

Sustainability at OMV

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Foreword

CEO Statement

A conversation with Alfred Stern, Chairman of the Executive Board and CEO of OMV

More information is available in the video by Alfred Stern in our [online report](#)



Mr. Stern, unfortunately we are conducting this interview in difficult times...

It's true, as we speak we are facing crises few of us have experienced in our lifetimes. The invasion of Ukraine by Russian troops has triggered a humanitarian catastrophe that leaves us stunned. The war is a stark reminder for OMV and many other companies, that the enjoyment of human rights is not a given, and that we must live up to our commitments, which include not being complicit in violations of human rights. OMV is committed to respecting, fulfilling and supporting human rights in relation to all our business activities. To this end, OMV will not pursue any future investments in Russia and is reviewing all options, including exits and divestments, for its existing investments. I sincerely hope that this senseless war will come to a permanent end as soon as possible, as it is only in peace that there can be freedom and well-being.

We are also still in the midst of a global health crisis. The pandemic has now shaped our lives for two years, and forced us all to rethink our approaches to health, social solidarity, ways of working, and mental well-being, among many others. Tragically, we have lost multiple employees to COVID in these last two years, and my deepest sympathies are with their families and loved ones.

And there's the climate crisis, the global loss of biodiversity, the pollution of the oceans, and many other threats facing our planet and people. As a global energy and chemicals company, we of course have a unique responsibility here. That is why it is so important that we are a leader in innovation and circularity and become a net-zero business by 2050. And it is also incredibly important that we have a holistic view of sustainability and develop measures to tackle all of these manifold challenges. That's exactly what we aim to do with our new Company strategy.

"OMV will be a net-zero business by 2050. This key ambition was the basis of the development of our business strategy. Sustainability is at the heart of OMV's new strategy, not an add-on."

How long can OMV afford to keep pursuing the same business model?

Not a single day, if you look at it rationally. Even though we cannot radically change our business model immediately, we must act today and push it in the right direction. The new OMV Strategy 2030 is truly groundbreaking and transformative for OMV. In it, we aim, for the first time, to become a carbon neutral business by 2050. But we do not only have vague future ambitions: we have set 2030 and 2040 absolute Scope 1, 2, and 3 emissions targets, a target to reduce the carbon intensity of our energy supply, and a roadmap for how to achieve these targets by becoming a leader in sustainable fuels and chemicals as well as high-quality materials. We will implement this strategy quickly so that we can benefit optimally from the opportunities offered by the energy transition.



How was sustainability considered in shaping the new OMV strategy?

Our new strategy was developed with sustainability at its core. Our sustainability framework, the key strategic pillars of which are the ambition to become a net-zero business by 2050, to set interim targets aligned with the IEA's Sustainable Development Scenario, to be a leader in circularity, and to consider the Just Transition in strategic planning, was actually agreed upon before the details of the strategy were worked out. Thus, the ambition to become a net-zero business by 2050 was the basis of the development of the business strategy. This reflects our proactive approach to sustainability: sustainability is at the heart of OMV's strategy, not an add-on.

In addition to our new climate and circular economy targets, we have also set new, ambitious targets running the gamut from diversity, equity, and inclusion, to supplier engagement and community investments. Our new sustainability framework truly captures OMV's holistic approach to sustainability. It is based upon engaging with many stakeholder groups to determine what matters to OMV, and how we as a company can shape a more sustainable future.

The development of the new strategy sounds like a true highlight. What have been the lowlights of 2021?

2021 tragically saw three fatalities among OMV contractors. This touches me deeply, for no matter how impressive the results we achieve may be, if they come at the expense of people's well-being, then we have all failed. We are thus redoubling our efforts to ensure the health, safety, and well-being of our workforce, for instance through increasing audits and inspections of contractors and implementing awareness-raising activities at all locations.

You mentioned the Just Transition. What is that, and how will OMV address it?

The Just Transition is considering the impacts of the energy transition on workers and communities. Many

stand to gain from the transition to a cleaner, greener, more circular economy. But there are also those that stand to lose – workers afraid for their jobs and communities who depend on our operations for their livelihood. In OMV's case, our business model will naturally change. Becoming net-zero means that we are pursuing the goal of no longer producing oil and gas as an energy source by 2050. In our strategy, we have pledged to reduce oil and gas production by 2030. Such transformation brings enormous challenges. But there are also opportunities: new jobs at OMV in areas such as renewable energy and recycling.

Our new strategy lays out some ways to begin to address this transition. For instance, we plan to almost double training hours for employees by 2030 – this will also include learning new technologies and skills to be fit for the transition. The effects of climate change and the Just Transition will be incorporated into our human rights and communities approach. Options here include strategic community investments aimed at education, vocational training, and skill development, to ensure that our communities are not left behind, even if OMV's direct role in generating employment is reduced.

Our world is changing and OMV is changing. But I'm certain that we can embrace this change, because OMV has always continued to develop in recent decades, and has always been open to progress. At OMV, we have always provided essentials for a better life – going forward, we will re-invent those essentials for sustainable living. We will create the framework necessary so that everyone who wants to can also take advantage of these opportunities. Because that's truly at the heart of all we do – we want to build a sustainable future for everyone.

Alfred Stern m.p.
Chief Executive Officer



Letter of the Supervisory Board

Dear Shareholders,

In 2021, OMV continued to underscore its strong commitment to being a responsible market player by embarking on a wide-reaching transformation, with new leadership and a new Company strategy firmly rooted in sustainability.



In December 2021, the OMV Supervisory Board signed off on the new strategy that will see OMV become a carbon neutral business by 2050. As part of this journey, OMV has set concrete short, mid, and long-term greenhouse gas reduction targets across all scopes, on an absolute and intensity basis. With a continued strong focus on technology and innovation, the overarching goal remains to continue our growth path as an integrated company and to become a leading player for sustainable fuels, chemicals, and materials embracing the circular economy. This will put OMV ahead of the energy transition and make us a future-proof company with great potential for sustainable value creation.

Several important decisions paved the way in 2021 for our contribution to circularity and achieving our net zero ambition. OMV took the final investment decision in 2021 to build a Glycerin2Propanol pilot plant at its Schwechat

refinery which will produce second-generation biofuels from 2023. The long-term plan is to commercialize the technology in order to produce around 125 mn liters of propanol per year and reduce CO₂ by around 180,000 metric tons annually. We also took the final investment decision to build the ReOil® 2000 chemical recycling demo plant, which will go into full operation in 2023 with a capacity of 16,000 tons per year. In a next step, the OMV ReOil® process is being developed into a commercially economical technology on a large industrial scale by 2026, which then shall process up to 200,000 tons of plastic waste per year. Meanwhile, to continue to scale up our mechanical recycling business, our subsidiary Borealis, together with partners, has opened a state-of-the-art advanced mechanical recycling demonstration plant in Lahnstein, Germany.

In order to support and monitor the transformation of OMV to a more sustainable business model, the governance within the Supervisory Board was also amended. In 2021, the Sustainability and Transformation Committee was formed to support the Company's Supervisory Board in reviewing and monitoring OMV's strategy with regard to sustainability, ESG-related standards, processes and performance. In particular, the Committee deals with the challenges of climate change and serves to support and oversee the transformation towards a more sustainable business model.

I am very pleased to report that OMV's comprehensive approach to sustainability continues to be recognized by independent ESG rating agencies. Notably in 2021, OMV was awarded the Platinum Medal in the annual EcoVadis sustainability assessment for the first time. This result places OMV in the top 1 percent of all 75,000 companies rated globally by EcoVadis.

OMV has opted to prepare its mandatory consolidated non-financial disclosures as a separate consolidated non-financial report (Sustainability Report). The consolidated non-financial report that is presented pursuant to Section 96(1) of the Stock Corporation Act was subject to independent external assurance as well as a comprehensive audit and was discussed extensively by the Audit Committee, the Sustainability and Transformation Committee and the Supervisory Board. The Supervisory Board found no issues during the audit and approved this Report.

For the Supervisory Board
Mark Garrett m.p.
Chairman of the Supervisory Board



Highlights 2021

New strategy set:

Net-zero

emissions across
entire business by 2050

66.4 g CO₂/MJ

carbon intensity of energy
supply

Platinum

rating from Ecovadis (top
1% of rated companies)

34.1 %

Taxonomy-eligible CAPEX

FID

made to build ReOil® demo
plant with a capacity of
16,000 t/year

EUR 18.4 mn

social investments with
2.7 mn beneficiaries

Joined

91,000 t

-11 %

Together for Sustainability
to enhance sustainable
procurement

of circular material
(recyclates and biobased
material) sold via Borealis

absolute Scope 1 and 2
emissions vs 2019

20.9 %

share of women at
management level

Top ESG Ratings:

AAA from MSCI, A- in CDP
Climate Change, and
included in DJSI World

0.1 %

of freshwater withdrawal is
in water scarce areas

16,020

EUR > 13 bn

68 %

employees
trained in business ethics

to be invested in
low-carbon projects until
2030

waste recovery or recycling
rate



OMV at a Glance

OMV produces and markets oil and gas, as well as chemical products and solutions in a responsible way and develops innovative solutions for a circular economy. In 2021, Group sales amounted to EUR 36 bn. With a year-end market capitalization of around EUR 16 bn, OMV is one of Austria's largest listed industrial companies. The majority of its roughly 22,400 employees work at its integrated European sites.

Value Chain

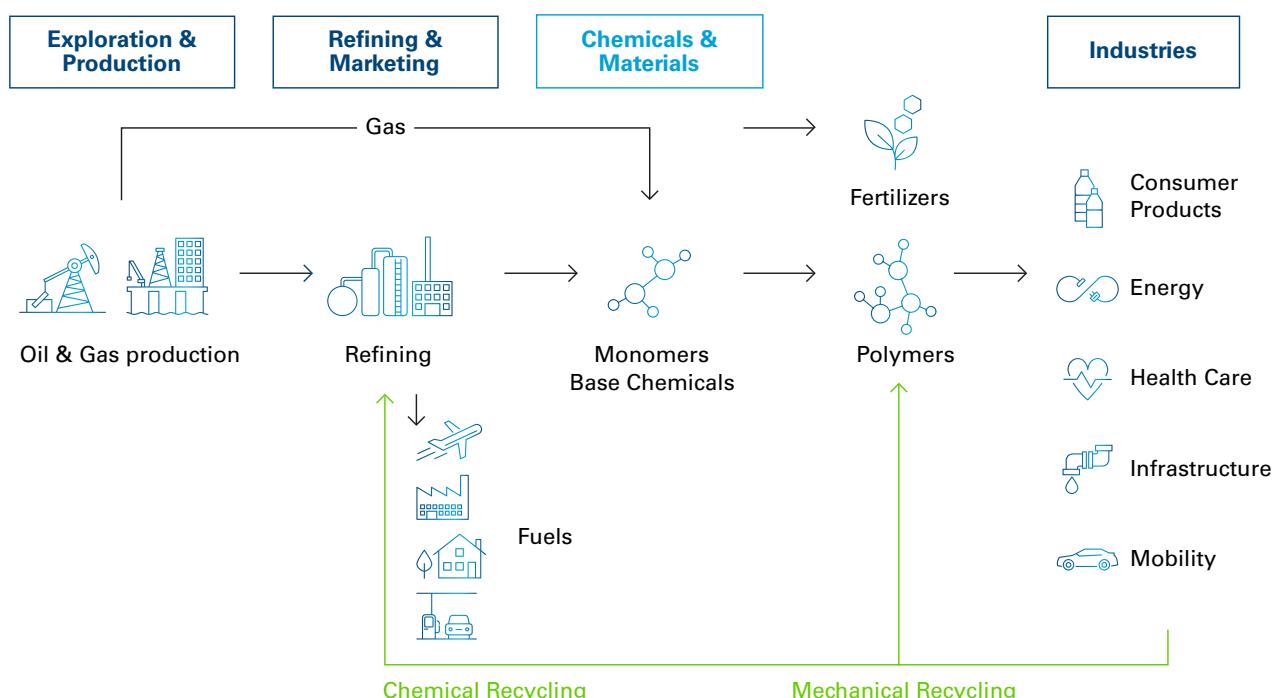
In Exploration & Production, OMV explores, develops, and produces oil and gas in its four core regions of Central and Eastern Europe, the Middle East and Africa, the North Sea, and Asia-Pacific and produces gas in a JV in Russia.¹

Daily production was 486 kboe/d in 2021 (2020: 463 kboe/d). While natural gas accounted for 59% of total production, liquids amounted to 41%.

In Refining & Marketing, OMV operates three refineries in Europe, Schwechat (Austria) and Burghausen (Germany),

both of which feature integrated petrochemical production, and the Petrobrazi refinery (Romania). In addition, OMV holds a 15% share in ADNOC Refining and in ADNOC Global Trading. OMV's total global processing capacity amounts to around 500 kbb/d. Fuels and other sales volumes (Europe) were 16.3 mn t in 2021 (2020: 15.5 mn t) and the retail network consists of around 2,100 filling stations.² The natural gas sales volume was 196.4 TWh in 2021 (2020: 164.0 TWh). OMV owns gas storage facilities with a capacity of 30 TWh, holds a 65% share in the Central European Gas Hub (CEGH), and operates a gas-fired power plant in Romania.

In Chemicals & Materials, OMV, through its subsidiary Borealis, is one of the world's leading providers of advanced and circular polyolefin solutions with total polyolefin sales of 5.9 mn t in 2021 (2020: 5.9 mn t), and a European market leader in base chemicals, fertilizers³ and plastics recycling. The company supplies services and products to customers worldwide through Borealis and its two important joint ventures: Borouge (with ADNOC, based in the UAE) and Baystar™ (with TotalEnergies, based in the US).



¹ OMV decided to not pursue any future investments in Russia. As a result, Russia is no longer considered one of OMV's core regions.

² 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.

³ On February 2, 2022, Borealis received a binding offer from EuroChem for the acquisition of its nitrogen business, including fertilizer, melamine and technical nitrogen products. On March 10, 2022, Borealis announced that it was declining the offer due to the war in Ukraine and sanctions that have been put in place. Borealis will now consider various options regarding the future of its nitrogen business.



EU Taxonomy Reporting

As part of the European Commission's Sustainable Growth Financing Action Plan, Regulation (EU) 2020/852 establishing an EU classification system for ecologically sustainable economic activities (EU Taxonomy) entered into force in 2020.

The EU Taxonomy is a key instrument for the European Union to redirect capital flows toward sustainable investments and to create market transparency. It encourages increased channelling of investments by companies, investors and policy-makers to where they are most needed for sustainable development. Therefore, the EU Taxonomy Regulation will play an important role in scaling up sustainable investments and implementing the European Green Deal. According to the EU Taxonomy, the OMV Group is required to disclose how, and to what extent, its activities are classified as sustainable, as defined in the EU Taxonomy Regulation.

The Taxonomy Regulation establishes six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

In June 2021, the Commission formally adopted the Climate Delegated Act, establishing the criteria that define which activities substantially contribute to climate change mitigation and adaptation, the first two out of six environmental objectives.

OMV's Process for Determining Taxonomy-Eligibility

In 2021, OMV assessed how much its activities contributed to the objectives of climate change mitigation and adaptation, as required by the EU Taxonomy. In the first year of the Taxonomy's application, we are required to disclose the share of Taxonomy-eligible economic activities in our total turnover, CAPEX, and OPEX.

The assessment of eligible activities in the OMV Group was carried out through an interdisciplinary project team, using a bottom-up and a top-down approach. A series of internal workshops with management and experts was held in order to give OMV businesses an introduction into the new EU Taxonomy and disclosure requirements. A series of workshops was held with all business segments and corporate entities to ensure a bottom-up identification of eligible activities, assets, processes, and related eligible CAPEX/OPEX. A final eligibility check of all

identified activities/products was performed with an external party.

OMV's values for the KPIs are derived from the figures reported in the Group's consolidated IFRS financial statements. Disposal groups classified as held for sale according to IFRS 5 (see [OMV Consolidated Financial Statements 2021, Note 20](#)) have been fully excluded from the calculation of the KPIs because OMV took the decision to sell these parts of the Group. This means that disposal groups according to IFRS 5 have not been considered in the assessment of eligible activities and they have been excluded from the denominator of the KPIs for the full reporting period 2021, irrespective of when the reclassification to be held for sale was booked. The exclusion of disposal groups from the KPIs leads to a discrepancy with the financial report of the OMV Group.

Subsidiaries that are not fully consolidated and joint ventures were excluded from the assessment as per the reporting requirements of the EU Taxonomy Regulation.

Definition of Turnover

The proportion of Taxonomy-eligible economic activities in the total turnover has been calculated as the part of sales revenues derived from products and services associated with Taxonomy-eligible economic activities (numerator) divided by the sales revenues (denominator), in each case for the financial year from January 1, 2021, to December 31, 2021. The denominator is based on OMV's consolidated sales revenues ([OMV Consolidated Financial Statements 2021, Note 5](#)) and adjusted for sales revenues coming from disposal groups according to IFRS 5. For further details on our accounting policies regarding the consolidated sales revenues, see [OMV Consolidated Financial Statements 2021, Note 2.3b](#).

Definition of CAPEX

The CAPEX KPI is defined as Taxonomy-eligible CAPEX (numerator) divided by our total CAPEX (denominator). The denominator, total CAPEX, consists of additions to intangible assets (including oil and gas properties with unproved reserves), tangible assets, and right-of-use assets and is adjusted to exclude any additions related to disposal groups according to IFRS 5 during the reporting period (see [OMV Consolidated Financial Statements 2021, Notes 14 and 15](#)). For further details on our accounting policies regarding the relevant assets, see [OMV Consolidated Financial Statements 2021, Note 2.3g ff.](#)

In the refineries, CAPEX related to PPE used for a joint production of fuels and organic basic chemicals has been allocated to the production of organic basic chemicals (activity 3.14) using an allocation key reflecting the yield, size, and complexity of the different refinery plants used for producing fuels and organic basic chemicals.



Definition of OPEX

The OPEX KPI is defined as Taxonomy-eligible OPEX (numerator) divided by our total OPEX (denominator). Total OPEX consists of R&D expenses, maintenance and repair costs, other direct expenditure related to day-to-day servicing of assets, and short-term leases.

R&D expenses include the research and development expenses recognized according to IAS 38 and included in the line "Other operating expenses" in the income statement (see [OMV Consolidated Financial Statements 2021, Note 9](#)).

Maintenance and repair costs and other direct expenditure related to day-to-day servicing of assets mainly include costs for external services, personnel expenses, and material costs

related to regular and unplanned maintenance, repair, and servicing measures. The related cost items can be found in the line items production and operating expenses as well as selling, distribution, and administrative expenses of the income statements. In the refineries, maintenance and repair costs allocated to cost centers involved in the joint production of fuels and organic basic chemicals have been allocated to the production of organic basic chemicals (activity 3.14) using an allocation key reflecting the yield, size, and complexity of the different refinery plants used for producing fuels and organic basic chemicals. Expenses for short-term leases have been determined and included in line with IFRS 16. Direct costs for training and other human resources adaptation needs are excluded from the denominator and the numerator.

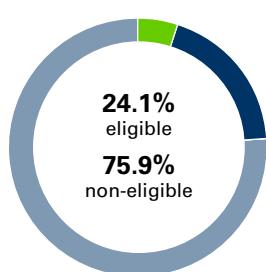
2021 Overview

Taxonomy-Eligible Turnover

In 2021, 24.1% of OMV's turnover can be classified as Taxonomy-eligible. The largest contributors were the activities 3.17 Manufacture of plastics in primary form, which reflects the activities of our Chemicals & Materials segment (e.g., production of polyolefins), and 3.14 Manufacture of organic basic chemicals, also stemming from the Chemicals & Materials segment (e.g., production of ethylene and propylene). Together these made up 99.6% of our Taxonomy-eligible turnover.

Turnover

in mn EUR

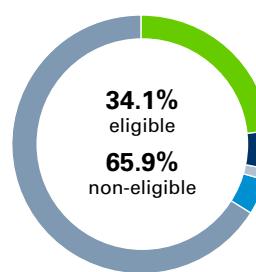


■ Manufacture of organic base chemicals	1,680.1
■ Manufacture of plastics in primary form	6,173.5
■ Other eligible activities	30.8
■ Non-eligible	24,893.8
Total	32,778.1

these made up 82.9% of our Taxonomy-eligible CAPEX. Other contributors were activity 9.1 Close to market research, development and innovation (e.g., R&D into chemical recycling, e-fuels, geothermal), various activities in Sector 6. Transport (e.g., railway transportation and infrastructure, hydrogen filling stations), various activities in Sector 4. Energy (e.g., generation of electricity using solar photovoltaic technology and wind power), and activity 7.2 Renovation of existing buildings (mainly filling stations).

CAPEX

in mn EUR



■ Manufacture of organic base chemicals	610.3
■ Manufacture of plastics in primary form	126.1
■ Close to market research, development, and innovation	35.4
■ Other eligible activities	117.2
■ Non-eligible	1,714.2
Total	2,603.1

Taxonomy-Eligible OPEX

In 2021, 45.2% of OMV's OPEX can be classified as Taxonomy-eligible. The largest contributors were the activities 3.14 Manufacture of organic basic chemicals and 3.17 Manufacture of plastics in primary form, both of which reflect the activities of our Chemicals & Materials segment. Together

Taxonomy-Eligible OPEX

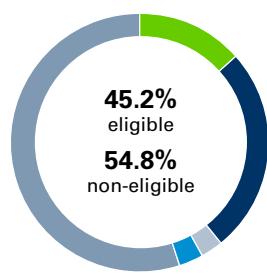
In 2021, 45.2% of OMV's OPEX can be classified as Taxonomy-eligible. The largest contributors were the activities 3.17 Manufacture of plastics in primary form and 3.14 Manufacture of organic basic chemicals, both of which reflect the activities of



our Chemicals & Materials segment. Together these made up 86.7% of our Taxonomy-eligible OPEX. Other contributors were activity 9.1 Close to market research, development and innovation (e.g., R&D into ReOil®), and various activities in Sector 6. Transport (e.g., infrastructure for rail transportation).

OPEX

in mn EUR



■ Manufacture of organic base chemicals	81.2
■ Manufacture of plastics in primary form	156.0
■ Close to market research, development, and innovation	16.9
■ Other eligible activities	19.6
■ Non-eligible	331.7
Total	605.4

Outlook

For 2022, the complete reporting requirements of the EU Taxonomy will be applicable for the first time. This means that in the coming year, we will assess how much of our activities are not only Taxonomy-eligible, but also Taxonomy-aligned. We expect significantly lower levels of alignment than of eligibility.

Furthermore, the Commission expects to adopt the second Delegated Act related to the remaining four environmental objectives in 2022; thus we will also assess and report on those activities.

OMV is member of the Platform on Sustainable Finance, the permanent expert group of the European Commission that has been established under Article 20 of the EU Taxonomy Regulation and assists the Commission in developing its sustainable finance policies, notably the further development of the EU Taxonomy.

Stakeholder Engagement

OMV is committed to stakeholder engagement and convinced that mutual respect, transparent behavior, and open dialogue are the best foundations for a good relationship with the various stakeholders we interact with. In our stakeholder engagement approach, we identify and manage relationships with persons, groups, or organizations who might be affected by our activities or who may have an impact on our business.

Stakeholder Groups	Examples of OMV Engagement	Examples of Key Topics and Concerns Raised by Stakeholders
Capital market participants	<ul style="list-style-type: none"> ▶ Regular reports and presentations, roadshows, Annual General Meetings, conferences ▶ Socially responsible investor (SRI) meetings 	<ul style="list-style-type: none"> ▶ Share price and overall Company performance ▶ Creditworthiness ▶ Valuation compared to peers
Customers	<ul style="list-style-type: none"> ▶ Advertising ▶ Events 	<ul style="list-style-type: none"> ▶ Price and quality of products and services ▶ Customer service
Employees	<ul style="list-style-type: none"> ▶ Townhall events, small update events with an Executive Board member ▶ Internal newsletters, infoscreens, intranet, internal blog 	<ul style="list-style-type: none"> ▶ Career and development opportunities ▶ Transparent communication and information ▶ Supportive management
Governmental authorities	<ul style="list-style-type: none"> ▶ Information exchange ▶ Relationship management ▶ Regular reporting (as required by law) 	<ul style="list-style-type: none"> ▶ Regulatory framework ▶ Business environment ▶ Security of (energy) supply
Industry associations	<ul style="list-style-type: none"> ▶ Information exchange and regular contact with industry associations 	<ul style="list-style-type: none"> ▶ Regulatory framework ▶ Business environment
Local communities	<ul style="list-style-type: none"> ▶ Sustainability projects, sponsorships, and donations ▶ Grievance mechanisms 	<ul style="list-style-type: none"> ▶ Social and environmental standards and impacts ▶ Engagement with local community
Media	<ul style="list-style-type: none"> ▶ Press releases and conferences ▶ Interviews 	<ul style="list-style-type: none"> ▶ Overall Company strategy, performance, and results
NGOs/NPOs	<ul style="list-style-type: none"> ▶ Social projects, sponsorships, and donations ▶ Stakeholder dialogue and grievance mechanisms 	<ul style="list-style-type: none"> ▶ Environmental, social, and climate performance and risks ▶ Long-term OMV strategy



Stakeholder Groups	Examples of OMV Engagement	Examples of Key Topics and Concerns Raised by Stakeholders
Peer companies, competitors, JV and other business partners	<ul style="list-style-type: none">▶ Industry meetings▶ Contracts▶ Participation in working groups such as IPIECA, IOGP	<ul style="list-style-type: none">▶ Industry-wide standards for sustainability topics▶ Good practice in exploration, development, and production activities
Scientific and research institutions	<ul style="list-style-type: none">▶ Joint projects with industry partners, scientific organizations, and universities▶ Conferences and lectures	<ul style="list-style-type: none">▶ Information on and best practice for new technologies
Suppliers and contractors	<ul style="list-style-type: none">▶ Negotiations and contracts▶ Supplier audits and assessments▶ Supplier events	<ul style="list-style-type: none">▶ Fair contracts▶ On-time payment▶ Adequate working conditions

Key Memberships

OMV is an active member and has leadership positions in numerous national, regional, European, and international associations. Industry associations and consortiums play an important role in developing and implementing industry standards and best practices in areas such as safety and environmental protection. They also provide a valuable platform for engagement with governments, regulators, and communities on topics such as energy, climate action, and trade. OMV participates in industry associations and consortiums to support our understanding of issues, share knowledge, help develop standards, and provide input to regulatory authorities on behalf of the sector. Some of the key associations and consortiums which the OMV Group, including through subsidiaries such as OMV Petrom and Borealis, participates in are:

- ▶ AEA – Austrian Energy Agency
- ▶ ARPEE – Romanian Association for Promoting Energy Efficiency
- ▶ BusinessEurope
- ▶ CEFIC – European Chemical Industry Council
- ▶ CEFLEX – Circular Economy for Flexible Packaging
- ▶ CEP – Clean Energy Partnership
- ▶ Concawe – Conservation of Clean Air and Water in Europe

- ▶ Fertilizers Europe
- ▶ FGW – Fachverband der Gas- und Wärmeversorgungsunternehmungen
- ▶ FIC – Foreign Investors Council
- ▶ FPPG – Oil and Gas Employers Federation
- ▶ FuelsEurope
- ▶ FVMI – Fachverband der Mineralölindustrie
- ▶ Hydrogen Europe
- ▶ IOGP – International Association of Oil & Gas Producers
- ▶ IPIECA
- ▶ IV – Vereinigung der Österreichischen Industrie
- ▶ MWV – Mineralölwirtschaftsverband
- ▶ OCIMF – Oil Companies International Marine Forum
- ▶ Petrochemicals Europe
- ▶ PlasticsEurope
- ▶ PRE – Plastics Recyclers Europe
- ▶ RBSTA – Romanian Black Sea Titleholders Association
- ▶ Solomon Associates
- ▶ WindEurope
- ▶ WKO – Wirtschaftskammer Österreich
- ▶ WPC – World Plastics Council



Sustainability Framework

We are committed to building a sustainable world worth living in – for everyone. Sustainability and circularity lie at the center of our Group strategy. We aim to become a net-zero business by 2050, accelerate the energy transition, and proactively expedite the transition from a linear to a circular economy. We build positive relationships with our employees, communities, suppliers, and other stakeholders, including by addressing social and economic effects of the transition to an environmentally sustainable economy.

Our Sustainability Framework is built around the three pillars Environmental, Social, Governance (ESG). We have made the following commitments, which lie at the heart of our Sustainability Framework, to propel our ESG journey:

Environmental:

- ▶ OMV continuously improves the carbon efficiency of its operations and product portfolio, is fully committed to supporting and accelerating the energy transition, and aims to become a net-zero business by 2050 or sooner.
- ▶ OMV is fully committed to acting 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, using natural resources efficiently, and avoiding biodiversity disruption.

Social:

- ▶ Health, safety, and security have the highest priority in all activities, and OMV is fully committed to proactive risk management to realize its HSSE Vision of “ZERO harm – NO losses.”
- ▶ OMV is committed to building and retaining a talented expert team for international and integrated growth, and we embrace our difference(s) and use our diversity of thought and experience as a catalyst for growth and creativity.

- ▶ OMV is committed to ensuring fair treatment and equal opportunities for all employees, and has zero tolerance for discrimination and sexual and non-sexual harassment.
- ▶ 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.
- ▶ OMV is committed to contributing to a Just Transition for our employees and communities, and addressing the social and economic effects of the transition to an environmentally sustainable economy.

Governance:

- ▶ OMV strives to uphold equally high ethical standards at all locations, and aims to earn stakeholders’ confidence by implementing a high standard of corporate governance and by maintaining high standards of transparency and predictability.
- ▶ OMV is committed to implementing sustainable procurement, which means caring about the environmental, social, and economic impacts of the services and goods the Company intends to purchase.

Our Strategy 2030 is underpinned by this Sustainability Framework, with all business decisions informed by our ambition to become a net-zero business. Within our Sustainability Framework, we have established five strategic focus areas: Climate Change; Natural Resources Management; Health, Safety, and Security; People; and Ethical Business Practices. For each of these focus areas, we have formulated concrete targets and actions to be achieved by 2030. These serve as OMV’s contribution to the UN 2030 Agenda for Sustainable Development.

Our sustainability ambitions, especially getting to net zero, can only be achieved with considerable effort and capital allocation. The Group has earmarked investments of more than EUR 13 bn for the purpose of achieving our emissions reduction targets.



Targets



Climate Change

Intensity Targets

Carbon intensity of operations

-18%

Status 2021

Reduced carbon intensity of operations (Scope 1) vs.
2010

≥30%

Target 2025

Reduce carbon intensity of operations (Scope 1) by
≥30% vs. 2010

Carbon intensity of energy supply

-2.8%

Status 2021

Reduced carbon intensity of
energy supply vs. 2019

≥20%

Target 2030

Reduce carbon intensity of
energy supply by ≥20% vs. 2019

≥50%

Target 2040

Reduce carbon intensity of
energy supply by ≥50% vs. 2019

Carbon intensity of the product portfolio

-5%

Status 2021

Reduced carbon intensity of product portfolio
(Scope 3) vs. 2010

>6%

Target 2025

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

Methane intensity

0.6%

Status 2021

E&P methane intensity

0.2%

Target 2025

Achieve an E&P methane
intensity of 0.2% or lower

0.1%

Target 2030

Achieve an E&P methane
intensity of 0.1% or lower



Absolute Targets

Scope 1

0.53 mn t**Status 2021**

reduced through concrete emissions reductions initiatives and divestments since 2020

1 mn t**Target 2025**

Achieve at least 1 mn t CO₂ reductions in 2020–2025 from operated assets

Scope 1 and 2

-11%**≥30%****≥60%****Status 2021**

Reduced Scope 1 and Scope 2 emissions vs. 2019

Target 2030

Reduce Scope 1 and Scope 2 emissions by ≥30% vs. 2019

Target 2040

Reduce Scope 1 and Scope 2 emissions by ≥60% vs. 2019

Scope 3

+2%**≥20%****≥50%****Status 2021**

Increased Scope 3 emission vs. 2019

Target 2030

Reduce Scope 3 emissions by ≥20% vs. 2019

Target 2040

Reduce Scope 3 emissions by ≥50% vs. 2019

Flaring and Venting

410 mn m³**0****Status 2021**

Volume of gas routinely flared in 2021 vs. 462 mn m³ in 2020

Target 2030

Zero routine flaring and venting of associated gas as soon as possible, but no later than 2030

Key Actions:

- ▶ Phase out routine flaring and venting
- ▶ Conduct energy efficiency programs
- ▶ Run methane leakage and repair programs
- ▶ Purchase 100% renewable energy in C&M
- ▶ Decrease fossil fuels production and sales (reducing oil and gas production levels to below 400 kboe/d and reducing crude distillation throughput by 2.6 mn t)



- ▶ Grow production of renewable mobility fuels and sustainable chemical feedstocks to approximately 1.5 mn t annually, including producing and marketing at least 700 kt of sustainable aviation fuels annually
- ▶ Develop CCS storage capacity of around 5 mn t/year CO₂ net to OMV by 2030 (thereof 2 mn t/year at OMV Petrom)
- ▶ Build up around 10 TWh of renewable energy production (including geothermal, PV, wind)
- ▶ Pursue uptake of green gases, such as biogas and H₂, primarily from trading, in gas sales portfolio mix



Natural Resources Management

Circular materials

91 kt**Status 2021**

of circular material (recyclates and biobased material) sold via Borealis; production capacity of 100 kt established at Borealis

350 kta**Target 2025**

Produce 350 kta recycled polyolefins

2,000 kta**Target 2030**

Produce ~2,000 kta sustainable (includes recycled and biobased) polyolefins

Fossil resources

486 kboe/d**Status 2021**

Production: 486 kboe/d; crude throughput: 15.7 mn t

400 kboe/d**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

Waste

68%**Status 2021**

Waste recovery or recycling rate

**Target 2025**

Increase waste reuse and recycling from operations

Target 2030

Increase waste reuse and recycling from operations



Water withdrawal

332,901



Status 2021

megaliters of freshwater withdrawal

Target 2025

Reduce freshwater withdrawal

Target 2030

Reduce freshwater withdrawal

Key Actions:

- ▶ Build up capabilities for procurement of sustainable feedstocks (plastic waste and bio-feedstocks) for polyolefins
- ▶ Accelerate development of and scale advanced mechanical recycling business and chemical recycling business
- ▶ Develop and implement a sustainable product portfolio for biobased polyolefins
- ▶ Build up design for recycling and reuse businesses for polyolefins
- ▶ Optimize water management in operations
- ▶ Develop environmental targets



Health, Safety, and Security

TRIR

0.96

Status 2021

Total Recordable Injury Rate (TRIR)

1.0

Target 2025

Achieve a Total Recordable Injury Rate (TRIR) of around 1.0 per 1 mn hours worked

<1.0

Target 2030

Stabilize Total Recordable Injury Rate (TRIR) at below 1.0 per 1 mn hours worked

Fatalities

3

Status 2021

work-related fatalities

0

Target 2025

Achieve zero work-related fatalities

0

Target 2030

Achieve zero work-related fatalities



Process Safety

0.23



Status 2021

Process Safety Event Rate

Target 2025

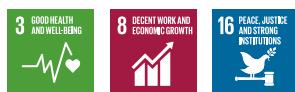
Maintain leading position in Process Safety Event Rate

Target 2030

Maintain leading position in Process Safety Event Rate

Key Actions:

- ▶ Develop HSSE Strategy and annual HSSE plans
- ▶ Continue Borealis integration
- ▶ Safety Leadership Program and Safety Culture Program
- ▶ Continuously improve process safety management
- ▶ Learn from incidents



People

Women in management

20.9%

Status 2021

Share of women at management level

25%

Target 2025

Increase share of women at management level to 25%

30%

Target 2030

Increase share of women at management level to 30%

Women in executive management

26.7%

Status 2021

of Executive Board members are female

20%

Target 2030

Min. 20% of Executive Board members are female
(stretch target: 30%)



International experience

71.8%**Status 2021**

Share of executives with international experience

75%**Target 2025**

Keep share of executives with international experience at min. 75%

75%**Target 2030**

Keep share of executives with international experience at min. 75%

International management

60%**Status 2021**

Share of international management

65%**Target 2030**

Increase share of international management to 65%

Employee training

18**Status 2021**

hours of annual learning

30**Target 2030**

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

Disability support

**Status 2021**

Disability included in diversity, equity, and inclusion strategy

**Target 2030**

Increase support for employees with disabilities at our main locations



Human rights awareness

54%

Status 2021

OMV Group employees trained in human rights

100%

Target 2025

Train all OMV Group employees in human rights

Human rights due diligence

8

Status 2021

assessments conducted in the last 5 years

100%

Target 2030

Conduct human rights assessments and develop action plans for all OMV Group operations with a high level of human rights risks every 5 years

Community relations

7

Status 2021

out of 9 sites in Scope assessed

100%

Target 2025

Community Grievance Mechanism of all sites assessed against UN Effectiveness Criteria

Community investments

1.46%⁴

Status 2021

of Group investment directed toward social goals

1%

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)

Key Actions:

- ▶ Establish a global DEI Board/Council
- ▶ Conduct regular global people and culture surveys
- ▶ Regularly report on gender-related salary equality
- ▶ Regularly report on 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
- ▶ Introduce yearly learnings awards
- ▶ Provide employees with the ability to self-monitor their learning hours
- ▶ Roll out new leadership training and assessment to reinforce inclusive and growth mindset behavior
- ▶ Introduce mandatory human rights e-learning

⁴ 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.



- ▶ Integrate climate change and Just Transition into the Human Rights Management System
- ▶ Pursue a social investment strategy addressing the UN SDGs and reflecting a continued increase in social spending



Ethical Business Practices

Supplier evaluation



>80%

90%

Status 2021

OMV became a TfS member

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 suppliers covering 90% of procurement spend

Carbon footprint of suppliers

137

80%

Status 2021

suppliers engaged with

Target 2025

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

Carbon footprint of suppliers

63%



Status 2021

of responding suppliers have a climate target in place

Target 2030

All suppliers covering >80% of procurement spend to have carbon reduction targets in place



Business ethics

16,020



Status 2021

employees in the OMV Group trained in business ethics

Target 2025

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

Key Actions:

- ▶ Screen all suppliers against mandatory ESG criteria during supplier prequalification
- ▶ Foster the digital availability of compliance services and information, in particular by broadening the functions of the OMV Compliance app

- ▶ Operate a state-of-the-art compliance management system (verified and approved under IDW PS 980 standard in 2022)



Further details and definitions for each target can be found in the respective Focus Areas sections of the report.

Sustainability Governance

Sustainability-related topics (including issues relating to climate change mitigation and adaptation) are fully integrated into the overall governance structure of the Company. These topics have the same weight as any other business consideration and, following the Company's responsible approach to business, are integrated into the daily operation and management processes of the Company.

The Executive Board is the highest managing body of the Company and is responsible for setting and implementing the Company strategy, including climate and other sustainability targets. The Executive Board reports to the Supervisory Board on a regular and ad-hoc basis. The Supervisory Board appoints members of the Executive Board, monitors and supervises its decisions, and advises the Executive Board on strategy development.

At Group level, responsibility for sustainability reporting and ESG governance lies with the Carbon, Energy & ESG Management team in Investor Relations & Sustainability, which is the responsibility of the CFO. The team works across the business to determine gaps in sustainability performance, define expectations, conduct benchmarking, and develop best practices.

This team works in close collaboration with the various Group functions that are responsible for implementing OMV's Sustainability Framework. In this diagram, we map the coverage of sustainability topics by key corresponding Group functions. Further details are disclosed in the Governance descriptions of each material topic found throughout this Report.

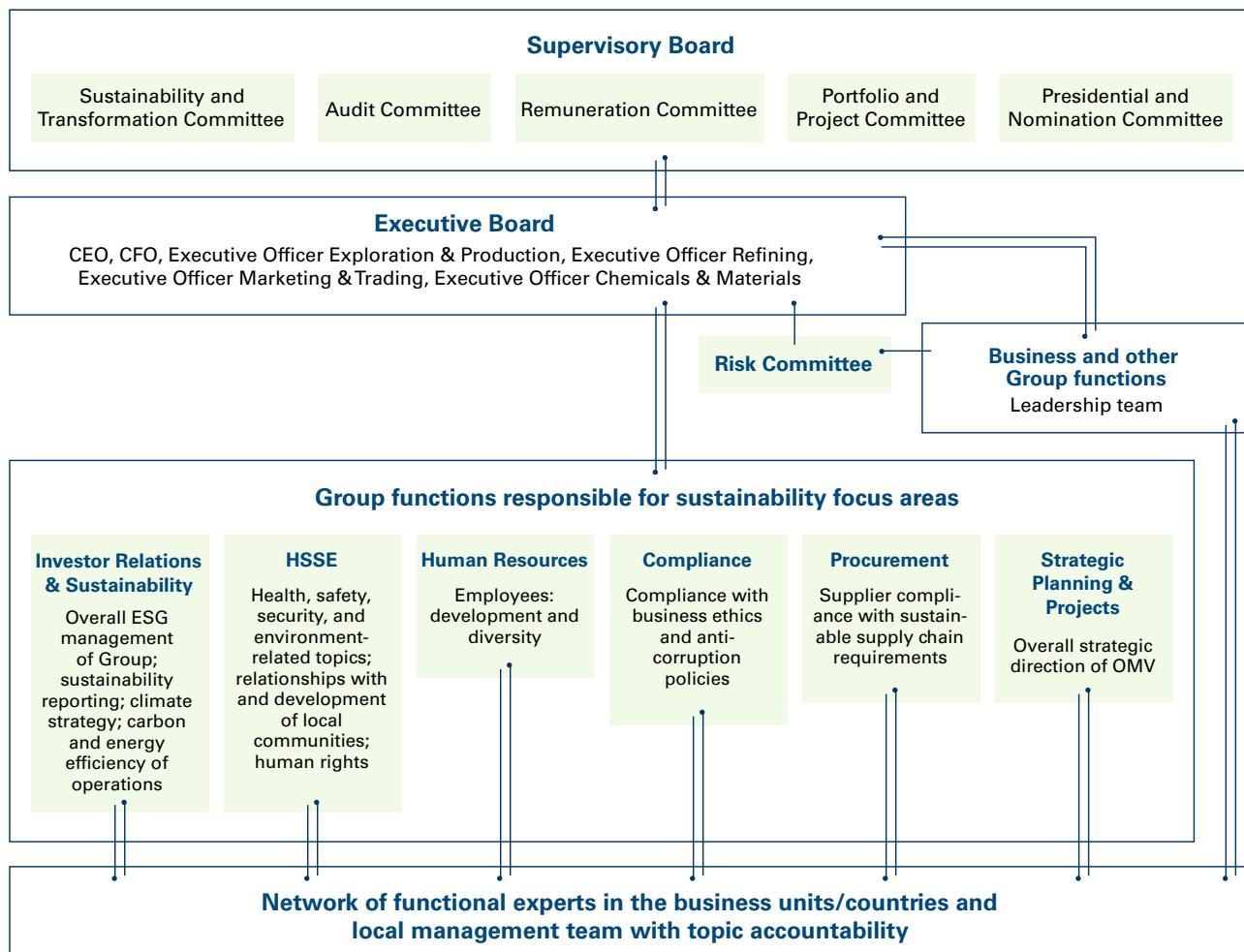
Group functions continuously develop and steer the processes relevant to the implementation of activities relating to social and environmental performance, and propose an action plan to functional experts in related business units on the ground. The functional experts remain in continuous communication regarding progress on the planned implementation. Each Group function reports directly to the Executive Board on the relevant social and environmental issues. They include reporting on progress in the implementation of the Sustainability Framework and related targets, presenting important events with regard to the material topics, and submitting for approval implementation plans for sustainability initiatives.

In 2021, we began a review of our sustainability governance structure. As a first result, a new committee was created at Supervisory Board level, the Sustainability and Transformation Committee. The purpose of the Sustainability and Transformation Committee is to support the Company's Supervisory Board in reviewing and monitoring OMV's



strategy with regard to sustainability; ESG-related standards, performance, and processes; as well as HSSE (Health, Safety, Security, Environment) performance and, in particular, 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. In 2022, we will continue to evaluate our existing sustainability governance processes and take action to implement new structures in 2022, if deemed necessary.



Executive Remuneration

The Supervisory Board appoints among its members qualified expert committees that support the decision-making of the Supervisory Board. The Remuneration Committee is authorized to determine the Executive Board's remuneration, including the structure of the remuneration system and the actual target achievement. The Executive Board remuneration consists of fixed and variable remuneration elements. The variable remuneration – the Long-Term Incentive Plan (LTIP) and the annual bonus – includes performance criteria related to the Company's sustainability and GHG performance.

Following shareholder engagement and feedback during corporate governance roadshows in autumn 2019, the Remuneration Committee decided to put an even stronger emphasis on sustainability and environmental topics. The

Executive Remuneration Policy introduced in 2020 includes a greenhouse gas (GHG) emissions reduction target and a diversity target in the Long-Term Incentive Plan. In addition, the annual bonus calculation is subject to a Sustainability Multiplier. The Sustainability Multiplier as part of the annual bonus is determined at the discretion of the Supervisory Board based on a predefined set of criteria that are selected due to their importance for OMV's sustainability performance. The set of criteria for the Sustainability Multiplier 2021 includes workplace accidents involving fatalities, TRIR, number and volume of oil spills, as well as progress on concrete sustainability projects including, but not limited to, carbon reduction measures. Starting in 2022, the Sustainability Multiplier will be changed to a Safety Multiplier. GHG emissions reductions and diversity targets will also separately form a part of the annual bonus.



In addition to including a GHG emissions reduction target and diversity target in the LTIP, a Health, Safety, Security, and Environmental (HSSE) malus may also be applied to the 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 LTIP payout and, depending on the extent of the infraction, reduce it at its reasonable discretion, to zero if necessary.

Selected employees at senior management level are also eligible to participate in the LTIP.

An external audit of actual target achievement is performed by the Group's auditor, and the results are communicated to the Remuneration Committee and Supervisory Board.

Materiality

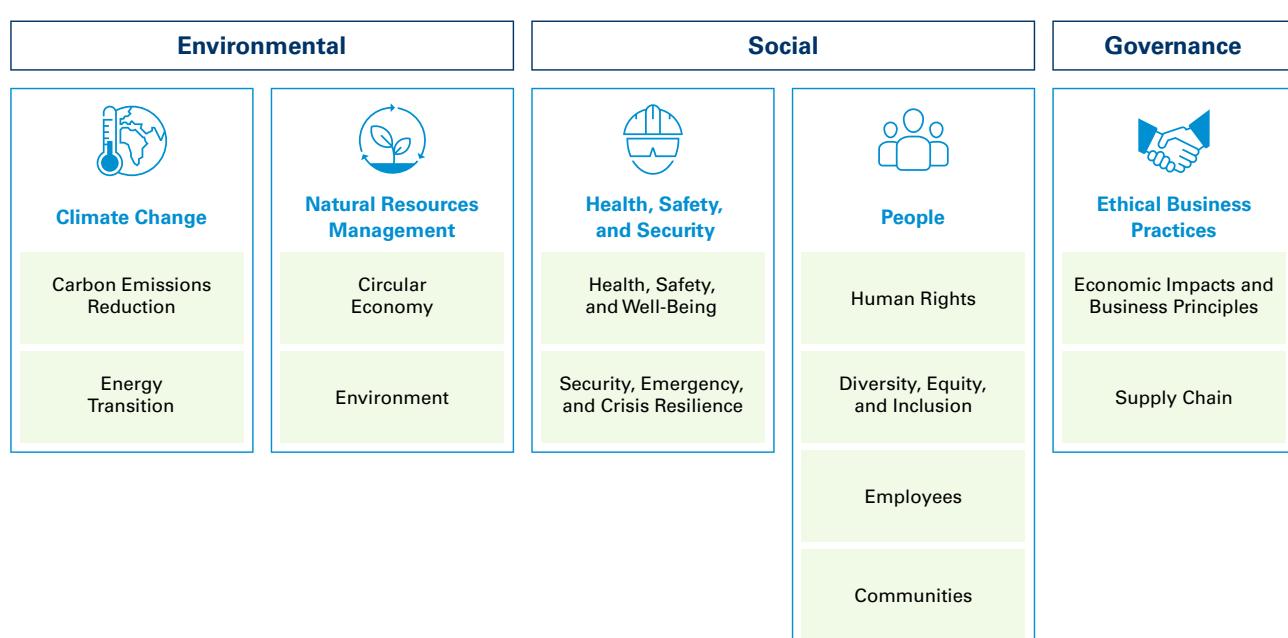
OMV identifies material content for the Sustainability Report in an extensive and structured process of consultation with the Company's external and internal stakeholders.

OMV comprehensively updated its materiality analysis of sustainability topics in compliance with the legal requirements related to the disclosure of non-financial information in Austria (Nachhaltigkeits- und Diversitätsverbesserungsgesetz; NaDiVeG) and the GRI Standards in 2020. Stakeholder interests, the significant external economic, environmental, and social impacts of OMV's business as well as the financial materiality and business relevance of these topics to OMV were essential to this process. Impacts (both by OMV and on OMV) and the relevance to stakeholders were considered across the entire OMV value chain. We con-

ducted this process together with an external party in order to maintain an objective and independent view on the material topics. The extensive materiality analysis involving internal and external stakeholders will be repeated every three years, or if significant changes in the business or market environment occur.

In 2021, we reviewed the results of the materiality analysis again as part of our strategy update. During this review, some material topics were split into two individual material topics: "Climate Change and Energy Transition" was split into "Carbon Emissions Reduction" and "Energy Transition"; "Health, Safety, and Security" was split into "Health, Safety, and Well-Being" and "Security, Emergency, and Crisis Resilience"; and "Human Rights and Communities" was split into "Human Rights" and "Communities." This was due to the prominence of the individual topics and the differences in their management approaches. In addition, "Diversity, Equity, and Inclusion" was raised from being an aspect of the topic "Employees" to an individual material topic due to its central nature to the Company's sustainability strategy. As a result, OMV now has a total of twelve material topics.

The results of the 2020 materiality analysis and the changes in 2021 were acknowledged by the OMV Executive Board. In this Report, we disclose in detail the twelve material topics that are viewed as being most material to OMV and our stakeholders. In the following sections of the Report, we present the management approaches, governance processes, KPIs, key actions in 2021, outlook, and strategic targets for each of these material topics. The Sustainability Report is structured along the lines of the focus areas and material topics.





Risks and Opportunities

Like the oil, gas, and chemical industry as a whole, OMV is exposed to a variety of risks – including market and financial risks, operational risks, and strategic risks. The Group's risk management processes focus on identification, assess-

ment, and evaluation of such risks and their impact on the Group's financial stability and profitability. The objective of these activities is to actively manage risks in the context of the Group's risk appetite and defined risk tolerance levels in order to achieve OMV's long-term strategic goals.

Pandemic risk

The global outbreak of the COVID-19 pandemic continues to have a major impact on global economic development. Increases in COVID-19 cases around the world following the emergence of new virus variants combined with disruptions in supply chains and high price inflation could lead to delays in the expected demand recovery. OMV is responding to the situation with targeted measures to safeguard the Company's economic stability and the secure supply of energy. The health and well-being of every employee is the top priority.

Enterprise-Wide Risk Management

Financial and non-financial risks are regularly identified, assessed, and reported through the Group-wide Enterprise-Wide Risk Management (EWRM) process. The main purpose of the OMV Group's EWRM process is to deliver value through risk-based management and decision-making, which is ensured by applying a "three lines of defense model" (1. Business management, 2. Risk management and oversight functions, 3. Internal audit). The OMV Group is continually enhancing the EWRM process based on internal and external requirements such as, for example, newly developing ESG reporting standards and frameworks. The process is facilitated by a Group-wide IT system supporting the established individual process steps, guided by the ISO 31000 risk management framework. The process also includes companies that are not fully consolidated.

Governance

The Executive Board is responsible for risk oversight, ensuring that management has put in place a rigorous process for identifying, prioritizing, managing, and monitoring the critical risks affecting the Company. The Executive Board sets, communicates, and implements our risk management culture throughout the OMV Group. OMV Executive Board members regularly (at least quarterly) 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. OMV focuses on assessing the potential vulnerabilities of the Company to climate change (e.g., water scarcity, droughts, floods, and landslides), the impact of the Company on the environment, and the mitigation actions that will ensure a successful transition to a low-carbon environment (reduction of carbon emissions, compliance

with new regulatory requirements, etc.). The mid-term physical vulnerabilities related to climate change are identified and reported in the EWRM process and do not exceed OMV's reporting threshold.

The Group Risk Committee, which is composed of the OMV Group CFO and members of senior management, meets at least four times a year, ensuring that risk awareness and prevention are deeply integrated into decision-making processes. The Committee validates the key non-financial and financial risks identified with respect to OMV's medium- and long-term objectives. (For more information, see the [Annual Report](#).)

Risk Management Process

The risk management process combines an intensive bottom-up and top-down approach, with every single employee responsible for implementing the most appropriate mitigation strategies for the risks within their sphere of responsibilities. Identified and assessed risks are controlled and mitigated at all organizational levels thanks to clearly defined risk policies and responsibilities. Strategic risks and opportunities (e.g., related to climate change or water stress) are assessed in a top-down process, while a bottom-up process with a standardized methodology is used to assess, for example, environmental aspects, impacts, and risks in our operations, including legal and compliance risks.

Risks are identified using a selection of the appropriate risk identification techniques like interviews, workshops, surveys, and analyses of historical losses, but also information on risks documented in risk registers or loss databases. ESG risks are identified using a double materiality approach. For example, environmental risks are identified by using approaches such as a standardized environmental risk



assessment methodology applying a double materiality approach whenever possible. Environmental risks and opportunities include regulatory, operational, reputational, and financial drivers and specifically relate to issues such as climate change, availability and quality of water used for operations, and the impact of energy, climate, and water policies.

Such risks are then analyzed against a short-term horizon of three years, medium-term horizon of three to five years or the long-term perspective (more than ten years), including their possible quantitative impact as a deviation of cash flow from the plan and the likelihood of such an impact. Heat maps or risk matrices are used to support the assessment process and serve to identify probability ranges and the related consequences if risks were to materialize. Digital technologies are used in monitoring and managing environmental risks through a special risk management IT tool integrating environmental risk scenarios with operational and business risks.

In order to identify such risks, we continuously monitor OMV's internal and external environment and conduct interviews with senior management, subject-matter experts, and Executive Board members. This process complements the bottom-up approach and captures the risks inherent in the strategy. We collect information on root causes, consequences, corresponding risk mitigation actions and their effectiveness, and changes in internal and external factors influencing likelihood. These are assessed in working sessions with senior management and subject-matter experts.

All risks exceeding a certain threshold at Group level are included in the Group Risk Report and considered to be substantive irrespective of their probability. However, the threshold can vary depending on the management focus for that specific risk management measure. In addition, risks are considered to be substantive if they are seen as such by relevant stakeholders, including local communities, governmental authorities, employees, or suppliers, even when the financial impact is not significant.

Bottom-up and top-down perspectives are combined to provide a comprehensive risk profile of the organization, which is taken into consideration when the OMV strategy is developed or updated.

The results of an intensive reporting exercise are discussed at OMV Executive Board level through the Group Risk Report and presented further to the OMV Audit Committee.

Risk Taxonomy

Paying attention to every single risk makes risk management a holistic process. We use common risk terminology and language across OMV to facilitate effective risk commu-

nication. ESG risks are a key element in the OMV risk taxonomy.

The full spectrum of risks relating to OMV's business, including economic, environmental, and social issues, is analyzed using either a semi-qualitative or quantitative approach and documented in a centralized risk repository. The resulting corporate risk profile provides a holistic view of issues that could affect the Company's medium- and long-term performance. The profile is therefore integrated into OMV's decision-making process.

According to the OMV risk taxonomy, the following risk categories are considered based on key risk drivers:

- ▶ Financial risks, including market price risks, foreign exchange risks, and risks arising from (European) Emission Allowances: The market price risks are monitored and analyzed centrally in respect of their potential cash flow impact using a specific risk analysis model that considers portfolio effects. Such market price risks also cover impacts of volatile prices for European Emission Allowances, where typical mitigation activities like spot, forward, or futures transactions are applied to ensure a balanced position of emission allowances by selling the surplus or covering the gap.
- ▶ Operational risks, including all risks related to physical assets, production risks, project risks, personnel risks, IT risks, HSSE, climate change, and regulatory/compliance risks, are analyzed, monitored, and treated following the Group's defined risk management process.
- ▶ Strategic risks arising, for example, from changes in technology, climate change, risks to reputation, or political uncertainties, including sanctions

For reporting purposes, this taxonomy is mapped to various other risk classifications such as NaDiVeG⁵ and TCFD. Additional information on major financial and non-financial risks is included in the Annual Report 2021.

Specific Sustainability Risks and Opportunities

We have summarized the potential risks (divided into threats and opportunities), mitigation measures, and net risks and opportunities of OMV activities, structured by our material topics and related NaDiVeG concerns in the table below. Materiality in this context is defined as issues having a potentially significant impact on the environment or society (for more information, see [Materiality](#)). Risks reported were selected based on their magnitude using impact and probability, and at least one relevant example for each material topic was selected.

⁵ The Austrian Sustainability and Diversity Improvement Act (NaDiVeG) defines risk as a potential negative effect on sustainability originating from a company's operations, its supply chain, or its products/services. For OMV, a risk represents uncertainty regarding Company objectives measured by combining the likelihood or frequency of an event and its consequences, which can result in opportunities or threats to the success of the Company's sustainable business performance.



Focus Area: Climate Change

Material Topic (NaDiVeG)	Risk Description	Effect Description (Inside-Out or Outside-In)	Mitigation Measures
Energy Transition (Environmental concerns)	Threat (Transition Risks): Risk arising from the organization's inability to implement and manage new technology and products to reduce carbon intensity impact	Inside-Out: OMV's total GHG carbon footprint (Scopes 1, 2, 3) in 2021 amounted to 171 mn t CO ₂ equivalent. The global CO ₂ emissions in 2021 were 36.4 Gt, ⁶ thus OMV contributed 0.5% to overall global emissions in 2021. Outside-In: Lower demand for OMV's fossil fuel generation, limited utilization of refining capacities, loss of licenses, significant revenue losses as well as reputational damage	► Decarbonization strategy, including carbon reduction targets for the product portfolio and an investment portfolio as well as an innovation portfolio ► Adjusting internal hurdle rates For more information, see Energy Transition
	Threat (Transition Risks): Emerging regulations aimed at the decarbonization of economic activities pose a substantial and wide-ranging threat to our carbon-intense value chain, thereby leading to both direct and indirect risks for OMV.	Outside-In: Implementing new mandatory changes in the value chain would have significant financial implications for OMV, for example, either limiting the ability to shift to a more sustainable business faster, or resulting in significant additional costs.	► Developing new business opportunities ► Carbon reduction targets for the product portfolio ► Carbon reduction targets integrated into the Executive Board's Long-Term Incentive Plan For more information, see Energy Transition
Carbon Emissions Reduction (Environmental concerns)	Threat (Transition Risk): Risk of imbalance between certificates allocated and emissions volumes required for Company activities Additional risk of inability to adapt to the rapid changes to emerging routine flaring requirements. With the upcoming stricter policies and regulations requiring zero routine flaring conditions, certain field development concepts based on routine flaring might not be feasible (e.g., early production facilities in remote areas) or may only be possible with higher investments and operating costs.	Outside-In: Risk of failing to improve energy efficiency could result in higher costs generated by the uncertainties concerning allowance demand and abatement costs as well as energy consumption and GHG emissions Reputational damage could be triggered by pressure from local communities for reductions beyond the applicable legislation on flaring and emissions intensity and/or certain field developments might not be feasible and/or only with higher investments and operating cost. Inside-Out: OMV's 2021 total Scope 1 GHG emissions amounting to 13.9 mn t CO ₂ equivalent increased the CO ₂ concentration in the atmosphere by 0.0008 ppm.	► Boosting energy efficiency and reducing internal fuel consumption by increasing renewable energy supplies, such as the Company's own photovoltaic plants ► ISO 50001 certifications for Refining and partly for E&P ► Implementing tools to run plants as optimally as possible, such as introducing an Energy Trend Board, which helps operators continuously focus on energy consumption ► Continually optimizing plant design and control, and implementation of improvement projects to remove potential barriers to optimization ► Phasing out routine flaring and venting as a major contribution to reducing GHG emissions ► Carbon reduction targets integrated into the Executive Board's Long-Term Incentive Plan For more information, see Energy Efficiency and Sourcing Renewable Energy, and Flaring, Venting, and Fugitive Methane Emissions

⁶ Source: Global Carbon Project, [Global Carbon Budget 2021](#)



Material Topic (NaDiVeG)	Risk Description	Effect Description (Inside-Out or Outside-In)	Mitigation Measures
Energy Transition and Carbon Emissions Reduction (Environmental concerns)	Opportunity (Transition Opportunity): Contribute to a sustainable energy system with innovative and successfully implemented projects. OMV develops viable businesses based on hydrogen, bioenergy, carbon, and geothermal models, e.g., as part of the clean energy transformation process to tackle the impact of climate change. In the context of the current strategy, there is potential for substantial new business, e.g., intensifying strategic energy cooperation with various partners to generate renewable energy for OMV's own energy consumption, or developing new technologies and products in order to reduce the carbon intensity of conventional oil and gas products in the Company's portfolio.	Inside-Out and Outside-In: This will generate new revenue streams to compensate for a reduction in conventional product demand with climate-friendly, innovative products and services; support growth of new sustainable solutions in the chemical business and energy supply; create long-term value for OMV and its shareholders; and reduce OMV's carbon footprint. Furthermore, this would also create new opportunities for local communities, creating upskilled jobs and protecting workers and their incomes (during the transition).	<ul style="list-style-type: none">▶ Identifying and executing green and viable business opportunities, which offer significant upscale potential and match OMV's capabilities▶ Increasing energy efficiency, generating REDII-compliant electricity for green H2 production, and reducing internal fuel consumption by using renewable energy supplies such as OMV's own photovoltaic plants▶ Carbon reduction targets integrated into the Executive Board's Long-Term Incentive Plan▶ Scaling up engagement in renewable energy sources <p>For more information, see Zero-Carbon Products and Energy Efficiency and Sourcing Renewable Energy</p>

Focus Area: Natural Resources Management

Material Topic (NaDiVeG)	Risk Description	Effect Description (Inside-Out or Outside-In)	Mitigation Measures
Circular Economy (Environmental concerns)	Opportunity: OMV identifies opportunities that would limit emissions beyond regulatory carbon emissions requirements in various countries where we operate. Utilize carbon as a valuable feedstock for energy solutions and industrial processes, and capture CO2 processing it into synthetic fuels, plastics, or other chemicals. Utilizing carbon as a valuable feedstock is included in the opportunities identified. Threat: Plastic waste is a growing concern globally and is receiving increased political and societal attention in Europe; if not collected, sorted, and disposed of properly, it poses a threat to the environment.	Inside-Out: New climate-friendly, innovative products and services developed especially for industrial applications lead to opportunities related to employment and the supply chain. Additionally, significant positive environmental benefits from reducing CO2 emissions and instead turning it into a feedstock for a circular economy. Inside-Out: Plastic waste, if not collected, sorted, and disposed of properly, could end up in the environment, causing environmental pollution (this includes plastic incineration), posing a major threat to biodiversity, and ultimately ending up as microplastics in drinking water and food. Additionally, plastics are too valuable a resource to end up in the environment and not be reused.	<ul style="list-style-type: none">▶ Creating cross-sectoral value chains and operating a full-scale plant <p>For more information, see Circular Economy and Neutralization Measures</p> <ul style="list-style-type: none">▶ Borealis actively supports Ellen MacArthur Foundation▶ Sustainability step in innovation portfolio▶ New business development for sustainable material solutions▶ Demonstrating chemicals safety▶ Demonstrating sustainable sourcing▶ CES strategic program <p>For more information, see Circular Economy</p>



Material Topic (NaDiVeG)	Risk Description	Effect Description (Inside-Out or Outside-In)	Mitigation Measures
Environment (Environmental concerns)	Threat (Physical Risk): Risk of insufficient water availability to continue operations or water degradation due to failure to perform safety operations	Outside-In: The impact of periods of low or no precipitation on surface or subsurface water supplies could lead to the inability to access water for normal operations (internal consumption) and for local communities in areas of low water availability.	▶ Improving integrity through aging water pipeline/facility replacement programs, preventive maintenance, water management plans, reduced water consumption, and water efficiency improvements ▶ Water management is a key component of our social license to operate. We engage and cooperate with local communities, and act as a responsible partner. OMV's water management activities pursue socially equitable water use.
	Threat: Risk of soil and water contamination due to improper waste management triggered either by the failure to comply with internal regulations by employees, suppliers, and contractors or by the failure of asset integrity	Inside-Out: Soil and water contamination could trigger a negative chain effect on the healthy ecosystem, like environmental pollution, with a negative impact on plants and animals as well as on people's well-being.	For more information, see Water ▶ Improving waste management ▶ Training of staff

Focus Area: Health, Safety, Security⁷

Material Topic (NaDiVeG)	Risk Description	Effect Description (Inside-Out or Outside-In)	Mitigation Measures
Health, Safety, and Well-Being (Environmental concerns, employee and social concerns)	Threat: Property damage offshore or onshore (processing and treatment facilities) caused by perils outside of normal operations or normal maintenance, e.g., fires and explosions, and the subsequent disruption of production	Inside-Out and Outside-In: Risks such as integrity failure or unsafe process safety conditions could lead to business interruption, pollution, harm to employee safety, reputational damage, and third-party fatalities, and endanger biodiversity and ecosystems.	▶ Audits (internal and third party) ▶ Preventive maintenance ▶ Inspections ▶ Rejuvenation program (plant improvement projects) ▶ Planned turnaround ▶ Qualified and trained personnel
	Threat: Loss of integrity of a pipeline due to pressure control systems failing or annular gas migration as a result of poor cementing of surface casings, resulting in a major accident (explosion, major fire, major oil spill)	Inside-Out and Outside-In: A major accident event could lead to a major oil spill event, production stoppage, and reputational damage.	▶ Process safety measures and maintenance ▶ Emergency preparedness measures and maintenance ▶ Training of staff

⁷ One material topic under the focus area Health, Safety, and Security is Security, Emergency, and Crisis Resilience. There are, however, no risks pertaining to this material topic detailed in the risk register. OMV analyzes risks to physical and IT security as a part of its risk management processes but cannot disclose details on these as that would in itself be a risk to the Company. Risks stemming from potential physical and information security breaches are considered in other material topics, e.g., within process safety.



Material Topic (NaDiVeG)	Risk Description	Effect Description (Inside-Out or Outside-In)	Mitigation Measures
	<p>Threat: If customers do not get the correct hazard information on labels, there is a risk that they may use products without taking the necessary precautions and get exposed.</p> <p>This could be triggered due to regulatory changes resulting in more severe hazard classifications and product safety concerns and/or country/region-specific hazard labels deviating in language, but also in legally required content.</p>	<p>Inside-Out: Chemical substances, if not handled properly and according to their intended use, could lead to unintentional health impacts for people coming into contact with those substances.</p>	<ul style="list-style-type: none">▶ As a signatory of the chemical industry's Global Charter for Responsible Care®, Borealis is committed to ensuring the safety of its products along the entire value chain.▶ Borealis Product Stewardship follows up closely on application-related product safety requirements, so that products going into separately regulated applications such as food contact, drinking water contact, or medical applications are also fully in line with applicable legislation and standards, and serve as a basis for customer product safety.▶ The Borealis Product Stewardship Committee evaluates the potential health, safety, and regulatory risks of all substances the company uses and defines risk mitigation measures.▶ Borealis assesses all new and changed raw materials and products in terms of classification and labelling, and prepares country-specific Safety Data Sheets and workplace safety cards for all classified materials.▶ To apply the correct label in the correct language to our PO products, the global SAP label management tool has been installed in all EU and NAM locations.

For more information, see [Product Safety](#)

Focus Area: People

Material Topic (NaDiVeG)	Risk Description	Effect Description (Inside-Out or Outside-In)	Mitigation Measures
Diversity, Equity, and Inclusion (Employee and social concerns)	<p>Threat: Risk of failing to reach the Group's diversity target and failing to foster and actively maintain an inclusive and diverse workforce</p>	<p>Outside-In: Failure to reach the Group's diversity target increases the risk of reducing employee engagement and attrition as well as the risk of losing female top talent. This could lead to reputational damage as the Company could be perceived to be a poor employer with discriminatory behavior, and promote a poor corporate culture.</p> <p>Inside-Out: Higher levels of psychological distress and health-related problems for employees facing discriminatory behavior; limited impact on social cohesion, validation, and acceptance for diverse members of our communities</p>	<ul style="list-style-type: none">▶ Increasing the percentage of women in senior management positions through a range of initiatives, e.g., mentoring, training on unconscious bias, and maintaining a work environment supporting work-life balance and parenthood▶ Embedding our diversity targets in succession planning, with a preference for female candidates when identifying top talent▶ Gender is one of the diversity criteria we apply when selecting members of the Supervisory Board and of the Executive Board.▶ Ensuring compliance with the Code of Conduct



Material Topic (NaDiVeG)	Risk Description	Effect Description (Inside-Out or Outside-In)	Mitigation Measures
Employees (Employee and social concerns)	Threat: The industry is bracing for a serious shortfall of experienced technical professionals over the next several years due to attrition and retirement. The risk is both about the number of workers retiring and about the number ready to replace them. Risk of not attracting and/or failing to retain competent staff in countries where acquiring and retaining skilled mid-career staff is a challenge. Notice periods and common practice in some countries lead to staff leaving the organization quickly. Lack of motivation, lack of engagement, and the risk of losing talented professionals following the increasing pressure to reduce costs on learning and development projects	Outside-In: OMV might face the risk of key roles not being filled, with short or negative handovers resulting in the risk that the plants may not be able to operate reliably. Department or Company performance may decline. Additionally, the industry might also face reduced attractiveness leading to limited headcount.	<ul style="list-style-type: none">▶ Developing new projects to prepare young students for trade schools in various specialties in the oil, gas, and petrochemical industry▶ Building robust talent pipelines by cooperating with universities and offering internships and other programs▶ Striving for long-term employment relationships and offering competitive compensation and benefits packages▶ Ensuring competitive compensation and benefits by continuously monitoring market trends and international best practices. A new Group-wide recruiting standard has been implemented to ensure a high-quality recruitment process to attract top professionals.▶ Strengthening the culture of feedback and increasing training for leaders <p>For more information, see Diversity, Equity, and Inclusion</p>
Communities (Respect for human rights, employee and social concerns)	Threat: Risk of failing to fulfill the expectations of local communities and local administrations regarding economic benefits and contributions to the development of local areas by implementing community development projects as per local needs	Outside-In: Deterioration in OMV's relationships with local stakeholders, including local administration, leading to non-cooperation in business activities Further consequences to OMV include: production delays, security issues, blockages of OMV's activities, loss of social license to operate, damage to OMV's reputation Inside-Out: Consequences for rights holders and communities: deterioration in health conditions of impacted communities leading to social unrest, protest, and blockages	<ul style="list-style-type: none">▶ Carrying out social and human rights impact assessments, including baseline and community needs assessments at the planning stage to identify potential impact areas to be addressed in the design phase▶ Developing and applying local content strategy and education and skill development programs for locals, including local contractors▶ Education and awareness sessions about local norms and customs for site staff, including contractors and subcontractors▶ Regular stakeholder engagement, including communities on site▶ Establishing and effectively applying community grievance mechanisms▶ Defining social indicators and integrating them into regular HSSE audits <p>For more information, see Community Impacts and Grievances and Community Investments</p>



Material Topic (NaDiVeG)	Risk Description	Effect Description (Inside-Out or Outside-In)	Mitigation Measures
Human Rights (Respect for human rights, employee and social concerns)	Threat: Risk of poor labor practices in supply management such as the failure to pay decent wages in the supply chain (human rights). The supplier pays wages below standards established by international human rights bodies (e.g., 60% of the national net average earnings of a full-time worker).	Inside-Out: Poor labor practices will have an impact on workers' mental and physical health, even a low life expectancy.	<ul style="list-style-type: none">▶ Human Rights Country Entry Check before launching operations in a country as well as regular human rights assessments in our countries of operations, including labor rights aspects▶ Training for employees (focus on high-risk countries)▶ HSSE contractor management considers human rights aspects (including labor rights) in the prequalification and auditing phase▶ ESG supplier assessments▶ Code of Conduct, including labor rights <p>For more information, see Human Rights</p>

Focus Area: Ethical Business Practices

Material Topic (NaDiVeG)	Risk Description	Effect Description (Inside-Out or Outside-In)	Mitigation Measures
Economic Impacts and Business Principles (Corruption prevention, environmental concerns)	Threat: Abuse of entrusted power for individual unlawful gain/advantage, personal interest prevailing over Company interest, or other forms of unethical business conduct	Outside-In: The risk of unethical business conduct could lead to reputational damage and pecuniary losses as well as criminal consequences in isolated cases.	<ul style="list-style-type: none">▶ Implementing a Compliance Management System <p>For more information, see Business Ethics and Anti-Corruption</p>
	Threat: Non-compliance with environmental, emissions, and water laws or internal rules and regulations caused by unexpected changes or different interpretations of the legislation	Outside-In: This would lead to additional OPEX or CAPEX needed to upgrade facilities or extra taxes having to be paid.	<ul style="list-style-type: none">▶ Engagement with regulators to ensure laws are correctly interpreted and upheld▶ Process safety measures and maintenance▶ Training of staff▶ Implementation of best available technologies
	Threat: The risk of the OMV Group or one or more of its affiliates not being compliant with EU Regulation 2016/679 regarding Data Protection caused, e.g., by IT security breaches, enforcement actions driven by political motivation, unintended breach by the employees responsible for data handling procedure, and/or interpretation of the laws by regulators, leading to inability to demonstrate compliance with GDPR requirements	Inside-Out and Outside-In: The risk of failing to protect general personal data could lead to exposure of personal information of customers, employees and/or other stakeholders. Additionally, the risk of non-compliance with GDPR could lead to reputational damage and pecuniary losses.	<ul style="list-style-type: none">▶ To ensure the responsible handling of data in the interest of OMV's customers, employees, and other stakeholders, various measures need to be taken to achieve these objectives. This requires an ongoing process where OMV implements different measures to handle and process personal data according to definitions in the EU Regulation. <p>For more information, see Information and Cybersecurity, and Human Rights</p>



Material Topic (NaDiVeG)	Risk Description	Effect Description (Inside-Out or Outside-In)	Mitigation Measures
Supply Chain (Environmental concerns, employee and social concerns)	Threat: Risk of not meeting OMV's carbon management and climate change targets by purchasing more carbon-intensive products and services than planned	Outside-In and Inside-Out: This could lead to OMV not being acknowledged as a sustainable business partner, which would have a negative impact on the business with financial consequences and higher GHG emissions.	<ul style="list-style-type: none">▶ New concept for Sustainable Procurement defined▶ Increasing transparency through carbon management reporting (Scope 3 of purchased goods and services)▶ Engaging with suppliers on carbon management topics through CDP Supply Chain▶ Performing supplier audits and evaluations as part of Together for Sustainability▶ Including sustainability performance as part of awarding criteria
	Opportunity: OMV enhances local safety regulations by requiring the integration of best practice HSSE aspects in all phases of the life cycle of contracts and contractor management.	Inside-Out: Shared knowledge stays within the local community and increases safety and environmental awareness in these communities, which leads to a positive impact on the environment and society.	<ul style="list-style-type: none">▶ Improving the HSSE performance of OMV contractors through, e.g., HSSE requirements in the scope of work, HSSE prequalification of contractors, HSSE requirements in annexes to contracts, audits, HSSE induction, joint HSSE trainings, joint HSSE walks, inspections, etc.

Scenario Analysis

Scenarios consistent with the goal of limiting the global temperature increase to no more than 2°C by reducing greenhouse gas emissions are critically important to our strategic considerations as they entail fundamental changes to the current energy market. We are aware of the potential risk of stranded assets if we cannot fully exploit our reserves due to surpassing the global carbon budget. During the strategy development and planning processes, OMV has considered scenarios reflecting various aspects (short- and long-term) of potential economic, technological, and social developments and their implications for the energy market and, consequently, for our business.

OMV operates on a global market with global traded products being affected by the energy transition at different paces. The assumptions in OMV's mid-term plan (MTP) are therefore based on a scenario in which the energy transition in the EU, United States, China, Japan, and South Korea follows the goals of the Paris Agreement and the Sustainable Development Scenario (SDS) published by the International Energy Agency (IEA). For the rest of the world, OMV assumes that current and announced (not yet fully implemented) policies, targets, and plans have been carried out, which correlates with the Stated Policy Scenario (STEPS) of the IEA.

Reflecting the uncertainties of the energy transition, OMV performed a stress test analysis using a decarbonization scenario in line with an implementation of the Paris climate goals by applying the SDS on a global basis in order to understand the impact of this scenario on the recoverability of assets and valuation of liabilities. The stress test analysis impacts oil and gas price assumptions, CO₂ price assumptions, refining and petrochemical margins and cracks, power prices and spreads, as well as volume growth expectations. Commodity price assumptions may have a significant impact on the recoverable amounts of E&A assets, property, plant, and equipment (PPE), and goodwill. Oil and gas price assumptions had already been revised in 2020 to reflect the potential impact of energy transition and led to a pre-tax impairment of E&P oil and gas assets of EUR 1.2 bn. In 2021, the oil and gas price assumptions in the MTP scenario did not materially change compared to 2020. Consequently, no impairment losses were recognized due to changes in price assumptions.

According to the stress-case scenario, the carrying amounts of the proved oil and gas assets (including goodwill) would decrease by EUR 4.5 bn (thereof EUR 0.3 bn on goodwill). In addition, some unproved oil and gas assets would be abandoned (pre-tax impact of EUR 0.3 bn). The remaining carrying amount of oil assets would be EUR 2.3 bn.



In the Refining & Marketing segment, the stress case would lead to a further EUR 1.0 bn decrease in the carrying amounts of the Romanian refinery and the investment in ADNOC Refining. Due to the strong integration of the Schwechat and Burghausen refineries with the chemical

business and the Chemical & Materials segment, the impact stemming from the energy transition is considered immaterial. (For more details, see also [Effect of climate-related matters and energy transition in the Annual Report](#).)