

# UN Global Compact

## Communication on Progress (COP) 2014

## **Period covered by our Communication on Progress (COP) – year 2014**

**To all our stakeholders,**

**Dear all,**

10 years after privatization, OMV Petrom has become a modern, competitive and successful European player and a stability pillar for the Romanian economy.

2014 holds a special place in the history and life of our company. A time to count achievements and transformations. We probably achieved the most complex and successful transformation of a state owned company, operating in a strategic sector for Romania's economic growth. It has been a challenging journey from a traditional state owned company, with the specific challenges, to a sustainable, high performance company, relevant indeed for Romania and the region. OMV Petrom prepared for the next phase of its transformation, concentrating on integration and performance improvement. Operational synergies and social responsibility came to the forefront alongside a continuing focus on commercial and financial performance.

We have built sustainable strategies, inspiring concepts and adhered to international platforms which bring us transparency, credibility and good reputation in the market. We laid the foundations of a professional team and internal corporate regulations while keeping an eye on international laws and harmonizing them with the EU ones.

A sound corporate governance in accordance with the OMV Group model contribute to stable long- term company growth and helps build trust between our company and its stakeholders. Such a vast, multifaceted culture has been embedded organization-wide.

We are proud to say that we have the best oil and gas team in Romania and our projects incorporate a mandatory social and an environmental component.

OMV Group Resourcefulness Strategy is implemented in OMV Petrom like in a crossword puzzle. And the keywords are responsibility and sustainability. Starting from this complex and enduring strategy we have established a constant concern to foster and respect universal values in all our endeavors.

With the present formal COP to UN Global Compact we are expressing continuous support for the Global Compact and joint efforts with companies that also committed to share these values both within the company and with external stakeholders.

Information is a free and useful thinking driver. Whereas, this document is intended to share a constant and open dialogue with you, and to provide a transparent blueprint of how things from our perspective, should be done to be successful as a team, we also hope to find a way to improve our values from your feedback.

Yours sincerely,



**Mariana Gheorghe**

**CEO OMV Petrom**



## About this OMV Petrom Report

OMV Petrom is the largest integrated oil and gas group in Southeastern Europe, with activities in the business segments of Exploration and Production, Gas and Power as well as Refining and Marketing. OMV Petrom is part of the OMV Group, which is also an integrated, international oil and gas player. The OMV Petrom Group consolidated its position in the oil and gas market following a comprehensive modernization and efficiency increase process backed by investments accounting for more than EUR 11 bn over the past ten years. In 2014 alone, we invested around EUR 1.4 bn, the largest level in the last 6 years, while maintaining our strong financial position, ending the year with an almost unleveraged capital structure. As reaffirmed every year, OMV Petrom's vision is to remain the leading regional, integrated oil and gas company with sustainable performance to support potential upstream growth in neighboring Black Sea region.

OMV Petrom is now a modern, competitive and successful European player and a stable pillar of the Romanian economy. Today, we cover around 40% of Romania's oil, gas and fuel supply and we continue to explore for onshore and offshore resources, in order to ensure our necessary energy needs are met in the future.

In 2014, we celebrated 10 years since OMV Petrom's privatization, one of the largest privatization deals in Romania. The journey has been challenging, but

we have achieved the complex and successful transformation of a state-owned company, in what is a strategic sector for Romania's economic growth.

We have also made OMV Petrom a better place to work. Across the organization, the transformation of OMV Petrom's safety culture and its commitment towards people development and engagement has helped turn the company into a leading employer and role model.

We could not have achieved these results without a stable business environment in Romania, especially for the oil and gas sector which has a long investment cycle. Moreover, the engagement of stakeholders was essential in this endeavor, including the support of our shareholders, which has enabled our company to unlock its potential.

OMV Petrom focuses on two key enablers considered to be essential in implementing its strategy: People and Resourcefulness. We have undergone one of the most complex and successful transformations of a state owned company in recent years. Following our responsible approach to restructuring, massive investments, strive for competitiveness and sustainable development, we have managed to transform OMV Petrom into a leading company in terms of performance and corporate governance, which generates value for all its stakeholders.

We develop and empower our staff by involving them in idea management programs in the upstream and refining divisions, focusing on operations optimization, carbon and water management and new technologies. Living up to the pioneering status of Romania in oil and gas industry, OMV Petrom set a world record in the field of casing drilling in terms of diameter of drilling column and depth (2013) and a world record in shallow horizontal drilling in Suplacu de Barcău (2011).

In addition, in 2014 OMV Petrom opened its first 3D Visualization Centre for geoscientists and engineers, which facilitates better interpretation of geological data and improved design of exploration and production operations for technical teams. Being the most advanced center of this kind in Europe, the new technology center allows faster decision making and better investment risk mitigation.

Furthermore, the company has constantly developed accelerated capabilities programs for blue-collar workers, having its own Technical Training Center, launched in 2013, and strived to further refine its corporate culture by enhancing top and middle management skills in risk management and sharing best practices through internal conferences, such as OMV Petrom Talks.

Having celebrated both 80 years from setting up the Petrobrazi refinery and 10 years of continuous transformation, in 2014 we have embarked on a special roadshow in our regional assets where we rewarded over 200 external and internal stakeholders for their exceptional contribution in community involvement initiatives.

2014 marks our eighth year of social and community involvement, reaching up to a million people through our community projects and being recognized by both the general public and key opinion leaders as the most involved company in Romania in social and environmental issues.

**2015 Strategic directions-** OMV Petrom maintains its strategic directions, maximizing upstream portfolio value and positioning for growth in the Black Sea region, enhancing the value of equity gas and optimizing integrated equity oil;

## **OUR MISSION**

Achieving our mission means driving progress for people; being a successful and responsible long-term oil and gas business, trusted by customers and powering a thriving society and a healthy environment.

We are committed to being open and transparent and to having high standards of integrity, behaviour and business practice. These objectives are reflected in our Code of Conduct

[https://www.omv.com/portal/01/com/omv/OMV\\_Group/Sustainability/Code\\_of\\_Conduct](https://www.omv.com/portal/01/com/omv/OMV_Group/Sustainability/Code_of_Conduct)

## **OUR Commitment to the United Nations Global Compact**

We support the international commitments for the protection and defence of human rights of the United Nations and the International Labour Organization and reaffirm our adherence to the 10 principles of the Global Compact.

Our Ethics and Business Conduct Policy sets out the standards for upholding ethical business practices and demonstrates our commitment to working with integrity, by being honest and transparent about our operations and performance. This policy is available at

[https://www.omvpetrom.com/portal/01/petromcom/petromcom/OMV\\_Petrom/Sustainability/Codul\\_de\\_conduita](https://www.omvpetrom.com/portal/01/petromcom/petromcom/OMV_Petrom/Sustainability/Codul_de_conduita)

## Reconfirming our Commitments to Sustainability Responsibility

OMV Petrom is a pioneer in CSR in the Romanian business sector. Since 2007, the company integrated the principles of corporate responsibility within its business strategy and has allocated more than EUR 40 mn for the development of communities in Romania, focusing on environment protection, education, health and local development. Since 2009, "Andrei's Country" became OMV Petrom's community involvement platform and the best known CSR program in Romania.

OMV Petrom has developed a strong culture of responsibility towards the environment, society and local communities. In 2012, we adopted the concept of "*Resourcefulness*" – a Group wide approach that puts Sustainability at the heart of our operations. Resourcefulness brings together all our responsibility commitments under one overarching strategy. Resourcefulness embraces health, safety, security, environment, diversity, business ethics, human rights and stakeholder engagement, illustrated below:



Furthermore, we will continue to focus on creating shared value with stakeholders for long-term sustainable growth, having high safety and environmental standards. Through our Resourcefulness platform, we aim to address the sustainable use of natural resources which is at the core of our activities together with long-term partnerships with the communities in which we operate.

As the largest integrated oil and gas producer in Southeastern Europe, our aim is to secure a reliable energy supply for society, now and in future. But our industry faces some real challenges, which we address by building our conduct on the underlying principles of responsibility, innovation and careful management of resources.

Our approach is designed to create long-term win-win solutions for society, the environment and our company. It brings together all our responsibility commitments related to environmental management, new energy, education and development, health and safety, diversity, business ethics, human rights, stakeholder and community engagement under one single overarching strategy.

Our commitments are organized around three key focus areas:

- **Eco-Efficiency** – limiting our impact on the environment;
- **Eco-Innovation** – pursuing alternative energy sources and opportunities to drive sustainable innovation;
- **Skills to Succeed** – fostering the skills people need to succeed.

In 2014, we set up the OMV Petrom Resourcefulness Steering Committee (PRSC), an internal body aimed at rolling-out, informing and aligning all functions and business units in all sustainability endeavors. The PRSC convenes every quarter and it is conducted by the company's CEO. In addition, over 400 managers attended strategy workshops that offered examples of Resourcefulness projects from Skills to Succeed and Eco-Efficiency streams so that they would better understand the way sustainability integrated in all business aspects.

### **Overarching approach to sustainability organized around three key focus areas:**

#### **Eco-Efficiency**

Due to the nature of our business, OMV Petrom has a special responsibility to manage its environmental impact and ensure safe and efficient operations. We aim for best practice in environmental management, with a particular focus on carbon emissions, water resources and energy efficiency.

Energy efficiency is a key driver in reducing OMV Petrom's greenhouse gas (GHG) emissions. Therefore it was achieved targeted 25% improvement in energy efficiency at Petrobrazil refinery against 2009. OMV Petrom E&P has implemented projects to co-generate heat and electricity (CHP) or electricity only (Gas to Power – G2P). These projects supplied approximately 50% of the annual electricity consumption of OMV Petrom E&P's onshore assets and reduced the indirect CO2 emissions by around 95,000 t in 2014.



In 2014, The Energy Management System implemented unitarily in OMV Petrom received the certificate of conformity with ISO 50001, following an external audit realized by TÜV Thüringen.

### **Eco-Innovation**

Our Eco-Innovation aim is to secure valuable, long-term alternatives to traditional fossil fuels and developing new technologies that can help reduce CO2 emissions. In 2014, we appointed a responsible person to develop this important area of our strategy. The first phase of work will involve research into new energy sources. We will report on progress as this work develops.

### **Skills to Succeed**

We aim to create value and secure our long term future by helping people foster and develop the skills they need to be successful.

In 2014 only, our employees benefitted from more than 52,000 hours of training in the technical training center in Ploiești and over 58,000 people from our communities were involved in various educational initiatives, and over 400 were granted official qualifications or scholarships. Through "Andrei's Country" – our main community development platform we financed 10 social businesses in OMV Petrom communities that generated 35 new jobs in 2014.

In 2015, we will continue to roll-out Resourcefulness to our employees, including line management and dedicated volunteering and engagement programs.

Through our educational programs approximately 800 pupils and students and 50 teachers benefited from training in entrepreneurship, leadership, performance and career orientation.

One community project we focused on was building an Educational and Vocational Center in Boldești Scăieni, mainly addressed to Roma people. The construction for the new center is designed to be one of the most sustainable buildings in Europe. Until now, the educational program carried out in the area targeted 90 children who attended educational workshops in order to reduce school abandonment and 100 parents that attended mentoring sessions.

### **Engaging with our stakeholders**

OMV Petrom engages with a wide range of stakeholders. We aim for regular and consolidated dialog to create meaningful, long term relationships with stakeholders – helping us understand their views, interests and needs, so we

can improve our activities. In 2014 we were recognized by our external stakeholders as the most involved company in Romania in social and ecological projects.

In 2014, the sixth edition of the OMV Petrom Stakeholder Dialog Forum brought together stakeholders from all groups and categories, including authorities, academics, experts, consultants, peer companies, regulators, financial institutions and non-governmental organizations to celebrate "Together for 10 years towards Performance". The objective of the event was to further continue and enhance our dialog on a broad range of issues which contribute to large achievements of OMV Petrom in the long run.

The first step in stakeholder engagement is getting to know your target. That is why we conducted in depth studies in 85 local communities assessing their needs and the overall perception about OMV Petrom business activity and community involvement.

The results of the study were presented to local management and local CR teams and both to OMV Petrom management. All insights will be used to shape and develop future community projects.

2014 was a special year for OMV Petrom as we celebrated 10 years since the company changed from a state-owned to modern company within OMV Group. We wanted to inform, reward and recognize our major stakeholders that were part of our operational, financial and social achievements. That is why we organized 10 Community Galas in our 10 regional E&P assets where we rewarded over 200 external and internal stakeholders for their exceptional contributions in community development. Over 1,400 people attended.

We continued to strengthen our local stakeholder dialog and engagement through other three community based organizations –local NGOs financed by OMV Petrom hosting local authorities and community and company representatives that find together solutions for local development.

In 2014 also, OMV Petrom organized an event to celebrate the successful story of the partnership with the suppliers called "Suppliers' Day". The event was held in September and 245 participants (suppliers, Romanian authorities, OMV Petrom management and employees) attended.

Internal capacity building is one of our major objectives. In 2014, 31 people from E&P attended Community Relations and Community Development trainings by specialized consultancy. At national level, OMV Petrom supported the implementation of over 100 community development projects.

Apart from strategic initiatives, we also developed dedicated programs targeting specific stakeholders, according to their importance and interests. Together with KPMG we designed and organized capacity building sessions for local authorities from our operational communities in accessing EU funds, project management and public procurement. 70 beneficiaries from 50 communities attended.

Five communities have received assistance in elaborating local development strategies, guidelines for their implementation and community engagement, and investment plans.

One of our main partners in implementing community projects are the central and local NGOs. In 2014, we organized a dialogue and workshop session attended by 27 organizations where we exchanged future plans for development in line with OMV Petrom Resourcefulness stream lines. 2,200 employees also expressed their support for over 250 NGOs by redirected 2% of their income tax.

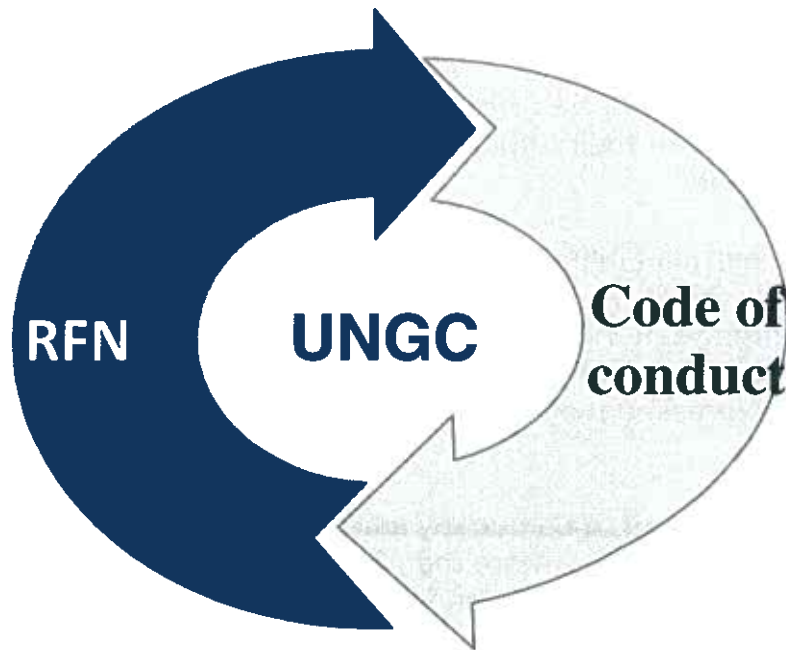
Our employees continued to be our key stakeholder in rolling-out the sustainability activity. In 2014, more than 2,600 employees volunteered for various causes around the country and also developed and implemented 15 community projects as part of OMV Petrom Volunteering Championship (internal competition).

### **Sustainability highlights:**

- OMV awarded at "European Excellence Award 2014" for OMV Petrom Community Involvement Report 2013.
- OMV awarded at "IPRA Golden World Awards" for project Made in Andrei's Country (OMV Petrom).
- OMV awarded at "PR Daily's 2013 Corporate Social Responsibility Awards" for OMV Petrom Volunteering Championship.

## The UN Global Compact -UNGC Principles

OMV Petrom is member of UN Global Compact starting with December 2013.



**To support and respect the protection of international human rights within our sphere of influence**

**To make sure that we are not complicit in human rights abuses**

**To uphold freedom of association and the effective recognition of the right to collective bargaining**

**To work for the elimination of all forms of forced and compulsory labor**

**To work for the effective abolition of child labor**

**To support the elimination of discrimination with respect to employment and occupation**

**To support a precautionary approach to environmental challenges**

**To undertake initiatives to promote greater environmental responsibility**

**To encourage the development and diffusion of environmentally friendly technologies**

**To work against all forms of corruption, including extortion and bribery**



## Human Rights Principles

**Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and**

**Principle 2: make sure that they are not complicit in human rights abuses**

### **Our focus area:**

**Due diligence process-** Systematically assessing risks and implementing actions to prevent human rights-related harm

### **Access to remedy**

Ensuring effective operational-level; grievance mechanisms as a basic requirement of human rights risk management

### **Awareness**

Extending awareness and integration of human rights in our business processes

### **Our approach to Human rights**

For many years, the issue of human rights has played an important role in our business, and our respect and support of them is a core element in our Resourcefulness strategy.

### **Human Rights Policy**

As a signatory to the UN Global Compact and fully committed to the UN Guiding Principles on Business and Human Rights, OMV regards human rights as universal values which guide our conduct in all aspects of our activities. OMV respects, fulfills and supports the fulfillment of human rights as contained in the Universal Declaration of Human Rights and in internationally recognized treaties, including those of the International Labour Organization (ILO).

## **Human Rights Management System**

In order to meet our concrete responsibilities to respect human rights and not to become complicit, we attach special importance to a well-structured process of Human Rights Due Diligence as well as the establishment of effective operational level grievance mechanisms. But we also see our responsibility to positively contribute to the fulfillment of human rights through our activities.

## **Human Rights Matrix**

OMV has mapped its human rights responsibilities in a comprehensive Human Rights Matrix, which constitutes the basis for our activities in the field of human rights and a fundamental tool for its implementation. This includes the particularly sensitive areas of security arrangements and supply chain management, as well as interaction with indigenous people.

Categorized into essential, expected and desirable, our responsibilities cover the relations with relevant stakeholders, such as employees, communities, contractors, business partners, customers and the like.

## **Human Rights Due Diligence Process**

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. It is an ongoing process, with regular updates, and it makes use of external resources and expertise, including external stakeholders, in particular impacted groups. The complexity varies with the general human rights situation in the country, the nature, context and size of business operations, as well as the severity of the impact on human rights.

In 2014, following OMV model, OMV Petrom defined new KPIs covering the increase of human rights awareness among OMV employees and A-suppliers. We conducted human rights training sessions for 274 employees dealing with our businesses in Romania.

In addition, we provided human rights training for all external supply chain auditors for our A-suppliers, as well as for 14 employees of potential suppliers

In February 2014, OMV Petrom's CEO signed the Statement for Women's Empowerment Principles – a joint platform of the Global Compact and UN Women, fostering principles for business on how to empower women in the workplace and communities. In this respect we engaged an independent expert to help us organizing a workshop focusing on "equality means business" Around 30 employees took part in a training program that identified the impacts of human rights violations within an organizational culture, as well as strategies and structures to prevent discrimination.

Advertising activities for International Human Rights Day, December 10, were developed at the end of the year, demonstrating that human rights are permanently embedded in our daily activity.

### **Grievance mechanisms and incidents**

In 2014, we developed a tool box for implementing and standardizing our effective operational-level Community Grievance Mechanisms in all operated E&P sites. We were notified of no grievances/incidents relating to human rights during the year.

### **Where we are today**

Today, human rights is an integral part of our business conduct at all levels, including risk management, and makes a key contribution to the successful implementation of our ambitious business strategy.

#### **What we did in 2014**

- ✓ Defined targets for human rights KPIs
- ✓ Commenced roll-out and harmonization of effective Community Grievance Mechanisms

#### **What we will do in 2015**

- ✓ Ensure awareness and provide expertise throughout the full business cycle (from entry to exit)
- ✓ Complete roll-out of effective operational-level Community Grievance Mechanisms in operated E&P sites



## Labour principles and diversity

**Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;**

**Principle 4: the elimination of all forms of forced and compulsory labour;**

**Principle 5: the effective abolition of child labour; and**

**Principle 6: the elimination of discrimination in respect of employment and occupation**

We respect freedom of association and effective recognition of the right to collective bargaining, and we behave correctly towards employee representatives. A prohibition against forced labor and unlawful child labor is included in our Code of Conduct and in all of our contracts with our suppliers, and also audited.

OMV Petrom's workforce is made up of around 51 different nationalities, diversity, and inclusion and equal opportunities being high on the agenda at all our operating locations.

We strive to attract the best people from diverse resources groups, and to give them the tools and skills they need to perform to their full potential. We develop ways to incorporate different perspectives of employees to encourage diverse thinking, innovation and creativity at all business levels, thus ensuring sustainable competitive advantage and performance of our company.

People and Resourcefulness are the two key enablers of implementing OMV Petrom's long-term strategy. To this end, we are working towards developing and empowering our human capital to achieve operational excellence and growth. In the short-term, we will strengthen the focus on behavior-based safety and fully integrate in the organization the Ombuds Office, an innovative initiative launched in 2014 in OMV Petrom Group, as a designated independent, impartial, confidential and informal assistance to employees at all levels within the organization.

Diversity contributes to the fact that OMV Petrom is acknowledged as an employer of choice, and we aim to keep it that way.



Achieving gender balance has always been a challenge in our industry. By the end of 2014, the proportion of women across the OMV Petrom Group was 24%. Of this mix, 31% (389) women were in Management Positions slightly above industry benchmarks.

To promote gender balance in our industry, OMV Petrom hosted the second edition launch of the Women Leadership Cross-Company Mentoring Program. The program, a unique initiative in the local business market, is a partnership with leading global companies which aims to develop Romanian women leaders of the future.

OMV Petrom is running actions to raise the ratio of women with technical profile within the company and also we are sponsoring events in partnership with other companies in the field with the main scope to make the perspective of a career in oil and gas more appealing to young women students.

**Our focus areas:**

- Continue to improve both our international and gender diversity, targeting a situation where employees at Senior Vice Presidents level comprise 30% women and 50% internationals by 2020

**What we did in 2014**

- ✓ Continued to engage employees on sustainability topics
- ✓ Delivered more than 720,000 training hours and successfully set up of OMV Petrom technical training centre
- ✓ The principles of PetrOmbudsman set up in 2014 is guided by : independence, neutrality, confidentiality and informality.

**What will do in 2015**

- ✓ Improve our performance culture
- ✓ Continue to strengthen university collaborations



## Environmental Principles

**Principle 7: Businesses should support a precautionary approach to environmental challenges;**

**Principle 8: Undertake initiatives to promote greater environmental responsibility; and**

**Principle 9: Encourage the development and diffusion of environmentally friendly technologies**

We manage our environmental impacts along our entire value chain. OMV Petrom's goal is to use natural resources efficiently and to minimize waste and emissions to air, water and land. We constantly strive to reduce our GHG emissions and the amount of water we consume for our operations.

Hydrocarbon spillages are an important risk factor for our business due to the potential environmental damage they can cause. A key aim of OMV Petrom's E&P strategy is to be in better control of this risk. To address this we carried out a broad range of activities, including creating spill risk maps which provide detailed information on critical points along pipelines and key risk areas in our operations. All OMV Petrom operations are required to set up and maintain an environmental management system in accordance with ISO 14001. At the same time, ongoing training and internal communication programs ensure that we share the best environmental management practices

In 2014, the focus of our Group-wide communication was on topics such as managing biodiversity, flaring and venting, energy and water.

We have established a Group-wide environmental network composed of environmental experts from all our divisions. Through this network, we are working to improve the way we manage environmental impacts and engage with environmental protection issues.

We develop and empower our staff by involving them in idea management programs in the upstream and refining divisions, focusing on operations optimization, carbon and water management and new technologies.

OMV Petrom has a detailed program underway to create an appropriate waste infrastructure for the cleaning up of contaminated soil, as well as the

abandonment of around 26,000 oil wells and 1,100 production facilities. Under this program, OMV Petrom E&P has now created a total of eleven bioremediation plants and four landfill sites.

Some 80% of OMV Petrom E&P Assets are now covered by the maps. In 2014, the Risk Based Inspection and Pipeline Integrity Program software was finalized for roll out in 2015, this will allow us to proactively manage, inspect and repair our high risk pipelines before potential damage occurs. In 2014, HAZOP's were conducted on our top 43 High risk facilities including parks, tank farms and compressor stations resulting in more than 1,250 actions. These have now been included in the 2015 Integrity Program and Asset Risk Reduction Plans.

In 2014, we developed a water management framework that includes a Water Ambition Statement and a Water Strategy 2021.

In regards with energy and carbon management, OMV Petrom E&P has implemented projects to co-generate heat and electricity (CHP) or electricity only (Gas to Power – G2P). These projects supplied approximately 50% of the annual electricity consumption of OMV Petrom E&P's onshore assets and reduced the indirect CO2 emissions by around 95,000 t in 2014.

In order to strengthen the environmental culture we deployed the campaign "We cherish natural resources. Our future depends on them". Valuable talks were held on carbon and water management with around 200 employees across OMV Petrom.

**What we did in 2014**

- ✓ Implemented a new E&P Environmental Standard with a zero continuous flaring and venting policy
- ✓ Implemented Energy Management Systems in OMV Petrom
- ✓ Continued roll-out of Environmental Risk Assessment methodology
- ✓ Develop a Water Strategy and establish a roadmap to 2021
- ✓ Developed flaring and venting reduction action plans across OMV Petrom E&P

**What we will do in 2015**

- ✓ Finalize the review of the OMV Carbon Strategy
- ✓ Further improve efficiency to reduce direct GHG emissions from E&P and
- ✓ R&M to contribute to the Carbon Strategy reduction target
- ✓ Continue with flaring and venting reduction projects
- ✓ Continue the strong focus on energy efficiency
- ✓ Implement Water Strategy and roadmap to 2021



## Anti-Corruption Principles

### **Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.**

Trust and integrity form the basis for all our activities, and we aim for a culture of ethics and responsibility. All OMV Petrom employees are expected to demonstrate honesty, transparency and integrity in their business dealings. Our governance procedures are centered on a Code of Business Ethics, which includes clear rules on conflicts of interest, gifts and hospitality, and the assessment of third parties. A compliance system and relevant processes help to ensure we meet our commitments.

Our Compliance organization supports the implementation of our standards and monitors the compliance of all our operations with laws and regulations, together with all other matters that relate to our Code of Business Ethics

We regularly carry out training to ensure compliance with internal and external laws and regulations. Face to- face training programs on capital markets law, business ethics and competition law are mandatory for certain employees. We have introduced an e-learning tool to support the Competition Law Program.

Every year, we deliver comprehensive training on topics related to business ethics, antitrust, and insider trading. In 2014, this included more than 1,600 employees. We strengthened our compliance program, which combines training, guidelines, internal rules and expert advice. We developed the Manager's Compliance guide as a tool to help our managers improve compliant decision-making in daily business. We finalized our series of professional "Compliance Days", addressing the Exploration and Production areas of the business, with six new events. In our effort to address specific business needs we also organized a workshop focused on Competition Law matters for employees working in the commercial area.

#### **What we did in 2014:**

- ✓ We continue to deliver training on compliance-1600 employees participated in business ethics training in 2014

#### **What will do in 2015**

- ✓ Strong focus on energy market regulation (REMIT) and financial market regulation (EMIR); Establish a REMIT reporting system

We are proud that OMV Petrom is part of OMV Group which is member of UN Global Compact since 2003, and member of local network GCN Romania since May 2015 with first Mandate of Presidency for our CEO Mariana Gheorghe.

Continuing our commitment to voluntarily advance the ten principles of the UN Global Compact in our sphere of influence and to our peer partners in the country, we contribute to the development of this great family of those who protect the planet.



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