



**2016  
Sustainability  
Report**

**Passion for Energy. Commitment for Future.**

OMV Petrom Resourcefulness



**OMV Petrom**



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# Introduction



## Letter From the CEO

Dear Reader,

I have the pleasure to share with you our first Sustainability Report elaborated in conformity with the Global Reporting Initiative framework – G4. This report presents our actions taken for achieving the objectives established in OMV Petrom’s sustainability strategy – Resourcefulness. Focusing on three key areas – Eco-Efficiency, Eco-Innovation and Skills to Succeed – it brings together the company’s responsible commitments on HSSE, diversity, business ethics, human rights and stakeholder engagement.

### Economic Sustainability

We are operating in a dynamic and volatile environment which in recent years presented us with major challenges that have tested our ability to maintain and improve our long-term business sustainability. In 2016, the business context in which we operated was characterized by declining prices and refining margins that impacted the entire oil and gas industry. Under these circumstances, OMV Petrom demonstrated fairly resilient results due to cost savings and improved contributions from all business segments. Also, during this year we conducted a revision process of our strategy, establishing ambitious goals for the 2021 horizon. According to the Strategy Update 2021+, OMV Petrom is proposing to realize investments of approx. EUR 1 bn on average, annually, for the period 2017-2021.

### Social Responsibility

For the past 10 years, we have been addressing the needs of the community in which we are operating, investing only in 2016 more than 4,000,000 euro by developing efficient combination of large-scale CSR projects vocational and entrepreneurial education, as well as infrastructure development, volunteering and environmental initiatives. We continued to deliver bottom

line value projects for our community, training more than 5,000 people and supporting over 100 hotspot communities within OMV Petrom’s social responsibility platform “Andrei’s Country”.

### Health, Safety, Security and Environment

Health, Safety, Security and Environment represent the most important material aspects reflected within this report on which we relentlessly work to improve our performance. Within all our operations, we have established a strong and well structured HSSE management system, which paves the way to a better performance, ensuring safer working conditions for all our employees and contractors and ultimately, to a reduction of the impact on the environment with a more efficient usage of the natural resources. OMV Petrom is preoccupied to prevent losses by calling to industry best practices in project management and design and also to reduce oil spills and leakages by implementing maintenance programs for enhancing pipeline integrity. Due to these programs, in the second half of 2016 we registered a decline in the number of leaks. Also, with the Petrobrazi refinery modernization and the energy efficiency projects implemented, we have succeeded to reduce the company’s overall GHG intensity, by 5.9% in 2016 versus 2015.

With all our accomplishments thus far, we have demonstrated that OMV Petrom is capable of creating value for shareholders and for the entire community even under challenging conditions, by implementing robust strategies that deliver performance. We are committed to continue conducting our business in a responsible way, deeply integrating sustainability in the entire value chain.

**Mariana Gheorghe**  
Chief Executive Officer







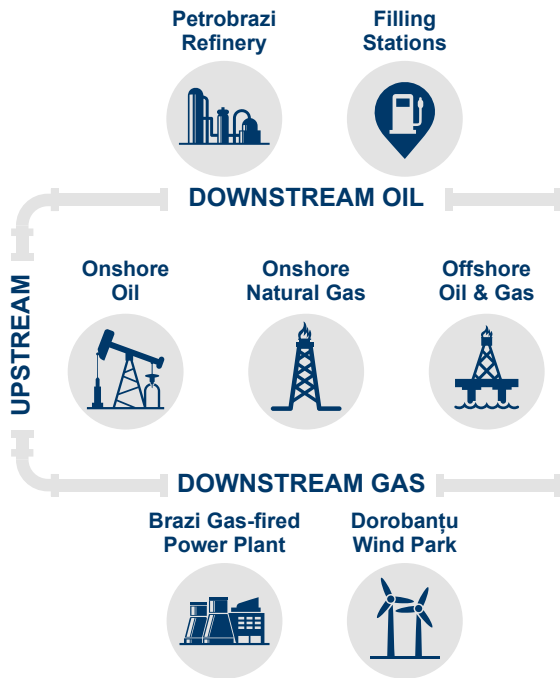
OMV Petrom



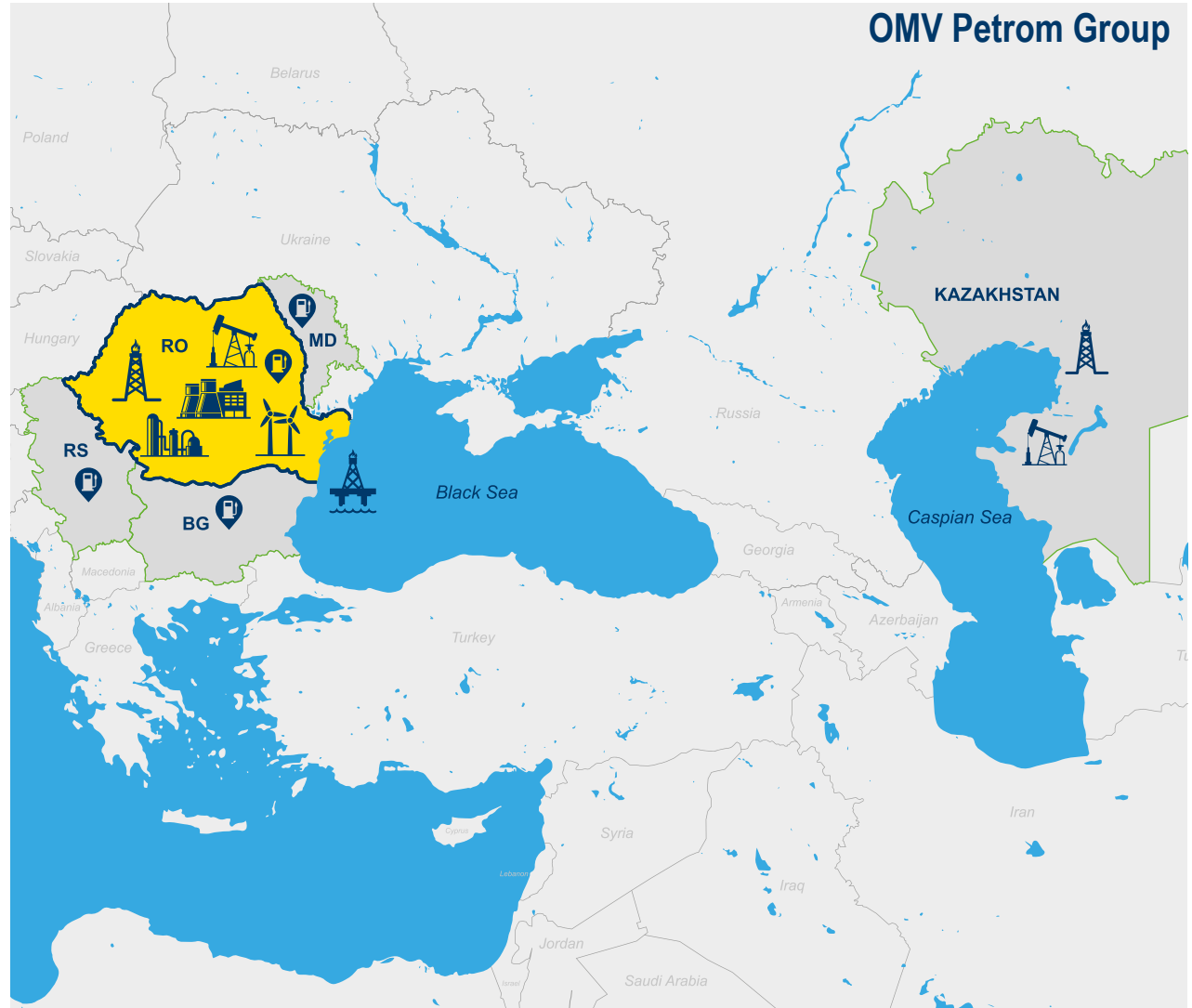
# OMV Petrom Company Profile

**OMV Petrom S.A.** is a joint stock company founded in accordance with Government Emergency Ordinance 49/1997 and the parent company of all companies consolidated within the OMV Petrom Group which is one of the largest integrated oil and gas group in Southeastern Europe and the leading industrial company in Romania.

The company is **part of the OMV Group**, also an integrated, international oil and gas player, and unfolds its activity either directly or through its affiliates.



**Note:** in this report, “the Company” and “OMV Petrom” are used to make reference to OMV Petrom S.A. Instead, “OMV Petrom Group” is used to make reference to OMV Petrom S.A. and its subsidiaries.





## OMV Petrom Company Profile

OMV Petrom Group is organized in three operationally integrated business segments – **Upstream**, **Downstream Oil** and **Downstream Gas**.

### Upstream

The Upstream business segment explores for, develops and produces crude oil and natural gas in Romania, including in the Romanian part of the Black Sea, and Kazakhstan.

### Downstream Oil

The Downstream Oil business segment's activities include processing and refining crude oil in **Petrobrazi refinery with a capacity of 4.5 mn t/y** and selling refined products (gasoline, diesel, kerosene/jet fuel, heavy fuel oil, LPG, petroleum coke etc.) to retail consumers under two brands, OMV and Petrom, throughout South-Eastern Europe (Romania, Moldova, Bulgaria and Serbia), as well as to business customers, including industrial companies, airlines and freight companies.

### Downstream Gas

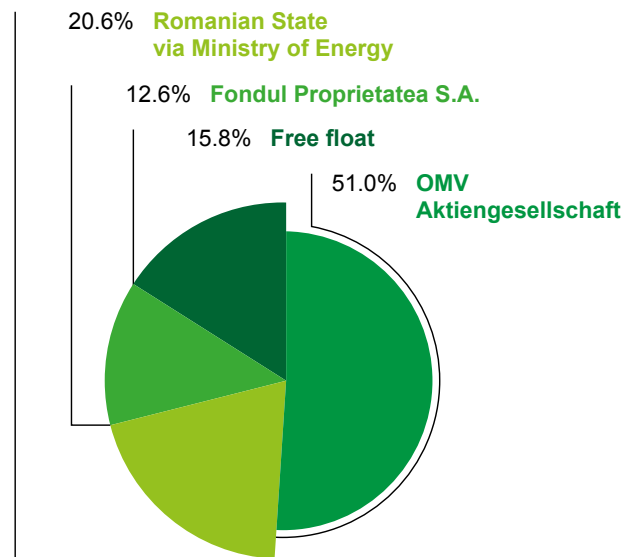
The Downstream Gas business segment is active in various stages of the gas value chain and comprises **our gas and power lines of business**. We are an important player in the Romanian gas market, with a focus on supplying gas to industrial customers. The Downstream Gas business segment's activities also include power production, our asset portfolio comprising the 860 MW Combined Cycle Power Plant (gas fired) Brazi and the 45 MW wind park Dorobanțu, which cumulatively generated 2.9 TWh of power in 2016. We sell the produced power (in Romania) on the platforms managed by OPCOM S.A., as well as to final clients.

**Note:** on 20 July 2017, OMV Petrom announced signing the contract for the sale of the OMV Petrom Wind Power S.R.L. („Dorobantu Wind Park”). The completion of the transaction is subject to customary conditions precedent, including approval from the Competition Council, and is expected by end of 2017.

### Shareholding structure 2016:

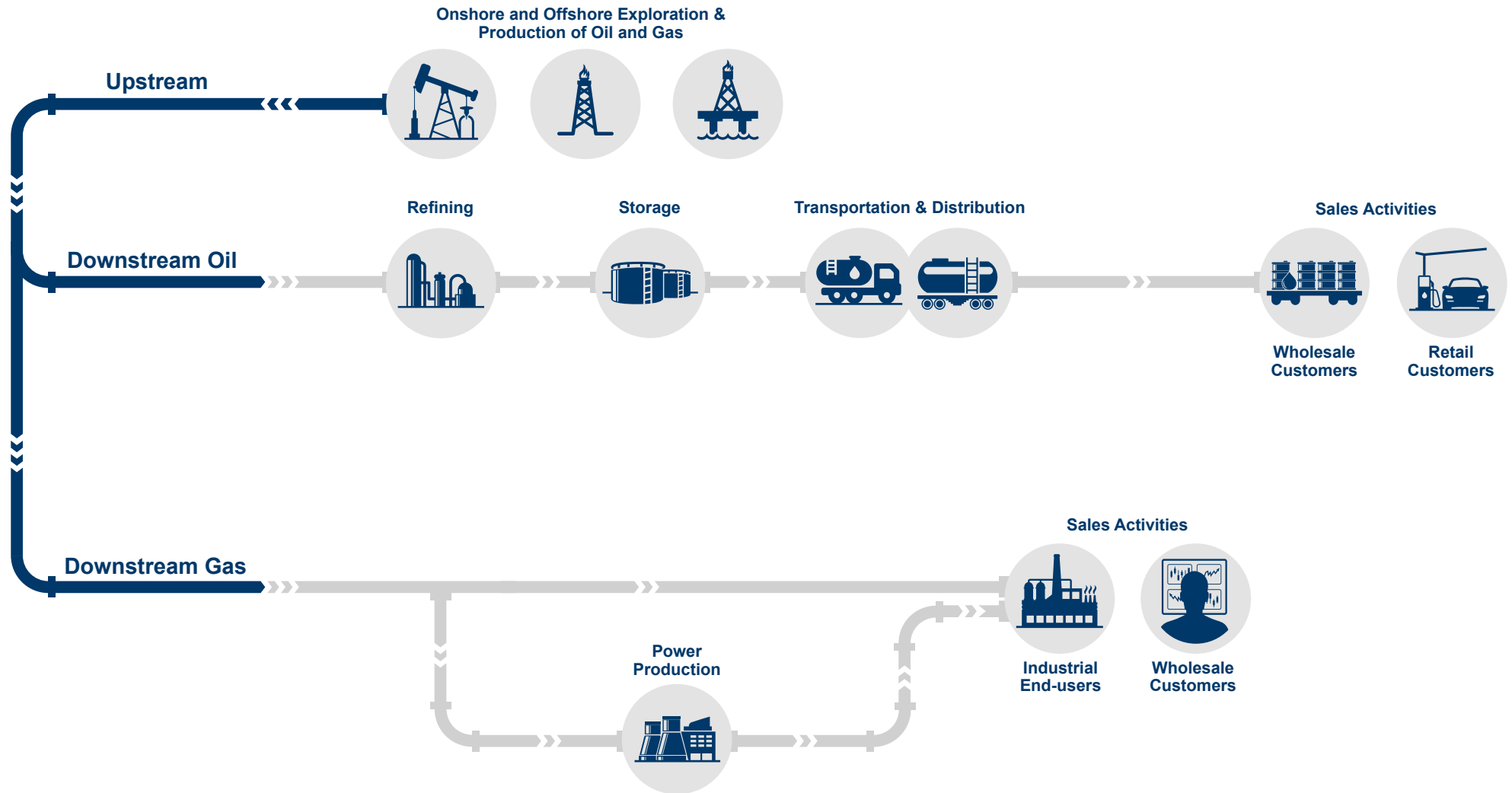
At the end of 2016, OMV Petrom had the following shareholding structure: **51.0%** – OMV Aktiengesellschaft, **20.6%** – Romanian State (via the Ministry of Energy), **12.6%** – Fondul Proprietatea S.A. The remaining **15.8%** represents the free float, traded as shares within the Premium category of the Bucharest Stock Exchange and as GDRs within the Standard category on the main market of the LSE.

As of the end of 2016, around 520 legal entities from both Romania and abroad held approximately 13.8% of the free float shares, with the remainder (2%) held by almost 456,600 private individuals.





## Business Model and Value Chain



## OMV Petrom at a Glance

### Economic:



Capital expenditure  
(RON mn)\*

**2016: 2,575**

2015: 3,895

2014: 6,239



Total hydrocarbon  
production in Romania  
(mn boe)

**2016: 60.66**

2015: 61.90

2014: 62.57



Reserve replacement rate  
in Romania (single year)

**2016: 29 %**

2015: 25%

2014: 42%



Gearing (%)

**2016: n.m.**

2015: 4%

2014: 6%

### Environment:



Energy  
consumption  
(PJ)

**2016: 45.8**

2015: 45.8

2014: 42.5



Hydrocarbons vented  
(t)

**2016: 48,233**

2015: 55,660

2014: 76,337



GHG (direct, scope 1)  
(mn t CO<sub>2</sub> eq)

**2016: 4.4**

2015: 4.4

2014: 4.4



GHG (indirect, scope 2)  
(mn t CO<sub>2</sub> eq)

**2016: 0.058**

2015: 0.061

2014: 0.029



Water withdrawal (mn cbm)

**2016: 17.59**

2015: 18.23

2014: 19.94

### Social:



People trained in personal  
and professional  
development

**2016: 5,324**

2015: 2,480

2014: 3,750



Contribution in communities  
(mn Euro)

**2016: >4**

2015: 4.5

2014: 3.8



Volunteers involved  
in CSR projects

**2016: 2,000**

2015: 1,800

2014: 1,400

\* Figures at OMV Petrom Group level

Note: the data for 2016 include Kazakhstan



## Corporate Governance

Our governance system allows us to carefully pay attention to all material economic, social and environmental aspects that influence our success and the relationship with our stakeholders.

The Company adhered to the **Corporate Governance Code** issued by the Bucharest Stock Exchange in 2010 and continues to apply its principles, ever since then, complying with almost all of the provisions set forth in it. More details on Company's compliance status with the principles and recommendations stipulated under the Corporate Governance Code are presented

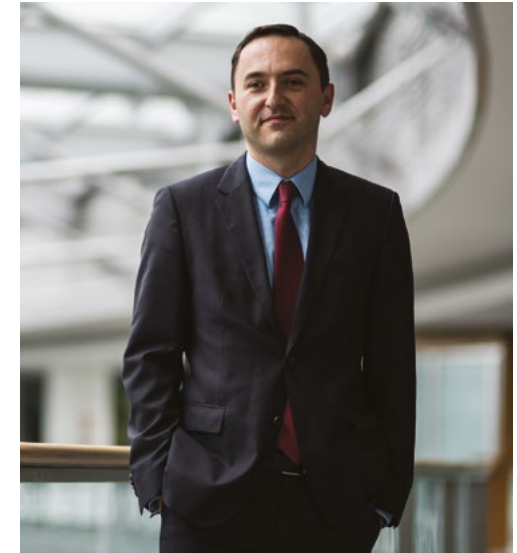
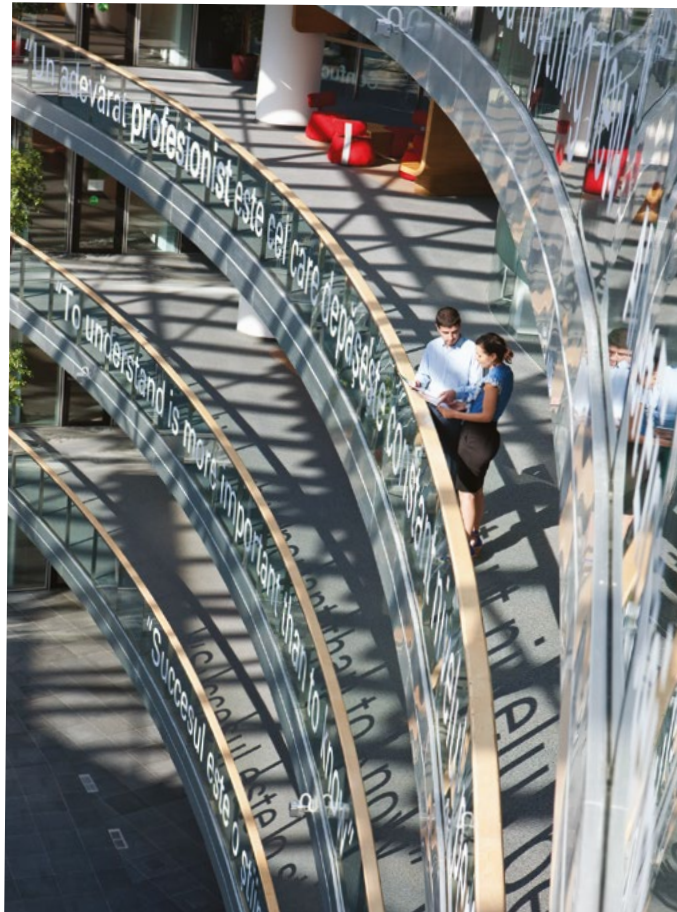
### Two-tier governance system

In terms of management system, since 2007, we have implemented a two-tier governance system composed by a **Supervisory Board**, appointed for a 4 year mandate by the GMS and an **Executive Board**. The Executive Board manages the daily operations of the Company, while the Supervisory Board monitors, supervises and controls the activity of the Executive Board.

### Supervisory Board

The candidates for the positions in the Supervisory Board are nominated by the existing members of the Supervisory Board or by the shareholders of OMV Petrom, in line with the provisions of the Romanian Company law no. 31/1990. The Supervisory Board consists of nine non-executive members with an average age of 54 in 2016. In order to ensure a certain level of independence of the Supervisory Board, yearly and at least on the occasion of each (re)appointment of its members, we conduct an independence evaluation based on the independence criteria provided by the Corporate Governance Code (which are substantially similar with those provided by the

Company law), consisting in an individual personal assessment done by the relevant Supervisory Board member, followed by an external assessment. Following such evaluation, by the end of 2016 three members from the current Supervisory Board met all the independence criteria.



*“Given the importance of our business, at national and international level, and the complexity of the environment in which we operate, we consider fundamental to foster a governance system that guides our activities, based on principles embraced at European level and on the best international management practices”.*

**Filip Neagu**  
Legal Department Director

## Corporate Governance

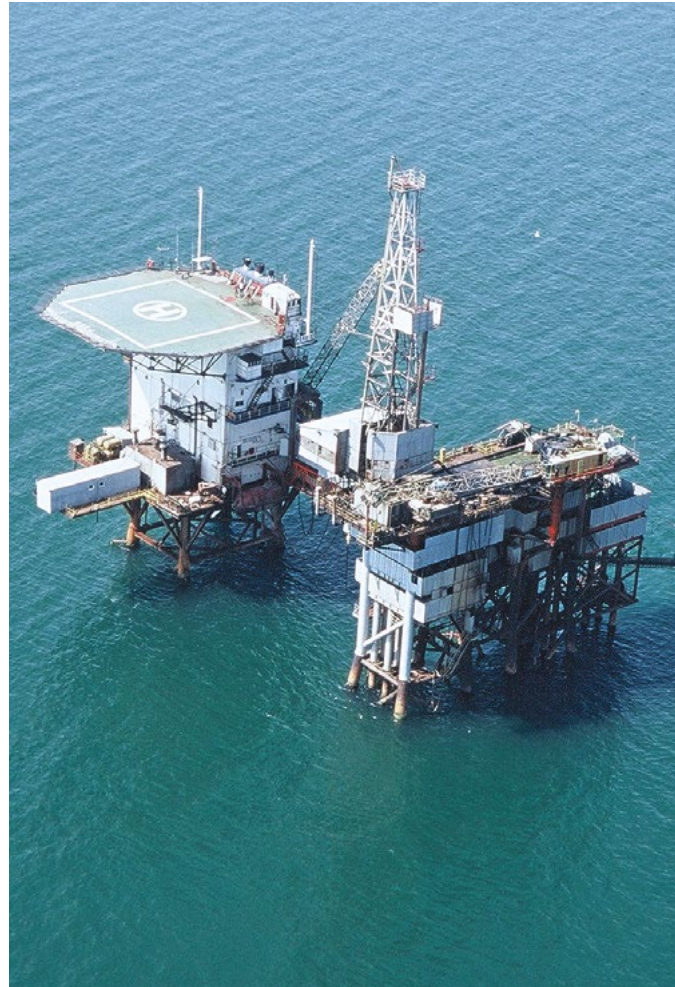
The Company also has in place a Supervisory Board Self-Evaluation Guideline providing the purpose, criteria and frequency of such an evaluation of the Supervisory Board. The aim of this self-evaluation process is to assess and if necessary to improve both the efficiency and the effectiveness of the Supervisory Board work, as well as to ensure that the Supervisory Board is capable of fulfilling its responsibilities towards shareholders and other stakeholders.

Based on this Guideline, the Supervisory Board underwent a self-evaluation process for the business year 2016, under the leadership of the President of the Supervisory Board. As per the evaluation for 2016, the Supervisory Board members consider that the composition regarding experience and qualification, diversity, number of members and also presence is satisfactory. Supervisory Board members also appreciated the good collaboration with the Executive Board, the organization and conducting of the Supervisory Board meetings and the quality of the documents provided for and during the meetings.

### Executive Board

The Executive Board of the Company is composed of 5 members with an average age of 53 in 2016, appointed by the Supervisory Board for a mandate of 4 years. The Executive Board reports to the Supervisory Board on a regular basis on all relevant issues concerning the course of business, strategy implementation, risk profile and risk management of the Company.

In 2016, the Executive Board met 54 times in person and passed resolutions by circulation on 16 other occasions in order to approve all matters requiring its approval in accordance with the Articles of Association and the Company's internal regulations, as well as to allow the members of the Executive Board to be aware of all matters concerning the Company and to inform each other about relevant issues of their activity.



**Our governance system allows us to carefully pay attention to all material economic, social and environmental aspects that influence our success and the relationship with our stakeholders.**



## Risk Management

OMV Petrom has implemented a risk management system that is ensuring a robust control environment, enabling the company to identify the threats before they materialize and/or to reduce the adverse effects of events which happen are outside of its influence.

As per the Code of Corporate Governance, OMV Petrom's Supervisory Board's role is to adopt strict rules and obtain assurance, via its specialized Audit Committee, that the company has an effective risk management system in force. On the other hand, the Executive Board is continuously executing oversight and steers the company's risk management system by close involvement in the risk management process and its development.

### Risk and Insurance Management Department

To assess the risks associated with OMV Petrom's entire portfolio of operations, the Executive Board has empowered a dedicated Risk and Insurance Management Department with the objective to lead and coordinate the company's risk management related processes.

### Enterprise Wide Risk Management

The OMV Petrom Enterprise Wide Risk Management (EWRM) system follows the ISO 31000 standard and has been assessed via external benchmark as in line with best practice at international level.

The risks within OMV Petrom's EWRM system are organized in the following categories: market and financial, operational and strategic. These categories include among others: market, financial, project, process, health, safety and security, tax, compliance, personnel, legal, regulatory, ethical and reputational risks. The Risk Management function reports twice per year to OMV Petrom Executive Board and Supervisory

Board's Audit Committee an overview of OMV Petrom Group's risk profile for midterm horizon, as well as the risk management activities and initiatives undergone for mitigating the Group's risk exposures.

### Risk management organization

OMV Petrom has **four levels of risk management roles** in a pyramid-type risk organization:

1. risk owners represented by managers from all areas of activity;
2. risk coordinators who facilitate and coordinate the risk management process in their division;
3. risk management department which coordinates the entire risk management process assisted by the specialized corporate functions (HSSE, Compliance, Legal, Controlling);
4. OMV Petrom's Executive Board which steers and approves consolidated risk profile in accordance with the company's objectives and risk appetite.



*"Risk Management is something we do every day; it is embedded in our professional and personal life and drives us into taking the right decisions, weighting the risks and opportunities. Risk Management is key to reach objectives and implement the strategy in a sustainable manner. Making it part of the company-wide decision making process, makes OMV Petrom successful!"*

**Irina Dobre**  
Financial Director

## Product Responsibility

Our objective is to provide products that meet our customers' quality and cost requirements, taking into account the environmental, health and safety aspects, being integral part of managing product quality throughout the manufacturing and sales process.

### Product Quality

We manage the product quality and safety in accordance with our internal policies as well as with international and national regulations and standards. We use standardized processes, quality testing across the supply chain and a highly developed traceability system to ensure the quality and safety of our products.

Every product that we manufacture, market or distribute complies with relevant legislation. We provide partners and customers with detailed information about our products. 100% of the fuel distributed is subject to product information and labeling requirements, such as the sourcing of components of the product or service, content, safe use, as well as disposal of the product and environmental/social impacts.

### Safety Data Sheets

Safety Data Sheets for our fuels are available on our website or in the filling stations for consultation, together with other documents such as conformity certificates, authorization and licenses or delivery specifications.

**These documents are regulated under REACH** (EU regulation no. 1907/2006) and include comprehensive information on potential health, safety and environmental hazards, as well as informing customers and employees to safely handle and use our products.

We are preoccupied to produce sulphur-free diesel and gasoline (sulphur content <10 ppm) in our Petrobrazi Refinery.

In 2016, we blended 72,000 t biodiesel into diesel and 46,000 t bioethanol into gasoline fuels for bio-fuels.



*“At OMV Petrom, we are committed to offering the best products and services to our customers. From large-scale initiatives that reduce our environmental impact, to creating a reliable network of responsible filling stations partners and to everyday practices, we are taking important steps toward sustainability”.*

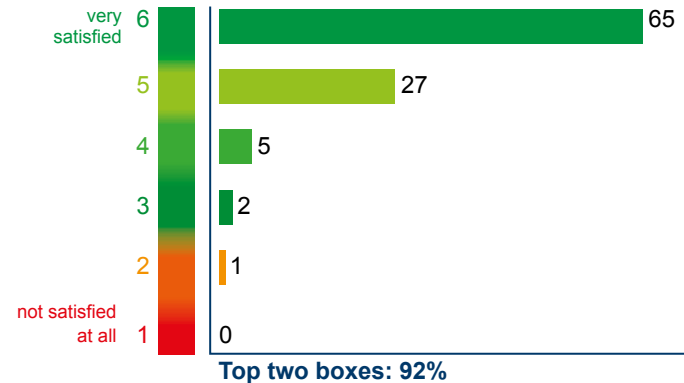
**Adrian Nicolaescu**  
Retail Manager Romania –  
Downstream Oil



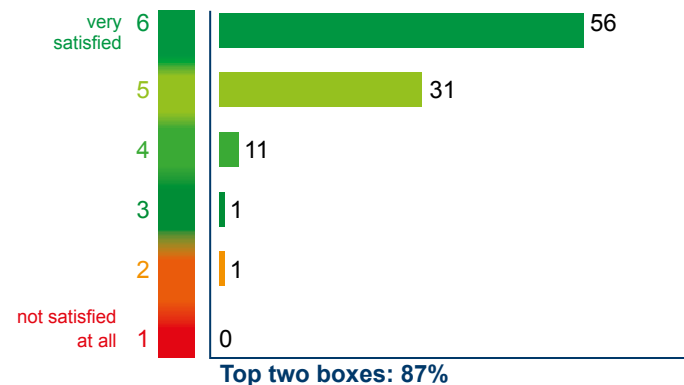
## Product Responsibility

Also, in 2016, OMV Petrom and Electrica signed an agreement of cooperation for the installation of fast charging stations for electric vehicles in our filling station networks. The first charging station installment was done in January 2017. A pilot project will continue with fast charging stations for electric vehicles to be installed in four OMV filling stations in Bucharest and at the headquarters of OMV Petrom and Electrica.

### OMV filling stations customer satisfaction



### Petrom filling stations customer satisfaction



Mitigation of environmental impacts of our products is also of great importance for our company. Thus, in the last couple of years we focused on investment projects to reduce the environmental impact of our products and services.

In this respect, one of the major pillars of our current mitigation strategy capitalizes on potentials with impact on energy savings programs. Nevertheless, we give great importance to determine and improve our client's level of satisfaction.

In this respect, **Customer Satisfaction Studies** were largely conducted, having in target measuring customer satisfaction on major range of products and services categories, per brands.



The partnership between OMV Petrom and Electrica was established for the installation of fast charging stations for electric vehicles in our filling stations network.





# Sustainability at OMV Petrom



## OMV Petrom Sustainability Strategy: Resourcefulness

**Preserving and securing the natural resources needed for the future generations are our main preoccupations while we are creating economic and social value for all our stakeholders.**

We are focusing on the development of modern and cutting-edge methods to preserve and valorize the natural resources, to secure reliable energy supply for society, to operate in a safe, efficient and responsible manner, to create an organizational culture with HSSE ambition goals of **ZERO Harm – NO Losses** and to support long term economic growth through community led initiatives. In this process, we are driven by the **10 principles of UN Global Compact** and the **SDGs**.

Our approach to Sustainability responds to the necessity to combine the specific needs of our relevant stakeholders and our business objectives. This has empowered us to consider the role of our business, in the society, as catalyst of economic, social and environmental development.

### Resourcefulness

The apex of this process is represented by our sustainability long-term strategy Resourcefulness that is leading us in the integration process of Sustainability into our development strategy, creating economic and social value. Resourcefulness incorporates the aspects of health, safety, security, environment, diversity, business ethics, human rights and stakeholder engagement and is expressed by three main pillars:

#### ► Eco-efficiency

Considering our activities, a performing environmental management is essential in order to minimize our negative impact on the environment and to optimize the use of the natural resources we need.

Thus, our objective is to produce more with fewer resources.

We do this as efficiently and in safety as possible. Our strategy is focusing on implementing specific activities that help us to increase our level of energy efficiency, to reduce our carbon footprint and our total water withdrawal and energy.

#### ► Eco-innovation

We invest in research and development of new technologies and energy sources. We use our core skills to tap into alternative energy sources and new revenue opportunities. Therefore, we have formed a group of specialists that will consolidate the company's strategy on long-term eco-innovation.

Furthermore, the Company owns ICPT Campina that is part of Upstream Division. With a vast experience in oil industry research, ICPT perform complex laboratory analysis, technical support and expertise at a high level of quality and efficiency, covering the needs of exploration and production activities.

#### ► Skills to Succeed

We acknowledge that one of our main responsibility is to stimulate a sustainable economic growth in the communities impacted by our operations. In this sense, we are committed to provide the necessary skills to the people and to develop local economy through specific activities that involve vocational training, local employment and supplier development.

All these activities are carried out through our social responsibility platform "Andrei's Country" and are meant to support people's education generating a long-term impact.

### Resourcefulness pillars



## How We Manage Sustainability

### OMV Petrom Resourcefulness Steering Committee

Implementation of our sustainability strategy Resourcefulness is managed and overseen by a robust governance mechanisms and through a **dedicated committee, OMV Petrom Resourcefulness Steering Committee (PRSC)** established in 2014. This Committee is accountable to the Executive Board OMV Petrom. Led by the company's CEO, the PRSC is formed by representatives from across the business and also key stream leads from Corporate Functions as topic owners for strategic Resourcefulness matters.

PRSC meets several times per year. Its main task is to maximize sustainability performance according to company's overall strategy and develop synergies throughout business units and corporate functions.

The Committee also acts as a content alignment and approval instance for sustainability projects and is the main body ensuring an overall sustainability planning, approved by the Executive Board at the beginning of the year. Furthermore, the committee has the duty to analyze and complete the Sustainability Report that is realized on yearly basis. Afterwards the report is approved by the Executive Board.

### Sustainability Department

At operational level, responsibility for the implementation of sustainability strategy, projects and reporting holds on the Sustainability Department that reports directly to the CEO. In this regard, between May and July 2016, we conducted an internal survey in order to evaluate our employees' perceptions & opinions regarding the company's sustainability strategy – Resourcefulness. The information collected through 1,568 questionnaires will be used to better shape the internal communication strategies of our Resourcefulness strategy. Methods and tools to make the effects of Resourcefulness

measurable enable us to take the best decisions for our company, environment and our stakeholders. Therefore, we developed a set of KPIs for all Resourcefulness areas (Eco-Innovation, Eco-Efficiency, Skills to Succeed, Stakeholder Engagement, HSSE, Business Ethics, Human Rights, Diversity) that helps us steering sustainability throughout the organization.



Workshop for the identification of vocational education needs.

**Employees  
perception regarding  
the Sustainability  
Strategy:**

# 80%

declared that all  
employees should  
be involved in the  
implementation of  
the Resourcefulness  
Strategy.



## Our Commitment to SDGs

2015 is a year of reference for Sustainability at global level. 193 Members States of UN, including Romania, approved and adopted 17 Sustainable Development Goals (SDGs) in order to achieve a more equitable and inclusive society. Being aware of our role and our duty to ensure economic growth while respecting natural and environmental resources, **in OMV Petrom, we strongly support the 17 SDGs**. Our support is transposed in a planning of specific projects and activities for medium and long period in congruency with our development strategy.

Thus, in 2016, we have organized together with the Global Compact Network Romania a supplier event, “Sustaining Partnership” with the participation of more than 110 persons. During the event we promoted the 10 Principles of UNGC and we have prioritized the UN SDGs that shall shape future sustainability strategy.

Additionally, in 2016, an analysis was conducted for identifying the SDGs on which we will focus our efforts. 100 internal stakeholders and 100 external stakeholders were involved in this process through an on-line questionnaire. At the end, we identified the **5 most important SDGs**, best connected with our activities:



# Stakeholder Engagement

Considering the intricacy of our value chain and the influence of our activities on different categories of stakeholders we are conducting extensive stakeholder engagement activities, respecting international sustainability frameworks, guidelines and standards, like: GRI G4, the AA1000 Principles Standard and the AA1000 Stakeholder Engagement Standard.

## Win-win relationship

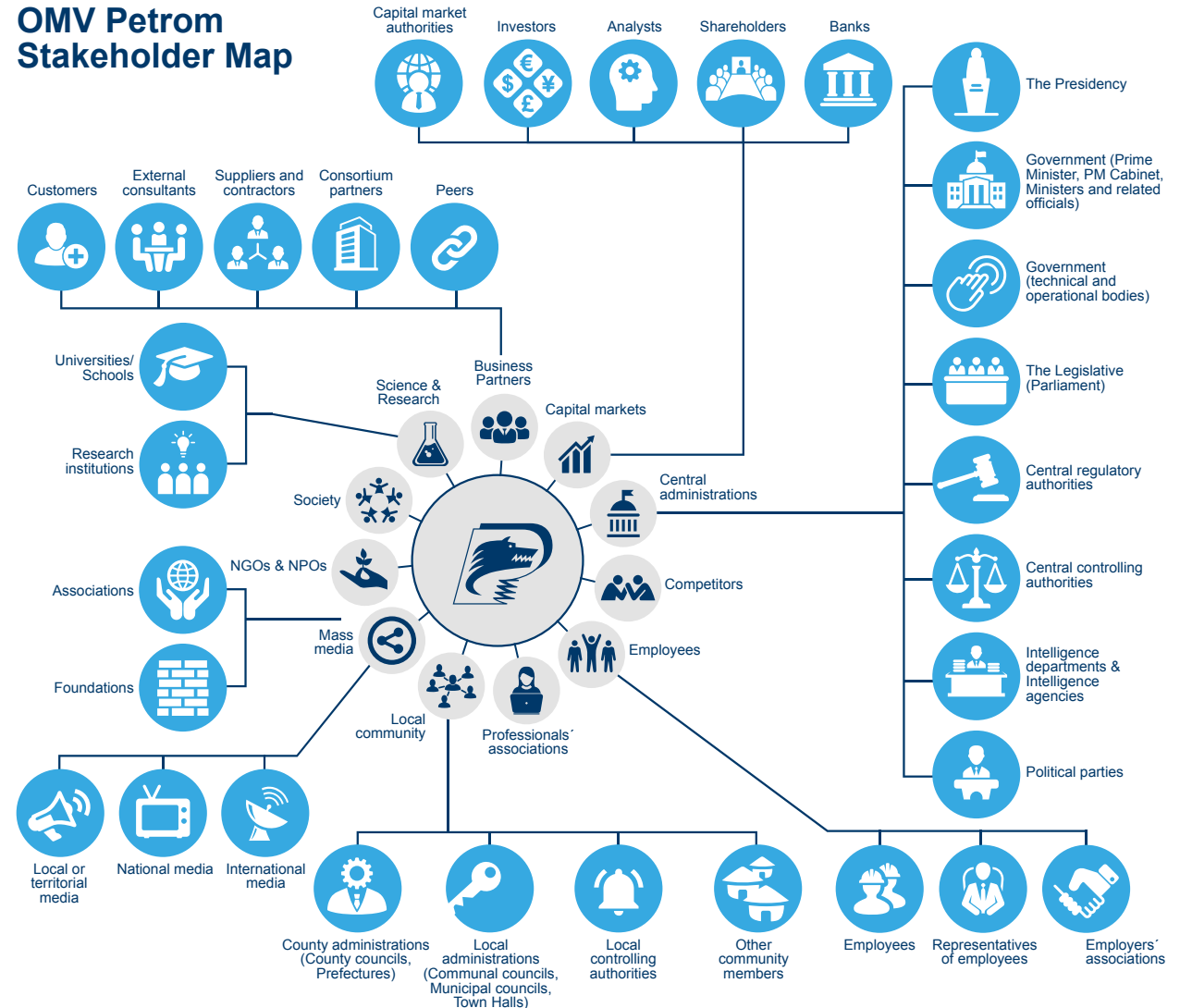
One of our main concern is to develop and maintain a win-win relationship with a wide range of stakeholders including employees, local communities, business partners, central and local administration and capital markets.

## Stakeholder identification process

Since 2009, we are conducting a stakeholder identification process, based on employees' consultation and assessment of risks and opportunities at company level. The result of these activities is an up-to-date database that for 2016 listed a number of **6,400 stakeholders** and a **Stakeholder Map** which helps us to prioritize our stakeholders.

As a consequence, we have created a **network of Community Based Organizations** in our hot spot areas steered by local authorities, formal and informal local key opinion leaders, inhabitants and representatives of OMV Petrom or other companies as a platform of dialogue and engagement for the development of those communities.

## OMV Petrom Stakeholder Map





## Reporting on Materiality

Being able to concentrate our actions and efforts on what really matters is the concept behind our materiality process. This means to identify those economic, social and environmental aspects that are crucial for our business success and for maintaining a mutual beneficial relationship with our stakeholders.

### Materiality analysis

Our starting point to define the content of this report were the findings of the materiality analysis conducted in 2014 at OMV Group level and reviewed each year, in accordance with the GRI G4 guidelines and the oil and gas sector supplements.

In 2016, we have conducted a reduced consultation process, targeting both our internal and external stakeholders, in order to identify if the materiality matrix valid at group level requires any adjustments that could be specific for OMV Petrom.

The results have confirmed the 18<sup>th</sup> material issues aspects identified by the Group.

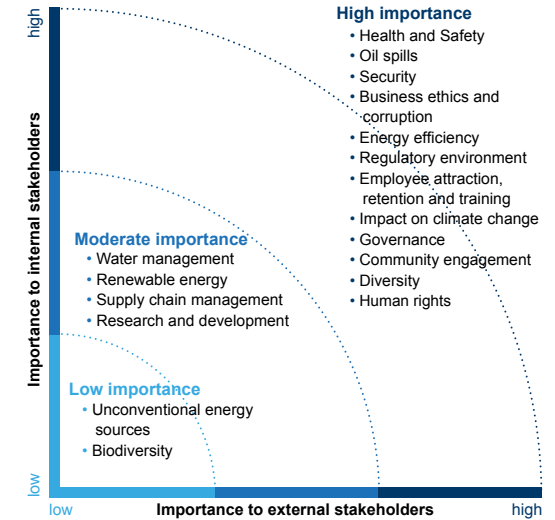
### OMV Petrom Matters

Therefore the material aspects were clustered for the purpose of reporting in six major categories: **Health, Safety, Security and Environment; Employee development and Diversity; Business Ethics; Community relations and development; Supply Chain Management and Innovation.**



Debate with stakeholders on vocational education needs.

### OMV Materiality Matrix







**OMV Petrom Matters**



## Health, Safety, Security and Environment

HSSE represent some of the most important material aspects on which we relentlessly work to improve our performance.

**Our Vision “Zero Harm – No Losses”** guides our behavior, action and decisions ensuring a safe and comfortable work environment for all our employees and contractors.

### HSSE management system

Within all our operations, we have established a strong and well-structured HSSE management system, based on specific and up-to-date methodologies and instruments, allowing us to implement the HSSE policy and to improve our performance. In the same time, a constant activity of HSSE Risk Management is implemented allowing us to timely identify possible threats that can negatively affect the security and well-being of our employees and, also, our reputation.

In this sense, we conduct annually HSSE assessments and audits throughout all our operations, including also our contractors. The HSSE performance is closely monitored, with a special focus on monthly and quarterly monitoring at OMV Petrom level and Business Division level. All incidents, findings/hazards, action items, assessments are reported and tracked internally through two central reporting tools in order to establish the necessary measures for further HSSE culture improvement.

**Think Ahead: CARE** is a tracking tool for managing all aspects of risk regarding Health, Safety, Security & Resilience, Environmental Management and Community Relations & Social Affair and to follow-up all associated measures, within the company.

**CARE|Monitor** is a reporting and data management tool implemented for the collection of HSSE data (mainly performance indicators) and allows for a group-wide consolidation of data. A user friendly integration and interface of these systems helps avoiding double reporting.

In terms of HSSE records for 2016, for example around 110,000 unsafe conditions and behavior reports were collected in our reporting system.

Also a new group-wide **Personnel Transportation standard** has been issued in order to provide guidance on how to implement best practice in road safety in each operational area according to national laws. We are constantly striving to raise the awareness of HSSE issues among our employees and contractors. In 2016, we have delivered **216,638 training hours in HSSE**. Within the Company, for each divisional work point, exist a Health and Safety Committee composed by the employer or its legal representative, representatives of the employer with health and safety responsibilities, workers’ representatives with specific responsibilities in the field of health and safety and the Doctor of Labor Medicine.

Despite all our efforts and constant preoccupation to ensure a safest as possible working environment in Romania, in 2016 we have lost a colleague. These tragedies are clear reminders for everyone at OMV Petrom to integrate the “safety first” principle in all of our activities.



Planning & Performance Monitoring Team.



*“Building a mature health, safety, security and environment culture is not about meeting regulatory requirements only. It is about building a responsible way of living. We put the life of people, our own employees, collaborators, communities where we are operating and the healthiness of the environment as one of the main pillars in our company’s strategy”.*

**Irinel Tilea**  
HSSE Department Director



## Health

OMV Petrom's HSSE Policy outlines our commitment to employees' physical and mental wellbeing. Group-wide, we are looking to rollout and harmonize high standards of health care, implement health promotion campaigns and systematically assess and reduce health risks.

We strongly believe that wellbeing and health of our employees are key factors for job satisfaction, engagement within the work place and productivity and therefore drivers for a successful company performance.

### Health Management Department

For this reason, our company allocates significant resources in this area: we have a dedicated Health Management Department, within the Corporate HSSE Department, responsible for the development of the Health Strategy and integration of health services.

We also have a range of programs and an internal provider (PetroMed) responsible for the delivery of operative Health Services, through a network of 24 workplace clinics.

### Health:ON platform

Since 2014 the Health:ON platform is offered to our employees by the Health Management Department. The platform integrates in one concept all the health programs offered by OMV Petrom.

Through an attractive and interactive communication, the platform is encouraging the voluntary utilization of the company's health programs.

The Health:On platform has a key role in supporting our vision – to build a stronger health culture at all company levels and to promote a change in the attitude of our employees: from consumer to co-producer of health and wellbeing, focusing on

maintaining and promoting personal health.

### PetroMed

The PetroMed services consist mainly of legally required occupational health examinations, general medicine consultations, medical emergency support, as well as preventive medicine consultations.

In line with our Health Management strategy and proactive approach, we have gradually increased over the last years the number of preventive medicine consultations, mainly through offering to our employees specific screenings (e.g. cardiovascular) and vaccination campaigns.



*"Our vision is to promote health as an essential value, protected through individual responsibility, but powered by OMV Petrom as a responsible employer. We integrate the needs of our employees, we filter them through a medical perspective and create programs which offer added value to people".*

**Mihnea Samoilă**  
Manager of Health



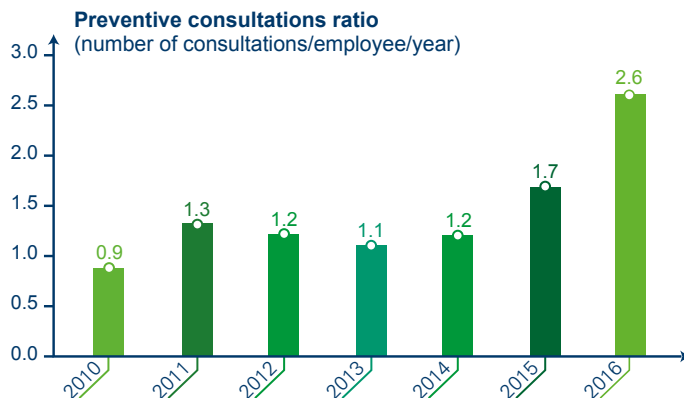
## Health

### Health Benefits

Besides PetroMed services, other significant health benefits offered to our employees are: corporate health promotion and awareness campaigns, private health insurance for employees and their families, subscriptions at the main private medical networks, financial support offered through a Maecenas grant to employees or family members with severe health issues.

### Health Surveys

In order to continuously improve our Health Offer, we are rolling out **annual Health Surveys** to measure Employees' Health literacy and their perception in relation to the company's approach as well as the customer satisfaction in relation to the health services they receive. As a responsible company, we are strongly involved through the **Healthcare taskforce of FIC** to the main public and private stakeholders of the Romanian Healthcare System. During 2016, as representatives of the FIC Healthcare taskforce, we have coordinated the development of the PNPS 2017-2020. **The PNPS is part of the National Health Strategy 2014-2020** and was developed considering as model the concept of the OMV Petrom Health:ON platform.



The highlights for 2016, regarding the activities implemented by the Health department are the following:

- ▶ Passport for Health contest rolled out company-wide over a 4 months period; over 1,200 employees from all divisions have submitted valid passports (valid = 10 healthy activities fulfilled), 70 winners awarded.
- ▶ “Win Health on” contest (based on Health knowledge) held in Petrom City with 135 participants from all divisions.
- ▶ 4 workshops on health topics held with Level 1&2 managers from all divisions.
- ▶ Health ON platform winner at the 2016 PR Award of a Gold award for excellence in communication of products and medical services and a Silver award for excellence in internal communication.
- ▶ 4,200 persons have benefited of private health insurance.
- ▶ over 11,000 employees screened for cardio-vascular risks, over 8,000 employees screened for hepatic risks and over 9,000 employees screened for diabetes.
- ▶ over 3,000 employees vaccinated for flu.
- ▶ 15 employees have received financial support for severe health issues.
- ▶ over 1,000 employees have been offered First Aid trainings.
- ▶ over 100 medical emergency exercises.



# 4,200

persons have benefited of private health insurance. Over

# 28,000

employees screened for various health risks.

## Safety

A Safety Culture has always been one of the most important themes debated in our company. Considering the statistics of the industry in which we operate, most of the work-related incidents which are occurring have as underlining cause the human behavior. In the same time, the majority of the monitored and reported HSSE-related facts is mainly referring to working processes and conditions and less to the human related causes. Therefore, we identified the need to develop specific long term programs with the purpose to understand and influence people's behavior towards a sustainable safety culture.

### Safer together

The behavior based **safety concept "Safer together"** was launched relying on the following main pillars: Leadership Commitment, Responsibility for Safety, Hazard Awareness & Risk Assessment, Communication, Intervention & Recognition, Performance Monitoring, Competency and Training, Contractor Management.

### Dedicated core team and operational multipliers

For the program implementation, a dedicated core team and operational multipliers were trained in order to assess and further facilitate knowledge transfer within our operations. The training sessions were structured to reflect the principles of behavior based safety, being concentrated on hazards awareness and positive intervention, recognition and promotion of safe behaviors for a continuous improvement. Likewise, within the program, several behavior related assessments were performed for a selection of our Operations: OMV Petrom Upstream Workover & Well Intervention (WO&WI) in Assets IV, V, VI, VII and the entire activity of Asset VIII, as well as in OMV Petrom Downstream Oil – a pilot in Depot Bacău. The aspects in focus of these behavior assessments were selected in congruency with the program main pillars.



Safety Culture Program Core Team

*"We believe that an excellent company is by definition a safe company. Since we all at OMV Petrom, are committed to excellence, its fulfillment entails especially to minimize risks to our people, plants, products and local communities. That is why their effective management is inseparable from all other company business objectives".*

**Mihai Frășineanu**  
Sr. Department Manager



## Safety

To further support the cultural change in Safety, our program “Safer Together” will continue in 2017 with more complementary activities, among which: a campaign on Safe Behavior, aiming to increase awareness especially that of frontline staff and make them understand that their own safety is a priority; specific follow up sessions on the business units, where safety culture assessments and actions plans were already implemented; extension of safety culture assessments, with customized learning workshops, for more business units and for main contractor companies, aiming the development of at least 1,000 persons.

### Tier 1 and Tier 2 Process Safety events

During 2016, we have recorded 5 Tier 1 process safety events and 12 Tier 2 process safety events, classification defined by API RP 754. In order to prevent possible accidents that can affect the integrity of our assets and the safety and security of our processes we have identified and implemented different improvement actions in both Upstream and in Downstream divisions. For example, In Upstream division, we have already implemented the following:

- ▶ an integrity assessment of the electrical equipment;
- ▶ a Plant Integrity Program: inspections, repairs, replacement of equipment's (tanks, static equipment and pipelines);
- ▶ pipeline integrity programs (RBI,PIMS);
- ▶ SCE management: performance standards, task lists and maintenance and inspection programs;
- ▶ specific process safety trainings for operators as part of the OMV Petrom Training Program, along with specific equipment type training and TPM.

In the same way, in Downstream divisions we have implemented:

- ▶ inspection and maintenance programs for equipment and pipelines;

- ▶ updating and monitoring of existing risk records at the installation level;
- ▶ functional safety management and assessment risks program.



Contractors' Forum 2016.

## FOCUS

### Safety Culture Program in OMV Petrom

Hence, one year after the launching of this program in OMV Petrom, we take this opportunity to communicate the following undertaken actions and results, which aimed at improving the working behavior towards Safety:

- ▶ **Train the Trainer** sessions for 23 multipliers
- ▶ **9 training sessions** for the management team in all Onshore Upstream Assets and one Downstream site, with practical site observations and group exercises
- ▶ **38 training sessions** for middle managers and blue collars, in all onshore assets, delivered via local multipliers network.

All these sessions were summing over 700 employees trained.

Global **HSSE** Day  
*IMAKEADIFFERENCE* **2016**

## Safety

### Other important safety-oriented activities

We continued to implement several important programs and measures aimed to promote a safety culture among all our employees and contractors, like:

- ▶ more than 2,700 employees completed legal safety and emergency trainings through the internal e-learning and testing platform Link2Learn;
- ▶ the Contractors Safety Forum organized in 2016 by OMV Petrom was dedicated to improve the safety performance of maintenance operations and enhance the safety partnership between OMV Petrom and its contractors;
- ▶ on the 12<sup>th</sup> of October 2016, we organized the HSSE Day with the aim to bring the people together for sharing their thoughts and actions, for asking and learning more about HSSE, for building up the culture of an integrated HSSE.

### Road Safety in Petrom

A presentation on OMV Petrom practices and methodologies regarding work-related vehicle accident reduction was delivered with the occasion of the “2016 Romanian National Health and Safety Conference”.

We also shared our Group experience and successful collaboration results with Romanian relevant authorities and other big companies, with the purpose to stimulate, influence and improve the national road safety culture, a very important duty as result of the award received by OMV Petrom Group from EU Road Safety Council in Brussels, in 2015.

In addition, in HSSE Upstream Division, an initiative named “Road Risk Maps” was implemented referring to a solution to record the risks faced by employees as they travel across the various roads in production areas. Through a GIS application various geographic characteristics of the areas owned by OMV

Petrom, like testing locations, collection parks and access ways were captured, allowing an easy and fast graphical display. The Road Risk Maps project has added more features to the already existing GIS database, such as hazard locations along the way.

Moreover, besides the possibility to be informed about the potential/probable hazards on a road, people using the system can also benefit from a report with all the data relevant to the route.

After the completion of the maps of all production areas, except the offshore one, two training sessions were organized for future users and the system was available starting with December 15<sup>th</sup>.



# 2,700

employees trained for  
safety and emergency  
situation trough the  
e-learning courses.



## Security and Resilience

Considering the specific characteristics of our business, one of our main responsibility is to prevent and manage possible negative events that can affect the continuity of our operational activities and to undermine the security conditions in which our employees and contractors run their daily duties.

### Quality Management System

In order to continually improve the effectiveness and the efficiency of our own processes, ensuring the provision of professional and reliable security services across the entire company, the OMV Petrom Group Security & Resilience organization has implemented a Quality Management System according to the **ISO 9001:2015 requirements**.

### Security & Resilience Department

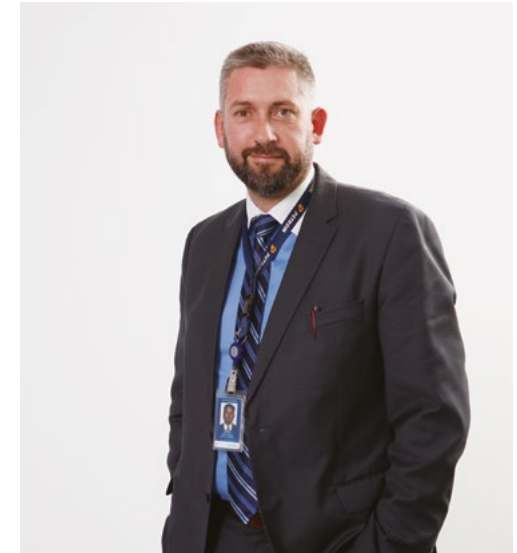
In our company, the Security & Resilience Department is responsible for designing and implementing processes, regulations and tools to protect people, assets, information and reputation from malicious and-or intentional threats across the entire company. The Security team ensures integration of security best practices at OMV Petrom level and supports business, not only through the delivery of its strategic objectives, but also on an operational basis. The Resilience team ensures the effective recovery of operations and the preservation of OMV Petrom brand in case of a significant incident, minimizing potential negative impacts on our business and our people.

### Security Risk Assessments

To efficiently manage the possible negative events linked to security and resilience, we periodically conduct assessments, **Security Risk Assessment (SRA)**, that allow us to identify and manage security. Over **2,500 SRA** have been conducted across OMV Petrom identifying the key threats to business units. Using

the results of the SRA, the Security team evaluates the current mitigation measures in place and makes necessary adjustments ensuring an efficient and cost effective approach. Mitigation measures range from security agents with fit-for-purpose operating procedures, to vehicle patrols and technological solutions. **In 2016, 9 overarching business processes were assessed** and mitigation measures were proposed in alignment with the business.

Security contractor's activities are monitored on a regular basis and plans are reviewed and updated on a monthly basis. Each Security contractor is also subject to an annual audit by the Security team and any non-conformities that are identified are subject to positive action to resolve them in an acceptable timeframe. The Resilience team plan and attend annual exercises with the objective of identifying areas of development and issue reports at the end of each exercise with a list of actions to ensure continuous improvement. **2016 comprises the best annual results in terms of increased efficiency of security services** seen through the lowest recorded number of reported security incidents across all Upstream locations.



*"We are fully committed to ensuring that the domain of Security & Resilience shall be widely recognized within OMV Petrom Group as an essential resource for the protection of people, assets and reputation against internal and external threats".*

**Darren Murray**  
Head of Security & Resilience  
Department

## Environmental Performance

We strive to operate in a safe, efficient and responsible manner to create sustainable value for the company and for all our stakeholders, now and tomorrow, embedding UN SDGs. Environment & Eco-Efficiency is a strategic objective supporting the long-term growth of our company.

We aim at minimizing the environmental impact at all times, particularly in the areas of oil spills, waste, energy efficiency, GHG emissions and water management. We promote environmental culture by increasing awareness and awarding performance.

### Environmental Management System

OMV Petrom's operations are required to maintain an environmental management system in accordance with ISO 14001 and an energy management system certified according to ISO 50001. The monitoring of environmental KPIs is embedded in our standardized, regular reporting processes. Group-wide environmental regulations, management and reporting tools enable us to improve environmental performance. In 2016, the following business operations held certification according to ISO 14001:

- ▶ OMV Petrom S.A., Maintenance and Logistics activity in Upstream;
- ▶ OMV Petrom S.A., Refining Business Unit;
- ▶ OMV Petrom Marketing S.R.L. / Downstream Oil, OMV filling stations;
- ▶ OMV Petrom S.A., Supply, Marketing and Trading activity;
- ▶ OMV Petrom Gas S.R.L..

### Environmental Risks and Opportunities

Taking into account the impact extent of our activities, we are constantly monitoring and managing the possible environmental risks and opportunities along our value chain. According to the

OMV Petrom's EWRM, the control and mitigation of identified and assessed risks take place at all organizational levels by using clearly defined risk policies and responsibilities. In this sense, environmental risks and opportunities cover regulatory, operational, reputational and financial drivers.



*“The responsible use of natural resources, the energy efficiency and the management of the environmental impact become key to face the current and future challenges of our company”.*

**Grația Sandu**  
Sr. Department Manager





## Environmental Performance

We have evaluated and planned or implemented countermeasures to reduce the potential impact of identified environmental risks. These include the use of economic instruments, such as emissions trading and carbon portfolio management, the integration of the climate change and water related issues in our strategy and other key business processes, and operational and engineering measures.

### Environmental Risk Assessment Methodology

The operational environmental aspects, impacts and risks are assessed at asset level in a bottom-up process using a standardized framework and Environmental Risk Assessment Methodology, followed by the development of treatment plans. The framework meets ISO 14001 requirements and ensures the consistent qualitative assessment of operational risks and impacts related to the environment.

### Environmental Risk Register

The resulting **environmental risk register** includes information on existing controls of environmental risks, as well as further actions required. In 2016, we continued to roll-out the framework methodology and reached **100% coverage for working points in Upstream Romania**.

### Environmental Costs

In 2016, our total environmental costs amounted to EUR 206.85 mn, of which EUR 38.33 mn on integrated prevention. Environmental investments out of the total environmental costs accounted for EUR 43.09 mn in 2016 (2015: EUR 79.68 mn).



OMV Petrom Environmental Awards 2016.

## FOCUS

### Shaping environmental values through performance

In order to promote the environmental culture, we have run yearly the Program “**Shaping environmental values through performance**” on the occasion of the World Environmental Day, since 2014.

This conveyed key messages to raise environmental awareness and awarded the best environmental performers across the company.

EUR

43.09

million investments in environmental projects.

## Oil Spills

Oil Spills represent a critical environmental aspect to our industry. We concentrate our efforts to consolidate our infrastructure in order to reduce the number of spills on yearly basis.

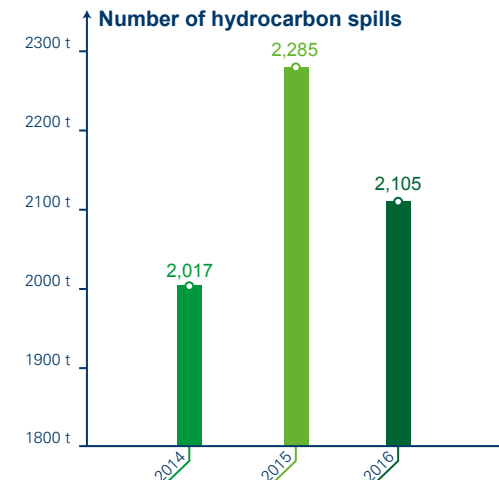
In 2016, we continually enhanced the **Pipeline Integrity Software** and 2,613 km of high volume / high consequence of failure pipelines now have high accuracy data within GIS and PODS. The maintenance program implemented for pipelines led to a significant downward trend in the number of leaks during the second half of the year.

### Process Safety HAZOP

The Process Safety **HAZOP** (Hazard and Operability) **Program is achieved with 60%**. It will commence its penultimate year for high risk facilities with a total of 123 completed to date and 80 will be completed during 2017 and 2018. We continued to perform emergency drills, including pollution scenarios, in Upstream's assets to strengthen our response to oil spills and reduce the potential environmental impact.

**The spills number decreased by 8% in 2016** compared with 2015. We had 1 significant hydrocarbon spill in Asset IV (Romania) where a crude oil pipeline cracked due to corrosion, so that 39,000 liters of oil were spilled, which affected an area of around 2,000 m<sup>2</sup>. Oil spill response activities were started immediately so that around 38,000 liters could be recovered.

Also, we had 2,104 minor releases, comparing to 2015 when we had 2,282 respectively. These were the result of process safety incidents, primarily caused by corrosion of aging infrastructure. Total hydrocarbon spillage was 97,590 liters, comparing to 2015 when we had 72,641 liters. The volume increased mainly due to a significant pipeline failure.



The spills decreased by

**8%**

in 2016 compared with 2015.



## GHG Management

Our industry is energy-intensive, with energy accounting for a significant share of our operational costs. By improving the way we use energy, we can cut costs as well as reduce GHG emissions.

In 2016, we have implemented different successful initiatives and reduced the overall GHG Intensity by 5.9% comparing to 2015.

### GHG Intensity in OMV Petrom Upstream

In OMV Petrom Upstream, in 2016, we continued to implement initiatives to reduce the GHG Intensity, such as: reduced gas consumption (improved Low Temperature Separation technology at Calacea in PEC Timiș); reduced flaring and venting (PEC Ţicleni) due to improved facility integrity; park optimizations (Upstream Asset 2- Bustuchin, PEC Timiș and PEC Turnu).

Also, we implemented different projects aimed to obtain electricity (G2P) or electricity and thermal energy (CHP) out of gas. Since 2009, we have built in total **31 G2P and CHP power plants**, out of which **3 were built in 2016**. The total G2P/CHP **installed capacity is now 65 MW**, producing more than 1,400,000 MWh since the beginning of the Program.

The performance achieved in 2016 is based also on effects of projects implemented in previous years such G2P at Amara, Gornet and Cobia. Through G2P projects we managed to ensure around 50% of the annual electricity consumption of our Upstream's onshore assets and around Euro 36 mn operated expenditure savings in 2016. We expect to improve these results in 2017.

Another important aspect to manage GHG in our industry is related to flaring and venting. In order to perform in the reduction of flaring and venting, especially in OMV Petrom

Upstream, we have conducted various site visits with environmental experts from head quarter level. OMV Petrom is committed to phase out routine flaring according to **World Bank global initiative "Zero routine flaring by 2030"**, endorsed by OMV Group. Regarding vented gas, in 2016, we reported a reduction in Upstream by 15% compared to 2015.

### GHG Intensity in Downstream Oil

In Downstream Oil we have obtained remarkable results by implementing energy projects at the Petrobrazi Refinery targeting the reduction of energy consumption:

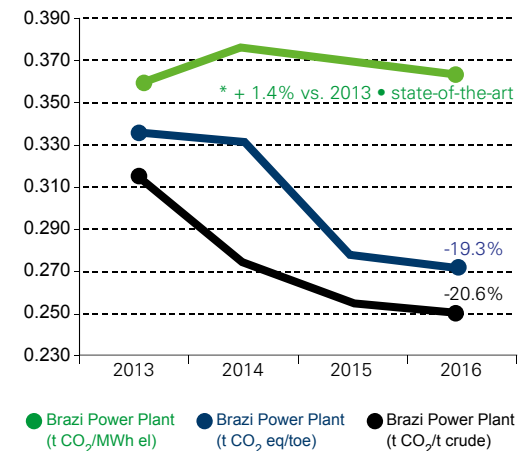
- ▶ heat integration in Naphta Hydrotreater, Gas Fractionation and Ethyl-Tertiary-Butyl-Ether Units by installing a new heat exchanger;
- ▶ recovery of condensate by installing new pump in Gas Desulfurization and Sulphur Recovery Unit;
- ▶ increase the energy efficiency by replacement of trays in Catalytic Reforming Unit.

The above projects will result in annual energy saving of around 140,000 GJ and over 8,600 t CO<sub>2</sub> eq.

Our **860 MW Combined Cycle Power Plant** located at Brazi is equipped with state of the art emissions reduction equipment that allows it to rank under EU average of CO<sub>2</sub> emissions. In 2016, the power production increased by 0.278 TWh and the **GHG intensity decreased by 0.9 %**.

Since 2011, we operate a 45 MW wind farm at Dorobanțu. In 2016, this plant delivered 0.083 TWh to the national grid, which resulted in a saving of 25,000 t CO<sub>2</sub> eq. emissions based on the average national grid factor of 0.299 t/MWh in Romania. The **Power Plant in OMV Petrom City** decreased the thermal and the electricity production by **2%** in 2016 vs. 2015. Its operation was optimized and the efficiency target was achieved.

### GHG intensity



\* 2014 lower production (under installed capacity) due to market conditions.  
\*\* Change of Global Warming Potentials in 2016

Note: Kazakhstan not included



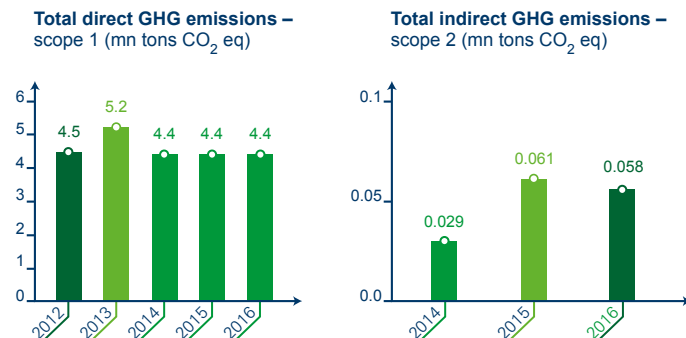
# GHG Management

## Direct GHG Emissions (Scope 1)

We have updated our reporting methodology to align with the Fourth Assessment Report of the Intergovernmental Panel on Climate Change. This has involved updating the way we calculate the GWP of the GHG we emit. In spite of higher GWP and higher electricity production of CCPP, **our total direct GHG emissions (scope 1) were relatively stable in 2016 vs. 2015** and accounted for 4.4 mn t of CO<sub>2</sub> eq. Projects implemented in Upstream resulted in GHG emission's overall saving of 324,000 t of CO<sub>2</sub> eq during 2009 – 2016. The energy efficiency and optimization initiatives in Downstream Oil/Petrobrazi Refinery resulted in savings of over 526,000 t CO<sub>2</sub> eq. during 2009 – 2016. Petrobrazi Refinery achieved the greatest GHG intensity reduction of 23% in 2016, vs. 2012 among all OMV Petrom's business divisions.

## Indirect GHG Emissions (Scope 2)

Our indirect GHG emissions (scope 2) are those related to the production of the energy we purchase (electricity and heat) for our operations. **In 2016, our indirect GHG emissions totaled 58,375 tons CO<sub>2</sub> eq.** An amount of around 118,000 tons CO<sub>2</sub> eq indirect GHG emissions were avoided in 2016 due to energy generated by G2P and CHP units in Upstream.



We are subject to the EU Emissions Trading Scheme (EU ETS). Nine of our operating installations were under EU-ETS at the end of 2016. Around 50% of our direct GHG emissions come from these EU-ETS installations.

In 2016, **we deployed the Upstream Emission Inventory, an IT Tool started in 2015**, aiming to support the automatic calculation of GHG and other air emission data. This tool is fully integrated with the existing production database of PIMMS.

Other than GHG, our most significant air emissions include SO<sub>2</sub>, NOx, NM-VOCs and particulate matters that are presented in more details in chapter



## FOCUS

### Prevent venting by G2P project at Park 448 Drăgăneasa.

The Energy Efficiency Program within Projects & Engineering Department of Upstream Division implemented a project aimed at exploiting the energy of the associated gas and preventing venting due to lack of appropriate infrastructure.

The G2P power plant at Park 448 Drăgăneasa (see photo) consists of one Generator set of 1 MW installed capacity, one step-up transformer and one gas treatment skid. We forecast that this G2P power plant will use approximately 16 mn Nm<sup>3</sup> of gas and will deliver around 64,000 MWh by the end of 2025.

Decreased overall GHG intensity by

# 5.9%

in 2016 compared with 2015.

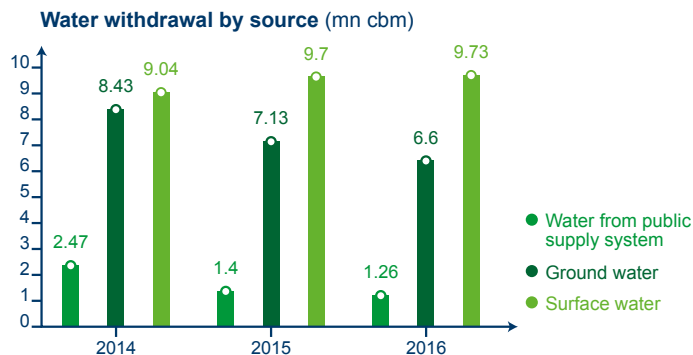


## Water Management

Increasingly recognized as a critical sustainable development issue, **water is an important resource for our industry** and is used for multiple processes in our Upstream and Downstream operations. We have committed to reducing our water withdrawal as well as the impacts of our operations, while also working to improve our water efficiency.

During 2016, we continued to implement, at all operated sites, our **Water Management Plans**. According to this, **reduction targets were established for 70% of the sites and all the relevant sites across our company** are subject to regular monitoring and reporting. Furthermore, we conduct high-level water-related risk screening at every five years and Quarterly and Annual Monitoring of Water Withdrawal Intensity.

In 2016, our total Water Withdrawal decreased by 56% compared to 2010, and 3.5% compared to 2015. We withdrew 17.59 mn m<sup>3</sup> of water (2015: 18.23 mn m<sup>3</sup>), out of which 38% was groundwater. We were successful in further achieving an overall reduction of the Freshwater Intensity of 6.2% in 2016 vs. 2015 (15.9% in 2015 vs. 2014, 11% in 2014 vs. 2013 and 17.6% in 2013 vs. 2012). This was based on Freshwater Intensity reduction of 10% in Upstream, including PECs, 3.2% reduction in Downstream Oil (excluding Power Plants) and 5.4% reduction in Power Plants (CCPP Brazi, OMV Petrom City Power Plant).



**In Upstream, we continued carrying out preventive maintenance and repairs to reduce water loss**, as well as optimizing fresh water supply systems and parks modernization /downsizing. As part of Water Supply Optimization Project, the following works were finalized by end of 2016: 18 water wells, 5 water retains, 1 pumping station, 4 water treatment stations, 2,000 meters of new pipeline and 3,000 meters of relined pipeline. Therefore, 7 water stations were closed, 1 water station is in final process of closing down and for 1 water station the project continues with obtaining permits, detail design and execution for 2,000 meters of new pipeline.

In 2016, our Upstream operations generated 46 mn m<sup>3</sup> of formation water – 48.3 mn m<sup>3</sup> in 2015 (a by-product of oil and gas production). Following treatment, over 96% of it was reinjected in the underground. The remainder was treated and further discharged to surface water bodies, in accordance with the provisions of our environmental permits.

**In Downstream, the Petrobrazi Refinery maintained its lowest Freshwater Intensity in the last years** as a result of the projects previously implemented (e.g. recovering condensate, upgrading steam tracers' batteries, reducing purges and optimizing the drinking water network).



### FOCUS

#### New water treatment plant

The new water treatment plant at Suplacu de Barcău oil field (see photo) is planned to be finalized during 2017. The construction works are completed while electrical, mechanical and civil works are in progress.

This new plant replaces the existing one and incorporates the latest available technology. It is provided with physical, chemical and biological treatment units, as well as with activated carbon filtration system for water polishing before discharging to Barcău river.

Reduced total water withdrawal by

# 56%

in 2016 compared with 2010.

## Waste Management

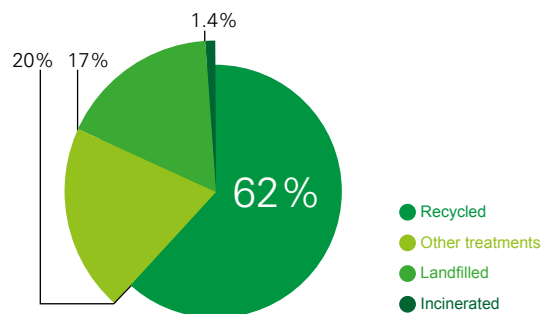
In order to minimize the negative environmental impact, we have developed a rigorous approach to waste management based on hierarchy of priorities: prevent waste where possible; then reuse, recover and recycle it; and only as a last resort, dispose of it safely.

The main waste categories produced are solid and liquid, including oily sludge, waste chemicals, spent catalysts and construction debris. In 2016, we continued to implement our **Waste Prevention and Reduction Plans** across all our operations. We conducted waste audits and defined actions intended to improve performance.

The total amount of **waste generated in 2016 was 812,360 t**. Compared to 2015, there was an increase of 17% on account of the one-time non-hazardous waste from demolition works in Doljchim. We recycled / recovered 62% of the total waste generated during the year.

The Hazardous waste mainly included contaminated concrete and soil from wells and facilities abandonment in Upstream, whereas non-hazardous waste included scrap metals and clean concrete from the decommissioning activities. From the contaminated soil treated in our bioremediation plants, in 2016, **38% resulted as clean soil for use as backfill material** and **62% resulted as non-hazardous soil waste** that qualified for landfill disposal.

Total waste management by pathway in 2016 (%)



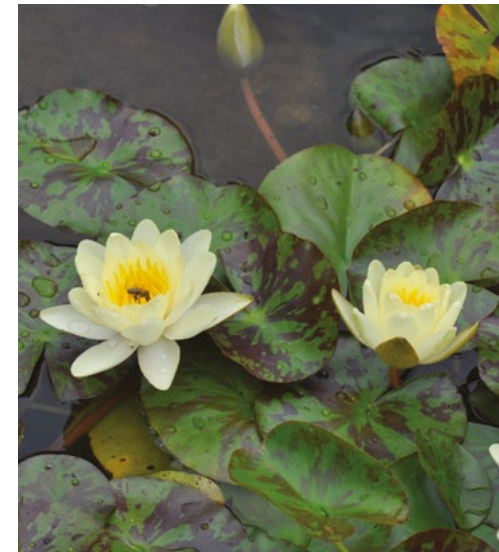
In Upstream we no longer use diesel based drilling fluids and strive to select the most environmentally friendly solutions. Wherever technically feasible, we use water-based drilling fluids with a 65% water cut. Where technical requirements do not allow this, such as in extended-reach wells, we use non-aqueous drilling fluids (NADF). We reuse drilling mud wherever practicable, treat and dispose cuttings as required by law and best available technology.

## Biodiversity

We undertake environmental impact assessments and evaluate biodiversity impacts before launching new projects or establishing new operations. Where our operations are carried out in protected areas or where protected species are present, we closely monitor the ecosystem so that our activities cause no or minor disturbance of such ecosystems.

Also, we are respecting an environmental management standard established with specific requirements inserted on biodiversity. In 2016, we developed a **Biodiversity Monitoring Plan and Report for the Field Re-Development Project** at Burcioaia site in Upstream, in “Lunca Siretului Inferior”, sites of community importance. We also conducted a drill at a well operating in the Natural Park “Balta Mică a Brăilei”.

For the future, we plan to carry out a review of the company’s operations and activities in order to identify challenges relating to biodiversity in different business areas. Observed or predicted direct and indirect impact on BES are described and analyzed within the environmental impact assessment. In case of significant observed or predicted impact, action planning gives priority to avoidance and minimization over restoration and impact offsetting.



Recycled/recovered

**62%**

of the total waste generated in 2016.



## Energy Management

We are firmly committed to improving our energy performance across all business segments in which we operate.

A strong company culture of energy management, meaning that all employees make energy efficiency a personal responsibility, is what helps us set ambitious goals and achieve them.

### Energy Management System

We are continually working to improve the Energy Management System, implemented and unitarily certified in 2014 according to ISO 50001 requirements.

The Energy Management System enables an organization to achieve its policy commitments, take action as needed to improve its energy performance and demonstrate the conformity of the system to the requirements of this International Standard: SR EN ISO 50001:2011.

Since 2014 OMV Petrom is **certificate ISO 50001 with TUV Karpat** the branch of TUV Thuringen in Romania.

### Energy Efficiency Academy

Recognizing that people are our most valuable resource, we have a **bi-annual event dedicated to the energy managers** in all business segments, the **Energy Efficiency Academy**.

We have reached out to over **5,500 employees** that have **concluded an online training** which is periodically updated to reflect new internal norms, national legislation or best practices in the field. Reducing our energy intensity helps us maintain our competitiveness and contributes to securing energy supply.

### Energy projects

We are conducting regular energy analyses and continually

seeking the best and most innovative solutions to improve our energy performance and reduce the impact of our operations on the environment.

In 2016, we obtained remarkable results by implementing energy projects in Upstream and Downstream Oil that will result in annual savings more than 10,000 tep/year, such as:

- ▶ compressors replacement at Mădulari and Slăvuța;
- ▶ LED lighting project;
- ▶ improving the performance of furnaces in the DAV plant;
- ▶ optimization of utility networks;
- ▶ installing a counter-pressure turbine and generator in the cogeneration plant.



*"An energy management culture is the power of our individual actions".*

**Mădălin Apostol**  
Sr. Dept. Manager Special Projects

Energy savings in 2016:  
**10,000**  
tep/year in Upstream and Downstream.

## Employee Development and Diversity

The dedication and the professionalism of our people are the liaison between the performance of OMV Petrom and a sustainable business strategy. For this reason we are always grateful for our people's involvement and preoccupation to respect the commitment we have made when we decided to make OMV Petrom an employer of choice.

To achieve this, we are continually focusing to create for them attractive and safer jobs, career development programs and remunerations at competitive level. As a company that is encouraging diversity at all organizational levels, we are proud that among our workforce at Group level we have more than 36 different nationalities.

OMV Petrom also aims to attract the best students through successful internship programs, allowing them to acquire the necessary competencies to access the labour market. Only in the last five years, more than 500 people were involved in these programs.

### Training Programs

We are implementing every year various training programs, like learning lab, facilitation tool and HSSE, in order to upgrade the skills of our employees according to their development needs. At the same time, we ensure the participation in different open training programs and specialized conferences. During the reporting period, 172,351 hours of training were delivered to the OMV Petrom employees.

### Open4U – our internship program

Considering the increasing average age within our company (reaching 47 in 2016), OMV Petrom is focused on providing knowledge transfer programs and ensuring succession for critical (technical) positions. We aim to attract the best students and offer them the opportunity to complete formal education by

attending practical activities, specific to a certain business area. **Open4U** is our company's very successful internship program, through which, in 2016, 31 students undertook a two-month paid internship. For the next years, we are looking forward to increase the number of students attending the program.

### Performance Review

Annually, our people are engaged in a performance review, action that aims to strengthen the bond between employees and their supervisors, emphasizing positive performance indicators and establishing steps ahead in order to achieve better results for the next evaluation timeframe. In 2016, **5,034 employees received a performance and career development review**, structured as follows: 4,226 operative staff and 808 management.



*“Adapting to our fast changing business market, requires our company to pursue also behavioral shifts supporting our business aspirations and company’s sustainability. Next focus of Human Resources is to reflect company’s new principles in all processes starting with how we attract and recruit talents, to performance and reward management and leadership development”.*

**Carmen Capruci**  
Sr. Project Manager HR





## Employee Development and Diversity

### Remuneration at competitive levels

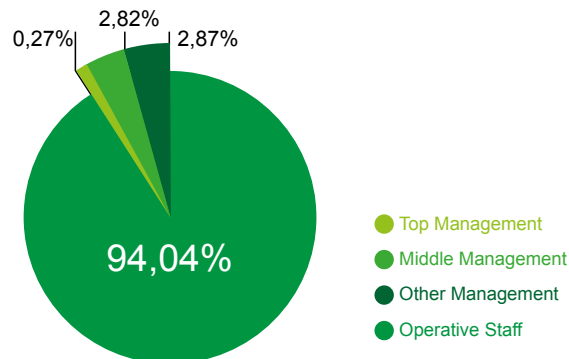
Another focus of our human resources management is to ensure for our employees remuneration at competitive levels relevant for the oil & gas industry.

This includes: a fixed based remuneration, other fixed payments (such as fixed bonuses and special allowances according to the Collective Labor Agreement), other statutory and non-statutory benefits (such as private insurance system, holiday indemnity / special days off and, depending on the assigned position, a status car, or a status car compensation or a functional company car) and short term (quarterly and / or annual) performance-related component.

### Informing and consulting our employees

Having in view that one of the main pillars of our company is represented by our employees, OMV Petrom is paying great attention to the respect of their rights, as well as to the fulfillment of its obligations, according to the specific legislation, individual labour contracts and the collective bargaining agreements.

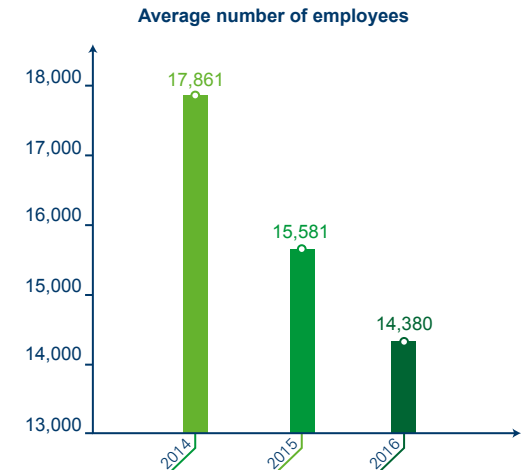
Breakdown of employees per employee category



Thus, one of the main obligation of OMV Petrom is to inform and consult employees' representatives on developments in the company's activity which may affect their interests, in line with applicable legal provisions.

In case of dismissals on grounds non-attributable to the employees (either individual or collective) the company has the obligation according to the collective bargaining agreement to provide a notice period of 30/60 calendar days (depending on employees' age).

As well, in case of transfer of undertaking or parts thereof, minimum notice period is of 30 calendar days to employees and their representatives, in line with applicable legal provisions.



**5,034**  
employees received  
performance and career  
development review.

## Employee Development and Diversity

### Diversity

Achieving gender balance has always been a challenge in the industry we operate.

By being part of OMV Group, we have acceded in 2013 to the **Group diversity strategy**, striving to meet the Group key performance indicators: **30% women in top management positions** and **35% women in upper management positions** by 2020.

This proves strong and long run commitment in supporting women in top management positions.

### Women in managerial positions

As regards the company's corporate bodies while there are no female members in the Supervisory Board of our Company, we have two women in the Executive Board: Mariana Gheorghe, CEO and President of the Executive Board and Lăcrămioara Diaconu-Pințea, Executive Board member in charge with Downstream Gas.

Moreover, at the end of 2016, around 38% of the first line directors reporting to the Executive Board were women, whilst the percentage of women in upper management in total (directors and head of departments) was around 29%.

The proportion of women at Group level, as a whole, increased above 25% by year end.

### Promoting parity and eliminating gender bias

OMV Petrom is committed to promote parity and eliminating gender bias, by offering learning opportunities in diversity and by making available to all employees the PetrOmbudsman services, to which they may raise work related issues, including gender one.

### Equitable gender choice for maternity and paternity

We also believe that equitable gender choice for maternity and paternity leave, and other leave entitlements, can lead to the greater recruitment and retention of qualified staff, and boost employee morale and productivity.

In 2016, the total number of employees that were entitled to parental leave was 13,853, out of which 19 men and 71 women took it, during reporting period.



### FOCUS

#### Women Leadership Cross Companies Mentoring Program

The program matches women in middle management positions (women with potential, early in a leadership position or at the mid-stages of their career) with highly experienced leaders from other companies, with the aim to provide them with the knowledge and the attitude they need to act as organizational leaders and assume corresponding roles.

In 2016, the percentage of women in upper management per total was

# 29%



## Business Ethics

OMV Petrom believes that **trust and integrity** are among the **most important assets** a company can possess. We consider the reputation for ethics demonstrate that our company is a trustworthy business partner, a respectable employer and a responsible player for the authorities and the society. By acting legally and ethically we build customer loyalty and gain valuable business partners. It also contributes to retaining good employees and creating a positive business environment based on fairness and team spirit.

### Compliance Management System

Towards this approach, at OMV Petrom we implemented a **business ethics compliance** management system, aiming to prevent, detect and respond to business ethics threats. The system is developed and updated based on a risk assessment approach and encompasses internal rules, guidelines, training and monitoring systems. The Corporate Affairs & Compliance Department, led by **OMV Petrom Corporate Compliance Officer**, is in charge with the business ethics compliance management system. The effectiveness of our compliance management system in the area of business ethics is assessed through a combination of mechanisms and methods, including: self-assessment, employee surveys, analysis of number and types of requests for advice, as well as engagement of a third party to provide an independent assessment. The auditing process of our compliance management system is conducted according to **international standards (IDW PS 980)**. In 2016, we initiated the re-certification of the system.

### Code of Conduct and Code of Business Ethics

The overarching document, which describes our company's business principles, is the **Code of Conduct**. In the area of business ethics, these principles are further developed in the **Code of Business Ethics** which is addressing the topics of bribery, facilitation payment and embezzlement, conflict of

interests, gifts & invitations, intermediaries, donations and investment in local communities, competition law, sanctions and embargoes and establishes the rules in order to avoid business ethics risks. The Code also provides information on the whistleblowing channels in place.

Both the Code of Conduct and the Code of Business Ethics apply to all employees, business partners and suppliers and are available on company intranet and internet web page, in Romanian and English, in order to reach all stakeholders.

### Training on business ethics and anti-corruption

For employees of managerial level, the every **two-year training on business ethics and anti-corruption is mandatory**. In addition, all employees in higher risk areas (e.g. employees working in procurement or dealing with government bodies) must undergo business ethics and anti-corruption trainings at least every 2 years. Besides the mandatory training, ad-hoc sessions are conducted as well, upon managers' requests.

Training is provided in the form of interactive lectures held by staff of the Corporate Affairs and Compliance Department's staff or online. To secure compliant behavior from an early stage onward, new employees undergo an initial training, as part of the New Employee Orientation Program (NEO) established at organization's level. In 2016, our organization's anti-corruption policies and procedures were communicated to all employees. **Total number of employees that received training on anticorruption during reporting period is 702.**

### Corporate Affairs and Compliance Department

Our company requests that any employee must report concerns about unethical behavior and matters related to organizational integrity to the line manager and to the Corporate Affairs and Compliance Department.



*"2016 was the year when we start re-thinking our compliance awareness strategy, focusing on activities and events seeking to influence people's behaviors and attitudes towards ethics, integrity and compliance with laws".*

**Livia Dumitrescu**  
Director of Corporate Affairs & Compliance Department



## Business Ethics

Our external stakeholders are informed about the availability of counselling services and instruments for reporting concerns about unethical behavior and matters related to organizational integrity through the Code of Business Ethics brochure, on OMV Petrom's internet web page. The level of availability/accessibility to counseling services on ethical and lawful behavior and on reporting instruments on concerns about unethical or unlawful behavior, and matters related to organizational integrity are detailed in section

### Conflict of interests

The Code of Business Ethics contains also clear requirements for employees to disclose any conflict of interests, rules regarding investments in communities and rules regarding donations, such as the interdiction to make a donation to private accounts or to organizations which are not compatible with the Code of Conduct, interdiction to make donations which give rise to a potential conflict of interests that could affect a material contract decision and the interdiction to make a donation to a political party.

Moreover, employees with managerial responsibilities are required to sign a **conflict of interests' declaration**. Similar disclosure requirements apply to third parties linked to organization's activities. For example, suppliers are required by contract to disclose any conflict of interests, once they become aware of it. All the same, **filling station dealers** must sign a "**compliance declaration**" containing conflict of interest disclosure requirements, which is part of their contract. Likewise, we have internal regulations providing for the responsibilities of the members of the Executive Board and of the Supervisory Board, as well as for the working procedures and the approach to conflicts of interest, which imply immediate disclosure and refraining from participating in debates and voting on such matters. Information on related parties'

transaction is regularly reported to the market via the stock exchange and our company's website.

### Criteria for granting sponsorships

Our sponsorship strategy establishes the criteria for granting sponsorships, including the fact that the involved partners (people & companies) have to be clear of any negative association that could create a bad connotation to our company and the avoidance of awarding sponsorships to political parties or with the scope of promoting political parties. The complex process of offering sponsorships implies analysis of the project to be sponsored, approvals of the competent functions according to internal rules. Both the charitable donations and sponsorships are being monitored by the Compliance Officer in the **Electronic register of donations** respectively the **Electronic register of sponsorships**. For the reporting period there were no administrative or judicial sanctions levied against our organization for failure to comply with corruption laws or regulations. Also, we have not identified any substantiated complains regarding breaches of customer privacy and losses of customer data.



Investigation Workshop.

## FOCUS

### Business Ethics Events

Our company shares its experience with aspects related to business ethics and corruption with peers in the Romanian industry by involvement of the Corporate Compliance Officer as active participant in various external workshops and initiatives.

In 2016, we were involved in debates about the National Anti-corruption Strategy and, as part of working group, made proposals for amendment of the Strategy.

Also, three top-level events were organized in 2016 at OMV Petrom premises, with special guests such as Mr. Martin Kreutner (Dean of International Anticorruption Academy), Mr. Davon Mahoney (FBI Agent) and representatives of top lawyer firms.



# Community Relations and Development

## Generating local value

Community Engagement is a key aspect for OMV Petrom, integrated within our day-to-day business behavior, supporting us to fulfill our long-term sustainability commitment towards ~ **350 communities where we operate**.

Our community engagement approach focuses on stimulating economic growth through sustainable community development initiatives, generating local value and win-win solutions by fostering leadership, entrepreneurship and engagement, supporting vocational training and professional qualifications/re-qualification for unemployed people.

## Community Based Organizations

Working side by side with our stakeholders through dialogue and social commitment, we strive to achieve progress, local economic growth and increase employability. Our operational areas are mainly small urban and rural sites where there is a high unemployment rate and OMV Petrom is in most of the cases the only employer.

Through our pro-active involvement we are striving to minimize our negative impacts (accidental pollution, dust, noise, land issues, unemployment etc.) and increase the positive impacts (economic growth, local taxes, employment, suppliers support etc.) that we are generating. As a solution we developed in our 9 operational Assets, **11 local NGOs (Community Based Organizations)** in order to encourage transparent dialogue between our local operations and local people and to empower communities in developing projects for their needs.

Having all local stakeholders within the same organization, we helped the Community Based Organizations members to find common solutions and to access other external funds (e.g. European Funds) in order to become long-term self-sustainable.

## Community Screening

Identifying local needs is a common process in our company which is the result of the community screening, including the socio-demographic data (no. of population, villages and ethnic structure, education services, economic activities & infrastructure).

The process we are following is based on procedures, directives, frameworks, KPIs dashboards and management processes at OMV Group level, such as: Community Relations and Community Development Standard, Stakeholder Engagement Process, Upstream stakeholder management process related to community engagement and sponsoring projects, Resourcefulness – Sustainability Strategy, Resourcefulness KPI Dashboard or Grievance Mechanism Directive.



*“The challenge of Sustainability in OMV Petrom in 2016 was to take a new step – looking beyond business, seeing the big picture and working for a better, more sustainable solution in environmental performance, safety, education, local employment, both for us and for the communities in which we operate”.*

**Mona Nicolici**  
Head of Sustainability



## Community Relations and Development

### Social and business impact

As an internal tool for monitoring and measuring both OMV Petrom social and business impact in local communities, we use the Risk Map, tracking several indicators such as: negative media, facilities risks, security incidents, land/ properties related issues, socio-economic profile, natural hazards, the relation with local authorities and CARE incidents

For the socio-economic indicator we are considering 40% risk from Average Income per Person and 60% risk from Unemployment Rate registered at county level and split on our geographic operational areas\*. Other indicators included when identifying local needs are: local authorities' involvement in community development and the number of OMV Petrom employees at local level. Once the screening is complete resulting a clear picture on the community needs, social and operational impact, the process is continuing with the prioritization of the specific activities. Annually, within the **350 operational communities** we are operating, we cover around **100 local villages** in which we develop community projects, based on our business reasons prioritization. The most common identified needs for a large number of communities are: increasing the employment rate, improving the education system, decreasing the rate of school abandonment especially in Roma communities, and increasing local economic growth.

### Sustainable mitigation measures

In 2016, we continued to identify the local communities' needs and implement sustainable mitigation measures, using all our specific tools and respecting our internal standards and procedures in community engagement, that are ensuring the process efficiency. For mitigating the issues with local stakeholders we implemented a **grievance mechanism**

\*Note: data is collected quarterly from INS/ National Statistics Institute of Romania

### system available in every Operational Asset.

For example, in 2016, the total number of grievances about environmental impacts filed through formal grievance mechanisms was 705, out of which 619 were solved.

### People Trained for Employment

We assess our results based on the KPI for Skills to succeed pillar from sustainability strategy – “People Trained for Employment”- established and aligned for each project at the beginning of the year and evaluated bi-annually. **We measure the number of beneficiaries trained and certified for new jobs** as well as those prepared to become employable (focus on soft skills & guidance). Aside from this strategic KPI, we also establish for each project specific KPIs based on initial benchmarking analysis, in order to measure our results at the end of the implementation (e.g. the abandonment rate for 3 years in Boldești Scăeni Community Center). Details about the measures generating impact are presented also in section



Meeting at Boldești Scăeni Community Center.



# 350

OMV Petrom operational communities.

# 100

local villages covered by community projects.



## Community Relations and Development

### Awards and recognitions

All these projects have contributed in receiving prestigious awards and recognition for our company reflecting the work and the preoccupation for the community in which we are operating: **Sabre Awards – Gold Sabre Award** in the “Balkans” category for “**Vocational Romania**” project; **Romanian CSR Awards – 1<sup>st</sup> place**, in “Education” category for “**Vocational Romania**” project; **Wall-Street Gala – People and businesses that change Romania – “Investment in Romania’s future”** for **OMV Petrom’s sustainability programs**; **Romanian Building Awards – 1<sup>st</sup> place** for the “**Community Resource Center (CERC) Boldești Scăeni**”.

### Enhancing access to basic services

Likewise, OMV Petrom is engaging in initiatives that are addressing infrastructure and local development needs, by building and maintain transport links and enhancing access to basic services like water and electricity in communities affected by its operations. In the past years, we have implemented various projects which covered a shared-used infrastructure, allowing other stakeholders from the local community to use the infrastructure built for its operations.

These initiatives were mainly targeting rehabilitation and consolidation of roads and bridges with access to operating locations, which now serve public use as well, but also ensuring flood protection in various river crossing locations.

In 2016, our company’s investment in infrastructure development included the **rehabilitation and equipment of 14 educational institutions** (with an investment of 225,086 EUR 1,227 students and teachers will benefit from better educational conditions), **rehabilitation of 6 hospitals** and the development of playgrounds, parks, day centers, homes for disadvantaged families or book clubs (with and investment of 86,210 EUR).



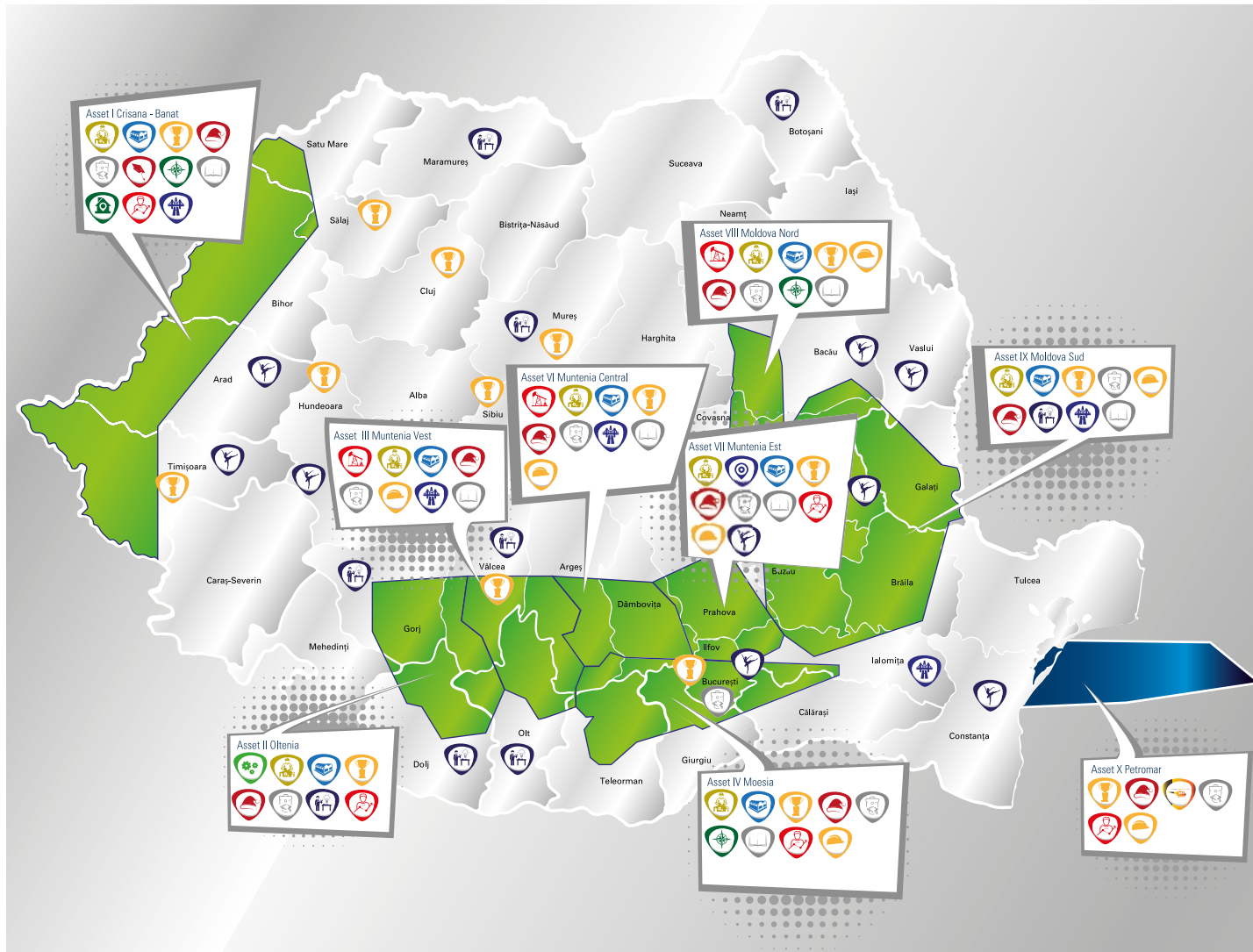
## FOCUS



















### First Public Policy Report on Vocational Education in Romania

In 2015, our studies showed that the craftsmen’s sector faces an imminent crisis. 7 out of 10 employers have difficulties in finding good craftsmen. Only 2 out of 10 parents would send their children to a vocational school and 75% of Romanians think that being a craftsman is not a respectable job. Thus, we made a commitment to make a change. Apart from specific initiatives, such as educational projects and working sessions on vocational education, in 2016 we made a bigger step.

For the first time in Romania, we developed a **Public Policy Report on Vocational Education**, together with the Romanian Academy and the Research Institute for Quality of Life. The report is a comprehensive analysis from the perspective of different stakeholders of education – employers, policy makers, students, trade unions, non-governmental sector, teacher – and includes challenges and recommendations that contribute to a long-term development of the vocational education strategy in Romania

# 2016 Sustainability Project Map



-  Vocational Romania – The Oilmen’s School
-  Vocational Romania – The Vocational Summer Camp
-  Made in Andrei’s Country
-  Boldesti Scaeni CERC Community Center
-  Community Based Organizations (CBOs) / CERC (Community Resource Centers)
-  Volunteering Championship
-  You can be Santa Clause!
-  Constanta HELIPAD
-  Education on Performance & Leadership
-  Ideas from Andrei’s Country
-  University Scholarships Program
-  Career Orientation
-  Professional qualification trainings
-  Local entrepreneurship initiatives
-  Local Capacity Building
-  Safety Awareness Campaigns
-  Romania’s Women Gymnastic Team
-  Infrastructure Development



## CSR Projects – 10 Years of Responsibility for Romania

### Andrei's Country



“Andrei's Country” is our social responsibility platform that is central to our long-term strategy to place OMV Petrom as the most responsible company for tackling socio-economic aspects in Romania. Over the last 10 years, since „Andrei's Country” was launched, OMV Petrom supported projects that inspired the Romanian communities to take action and change their lives in key domains: creating new jobs, accessing the non-formal education and nurture the citizenship. Andrei's Country's values are the civic spirit, the entrepreneurial spirit, the (non-formal) education and innovation.

### Romania Meseriașă Vocational Romania



The program started in 2015 and aims to find solutions for sustaining and improving the vocational training system, consisting of the following initiatives:

- ▶ implementing 2 vocational training projects: “**Oilmen's School**” and “**Vocational Summer Camp**”;
- ▶ setting up a task force of stakeholders involved in the vocational training program to identify problems and the adequate solutions;
- ▶ organizing workshops with thematic debates and creating an action plan;
- ▶ developing a Policy Report on Professional Education System in Romania.

Since 2016, “**Vocational Romania**” is part of the **Presidency's program – “Educated Romania”**.

The project “**Oilmen's School**” is a project to support post-secondary public education institutions in the preparation of qualified workers. It is implemented in 3 education institutions from Moinești, Pitești and Târgoviște, where we created 6 classes with 2 specializations: well operator and extraction and transport gas operator. In 2016, we offered 168 scholarships for the students enrolled in these classes.

Within “**Vocational Romania**” OMV Petrom implemented the “**Vocational Summer Camp**” initiative aiming at developing personal and professional competences of teachers and students in IX-XI grades from **21 vocational high schools in Gorj County** and the **3 high schools from “Oilmen's School” project** through the organization of specific workshops. In 2016, the project addressed the following fields: oil and gas, mechanic, electric, constructions and tourism and food.

The summer camp includes a series of practical activities designed to help the students to be better prepared for the labor market after finishing their studies. For one week, students participated in an intensive program combining vocational profiling, personal development courses and practical workshops, specific for the profession they are studying.

During the personal development courses, the students learnt the basics about communication, teamwork, entrepreneurial spirit, employability and also civic responsibility. At the end of the project, 40 out of the **270 participants**, best students, received a monthly scholarship for 2016-2017 school year.

Also, 40 teachers received trainings and recognized diplomas offered by The National Center for Human Resources Development Eurostudy (CNDRUE – Centrul Național pentru Dezvoltarea Resurselor Umane Eurostudy).



Students from Oilmen School.



Vocational Summercamp 2016.

## CSR Projects – 10 Years of Responsibility for Romania

### Made in Andrei's Country



This project is the social businesses competition organized by OMV Petrom together with NESsT Foundation. The objective is to develop **10 social businesses** in the local communities in which we operate. The finalists received trainings on marketing research, feasibility studies & business plan writing, business development and mentorship. Also, the winners received grants of total value of 350,000 EUR and one year business incubation support. The new social businesses created jobs for 21 people, out of which 16 were part of the disadvantaged groups.

### Ideas from Andrei's Country (ITLA)



"Ideas from Andrei's Country" is the grant competition where we support the sustainable development of Romanian communities. More than **170 projects entered** in the competition in 2016, and **150,000 EUR grants were offered for 13 winning projects**. Eight projects are aiming to develop vocational education by equipping laboratories, training teachers and providing practice hours for the future graduates, while the other five are managing environmental problems through greening, use of non-polluting transportation, selective collection and recycling.

### Leadership Authentic Program

The program aims to identify and select the high-school students from our communities in order to train them for developing leadership potential and communication skills. Additionally, the program is comprising a professional orientation component. For 9 months, beneficiaries from **10 local communities** participated, under the guidance of

specialized trainers from the Leaders Romania Foundation, in a training module divided into two levels: Level 1 (leadership aspects) and Level 2 (communication aspects).

Examples of leaders from the community and from OMV Petrom, mentoring and vocational guidance sessions, with an authorized vocational – orientation software JVIS (Jackson Vocational Interest Survey), are included in the program.

### OMV Petrom Olympics Program

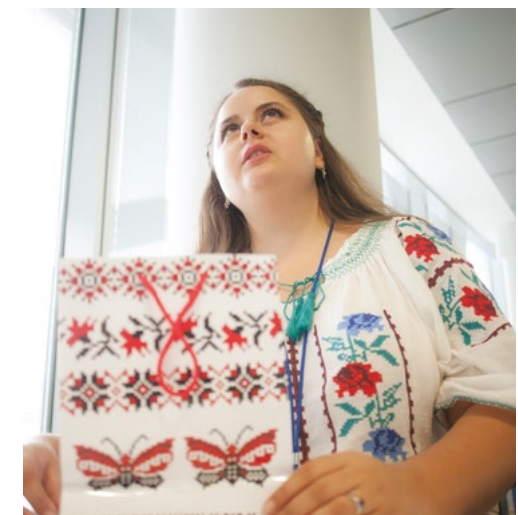
Within the program are involved **children whose parents are working in oil and gas industry**, are having the opportunity to meet teachers from Harvard, Stanford or Berkley universities from who they can learn about on leadership and entrepreneurship development.

### Aspire Academy Program

The program is the only leadership and entrepreneurship programs in Romania where Harvard and Stanford professors teach and inspire. The program is dedicated to students, high school students and young professionals.

Since **2010** we have a long-term **public-private partnership with the Ministry of Youth and Sports**, Bucharest City Hall, Romanian Gymnastics Federation and "Casa Campionilor" Foundation in order to support women's gymnastics. Under this partnership, we undertook to **financially support by now 2.5 million EUR the women's national gymnastics team trainings** and the development of a national selection program.

Under the national program, at the beginning of the academic year 2016-2017, **125 children aged between 8-11 years were still attending the training program at the gymnastics facilities within sport clubs** in: Bucharest, Deva, Onești, Timișoara, Constanța, Ploiești, Focșani, Bârlad and Arad.



Winners of "Made in Andrei's Country" competition.



## CSR Projects – 10 Years of Responsibility for Romania

### Community Based Organizations (CBOs)

In 2016, our company continued its dialogue with local stakeholders by strengthening the **11 CBOs**, created starting with 2008. These **11 local NGOs**, which are active in several counties in Romania\* are annually stimulated to grow their skills and potential by attending a projects competition having as final results local community development activities such as:

- ▶ civic engagement and participation of community members in local councils decisions, increasing volunteering in their community (Galați/Schela);
- ▶ improvement of education quality and diminishing school abandonment via “school after-school” programs (Teleorman/Talpa);
- ▶ raise employability opportunities by stimulating local economic potential and improving people’s technical skills through certified trainings (Bacău/Zemeș);
- ▶ support youth involvement in local development through associations or initiative groups, public speaking programs etc. (Bacău/Moinești, Gorj/Bustuchin, Prahova/ Băicoi).

A total of **855 persons benefited from these projects** implementation. Also, **28 jobs were generated** by the initiatives.

### Volunteering program

Initiated 10 years ago, the internal program is meant to engage our employees as volunteers for the development of company’s operational communities. More than **5,000 volunteers**, out of which 4,000 OMV Petrom employees and employees from Petrom and OMV stations, participated in 2016 in over 170 volunteering projects as: greening, cultural and prevention activities, renovation of playgrounds and parks or donations.

**The Volunteering Championship has funded 12 community projects** initiated by our employees. They are challenged to

find solutions for community development through a projects competition offering grants for volunteering initiatives. More than 1,600 employees supported over 220 NGOs within the 2% Campaign. 400 employees donated gifts to 400 children from underprivileged families, through the “You can be Santa Claus” campaign.



**\*Note:** Oradea – Suplacu and Marghita; Gorj – Bustuchin; Olt – Poboru; Teleorman – Talpa, Poeni, Siliștea; Dâmbovița – Mănești; Prahova – Băicoi, Telega, Boldești; Bacău – Moinești and Zemeș; Galați Schela; Dolj – Ișalnița

**“10 years of CSR in OMV Petrom means 10 years of challenges, driving through changing times and targeting to responsible business”. Mona Nicolici – Head of Sustainability.**

## Human Rights

One of the important pillars of our company's Resourcefulness Strategy is protecting human rights, aspect that we integrate in the way we behave and conduct our business activities.

### Human Rights Matrix

Having in view our endorsement to UN Global Compact since 2013, we believe that human rights issue is among the main elements of sustainability management. In this sense, we have prioritized human rights responsibilities and tailored them in a matrix valid for all the Group.

Furthermore, the fact that our CEO was **Global Compact Network Romania Representative**, is the guarantee that the UN Global Compact ten principles are not only promoted in our company and to our stakeholders, but also among the entire local business community, motivating and influencing the stakeholders of each and every company to create long-term effects.

### Human Rights Policy

To demonstrate our commitment, we have integrated the UN Global principles into our human rights policy and Code of Conduct. Also, we require to our business partners (suppliers and sub-contractors) to respect our company's policy and encourage them to develop similar standards.

In 2016, we **conducted a pilot audit to one of our sub-contractors**, on subjects related with compliance, human rights, quality, stakeholder engagement and HSSE in order to cooperate and mutual proclaimed human rights throughout our value chain.

### The PetrOmbudsman Department

Moreover, 2016 was the third year when our company benefited from the services of the Ombudsman Department that

supported the human rights activity. More information about our PetrOmbudsman Department can be found



## FOCUS

### Human Rights e-Learning Tool

In 2016, at Group level, a human rights e-learning tool was elaborated. The instrument is available in three languages, including Romanian, and is extremely useful in guiding our employees through norms and situations relating to human rights. In only 30 minutes, in a highly interactive manner, different human rights cases are presented to the users. The training using this new tool started in the first part of 2017.

### PetrOmbudsman workshops

In order to promote employee's abilities to support their own opinions and learn how to amiably resolve issues of their concern, PetrOmbudsman organized in 2016 voluntary workshops regarding conflict management. The topic of change management was also approached in other workshops provided by this Department, so as to help the employees to ease through adaptation periods in the fast pacing environment of 2016. Around 1,800 employees and managers were interested and participated in this workshops.



## PetrOmbudsman

This was the third year when the company benefited from the services of the Ombudsman Department, called PetrOmbudsman – a company’s corporate governance initiative. **The existence of this department – the first of its kind in a Romanian oil and gas company** – proves our management’s interest in the employees’ comfort and well-being and also reflects the degree of maturity our governance system has reached.

### OMV Petrom’s model

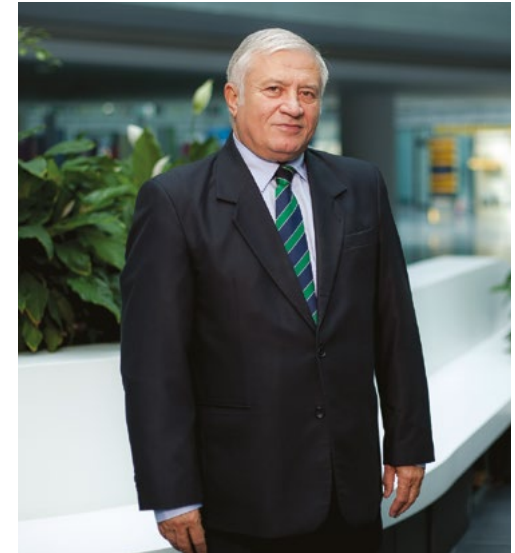
The department represents an additional and informal communication channel between the company and its employees, alongside the other traditional and formal channels which already function within all companies. The department acts in accordance with the International Ombudsman Association’s Code of Ethics and Standards of Practice, based upon principles of independence, impartiality and neutrality, confidentiality and informality. Equally, it takes into consideration the principles and values of the company. In order to provide additional safety and confidence to all those who wish to contact this new additional communication channel, the members of **OMV Petrom’s Executive Board signed a “Non-Retaliation Policy”**. By identifying problems and then agreeing upon mutually acceptable resolutions with all interested parties, PetrOmbudsman Department aims to bring positive changes within the organization, both at individual and systemic level.

**PetrOmbudsman benefits from the help of an Advisory Committee** that is composed of managers from each division in OMV Petrom, and representatives of trade unions. They ensure the support which the department needs in implementing its recommendations for changes in the organization, given the informality of the Ombudsman structure. Furthermore, they act as the department’s ambassadors and also as facilitators in the divisions or departments they belong to. In 2016, the total number of people contacted during the department’s visits

within the territory has reached about ~5,000, out of which ~1,800 benefited from Ombudsman workshops in 2016.

### Our projects

A “Strategy for prevention of litigation” was implemented in order to offer an option for employees to approach a friendly alternative to resolve a case before opening a litigation. Given the role of an Organizational Ombudsman department within a company, PetrOmbudsman tried to promote the importance of having such a structure and also Petrom’s model, as a pioneer in the field, through interviews (“Legal Magazine” and “The Voice”) and by participating to events of the kind outside the organization (e.g. Labour Law Forum). A pilot project for fillings stations, launched in 2015, was developed in 2016, in which PetrOmbudsman extended its scope of work to OMV and Petrom filling stations within the country, having a different approach, appropriate for filling stations.



*“2016 was a year in which the maturity of our Ombudsman activity was attained, the number and complexity of cases handled by PetrOmbudsman increasing considerably and proving the high level of the department’s integration within the company”.*

**Prof. Univ. Dr. Mihai Berinde**  
Director of PetrOmbudsman  
Department

## Supply Chain Management

An efficient and responsible management of our supply chain allows us to lead our activities relying on trustful partners who share our values and impulse the communities' development in which we operate by building a win-win relationship with local suppliers.

OMV Petrom can pursue its objectives in relations with suppliers only complying with applicable regulations and its standards. Therefore, our suppliers must comply with both legal requirements and our HSSE standards.

### Code of Conduct

To ensure the suppliers' adherence to OMV Petrom principles and to mitigate the risk of forced labor, slavery and human trafficking, OMV Petrom's supply chain partners have to assume the OMV Petrom's Code of Conduct or to demonstrate that they have their own regulation in accordance with our principles. OMV Petrom reserves the right to terminate the relationships with suppliers, if issues of non-compliance with applicable policies are discovered, or non-compliance is not addressed in a timely manner. In 2016, 98% of our A-suppliers signed up to our Code of Conduct.

### Suppliers' Assessment

OMV Petrom uses tools, such as **360-degree feedback, supplier evaluations and audits** to assess and monitor a supplier's adherence to the principles outlined in OMV Petrom's Code of Conduct. Where a supplier does not act with integrity or does not have suitable controls in place, OMV Petrom will consider whether it can work with it to implement improvements or terminate the relations with the supplier.

OMV Petrom also has a **process in place aimed at ensuring the sanctioned parties** (by EU and United Nations) **are not accepted** as business partners for our procurement activities.



Sustaining Partnership Event in OMV Petrom.



*"OMV Petrom aims to deliver sustainable value creation and attractive shareholder returns. We replicate this objective also at Procurement Department level, where we constantly improved over the years the rate of spend with local suppliers, to support local value creation".*

**Adriana Voicu**  
Head of Operational Procurement  
Petrom



## Supply Chain Management

All suppliers ranked as HSSE high risk are audited once in two years by OMV Petrom experts and a set of corrective measures is defined, if needed (e.g. in 2016 in Upstream Division 20 high risk contractors delivering services, have been audited related to the level of implementation of the HSSE Management System).

### Encouraging local procurement

We encourage local procurement in order to create shared value in our local communities. 94% of the total purchase order volume was placed with local suppliers, representing more than 800 mn EUR. (2015: 93%). Furthermore, we support local suppliers by improving their capabilities to meet higher technical, HSSE and business standards.

In order to create engagement with suppliers and other businesses along our supply chain, we adopt different methodologies and instruments.

One of our main goals in 2016 in this field was to develop a shared mindset on sustainability issues with our suppliers, to understand which is their vision, strategy and performance regarding the sustainability and to establish a close cooperation with them on specific and shared sustainability priorities.



## FOCUS

### The Audit Process

In 2016, we started an audit process through which companies can prove how they address sustainability challenges and how they integrate sustainability in their activities.

Thus, in March, a team from OMV Petrom paid a visit to a medium term partner of OMV Petrom, and during a week, we exchanged experience on different issues (quality, business ethics, human rights, risk management, financial, HSSE).

The final report was presented to the top management.

# 94%

of the total purchase order volume was placed with local suppliers.

## Innovation

Implementing the newest technologies and innovations from extractive and energy industry, OMV Petrom is increasing production, reducing costs and improving work conditions.

### Institute of Research and Technological Design Câmpina (ICPT)

Our framework for research and development activities is the ICPT Câmpina, owned by OMV Petrom and is part of Upstream Division. With a vast experience in oil industry research, ICPT performs complex laboratory analysis, technical support and expertise at a high level of quality and efficiency, covering the needs of exploration and production activities. In most cases, the projects implemented by the institute cover areas such as IOR\* / EOR\*\*, Drilling and Cementing, Geology, Materials and Corrosion.

### Management of new technologies

In our company, the **management of new technologies follows 4 main directions**: maximizing the success of exploitation activities, production optimization and recovery optimization and offshore. The process of implementing a new technology involves 4 stages: Identification – presenting and prioritizing the identified technologies, Development – research activities to adjust and adapt the technology, Pilot test – testing the technology and Implementation. This process is managed through a dedicated program, aiming to support the development of innovative technologies. The entire process is also influenced by a potential change in the list of technologies of great importance, which can be generated by changes in company's strategy or major changes occurring on the market. The tested technologies are evaluated and classified as ready to be implemented, based on the Final Testing Report. This stage has no dedicated budget, rollout activities being included in general business process.

\*Improved Oil Recovery; \*\*Enhanced Oil Recovery

In 2016, the most important events in respect to Research and Development activities were: **Eco-Innovation Forum** and **New Technologies Forum** (events that are the basis of selection for innovative technologies), Meeting for prioritization of proposed technologies for testing, Rollout meeting and Focal Points monthly meeting.

Since 2005 **ICPT Câmpina** has benefited from a large investment program that aimed to **modernize and refurbish the laboratories**. As a result of this program, the laboratory's infrastructure was modernized and latest generation equipment were purchased, which led to the improvement of the quality of the services and the efficiency of institute's activity. Thus, in 2016, research and development activities in ICPT reached 43% of the entire working capacity. **The research program covered a total of 31 projects**, out of which 21 were directly led by ICPT Câmpina specialists, while in the other 10, the institute was involved in different stages of analysis or laboratory experiments. During reporting period, 14 projects were finalized, with other new proposals being accepted and introduced in the R&D portfolio for 2017.



ICPT Câmpina team.



*"From initiatives to projects and results."*

**Alexandru Dragomir**  
Eco-Innovation Responsible

**2 accredited laboratories from ICPT Câmpina were re-evaluated in 2016 by LGC Standards, VSL – Dutch Metrology Institute and Collaborative Testing Services Inc. USA.**







## Performance in Details



## Economic Performance

(RON mn)	2016	2015	2014
Profit / (loss) before tax	1,052	(697)	2,543
Sales	12,594	13,952	16,537
Direct Economic Value Generated (DEVG) <sup>1</sup>	13,593	15,218	17,269
Economic Value Distributed (EVD) <sup>2</sup>	12,563	16,426	16,309
Economic Value Retained	1,030	-1,207	960
<b>Financial Assistance Received from Government</b>			
Tax relief	11	17	6
Tax credits	15	18	16
Investment grants (*)	203	1	2
<b>Reserves</b>			
Total proved reserves in Romania as of December 31 <sup>st</sup> (mn boe)	582	625	671
Total hydrocarbon production in Romania (mn boe)	60.66	61.90	62.57
• thereof crude oil and NGL production (mn bbl)	26.34	27.43	27.98
• thereof natural gas production (bcm)	5.25	5.27	5.29

<sup>1</sup> DEVG = sales and other operating revenues, financial revenues.

<sup>2</sup> EVD= value distributed to stakeholders (suppliers, governments, capital providers, employees, shareholders, society).

\*SOP IEC – Axis II, Title: Increasing the research and development capacity of the Institute of Research and Technological Design Câmpina – OMV Petrom SA.

\*Financing contract for the investment in the Combined Cycle Power Plant located at Brazi.



## Environmental Performance

Environmental Indicators	Unit	2016*	2015	2014
Energy consumption	PJ	45.8	45.8	42.5
Wind Energy	MWh	83,868	81,931	83,131
Water withdrawal	mn m <sup>3</sup>	17.59	18	20
• thereof groundwater	mn m <sup>3</sup>	6.6	7.13	8.43
• thereof surface water	mn m <sup>3</sup>	9.73	9.70	9.04
• thereof from public supply systems	mn m <sup>3</sup>	1.26	1.40	2.47
<b>Emissions</b>				
GHG (direct, scope 1)	mn t CO <sub>2</sub> eq	4.4	4.4	4.4
CO <sub>2</sub>	mn t	3.3	3.3	2.9
CH <sub>4</sub>	t	44,304	52,137	71,306
N <sub>2</sub> O	t	24	25	25
GHG (indirect, scope 2)	mn t CO <sub>2</sub> eq	0.058	0.061	0.029
<b>Other air emissions</b>				
SO <sub>2</sub>	t	679	643	731
NO <sub>x</sub>	t	3,218	3,178	3,098
Non-methane-volatile organic compounds (NM-VOC)	t	6,958	6,545	8,229
Particulate emissions	t	63	63	138
<b>GHG intensity</b>				
GHG Intensity Petrobrazil Refinery <sup>1</sup>	t CO <sub>2</sub> eq/t crude	0.251	0.258	0.272
GHG Intensity Upstream	t CO <sub>2</sub> eq/toe	0.263	0.277	0.329
GHG Intensity CAPP <sup>1</sup>	t CO <sub>2</sub> eq/MWh	0.366	0.369	0.374
GHG Intensity Index Petrom <sup>2</sup>	%	-5.9	-9.4	-4.7

**Comments to GHG Intensity:**

1 – CO<sub>2</sub> verified emissions  
2 – Weighted average of GHG Intensity variation from Business Divisions

\* Data including Kazakhstan

## Environmental Performance

Environmental indicators	Unit	2016*	2015	2014
<b>Waste water emissions</b>				
Chemical oxygen demand (COD)	t	598	512	564
Hydrocarbons	t	13	11.8	14.1
Total nitrogen	t	38	11	27
<b>Waste</b>				
Non-hazardous production waste	t	568,419	370,351	237,443
Hazardous production waste	t	243,941	321,215	196,945
<b>Total waste</b>	<b>t</b>	<b>812,360</b>	<b>691,565</b>	<b>434,388</b>
Spills	number	2,105	2,285	2,017
Spills Volume	Liters	97,590	72,641	44,960
<b>Flaring and venting</b>				
Hydrocarbons flared	t	22,189	25,655	27,400
Hydrocarbons vented	t	48,233	55,660	76,337

\* Data including Kazakhstan

Freshwater withdrawal intensity	Unit	2016*	2015	2014
Freshwater Intensity Upstream	cbm/toe	0.71	0.82	0.96
Freshwater Intensity Downstream Oil <sup>1</sup>	cbm/t throughput	1.82	1.88	2.44
Freshwater Intensity Power Plants	cbm/MWh	1.12	1.18	1.22
Freshwater Intensity Index Petrom <sup>2</sup>	%	-6.2	-15.9	-11.0

Comments to Freshwater Withdrawal Intensity:

1 – Excludes Power Plants  
2 – Weighted average of Freshwater Withdrawal Intensity variations from Business Divisions

\* Data including Kazakhstan



## Environmental Performance

Waste management by type	Unit	2016*	2015	2014
Hazardous Landfill	thousand tons	39.77	86.48	48.38
Hazardous Recycling	thousand tons	97.86	62.58	40.89
Hazardous Incineration	thousand tons	11.05	2.51	7
Hazardous Other Disposal	thousand tons	95.26	169.64	100.67
Non-hazardous Landfill	thousand tons	99.09	132.16	57.71
Non-hazardous Recycling	thousand tons	405.9	178.28	127.86
Non-hazardous Incineration	thousand tons	0.17	0.53	0.51
Non-hazardous Other Disposal	thousand tons	63.26	59.38	51.36

\* Data including Kazakhstan

Total direct GHG emissions	Unit	2016*	2015	2014
Upstream	mn t CO <sub>2</sub> eq	2.32	2.39	2.88
Downstream Oil <sup>1</sup>	mn t CO <sub>2</sub> eq	0.99	1.03	1.02
Downstream Gas <sup>2</sup>	mn t CO <sub>2</sub> eq	1.08	0.99	0.48
Total direct GHG emissions	mn t CO <sub>2</sub> eq	4.4	4.4	4.38

**Comments to total direct GHG emissions:**

1 – Excludes Power Plants

2 – Includes Power Plants

\* Data including Kazakhstan

## Environmental Performance

Environmental operational expenditure**	Unit	2016	2015	2014
Waste	mn EUR	13.13	14.15	12.75
Soil and groundwater	mn EUR	61.45	69.30	66.50
Air and climate	mn EUR	11.27	9.80	18.10
Wastewater	mn EUR	2.90	3.11	13.52
Environmental Management	mn EUR	16.68	13.54	13.34
Total environmental protection expenditure**	mn EUR	105.43	109.9	124.21

\*\* Environmental related operating costs (incl. end-of-pipe and integrated-prevention costs; excluding research & development and depreciation costs; excluding investments/ revenues as well as Costs related to Product Oriented Prevention Measures latter amounting to EUR 8.31 mn).

### Number of grievances about environmental impact

	Total number of grievances	Number of grievances analyzed	Number of grievances solved
Compensation for land contamination – Natural Persons			
Compensation for land contamination – Legal Persons			
	675	675	595
	30	30	24



## Social Performance

<b>Health and Safety Performance</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>OMV Petrom Employees</b>			
Fatalities	1	1	2
Lost workday injuries	6	6	14
Lost work days (Calendar days)	490	548	751
LTIR per one mn hours worked	0.25	0.23	0.47
TRIR per one mn hours worked	0.60	0.50	0.90
<b>Contractors</b>			
Fatalities	0	0	1
Lost workday injuries	10	7	12
Lost work days (Calendar days)	400	589	505
Lost-Time Injury Rate (LTIR) per one mn hours worked	0.19	0.13	0.21
Total Recordable Injury Rate (TRIR) per one mn hours worked	0.33	0.31	0.56
<b>Combined (OMV Petrom employees and contractors)</b>			
Lost-Time Injury Rate (LTIR), per one mn hours worked	0.21	0.16	0.30
Total Recordable Injury Rate (TRIR), per one mn hours worked	0.43	0.38	0.68

## Social Performance

<b>Total number of employees at 31.12.2016</b>		<b>13,853</b>
	<b>out of which women</b>	2,951
<b>With ILC, undetermined period, full time</b>		<b>13,689</b>
	<b>out of which women</b>	2,909
<b>With ILC, undetermined period, part time</b>		<b>3</b>
	<b>out of which women</b>	1
<b>With ILC, determined period, full time</b>		<b>161</b>
	<b>out of which women</b>	41
<b>With ILC, determined period, part time</b>		<b>0</b>
	<b>out of which women</b>	0

### Standard benefits for employees

<b>Benefit</b>	<b>Details – Significant location of operation / Beneficiaries</b>	<b>Motivation</b>
<b>Kindergarten subsidy</b>	All employees with kids below 6 years old	Attraction / parity committee
<b>Relocation</b>	Changing the current working point with another for over 60 Km further without commuting possibilities	Attraction / retention / standard
<b>Canteen facility with preferential prices</b>	Working points with canteen facilities	Attraction
<b>Parking facilities</b>	Petrom City	Attraction
<b>Kitchen facilities &amp; free coffee, tea, water</b>	Petrom City and Multigalaxy	Attraction
<b>IT International Support</b>	OPGS	Attraction / CLA
<b>Commuting</b>	Changing the current working point at the company's request with another for over 60 Km further with commuting possibilities	Attraction & safety reason / relocation standard
<b>Reimbursement of home transport</b>	Employees having domicile/residence for over 10 Km further than the working point without shuttle transportation possibilities	Attraction / CLA

## Social Performance

### Standard benefits for employees

Benefit	Details – Significant location of operation / Beneficiaries	Motivation
Idea management bonus	Upstream, Downstream oil	Engagement program
Performance (Asset) Award	Upstream	Engagement / competition program
Best Paper Award	Upstream	Engagement / competition program
Holiday and treatment subvention	All under CLA conditions	Engagement / parity committee
Long Term Incentive Plan (LTIP)	Senior Management L0 + L1	Engagement / OMV program
MBO bonus	Management	Engagement / guideline
Sales MBO bonus	OPM	Engagement / guideline
IT On-call	OPGS	Engagement / standard
Mark Program	Upstream	Engagement / program & standard
Mark IT Program	OPGS	Engagement / program
Continuity Program	Key employees of OMV Petrom Group of companies	Retention / program
Interest subsidy for house loan	For relocated employees	Retention / standard
Pension allowance	All	Separation / parity committee
Non-compete clause	Senior management / senior experts	Separation / addendum to ILA
Petromed	Internal Health Service provider, network of workplace clinics / all employees	CLA, employees' health protection and promotion, attraction
Private insurance	All employees	CLA, employees' health protection and promotion, attraction
Maecenas	Financial support for employees having severe health problems	CLA, employees' health protection and promotion



## Social Performance

### The type and purpose of the implemented programs and the assistance provided to upgrade employees' skills

Type of program	Name of the Program	Skills acquired through the program
Internal Programs	Learning Lab	Written communication skills; Presentation skills
	Facilitation tool	Skills to facilitate knowledge sharing sessions
	HSSE Curriculum	Occupational Health and Safety
	Blue Collars Curriculum	Technical knowledge and skills
External Programs	Conference	Various objectives / skills, depending on the conference specificity
	Open Programs	Various objectives / skills, depending on the conference specificity

### The percentage of total employees, by gender and by employee category, who received a regular performance and career development review in 2016

% of members of the organization who received performance review	36.34%
% of women who received performance review	63.23%
% of employees with ILC, undetermined period, full time, who received performance review	35.63%
% of women with ILC, undetermined period, full time, who received performance review	62.84%
% of employees with ILC, determined period, full time, who received performance review	97.52%
% of women with ILC, determined period, full time, who received performance review	92.68%

## Social Performance

### Parental leave during 2016

	Women	Men
Number of employees who returned to work after parental leave ended	20	4
Number of employees who returned to work after parental leave ended, who were still employed twelve months after their return to work	18	4

### The percentage of individuals within the Supervisory Board

Percentage of women	0%
Percentage of individuals under 30 years old	0%
Percentage of individuals between 30 – 50 years old	33.3%
Percentage of individuals over 50 years old	66.7%

### The percentage of individuals within the Executive Board

Percentage of women	40%
Percentage of individuals under 30 years old	0%
Percentage of individuals between 30 – 50 years old	20%
Percentage of individuals over 50 years old	80%

### The percentage of women and men employees per employee category\*

	Top Management	Middle Management	Operative Staff
Percentage of women in the organization	0.51%	6.85%	92.65%
Percentage of men in the organization	0.20%	5.37%	94.43%

\* The percentage is calculated by reference to the total number of women / men and not from the total employees number.

## Social Performance

### Ratio of remuneration of women to men by employment category

	Ratio
Employees with ILC, undetermined period, full time	1.30*
Employees with ILC, determined period, full time	0.55
Employees under 30 years old	1.10
Employees between 30 – 50 years old	1.54
Employees over 50 years old	0.99

### Ratio of basic salary of women to men by employment category

	Ratio
Employees with ILC, undetermined period, full time	1.23
Employees with ILC, determined period, full time	0.67
Employees under 30 years old	1.09
Employees between 30 – 50 years old	1.40
Employees over 50 years old	0.98

\* The company has more men in the blue collars category, where wages are lower (67 %), meanwhile 74% from the women are white collars with higher wages.



## Social Performance

### New employees hired by age group and gender

Age Group	Number of new employees	Out of which women
<30 years old	31	9
30 – 50 years old	54	16
>50 years old	6	0

### Employee turnover by age group and gender

Age Group	Number of employees	Out of which women
<30 years old	58	21
30 – 50 years old	559	97
>50 years old	655	152

### Products and Services

Number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	–
Number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	–
Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	125,050 RON

## Social Performance

### Frequency of training sessions on Code of Business Ethics

<u>Category to whom document is applicable</u>	<u>Frequency of training sessions</u>
<u>Employees on managerial levels</u>	<u>Every 2-years</u>
<u>Employees working in sensitive areas</u>	<u>Every 2-years</u>
<u>New employees</u>	<u>Once in the year of employment</u>
<u>Other employees</u>	<u>By request</u>
<u>Filling station dealers</u>	<u>Every 2-years</u>
<u>Suppliers</u>	<u>Occasionally</u>

### Level of availability/accessibility to counseling services on ethical and lawful behavior, and matters related to organizational integrity

<u>Type of counseling services</u>	<u>Stakeholders for which the service is available</u>	<u>Availability of the service [N° hours/day]</u>	<u>Availability of the service [N° days/week]</u>	<u>The language in which the service is available</u>
<u>Advice via direct contact with the Corporate Compliance Officer or representatives of the Corporate Affairs and Compliance Department</u>	<u>Internal &amp; External</u>	<u>Working hours (8.5 hours from Monday to Thursday; 6 hours on Friday)</u>	<u>Monday to Friday</u>	<u>Romanian; English</u>
<u>Advice via dedicated e-mail address</u>	<u>Internal &amp; External</u>	<u>24 hours</u>	<u>7 days</u>	<u>Romanian; English</u>
<u>Advice via intranet platform „Questions to Compliance Officer“</u>	<u>Internal</u>	<u>24 hours</u>	<u>7 days</u>	<u>Romanian; English</u>

## Social Performance

### Total number of requests for advice, including the percentage of requests that were answered during the reporting period

Type of counseling services	Type of request	Description of the type of request	Number of requests	Number of requests that were answered
Advice	Request for advice on business ethics-related topics	<ul style="list-style-type: none"> <li>• Conflict of interests</li> <li>• Ethics clause in contracts with clients and suppliers</li> <li>• Gifts and invitations</li> <li>• Tenders &amp; contract related</li> <li>• Sale of Real Estate</li> </ul>	123	120 (97.5%)

\* Information available at Group level.

### Level of availability/accessibility to reporting instruments on concerns about unethical or unlawful behavior, and matters related to organizational integrity

Type of reporting mechanism	Stakeholders for which the reporting mechanism is available	Availability of the mechanism [N° hours/day]	Availability of the mechanism [N° days/week]	The language in which the mechanism is available
Dedicated e-mail address	Internal & External	24 hours	7 days	Romanian; English
Business ethics helpline	Internal & External	24 hours	7 days	Romanian; English



## Social Performance

### Status of the antitrust legal actions ongoing in 2016

Type of incident	Entity that reported the incident	Status of the incident
Infringement of competition rules	Bulgarian Commission for the Protection of Competition	Under investigation in 2016. Case finalized in 2017 without a sanctioning decision for OMV Bulgaria.
Infringement of competition rules regarding agreements between competitors	Bulgarian Commission for the Protection of Competition	Under investigation in 2016. Case finalized in 2017 without a sanctioning decision for OMV Bulgaria.
Appeal of decision for cartel allegations	Romanian Competition Council	Case closed. Appeal accepted by the Supreme Court and reduction of the fine applied to OMV Petrom S.A.
Appeal of decision for cartel allegations	Romanian Competition Council	Case closed. Appeal accepted by the Supreme Court and reduction of the fine applied to OMV Petrom Marketing SRL.

\* Information available at Group level.



...tulor  
...-autre  
...de St  
...peperioare

...practică; lipsa personal  
...deficiente în pregătirea

...valoros  
...lor  
...atoli  
...@  
...obavunoz

**Appendix**



## Report Profile: Methodology, Definitions & Principles

Our company is registered with the Romanian Commercial Registry under number J40/8302/1997 having sole registration code 1590082 and we have our headquarter in Bucharest, Romania, 22 Corallilor Street (“Petrom City”), 1<sup>st</sup> District, Bucharest, postal code 013329, Romania.

**This report covers the operations of OMV Petrom in Romania. Where the scope of the disclosed information is different, mention on the subject can be found in the specific sections. The environmental performance data for 2016 are at OMV Petrom Group level, excluding the environmental protection expenditures that doesn't include Kazakhstan Upstream.**

OMV Petrom Sustainability Report 2016 has been realized in conformity with the International Guidelines Global Reporting Initiative – G4 in accordance “core” option and GRI’s G4 Oil and Gas sector supplements.

The reporting process respects the GRI-G4 principles to define the contents – Materiality, Stakeholder inclusiveness, Sustainability context and Completeness – and the principles to ensure the quality of information – Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability.

With this sustainability reporting framework in mind, the 2016 report represents our commitment to disclose on our economic, social and environmental performance. We focus our disclosure on the issues that resulted material to our business through a stakeholder consultation and materiality process, conducted at OMV Group level and industry best practice.

Each chapter and sub-subchapter contains information about the Disclosure Management Approach (DMA) and the performance indicators for each material aspect. In drafting the report, OMV Petrom has benefited from the support of an external consultant, INNOVA Project Consulting

### Reporting period:

January 1<sup>st</sup> 2016 – December 31<sup>st</sup> 2016.

### Reporting cycle:

Annual. The last Sustainability Report was published in 2015, reporting the results of OMV Petrom Sustainability performance of 2014.

### Date of publication:

01.11. 2017

### Sustainability context:

All the information disclosed in the report reflects the whole sustainability context in which OMV Petrom operates. This approach follows industry best practice examples and is aligned with IPIECA oil and gas industry guidance on voluntary sustainability reporting and OMV Group Sustainability 2016.

### Report content:

The content of the report has been defined in congruency with the internal methodology and on the basis of materiality analysis, conducted at OMV Group level, respecting GRI principles for defining report content and the principles for defining report quality.

### Assurance:

The content of the report has not been audited by a third party through an assurance process.

### Contact point for Sustainability Issues:

22 Corallilor Street (“Petrom City”), 1<sup>st</sup> District, Bucharest, postal code 013329, Romania.  
Tel: +4 021 40 22201, E-mail: [csr.office@petrom.com](mailto:csr.office@petrom.com)

Referent person in charge for Sustainability:

**Mona Nicolici**  
*Head of Sustainability.*

### Disclaimer regarding forward-looking statements

This report may contain forward-looking statements. Forward-looking statements may be identified by the use of terms such as “outlook”, “believe”, “expect”, “anticipate”, “intend”, “plan”, “target”, “objective”, “estimate”, “goal”, “may”, “will” and similar terms, or by their context. These forward-looking statements are based on beliefs, estimates and assumptions currently held by and information currently available to OMV Petrom. By their nature, forward-looking statements are subject to risks and uncertainties, both known and unknown, because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of OMV Petrom. Consequently, the actual results may differ materially from those expressed or implied by the forward-looking statements. Therefore, recipients of this report are cautioned not to place undue reliance on these forward-looking statements.

Neither OMV Petrom nor any other person assumes responsibility for the accuracy and completeness of any of the forward-looking statements contained in this report. OMV Petrom disclaims any obligation and does not intend to update these forward-looking statements to reflect actual results, revised assumptions and expectations, and future developments and events.

This report does not contain any recommendation or invitation to buy or sell securities in OMV Petrom. Where this report quotes any information or statistics from any external source, it should not be interpreted that the company has adopted or endorsed such information or statistics as being accurate. This report and its contents are proprietary to OMV Petrom and neither this document nor any part of it may be reproduced or redistributed to any other person.

**Note:** the OMV Petrom Group subsidiaries are presented [at p. 172 of OMV Petrom Annual Report 2016](#).



## Abbreviations and Definitions

<b>API</b>	American Petroleum Institute	<b>m<sup>3</sup></b>	Cubic meter
<b>BES</b>	Biodiversity and ecosystem services	<b>mn</b>	Million
<b>boe</b>	Barrel oil equivalent	<b>MW</b>	Megawatt
<b>CCPP</b>	Combined Cycle Power Plant	<b>MWh</b>	Megawatt hour
<b>CEO</b>	Chief Executive Officer	<b>Nm<sup>3</sup></b>	Normal cubic meter
<b>CHP</b>	Cogeneration or Combined Heat Power	<b>NM-VOC</b>	Non-Methane Volatile
<b>CO<sub>2</sub></b>	Carbon Dioxide	<b>NOx</b>	Nitrogen oxide
<b>CO<sub>2</sub> eq</b>	Carbon dioxide equivalent	<b>OPCOM S.A.</b>	Romanian Gas and Electricity Market Operator
<b>EOR</b>	Enhanced Oil Recovery	<b>OPEX</b>	Operating expenses
<b>EU</b>	European Union	<b>PEC</b>	Production Enhance Contract
<b>EU ETS</b>	European Union Emissions Trading Scheme	<b>PIMMS</b>	Production Information Management and Monitoring System
<b>EWRM</b>	Enterprise Wide Risk Management	<b>PIMS</b>	Pipeline Integrity Management System
<b>FIC</b>	Foreign Investors Council	<b>PJ</b>	Petajoule
<b>G2P</b>	Gas to Power	<b>PNPS</b>	National Multiannual Integrated Plan for Health Promotion
<b>GDRs</b>	Global Depositary Receipts	<b>PODS</b>	Pipeline Open Data Standard
<b>GHG</b>	Greenhouse Gas	<b>POS CCE</b>	Sectoral Operational Programme "INCREASE OF ECONOMIC COMPETITIVENESS"
<b>GHG Scope</b>	Direct emissions from operations that are owned or controlled by the organization	<b>ppm</b>	parts per million
<b>GHG Scope 2</b>	Energy indirect emissions resulted from the generation of purchased or acquired electricity, heating, cooling or steam	<b>PRSC</b>	OMV Petrom Resourcefulness Steering Committee
<b>GIS</b>	Geographic Information System	<b>RBI</b>	Risk Based Inspection
<b>GJ</b>	Gigajoule	<b>REACH</b>	Registration, Evaluation, Authorisation and Restriction of Chemicals
<b>GMS</b>	General Meeting of Shareholders	<b>RP</b>	Recommended Practice
<b>GRI</b>	Global Reporting Initiative	<b>SCE</b>	Safety Critical Elements
<b>GWP</b>	Global warming potential	<b>SDGs</b>	Sustainable Development Goals
<b>HSSE</b>	Health, Safety, Security and Environment	<b>SO<sup>2</sup></b>	Sulfur dioxide
<b>ICPT</b>	Institute of Research and Technological Design Câmpina	<b>SRA</b>	Security Risk Assessment
<b>ILC</b>	Individual Labor Contract	<b>t</b>	Tons
<b>IOR</b>	Improved Oil Recovery	<b>t/y</b>	Ton(s) / year
<b>ISO</b>	International Organization for Standardization	<b>TPM</b>	Total Productive Maintenance
<b>KPI</b>	Key Performance Indicator	<b>TRIR</b>	Total Recordable Injury Rate
<b>LTIR</b>	Lost-time injury rate	<b>TWh</b>	Terawatt hour
<b>LSE</b>	London Stock Exchange	<b>UN</b>	United Nations
<b>m<sup>2</sup></b>	Square meter	<b>WO&amp;WI</b>	Work Over & Well Intervention

## Membership

- ◆ Aspen Institute Romania;
- ◆ Association of Electricity Suppliers in Romania;
- ◆ Austrian Business Club;
- ◆ British – Romanian Chamber of Commerce;
- ◆ Bucharest GeoScience Forum;
- ◆ Central and South East European Business Forum for Energy;
- ◆ Chambre de Commerce, d'Industrie et d'Agriculture Francaise en Roumanie;
- ◆ CONCAWE;
- ◆ Concordia Employers' Confederation (through Oil & Gas Employers' Federation);
- ◆ Employers Organization "Gaz" (OPG);
- ◆ EPI – Institute of Professional Representatives before the European Patent Office;
- ◆ Foreign Investors Council;
- ◆ Oil & Gas Employers' Federation (through Petrogaz);
- ◆ Romanian Association for International Numbering of Articles;
- ◆ Romanian Association for Promoting Energy Efficiency;
- ◆ Romanian Association of the Petroleum Exploration and Production Companies;
- ◆ Romanian Black Sea Titleholders Association;
- ◆ Romanian – German Chamber of Commerce & Industry;
- ◆ Romanian Association Chamber Pattern of Attorney;
- ◆ Romanian National Committee of the World Energy Council;
- ◆ Romanian Petroleum Association;
- ◆ Romanian South African Business Association;
- ◆ Romanian Standards Association;
- ◆ Society of Petroleum Engineers (SPE Rom);
- ◆ The National Association of Energy Consumers in Romania.





# GRI Content Index



# GRI Content Index

## General Standard Disclosures

General Standard Disclosures	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured.  If yes, include the page reference for the External Assurance Statement in the report.
<b>STRATEGY AND ANALYSIS</b>					
G4-1	3	Not applicable	Not applicable	Not applicable	
G4-2	11, 17, 28	Not applicable	Not applicable	Not applicable	
<b>ORGANIZATIONAL PROFILE</b>					
G4-3	5	Not applicable	Not applicable	Not applicable	
G4-4	5, 6	Not applicable	Not applicable	Not applicable	
G4-5	70	Not applicable	Not applicable	Not applicable	
G4-6	5, 6	Not applicable	Not applicable	Not applicable	
G4-7	5, 6	Not applicable	Not applicable	Not applicable	
G4-8	5, 6	Not applicable	Not applicable	Not applicable	
G4-9	54, 60	Not applicable	Not applicable	Not applicable	
G4-10	60	Not applicable	Not applicable	Not applicable	
G4-11	The majority of our employees (92%) are members of trade unions organizations.	Not applicable	Not applicable	Not applicable	
G4-12	7, 51	Not applicable	Not applicable	Not applicable	

## GRI Content Index

General Standard Disclosures	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>ORGANIZATIONAL PROFILE</b>					
G4-13	Annual Report 2016 p. 9 and p. 172	Not applicable	Not applicable	Not applicable	
G4-14	11, 28	Not applicable	Not applicable	Not applicable	
G4-15	15, 17	Not applicable	Not applicable	Not applicable	
G4-16	72	Not applicable	Not applicable	Not applicable	
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>					
G4-17	70	Not applicable	Not applicable	Not applicable	
G4-18	18, 19, 70	Not applicable	Not applicable	Not applicable	
G4-19	19	Not applicable	Not applicable	Not applicable	
G4-20	70	Not applicable	Not applicable	Not applicable	
G4-21	70	Not applicable	Not applicable	Not applicable	
G4-22	There is no significant changes from previous reporting periods, having in view this report is the first one elaborated in conformity with GRI G4 guidelines, in accordance "core" option.	Not applicable	Not applicable	Not applicable	
G4-23	There are no significant changes from previous reporting periods, having in view this report is the first one elaborated in conformity with GRI G4 guidelines, in accordance "core" option. In conclusion, the company does not report the effect of any restatement and it is not the case to report any changes regarding the scope and aspect boundaries.	Not applicable	Not applicable	Not applicable	

## GRI Content Index

General Standard Disclosures	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>STAKEHOLDER ENGAGEMENT</b>					
G4-24	18	Not applicable	Not applicable	Not applicable	
G4-25	18	Not applicable	Not applicable	Not applicable	
G4-26	17, 18	Not applicable	Not applicable	Not applicable	
G4-27	17, 18, 19	Not applicable	Not applicable	Not applicable	
<b>REPORT PROFILE</b>					
G4-28	70	Not applicable	Not applicable	Not applicable	
G4-29	70	Not applicable	Not applicable	Not applicable	
G4-30	70	Not applicable	Not applicable	Not applicable	
G4-31	70	Not applicable	Not applicable	Not applicable	
G4-32	74 – 86	Not applicable	Not applicable	Not applicable	
G4-33	70	Not applicable	Not applicable	Not applicable	
<b>GOVERNANCE</b>					
G4-34	9, 10	Not applicable	Not applicable	Not applicable	
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G4-36	16				
G4-37	16				
G4-38	9				
G4-39	9				



## GRI Content Index

General Standard Disclosures	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
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G4-41	40				
G4-42	16				
G4-43	16				
G4-44	10				
G4-45	11, 16				
G4-46	16				
G4-47	11, 16, 19				
G4-48	16				
G4-49	10, 11				
G4-51	Annual Report 2016 p. 69 –70				
G4-52	Annual Report 2016 p. 69 – 70 and p. 78				
<b>ETHICS AND INTEGRITY</b>					
G4-56	39, 66	Not applicable	Not applicable	Not applicable	
G4-57	39, 66, 67				
G4-58	67				

# GRI Content Index

## Specific Standard Disclosures

### CATEGORY: ECONOMIC

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>MATERIAL ASPECT: ECONOMIC PERFORMANCE</b>					
G4-DMA	Annual Report 2016 p. 14 – 25				
G4-EC1	54				
G4-EC2	11, 28, 31, 32				
G4-EC3	Annual Report 2016 p. 129 and p. 144				
G4-EC4	54				
<b>MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS</b>					
G4-DMA	42				
G4-EC7	43, 46				
G4-EC8	42				
<b>MATERIAL ASPECT: PROCUREMENT PRACTICES</b>					
G4-DMA	51				
G4-EC9	51				
<b>MATERIAL ASPECT: RESERVES</b>					
G4-DMA	Annual Report 2016 p. 14 – 16 and p.33				
OG1	54				

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## CATEGORY: ENVIRONMENTAL

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
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G4-DMA	35				
G4-EN3	55				
G4-EN6	55				
OG3	55				
<b>MATERIAL ASPECT: WATER</b>					
G4-DMA	33				
G4-EN8	33, 55				
G4-EN9	33				
<b>MATERIAL ASPECT: ECOSYSTEM SERVICES INCLUDING BIODIVERSITY</b>					
G4-DMA	34				
G4-EN11	34				
G4-EN13	34				
OG4	34				



## GRI Content Index

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
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G4-DMA	32				
G4-EN15	32, 55, 57				
G4-EN16	32, 55				
G4-EN18	31, 55				
G4-EN19	32, 55				
G4-EN21	55				
<b>MATERIAL ASPECT: EFFLUENTS AND WASTE</b>					
G4-DMA	30, 33, 34				
G4-EN22	33				
G4-EN23	34, 56, 57				
G4-EN24	30, 56				
OG5	33, 56				
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OG7	34				
<b>MATERIAL ASPECT: PRODUCTS AND SERVICES</b>					
G4-DMA	28				
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G4-EN27	13				

## GRI Content Index

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>MATERIAL ASPECT: COMPLIANCE</b>					
G4-DMA	28				
G4-EN29	0 significant fines and total number of non-monetary sanctions for non-compliance with the environmental laws and regulations				
<b>MATERIAL ASPECT: OVERALL</b>					
G4-DMA	28				
G4-EN31	29, 58				
<b>MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS</b>					
G4-DMA	28				
G4-EN34	42, 58 4.25% of the total grievances were formulated by legal persons. The total number of grievances about environmental impacts filed prior to the reporting period, which were resolved during the current reporting period, was 77.				

# GRI Content Index

**CATEGORY: SOCIAL**

**SUBCATEGORY: LABOR PRACTICES AND DECENT WORK**

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
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G4-LA1	65				
G4-LA2	37, 60, 61				
G4-LA3	63				
<b>MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>					
G4-DMA	21				
G4-LA4	37				
G4-LA5	21				
G4-LA6	59				
<b>MATERIAL ASPECT: TRAINING AND EDUCATION</b>					
G4-DMA	36				
G4-LA9	36				
G4-LA10	62				
G4-LA11	36, 62				
<b>MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITIES</b>					
G4-DMA	38				
G4-LA12	38, 63				



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DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN</b>					
G4-DMA	37				
G4-LA13	64				
<b>MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS</b>					
G4-DMA	36, 37, 38				
G4-LA16	7 grievances about labor practices were filled, addressed, out of which, 6 were resolved. During previous reporting period, there were no grievances which had to be resolved.				
<b>SUB-CATEGORY: HUMAN RIGHTS</b>					
<b>MATERIAL ASPECT: INVESTMENT</b>					
G4-DMA	48				
G4-HR1	48				
G4-HR2	48				
<b>MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT</b>					
G4-DMA	48				
G4-HR11	48				
<b>MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS</b>					
G4-DMA	48				
G4-HR12	During the reporting period there were no grievances about human rights impacts				

# GRI Content Index

## SUB-CATEGORY: SOCIETY

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>MATERIAL ASPECT: LOCAL COMMUNITIES</b>					
G4-DMA	41, 45, 46, 47				
G4-SO1	41				
G4-SO2	42				
<b>MATERIAL ASPECT: ANTI-CORRUPTION</b>					
G4-DMA	41, 40				
G4-SO4	39, 66				
<b>MATERIAL ASPECT: PUBLIC POLICY</b>					
G4-DMA	39, 40				
G4-SO6	40				
<b>MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR</b>					
G4-DMA	39, 40				
G4-SO7	68				
<b>MATERIAL ASPECT: COMPLIANCE</b>					
G4-DMA	40				
G4-SO8	40				

## GRI Content Index

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>MATERIAL ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY</b>					
G4-DMA	42				
G4-SO11	42				
<b>MATERIAL ASPECT: ASSET INTEGRITY AND PROCESS SAFETY</b>					
G4-DMA	25				
OG13	25, 30				
<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>					
<b>MATERIAL ASPECT: PRODUCT AND SERVICE LABELING</b>					
G4-DMA	12, 13				
G4-PR3	12				
G4-PR4	65				
G4-PR5	13				
<b>MATERIAL ASPECT: MARKETING COMMUNICATIONS</b>					
G4-DMA	12, 13				
G4-PR7	65				
<b>MATERIAL ASPECT: CUSTOMER PRIVACY</b>					
G4-DMA	12, 13				
G4-PR8	40				



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DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>MATERIAL ASPECT: COMPLIANCE</b>					
G4-DMA	12, 13				
G4-PR9	65				
<b>MATERIAL ASPECT: FOSSIL FUEL SUBSTITUTES</b>					
G4-DMA	12, 13				
OG14	12				

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