bockatech Eco-Core® is a patented manufacturing technology that improves sustainability by creating lightweight, insulated, durable, and recyclable packaging for single-use and reusable applications. The combination of Borealis' polypropylene material and Bockatech technology is empowering the creation of low-cost reusable food and non-food packaging.

Design for Recyclability

One of the biggest issues preventing greater recycling of plastics is that many products are not designed for recycling in the first place. For example, flexible packaging often uses layers of different materials, which makes separating and recycling the plastic content extremely difficult. The challenge is to create packaging using only one (mono) material, while maintaining or improving performance.

The recycling of plastic packaging therefore begins with design. Design for Recyclability (DfR) means designing a product so it can be collected, sorted, and recycled. DfR is an important aspect of eco-efficient design, which takes a lifecycle approach by carefully and intelligently balancing the production, use, and after-use phases of a product.

Inspired by the EU Commission's vision for increased levels of recycling and the targets of the Ellen MacArthur Foundation's New Plastics Economy Global Commitment, brand owners worldwide are committing to developing 100% recyclable, reusable, or compostable packaging solutions by 2025. Borealis works with partners to develop solutions that are fully recyclable. For instance, Borealis has worked with W&H, AMAT, and GEA Food Solutions to develop a monomaterial, cast polypropylene laminate, that is 100% recyclable. This is an ideal solution for the most demanding food packaging applications, because it

ensures a long shelf life and high temperature resistance. Borealis has also developed 10 Codes of Conduct for polyolefin packaging designers. These Codes help designers develop packaging materials that can be successfully recycled and used again, either in the same application or in other products. The Codes are being incorporated into assessment methodologies for recyclability, for example, in future modulated Extended Producer Responsibility (EPR) guidelines for packaging.

Closing the Loop

This will first be achieved with mechanical recycling, to make products with the highest possible value and quality. Through Borealis, OMV continues to work with partners to develop newer technologies for mechanical recycling, with the objective of delivering products with near-virgin quality where possible, and with the lowest carbon footprint. (Read more in [Mechanical Recycling](#).)

OMV also believes there is an essential role for chemical recycling to complement mechanical recycling. Chemical recycling can valorize residual waste streams from mechanical recycling, as well as mixed plastic waste streams which would otherwise go to a landfill or be incinerated. (Read more in [Chemical Recycling](#).)

OMV remains fully committed to advancing the development of a broader and more circular offering. In the coming years, we will step up our design-for-recycling and reuse businesses for polyolefins, and develop and implement a sustainable product portfolio based on biobased polyolefins.

During 2021, the OMV Group, through Borealis, sold 91 kt of recyclates while succeeding in establishing a production capacity of 100 kt. The OMV Group's circular economy targets, including ramping up production of recycled plastics, will help transition from a model based on the extraction of fossil resources toward one based on closed materials loops. To support this transition, Chemicals & Materials is building up its Borcycle™ portfolio (including both Borcycle™ M based on mechanical recycling processes and Borcycle™ C using chemical recycling technology) to meet growing demand for high-quality recyclates that help producers and brand owners meet environmental and regulatory challenges.

OMV also works to reduce plastic leakage. In 2017, Borealis initiated Project STOP (Stop Ocean Plastics) in Indonesia. Co-founded with SYSTEMIQ, this program aims to achieve zero leakage of waste into the environment and increase plastics recycling. Project STOP focuses on the regions with the highest leakage rates and, with the support of industry and government partners, works hand in hand with cities to create leak-free, low-cost, and more circular



waste management systems. (Read more in [Community Investments](#) and on the [Project STOP website](#).)

Governance

Circular economy has been on the OMV Group agenda since 2015, having become even more important since the acquisition of a majority stake in Borealis in late 2020. Several circular economy areas, such as mechanical and chemical recycling, are now jointly being further developed. We are in the process of building up our Group governance of this material topic. The Group's circular economy strategy is closely intertwined with the decarbonization strategy and is overseen by Strategic Planning & Projects. We have also begun establishing dedicated departments, such as the Plastic-to-Plastic department within Chemicals & Materials.

Most of the OMV Group's circular economy initiatives, especially regarding mechanical recycling and circular products, are run by our subsidiary Borealis. To accelerate its transformation to a circular model, Borealis has a dedicated department called Circular Economy Solutions and New Business Development. This department leads the execution of Borealis' circular economy strategy around several thematic project focus areas, such as feedstocks for recycling or design for recyclability, as well as assisting all

Mechanical Recycling

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

As a plastics producer, we are responsible for the end of the value chain as well. We aim to develop technologies to recycle the many different types of plastics as efficiently as possible, thereby promoting a circular economy. One key technology is mechanical recycling. With mechanical recycling, the plastic is cleaned, mechanically flaked, melted down, and processed into plastic granulate. In the ideal case, this material can be used to make the same products again, i.e., a detergent bottle becomes a new detergent bottle. No change is made to the chemical structure of the plastic, which is why the feedstock must be sorted properly and even split into different colors. Through [Borealis, OMV operates three mechanical recycling plants: Ecoplast, mtm plastics](#), and a demo plant operated by a joint enterprise in Lahnstein (Germany).

other Borealis business areas with industry-specific transformation. Another dedicated business team is fully focused on short- to mid-term business growth opportunities in mechanical recycling, including Borealis' mtm plastics and Ecoplast businesses. The Circular Economy Innovation Studio at Borealis' Innovation Headquarters in Linz remains Borealis' spearhead for technology and innovation. In 2018, Borealis launched a dedicated communication platform, EverMinds™. This platform serves to streamline all Borealis' circular-economy-related activities in order to boost their impact and promote familiarity with the topic. The platform facilitates deeper collaboration between Borealis and its partners in the interest of developing innovative and sustainable polyolefin solutions based on the circular model of design for circularity, reuse, and recycling. Further details on Borealis' specific initiatives, management and governance, and development of circular products can be found in the [Borealis Annual Report](#).

We undertake a variety of initiatives to raise awareness among employees on recycling. For instance, we published several internal blogs and held expert talks for employees on how to identify recycling codes and how to recycle the different types of plastics.

Management and Due Diligence Processes

Certification

The Borealis recycling businesses are all EuCertPlast certified. The EuCertPlast certification is a European-wide certification program for companies that recycle post-consumer plastic waste.

Business Transformation

A business transformation project was launched at the established Borealis recycling businesses, mtm plastics and Ecoplast, to tackle profitability improvement areas in mechanical recycling. The product offering of mtm plastics and Ecoplast was significantly changed to target recycling solutions in the value-added packaging film applications segment and Borcycle™ compounds, for example.

2021 Actions

A key part of OMV's circular economy strategy is the development of an advanced mechanical recycling business through Borealis. At the start of 2021, Borealis and its partners, TOMRA and Zimmermann, opened their state-of-the-art mechanical recycling demonstration plant in Lahnstein (Germany). The plant processes both rigid and flexible plastic waste from households. Unlike many current recycling plants, it will produce advanced solutions featuring a



high level of purity, low odor, high product consistency, and light color fractions necessary for use in highly demanding plastic applications in industries such as automotive and consumer products. The purpose of the demonstration plant is to generate material for brand owners and converters to validate for use in their highly demanding applications. Technical success will set the groundwork for a commercial-scale advanced recycling plant.

Chemical Recycling

Another form of recycling is chemical recycling. Chemical recycling comes into play when mechanical recycling reaches its limits, for example, if multiple types of plastics are used together in several layers in a product. While most rigid plastic waste can be processed quite well through mechanical recycling, flexible materials (e.g., plastic film) are still predominantly incinerated or sent to landfill. OMV's chemical recycling technology is an answer to this challenge. Chemical recycling involves changing the mechanical composition of the plastic to produce synthetic crude from plastic waste. This synthetic crude can then be used to make any type of plastic or product. Because it is effectively comparable to virgin plastics, it can also be used in tightly regulated areas such as the food and medical industries. Plastic waste thereby becomes a valuable raw material.

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

The synthetic crude produced is processed further into monomers in the steam cracker at our Schwechat refinery to produce high-quality base materials for the plastics industry. At Borealis, these monomers are then converted into high-grade polymers. Borcycle™ C represents the portfolio of chemically recycled polyolefins that Borealis is offering to the market. It provides an important alternative to energy recovery and is suitable for very demanding applications such as food-contact materials.

Management and Due Diligence Processes

The innovative ReOil® process converts used plastics into what is known as synthetic crude oil under moderate pressure and normal refinery operating temperatures. This

Outlook

In the coming years, OMV will focus on the commercial ramping up of its existing circular portfolio to continuously progress toward its targets. This includes further investments in the advanced mechanical recycling facility in Lahnstein (Germany) to increase recycled material capacity.

synthetic crude oil ("Syncrude") is then being used to produce base materials for the plastics industry.

Selection of Feedstock

The ReOil® facility is able to process different forms of plastic wastes, ranging from household waste to waste from commercial and industrial sources. The main feedstocks are polyethylene (e.g., films), polypropylene (e.g., food packaging, car parts), and polystyrene (e.g., packaging and insulation materials). Currently, the recycled feedstock is sourced almost exclusively from Austrian waste sorting facilities. In the future, OMV is planning to emphasize the inclusion of flexible plastic waste that is currently not recycled but rather incinerated and which cannot be mechanically recycled.

Technology

Plastic is an excellent heat isolator with poor heat transfer, compared with glass or metal. These properties that make plastic desirable in everyday life make it difficult to break down. OMV's proprietary ReOil® technology is based on pyrolysis, a well-known refinery process during which thermoplastics are first melted and then cracked at a temperature of about 400°C. This means that long-chain hydrocarbons are cracked into shorter-chain light hydrocarbons. One of the inherent challenges in pyrolysis stems from the fact that (compared with glass or metal), plastics are notoriously difficult to melt and once melted, are highly viscous, which impairs the heat transfer necessary for pyrolysis. The ReOil® technology is unique compared to those of competitors because of the use of an innovative heat transfer technology which allows us to reduce the molten plastic's viscosity and thus improve heat transfer. As a result, the ReOil® process is scalable to industrial scale (up to 200 kta). Due to the integration into OMV's refinery in Schwechat, ReOil® further achieves higher yields than other non-integrated chemical recycling technologies.

Certification

The ReOil® pilot plant is ISCC PLUS certified. The ISCC PLUS certification ensures circular content and standards across the value chain from source to end product. This means that for each ton of circular feedstock fed into the



ReOil[®] plant and substituting fossil materials, a certain proportion of the output can be classified as circular. This is called the mass balance approach.

Emissions Reduction

In its initial study, Austria's ministry of the environment found that substituting crude oil with post-consumer plastics is estimated to reduce CO₂ emissions by 45% and lower energy demand by 20% compared with using fossil resources. In 2021, OMV commissioned a lifecycle assessment to determine the CO₂ reduction potential of its ReOil[®] chemical recycling technology versus incineration. At the time of publication of this Report, the LCA was undergoing peer review.

2021 Actions

The following key activities were carried out across the Group in 2021:

- ▶ The final investment decision (FID) was made to build a prototype of a ReOil[®] demonstration plant at an intermediary refinery scale with a processing capacity of up to 2,000 kg per hour. This plant called ReOil[®] 2000 will be fully operational in 2023. Like the pilot plant, the ReOil[®] demo plant will be ISCC PLUS certified. To finance this project, OMV entered into its first-ever green loan agreement. This is aligned with the green loan principles and is based on a green and project-specific external due diligence appraisal, called a second party opinion, and a project-specific green financing framework.
- ▶ Borealis has entered into a partnership with Renasci N.V., a provider of innovative recycling solutions and creator of the novel Smart Chain Processing (SCP) concept, to increase its chemical recycling offerings. The SCP concept is a proprietary method of maximizing material recovery to achieve zero waste. It is unique, because it enables the processing of multiple waste streams using different recycling technologies, all under one roof. At the newly built Renasci SCP facility in Oostende (Belgium), mixed waste is automatically selected and sorted multiple times. After sorting, plastic waste is first mechanically recycled. Any remaining material is chemically recycled into circular pyrolysis oil and lighter product fractions, which are used to fuel the process. Sorted non-plastic waste is further processed using other technologies. At the end of the process, only 5% of the original waste remains, which is then used as filler in construction materials. The extremely efficient processing reduces

the carbon footprint of these waste streams by more than 30%. As part of the agreement, Borealis will source a projected 20 kt of circular pyrolysis oil annually from Renasci's Oostende facility. Borealis also plans to purchase mechanically recycled material. Having acquired a 10% stake in the company, Borealis will collaborate closely with Renasci to evolve and scale up the SCP technology. This includes developing facilities that would source their feedstock entirely from household waste.

- ▶ In April 2021, Borealis began a feasibility study for establishing a chemical recycling unit at its location in Stenungsund (Sweden). The aim is to secure an increased supply of chemically recycled feedstock for increased production of circular base chemicals and polyolefin-based products. The study is partially funded by a grant from the Swedish Energy Agency and is being carried out with Stena Recycling. It will evaluate the optimal technology for the chemical recycling unit and its integration with the cracker at Stenungsund. Stena Recycling will recover plastic waste and, after sorting to remove materials suitable for mechanical recycling, will deliver it to the new chemical recycling unit. Subject to a successful feasibility study and final investment decision, operations are expected to begin in 2024.
- ▶ Borealis has partnered with Swiss dairy company Emmi and Greiner Packaging to produce Emmi CAFFÈ LATTE drinking cups using chemically recycled polypropylene. Emmi is Switzerland's largest milk processor and has set a goal to make all of its packaging 100% recyclable. It is also committed to promoting circularity, such as packaging that contains at least 30% recycle by 2027. From September 2021, Emmi CAFFÈ LATTE will use at least 100 t of plastic based on the recycled material each year. The chemically recycled material used for the cup consists entirely of ISCC PLUS certified material on a mass balance basis.

Outlook

Since the first ReOil[®] trials in OMV's own laboratory, there has been a lot of development work happening. The ReOil[®] 2000 plant will go into full operation in 2023 with a capacity of 16 kt per year. In a next step, the OMV ReOil[®] process is being developed into a commercially viable technology on a large industrial scale by 2026. At that time, up to 200 kt of plastic waste will be processed per year.



Renewable Feedstock

Together with partners, OMV is actively pursuing the development of industry-scale projects to produce bio-fuels, biochemicals, and bioplastics from waste biomass. Waste biomass such as agricultural, forestry, and wood processing residues, or mixed municipal waste is not in competition with the food and feed chain. While the conversion of such waste biomass to high-value products is often technically challenging, the related benefits are a significant reduction in CO₂ compared with fossil-based fuels and local resource utilization that creates value.

In this section, we focus on plastics based on renewable feedstock. For more information on energy products based on renewable feedstock, please refer to [Energy Transition](#).

Management and Due Diligence Processes

Certification

In 2020, Borealis introduced the Borneables™ product range. Unlike renewable feedstocks produced with agricultural crops grown for food and livestock feed, Borneables™ are made of renewably sourced feedstocks derived solely from waste and residue streams from vegetable oil production as well as oil waste and residues from the timber industry and from the food industry, for instance, used cooking oil. The entire Borneables™ portfolio has been ISCC PLUS certified.

Life Cycle Assessment

With the new life cycle assessment published in 2021, Borealis demonstrated that Borneables™ is especially suited to reducing carbon emissions. The assessment showed that the greenhouse gas emissions of Borneables™ polypropylene produced at Kallo and Beringen (Belgium) go beyond carbon neutrality and can be reduced by at least 120% from cradle to gate (meaning all the steps from the sourcing of raw materials to products leaving Borealis' production site) compared to fossil-based polypropylene. According to the LCA's findings, using Borneables™ substantially reduces a product's carbon footprint by at least 2.7 kg CO₂e for every kilogram of

polymer. This is possible while offering the same high performance levels as virgin polyolefins and the ability to be recycled in the same way.

2021 Actions

The following key activities were carried out across the Group in 2021:

- ▶ In July 2021, Borealis conducted a physical-content test run of the Borneables™ produced with measurable renewable content of bio-propane (via controlled blending) in the propane dehydrogenation unit in Kallo. Since the successful test run, Borealis has been able to supply its customers with Borneables™ polypropylene. Its physical renewable content is fully measurable according to the carbon-14 method for biogenic carbon content in addition to offering mass balance for the manufacture of sustainable polyolefins.
- ▶ In 2021, Greiner Packaging produced its first cup prototypes made of Borneables™. By using Borealis' Borneables™ portfolio, Greiner Packaging has for the first time incorporated renewable resources into the production of food cups made of polypropylene (PP) with in-mould labeling (IML) as the decoration technology. The new prototype IML cups for dairy products are made of Borneables™ monomaterial and were developed to be recycled as normal in conventional facilities in line with the principle of design for recycling.

Outlook

By 2030, we aim to produce approximately 2,000 kta of sustainable polymers and other chemicals, including biobased polyolefins. To achieve this, we will build up capabilities for the procurement of sustainable feedstocks and develop and implement a sustainable product portfolio for biobased polyolefins.



Health, Safety, and Security

Health, safety, and security constitute an integral part of our commitment to conducting our business in a responsible way. We continuously aim to improve our employees' ability to work through integrated health management. We build on sustainable safety for protecting people by providing a safe and healthy workplace and ensuring the integrity of our plants. And we protect people and assets from emerging intentional malicious threats.

OMV's long-term business success is dependent on our ability to continually improve the quality of our business activities while protecting people, the environment, assets, and our reputation. The Health, Safety, and Security strategic focus area emphasizes reducing health and safety risks for OMV employees and customers, as well as protecting assets, information, and operations against any threat. Particularly in a global pandemic, our Company's resilience is dependent upon our emergency and crisis management capabilities, our health initiatives, and the steps we take to improve our employees' integrative well-being.

Health, Safety, and Well-Being

Material Topic: Health, Safety, and Well-Being

Reducing health and safety risks for OMV employees, customers and third parties, such as communities, and promoting physical and mental health in an integrative way.

Key GRI

- ▶ GRI 403: Occupational Health and Safety 2018
- ▶ GRI 416: Customer Health and Safety 2016

NaDiVeG

- ▶ Employee and social concerns

Most relevant SDGs



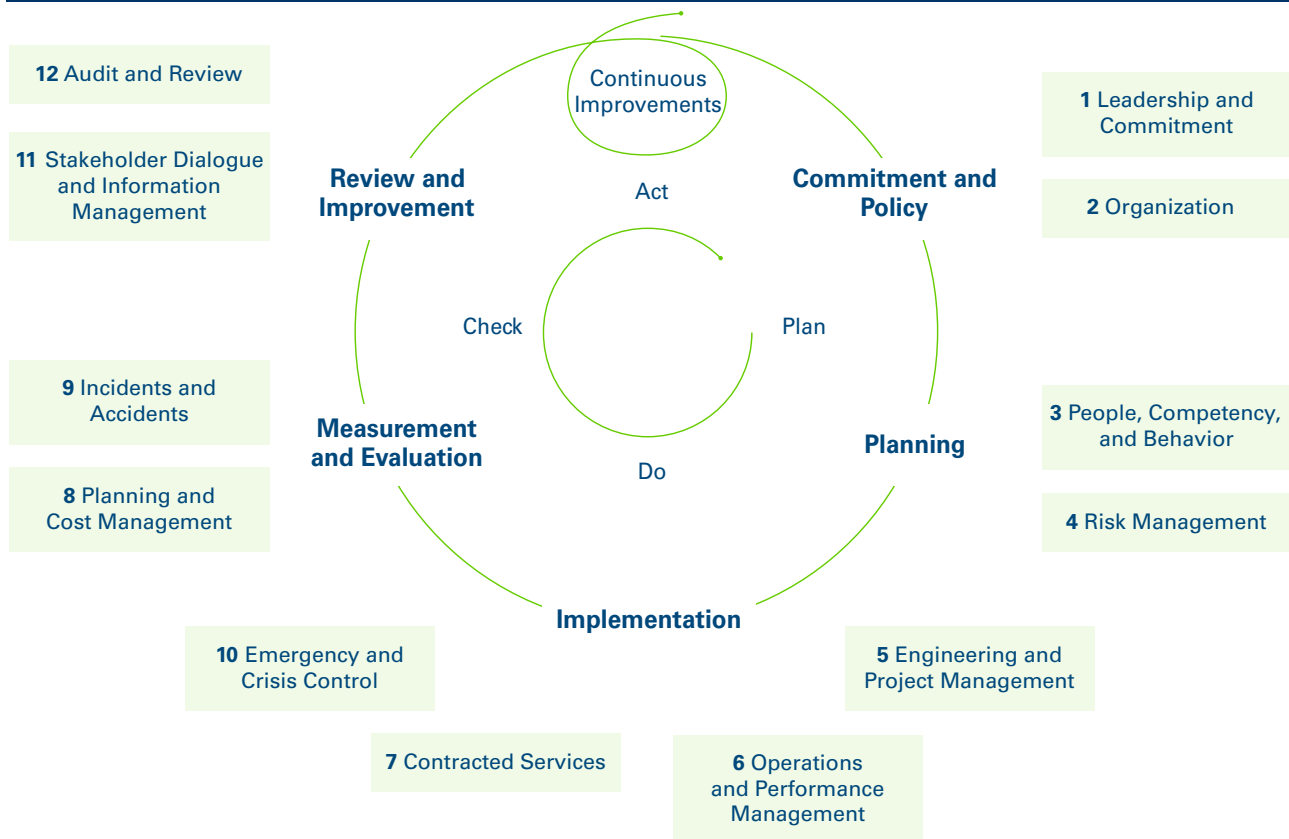


Ensuring the health, safety, and security, of our employees, contractors, and assets is essential for OMV. Employee well-being and health are the foundation for successful company performance as they are core elements of ensuring the ability to work. OMV aims to adhere to the highest standards to provide its employees and contractors a safe workplace.

OMV's HSSE vision is "ZERO harm – NO losses." The vision is embedded in the [HSSE Policy](#), which is OMV's public commitment to health, safety, security, and the environment. Our chemicals subsidiary, 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 performance.

HSSE management is governed by the internal 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. This internal Directive sets out the principles and rules for the management of HSSE-related risks and activities throughout the life cycle of the Group's 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 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.

Core Aspects of HSSE Management



Other corporate regulations governing the topic are 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 together provide the framework for safety management. Our Major Accident Prevention Policy sets out the overall aims and guidelines for controlling the risk of a major accident as part of OMV Group's operations. Acknowledging that the risk of major

accidents in onshore or offshore operations related to oil and gas extraction, transportation, refining, and distribution activities is 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. Our Contractor HSSE Management 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.

In 2021, all OMV Group HSSE regulations were subjected to an intensive review process, with the aim of facilitating alignment between OMV Group and Borealis regulations. As a result, we identified and agreed on important updates, stemming not only from this alignment process but also from practical experience with implementation at OMV and OMV Petrom. A full set of 15 of OMV Group's HSSE regulations were updated.

Governance

The health and safety of the people who work for us are key priorities at OMV. The HSSE Strategy and its implementation are aligned with and fully embedded in the Corporate Strategy and the corporate governance structure. Leadership responsibility is assigned to the members of the Executive Board.

The Executive Board's remuneration is subject to a "Sustainability Multiplier." Key safety KPIs, such as fatalities and the TRIR, are part of the Sustainability Multiplier. In addition, a Health, Safety, Security, and Environmental (HSSE) malus may also be applied to overall target achievement. In situations where a severe health, safety, and security, or environmental breach has occurred, the Remuneration Committee can reexamine the level of the Long-Term Incentive Plan (LTIP) payout and, depending on the extent of the infraction, reduce it at its reasonable discretion, to zero if necessary.

In 2021, we defined focus areas related to safety, with an Executive Board member assigned as the owner of each. For instance, one OMV Executive Board Member serves as the focus topic owner for process safety performance in the OMV Group. In regular update meetings, the owners discuss updates on process safety challenges and achievements.

Group HSSE is responsible for coordinating health and safety topics across the Group. Group HSSE is led by the SVP HSSE, who reports directly to the Chief Executive Officer. The OMV Group HSSE department is organized in specialized teams with experienced experts in the following areas:

- ▶ Development and implementation of OMV's HSSE strategy, regulations, and processes
- ▶ HSSE risk assessment
- ▶ Incident investigation
- ▶ HSSE data analysis and reporting
- ▶ Health management

- ▶ Occupational safety management
- ▶ Environmental management
- ▶ Process safety management
- ▶ Security and resilience management

This is supplemented by local HSSE officers at each site along with local subject matter experts. For example, in each refinery, we have a dedicated employee 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. This person also receives process safety guidance from a centralized Process Safety Advisor overseeing the whole of the Refining business unit.

In addition, there are HSSE departments at OMV Petrom and Borealis, which oversee their specific issues and coordinate their local HSSE officers and experts. The OMV Petrom and the Borealis HSSE departments report functionally to the SVP HSSE at Group level.

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. OMV's HSSE management includes interaction with employees or their representatives (work councils, trade unions) as a channel of engagement regarding issues that are particularly important and necessary for improvement. For instance, Borealis has HSE Forums at each location where employee representatives are consulted and informed about the HSE management system. The HSSE department organizes HSSE Days for OMV's various units to inform employees about HSSE topics.

Health

The well-being and physical and mental health of our employees are the foundations for a successful company. 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, from medical specialists and partners to employees.

Specific Policies and Commitments

We have established a Group-wide health care standard to ensure a high level of care for employee health across the Company. OMV's internal Group Health Standard 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. It supplements local legal requirements, allowing us to establish a harmonized level of health care services and access to medical facilities at all OMV sites.

The Group Health Standard governs the work of operative medical service providers in relation to the following areas:

- ▶ Planning of human resources, medical facilities and services, and local health plans
- ▶ Operational health risk assessment and management, emergency preparedness, preventative initiatives such as targeted health promotion campaigns, health programs and trainings, and curative care
- ▶ Minimum equipment and materials for our clinics – both on land and offshore – such as electrocardiograms (ECG), defibrillators, suction units, rescue devices, and emergency medication
- ▶ 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

Management and Due Diligence Processes

Risk Assessments

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

Preventative Care

OMV maintains or works with a total of 43²² 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 examinations 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.

Audits

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 and the travel restrictions imposed, only very few audits could be completed on-site in 2020 and 2021 – all other clinics carried out self-audits. Audit findings serve as the basis for identifying areas for further improvement and analyzing the effectiveness of our health management approach.

2021 Actions

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

- 7 clinics audited
- 40,968 voluntary health screenings
- 6,085 vaccinations
- 104,700 medical consultations
- 15,242 occupational health examinations
- 10,294 physiotherapy treatments
- 1,532 psychological consultations

- ▶ In 2021, we conducted the “Passport for Health” campaign at OMV Petrom for the sixth 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. Like other activities, this year’s program was held online.
- ▶ 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 2021, the main issues discussed were how to deal with the impact of COVID-19, skin protection, and flu vaccinations.
- ▶ The Corporate Health Department and the Learning Department also developed a new collaborative initiative for raising awareness on health issues. In 2020, webinars were launched that focus on issues such as ideas for achieving a better work-life balance and correct lifting and work ergonomics, inspired by the European Agency on Safety and Health at Work. In 2021, this was expanded to regular hour-long HealthConnects sessions, where employees share knowledge and personal health promotion experiences – like exercise activities or ideas for mechanisms for coping with daily stress – and provide mutual motivation and inspiration.

In 2021, as in 2020, our health promotion activities focused on the impact of COVID-19.

²² All health data excluding Borealis



COVID-19

Based on the experiences of 2020, the medical staff and HSSE colleagues in collaboration with the Corporate Emergency Team started to integrate the necessary protective measures and procedures into a business continuity approach. The teams around the world observed the trends and development of the pandemic and implemented tailor-made programs based on national law and regulations.

The medical staff in the countries in which we operate regularly informed employees, supported infected employees, and conducted testing. In those countries where vaccines were available, they assisted with local COVID-19 vaccination campaigns or provided vaccinations in Company offices. In other countries, they focused on raising awareness about wearing masks, hygiene, and physical distancing. Collaboration with other oil and gas companies participating in the IOGP/IEPCA Health Committee helped us learn from best practice on specific issues like the most effective testing regimes or vaccinations.

COVID-19 forced OMV and OMV Petrom to develop new ways of working. The lockdown also brought challenges for employees. For many, our medical staff was the first point of contact for mental health needs. The Health Management department held special online trainings on coping with stress for working groups in Russia, the UK, Austria, and other regions. We also organized helplines for our employees, which those feeling overwhelmed by the current situation could use to talk to specially trained occupational psychologists.

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 (e.g., in Yemen). In 2021, OMV first aid facilities supported around 1,461 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. (Read more about our engagement on SDG 3 – Good Health and Well-Being in the [Community Investments section](#).)

Outlook

Due to COVID-19, we were forced to cancel many first aid courses and emergency drills. We plan to focus on carrying out this training in 2022, especially as the International Federation of Red Cross and Red Crescent Societies has issued new guidelines on first aid.

Unfortunately, the year 2022 will still be influenced by COVID-19, so we have to continue to focus on new pandemic developments, vaccines, health protection, and treatment. Mental health needs have come to the forefront due to COVID-19 in particular. We will continue to step up our efforts toward providing mental health support with training and other measures.

Health promotion also has to serve local needs. Therefore, we will ask our medical workforce to think about the health risks specific to their locations and develop promotion activities – like a health hour or vaccination campaigns.

Occupational Safety

OMV aims to adhere to the highest standards to provide its employees and contractors a safe workplace. This is a moral obligation and also necessary for seamless operations without costly shutdowns or delays in operations.

Management and Due Diligence Procedures

Risk Assessments and Audits

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 twice a year or on an ad-hoc basis whenever issues arise. Senior management is directly involved in the review of risks identified as a top priority. Sites are audited regularly based on a Group-wide HSSE audit program. In 2021, we visited Borealis sites and conducted a safety culture review at Borealis.

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. These are one-pagers that we distribute widely to facilitate the sharing of lessons learned.

This year we focused on quality review and analysis of data entered in our central HSSE reporting tool (OMV Synergi). All incidents, hazards, HSSE walks, audits, findings, and defined actions are reported and tracked in this tool.



Regular online training is being organized via the My Success Factors 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, action status, etc.) were set up and made available to various 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.

We continued to investigate incidents and accidents using the knowledge of our incident investigator 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 and high-potential incidents (HiPos), including process safety incidents. We also further developed the incident investigation process and established a sub-process 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.

Training, Awareness Raising, and Safety Promotion Activities

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.

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. In 2021, we produced two training videos to address the risk of dropped objects and working next to high-voltage power lines. These training videos will be rolled out in the organization in 2022.

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. We continued to concentrate on quality over quantity in terms of reporting, HSSE walks, 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 HSSE walks and safety walks by encouraging open dialogue during these. This promotes understanding of the challenges in the operating fields and increases trust between the workforce and management.

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 evaluation and capability audit, if needed. 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 kick-off meetings, HSSE induction, site specific trainings, and other 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 HSSE or safety walks, service quality meetings, forums, and workshops, using the outcomes to share information and encourage improvement of our HSSE performance as a team. In order to increase the awareness and knowledge of contract owners, contract holders, procurement staff, and HSSE experts about our Contractor HSSE Management Process, we continued to deliver specific training explaining how HSSE requirements and tools are embedded in the source-to-contract process. We revised our Contractor HSSE Management Standard in 2021, and these training sessions will be promoted even more in 2022.

2021 Actions

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.



42% of sites are certified to ISO 45001 (covering 33% of OMV employees)

52 formal joint health and safety committees comprising management and worker representatives were organized at OMV Group sites.²³

42,838 unsafe condition and behavior reports were collected in our reporting tool.²³

- ▶ 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 at periodical management meetings.
- ▶ On April 28, 2021, we again held an 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. We informed the participants about recent incidents and lessons learned, the Integrated Risk Register, and our progress on Life Saving Rules training. We also had a session on the prevention and management of work-related musculo-skeletal disorders based on the “Healthy Workplaces Lighten the Load” campaign 2020–2022.
- ▶ We organized two safety culture owners meetings, where initiatives from sites were presented. These included a safety culture initiative during work-over operations in Yemen, the Logistics East road safety program at OMV Petrom, a hazard hunt initiative in Tunisia, the Safety Leaders program from the development group in the refineries, and the Social Psychology of Risk (SPoR) program and Safety Centers at Borealis.

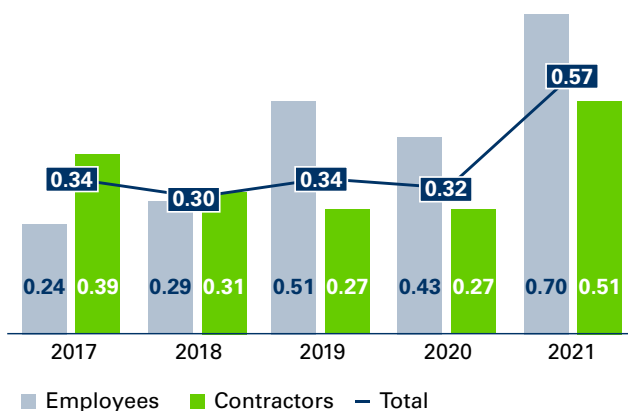
- ▶ In 2021, we again organized two meetings of focus area owners to discuss key initiatives related to HSSE aspects in contractor management with senior management. The subjects covered were supplier management (source-to-contract and sustainable procurement at OMV, an offshore rig intake audit done side by side with suppliers in Norway), the contractor preparation process for an upcoming turnaround in the Schwechat refinery, and the contractor management (COMA) process and Go4Zero initiative at Borealis.

Despite these initiatives, our occupational safety performance declined in 2021. In 2020, we had no fatalities and a significant reduction of lost work day incidents (LWDIs). Unfortunately, this very positive trend did not continue in 2021. Three contractor employees died in road transportation activities. As a reaction to these tragic events, we harmonized the contractual safety obligations for transportation contractors in our operations, so that the requirements for contractors working in all business divisions are the same. We also increased our auditing and inspection efforts to verify implementation of our road transportation management requirements.

The number of injured personnel also increased, both among our own employees as well as contractors. We therefore rolled out a Hazard Hunt campaign throughout the organization. Employees at all locations were encouraged to report hazards and unsafe conditions and to develop actions for improvement.

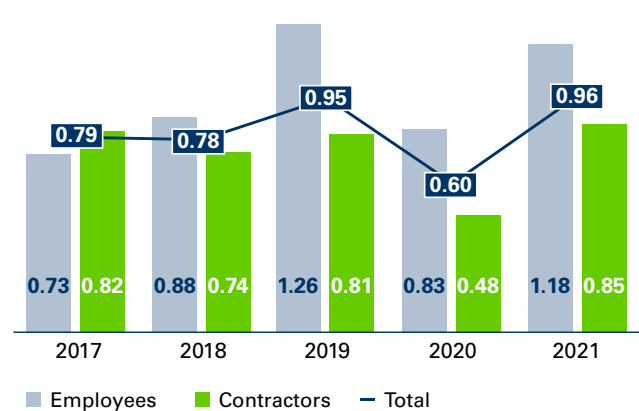
Lost-Time Injury Rate²⁴

Per 1 mn hours worked



Total Recordable Injury Rate²⁵

Per 1 mn hours worked



²³ Data excluding Borealis

²⁴ 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.

²⁵ Total recordable injuries are any injuries resulting in fatalities, permanent total disabilities, lost workday cases, restricted work cases, and medical treatment cases.



Outlook

In 2022, we will focus on the alignment of contractual obligations related to road transportation safety and more

specific audits of road transportation safety at contractors to prevent tragic accidents from occurring as they did in 2021.



Targets 2025

- ▶ Achieve a Total Recordable Injury Rate (TRIR) of around 1.0 per 1 mn hours worked
- ▶ Achieve zero work-related fatalities

Targets 2030

- ▶ Stabilize Total Recordable Injury Rate (TRIR) at 1.0 per 1 mn hours worked
- ▶ Achieve zero work-related fatalities

Status 2021

- ▶ TRIR: 0.96 per 1 mn hours worked
- ▶ 3 fatalities

Relevant SDGs



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 labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

Process Safety

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 (for a list of regulations, refer to Occupational Safety). It covers management of the hazards associated with the chemical and physical properties of the substances we handle in our oil, gas, and chemical activities. OMV and Borealis process large quantities of flammable and/or toxic materials under high pressures 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.

Management and Due Diligence Processes

OMV has implemented comprehensive measures to ensure process safety.

Risk Assessments

Process safety risks are systematically 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.

Prior to start-up of a new facility, after major modifications, or following a turnaround, we conduct an independent pre-start-up safety review to ensure that the facility is safe for start-up and operations.

Emergency Management Plans

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.

Different levels of emergency management plans outline roles and responsibilities, structures, communications, and the interfaces required for emergency and incident management teams. Emergency response plans include specific emergency procedures and alerting and notification requirements to ensure that emergency response is managed in a coordinated manner.

Inspection and Maintenance

Comprehensive inspection and maintenance programs are carried out by dedicated departments for inspection, maintenance, and plant integrity. These conduct regular inspections of process equipment, pipelines, tanks, and more, and manage safety equipment testing as well as plant maintenance and turnarounds.

Investigations and Audits

All incidents are identified and reported in an appropriate and timely manner. Work-related incidents with potential consequences for people, environment, assets, or reputation are adequately investigated to determine direct causes, root causes, and systemic causes to learn from and prevent the recurrence of similar incidents. Tier 1 and Tier 2 process safety events provide baseline performance information and are measured each year for a consistent overview of the Company's process safety performance. In addition to Tier 1 and 2 process safety incidents, we monitor Tier 3 process safety events for a better assessment of the critical barriers. The monitoring and reporting of Tier 3 events provides an overview of challenges to safety systems to identify and correct weaknesses within the barriers at facility level.

Training

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.

We have set up an OMV Group Process Safety Network, creating an online collaboration platform, including a reference library, discussion board, and other features. We host regular virtual 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. Top management participation in these online sessions sends a clear mes-

sage that process safety is important and demonstrates process safety leadership and commitment.

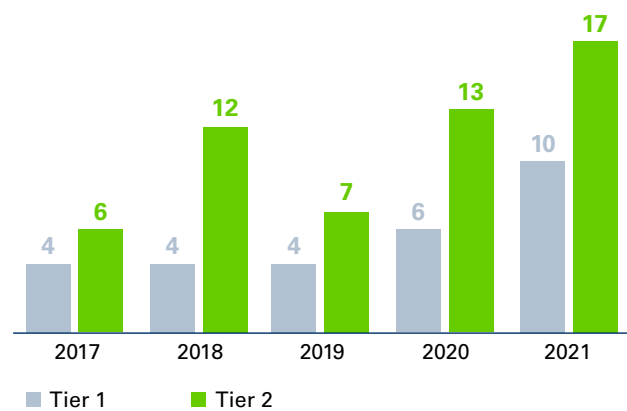
2021 Actions

In 2021, we saw an increasing trend in the number of Tier 1 and Tier 2 PSEs²⁶ compared to previous years. This reflects the increased number of reporting sites, in particular chemical sites, due to the integration of Borealis.

The following key activities were carried out across the Group in 2021:

Process Safety Events, Tier 1 and Tier 2

Number of events



- ▶ A Group-wide process safety knowledge- and experience-sharing platform was established, with quarterly half-day events where up to 200 individuals participate in virtual meetings and presentations, including senior management contributions.
- ▶ A register containing risk reduction measures identified in various process hazard analyses (PHAs), assessments, and safety studies was established in each operated production unit. This will be populated and will provide a consolidated overview to support prioritization and the development of risk reduction plans.
- ▶ Process safety management assessments were conducted in two refineries as well as in Group Process Safety by an external process safety consultant. In addition, two internal major accident event audits were performed remotely due to COVID-19 travel restrictions. Borealis Blue Audits are an internal audit of a location's HSE systems and requirements. In 2021, these were conducted in Taylorsville (North Carolina), Rockport (New Jersey), Beringen (Belgium), Grand-Quevilly (France), and the Linz catalyst plant and INNOTECH in Austria. Four audits were also performed at internal and external hydrocarbons logistics installations.

²⁶ Tier 1 and Tier 2 process safety events classified according to API RP 754



- ▶ Based on lessons from the fire at the Stenungsund cracker in 2020, Borealis rolled out a risk reduction program, including elements such as improving process safety competence, enhancing the project hazard review process, and initiating actions to reduce the risk landscape of sites, as well as rolling out a Group-wide assessment of the protection layers for large machines.
- ▶ Borealis defined standardized scenarios and/or safeguarding concepts for the installation of main equipment.
- ▶ Borealis published and began the roll-out of a new instruction for irreversible line breaking. Irreversible line breaking means breaking of the primary enclosure using invasive methods that cannot be reversed, for example through drilling, or cold or hot cuts in pipelines or other equipment.
- ▶ Borealis promoted process safety skills, despite the limitations caused by COVID-19, by conducting process safety in design training and hazard study leader training, as well as rolling out the OMV Group’s process safety basics e-learning.
- ▶ We will extend our set of process safety KPIs by Tier 4 indicators and put additional focus on leading indicators like operational discipline and the performance of our management systems.
- ▶ We aim to reduce the number of process safety events at all our sites across the globe. Our continued efforts will focus on process hazard analyses (PHAs), the implementation of technical risk reduction measures identified in those PHAs, audits and other process safety assessments, while maintaining and monitoring the performance of existing safety barriers.
- ▶ We will continue to develop and execute process safety roadmaps at facility level.
- ▶ We are currently working to enhance our processes and tools to identify and assess hazards more effectively and address these risks in a systematic way.
- ▶ We continually improve our training offerings and will emphasize process safety content to build process safety competence and culture in the workforce and increase risk awareness.
- ▶ Borealis will focus on developing an integrated process safety road map for polyolefins (POs) and hydrocarbons (HCs) to define current and upcoming process safety initiatives for Borealis Group Process Safety, Operations Polyolefins, and Operations Hydrocarbons.
- ▶ Borealis will also conduct internal health checks on process-safety-related elements and include a process safety review in the Borealis Blue Audit.

Outlook

To continue to improve our process safety performance, we will take the following actions in the coming years:

- ▶ We will continue to thoroughly analyze and learn from process safety events and promote the sharing of knowledge across all our divisions.



Target 2025 & 2030

- ▶ Maintain leading position in Process Safety Event Rate

Status 2021

- ▶ 0.23²⁷

Relevant SDGs



SDG target:

3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

²⁷ Process Safety Event Rate: number of Tier 1 and Tier 2 PSEs per 1 mn hours worked. Work hours from the corporate functions General Management (OMV)/Executive Office (OMV Petrom) and Corporate Finance (OMV)/Finance Office (OMV Petrom) are excluded.



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.

Product safety is also particularly important for our Chemicals & Materials segment, which encompasses our chemicals subsidiary Borealis. When not properly handled, chemical substances, or products containing them, 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.

Specific Policies and Commitments

Our internal Management of Hazardous Substances standard stipulates measures to ensure regulatory compliance and guarantee that risk assessments are conducted for all products or hazardous substances contained in products.

REACH Compliance

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. 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, Co-processed Refinery Products, Phenol and Derivatives, Melamine, FARM [Fertilizer And Related Materials], Eurogypsum, etc.) as well as in working groups through oil and chemical industry trade associations.

Banned Substances

Borealis has a Banned Substances List, which contains more than 220 substances and substance groups that we have banned for use in our production processes and products. The Banned Substances List can be found on the [Borealis website](#).

Responsible Care®

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.

Management and Due Diligence Processes

Risk Assessments

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 (SVHCs) according to REACH and other comparable legislation beyond the EU, or which fulfill the criteria to be considered SVHCs in the future. 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 Council. The Council 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.

Quality Control

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. Detailed information is documented for all materials regarding their composition and their 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) and application-related statements, such as those on medical use, food contact, drinking water, and the origin of raw materials.

Safety Data Sheets

Safety data sheets (SDSs) 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. A recent topic added to our safety data sheets is microplastics. Microplastics are found in the environment, our nutrition, and the human body. Once in the environment, microplastics do not biodegrade and tend to accumulate,



unless they are specifically designed to biodegrade in the open environment or salt water. They are often mistaken for food by birds and turtles, and swallowed particles can lead to injuries or starvation. As it is not possible to completely remove micro-plastics once they are in the environment, the priority is to prevent plastics leaking into the environment in the first place. Borealis has added instructions on how to avoid accidental release to the environment to all product safety documentation, such as SDSs and Product Safety Information Sheets (PSISs) issued from October 2020 onwards.

2021 Actions

The OMV Group aims to market its products in a responsible manner. Borealis offers training and education to customers.

Sharing Borealis' expert product safety knowledge with value chain partners makes an important contribution to helping customers continuously meet the highest product safety and quality standards. Collaboration in the value chain is also instrumental in mechanical recycling. Together with customers, Borealis is defining the boundaries to guarantee the safety of PCR plastics in different applications, as no established standards are available yet.

Outlook

Our Group objective is to drive sustainability by minimizing potential hazards and risks associated with our portfolio. In 2022, Borealis will focus on implementing the long-awaited amendments to the food contact regulation for plastics.

Security, Emergency, and Crisis Resilience

Material Topic: Security, Emergency, and Crisis Resilience

Protecting people, assets, operations, information and reputation against any threats, incidents or crisis, thereby ensuring business continuity.

Key GRI

- ▶ GRI 410: Security Practices 2016

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- ▶ Employee and social concerns

Most relevant SDGs



The purpose of OMV's security activities is to protect the OMV Group's personnel, assets, information, operations, value, and reputation against malicious threats. The Security, Emergency, and Crisis Resilience material topic encompasses two facets: corporate physical security and information security.

OMV's core commitments on security are laid out in our HSSE Policy. We protect against crime, malicious acts arising from geopolitical threats, and business crime. Furthermore, we develop resilience to respond and recover from incidents and ensure business continuity.

Corporate Security

An unstable geopolitical environment in 2021 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

Governance

Group HSSE is responsible for coordinating physical security and resilience activities across the OMV Group. Group HSSE is led by the SVP HSSE, who reports directly to the Chief Executive Officer. In high-risk countries, we have dedicated Country Security Managers and Asset Protection Experts on site to add additional expertise. IT security is not handled by the HSSE department, but rather by the Group IT & Digital Office led by the Chief Information Officer. The CIO reports directly to the Chief Financial Officer. The Group CIO is supported by the Group CISO and Group IT/OT Governance team, which includes Digital Managers in country locations.

Libya, the enduring threat of terrorist attacks in Europe and elsewhere has not 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 with converging asymmetric threats.

Specific Policies and Commitments

Our internal Security Management Standard lays out a comprehensive range of security regulations, plans, procedures, measures, and systems. The document utilizes IOGP best practice guidelines along with other industry best practice (ASIS and UK Security Institute) to enable OMV to more effectively detect, deter, protect, prevent, record, and investigate threats.

Management and Due Diligence Processes

OMV has a unique, agile, and proven security management system that is regularly reviewed, changed, or enhanced as the situation requires.

Risk Assessments

The philosophy of collecting security information and assessing it as a preventive security instrument remains a fundamental principle of the Corporate Security strategy. This concept affords us with the ability to anticipate or instantly respond to a broad spectrum of geopolitical events, regional conflicts, and isolated incidents. Effective interaction with government and local security agencies further augments this approach with the reliable corroboration of facts and truth on the ground.

OMV's unique security risk assessment platform continues to provide real-time oversight of OMV's asset risk exposure levels and can be quickly readjusted in response to geopolitical or security events.

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. Keeping OMV free from security gaps and potential security risks is essential for the whole business.

Specific Policies and Commitments

Our internal IT²⁸/OT²⁹ Security Directive lays out the details of the IT/OT Security Framework, through which topic- or security-domain-related security standards and policies are continually aligned and managed. The security framework in total consists of approximately 50 regulatory documents and is harmonized with the ISO 27000-series (ISO 27K) recommendations for IT controls and domains.

Human Rights and Community Engagement

OMV's human rights policies and actions remain crucial in terms of enhancing a secure and consensual operating environment. We provide human rights training to local security employees and third-party contractors. Effective community engagement at a local level remains 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. In turn, they contributed directly to OMV's stable and secure operating environment in 2021. This cooperation encourages a precautionary approach in early detection and resolution of local grievances.

2021 Activities

Despite some dynamic COVID-19 challenges and travel restrictions in 2021, the Corporate Security department continued to deliver operational support to OMV ventures. In high-risk countries, OMV also utilized dedicated Country Security Managers and Asset Protection Experts on site to enhance security via additional, and where appropriate, local expertise.

Outlook

The Voluntary Principles on Security and Human Rights (VPSHR) provide guidance on risk assessment, public safety and security, human rights abuses, and the interaction between companies and private and public security. OMV is committed to upholding human rights in all of its activities. To this end, OMV aims to join the Voluntary Principles Initiative. OMV Corporate Security will undertake a VPSHR pre-qualification review to determine the feasibility of attaining full VPSHR accreditation in the coming years.

Management and Due Diligence Processes

We run an Information Security Management System (ISMS) which is based on ISO 27K standards and certified accordingly, with external surveillance and recertification processes applied annually. One of the basic principles of an ISMS is covering the continuous improvement cycle in order to identify, prevent, mitigate, and remediate potential information security leakages or gaps.

Preventive, Technical, Detective, and Reactive Measures

We 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 physical as well as our cloud environment.

Technical housekeeping measures ensure a solid foundation with up-to-date hardware and software as well as adequate information security processes. We implement security

²⁸ 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.

²⁹ 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.



patches and offer guidelines in order to provide consistent hardware and software life cycles.

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. Examples of such measures include:

- ▶ Permanent vulnerability scans on cyber assets
- ▶ Implementing a holistic multifactor authentication (MFA) functionality
- ▶ Running continuous internal and external penetration tests on critical applications/systems
- ▶ External audits as quality insurance (ISO 27K, PCI-DSS, NIS, etc.)

Training

We run regular and intensive measures to keep our employee's information security awareness at an adequate level. The awareness efforts are either based on general topics of information security interest, on ad-hoc demands as timely countermeasures on dedicated use cases, or even target-group focused topics, and set upon different formats such as:

- ▶ Mandatory e-learnings including knowledge check
- ▶ Topic-based videos
- ▶ Classroom trainings
- ▶ Anti-phishing email campaigns
- ▶ My News platform to share news via the intranet and blog postings

Incident Reporting and Escalation Processes

OMV operates continuous 24/7 security monitoring. Potential findings are processed via a Security Information and Event Management (SIEM) intelligence and supplemented by Level 1, Level 2, and Level 3 analysts. Escalation procedures exist to ensure timely remediation of security incidents on a 24/7 basis. OMV's Cyber Defense Team classifies the incident and triggers the incident response process, then activates all

required functions via automatic and manual alerts sent by voice message and SMS. All remediation actions follow pre-defined "runbooks" in order to ensure efficient and timely processing. A clear communication plan ensures the proper information is disseminated to all relevant stakeholders.

Business Continuity/Contingency Plans and Incident Response Procedures

OMV runs cyber emergency exercises on a yearly cycle with external expertise. The cyber emergency exercises focus on dedicated realistic threat scenarios in order to test related mitigation procedures and processes. The tabletop exercise consists of a series of "injects." Each inject represents an event or a piece of information which is discovered as the scenario unfolds and is related to the security incident at hand. The audience of this scenario usually consist of up to 30 participants, including representatives from the IT Security, IT Management, and OT Security teams, and others. After each inject, a corresponding review and evaluation of the process is conducted, including an appraisal determining lessons learned and mitigations.

2021 Activities

The following key activities were carried out across the Group in 2021:

- ▶ In 2021, we introduced the KnowBe4 platform, a state-of-the-art tool to provide information security awareness and training content in appealing formats in order to further increase employee awareness.
- ▶ OMV also ran several initiatives to further increase and develop its cyber-attack resilience and reduce cyber risk exposure, such as:
 - ▶ A holistic information security program consisting of a series of targeted projects to implement or enhance technical or procedural measures with focus on information security capabilities
 - ▶ A continuous program to constantly evaluate the IT maturity level and its progress using external assessments
 - ▶ An intensive set of activities to keep information security awareness at an adequate level

OMV did not face any noteworthy incident that it would be obligated to report according to the Austrian Network and Information Security (NIS) legislation, the transposition of the EU Directive 2016/1148.

Outlook

OMV is dedicated to continuous improvement processes and implementing related measures. Other strategic aims and core endeavors are to further increase the basic IT maturity

level, to further extend cyber-defense capabilities and threat resilience beyond the already established high level, and having recertification of the comprehensive information security governance structures in place.



People

Our operations impact our employees and the communities where we operate. These impacts can be positive – employment, fostering local businesses, infrastructure – as well as negative – land use, dust, privacy, community dependence on the Company. Our social license to operate is based on upholding human and labor rights, and developing positive relationships with our employees and communities.

We are committed to building and retaining a talented expert team for international and integrated growth. OMV is committed to ensuring fair treatment and equal opportunities for all employees, and has zero tolerance for discrimination and harassment of any kind. We embrace our differences and use our diversity of thought and experience as a catalyst for growth and creativity.

As a signatory to the United Nations Global Compact, OMV is fully committed to the UN Guiding Principles on Business and Human Rights, and aims to contribute to the UN's 2030 Agenda for Sustainable Development by pursuing a social investment strategy that addresses local needs and the SDGs. We are aware that the energy transition also brings with it social impacts. OMV is committed to contributing to a Just Transition for our employees and communities, and addressing social and economic effects of the transition to an environmentally sustainable economy.

The People strategic focus area combines our commitments and actions relating to our employees and communities under one umbrella. Our approach begins with ensuring that the human rights of our employees and communities are upheld, efforts that are described in the material topic Human Rights. The Diversity, Equity, and Inclusion; Employees; and Communities material topics then further outline how we ensure those rights, whether economic, social, or cultural, are realized.



Human Rights

Material Topic: Human Rights

Protecting and fulfilling the fundamental rights (e.g., labor rights, freedom of association, land rights) of OMV employees, business partners, and third parties, such as indigenous peoples, in relation to our business activities.

Key GRI

- ▶ GRI 407: Freedom of Association and Collective Bargaining 2016
- ▶ GRI 408: Child Labor 2016
- ▶ GRI 409: Forced or Compulsory Labor 2016
- ▶ GRI 411: Rights of Indigenous Peoples 2016
- ▶ GRI 412: Human Rights Assessment 2016

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- ▶ Respect for human rights
- ▶ Employee and social concerns

Most relevant SDGs



Human rights are universal values that guide our conduct in every aspect of our activities. OMV strives to be a fair and responsible employer and recognizes its responsibility to respect, fulfill, and support human rights in all business activities. Our approach entails ensuring that OMV does not become complicit in any human rights abuses as defined under current international law.

OMV holds itself responsible for protecting the human rights of our employees as well as of the outside world, for example our suppliers, communities, indigenous peoples, and society as a whole. Our responsibilities in the area of human rights include, but are not limited to, equality and non-discrimination, decent wages, working hours, employee representation, security, primary health care, labor rights in the supply chain, 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.

Specific Policies and Commitments

Our Code of Conduct and the [OMV Human Rights Policy Statement](#), which are both approved by the Executive Board, set out our understanding and responsibility for respecting and realizing human rights in our business environment. OMV respects and supports human rights as described in the Universal Declaration of Human Rights and in internationally recognized treaties, including those of the International Labour Organization (ILO). OMV has signed

the UN Global Compact and is fully committed to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This includes a commitment to upholding labor rights, including decent wages, working hours, employee representation, and provisions against forced labor, child labor, and human trafficking. We 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 countermeasures taken in all parts of the business and supply chain.

In addition to these commitments to international norms, we have further mapped our human rights responsibilities in a comprehensive Human Rights Matrix designed to serve as the foundation for our activities in this area. The OMV Human Rights Matrix covers responsibilities in the areas below. The management of these commitments is further defined in a number of internal directives and regulations, such as the Community Relations and Community Development handbook available for all CSR focal points in the OMV Group, the Human Rights Management System, and our Community Grievance Procedure.

Equality and Non-Discrimination

This includes the implementation of appropriate guidelines and awareness raising. Read more about our approach to this topic in [Diversity, Equity, and Inclusion](#).



Security

This includes preventive, defensive, and community-oriented approaches to security, clear guidelines, supervision and trainings. Read more about our approach to this topic in [Corporate Security](#).

Health and Safety

This includes OMV health and safety management as well as community arrangements. Read more about our approach to this topic in [Health, Safety, and Well-Being](#).

Labor Rights

This includes decent wages, working hours, employee representation, collective bargaining, and provisions against forced labor, child labor, and human trafficking. We ensure compliance with locally applicable minimum wage standards, for example, as laid down in collective bargaining agreements. We also ensure compliance with applicable local working time and overtime payment provisions, which are essential for a professional working environment.

Part-time work is offered, and some jurisdictions where we operate also stipulate a legal entitlement to part-time work. In general, our part-time employees are entitled to the same benefits as full-time employees, except where benefits are tied to working time (e.g., a certain number of home office days per month, with full-time employees being entitled to more home office days than part-time employees). In line with local laws, we offer other flexible work options like special part-time work for certain age groups and have recently introduced new work-from-home alternatives offering greater time flexibility for our staff. A broader group of staff can now choose to work from home, and the number of work-from-home days per month was significantly increased. We offer various forms of long- and short-term breaks from work like sabbaticals and parental leave.

Where local labor rights standards fall short of OMV standards, based on international human rights law, OMV is guided by its higher standards unless this is forbidden by law.

The Right to Education

This includes training for employees as well as support for basic education in surrounding communities. Read more on our approach in [Skills Development and Training](#) and [Community Investments](#).

Property and Standard of Living, Including Land Rights and Poverty Reduction

We adhere to international best practices, which require involuntary resettlement to be avoided or at least minimized. Where resettlement is unavoidable, all people affected

should be compensated fully and fairly. In 2021, the countries in which we do business did not report any community relocation/resettlement because of our business activities. We ensure a fair and transparent procedure for land use and compensation to local communities or authorities. If exploration, development, or production activities have the potential to impact communities and/or their land, we consult ahead of time with all relevant stakeholders and obtain permission to use the land either temporarily or permanently.

Local Communities and Indigenous Peoples

We are committed to community consultation based on free, prior, and informed consent in accordance with IFC Performance Standard 7 and ILO Convention 169.

Privacy and Family Life

This includes personal data protection and appropriate living and working conditions. An internal data protection directive is in effect for our employees, and we adhere to a public [data protection policy](#) regarding the processing of personal data.

OMV is aware that specific circumstances of operations in the field (remote locations away from family, residence in camps, etc.) potentially impact rights to privacy and to family life. We therefore apply the principles of necessity and proportionality with regard to the living and working conditions of our employees.

Governance

Overall accountability for our compliance with human rights lies with the respective country business heads. Locally based human rights officers conduct due diligence at the operating facilities with the support of five human rights experts at Group level (at OMV, SapuraOMV, OMV Petrom, and Borealis). 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 deals 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 within HSSE implements OMV policy related to human rights impact on communities and indigenous peoples.

Management and Due Diligence Processes

The Human Rights Due Diligence Process includes assessing the human rights risk associated with our current and future business activities, and taking risk management actions. This ongoing process makes use of external



resources and expertise, and includes external stakeholders, in particular impacted groups.

Human Rights Matrix

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.

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.

Risk Assessments

OMV has developed due diligence tools and techniques to assess the risk of human rights violations³⁰ related to our business, even before we launch or acquire business in a new country. Human rights are one of the components considered when making the decision to engage in a new country. The relevant human rights risks are presented to the respective OMV Executive Board member to factor into the decision on whether or not to enter a country. We use these assessments to derive concrete measures to reduce the risk of direct and indirect involvement in potential human rights violations.

We also conduct regular assessments of our current operations to determine their exposure to the risk of human rights and labor 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 the greatest 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 terms of labor rights, we work closely with employee representatives depending on the type of risk and potential impacts. Internationally recognized third-party experts support OMV in conducting the due diligence on the Company's exposure to human rights risks. In 2020, for example, an external human rights expert assessed the

human rights risks related to OMV's business activities in UAE. The rights of workers – especially migrant workers – in the supply chain were identified as a critical issue and due diligence measures recommended.

Self-Assessments

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.

Training and Awareness Raising

We pay special attention to training and raising awareness in order to bring our human rights commitment to life. 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, personal legal liability, and employees human rights and grievances.

All employees are strongly encouraged to complete an interactive e-learning course, which is part of the training curriculum for all employees worldwide and guides them through human rights norms and situations. 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 addition, the Borealis ethics code of conduct e-learning covers human rights topics including discrimination, harassment, diversity, inclusion, bribery, and corruption. This e-learning is provided to all employees of Borealis and, in 2021, 87% completed this training. In addition, 100% of the Borealis Executive and Supervisory Board have received an in-person ethics training covering human rights.

We also implement internal awareness-raising campaigns throughout the Group. All of the business heads in countries where we have operations are informed about their country's human rights risk level. We provide information about the key 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.

³⁰ A human rights violation happens when OMV fails to respect, fulfil, and support the realization of human rights in relation to our business activities or becomes complicit in human rights abuses, as understood under current international law and as committed to in our OMV Human Rights Policy Statement and mapped in our OMV Human Rights Matrix.



As regards specific labor rights issues, the rights and obligations of our employees are set out in employment contracts. We address our employees continuously via our various internal channels of communication (e.g., employee intranet, emails, newsfeed) in case of legal changes or new information. We provide local HR contacts and employee support hotlines for answering questions and providing specific information.

Employee Representation

Employee representation is a valued and long-standing feature in the Company's strategic orientation. Employee representatives are afforded information and consultation rights as legally foreseen. A good and constructive working relationship with employee representation is an overall priority seen as in the best interest of the Group and our staff.

Given the internationality of our Group activities and the various locations where we operate, employee representation at OMV is diverse depending on the local legal situation, and the make-up and activities of the local workforce. We cooperate with all official employee representation bodies and deal responsibly with our staff directly where no employee representation is available.

Operational Changes and Minimum Notice Periods

Our personnel policy is based on long-term employment, because both staff and the organization benefit from long-term working relationships. We are also aware that job security represents a major concern not only for the individual employee, but also for society and the region concerned. We therefore make every effort to live up to these responsibilities by means of contingency planning. Where business, organizational, or security changes require adaptations in the workplace or even a termination of employment, we evaluate all the options, engage in constructive dialogue, and respond with the maximum possible care and sensitivity. Where despite training, transfer, or development programs separating from staff becomes unavoidable, we make every effort to take into account the economic and social consequences of those affected.

Grievance Management

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. Particular emphasis is placed on the prevention of human rights violations and the integration of human rights issues into our decision-making processes. This includes registering grievances to ensure a preventive approach.

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. OMV's localized Community Grievance Management (CGM) procedures stipulate a stringent approach to systematically receiving, documenting, addressing, and resolving grievances in all of the countries where we operate. Human rights grievances from community members and suppliers are submitted through the Community Grievance Mechanism (CGM) and then analyzed locally and at Group level. (For more information about the Community Grievance Mechanism, see [Community Impacts and Grievances](#)).

We offer our employees various channels for bringing forward issues, concerns, and grievances. This includes the PetrOmbudsman at OMV Petrom, where employees and management can have confidential, off-the-record, informal discussions and address issues related to the workplace. Moreover, employees can bring forward their concerns in direct dialogue with human rights managers, human resources business partners, and works council members. At Borealis, such concerns can also be raised with Group Ethics and Compliance and with ethics ambassadors. In case of legal or other changes (e.g., restructuring, pension issues), we offer interactive communication sessions with employees regarding working conditions.

2021 Actions

- 0 incidents related to child labor
- 0 incidents related to forced labor
- 0 violations of indigenous peoples' rights
- 7 human rights grievances (0 violations)³¹
- 95.1% of employees have the right to exercise their freedom of association and collective bargaining.

Our journey in 2021 focused on more consistently performing human rights assessments in existing high-risk assets and new projects.

- ▶ In 2021, we planned a Human Rights Self-Assessment for OMV Libya. This was kicked off by organizing an internal awareness event with the local management of OMV Libya. The awareness session with the relevant stakeholders including local operating companies and the National Oil Company (NOC) was postponed to early 2022 due to COVID-19 restrictions.
- ▶ OMV Petrom did a human rights self-assessment exercise in its businesses in Romania with a focus on

³¹ In 2021, the human rights category grievances were related to working hours and rest times as well as alleged cases of bullying, harassment, defamation, unfair treatment and disrespectful behavior



security and concluded with the following recommendations:

- ▶ Revision of the contractual clauses regarding human rights for better communication of the principles assumed by the company
- ▶ Inclusion in the annual program of training of contractors the training on human rights
- ▶ Continuing the dialogue with the local authorities and bringing up the issue of security services, where they exist
- ▶ Inclusion of human rights issues in security audits that are performed at contractors

- ▶ Another human rights self-assessment exercise was conducted by Borealis for the business in Brazil. The assessment revealed that Borealis Brazil employees have a demonstrated awareness of human rights risks in Brazil and related Borealis Group policies to mitigate risk. Overall, the biggest human rights risk Borealis Brazil faces is corruption. Borealis Brazil will continue monitoring any human rights risk associated with its operations and business partners. Close cooperation between the management and the Borealis Group Ethics & Compliance team has been recommended in order to further improve employee awareness of human rights issues and to continue monitoring the supply chain for any human-rights-related issue such as potential signs of corruption.
- ▶ In Malaysia, SapuraOMV has drafted its social responsibility regulation, which includes human rights management. The signing was initiated and is set to be completed in 2022.

- ▶ In Malaysia, SapuraOMV has signed and published its Community Feedback Mechanism for external stakeholders.

Outlook

We will take the following actions in the coming years to continue to improve our human rights approach:

- ▶ In 2022, we will continue our efforts, including ongoing training and an awareness-raising campaign for employees. We will be updating our human rights e-learning training tool in line with expansion of the scope of our training target to cover all our employees. All HSSE country managers are accountable for completing this target in their respective business units. The KPI target is now part of the 2022 HSSE country plans. SapuraOMV is also preparing a human rights training course for its employees.
- ▶ We aim to carry out assessments of high-risk non-operating assets to identify and address the human rights impacts of our business practices. In the coming years, we will continue working on integrating Borealis into our labor rights management process, including but not limited to the risk assessment process.
- ▶ We will further focus on the recent developments in the work environment, mainly regarding digitalization and increasing flexibility.
- ▶ We will integrate climate change and Just Transition into the OMV Human Rights Management System.



Target 2025

- ▶ All OMV Group employees complete human rights training

Target 2030

- ▶ Conduct human rights assessments and develop action plans for OMV Group operations with a high level of human rights risks every five years³²

Status 2021

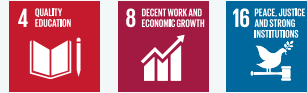
- ▶ 54% of employees trained in human rights³³. In 2021, 971 employees completed the human rights e-learning course, and 9 employees joined a webinar on sustainability, including human rights.
- ▶ 8 assessments conducted in the last five years³⁴

³² Human rights assessments carried out with the help of external consultants for countries with high, highest manageable or no-go risk.

³³ This figure includes trainings of at least 30 minutes run from 2016 to 2021. The decrease as compared to last year's figure is due to the consolidation of Borealis into the data. At Borealis, approximately 6,200 employees attended ethics training which also covered human rights in 2021 (read more in the Borealis Annual Report). However, the human rights section was not 30 minutes long, so these trainings are not counted toward target achievement.

³⁴ Data includes country entry checks for countries that were not actually entered.

Relevant SDGs



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 labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms

8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

16.1 Significantly reduce all forms of violence and related death rates everywhere

Diversity, Equity, and Inclusion

Material Topic: Diversity, Equity, and Inclusion

Actively seeking diversity of thought and experience, ensuring equal opportunities for all, and cultivating an environment of respect and psychological safety to enable all employees to be their full selves.

Key GRI

- ▶ GRI 405: Diversity and Equal Opportunity 2016

NaDiVeG

- ▶ Employee and social concerns

Most relevant SDGs



We are committed to our diversity strategy with measurable targets related to gender equality and internationality. Diversity has been an enormous strength that we have actively leveraged to create diversity-based business value. We strongly believe that diverse teams are more creative, resourceful, and knowledgeable, and that they generate broader perspectives, ideas, and options. Diversity, Equity, and Inclusion (DEI) therefore have a strong impact on people and teams, improving engagement and job satisfaction, and directly contribute to the Group's profitability and sustainability.

The OMV Group is therefore expanding our DEI focus to include a broader range of diversity aspects – such as age, nationality, diversity of ideas. Ultimately, our goal is to encourage and support all forms of diversity in the workforce and create an environment where all employees are valued. This means having an inclusive culture in which the same opportunities are in place for all people to feel supported and be successful.

Specific Policies and Commitments

As stated in our Code of Conduct, employees and job applicants will not be discriminated against on grounds of age, race, faith or religion, skin color, nationality, ethnic origin, political or other beliefs, gender, sexual orientation, disabilities, or family status. The principle of equal opportunity is strictly observed in recruitment. Furthermore, to encourage gender diversity, our recruitment policy reflects our commitment to promoting equal opportunities: At least one female candidate is included in every shortlist for each position. Gender is one of the diversity criteria we apply when selecting members of the Supervisory Board and of the Executive Board. We encourage salary equality at all career stages, for example, by setting standardized entry-level salaries that are reviewed each year in line with the local market situation.



Governance

OMV Group Human Resources is responsible for implementing the OMV Group's Diversity, Equity, and Inclusion strategy. For more information on human resources governance, see [Employees](#).

In the coming years, OMV aims to establish a global DEI Board/Council with an empowered and representative steering committee in order to ensure all actions supporting diversity, equity, and inclusion are well aligned, have sufficient resources allocated, and are supported by Executive Management.

Responsibility for the diversity topic is anchored at the highest level, as the achievement of diversity targets forms part of the Long-Term Incentive Plan (LTIP) in the Executive Board's remuneration.

Management and Due Diligence Processes

Embedding DEI into Our People Processes

We have embedded diversity targets into our people processes such as recruitment, talent and succession planning, learning, and leadership development. We continuously monitor gender, age, employee background, seniority, and salary equality to ensure fair treatment and equal opportunities at all career levels. At the same time, we strive to continuously develop new initiatives and measures that cultivate a culture of diversity and equal opportunity at OMV. For instance, as part of our general employee and leadership training, OMV offers an e-learning course to deepen understanding of unconscious biases, how they influence behavior, and how they impact us all. In 2021, we launched the "New Parent Program" in Austria focused on equipping future new parents with information on parental leave and part-time models, the related long-term financial aspects, and things to consider when returning to work. The program's target group includes male as well as female employees to encourage more equal distribution of childcare responsibilities.

Leadership Development and Succession Planning

Our diversity targets are also embedded in succession planning, with a preference for female candidates when identifying top talent. In order to strengthen our pipeline of future female leaders, we have introduced the following measures:

- ▶ Providing advanced mentoring for women
- ▶ Launching the SHERenergy women's leadership development program

- ▶ Running career aspiration talks across all our divisions in the OMV Group with the goal of giving talented female employees greater visibility and ensuring better understanding of their support needs and individual career plans
- ▶ Encouraging leaders to create an inclusive work environment
- ▶ Covering unconscious bias in our leadership programs
- ▶ Offering interview training as part of our new manager training with the goal of teaching behavioral interviewing techniques, such as how to overcome unconscious biases and how to better structure interviews
- ▶ Including internationality in the criteria for assessing candidates in the process of executive recruiting

The increasing number of women in leadership positions at OMV confirms the effectiveness of the dialogue and activities underway.

2021 Actions

49% of participants in leadership development programs were female in 2021.³⁵
20% increase in paternal leave in 2021 vs 2020³⁶

During 2021, OMV continued to strongly commit to delivering its DEI Strategy. The following key activities were carried out across the Group in 2021:

- ▶ Dedicated diversity targets were established in 2018. This enabled us to set clear commitments in this area and measure improvement in the two main focus areas defined: gender equality and internationality. We developed new targets in 2021 as part of the Strategy 2030, building on the targets set in 2018 and further expanding our understanding of diversity.
- ▶ Our focus on diversity is also being actively nurtured throughout the organization today, supported by a range of trainings, activities, and awareness campaigns, including a Diversity & Inclusion Week held in March and built around International Women's Day. We also continued our series of online events with external guest speakers on relevant diversity topics such as remote leadership, working across cultures, and the intersection of inclusion and technology.

³⁵ Data excluding Borealis

³⁶ Data excluding Borealis as Borealis only began reporting parental leave in 2021. Borealis is consolidated into overall parental leave data for 2021 in Workforce Data.



- ▶ We designed and implemented targeted training programs, such as SHEnergy, a blended-learning program for women at OMV, to support women’s leadership skills. The program focuses on active inclusion skills and also emphasizes the power of mentoring and networking in developing female leaders.
- ▶ Through our mentoring programs, we ensure that skills and knowledge are enhanced and create the right framework for an exchange of diverse experiences. Our mentoring programs successfully incorporate different generations, diverse participants, and a wealth of valuable experiences as an important contribution to our diversity, equity, and inclusion activities. This effort is also brought to life by a variety of voluntary and employee-organized groups, who bring together a wide range of diverse minds and backgrounds from across the Company with the common aim of enhancing collaboration, empowerment, and employee engagement at OMV.

our focus to capture the full range of diversity, equity, and inclusion activities. We firmly believe that embracing our differences and utilizing our diversity of thought and experiences will act as a catalyst for our growth and creativity. We also see it as our responsibility to ensure an inclusive and safe space for everyone to express themselves fully in the workplace, as well as to provide equitable opportunities for each and every employee to grow and actively contribute to the Group’s profitability and sustainability. In order to support these strategic goals, we will focus on the following initiatives in the coming years:

- ▶ Regularly report on gender-related salary equality
- ▶ Regularly report on the age distribution to identify gaps and foster inter-generational collaboration
- ▶ Introduce a non-discrimination policy
- ▶ Improve support for working parents
- ▶ Improve support for employees with disabilities
- ▶ Establish a global DEI Board/Council
- ▶ Implement regular global people and culture surveys

Outlook

Looking ahead, we want to leverage this spirit further across the entire OMV Group of companies and expand



Targets 2025

- ▶ Increase share of women at management level to 25%
- ▶ Keep high share of executives with international experience at min. 75%

Targets 2030

- ▶ Increase share of women at management level to 30%³⁷
- ▶ Min. 20% female Executive Board members³⁸ (stretch target 30%)
- ▶ Increase share of international management³⁹ to 65%
- ▶ Keep share of executives with international experience⁴⁰ at min. 75%
- ▶ Increase support for employees with disabilities at our main locations

Status 2021

- ▶ Women at management level: 20.9%
- ▶ Female Executive Board members: 26.7%
- ▶ International management: 60.0%
- ▶ Executives with international experience: 71.8%

³⁷ Management level: executives and advanced career level

³⁸ Members of OMV, OMV Petrom, and Borealis Executive Boards considered

³⁹ International is defined as non-Austrian citizens.

⁴⁰ International experience: equal to or greater than three years of living and working abroad. Executives are defined as Senior Vice Presidents.

Relevant SDGs

**SDG targets:**

- 5.1 End all forms of discrimination against women and girls everywhere
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
- 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
- 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

Employees

Material Topic: Employees

Creating stable jobs and good working conditions, especially by enabling skills development.

Key GRI

- ▶ GRI 401: Employment 2016
- ▶ GRI 404: Training and Education 2016

NaDiVeG

- ▶ Employee and social concerns

Most relevant SDGs

Our mission is to set up the OMV Group's Human Resources department as a value-creating organization that fully supports the OMV Group's strategy. To achieve these goals, we focus on the priorities that enable us to unlock our organization's full potential. The main pillars of our People Strategy are therefore inspiring leaders, building high-performing diverse teams, ensuring performance-focused and principle-led conduct, guaranteeing organizational agility and excellence, and making sure OMV is a great place to work. Our People Strategy drives all of our HR initiatives.

Building and retaining a talented and skilled team for international and integrated growth is a key factor in the success of the Group's strategy. We are committed to creating an environment in which every employee can learn, grow, connect, and collaborate as well as live a safe and healthy life. OMV's core commitments to its employees are detailed in the Code of Conduct. These include promoting learning and development, and creating an environment

where people can develop professionally and fulfill their personal aspirations in line with our business needs.

Governance

OMV Group HR covers the following topics:

- ▶ Talent acquisition
- ▶ Organizational effectiveness, including talent management, leadership development, learning and development, etc.
- ▶ People relations, comprising payroll and employee administration, and employment law and contracts
- ▶ Rewards and global mobility
- ▶ Coordination by HR representatives of the activities of the various units and countries in which we operate

The organizational set-up of local HR in the various countries is aligned with the principles of being fit for purpose,



operating as efficiently as possible, and generating the broadest possible synergies. We promote a strategic exchange of talent between OMV and Borealis to offer employees additional job possibilities and support the development of new skills.

Group HR reports directly to the OMV Group Senior Vice President HR. The VP HR of Borealis and the VP HR of OMV Petrom functionally report to the SVP HR of OMV Group. The SVP reports directly to the CEO.

Talent Attraction and Retention

The OMV Group is committed to building and retaining talent for international and integrated growth. Effective succession planning contributes to managing business continuity risk by ensuring the preservation of human capital – OMV’s most valuable asset. As described in our Code of Conduct, OMV strives to build long-lasting employment relationships and to employ people from the countries in which we operate.

Management and Due Diligence Processes

Talent Acquisition

Our employees are selected exclusively on the basis of their qualifications, suitability, and professional experiences. Internally, we focus on job rotation, promotions, and skill development to tackle challenges and develop innovative solutions to enhance our workforce. Together with Borealis, we use joint internal job boards to offer a wide range of internal job opportunities to our employees.

Externally, we concentrate on building robust talent pipelines through cooperation with key universities in our locations. In addition, both OMV and Borealis offer internships and apprentice programs, which are mainly focused on the technical and commercial aspects of our business. To dispel the negative perceptions of the oil, gas, and plastics industries, it is important to proactively inform the public and our target groups (such as potential future employees) about the benefits of the products we produce as well as sustainability challenges and how we address them. Being visible on YouTube, Instagram, Facebook, and LinkedIn enables us to show potential candidates the inner workings of OMV and Borealis, including what it is like to work for our Company and the fact that joining us means being part of the solution for a more sustainable future.

Performance Management and Career Development

OMV strives to maintain a uniform organizational structure that provides clarity and transparency with regard to responsibilities and the hierarchical classification of positions. We have developed Company-wide career paths that outline the experience and skills required for a position.

OMV has an annual review process in place to support our employees and managers through structured, systematic planning of performance and personal development within the Company. Employees, together with their managers, set performance and development goals, review their progress, evaluate achievements, and are ultimately rewarded and recognized annually.

“Personal Impact x Potential” is used as an evaluation tool to provide structural feedback in performance reviews and in succession planning. Managers evaluate their employees on personal impact and potential and identify successors for business-critical positions. Based on this, an employee’s development plan is created to improve the skills needed for his or her future role.

Rewards

In order to promote and support OMV’s strategy optimally, OMV aims to ensure competitive compensation and benefits packages within relevant labor markets in the oil, gas, and chemical industry. Annual remuneration reviews are conducted to ensure this.

OMV continuously monitors market trends and international best practices in order to attract, motivate, and retain the best-qualified talent from around the world. Base salaries are set in accordance with internationally accepted methods for determining market levels of remuneration and comply with the relevant legal regulations, for example, collective agreements. Base salaries are market oriented, fair, and tailored to the position and expertise of the employee. OMV encourages salary equality at all career stages, for instance, by setting standardized entry-level salaries that are reviewed each year in line with the local market situation.

OMV strives for long-lasting employment relationships. We ensure fair and objective evaluation of positions consistently across all divisions and countries by applying a clearly defined methodology and process. The outcome of the evaluation is the basis of the remuneration decisions for every employee. The remuneration includes a balanced and transparent mix of fixed and variable monetary and non-monetary components.

As part of the annual performance review process, Company goals, including the achievement of sustainability goals (e.g., HSSE, GHGs, diversity), are cascaded down to employees in the relevant departments and form part of the annual evaluation and subsequent bonus awarded. Individual monetary and non-monetary awards are granted on top of this for extraordinary achievements.

The portfolio of benefits is additionally customized for each of the countries in which OMV operates to meet the needs of the local employees. Depending on local circum-



stances, additional incentives may include the following: retirement plans, subsidized cafeteria, health centers, kindergartens, summer kids camp, and anniversary payments.

Talent Retention and Leadership Development

One of our People Strategy priorities is to strengthen leadership capabilities. We aim to ensure that our leaders continually grow and develop. To this end, we have leadership programs in place that are designed to support both those employees who take on new management roles as well as current leaders who want to upgrade their basic knowledge on leadership. We also offer mentoring to provide employees with guidance on key career issues.

Employee Engagement

We involve our employees in key HR strategies via programs such as quick polls and employee events with Executive Board members and other senior management. Topics of engagement include flexible working arrangements; diversity, equity, and inclusion; and performance management. This is a key part of our due diligence to ensure our strategies are meeting employees' needs.

2021 Actions

12,703 performance development reviews⁴¹

112 OMV senior leaders at Board, executive, and advanced levels provided mentoring services to **82** emerging, rising, and top talents across OMV and to **67** first-time leaders.⁴²

Approximately **330** employees participated in one of our Group-wide leadership programs.⁴²

The COVID-19 pandemic again defined 2021. During the coronavirus pandemic, many new employment-related measures were implemented to protect the health, well-being, and economic situation of our employees.

- ▶ By closely monitoring the constant legislative output, we succeeded in maintaining full labor law compliance while also offering our staff new options to help with their pandemic-induced personal situations and needs. Employees were offered various new solutions (depending on the local jurisdiction) to combine work duties and care obligations more flexibly. All employees were provided the option to work from home where practically and technically feasible.

- ▶ In order to ensure organizational agility and excellence and to make OMV a great place to work during these times, we developed virtual collaboration programs and remote leadership capabilities. This year we continued our journey to shift development toward more global and virtual programs that are easily accessible and can be facilitated in-house. Our new manager training was delivered completely virtually, and a new program called Remote Leadership supported our executives and managers in managing remote teams of employees either working from home or in a different country. OMV's culture and performance was safeguarded by growing our leaders' virtual and remote collaboration skills.
- ▶ We developed the Working from Home Guide, which is a virtual guide containing tips and tricks for improving virtual teams through the use of technology. Learning collections were provided to assist employees with leadership during times of crisis as well as managing stress and virtual work. Information and advice are regularly provided on all employee-relevant questions. Reliable internal processes mirroring new administrative processes were promptly implemented. Free psychological support was offered to all employees, enabling them to talk to a professional about coping with the pandemic.
- ▶ At the end of last year, we ran a quick poll on how employees were coping during the pandemic. The response was positive, and our staff expressed the wish to keep working from home as the "new normal." Based on their feedback, a flexible home office policy was introduced in 2021.

Outlook

We are working on a new HR strategy and a new HR purpose in line with the Company's new strategy. Over the past year, the HR teams from OMV Petrom, OMV, and Borealis have collaborated increasingly to share best practices and find a common way forward. Great synergies have been unlocked in recruitment, provider sharing (e.g., LinkedIn digital learning), and training programs on the oil, gas, and chemical industries. The future aim is a shared HR Group Strategy.

Skills Development and Training

We want our employees to learn and continuously increase their knowledge, competencies, and performance to meet our business objectives and to develop necessary skills for the future.

Our functional and technical training focuses on maintaining a skilled and capable workforce.

⁴¹ Data excluding Borealis and blue-collar workers at OMV Petrom

⁴² Data excluding Borealis



Our business skills training helps employees understand OMV and work safely and effectively within the organization in compliance with all applicable rules.

In leadership training, we are supporting managers in efficiently and professionally applying our OMV tools and processes, inspiring people, and leading their teams.

Personal skills training helps develop personal impact at work and systematically demonstrate our values.

Management and Due Diligence Processes

Needs Assessment

Training is planned and delivered annually in line with our workforce requirements. Training is planned by the business units according to business needs. Employees identify their learning needs through a mixture of localized training matrices. These assist them in creating development-oriented action plans linked to career paths, competencies, and professional goals. The four key competencies in which we encourage our employees to further develop are functional and technical skills, business skills related to effective work in the OMV Group, personal skills, and leadership skills.

All learning activities should be linked to clearly defined learning and development objectives and agreed with line managers. There are different ways to learn: 70% of what we learn is from the job, 20% involves learning from others through coaching or mentoring, and 10% comes from courses. Courses are developed whenever a structured foundation for skills and knowledge is needed.

Types of Trainings

OMV provides mandatory training for all employees in areas such as business ethics, cybersecurity, and data protection, as well as mandatory training dependent on the job, for instance within HSSE. In addition, we offer optional training for all employees in areas ranging from carbon accounting and management and community relations development to personal skills training such as managing change or effective communication.

We encourage the use of online resources for training. The expansion of our online learning content enables employees to access more consistent training content and enhances its accessibility on a global level. We also highly encourage employees to pursue continuing education to further enhance their various skills.

Evaluation of Training Programs

Training processes include structured requests for feedback, which are conducted after training events in order to

monitor and evaluate the effectiveness, success, and ROI of training measures, and to implement improvement measures. In addition, our overall training metrics (participation, costs, training hours, training topics, etc.) are reported in a training dashboard on a global level every quarter.

2021 Actions

20,887 training participants

EUR 8.4 mn spent on training

399,983 total training hours

In 2021, there was a focus on mandatory, legally binding, business critical, and low-cost learning (e-learning, online learning through our partnership with LinkedIn Learning, and virtual courses/webinars). Leadership training focused on first-time leaders, women in leadership, and managing remote and hybrid teams. Another priority was supporting staff in developing their virtual skills, for example by offering virtual facilitation courses. In terms of business skills, the focus was on sales training and, as before, on graduating new cohorts from the Integrated Graduate Development (IGD) Program.

Due to the COVID-19 situation, we again concentrated on virtual training delivery, as in 2020. All measures to support employees in the virtual and hybrid environment were therefore continued. These included the delivery of virtual health webinars, the implementation of a virtual facilitators' network, updated personal skills courses, and many more.

Outlook

In 2022, we realize that many countries in which we operate may still be impacted by the COVID-19 pandemic, and that any steps we take to retune the working environment will now be hybrid. To support our employees further with this ongoing transition, we will again focus on our first-time leaders, remote leadership, virtual facilitation, and digital learning. Additionally, we plan to continue operating in a hybrid environment, implement change management, and further support employees to ensure their well-being and health. We will shift holistically toward the employee experience to ensure an inclusive, collaborative, and high-performing organization.

**Target 2030**

- ▶ Increase average number of annual learning hours to a min. of 30 hours per employee

Status 2021

- ▶ Average number of annual learning hours: 18

Relevant SDGs**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
- 8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors

Communities

Material Topic: Communities

Managing impacts (e.g., local employment and skills development, infrastructure impacts, environmental, health and well-being impacts) of activities on local communities, including through targeted social investments.

Key GRI

- ▶ GRI 413: Local Communities 2016

NaDiVeG

- ▶ Respect for human rights
- ▶ Employee and social concerns

Most relevant SDGs

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 essential to safeguarding our operations for the future. In the interest of meeting our responsibility as an international company, we contribute positively to the fulfilment of human rights in our direct surroundings with a number of projects and initiatives. Investments in community relations and development respond to identified community needs: They are designed to mitigate social risks resulting from company operations and initiate positive change in surrounding communities.

Our commitments to our communities are laid out in our Human Rights Policy. The Sustainability Directive documents processes and accountability internally, and covers social responsibility, which comprises community relations, development and social investments, human rights, volunteering, and NGO relations for the OMV Group. A special Community Relations and Development handbook is available for all of the OMV Group's CSR focal points.

Governance

The Community Relations and Development function governs and steers community relations at Group level and



implements development activities in the countries in which we operate. It also receives regular reporting and feedback from social responsibility teams and local teams, and monitors and ensures adherence to the Group's guidelines on community relations and development. 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. According to our Sustainability Directive, each business area and all subsidiaries can act as initiators of community development investments and social investments within the framework of the OMV Group Sustainability Strategy processes.

Steering ensures that the OMV Executive Board is adequately and timely informed about the entire community and social investments portfolio, plans, and performance KPIs. For example, the Group's social responsibility officers submitted the total budget for community and social investments in 2021 and provided information on major social or community investments planned.

In 2008, Borealis initiated the Borealis Social Fund. A portion of Borealis' net profit, based on clearly defined allocation rules, is dedicated to the Fund each year. Projects can be submitted by any external or internal stakeholder to the sustainability team, which evaluates the proposal and makes recommendations to the CEO, who is responsible for the Fund. The CEO selects and approves all projects. Sponsorships over EUR 0.5 mn per project per year need the additional approval of the Chair or Vice Chair of the Borealis Supervisory Board. Investments from the Borealis Social Fund count towards the overall OMV Group social investments.

Having such a social fund in place through which social investments are steered and operated can help the business maintain its charitable mission focus and to support the visibility of social engagement. OMV Corporate is therefore considering setting up a similar fund in the coming years.

Community Impacts and Grievances

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. Transparent and instant communication with local communities in order to ensure that their voices and con-

cerns are heard and addressed helps OMV establish good relations with communities impacted by our business operations and supports us in creating a conducive operating environment for the business.

Management and Due Diligence Processes

Community Consultation and Social Impact Assessments

Our community relations and development management process is based on centralized policies and targets, and implemented by locally responsible persons with local resources. In line with our community relations and development procedure, all OMV projects require community consultation in the development phase. In 2021, one out of seven projects was in the process of community consultation.

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 into and addressed throughout all phases of the project life cycle: commissioning, operation, 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 the outcomes of the SIA to be 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.

Community Engagement

We maintain regular communication with the communities where we operate 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 such as local authorities and neighbors 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. For instance, the "green phone" at the Schwechat refinery has ensured 24/7 direct contact for all neighbors for years now. Each individual call is answered by the shift supervisor in charge and in cases of perception of noise or odor, the shift supervisor checks immediately for potential sources in the refinery so that the issue can be solved as soon as possible.



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.

Community Grievance Mechanisms

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 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 E&P 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 2021. A Community Feedback Mechanism (CFM) is in place at SapuraOMV. Borealis is still in the transition phase to implementing OMV's community relations management regulations. Borealis has a hotline system where grievances can be addressed by internal and external stakeholders.

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 review of management processes 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. The sites already assessed account for 99% of all registered grievances at OMV in 2021. In 2019 and 2020, such assessments were completed in, for example, New Zealand, Malaysia, and E&P Austria, where follow-up actions are in the process of being implemented as per the findings.

2021 Actions

884 total grievances in 2021

- ▶ **477** grievances relating to our impact on society⁴³ received (355 resolved⁴⁴)
- ▶ **400** grievances concerning an impact on the environment⁴⁵ received (241 resolved)
- ▶ **7** human rights grievances⁴⁶ received (5 resolved)

The open cases will be handled during 2022.

In 2021, the following key improvements were made to the CGMs:

- ▶ OMV Petrom's Petrobrazi refinery CGM procedure and E&P OMV Petrom's CGM procedure have been reviewed based on the Company's new community grievance management standards in recent years. A new CGM database has been developed and implemented to ensure the traceability and predictability of grievance management. In 2021, the Petrobrazi refinery also stepped up its external outreach to local communities by enhancing the call center service that facilitates the communication between the Petrobrazi refinery and all stakeholders interested in submitting complaints or requesting information. The optimal functioning of the call center service is very important in managing the community grievances in order to strengthen the relationships between the refinery and the local community.
- ▶ The Schwechat and Burghausen refineries further improved their public information on local accessibility of the CGM. For instance, Schwechat linked the green phone prominently on its homepage.

⁴³ Society category grievances include noise, dust, land acquisition, access to project benefits, or other disturbances relating to OMV activities.

⁴⁴ A grievance is considered "resolved" when the proposed resolution by the Company is accepted by the complainant. It remains categorized as "addressed" if the proposed resolution is not accepted by the complainant.

⁴⁵ Environment category grievances include land degradation, water pollution, air pollution, etc.

⁴⁶ In 2021, the human rights category grievances were related to working hours and rest times as well as alleged cases of bullying, harassment, defamation, unfair treatment and disrespectful behavior.



- ▶ In 2021, SapuraOMV signed the Community Feedback Mechanism (CFM), which defines the process that must be followed when written or oral complaints, or other types of feedback are received. Furthermore the “We Care” portal is up and running. We Care is an e-portal that allows users to register feedback, receive an immediate acknowledgement, and be offered appropriate follow-up measures, while being treated with respect and ensuring their identity is protected, in accordance with the applicable laws and regulations.
- ▶ New Zealand completed an external review of its CGM in 2021.
- ▶ At E&P Austria, a CGM standard was communicated and published on the website along with an internal reporting tool implemented to ensure consistency, structure, and greater predictability in handling community grievances.

Outlook

We will take the following actions in the coming years to continue to improve our community grievances approach:

- ▶ Currently, 87% of OMV’s grievances stem from E&P OMV Petrom. In 2022, a detailed assessment will there-

fore be conducted at E&P OMV Petrom to analyze the root causes of grievances with the aim of decreasing their number. The assessment will start with Asset III Muntenia Vest.

- ▶ At the Petrobrazi refinery, where the CGM was analyzed in 2018, the newly implemented call center service, which is available 24/7, will continue to be rolled out in Prahova county communities in 2022. An assessment of the results will be completed after one year of implementation.
- ▶ A unique communication concept is planned for the Schwechat refinery in 2022 and 2023, including direct mail from residents, communication training for the shift supervisors for the green phone, and a link to the green phone on the refinery’s homepage.
- ▶ In 2022, we plan to launch the “We Care” portal on SapuraOMV’s website and to roll it out in all operations in Malaysia.
- ▶ At Borealis, our first step will be to conduct a self-assessment, after which they will be able to create a baseline for the organization’s CGM alignment with the UN Effectiveness Criteria.



Target 2025

- ▶ Assess Community Grievance Mechanisms of all sites against UN Effectiveness Criteria⁴⁷

Status 2021

- ▶ 7 out 9 sites in scope assessed. In 2021, the focus was on developing the Community Feedback Mechanism at SapuraOMV.

Relevant SDGs



SDG targets:

16.6 Develop effective, accountable and transparent institutions at all levels

16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

⁴⁷ Nine defined assets on a 100% operator/majority-owned basis from the E&P, Refining, and Power business segments are currently in scope (scope liable to change based on operatorship/divestments). The scope was previously ten assets, but changed to nine in 2021 due to the divestment of assets in Kazakhstan.

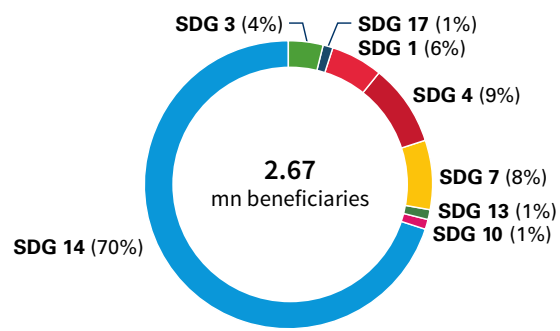
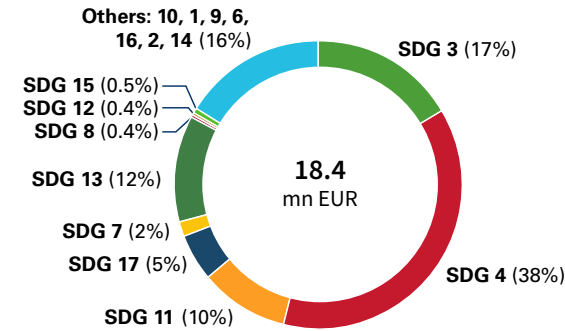


Community Investments

Our community relations processes and projects help us develop mutual trust and respect between OMV and

nearby communities, thus helping us maintain our social license to operate and create win-win situations for all.

2021 Investments by Main SDGs and by Beneficiaries



- SDG 1: No Poverty
- SDG 3: Good Health and Well-Being
- SDG 4: Quality Education
- SDG 7: Affordable and Clean Energy
- SDG 8: Decent Work and Economic Growth
- SDG 10: Reduced Inequalities
- SDG 11: Sustainable Cities and Communities

- SDG 12: Responsible Consumption and Production
 - SDG 13: Climate Action
 - SDG 14: Life below Water
 - SDG 15: Life on Land
 - SDG 17: Partnerships for the Goals
- Other SDGs supported to a smaller degree
- -
 -
 -

Management and Due Diligence Processes

Needs Assessments

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). We prioritize projects with a potential for generating long-term societal value and making 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 Index⁴⁸).

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. We implement our community development projects as investments, therefore expecting each project to generate a return for our communities or society more broadly. These initiatives often also include knowledge transfer initiatives aimed at building the local technical capacity of potential workforce or supply chain partners.

Prioritization

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

In addition to the priorities defined by the Group, individual countries or Group companies also identify specific priorities. Thus, for instance, within the Borealis Social Fund, the company has defined three areas of social engagement that contribute to SDGs 14, 6, 7, 4.

Corporate Volunteering

OMV Group 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 view of the restric-

⁴⁸ 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



tions imposed by the global pandemic, volunteering by OMV employees was only possible to a limited extent in 2021. Nevertheless, some outdoor activities could be implemented with OMV volunteers as team-building measures. In 2022, corporate volunteering will also be offered to Borealis employees.

2021 Actions

EUR 18.4 mn in community and social investments⁴⁹

262 community and social investments in 23 countries

2.67 mn beneficiaries reached

1,374 employee volunteers

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

In 2021, 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 underserved 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.

COVID-19 Support

During the pandemic, OMV supported the countries and communities where we do business by focusing on enhancing medical preparedness and ensuring the delivery of supplies. For instance, OMV Libya delivered 50,000 COVID-19 rapid testing kits to the National Oil Corporation (NOC) in Libya. These kits were distributed to the NOC subsidiaries, including AGOCO, Zueitina, and the communities surrounding oil facilities (hospitals, isolation, and quarantine centers).

OMV conducted several activities for the benefit of local health authorities in both Gabes and Tataouine to support them with material and medical supplies during the sanitary crisis with an overall investment of USD 84,000.

Water for the World

Ensuring everyone has access to clean water and a reliable energy supply is an essential part of the world we want to live in. There is sufficient fresh water on the planet to achieve this. However, due to bad economics or poor infrastructure, the United Nations estimates that 2.2 billion people still lack access to safely managed drinking water, especially in remote rural areas. In addition, 789 million

people – or 13% of the global population – are living without access to electricity and rely on wood, coal, charcoal, or animal waste for cooking and heating. Furthermore, gains in energy access are being reversed in the wake of the COVID-19 pandemic.

Since 2007, Borealis and Borouge have provided solutions to this global challenge through “Water for the World,” a joint program to address the global water and energy shortage in rural and urban communities, with a focus on Southeast Asia and Africa. Since its launch, Water for the World has carried out numerous projects across Asia and Africa, including China, Ethiopia, India, Kenya, Nepal, Morocco, Myanmar, and Pakistan, benefiting over one million people.

Additional projects contributing to SDGs 1, 2, 3, 6, and 7 can be found on the [OMV website](#).

Impact Snapshot: Education, Entrepreneurship, Inclusion, and Employment

We develop community projects that promote self-sufficiency, job growth, and economic development in the communities impacted by our business operations. Education, entrepreneurship, and employment are key factors in socioeconomic development and positively contribute to numerous other SDGs. OMV has been involved in community and social investments focused on education, entrepreneurship, and employment for many years now. We invest in vocational training, microlending, scholarships, and supplier capacity building.

Tasharok

One key project in 2021 for the education focus area was the [Tasharok project](#) launched in Tunisia, which aims to bring positive change to Basboussa and Bouchemma, two communities in the vicinity of Nawara GTP by:

- ▶ Enhancing the city’s waste management services in collaboration with the municipality and equipping it with the needed material and equipment
- ▶ Collaborating with a local microgrant program for the benefit of Basboussa community members in order to create small-scale economic activities to improve their economic situation and support their families
- ▶ Bringing people together to organize and support each other to resolve community issues through the creation of a community-based organization acting as a representative for the Basboussa neighborhood

The Tasharok project also supports the basic services focus area to a more limited extent.

⁴⁹ Includes contributions in cash, contributions in kind, and donations; excludes related management overheads



COVID-19 Support

The ongoing global COVID-19 pandemic has presented our societies with challenges that are unprecedented in our lifetime. OMV helped mitigate the social and economic impacts of the pandemic by helping to ensure access to remote schooling. The project “CAPE 10 – House of the Future and Social Innovation” has been part of OMV’s social investment portfolio since 2018. 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 the COVID-19 measures in view of homeschooling and the lack of IT equipment.

In 2021, OMV donated laptops and EUR 25,000 to JUHU!, an association supporting disadvantaged young people. This contributes to ensuring that children and young people in need of help have access to free education and counseling services. The association’s goal is to reduce social exclusion and poverty due to educational disadvantages and to prevent students from dropping out of school. In addition, single parents are relieved by being provided support, even in family crises.

Additional projects contributing to SDGs 4, 5, 8, and 10 can be found on the [OMV website](#).

Impact Snapshot: Climate, Energy, and Circular Resource Management

Climate and 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. Climate change, sustainable energy access, and environmental protection are key priorities in our community and social development efforts. A total of 702,560 trees were planted in three countries, sequestering 81.4 kt CO₂ in Austria, Romania, and New Zealand.

Shabwa

In 2021, OMV Yemen funded a large-scale internal distribution power network in the Shabwa governorate by supplying electrical components. This involved procuring materials to support the local community’s access to affordable, reliable, sustainable, and modern energy for all. The project benefits the neighboring communities by providing access to the power grid to nearby villages by supplying network components. Thus, OMV Yemen built a good relationship with local stakeholders with a project benefitting more than 7,400 people.

Romania Plants for Tomorrow

OMV Petrom completed spring planting as part of the “Romania Plants for Tomorrow” campaign, the largest privately funded forestation initiative in Romania. About 2,350 volunteers contributed to planting almost 600,000 seedlings on a total area of 125 hectares. The forestation activities were carried out in 41 localities in 18 counties and were supported by six non-governmental organizations recognized for their contributions to environmental protection. The forestation activities scheduled for 2021 started in March and were split into two seasons: spring and autumn. In the second year of the “Romania Plants for Tomorrow” campaign, 640,000 seedlings will be planted on an area of 129 hectares.

Project STOP – Stop Ocean Plastics

In 2017, Borealis initiated Project STOP (Stop Ocean Plastics). This program, co-founded with SYSTEMIQ, aims to achieve zero leakage of waste into the environment and to recycle more plastics. Project STOP focuses on the regions with the highest leakage rates and, with the support of industry and government partners, works hand in hand with cities to create leak-free, low-cost, and more circular waste management systems. In the process, Project STOP 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 uses a “system enabler” approach, whereby a team of experts works with the local government, communities, and non-governmental organizations (NGOs) to build institutional capacity and support financial and business planning, behavior change, technical expertise, project management, and recycling valorization.

Project STOP’s initial city partnership was in Muncar, Indonesia, with two subsequent partnerships begun in the Indonesian cities of Pasuruan and Jembrana. The project’s achievements by the end of 2021 include:

- ▶ Creating 226 new full-time jobs in waste collection, sorting, organic processing, and management and administration
- ▶ Providing waste collection services to 260,000 people, for the first time in their lives; collecting 20 kt of waste (including 2,700 t of plastic)
- ▶ Developing a financially transparent process for transferring funds
- ▶ Building necessary infrastructure (five new material recovery facilities)
- ▶ Supporting the development of a Waste Management Master Plan for the Banyuwangi Regency
- ▶ Building a curriculum to train government workers, based on the lessons learned from Project STOP



Despite COVID-19-related challenges, the implementation of Project STOP in Muncar was completed by the end of 2021 and handover to the local municipality took place in mid February 2022. Full handover will only take place once all key performance indicators have been achieved and a financially sustainable system is ensured. During 2022, the Project STOP team will remain available for support and advice, if needed.

The partnerships with the cities of Pasuruan and Jembrana are scheduled to be completed by the end of 2022. When all three city partnerships are complete, Project STOP will reach 450,000 people and prevent 45 kt of waste (including 5,700 t of plastic) from leaking into the environment every year.

Additional projects contributing to SDGs 7, 11, 12, 13, 14, and 15 can be found on the [OMV website](#).

Outlook

We will continue supporting the UN Sustainable Development Goals through a number of community relations and social investment projects worldwide, working closely with communities in the vicinity of our operations. For instance, we plan to expand Project STOP to cover a wider region in Indonesia. Once this four-year expansion is finalized, Project STOP will have provided waste collection services to 2 mn people, established 1,000 new jobs, and created systems collecting 25 kt of plastic waste annually, keeping it permanently out of the environment.

In 2022, we will review our prioritization of focus areas in line with our sustainability strategy and define common Group-wide areas. We will also continue our ongoing social projects to meet the needs of people in the communities where we do business.



Target 2030

- ▶ Direct at least 1% of Group investment per year toward social goals (based on previous year's reported net income attributable to stockholders of the parent)

Status 2021

- ▶ 1.46%⁵⁰

Relevant SDGs



SDG targets:

1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

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

⁵⁰ The reported net income attributable to stockholders of the parent in 2020 experienced significantly negative effects following the COVID-19 pandemic, reaching only EUR 1,258 mn. In 2021, OMV's reported net income attributable to stockholders of the parent was EUR 2,093 mn. Strategic social investments totaled EUR 18.4 mn in 2021.



Ethical Business Practices

OMV generates direct economic value (e.g., through taxes) and indirect economic value (e.g., through local procurement which fosters local job creation) in numerous countries worldwide. Thus it is imperative that we act in accordance with the highest ethical standards on an international level everywhere we operate and spread these standards through our supply chain. Unethical behavior, such as corruption, hinders economic development and sustainable development.

OMV is a signatory to the United Nations (UN) Global Compact and we believe that sustainability starts with our value system and a principles-based approach to doing business. Our business partners are also expected to share the same understanding of and commitment to ethical standards. The Ethical Business Practices strategic focus area combines our commitments and actions relating to the integrity of our employees and business partners. Establishing a culture of integrity is the baseline for further fostering the UN Agenda for Sustainable Development, be it through fostering local economic development through local procurement, or ensuring that our public policy engagement and work with suppliers is in line with OMV's climate commitments.



Economic Impacts and Business Principles

Material Topic: Economic Impacts and Business Principles

Creation of direct and indirect economic value through OMV business activities, as well as compliance with anti-corruption and other legal requirements.

Key GRI

- ▶ GRI 201: Economic Performance 2016
- ▶ GRI 205: Anti-corruption 2016
- ▶ GRI 206: Anti-competitive Behavior 2016
- ▶ GRI 415: Public Policy 2016
- ▶ GRI 419: Socioeconomic Compliance 2016

NaDiVeG

- ▶ Corruption prevention

Most relevant SDGs



OMV is defined by the way our people behave. Conducting business sustainably and ethically is crucial for OMV in creating and protecting value in the long term, in building trusting partnerships, and in attracting customers as well as the best suppliers, investors, and employees. We strive to comply with the highest legal requirements, such as on anti-corruption and tax law, be transparent and implement sound corporate governance to ensure our ethical behavior. The principles of corporate governance are a key element for sustainable growth of the business, for enhancement of long-term value for shareholders, and the strengthening of stakeholder confidence.⁵¹

OMV's Code of Conduct and Code of Business Ethics publicly lay out our commitments to responsible and ethical business conduct. OMV's Code of Business Ethics sets out a zero-tolerance policy on bribery, fraud, theft, and other forms of corruption, and prohibits any support of political parties or donations to them. The Code applies to all employees. It is designed to comply with the standards set by national as well as international anti-corruption legislation (mainly the OECD Anti-Bribery Convention and UK Bribery Act). OMV is a signatory to the UN Global Compact and adheres to the OECD Guidelines for Multinational Enterprises. The OECD Guidelines reflect the government expectations on responsible conduct by businesses. They cover all key areas of business responsibility, including bribery, competition, and taxation. OMV has also published a separate Tax Policy.

Governance

Ultimate responsibility for ensuring the ethical conduct of OMV while generating economic value lies with the Executive and Supervisory Boards. Responsibility for economic impacts and business principles is not centralized in one department, but rather distributed among various departments. For instance, the OMV 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.

The Group's approach to tax and the risks related to it are monitored by the tax function (as part of Group Finance) and overseen by the CFO and the Supervisory Board. Tax compliance is generally dealt with by finance managers and at legal entity level by local tax managers, shared service centers or external tax advisors. OMV's Compliance and Tax departments report to OMV's CFO.

International and Governmental Relations is the interface in OMV Group to the relevant political and public administration decision-makers. It informs stakeholders in Austria as well as at EU and international level about OMV's business, so that they understand how the oil, gas, and chemical industry works, the challenges it faces today, and the contribution it will play in the future. Relationships with stakeholders are sustainable and based on transparency and mutual trust. International and Governmental Relations reports to OMV's CEO.

⁵¹ Read more in our separate [Corporate Governance Report](#).



The Company's 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 the Code of Business Ethics. New senior manage-

Business Ethics and Anti-Corruption

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 supercedes any business interest. Absolute commitment to this objective is embedded at all levels at the OMV Group 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.

Specific Policies and Commitments

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

To ensure that OMV's commitment to business integrity is clear, OMV has introduced a Code of Conduct⁵², which reflects both the expected standards and the high expectations of our shareholders. The Code of Conduct gives expression to OMV's values and defines OMV's mindset in conducting business responsibly with the focus, among other things, on ethical and legal standards. The Code of Conduct applies to all OMV employees in the Group. All suppliers and business partners are required to share OMV's values and comply with the defined ethical and legal standards.

The Code of Business Ethics describes how OMV fulfills ethical and legal responsibilities internally. It defines the rules and procedures for conflicts of interest, gifts and invitations, donations and sponsorships, intermediaries and lobbyists as

well as for other areas of law, such as trade sanctions and fair competition.

ment also receives onboarding to introduce OMV integrity standards. Once a year, all managers and employees in particularly exposed positions must also sign a conflict of interest and business ethics conformity declaration.

well as for other areas of law, such as trade sanctions and fair competition.

Both the Code of Conduct and the Code of Business Ethics are signed by the OMV Executive Board and apply in all countries where OMV does business. The procedures established by these documents are implemented at every fully consolidated subsidiary of OMV and apply to everyone who works for OMV or on behalf 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](#).)

The internal Whistleblowing Directive lays out how employees and externals can confidentially and anonymously make a whistleblower report regarding corruption and bribes, conflicts of interest, competition law, and capital markets law. The Directive also specifies how cases are handled and defines special protection for whistleblowers against any form of retaliation.

Management and Due Diligence Processes

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 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 under IDW PS 980.

Risk Assessments and Audits

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).

⁵² Borealis' Ethics Policy is in line with the OMV Group's Code of Conduct. For the workforce and business partners of the Borealis Group, the Borealis Ethics Policy remains applicable as the relevant working instruction for ethical behavior and business conduct.



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.

Risk-related audits covering fraud and corruption issues form an integral part of the Corporate Internal Audit. Based on the outcome of such audits, additional preventive measures were set up for OMV Petrom, such as third-party background checks of OMV Petrom's business partners.

Whistleblowing

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, OMV Group has introduced a whistleblower mechanism – the Integrity Platform. Anyone can access it online (omv-group.integrityplatform.org) and anonymously 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 standards will be handled further by the Whistleblowing Committee, which includes members of senior management.

Training

It is of strategic importance for us to make sure that every single employee is fully aware of our ethical values and principles. Business ethics training includes training employees on 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 OMV 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.

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 a regular 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.

Raising Awareness

OMV has launched a compliance app that 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.

>100 whistleblowing cases

0 incidents of corruption; 0 incidents when contracts with business partners or employees were terminated or not renewed due to violations related to corruption

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

2 legal actions pending or completed during the reporting period with regard to anti-corruption activities and violations of antitrust and monopoly legislation in which the organization has been identified as a participant⁵³

- ▶ Conflicts of interest
- ▶ Cartels/unfair competition
- ▶ Capital market law
- ▶ Public procurement
- ▶ Environmental protection
- ▶ Product/food safety and consumer protection
- ▶ Corporate tax regulations
- ▶ Data protection

Outlook

Our goal is to operate a state-of-the-art compliance management system and to have these high standards verified and approved in the course of an external recertification under the IDW PS 980 standard in 2022. Additionally, in 2022, Borealis plans to start an external certification process with the aim of obtaining ISO 37301 (Compliance Management) and ISO 37001 (Anti-Bribery Management Systems) certification. Further, we strive to foster the digital availability of compliance services and information in particular by broadening the functions of the OMV compliance app, for example, implementing a compliance news feed service with regular updates for all employees.

2021 Actions

In 2021, we expanded our Integrity Platform in view of new European legal requirements. The Integrity Platform can now be used to make reports of perceived violations in the following legal areas:



Target 2025

- ▶ Conduct in-person or online business ethics trainings for all employees

Status 2021

- ▶ 16,020 employees in the OMV Group trained in business ethics in 2021. This number is composed of 9,020 e-learning and 477 face-to-face trainings at OMV, and 5,996 CodeOne e-learning and 527 in-person trainings at Borealis.

Relevant SDGs



SDG target:

16.5 Substantially reduce corruption and bribery in all their forms

⁵³ 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. On January 19, 2021, the Competition Council in Moldova initiated an investigation into several oil companies, including Petrom Moldova SRL, in relation to the manner of determining sale prices of main petroleum products and LPG. On April 12, 2021, Petrom Moldova SRL received a statement of objections from the Competition Council regarding an alleged price fixing concerted practice. Petrom Moldova SRL submitted its observations to the statement of objections in July 2021 and is objecting any wrongdoing. The proceedings are still pending.



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.

Specific Policies and Commitments

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 public [Tax Strategy](#).

Our tax planning supports OMV's business and reflects our commercial and economic activity. OMV does not engage in aggressive tax planning, which consists of artificial structures put in place merely to save taxes or of transactions lacking economic substance aimed at obtaining undue tax advantages. We comply with applicable tax laws and seek to limit the risk of uncertainty or disputes. We perform transactions between OMV Group companies on an arm's-length basis and in accordance with currently 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. The Global Tax Directive is the key internal guidance document governing taxes within OMV Group.

Management and Due Diligence Processes

Risk Assessments

We continuously carry out risk reviews, which also include tax risks, in order to assess our current and future financial and non-financial risks, assess how these trends will impact OMV, and then develop appropriate responses. We report key risks internally at least twice a year to the Supervisory Board through a very clearly defined process. The Executive Board drives OMV's commitment to the risk management program and sets the tone for a strong risk culture across the organization.

We follow OMV's risk management system as part of our internal control processes. We identify, assess, and manage tax risks by implementing risk management measures at the operational level with a robust and complex set of controls and procedures. These guarantee verification of the correctness of the data included in the relevant tax returns, tax payments, and communications with tax authorities in a timely

manner. The effectiveness and relevance of these controls and procedures is periodically assessed in order to promptly undertake any necessary mitigation and modifications.

Disclosure

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](#).) 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.

Outlook

Taxation as a key steering instrument towards an eco-friendly, green economy plays a major role in the current initiatives of the EU, OECD member states, and the Austrian government.

- ▶ The Fit-for-55 package by which the EU aims to reduce its net greenhouse gas emissions by at least 55% by 2030 will have an impact on the taxation of inefficient and polluting fuels, for instance. In 2021, the members of the OECD/G20 inclusive framework agreed on reforming international tax rules by implementing new rules for profit allocation (Pillar One) and establishing a global minimum taxation regime (Pillar Two) effective in 2023.
- ▶ In 2021, the European Council, European Parliament, and European Commission reached an agreement on the proposed public country-by-country reporting (CbCR) directive. Considering the 18-month transposition deadline for member states, the public CbCR will enter into force in 2024 for the 2023 fiscal filing year.
- ▶ With the adopted eco-social tax reform in Austria, a national CO₂ price will be implemented step-by-step from 2022 onward. The national CO₂ price applies to defined energy carriers according to defined emission factors. As an energy provider, we will be charged a fixed CO₂ price which will be increased annually until 2026, before a market-based system will be put in place. Generally, OMV supports the creation of such economic and socio-political incentives for more climate-friendly behavior, however, favors the creation of an EU-wide harmonized system.



Public Policy

The OMV Group recognizes that the regulatory framework can help achieve progress on issues such as resource efficiency, climate change, waste reduction, safety improvements, fair trade, and marine littering. Regulators, political stakeholders, and non-governmental organizations (NGOs) can all shape the regulatory framework that affect the Group's business. Therefore, the OMV Group needs to understand the policy, regulatory, and NGO environment and ensure that it can contribute its knowledge and insight to discussions about the future of the regulatory framework.

The OMV Group participates in industry associations to support the understanding of issues, share knowledge, help develop standards, and provide input to regulatory authorities on behalf of the sector. OMV's association activities make an important contribution to a broader debate on a sustainable, affordable, and secure energy future. The energy transition can only succeed if all stakeholders – including legislators, businesses, and society – engage in productive debates. As a voice of business, associations participate in precisely these important debates and contribute their proven expertise on various aspects of policy.

Management and Due Diligence Processes

Direct Political Engagement

The OMV Group is active in economic policy but does not support political parties. Donations to political parties are not permitted as per the Code of Business Ethics. Activities of political parties on the premises of the OMV Group are not allowed. There are no restrictions on engaging in political or public functions or engaging with special interest groups within the framework of legitimate secondary employment. However, it is not permitted to associate the OMV Group with such activities. As with other secondary employment, employees must conclude an agreement with OMV which regulates the details of such activities. Employees must disclose a conflict of interest between the exercising of political or other public functions and their employment with the OMV Group to their line manager and to Compliance.

Transparency

We are fully in line with all reporting obligations at national and EU levels, and we are fully compliant with all transparency requirements. Interaction with governments and regulators takes place at international, European, national, and local levels. The OMV Group actively participates in EU and national public consultations on legislative initiatives that are relevant to the Group's business and is a member of relevant industry associations.

Monitoring of Participation in Industry Associations

The OMV Group actively participates in industry associations and standardization groups at international, EU, and national levels to stay at the forefront of regulatory and public requirements. OMV Group representatives make OMV's position clear on issues tackled by the associations in which we are members. The Group aims to inform EU policies by engaging with major industry associations such as Fuels Europe, the European Chemical Industry Council (CEFIC), PlasticsEurope, and the Polyolefin Circular Economy Platform (PCEP).

Associations aim to adopt positions that reflect a consensus view among members, and thus may not always reflect the view of every member. We continuously monitor our memberships in associations and their positions on issues so we can consider whether our memberships remain appropriate. As part of our commitment to transparency on climate action, we report not only on our own position and action on climate change, but also on the position of key industry associations in which we are a member. The OMV Group reports annually on the alignment between the industry associations in which we are members and OMV's position on climate change policies. Read our 2021 review [here](#).

In cases of misalignment, especially partial misalignment, we will first advocate for changes in the association's position. Where OMV's position and an association's position continue to fail to align, especially in cases of complete misalignment, we will reassess our membership.

2021 Actions

The following key activities were carried out across the Group in 2021:

0 political donations in the Group in 2021

- ▶ In 2021, the EU Green Deal and the Fit-for-55 package were the most relevant regulatory issues for OMV Group in the EU. Sustainable finance legislation, including the EU taxonomy, was on the agenda as well, and the OMV Group participated in the relevant public consultations.



- ▶ OMV Group is represented in the Platform on Sustainable Finance. As a permanent expert group of the European Commission, the Platform assists the European Commission in developing its sustainable finance policies, notably the further development of the EU taxonomy. Its main purpose is to advise the European Commission on several tasks and topics related to further developing the EU taxonomy and to support the Commission in the technical preparation of delegated acts in order to implement the EU taxonomy. In 2021, OMV's expert worked in the Technical Working Group, developing technical screening criteria for the environmental objectives of the EU taxonomy.

- ▶ During our 2021 industry association membership review, we found some partial misalignments and have begun working with the associations in question to get them to full alignment.

Outlook

In 2022, the Fit-for-55 package will be the most relevant regulatory issue for the OMV Group in Europe as well as all initiatives regarding the circular economy and sustainable finance. The OMV Group will closely monitor upcoming public consultations. In addition, the OMV Group plans to publish an update of its industry associations review annually and to expand the scope of review further.

Supply Chain

Material Topic: Supply Chain

Considering social and environmental factors (e.g., business ethics, safety, and carbon footprint of suppliers) in supply chain management.

Key GRI

- ▶ GRI 204: Procurement Practices 2016
- ▶ GRI 308: Supplier Environmental Assessment 2016
- ▶ GRI 414: Supplier Social Assessment 2016

NaDiVeG

- ▶ Respect for human rights
- ▶ Employee and social concerns
- ▶ Corruption prevention
- ▶ Environmental concerns

Most relevant SDGs



Implementing sustainable procurement means caring about the environmental, social, and economic impacts of the goods and services the Company intends to purchase. At OMV, we aim to foster innovation, maximize value contribution, and enable supply chain growth. 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 safety, environmental protection, and human rights standards while managing our supply chain.

Specific Policies and Commitments

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 our supply chain partners are required to sign the Code of Conduct. In addition, our suppliers must accept the [General Conditions of Purchase](#), which further detail our business standards (e.g., labor rights), as an integral part of our 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.

Governance

OMV Procurement is organized as an integrated function and covers day-to-day procurement activities across the entire OMV Group (e.g., including OMV Petrom and Borealis). OMV Procurement is led by the Chief Procurement Officer who reports to the Chief Financial Officer.



From an organizational perspective, OMV Procurement is split into several departments that cover aspects such as Operations & Materials, Raw Materials & Packaging, and Retail & Business Services.

Management and Due Diligence Processes

Prequalification

Supplier prequalification is part of precontractual activities during which OMV collects information from a potential supplier for the purpose of evaluating compliance with our HSSE and other sustainability requirements. The goal of the prequalification process is to screen potential suppliers before bringing them on board or during the tender stage to ensure that only those suppliers who meet our HSSE and sustainability standards can be considered for future collaboration. The prequalification is based on a standardized list of elements and objectives according to the OMV Group's HSSE Management System (e.g., HSSE Policy; ISO 9001, 14001, 45001) and our Sustainability Strategy (e.g., Sustainability Policy, Human Rights Policy, Grievance Mechanisms). In Borealis, especially for raw materials and packaging, suppliers located in a so-called "high-risk" country are asked to submit a positive Together for Sustainability (TfS) audit and assessment report. We define high-risk countries by considering human rights, environmental, and ethical aspects.

Supplier Selection

Following prequalification, Procurement together with business representatives select the best suppliers based on a predefined set of commercial, legal, HSSE, and technical criteria during a tender process. In 2021, we started embedding sustainability elements into the evaluation matrix (e.g., technologically innovative elements, carbon emissions, energy efficiency KPIs) in several pilot projects.

Risk Assessments

Understanding a supplier's risk is an important factor in deciding whether and how we do business with the supplier. In 2019, we began receiving 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. These risk alerts help us conduct a preventive risk management process. Furthermore, OMV has a screening 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.

Audits

OMV conducts supplier audits as part of the prequalification process and/or during contract execution. The aim of the audits is to measure the performance of our suppliers

and define actions that 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 2021, we added a new cybersecurity dimension to our supplier audits. We also perform yearly subject-specific audits on topics such as process safety, quality, and efficiency. During the supplier audits, we place great emphasis on understanding not only the management approach of the topics within the scope of the audits (e.g., HSSE aspects), but also how the topics are understood and applied by the employees on site (e.g., through on-site discussions with workers and managers). All the audits with in-scope sustainability elements were performed remotely in 2021 due to COVID-19 travel limitations.

2021 Actions

24 audits performed by OMV Procurement with sustainability elements included

149 TfS (re)assessments

More than **90** buyers across all locations attended awareness sessions on sustainable procurement.

Together for Sustainability (TfS)

OMV is transforming from a traditional oil and gas company into a global gas, oil, and chemicals group. Borealis has been an active member of Together for Sustainability (TfS) since 2017. Together for Sustainability, a joint initiative and global network of 34 chemical companies, sets the *de facto* global standard for environmental, social, and governance performance of chemical supply chains. The TfS program is based on the UN Global Compact and Responsible Care® principles.

In 2021, OMV joined TfS and expanded the membership to Group level. OMV aims to build on Borealis' expertise and cover a broader range of ESG assessments for our suppliers in the coming years. Becoming a member of Together for Sustainability will help OMV to further embed sustainability in day-to-day business operations and cascade sustainability requirements in our supply chain.

Training

In 2021, we conducted several awareness sessions on sustainable procurement. More than 90 buyers from OMV, OMV Petrom, and Borealis participated in these sessions. The focus was on discussing with buyers what sustainable

procurement means and what can be done to incorporate sustainability into core procurement processes and day-to-day operations (e.g., carbon footprint of purchased goods and services, sustainability in tenders).

COVID-19

In 2020, OMV Procurement defined an internal tool to assess the impact of COVID-19 on selected suppliers based on how critical they are to our business. The COVID-19 assessment focused on topics related to the financial stability of suppliers, their risk of insolvency/bankruptcy, downsizing, and OMV's dependence on the products and services 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.

In 2021, we continued monitoring the impact of COVID-19 on our most critical suppliers.

Outlook

OMV Procurement is constantly striving to improve in various areas, and in the coming years, sustainable procurement will be a high priority. Our three focus areas for the future will be:

- ▶ Sustainable suppliers (e.g., only suppliers who meet OMV's sustainability requirements will be eligible to participate in tenders)
- ▶ Sustainable sourcing (e.g., we aim to integrate sustainability criteria into award decisions, such as CO₂ emissions per kg product)
- ▶ Low-carbon procurement (e.g., we aim to continuously manage and decrease the carbon volume of purchased goods and services)



Target 2025

- ▶ Be an active member of TfS and run sustainability evaluations for all suppliers covering >80% of Procurement spend

Target 2030

- ▶ Extend sustainability evaluations to all suppliers covering 90% of Procurement spend

Status 2021

- ▶ OMV became a TfS member

Relevant SDGs



SDG targets:

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

8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor 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



Local Procurement

We aim to support the local communities in the locations where we operate by fostering economic development. Local procurement strengthens the local economy and meets the local procurement expectations of neighboring communities. Increased local procurement has had the added benefit of reducing business disruption in recent years. Our local procurement activities in Yemen have focused on the communities immediately neighboring our facilities as well as regional Yemeni suppliers. The aim is not only to generate revenue locally but also to provide training to local suppliers to optimize the local supply chain. This in turn provides faster response times and higher quality of service delivery to OMV as we build up local suppliers through effective supplier relationship management.

Management and Due Diligence Processes

Training

We support local communities and suppliers to further their development through capacity building. For instance, OMV Yemen began providing workshops to educate and train local suppliers and contractors in 2019. The focus was on enhancing technical and financial capabilities.

Fit for Purpose

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.

Tracking Value Creation

In 2020, a local content dashboard was developed to measure the efficacy of the local procurement strategy in Yemen, and it continued to be utilized in 2021. The dashboard tracks items including order totals, 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. In 2021, the aim was to define a local content

Carbon Footprint of the Supply Chain

We aim to continuously manage and decrease the carbon volume of our purchased goods and services. OMV is fully committed to climate change mitigation and responsible resource management. Only by working together with our suppliers will we be able to define joint low-carbon initiatives to continuously decrease the carbon emissions in the supply chain and meet our Paris Agreement commitments.

contracting strategy for material stock replacement/reordering with significant input from OMV's warehouse and CSR teams to prepare and engage the local market for this upcoming tender. This strategy will further ensure that future purchases are conducted through local suppliers as a preferred option.

2021 Actions

- 64.9%** Local order value in the OMV Group
- 43.3%** Local order value in Austria
- 31.4%** Local order value in Belgium
- 90.7%** Local order value in Romania

In 2021, we increased our construction activities in Yemen conducted by local suppliers in addition to ongoing carryover activities from 2020. We aim to have a fully defined local content strategy for material supply with a focus on stock materials.

In 2021, in addition to Yemen, we began focusing on local procurement in Tunisia. In Tunisia, our focus is on employability and skills building, local content, and business capacity building. OMV believes in developing local suppliers and maximizing local content. As part of project implementation, especially in the case of Nawara, OMV required contractors to commit to specific targets to increase employment and procurement opportunities for local communities. Extensive work was carried out by the local procurement department to identify local capacity and match it with operational needs, while addressing the gap by designing and implementing a business capacity building project. Various contracting strategies were elaborated that lead to several contracts with local companies to secure some services for OMV operation needs.

Outlook

We will continue to roll out country-specific local procurement strategies in countries with the highest needs.

For this reason, OMV became a CDP Supply Chain member in 2021.

Management and Due Diligence Processes

Identification of High-Emissions Suppliers

As part of CDP Supply Chain, OMV invited around 140 suppliers to answer the CDP Climate Change questionnaire in



2021. Suppliers were selected based on their estimated carbon emissions volume and the carbon intensity of the goods and services purchased from them. As part of our CDP commitment, we asked the selected suppliers to submit to us their Scope 1, Scope 2, and Scope 3 emissions, as well as emissions allocated to products and services delivered to OMV.

Supplier Engagement

Individual meetings and webinars were organized in 2021 to help suppliers understand how to fill out the CDP questionnaire and why this information is important to OMV. In addition to reporting their emissions, we asked the sup-

pliers whether they have carbon reduction targets in place and invited them to share with us any initiatives or projects to reduce carbon emissions in which they would like us to participate. Sustainable procurement and low-carbon procurement were also topics included in the agenda of our annual strategic supplier meetings.

Outlook

For the coming years, we plan to expand the CDP Supply Chain initiative started in 2021 and increase the number of supplier engagements.



Target 2025

- ▶ Engage with suppliers covering 80% of Procurement spend⁵⁴ and assess their carbon footprint as a foundation to define and run joint low-carbon initiatives

Target 2030

- ▶ All suppliers covering >80% of Procurement spend to have carbon reduction targets in place

Status 2021

- ▶ 137 suppliers engaged with
- ▶ 63% of responding suppliers have a climate target in place

Relevant SDGs



SDG targets:

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

⁵⁴ OMV defines A suppliers as suppliers covering 80% of Procurement spend. We plan to increase the number of A suppliers engaged annually to reach 100% of A suppliers by 2025.