



Sustainability Report 2019

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Report profile

By publishing the OMV Petrom Group Sustainability Report we want to provide to all our stakeholders an overview of the company's progress regarding sustainability. In 2019, we have launched the OMV Petrom Sustainability Strategy 2019-2025 based on 5 pillars: HSSE, Carbon Efficiency, Innovation, Employees, Business Principles and Social Responsibility. Within the report, we are presenting comprehensive information about the strategy's objectives and targets and the way we are managing the most important sustainability topics.

According to the Romanian legislation regarding the non-financial reporting, Ministry of Public Finance (MPF) Orders No. 1938/2016 and No. 2844/2016, we are obligated to publish a non-financial statement at Group level and at Company level for OMV Petrom S.A. For this reason, we prepare and publish an integrated, separate non-financial report within this Sustainability Report for OMV Petrom S.A. and all the fully consolidated subsidiaries within OMV Petrom Group.

The Sustainability Report was elaborated according with GRI Standards – core option, guided by GRI G4 Oil and Gas Sector supplement and is fully compliant with the specific non-financial reporting legislation at national level and it is based on the materiality analysis conducted at OMV Petrom Group level in 2018. Also, this approach follows industry best practice examples and is aligned with IPIECA oil and gas industry guidance on voluntary sustainability reporting. Within the report, we would like to highlight the impact and the value created at community level through our main investments and projects implemented during the year. Each material topic chapter was elaborated in this direction,

presenting within the case study sections the benefits we brought for the economy, society or the environment.

Further topics of strategic relevance to our company and information regarding the GRI Standards, beyond the legal reporting requirements, are also included.

Furthermore, this report complements the OMV Petrom Annual Report 2019 with the legally required information related to the non-financial statement: a description of the business model; a description of the policies pursued by OMV Petrom in relation to the reported topics, and the results; the main risks related to the reported topics and the non-financial performance indicators specific to OMV Petrom activities or its supply chain.

In drafting the report, OMV Petrom has benefited from the support of an external consultant, INNOVA Project Consulting.

The previous Sustainability Report was published in 2019, reporting the results of OMV Petrom Group's sustainability performance of 2018.

Reporting period: January 1st – December 31st 2019.

Date of publication: June 30th, 2020.

Assurance: The content of the report has not been audited by a third party through an assurance process. The existence of this report was verified by the Company auditor, Ernst & Young Assurance Services SRL (EY Romania) in accordance with art. 48 of MPF Order No. 2844/2016.

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Note: In this report, the terms "the Company", "OMV Petrom", "OMV Petrom Group" and "the Group" are used for convenience where references are made to OMV Petrom S.A. and its subsidiaries in general (see OMV Petrom Annual Report 2019 pg. 174).
The information presented in this report refers to consolidated results of OMV Petrom Group except the situation is presented differently.

Statement of the Chief Executive Officer



As I am writing this, the world is going through an unprecedented crisis, brought about by the coronavirus pandemic. This is changing us in ways that are still hard to predict, as millions of people are affected and many industries are impacted.

At OMV Petrom, we are putting all our efforts into protecting the safety of our employees, partners and customers, while also continuing to provide energy to society. Moreover, we are contributing in every way we can to the fight against the pandemic, from supporting the national healthcare system to assisting our communities through this crisis.

Beyond this unprecedented situation, the energy industry was already on a transformation path. As global demand for energy is rising, so are concerns about climate change. At OMV Petrom, our mission is to provide the energy society needs. We constantly aim to do so in a cleaner, more sustainable manner, through our investments and our involvement in the economic and social life of the community.

Our Sustainability Strategy 2025 sets out our top priorities and is already part of our company's DNA. It drives all our actions, as a solid business that acts responsibly towards all its stakeholders.

OUR APPROACH TO SUSTAINABILITY

There are three main aspects that are fundamental to how we work and operate sustainably.

First - our top priority is safety. ZERO Harm – NO Losses is a principle we live by, as we believe every job can and must be done safely. People are at the heart of our business and we do our best to make sure all our colleagues go home safe every day.

Second, we care for the environment and, as an energy company, we aim to be part of the solution in the climate change debate. Our investments have led to a 22% reduction in our carbon footprint in the past ten years. We will continue to focus on lowering the emissions associated with our operations, while we also make sure we deliver the energy people need. Innovation is a crucial part of this, as we want to make sure we harness the full potential of new technologies.

Third, OMV Petrom is part of the economic and social fabric of the community and that comes with important responsibilities on several layers. We observe high ethical business standards, with zero tolerance towards any form of corruption and we expect the same of all our partners. We actively promote and demonstrate the power of diversity. One of our aims is to maintain an inclusive and diverse work environment and culture, where people from all backgrounds can contribute and flourish. In addition, we invest in social causes we believe in, such as the first pediatric oncology hospital, vocational education and tree planting.

WHAT YOU CAN FIND IN OUR SUSTAINABILITY REPORT

Our 2019 Sustainability Report describes our progress in all the priority areas in our Strategy. You will find details on the actions we take as a responsible and future-oriented business, from special initiatives dedicated to our communities to carbon-efficiency projects and others.

Our passion for energy and for making people's lives better is what drives our journey to the future.

Christina Verchere
Chief Executive Officer





OMV Petrom Group

Every single day, OMV Petrom makes people's lives better.

OMV Petrom produces and supplies energy in all its forms – fuels, gas, and electricity – safely, securely and responsibly.

OMV Petrom is the largest energy company in Southeastern Europe with the headquarter in Romania, one of the first oil producing countries in the world. By successfully applying innovation and technical know-how, we have continued to create value and improve the quality of life for millions of people,

producing and supplying the energy needed for their comfort, their need for mobility and their passion to travel. Our products form the basis for a variety of plastics and high-end petrochemical products used daily by different industries and people. In 2019, we remained the largest taxpayer and private investor, as well as one of the top five employers in Romania.

Capital expenditure

RON

4.2_{bn}

Sales

2019: RON

25.49_{bn}

Number of employees

12,347

More information about our economic performance can be found in the OMV Petrom Annual Report 2019.

GRI:
102-1
102-2
102-6
OG1

The company is active along the entire energy value chain: from exploration and production of oil and gas, to refining and fuel distribution, and further on to power generation and sale of gas and power.

We are organized in three operationally integrated business segments – Upstream, Downstream Oil, Downstream Gas.

In Upstream, we are present in Romania and Kazakhstan. Our expertise varies from deep onshore exploration to mature fields and shallow offshore production. With investments in innovation, we ensure the long-term sustainability of our business. We are currently using multilateral drilling as a new technology that allows us to reach different target zones within a reservoir through a single well and casing drilling that reduces drilling time, costs and problems encountered. Our Galileo Geoscope 3D visualization center in Petrom City improves interpretation of geological data and helps to better design exploration and production activities. In 2019, we started a new offshore drilling campaign in the shallow waters of the Istria block in the Black Sea. Three new wells were drilled, requiring investments of around EUR 50 mn. These wells target additional production of oil and associated gas from the Lebăda East field, discovered in 1979.

In 2019, we completed the gas treatment system in Hurezani, a gas hub that serves six of the most important gas producing fields in OMV Petrom's portfolio, following an investment of EUR 50 mn.

In 2019, our portfolio consisted of 504 mn boe proved reserves and around 55 mn boe hydrocarbon production (thereof 3.6 mn tons of crude oil and natural gas liquids and 4.5 bn cubic meters of natural gas).

In Downstream Oil, we operate the Petrobrazi refinery which has a capacity of 4.5 mn tons per year and can process OMV Petrom's entire Romanian equity crude oil. We are present on the oil product retail markets through a network of 793 filling stations located in Romania, Moldova, Bulgaria, and Serbia. These filling stations are operated under two brands – Petrom and OMV.

In 2019, the new Polyfuel unit became operational in the Petrobrazi refinery. It is based on an innovative technology that allows the conversion of LPG components into gasoline and diesel. The total investment was of approx. EUR 65 mn.

In 2019, the Downstream Oil segment recorded 5.5 mn tons of refined product sales, of which 2.8 mn tons were retail sales.

In Downstream Gas, we ensure the sales of natural gas produced by our Upstream division and also convert some of this gas into electrical power in our 860-MW capacity combined cycle power plant Brazi. We provide gas and power for hundreds of Romanian businesses, ranging from Romania's main industrial players (producers of fertilizers, steel, refineries, automotive industries, heat and electricity producers, etc.) to small and medium size companies (cement, building materials, furniture, machinery and equipment, non-steel metals, paper and pulp, food and beverages, services, etc.).

In 2019, the Downstream Gas segment recorded gas sales volumes of 54.8 TWh (the equivalent of 5.2 bn cubic meters) and generated 3.4 TWh of electricity, covering 6% of Romania's electricity production.

During the three years since publishing our 2021+ Strategy, we have worked hard to achieve our objectives. Going forward, we continue to rely on our three strategic directions: improving the competitiveness of our existing portfolio, discovering new opportunities for growth, and expanding our regional footprint. Supported by our strategic enablers – People and Organizational Culture, Sustainability, and Technology and Innovation, we are constantly developing our business to become more sustainable, efficient, and innovative, to deliver on our promises to our customers and business partners, as well as to ensure profitability and offer an attractive shareholder return.

OMV Petrom has a long tradition of sustainable and responsible behaviour in delivering energy with the purpose of improving people's lives. For OMV Petrom, sustainability means creating long-term value for our customers and shareholders, while being an innovative company and an employer of choice. We conduct our business in a responsible way, respecting the environment and adding value to the communities in which we operate.

Shareholder's structure

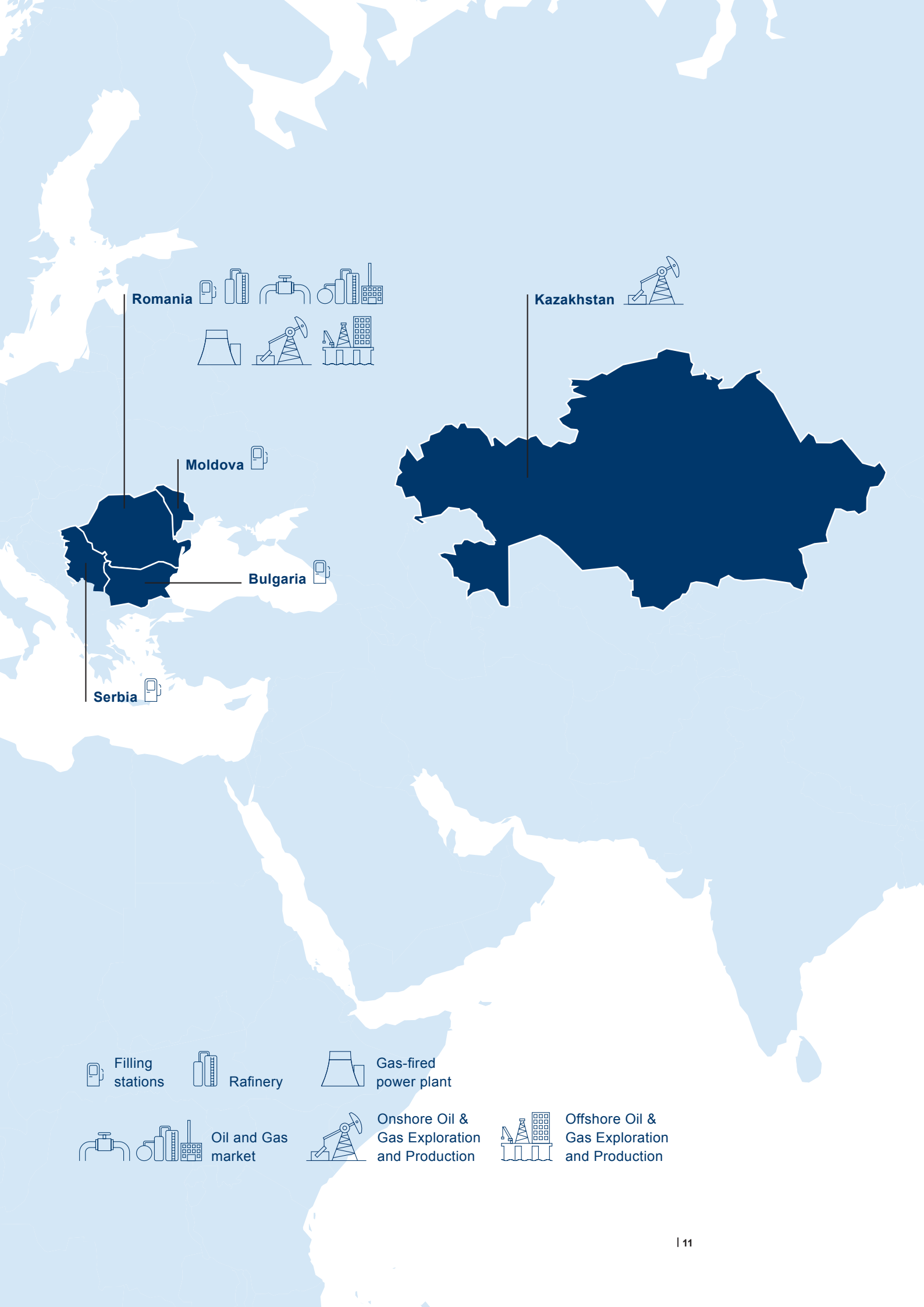
OMV Aktiengesellschaft, the holding company of the OMV Group and one of Austria's largest listed industrial companies, holds a 51.01% share in OMV Petrom. The Romanian State (via the Ministry of Economy, Energy and Business Environment¹) holds 20.64% of OMV Petrom shares, Fondul Proprietatea S.A. holds 9.99%, while 18.35% represents the free float traded as shares within the Premium category of the Bucharest Stock Exchange and as global depository receipts within the Standard category on the London Stock Exchange. More information can be found in OMV Petrom Annual Report 2019 pg. 10.

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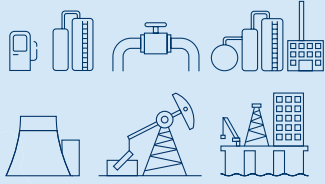
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¹According to a notification received from the Romanian Central Depository dated 11 February 2020, OMV Petrom was informed that the shares belonging to the Romanian State were transferred from the account of the Romanian State through the Ministry of Energy to the account of the Romanian State through the Ministry of Economy, Energy and Business Environment.



Romania



Kazakhstan



Moldova



Bulgaria



Serbia



Filling stations



Refinery



Gas-fired power plant



Oil and Gas market



Onshore Oil & Gas Exploration and Production



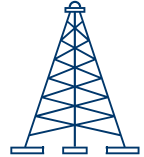
Offshore Oil & Gas Exploration and Production

Business model and value chain

Upstream



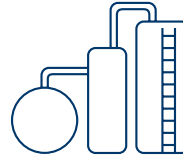
Onshore Oil
Exploration
and Production



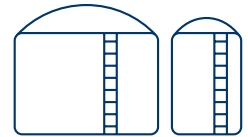
Onshore Gas
Exploration
and Production

Downstream

Oil

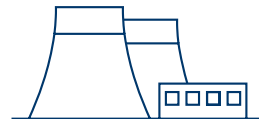


Refining

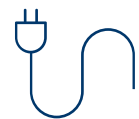


Storage
Logistics

Gas



Power
Production

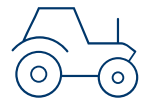


Power
Marketing

Usage



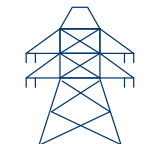
Aviation



Agriculture



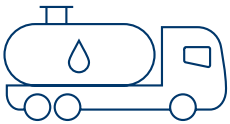
Chemicals



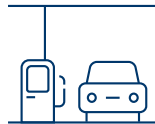
Electricity



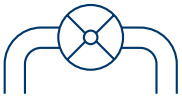
Offshore Oil &
Gas Exploration
and Production



Transportation



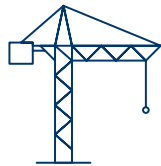
Marketing of
Refined & Non-fuel
Products



Natural Gas
Marketing



Cars



Construction



Plastics



Heating



Hospitality



Steel

At a Glance – Fostering Romania

SUPPORTING ROMANIA DEVELOPMENT



RON
11.9_{bn}

contribution to the
Romanian state budget

ENVIRONMENTAL IMPACT



Carbon Intensity of
operations reduced by

22%

in 2019 vs. 2010

PROMOTING ENERGY EFFICIENCY IN ROMANIA



EUR
4_{mn}

allocated for 2019-2022 for the
“Romania Eficientă” Program

PROMOTING DIVERSITY AND INCLUSION



26.3%

women at management level

PROMOTING MODERNIZATION



EUR
50_{mn}

investment for the finalization of the gas
treatment system in Hurezani

SUPPORTING COMMUNITIES



EUR

13.5 mn

investments for communities

IMPLEMENTING NEW TECHNOLOGIES



APPROX. EUR

65 mn

investments for implementing an innovative Polyfuels technology

PROMOTING BUSINESS ETHICS AND HUMAN RIGHTS PRINCIPLES



online trainings for more than

11,000

persons

RECOVERING OUR FORESTS



planted trees

72,500

14.5 ha

Corporate Governance

The company's two-tier governance system, consisting of a Supervisory Board and an Executive Board, allows us to carefully examine all material, economic, social, and environmental aspects that influence our success and the relationship with our stakeholders. OMV Petrom complies with almost all of the provisions set forth in the Corporate Governance Code issued by the Bucharest Stock Exchange that entered into force on January 4, 2016.

Supervisory Board

The Supervisory Board is in charge of monitoring, supervising and controlling the activity of the Executive Board. It is appointed for a 4-year mandate at the General Meeting of Shareholders and, in 2019, consisted of nine non-executive members. Yearly and at least on the occasion of each (re)appointment of the Supervisory Board members, we conduct an independence evaluation based on the independence criteria provided by the Corporate Governance Code, consisting in an individual personal assessment done by the relevant Supervisory Board member, followed by an external assessment. Following this evaluation, it resulted that, during 2019, four Supervisory Board members met all independence criteria stipulated by the Corporate Governance Code.

Yearly, the Supervisory Board undergoes a self-evaluation process under the guidance of the President of the Presidential and Nomination Committee and based on the Supervisory Board Self-Evaluation Guide-

line that provides the purpose, criteria and frequency of such an evaluation, with the aim of assessing and, if necessary, improving the efficiency and the effectiveness of the Supervisory Board's activity.

In 2019, in terms of experience, expertise, qualification, diversity, number of members and presence, the Supervisory Board considers the composition of the Supervisory Board to be satisfactory. Also, the Supervisory Board members value the good collaboration with the Executive Board, the organization and conducting of the Supervisory Board meetings and the quality of the documents provided for such meetings.

The Executive Board

The Executive Board, re-appointed in 2019 for a 4-year mandate by the Supervisory Board, is composed of five members and manages the daily activities and operations of the Company. 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 2019, the Executive Board met 43 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.

[More information about our corporate governance system can be found in the OMV Petrom Annual Report 2019 at pg. 51.](#)

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 **OMV Petrom**

OMV Petrom's headquarter

Sustainability at OMV Petrom





OMV Petrom Sustainability Strategy

Conducting business sustainably is crucial for OMV Petrom in creating and protecting value in the long term, in building trusting partnerships, and in attracting customers as well as the best suppliers, investors, and employees.

As the largest energy company in S-E Europe, OMV Petrom faces major challenges – from energy affordability, climate change, presence in communities and responsible products for our consumers.

All of these request a responsible behavior, a careful management of resources, a good reputation and a future vision for the investments, including new technologies and innovation.

Our Sustainability Strategy 2019-2025 was approved by the Executive Board in August 2019 and defines the primary direction of OMV Petrom's sustainable path. The measurable targets are set in the five focus areas:

Health, Safety, Security, and Environment (HSSE); Carbon Efficiency; Innovation; Employees; Business Principles and Social Responsibility. These were customized according to the business strategy of OMV Petrom. The Sustainability Strategy was built based on the OMV Group's Sustainability Strategy and brings together the key activities which follow our targets and principles: health, safety, environment, business ethics, communities' relations and development.

The 15 targets listed below of the Sustainability Strategy relating to OMV Petrom are aligned with the production, sales, and product portfolio plans set by the Business Strategy and are developed in the concept to provide to the people a secure and sustainable supply of affordable energy.

²Lost-Time Injury Rate is the number of lost time injuries (fatalities and lost workday injuries) per million hours worked of employees and contractors.

³An unplanned or uncontrolled loss of primary containment (LOPC) of any material including non-toxic and non-flammable materials (e.g. steam, hot condensate, nitrogen, compressed CO₂ or compressed air) from a process, or an undesired event or condition that, under slightly different circumstances, could have resulted in a LOPC of a material.

⁴Total Process Safety Event Rate: The number of Process Safety Events Tier 1 and Tier 2, divided by the total number of hours worked.

⁵CO₂eq emissions produced to generate a certain business output using the following business specific metric (Upstream: t CO₂eq/toe produced, Refineries: t CO₂eq/t throughput, Power: t CO₂eq/MWh produced) consolidated to an OMV Group Carbon Intensity Operations Index based on weighted average of business segments carbon intensity.

⁶VO&UCO – Vegetable Oil & Used Cooking Oil.

⁷Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, A source of continuous learning, Based on engagement and dialogue.

OMV Petrom Sustainability targets

Focus Areas	Purposes of the Focus Areas	OMV Petrom Targets 2025
Health, Safety, Security and Environment (HSSE)	Health, safety, security and protection of the environment are key values of OMV Petrom. The integrity of OMV Petrom operating facilities, loss prevention and proactive risk management are essential to reaching OMV Petrom's HSSE vision of "ZERO harm – NO losses."	1 Zero work-related fatalities .
		2 Stabilize Lost-Time Injury Rate² at below 0.30.
		3 Keep leading position for Process Safety³ Event Rate⁴ (2017: 0.18).
Carbon Efficiency	OMV Petrom focuses on improving the carbon efficiency of its operations and product portfolio. OMV Petrom is fully committed to acting on climate change mitigation and responsible resource management.	4 Reduce OMV Petrom's carbon intensity of operations⁵ by 27% until 2025 (vs. 2010) , thus contributing to OMV Group's 19% reduction target.
		5 No new projects with routine flaring and venting practice and phase out existing routine flaring and venting latest until 2030.
Innovation	OMV Petrom's innovation efforts focus on optimizing production, exploring high-end petrochemical solutions, developing innovative energy and embracing digital technologies. Investment and partnerships in innovation, research and development are indispensable for long-term value creation.	6 OMV Petrom aims to co-process ~90,000 tons of VO&UCO⁶ per year in Petrobrazi refinery by 2025.
		7 Implement Advanced Recovery pilots in OMV Petrom Upstream to increase the recovery factor of our oil fields and asses upon full field implementation starting with 2020.
Employees	Building and retaining a talented and competent team for international and integrated growth is a key enabler of the company strategy. OMV Petrom is committed to its Group diversity strategy with focus on gender and internationality.	8 Increase the share of women at management level to 30% by 2025
		9 Increase the next generation of talents through Fresh Graduate employees
		10 Measure and increase the engagement level of our employees.
Business Principles Ethical business and Social Responsibilities	OMV Petrom strives to uphold equally high compliance standards at all locations, and the Code of Conduct applies to all employees and suppliers. OMV Petrom is a signatory to the United Nations (UN) Global Compact, fully committed to the UN Guiding Principles on Business and Human Rights and aims to contribute to the UN's 2030 Agenda for Sustainable Development.	11 Raising Business Ethics awareness for all OMV Petrom employees through trainings and compliance communication program.
		12 OMV Petrom supports > 20 supplier audits for OMV's suppliers, covering sustainability topics, by 2025.
		13 Human rights trainings for all employees exposed to human rights risks by 2025.
		14 Assess Community Grievance Mechanism of all OMV Petrom Business Divisions against UN Effectiveness Criteria ⁷ .
		15 Maintain social license to operate through yearly Community Relations & Community Development strategies, plans and budgets, based on Social Impact Needs & Risks Assessment in OMV Petrom operations.

How we manage sustainability

Creating a responsible company in an increasingly challenging environment, constantly addressing the potential impacts emerging from the global challenges, such as climate change and focusing on developing to our people the future-proof skills they need is the way we understand to deal with sustainability. Consequently, embedding sustainability and its related topics into business and into the overall governance of our company is a natural thing to do.

Starting from the commitment to make it possible to deliver secure and sustainable energy with the purpose of improving people's lives, we grant sustainability topics the same weight as to any other business issue. Following the OMV Group's path to conduct responsible business, we will continue to be aware of sustainability in all our activities and to encourage and support its integration within our entire supply chain.

In the process of developing and implementing the Sustainability Strategy by the Executive Board, the most important players in sustainability are the representatives from across the business, as well as key stream leads from corporate functions, acting as topic owners for strategic sustainability matters.

Following the new Sustainability Strategy 2025, in OMV Petrom were nominated the Company's responsible persons within the organization chart, to ensure the implementa-

tion of all projects and initiatives that correspond to the KPIs established at the Group level. OMV Petrom's experts in sustainability issues constantly monitor the progress on the planned implementation of social and environmental topics, as well as the reporting activity.

Each Department's expert reports on the relevant social and environmental issues directly to their Directors, who further report to the Executive Board Members. Their tasks include reporting on the progress of the implementation of sustainability strategy targets, presenting important events with regard to the material topics and submitting for approval the sustainability initiatives and related reports.

The Executive Board is the highest governance body of the Sustainability activity and is responsible for the review and approval of the sustainability reporting (more details on the functions and composition of the Executive Board and Supervisory Board can be found in the 2019 OMV Petrom Annual Report on pg. 53). At corporate level, the Sustainability Department acts as a coordination function for corporate sustainability projects, and is responsible for steering or providing advice, and reporting on sustainability-related topics to internal and external stakeholders. It is also responsible for all social corporate awareness campaigns, communicating to all stakeholders how important it is to integrate sustainability in business activity.

GRI:

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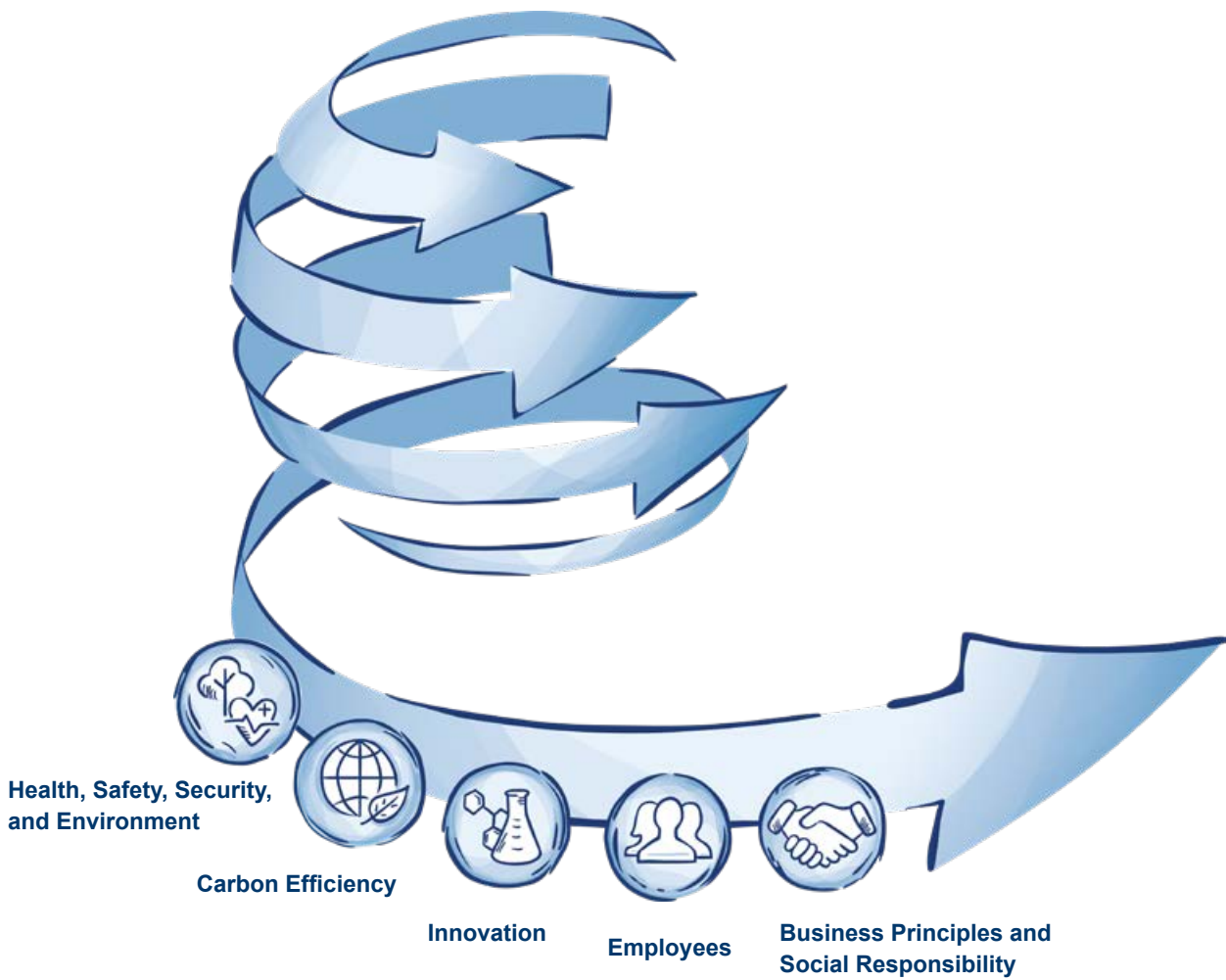
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102-26

The Sustainability Department has set up and has been running for 12 years the OMV Petrom Social Responsibility Platform, called “Andrei’s Country”, which, over time, has become a community for those who want to contribute with their efforts and ideas to the completion of social projects for the country’s development.

The Sustainability Department has steered and monitored the process of defining the Sustainability Strategy 2025 principles and targets in OMV Petrom, and will coordinate its implementation.

Sustainability Strategy Focus areas



Our commitments

OMV Petrom is fully committed to the UN Guiding Principles on Business and Human Rights. Based on an internal survey conducted in 2016, our company decided on the priority areas where we can have the greatest impact. Thus, our projects will support the following Sustainable Development Goals (SDGs) 2030: Quality Education (4), Decent Work and Economic Growth (8), Industry Innovation and Infrastructure (9), Responsible Consumption and Protection (12) and Climate Action (13).

The information disclosed in the Report for each material topic is correlated with the relevant SDGs, explaining how OMV Petrom supports their achievement. OMV Petrom

recognizes that mitigating climate change is one of the most important Global Goals and acknowledges the goals set forth by the Paris Climate Change Agreement and the EU climate targets for 2030. Moreover, as part of our environmental strategy, we have endorsed the World Bank’s initiative “Zero routine flaring by 2030” and consequently aim to end routine flaring and venting of associated gas during oil production by 2030.

Our company is also committed to provide to all our stakeholders transparent ESG data and information, allowing them to evaluate easily the sustainability risks and the opportunities related to our business.





Bucharest –
Capital of Romania

Engaging with our stakeholders

As one of the most important players of the Romanian economy, with a complex value chain, our operations and products have a direct and indirect impact on a variety of stakeholders, such as: employees, customers, business partners, suppliers, community, media, academic partners, industry associations, NGOs, investors, and others. OMV Petrom is committed to stakeholder engagement and is convinced that mutual respect, transparent behavior and open dialogue are the best foundations for a good relationship with our diverse stakeholders. Identifying and responding to their needs can positively influence our license to operate, our competitive advantage, and our long-term success and social acceptance for future developments. For this reason, we are constantly ensuring an active dialogue with all our stakeholders in order to reach win-win situations, we develop yearly social assessments and make a conscious effort to respect international sustainability frameworks, guidelines and standards.

Considering the importance of responding adequately to the needs of our stakeholders, at the end of 2018 we have implemented a process for their identification and prioritization. Thus, we organized various workshops in which representatives of all our business units participated, and helped us to classify our stakeholders in categories and sub-categories, and to prioritize them on the basis of two variables. The result of this process was the Stakeholder Map that is presented below.

OMV Petrom Stakeholder Map

Also, in 2019 we maintained an open dialogue with our stakeholders through various initiatives that help us understand how to improve our relationship with them. For example, we organized several events, such as monthly “Coffee Talks with the CEO” and “OMV Petrom Talks”, aimed to inform and debate with our employees the most important topics (e.g. People are our energy, Downstream Oil – the energy path, etc.) within the organization. In October 2019, we invited 150 business partners, clients and top management as well as Romanian and international experts to participate to the business conference “Energy for Business Excellence”, organized by Downstream Gas, in which we discussed about business trends and priorities in Romania, the EU and the world.

GRI:

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Business Partners

- ▶ Suppliers and contractors
- ▶ External consultants
- ▶ Partnership
- ▶ Customers
- ▶ Peers



Media

- ▶ Local
- ▶ National
- ▶ International



Science/Research

- ▶ Universities/Schools
- ▶ Research institutions



Capital Market

- ▶ Capital Market authorities
- ▶ Investors
- ▶ Shareholders
- ▶ Analysts
- ▶ Banks



Central Administrations

- ▶ The Presidency
- ▶ Government
- ▶ Parliament
- ▶ Central regulatory authorities
- ▶ Central controlling authorities
- ▶ Political parties



Competitors



Employees

- ▶ Employees
- ▶ Representatives of employees



Society



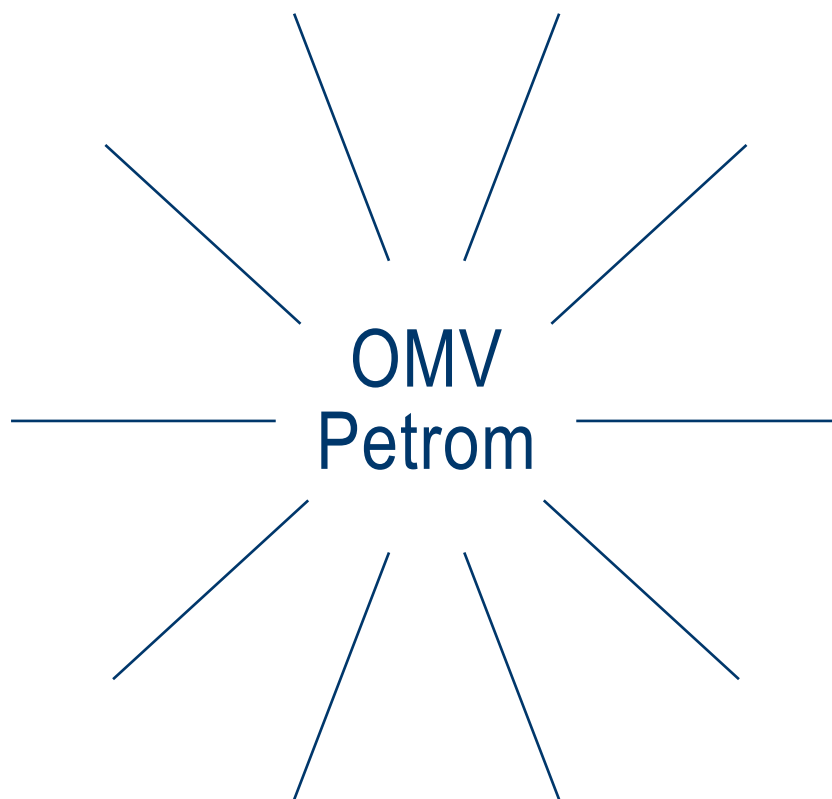
NGOs, NPOs

- ▶ Associations, Foundations
- ▶ Professional associations



Local Community

- ▶ County administrations
- ▶ Local administrations
- ▶ Local controlling authorities
- ▶ Local regulatory authorities
- ▶ Other community members



**OMV
Petrom**

Reporting on materiality

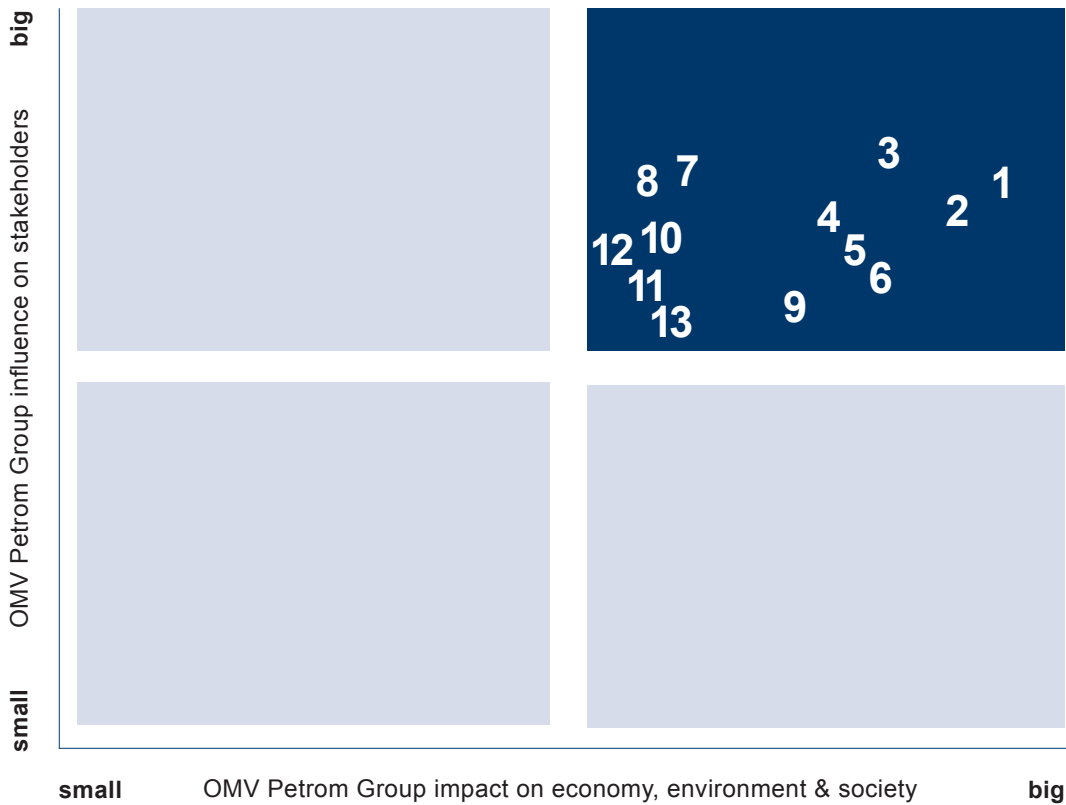
As an important component of our alignment process to the provisions of the EU Directive 95/2014, transposed at national level through the MPF Order no. 1938/2016 and the MPF Order no. 2844/2016, we developed in 2017 an extensive and structured process of consultation with the Company's external and internal stakeholders in order to identify material content for our Sustainability Report. Following consultation with all major internal and external stakeholder categories, a list of 13 material topics has been identified as proving the greatest interest of the stake-

holders towards the impact that our activities generate within the society. The list was initiated and analysed with internal and external stakeholders and validated at the end of this process by external experts from the oil and gas industry. The full-scale process of consultation and analysis is repeated every three years. Material topics of major importance for stakeholders and OMV Petrom are described below, classified in the OMV Group Strategy's five focus areas, and are reported on within the present report.



OMV Petrom stakeholders

GRI:
102-43
102-21
102-44
102-47
103-1



Materiality topics:

- 1. Local communities
- 2. Health, Safety and Security
- 3. Business ethics and anticorruption
- 4. GHG and other emissions
- 5. Environmental compliance and environmental expenditures
- 6. Supply chain management
- 7. Risk management
- 8. Hydrocarbon spills
- 9. Water Management
- 10. Employment and skill development
- 11. Human rights
- 12. Innovation and technologies
- 13. Energy efficiency

Material Focus Areas





Health, Safety, Security and Environment

HSSE management at OMV Petrom

Health, safety, security and protection of the environment are core values that constitute an integral part of our commitment to conduct our business in a responsible way.

Our HSSE 2021+ Strategy includes concepts and actions that we all have to put into practice in order to implement in our daily lives the HSSE “ZERO Harm – NO Losses” vision.

The HSSE Strategy and its implementation are aligned and fully embedded into the OMV Petrom Group strategy and the corporate governance structure.

Health

Our vision is to promote health as an essential value, protected through individual responsibility, but powered by OMV Petrom as a responsible employer.

Our achievements in 2019

- ▶ The 4th edition of “Passport for Health” campaign organized: 3,353 participants.
- ▶ The 5th edition of “Win Health: ON!” contest held in Petrobrazi refinery with participants from all business divisions.
- ▶ Over 25,443 screenings performed by PetroMed for our employees.

Our HSSE Policy envisions a work environment that protects the employees’ physical and mental well-being. In order to accomplish that, we have implemented, throughout the Group, high healthcare standards and health promotion that address the most important health impact issues by taking into account the OMV Petrom employees’ health profile.

Health management system

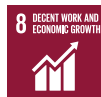
In the national context of a high prevalence of chronic diseases and specifically the aging population of OMV Petrom, health is a priority. Therefore, the company allocates a significant level of resources for the health of its employees, through two organizational structures:

- ▶ Health Management department (fully integrated in OMV Petrom’s HSSE Management System, focusing mainly on strategic aspects of health);
- ▶ PetroMed Solutions SRL (an in-house health service provider, responsible for the operative delivery of health services through a network of 24 workplace clinics).

The Health Management department is responsible for developing the Health Strategy and the integration of health services, as well as for managing all health-related issues.

PetroMed services mainly consist of legally-required occupational health examinations, general medicine consultations, medical emergency support, as well as preventive medicine consultations. Over the past years, we have increased the number of preventive medicine consultations, providing our employees with

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103-2



specific screenings and vaccination campaigns. In 2019, screenings have been offered to all employees on a voluntary basis. Moreover, a great focus was on the flu prevention campaign initiated in October, through which free flu shots were available for employees through PetroMed, along with communication materials on prevention measures.

All these health programs and initiatives offered by the Company are gathered under one branded concept, the **Health:ON! Platform**, which has been active since 2014. With its attractive and interactive communication, the platform aims to change the employees' attitude from consumers to co-producers of health, while encouraging the voluntary utilization of the health programs, according to their specific needs. The Health: ON! Platform covers services and benefits related to occupational health (delivered by PetroMed), prevention (health promotion and awareness campaigns such as "Passport for health", or discounted medical subscriptions with the main private medical networks), curative health (covered through PetroMed clinics and OMV Petrom Private Health Insurance), emergency health (medical first aid).

Health promotion

"Passport for Health" is a campaign organized on a yearly basis by the HSSE Health Management department with the support of

PetroMed, based on a gamification concept and addressed to all OMV Petrom Group employees. The campaign aims to set prevention as a proactive approach within our community. The Passport for Health is a personal tracking system where employees can keep score of all the activities they do to contribute to a healthy lifestyle (e.g. participation to screenings, vaccinations, general practitioner check-ups, sports events, health hours, filling in questionnaires on various health topics, choosing healthy company canteen menus, quit smoking etc).

Year after year, the number of participants has increased (2,497 colleagues in 2018 vs. 1,790 in 2017 and 1,200 in 2016) and the year 2019 proved to be a new success: 3,353 employees enrolled in our campaign. Out of these colleagues from all divisions and locations who have submitted valid passports (with seven healthy activities), 71 employees won and received prizes. Of these 71 winners, 15 employees were selected to further participate at the yearly health knowledge contest "Win Health: On!" (adapted after the format of a well-known knowledge contest where participants have to answer different questions about health topics inspired by the information provided in the brochures developed for our previous campaigns). Along with the contestants, there was a team of supporters who were actively involved in the contest and underwent specific physical challenges.

How to get your visa for Health: ON!

Complete your personal details in the Passport

Fill a minimum of 7 activities that are good for your health:

- 2 mandatory activities (complete the questionnaire, the aptitude sheet valid at the moment of the passport submission)
- 5 other activities of choice

Go to PetroMed with the evidence of your activities and get points in the Passport

Submit the Passport completed in the raffle box until July 15th

You automatically enter the big raffle!

You can win a Decathlon voucher with value of RON 210 with a smoothie blender or one of the 3 vouchers worth RON 1,500.

Passport for health 2019

Health: ON!

A health contest organized by HSSE Health Management with support from PetroMed.

OMV Petrom
The energy for a better life.



CASE STUDY:

Medical Doctors' Caravan – high level of care for the community's health from the areas where we operate.

Medical Doctors' Caravan

The “Medical Doctors’ Caravan” association consists of a multidisciplinary team of doctors (20-30 specialists, residents and medical students) which evaluates the health status of the population free of charge, raises awareness on screening tests and educates the rural population in regards to their health. Around 18 times a year, during the weekends, the Caravan gets into rural areas where patients encounter difficulties reaching the nearest medical center (lack of money, distance, etc).

50 colleagues from PetroMed, doctors and nurses, joined on November 16 and 17 the “Medical Doctors’ Caravan” Association, in a pilot project that provides community health

care, carried out in Valea Mare, Dâmbovița county. As a result of this voluntary activity, implemented in partnership with the Asset Muntenia Vest, the HSSE Health Management Department and the Valea Mare City Hall, 145 people received free medical examinations.

The examinations were offered mainly to retired persons or those with reduced financial possibilities, and consisted of general medicine examinations, blood tests, electrocardiograms, heart and abdominal ultrasounds, as well as specialized medical examinations (internal medicine, cardiology and ophthalmology).

The Private Health Insurance provided to employees by OMV Petrom is one of the most desired benefits among Romanian employees, especially in the context of the decreasing quality of public health services. This benefit has proven useful since 2014, financially supporting many colleagues in difficult medical situations. OMV Petrom's health insurance program remains with the most complex medical coverage and the most competitive cost in Romania.

Collaboration with external stakeholders

Foreign Investors Council (FIC)

The **“Leaders for Excellence in Healthcare”** project was launched by the Foreign Investors Council (FIC), in partnership with OMV Petrom, the Ministry of Health, the Maastricht University. The project aims at strengthening the healthcare system in Romania through developing the leadership skills of the managers of public hospitals, based on a best practice model developed by the Maastricht University (Netherlands) and The Rethmeier Group (United States).

Through this training, managers of some of the most representative hospitals in Bucharest and in the country have been offered four interactive sessions, focused on Communication, Leading Change, Strategic Leadership and Emotional Intelligence in Team Based Organizations and their positive feedback encourages us to move on with this initiative.

Safety

Our 2021 strategic safety goal is to “Build on sustainable safety for people and plants” with focus on two main objectives: “Embrace transformational HSSE through the safety culture program” and “Manage process safety through value creating projects”.

Management approach to safety – Safety is our number one priority

In line with our **“ZERO Harm – NO Losses”** vision, our safety management system enables us to comply with regulations and, where laws and regulations do not exist, this system provides a framework for ensuring high safety standards in all our activities and to promote Safety as our number one priority. Our internal safety management system is based on OMV Group's HSSE Policy, HSSE Directive and OMV Corporate regulations such as HSSE Risk Management, Contractor HSSE Management, Management of Hazardous Substances, Personnel Transportation, Reporting, Investigation and Classification of Incidents.

WHAT WE WILL DO IN 2020:

- ▶ Position Health as a business asset, including awareness for individual responsibility of own health via the Health:On! platform (implementation of the 5th edition of the Passport for Health campaign, screenings, vaccinations).
- ▶ Provide sustainable health services (occupational, curative, emergency health services).

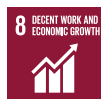
Our Executive Board members believe in their mission to create the environment in which, by applying safety principles and acting as role models, safety becomes a way of living for everyone. At the end of 2018, the Executive Board met to discuss their personal commitment to deliver on OMV Group vision of “ZERO Harm – NO Losses”, the result being materialized in the “**5 Safety Principles**” of OMV Petrom:

1. All accidents are preventable
2. Every job can be done safely
3. Safety is the number 1 priority because we care about people
4. Safety is above all other business objectives
5. Open reporting is a means of learning and improvement.

Their commitment to safety extends from the own employees to the contractors, suppliers, customers and members of the communities in which we operate.

The communication of the “**5 Safety Principles**” across the Company was complemented by the message from our management to employees and contractors about safety integration in daily operations by choice, not by request, which is considered the key to prevention. They reiterated how important it is to make everyone’s voice heard, to intervene and to stop any unsafe acts or conditions and to share with the others the challenges encountered in the activity.

Our 2025 sustainability target on safety	<ul style="list-style-type: none"> ▶ Zero work-related fatalities ▶ Stabilize Lost-Time Injury Rate at below 0.30 	<ul style="list-style-type: none"> ▶ Keep leading position for Process Safety Event Rate (2017: 0.18)
Our achievements in 2019	<ul style="list-style-type: none"> ▶ Lost-Time Injury Rate (LTIR) for our own employees and contractors (combined) per million hours worked was 0.31 (2018: 0.26) 	<ul style="list-style-type: none"> ▶ Reference to 2017 baseline, Process Safety Event Rate 2019 = 0.14
Our plan for 2020	<ul style="list-style-type: none"> ▶ Keep target at the Group level: zero work-related fatalities. ▶ Monitor and challenge the Action Item Response Rate on incidents Level 3+ and HiPos. ▶ Identify initiatives/projects that improve process safety and create value in terms of Opex/Capex reduction or revenue increase. ▶ Meet the key contractors and audit activities with a high safety risk, with a focus on sub-contractors. 	<ul style="list-style-type: none"> ▶ Implement the new standards: Contractor HSSE Management, Risk Management. ▶ Focus on raising awareness and on disseminating the set of safety principles that will enable us to reach the level of safety culture maturity we all can be proud of. ▶ Continue the assessment of critical facilities in OMV Petrom Group, which include but not limited to offshore operated assets, refineries and operated tanks farms.



Safety culture

In 2019, we continued to focus on creating the working environment where safe behaviour is a prerequisite for good HSSE performance. **The Safety Culture Program** in OMV Petrom has been the driver of initiatives, projects and campaigns and has created opportunities for employees within the entire company, so that they learn and share the good safety practices and improvements. Considering the excellent results of the previous years, we organized in 2019 the Annual Safety Culture Workshop. During this event, the Executive Board Member of Upstream, having the role of OMV Petrom Safety Culture Program Owner, worked together with other relevant members of the program for the identification of needs and implicit new developments.

Considering previously identified gaps, at the beginning of 2019 the Safety Culture Program has created also an improvement path for safety, through the organization of the OMV Petrom Safety Committee. The Committee is formed by Executive Board members who meet quarterly for analysing the safety performance and relevant major safety aspects within the organization and to decide on new initiatives and actions. Similarly, in the Business Divisions, committees for safety were established.

In Downstream, the program “**Leading Safety**” consists of organizing Safety Committees led by managers, aiming to monitor and support the 2021 objective to progress on safety culture maturity scale, international hierarchy defined by DuPont, from the level of “supervision” to the “independent” one. This started in 2019 with workshops with the leadership teams, for defining the Local Safety Committees structures, the Local Charta and the Personal Action Plans for Safety Committees members. In Upstream, the HSSE Steering Committee continued its journey having quarterly videoconferences, with the participation of the local management from all onshore and offshore Assets, including Kazakhstan local management. During these meetings, each organization had the possibility to share results, information about their local actions and achievements for safety, to bring up

issues and to discuss potential solutions. At the same time, protocols were held for recognizing and rewarding the good HSSE performance of individuals or organisations within Upstream division.

The Safety Culture Program in Downstream Oil Division also included in 2019 the safety culture maturity assessment in Retail Business Units (Moldova, Serbia) and for OMV Petrom Aviation. The evaluation ended with workshops that resulted in action plans addressing weaknesses in the areas of Leadership and Commitment, Hazard Identification and Risk Control, Competence and Training, as well as in the domain of awarding and recognising the good safety performance. The more advanced phases of the program continued in Retail Bulgaria and Romania with follow up sessions of the action plans decided in the previous phases.

In Upstream Division, the rollout of Safety Culture Program continued by following the pilot model implemented in 2018 in Asset Moldova after the safety culture rapid diagnostic by DuPont, when the focus was on the operational discipline in relation with the highest safety risks on field. In this respect, three main activity streams were defined to approach the activity in each Asset: leadership, enhancement of safety culture multipliers’ team and the creation of multidisciplinary working groups for treating specific hazard related topics. The specific working groups are aiming to empower non HSSE operational people to find their own solutions for a safer working environment, to improve their personal motivation, the team spirit, the communication and collaboration and to build more trust to intervene over and to stop the unsafe work. The activity of the working groups covered all operational sites in Upstream and three important factors were in the spotlight: the condition of equipment, the applicable regulations and processes and the behaviour of those performing their activities. The groups succeeded to set up detailed action plans to be implemented from 2019 onwards.

The topics for improving the safety risk management were selected by each Upstream Asset based on the local incidents and hazards analysis. Three Assets chose to evaluate the gaps of considering the Life

Saving Rules in operations. In Asset Crişana, the selected topic was the implementation of the “Stop Work”, in Asset Oltenia the application of “the Lifting Operations and loads securing in transportation”, and in the Asset Muntenia Vest, the rule of “Isolation”. The working group of the Asset Moesia treated the very sensitive subject of H₂S emissions and in Asset Muntenia the local team decided to discuss on “tanks condition” and “Permit to Work” system application. Asset Moldova continued work following the pilot in 2018 and treated the subject of gas detection”, while in Asset Petromar, the “Safety Critical Elements” was chosen as topic that the group was working on.

OMV Petrom leadership development program “#Lead4Safety” is a customized safety leadership training for frontline managers, supporting the participants in striving to obtain strong safety culture within their organization. The program aims at personal leadership development by experiential learning and modern techniques. The main objectives consist of reflecting on and integrating into the daily routines the crucial safety instruments: Life Saving Rules, Tool Box Talk, Intervention, Stop Work, Lessons Learned, in experiencing the technical as well as the emotional element of safe behaviour and in the same time aims to capture new and complete

way of the meaning “Why Safety”. The participants have the possibility to critically examine their personal leadership/management styles and to set up individual development plans. The training will continue in 2020, also targeting an additional group of 1,000 persons.

The campaigns for the reinforcement of Golden Rules and the implementation of Supplementary Life Saving Rules, which refer to the high-risk activities that can lead to serious injury or fatality, were rolled-out in OMV Petrom Bucharest Headquarter (Petrom City) through online training with a customized animated 2D material and by distributing posters and stickers. In the operational area of Upstream, the roll-out was done top-down, where each manager organised workshops with his/her team for discussing about one or two rules. These rules were explained to the contractors also during the “HSSE Passport Training” sessions.

In Downstream, the main message addressed was: “Protect Your and Your Colleagues’ Lives!”. This simple rule that guides our employees and contractors to protect their own and their colleagues’ lives was rolled-out across the entire organization through the involvement of over 4,700 employees (own and contractor) in trainings and workshops.



Annual Safety Excellency Award event

The **“Take Safety at Home”** project, conducted by HSSE department, started in 2018 by asking all employees to think of safety beyond their profession, to apply safety rules in their private lives and to strive to influence their families, friends, neighbours and communities to do the same. The request was supported by monthly info letters, addressed to the employees and their families, containing basic rules for protecting against specific hazards. In March 2019, we continued by launching the **“Take Safety at Home”** contest. The competition was between stories about the way in which the participants applied the advice received from our HSSE team. The competitors had to demonstrate either a change in behaviour or a home safety improvement. Ten stories were selected and rewarded. Rewarding has been definitely part of our culture, for a long time and this is happening in various ways and at different levels, every year.

In 2019 we used the opportunity of **“World Day for Safety and Health at Work”** celebration to organize Petrom Annual Safety Excellency Award. It was about recognition for 2018 best safety achievements.

Another important safety event held in 2019 at OMV Petrom Headquarter in Bucharest

and chaired by the CEO together with the CFO, was called **“Setting the tone in Petrom City”**. The event was focused on raising awareness, at the level of all functions working in the Headquarter, on the importance of safety, underlined as the first priority. It also addressed the Life Saving Rules implementation in Petrom City and promoted the principle of **“leading by example”**. In the series of safety events of 2019, we closed the year with an **“OMV Petrom Talk”** on safety, entitled **“The second that matters”**. This event aimed to reach people’s hearts starting with the same message **“Safety is our number one priority”**, and brought in the stories of three employees who survived after important events that affected their personal safety or who contributed to the rescue of some of our colleagues involved in such events. It was about three stories of survival, courage, team work and building up resilience.

Risk management in safety activities

The risk management process continuously identifies and establishes feasible and viable mitigation measures to prevent accidents and to minimize the negative impact on people and the environment.



OMV Petrom Talks: the Second that Matters



Petrom Safety Excellency Awards

In 2019, we focused on updating ARMS (Active Risk Management System) database, the system that centralizes the major risks of OMV Group, with relevant information from 24 OMV Petrom facilities with potential of Major Accident Events (MAE). The emphasis was on facilities that are regulated by or meet the criteria of the European Directive Seveso III (the Directive on the control of major accident hazards involving dangerous chemical substances), on high-risk pipelines, flow lines and high-risk wells. Operational Integrity Assessments and Barrier Reviews were performed for these facilities. These assessments not only audited the suitability of existing barriers, that are critical to prevent and/or mitigate the impact of a MAE, but also assessed the effectiveness of the implementation of process safety management. A similar approach will continue in 2020 for assessing other critical facilities in OMV Petrom Group, which include, but are not limited to offshore operated assets, refineries, operated tanks farms etc. The overall goal is to prevent major accidents and to limit the consequences of any accidents that may occur, in line with HSSE vision “ZERO Harm – NO losses”.

Education and training are important tools for informing workers and managers about workplace hazards, risks and their control measures, so they can work more safely and more productively. Therefore, we use any opportunity to train people or to refresh their knowledge in respect to hazard awareness and risk management. In this respect, the “Operators Certification Program”, initiated in Upstream in 2016, continued with the refresh sessions delivered by technical and HSSE internal trainers and which included a technical part based on the job requirements and a HSSE part referring to occupational and process safety. The aim was to ensure that operators have the required technical skills to perform safe activities and to efficiently handle and control the technological equipment. In addition, the training plan of 2019 included the explanation of the Life Saving Rules also. A number of 600 employees that operate the equipment in parks, tank farms, compressor stations, injections stations or in areas connected to them updated their training courses in 2019.

In Downstream, over 13,000 own employees and contractors’ employees were trained in the Hazard Awareness Campaign, having as main objective to encourage the workforce to identify hazards and to report them, with focus on behaviour and unsafe acts. This was complemented by the reinforcement of the importance to report minor incidents, which represent “weak signals” to prevent severe incidents.

As severe incidents still occur, the underlying causes indicated to us that additional resources, expertise and systems should be engaged for improvement. One key element in raising the safety performance is to improve the surveillance of the working points. This supports both strengthening the operational discipline, observing the good practices, proactively identifying hazards and risks and by monitoring the implementation of the correction measures. In this respect, the Upstream Division launched a program for monitoring the operational sites using “CCTV (Closed Circuit Television Systems) for safety”. These “safety cameras” were installed on drilling and workover rigs, in operated on-shore facilities and on the offshore platform. Based on the observations on cameras, monthly reports are generated, and so, the most significant aspects are analysed by teams of specialists who set up risk reduction actions/plans. At the same time, positive aspects and behaviours are rewarded on a monthly and quarterly basis in the Asset or at business unit level, individually or for the whole team (e.g. workover crew). Whenever an unsafe practice is identified, an alert with the lessons learned is issued and communicated. The positive aspects and the lessons learned are presented and discussed in the weekly and monthly meetings.

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Safety Compliance

Compliance with relevant laws and internal regulations requirements continued to be reviewed in 2019 through audits and inspections, by measuring performance data through KPI-based reporting, closure of improvement actions and management review results.

Also, in 2019 in order to increase the capacity of the internal incident investigation team of OMV Petrom, we initiated new training sessions that were provided by an external expert. This ensured skilled and knowledgeable internal resources for the identification of root causes and for establishing the adequate actions to prevent the occurrence of severe incidents or incidents with high potential. At the same time, we ensured the integration of technical experts in the HSSE incidents investigation teams, aiming at better understanding and identification of failures in technically complex incidents and we remained focused on the verification of the actions' effectiveness.

Occupational Safety

The representatives of workers are permanently engaged in establishing, operating, evaluating, and improving safety and health programs. This helps managers to identify the most important issues, while workers are motivated and encouraged to be more aware of their own safety.

Therefore, at divisional level, Health and Safety Committees are established, where the employer or its legal representative, employees with health and safety roles, workers' representatives with specific responsibilities in the field of health and safety and the Doctor of Labor Medicine, are represented for an open dialogue. Prevention and protection of people are the focus of the meetings' agenda, which are organized quarterly (in Upstream, 40 such committees were organized both at operational level and at headquarter level, 24 committees in the Downstream Divisions, and 4 at the Corporate level).

Process Safety and Integrity

Process Safety is a framework for managing the integrity of operating systems and processes, handling hazardous substances by applying state of the art design principles, engineering and operating practices.

In 2019, the Process Safety initiatives continued to be a major focus for the company. Various investments were made to ensure continuous improvement in facility and pipeline integrity upgrade projects.

For a continuous knowledge improvement and experience sharing in the process safety domain, we maintained our external collaboration with profile organizations by extending the membership in EPSC (European Process Safety Center). We also continued the distribution across OMV Petrom, for information and debate, of the worldwide communication on process safety topics promoted by CCPS (Central of Chemical Process Safety), Process Safety BEACON, the resource aimed at delivering process safety messages and which presents accidents and describe the lessons learned and practical means to prevent recurrence.

OMV Petrom Upstream follows the recommended practice from IOGP (International Association of Oil and Gas Producers) related to Process Safety Key Performance Indicators. These indicators are aimed at learning from past events to ensure continuous improvement in Process Safety.

Sustainability target 2025: Keep leading position for Process Safety Event Rate (2017: 0.18)

Process Safety Events in Upstream

	2019	2018	2017
TIER 1	0	2	2
TIER 2	2	6	2

The Process Safety KPIs in Petrom Upstream also monitor the performance of safety critical maintenance (99.94% completed work orders), the ratio of preventive to corrective work orders (80/20) and the number of regulatory inspections (99.5%).

In 2019, five Operational Integrity Assessments (OIA) were performed in Upstream. In this program, OMV Petrom’s technical experts completed a thorough review of facilities in terms of integrity and process safety, to ensure our operations meet or exceed the company’s expectations. And all the opportunities for improvement that have been identified in these assessments are now short and long term actions that are to be implemented by nominated responsables.

“Process Safety Through Value Creating Projects” action started in 2019 for each Asset in Romania and in Kazakhstan. This action identified initiatives/projects that both reduce the risk of our operations. In each Asset there were identified three ideas for a process safety project that also delivers value to the company and, from those three ideas, one was developed into an initiative/project, which was further tracked and monitored.

“Process Safety Quick Wins” initiatives were also implemented, aiming for a relative low cost and quick to implement projects, tasks or activities that reduce the risk in a location or facility. The implementation of Quick Wins is a critical part of building a Safety Culture with regards to Integrity Management. The initiative was encouraged via the Kaizen Events Program and will continue to be emphasized going forward.

As with the previous years, the HAZOP (hazard and operability) program also continued in 2019 with 25 additional HAZOPs that reviewed and updated of all the required technical documentation.

The Electrical Integrity Assessment II Project was completed with 86% for all activities, this consisted in modernization of over 200 high risk selected electrical equipment.

The Process Safety Assessment Collaboration between Upstream and Downstream was established in 2019 to promote cross divisional technical expertise sharing through a technical review of Process Safety Barriers. This was completed in Albotești Tank Farm and Petrobrazi Refinery.

Contractor Management

For a good performance of the contractors' activity, a close collaboration with our partners is crucial. Contractors perform more than 60% of the total work hours recorded at company level, therefore, their skills and performance are vital to our ability to carry out our work safely and responsibly.

For a good safety performance of the contractor's activity, it is our Company's decision to collaborate only with those contractors that meet our safety standards. Therefore, in 2019 we worked for the alignment, publication and for preparing the implementation of the OMV Group Standard "Contractor HSSE Management". The new document requests a unique and aligned conduct of managing HSSE during the entire lifecycle of a contract. It is to be followed by all OMV and OMV Petrom employees in general and in particular by those employees with important role (Contract Owner, Contract Holder, Contract User and Responsible Manager) in managing the pre-qualification and selection of contractors, as well as the supervision of the

performance of the contractors and subcontractors involved in execution. The provisions of the standard will be subject for training in dedicated workshops organised by HSSE Headquarter for relevant functions.

As part of the continuous supervision and support for the HSSE performance improvement, a process was designed ensuring that contractors and subcontractors working on our premises received the basic safety awareness training and that they are qualified for the job they perform, as law requires. The training called "HSSE Passport for Contractors" is delivered by HSSE internal trainers in all the Assets for all Business Units, with no cost for our contractors and subcontractors. After attending the training and passing a test, the participants receive badges with their individual photo and a unique QR code. Based on these QR codes the qualification can be verified and the access to the working site is granted. In 2019, over 3,000 contractors and subcontractors have been trained and the badges distribution is ongoing.



Meeting with contractors in Petrobrazi refinery

Having in scope the continuous improvement of the activity of our contractors, in 2019 we continued to conduct HSSE management system audits, considering both aspects of guidance for best practices and for the implementation of corrective measures where non-conformities are identified. In this respect, a number of 18 audits have been conducted in Upstream. A new approach started to be implemented in 2019, by auditing the HSSE Management Systems of the contractors performing high risk activities in both Upstream and Downstream divisions, called cross-divisional contractors. Two contractors have been audited in 2019 by using the audit tool proposed in the newly released OMV Group Contractor HSSE Management standard. The improvement recommendations have been transferred in action plans assumed by the management of both audited companies and their achievement will be monitored by the Safety team representatives in HSSE Headquarter.

The Participation in Quarterly Service Quality Meetings and HSSE Forums is essential for the improvement of HSSE performance monitoring of contractors as well as for enhancing communication, for sharing lessons learnt and best practices. While in Upstream Projects Department and Petrobrazi Refinery the HSSE Forums are organized quarterly, in Upstream BU Workover and Drilling these meetings take place every month and involve drilling operational staff, HSSE experts and representatives of contractors.



Road safety campaign:
Be a Survivor

Road Safety

Considering our high exposure to traffic hazards and country-specific challenges, in 2019 our focus was on the basic rules of safe conduct in traffic and on demonstrating the severity of the consequences of traffic accidents.

The dedicated communication campaign “**Be a Survivor!**” – 2019 Road safety campaign in OMV Petrom was opened by our CEO, who talked about the importance of wearing the seatbelt. The campaign included 5 other video blogs: the testimonial of an OMV Petrom workover employee related to his car accident, a teaser for the roll-over simulator showing how to get out safely from a rolled over car, and several messages of feedback from employees who participated in the road safety events in Petrom City.

The first road safety event in Petrom City was a joint effort of OMV Petrom and a defensive driving company, with focus on “distraction” and seatbelt. It included 13 training sessions

held in a mobile training center, organized in theoretical sessions and practical simulations.

The second important event was an exhibition in the Petrom City area, set up in collaboration with the Romanian Police, with 10 driving seats that were involved in car accidents, each “saying” (in a written description) its own sad story. A virtual tour of the event was prepared for further use. Information about this campaign was also posted on social media.

The very important topic of personnel transportation in OMV Petrom has been addressed through dedicated trainings and workshops with all companies that provide transportation services by bus and taxi, with the participation of management and drivers. The workshops aimed the reiteration of the HSSE requirements of OMV Group’s Transportation Standard, as well as gaining a good understanding of the safety compliance level of high-risk contractors involved in personnel transportation.



Defensive Driving mobile training centre

Security and resilience

Protecting people, assets, operations and reputation against emerging malicious and/or intentional threats.

Accomplished in 2019

- ▶ Quality Management System Certification – reconfirmed by the auditor.
- ▶ Automated security reporting tool – Implemented a dedicated software that increased the overall process efficiency and data accuracy, by delivering customized dashboards, heat maps and various statistics reports, and also providing access to external contractors to directly report the security incidents.
- ▶ New Security Concept in Petrobrazi – A new security service provider was selected for Petrobrazi Refinery with the scope to strengthen the guarding component and ensure a robust, flexible and efficient security concept.
- ▶ Awareness campaign for employees – Delivered an ample awareness campaign on Earthquake preparedness topic, involving online and printed information materials, a Mobile Earthquake Exhibition, first aid trainings in emergencies and a practical evacuation drill conducted in partnership with specialized authorities.



CASE STUDY:

“Together for a safer community” – organizing a national preventive campaign about safety and security in local communities.

GRI:

103-2

103-3



“Together for a safer community”, a community involvement project. With the scope of reducing criminality in the rural areas, over 45,000 children and 10,000 adults benefited of information provided by the Romanian Police about safety and security in their communities, through a national preventive campaign “Together for a safer community”. There were produced 25,000 flyers and 1,000 posters for children, 10,000 flyers and 1,000 posters for the adults and over 1,300 events were organized around the country. The campaign was published on internal channels and social media, in national and local newspapers.

How we manage Security and Resilience

At group level, the Security and 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 department consists of the Security Team, which ensures the integration of the best security practices at OMV Petrom, and the Resilience Team, which enables the effective recovery of operations and the preservation of the OMV Petrom brand in case of a significant incident.

We periodically conduct Security Risk Assessments (SRA) that allow us to identify and manage security issues. This kind of assessment helps identify and classify risks per location and allows the Security Team to evaluate the current mitigation measures in place and to make the necessary adjustments. In 2019, the SRA process was focused on ensuring compliance with legal requirements and performing Security Risk evaluations for all OMV Petrom objectives using a specific Group-Wide Security Risk Assessment Tool, ACUMEN.

For this, in both Upstream and Downstream business divisions a total number of 113 security risk assessments have been delivered, performed due to structural changes of the locations, business developments or the legal period obligation.

All OMV Petrom objectives have been evaluated and approved by risk owners using ACUMEN, and the development and review of the SRA reports, for all operational

locations across the value chain, has been performed under the coordination and direct involvement of the Security & Resilience Department.

The Quality Management System Certification obtained by OMV Petrom Group Security & Resilience organization in 2017 was maintained following the two annual surveillance audits conducted by Lloyd’s Register Quality Assurance in 2018 and 2019. Both audits were successfully concluded without any nonconformities or improvement recommendations.

Following the PSIM (Physical Systems Information Management) operationalization, a Security Operations Centre (SOC) was set up in Petrom City, designed to monitor and operate all security systems across OMV Petrom. In 2019, the security systems from Petrobrazi, fuel depots and Upstream were integrated in SOC, procedures were uploaded and functionalities were tested. In 2020, the SOC will migrate from the external security provider and it will be fully operational in-house, having the capability to monitor all existing security systems across OMV Petrom. This is in line with the strategic direction of the Security and Resilience Department to embed digital security solutions in the overall Security strategy, resulting in an increased number of security systems to be implemented in the next years in our operating areas and production facilities.

The Technology & Innovation Exhibition that took place in January in Petrom City was an opportunity for the Security & Resilience Department to present the current and envisaged technologies. During this event, our technological advancements used in our operations were the most appreciated and recognized by those present, at company level.

In order to improve the protection of our people and goods in the filling stations network, during 2019 we focused on identifying the Monitoring and Intervention (M&I) specific concepts as basis for setting up the strategy meant to increase efficiency and effectiveness of those services. As such, we piloted a tailor-made security solution that combines traditional M&I services with innovative, fit for purpose, technology oriented security model meant to improve the reaction time.

The results of the pilot project mentioned above corroborated with identified market best practices led to a comprehensive security concept, designed for ensuring a cost effective and qualitative solution for addressing the specific threats, a concept that will be implemented in 2020 in OMV Petrom Marketing.

Security Contractors

Protection of objectives, goods and valuables against any illicit actions that may affect the right to property, their material existence, as well as protection of persons against any hostile acts that may endanger life, physical integrity or health is a legal requirement stipulated under Law 333/2003.

In OMV Petrom, the operational security concept consists of a mix of components: guarding, technical security systems and procedural/organizational measures, which ensure deterrence, detection, prevention and response to intentional criminal threats against people, assets, operations and reputation.

The guarding component based on specialized security agents, certified according with Romanian Law, is a critical element to our protection concept and is carried out by private security contractors in accordance with local guarding plans in place, which are governed centrally by the Security & Resilience Department. In this regard, pedestrian patrols, fixed posts and roving patrols are ensuring guarding of our facilities against unauthorized access, thefts and any other material damages, defending personnel from harm.

Security Contractors' activities are monitored on a regular basis and plans are reviewed and updated every time is necessary, at least once per year. In 2019, Security contractors in scope of the audit program were audited from a legal and operational perspective and any nonconformity that was identified was treated through specific actions over an appropriate timeframe.

Moreover, in order to ensure a better control over the quality of the services received, starting with 2019, Security Key Performance Indicators (KPIs), such as legal require-

ments, execution of service and on time reporting of security incidents, have been included in all security services contracts from OMV Petrom S.A., including for OMV Petrom Marketing contractors on the monitoring and intervention services.

The KPIs are monitored quarterly and they have shown an overall good performance of the suppliers, highlighting also improvement opportunities on certain aspects. The performance resulted is assessed and discussed with the service providers during the quality meetings that are held quarterly and which conclude with specific measures to be implemented.

Resilience

The Resilience team continuously improves the organizational resilience activity, aiming to build capacity to respond to, recover and ensure business continuity from situations that go beyond operational disruptions.

As a continuation of past year initiatives for ensuring organizational resilience and maintaining a close alignment with the National Strategy on Emergency Situations, in 2019 we focused our emergency preparedness on the company readiness in case of a major earthquake. In this perspective, we rolled out several projects with the objective of educating our employees on how to prepare and react during and after an earthquake. As such, the Mobile Earthquake Exhibition (MOBEE) from National Institute of Earth Physics presented a mixture of the theoretical and practical aspects that our colleagues should be aware of, with the potential to save their lives in case of a major event. Moreover, in partnership with the General Inspectorate for Emergency Situations we brought in two of our main locations, Petrobrazi Refinery and Petrom City, the "Be Ready" Caravan, who offered trainings in ensuring first aid. Almost 3,000 employees from all divisions took part in these events.

In addition, maintaining the good relation with the central and local authorities on emergency situations, we organized together with them, at Petrom City, the largest evacuation and intervention earthquake joint drill performed in 2019 for a private company headquarter. It was fol-

lowed, one month later, by a table-top exercise involving the Executive Board members as part of the Crisis Management Team led by the CEO. The Team had to manage a complex scenario simulating an earthquake of a high magnitude (more than 7 on Richter scale) in Romania. The lessons learned captured during these activities will become the basis for improving the Crisis Management Network in 2020.

The latest Resilience topic in 2019 addressed the business continuity management by developing one Organizational Business Continuity Plan (BCP) for the Earthquake scenario and two operational BCPs at local level, for the locations in scope.

All the above mentioned actions had the end goal of supporting the departmental initiatives for improving the organizational Security & Resilience culture.

Changing culture towards security and resilience in OMV Petrom

The Security and Resilience (S&R) Department is committed to foster the S&R culture within the organization, to increase awareness on S&R topics and principles among our employees. For this, in 2019 we have conducted a perception survey of more than 700 employees from Asset Moesia Upstream and Petrobrazi Refinery, in order to offer a more accurate image of how the Security principles and policies are understood and applied in the operational areas.

Following this analysis and conclusion report, we will define clear directions to focus in regards to increasing employee's awareness and improve their behaviours towards Security aspects.



Petrom City earthquake evacuation and intervention joint drill.



Mobile Earthquake Exhibition

The Outstanding Security Performance Awards (OSPAs)⁸

The implementation of our projects to the highest professional and quality standards has also been officially recognized by an external body, within the Annual Outstanding Security Performance Awards organized in Bucharest on the 15th of November 2019. Following a judging process of the most successful initiatives in the private security industry, two of our department members have been awarded each with the main OPSA trophy for their individual contest category, Professional (women) in the Security

Industry and In-House Security Manager.

This achievement confirms that we have chosen the suitable path to position Security & Resilience Department of OMV Petrom as the benchmark of corporate excellence for security and resilience practice in the oil and gas industry in Romania and beyond, directly and indirectly influencing positive change within businesses and communities.

WHAT WE WILL DO IN 2020:

- ▶ Embed modern technologies into daily security operations as basis for increased efficiency in threat detection and response (loss prevention) and ensure optimizations of the operational security
 - Enable transition from physical to digital security, by developing Security Operations Center (SOC) based on centralized software platform (PSIM).
 - Foster implementation for challenging and innovative technical security solutions increasing both safety and security of our ground operations.
- ▶ Improve security and resilience behavioral competencies:
 - Strengthen Resilience support for the business to improve Emergency Preparedness (operational and tactical levels) and Business Continuity Program.
 - Embedding Security principles and practices into daily activities of employees and contractors, towards an increased level of awareness and security-specific competencies.
- ▶ Continuous improvement of the S&R Quality Management System – including its recertification by Lloyd’s Register Quality Assurance and thus, reassuring OMV Petrom Business Units of our commitment to continuously deliver services to the highest standards, as well as integration of other ISO management system standards requirements, especially ISO 28001 regarding security management systems for the supply chain.

⁸The Outstanding Security Performance Awards (OSPA) is developed and implemented by Perpetuity Research in the UK, along with security associations in several countries, and is designed as a global brand for professional performance recognition in the field of private security.

Environment

Our objective is to minimize our environmental impact throughout the entire lifecycle of operations.

Accomplished in 2019

- ▶ Reviewed the Environmental Risk Assessment Registers and followed up on risk reduction measures
- ▶ Developed reports on water and waste management
- ▶ Implemented water efficiency measures and assessed the water related risks for Petrobrazil Refinery, Brazil Power Plant and Asset Crişana.

Environmental Management System

We implemented an Environmental Management System according with ISO 14001 that allows us to minimize our environmental impact along the entire value chain, particularly in the areas of oil spills, waste, energy efficiency, GHG emissions and water management. We constantly monitor and report our environmental performance through specific KPIs.

In 2019, there were valid certifications in accordance with ISO 14001, for the following operations:

- ▶ OMV Petrom S.A., Maintenance and Logistics activity in Upstream, as well as Maintenance, Gas Pipeline Management system
- ▶ OMV Petrom S.A., Refining Business Unit
- ▶ OMV Petrom Marketing S.R.L., OMV Bulgaria OOD and OMV SRBIJA DOO – OMV branded Filling Stations

- ▶ OMV Petrom S.A., Supply, Marketing and Trading activity
- ▶ OMV Petrom Gas S.R.L., Gas supply activity

Promote environmental culture

In 2019, we ran the 5th edition of the yearly “Shaping Environmental Values through Performance” Program, on the occasion of the World Environment Day. This conveyed messages to enhance the environmental culture and awarded the best environmental performers across the company.

Environmental Risks and Opportunities

According to our OMV Petrom’s EWRM, we constantly monitor and manage the possible environmental risks of regulatory, operational, reputational and financial drivers (specifically related to issues such as climate change, availability and quality of water used for operations, and the impact of energy, climate, and water policies). The control and mitigation of identified and assessed risks take place at all organizational levels by using clearly defined risk policies and responsibilities.

We assess the strategic risks and opportunities (e.g. related to climate change or water stress) in a top-down process, which defines how the risks are tackled over a longer timeframe. The operational environmental impacts are assessed in a bottom-up process, using a standardized framework, according to ISO 14001. The results include information on existing controls of environmental risks, as well as further actions required.

Environmental compliance and environmental expenditures

We report OMV Petrom’s environmental costs and investments according to EMA (Environmental Management Accounting)

GRI:
103-2
103-3
102-15
102-11
201-2
307-1



methodology developed by International Federation of Accountants (IFAC).

In 2019, our total environmental costs (accounting for environmental protection expenditure, including depreciation and environmental investments for assets put into operation) amounted to EUR 214.3 mn (2018: EUR 200.6 mn). According to the EMA approach, the environmental investments

for assets put into operation in 2019 totalled EUR 45.8 mn (2018: EUR 59.4 mn).

In 2019, we paid EUR 0.058 mn (2018: EUR 0.090 mn) in fines and penalties. These sanctions were a consequence of environmental incidents, including spills and threshold value exceedances for discharging pollutants into the environment.



CASE STUDY:

Modernization of the Arad fuels Terminal in Downstream – preventing and reducing our environmental impact.

In 2019, OMV Petrom completed the modernization of the Arad fuels terminal, the largest in Western Romania and the second largest in the country. The project required an investment of approximately EUR 19 mn. The Arad terminal has a storage capacity of over 32,000 cubic meters, equivalent to over 550,000 car refuels. Modern technologies were implemented including automated

management and automated fuel deliveries, as well as the best available systems for fire protection and preventing/reducing the environmental impact (e.g. Vapor Recovery System, double wall/double bottom tanks with bunds, overfill protection system for fuel tanks, watertight concrete platforms, waste water treatment system).

Hydrocarbon spills

Oil spills are a critical environmental issue for our industry. The majority of oil spills involve Upstream Division, where we concentrate our efforts to consolidate our infrastructure in order to reduce the number of spills on a yearly basis.

In 2019, we had 1 significant oil spill due to corrosion. At Asset Moldova, a tank containing a mixture of salt water and oil leaked due to corrosion. Approximately 2,000 liters of oil and 18,000 liters of salt water reached the environment, affecting approximately 200m² of soil in a neighboring area. The affected area belongs to OMV Petrom and used to be part of the facility and was no longer in use. Tank farm operations were stopped, fluids spilled into secondary containment and underground rainwater sump tank were collected by vacuum trucks, while contaminated soil was excavated and transported to a bioremediation plant.

In 2019, the total number of spills decreased to 2,012 (2018: 2,164; 2017: 2,375). The total hydrocarbon spillage increased to 54,195 litres (2018: 35,442 litres; 2017: 51,490 litres). The spills were mainly due to the corrosion of aging infrastructure. The number of spills and their volume are fully documented and reported using the OMV Petrom incident reporting tool.

We continued to perform at least one emergency drill exercise in every Upstream Asset, including pollution scenarios, in order to strengthen our response and reduce the environmental impact of oil spills.

Water Management

Water Management Plans

We implement, at all operated sites, our Water Management Plans aiming to reduce our water withdrawal as well as the impacts of our operations, while also working to im-

prove our water efficiency. 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 every five years, as well as monitoring of water withdrawal intensity bi-annually.

Water Performance

In 2019, our total Water Withdrawal decreased by 55% compared to 2010. We withdrew 17.93 mn cm of water in 2019 (2018: 18.29 mn cm; 2017: 16.75 mn cm), out of which 5.78 mn cm was groundwater.

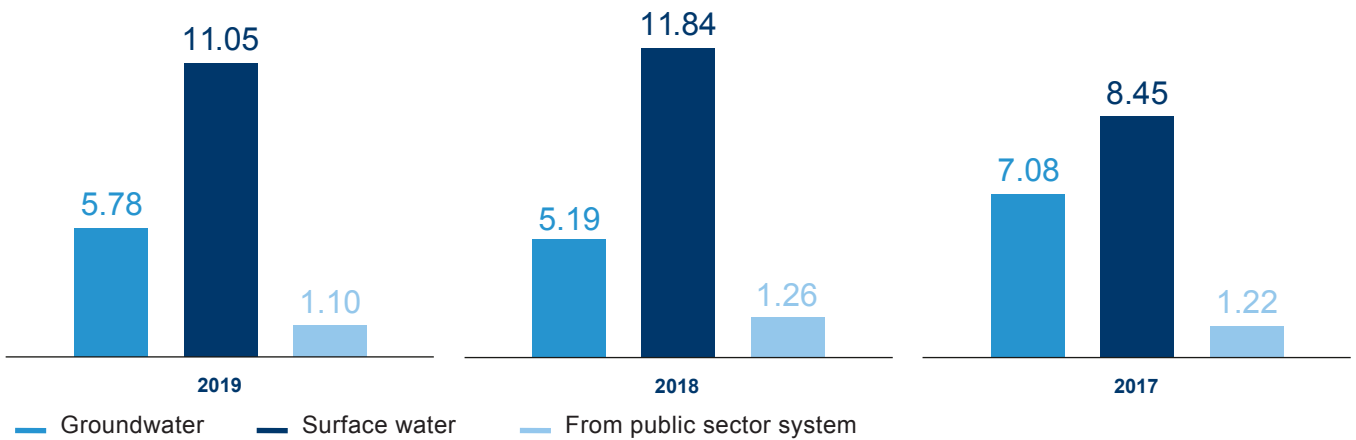
The Freshwater Intensity of OMV Petrom decreased by 4.7% in 2019 vs. 2018. This decrease was mainly due to modernization projects in Upstream (e.g. surface facilities optimization in Asset Moldova, new gas compressors and Centralized Hydrocarbon Dewpoint plant in Asset Oltenia) and Downstream (e.g. new Coker Closed Blowdown in Petrobrazi refinery).

The OMV Petrom's Freshwater Intensity decrease in 2019 vs. 2018 was based on a 7.2% decrease in Downstream Oil (excluding Power Plants), a 4.7% increase in Power Plants (CCPP Brazi, OMV Petrom City Power Plant) and a 7.3% decrease in Upstream.

In 2019, we reviewed the water risk assessment at the Petrobrazi refinery and evaluated the water risk for CCPP Brazi in Downstream and for Asset Crişana in Upstream. The evaluation takes into account physical criteria such as water scarcity, as well as compliance and reputational aspects. Given that some regions where OMV Petrom operates have already experienced water stress in dry years and that a further decline in water availability is expected, mainly due to climate change, we determined the need to continue implementing measures for efficient water use.

GRI:
306-3
103-2
103-3
303-1
303-2
306-1

Water Withdrawal by source (mn cbm)



CASE STUDY:

Responsible water management at Săcuieni in Upstream – tackle the challenges presented by water stress and water scarcity in some specific areas of Romania.



In 2019, the modernization of Săcuieni Water Station in Upstream, Asset Muntenia was completed. This facility ensures fully automated control of the water flow, so that the water delivery be finely tuned with the water need and the water withdrawal not to exceed the water demand. The Water Station is located in Ialomița River Basin that is characterized by water scarcity and water stress risk in dry years, according to the Romanian National Institute of Hydrology and Water Management. In addition to minimizing the environmental impact, this modernization also implies increased reliability of water supply for production.

In Upstream, Asset Crișana, last year we continued to rehabilitate the industrial water distribution system in four parks (16, 24, 31 and 49) at Suplac. Therefore, around 853

meters of new pipe were installed at a cost of around EUR 316,000. Project benefits include avoiding water losses from old water hydrant networks and pipelines, as well as improved safety in operations.

Other examples of water related measures implemented in Upstream in 2019, include Surface Production Facility Optimization in Asset Moldova and modernization of production facilities in Asset Muntenia.

In 2019, our Upstream operations generated 43.2 mn cm of formation water (2018: 43 mn cm; 2017: 44 mn cm) – a by-product of oil and gas production. Following treatment, around 94% of it was reinjected in the underground. The remainder was treated and discharged into surface water bodies, in accordance with the provisions of our environmental permits.

Waste Management

We mainly produce solid and liquid wastes, including oily sludge, waste chemicals, spent catalysts and construction debris. In 2019, we updated and continued to implement our waste prevention and reduction plans across all our operations.

The total amount of waste generated in 2019 was 527,928 t (2018: 430,431 t; 2017: 367,205 t). Compared to 2018, there was an increase of 23% mainly due to increased bioremediation of contaminated soil. We recycled/recovered 53% of the total waste generated throughout the year.

The hazardous waste mainly included soil from well and facility abandonment and tank sludge, whereas non-hazardous waste included scrap metals and clean concrete from decommissioning activities.

In 2019, from the contaminated soil treated in our bioremediation plants, 76% resulted as bioremediated soil for use as backfill material and 24% resulted as non-hazardous soil waste that qualified for landfill disposal.

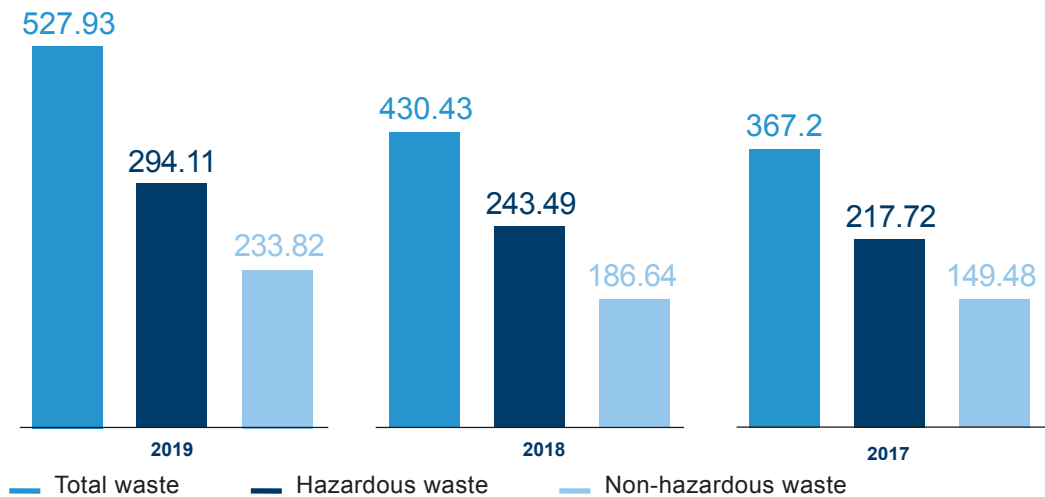
In Upstream we no longer use diesel-based drilling fluids and strive to select the most environmentally friendly solutions. Wherever technically feasible, we use water-based drilling fluids with a 65% water cut. Where technical requirements do not allow this (e.g. extend-

ed-reach wells), we use non-aqueous drilling fluids (NADF). We reuse drilling mud wherever practicable, treat and dispose cuttings as per law, and use the best available technology.

We apply best practice for the management of drilling waste in Upstream. For example in Asset Crişana, inert drill cuttings resulting from water-based drilling waste are taken over by a waste management contractor and are used as stabilization agent of other waste (mostly sludge) along with other stabilization materials (cement and hydraulic binder). The stabilized waste is subject to leaching test and, depending on test results, is further used as cover layer in non-hazardous waste landfills or disposed off to landfill.

In 2019, Downstream Oil continued to achieve a high waste recovery rate of 97% out of the demolition projects finalized in fuel terminals and Petrobrazi Refinery. Around 40,000 tons of wastes from 14 categories were generated. The largest amount of waste (91%) was clean concrete and mixtures of concrete, bricks, tiles and ceramic materials, which was crushed and prepared for further use. Around 2,140 tons of scrapped metallic ferrous and non-ferrous materials were recycled by authorized companies. Over USD 615,000 were gained from selling the scrapped metallic ferrous and non-ferrous materials. The other wastes were directed to specialized waste facilities for either recovery or disposal.

Waste management by type (th.t)



GRI:
103-2
103-3
306-2
OG5
OG7

Biodiversity

According to OMV Petrom Environmental Management Standard and Environmental and Social Impact Assessment Procedure, all our activities have to be conducted in such a way as to cause minimal disturbance to protected areas, flora and fauna. In case of significant observed or predicted impacts, we apply the mitigation hierarchy and action planning, which give priority to avoidance and minimization over restoration and offsetting of the impact.

In 2019, OMV Petrom initiated the development of a mobile application to enable employees to easily identify protected species observed within their operational boundaries. This project contributes to improve the monitoring of biodiversity conservation and increase awareness on this topic.

Air emissions other than GHG

OMV Petrom continued the modernization works at the Petrobrazi refinery. The company has invested around EUR 46 mn starting 2017, to upgrade the Coker unit. In 2019, a closed blowdown system was implemented at this unit, in order to eliminate any potential emissions of volatile organic compounds, thus supporting the reduction of the environmental impact (e.g. reducing the odor discomfort) through best available technologies.

The tank modernization program included installation of internal floating membrane for two benzene tanks and putting out of service six old tanks at the end of 2018. These measures amounted to EUR 4 mn and contributed to the reduction of the environmental impact in 2019 (e.g. reduction of benzene emissions by 99% for each of the two tanks with internal floating membrane).

In 2019, two stations were installed outside the refinery perimeter to monitor the air quality: SO₂, H₂S, particulate matter (PM), volatile organic compounds (VOC) and benzene, toluene, ethylbenzene, and xylene (BTEX) in Brazi and Mitică Apostol area. The investment was around EUR 240,000 and monitoring results will be provided to relevant stakeholders (authorities and communities).

WHAT WE WILL DO IN 2020:

- ▶ Finalize water strategy and start implementation according to plan
- ▶ Monitor and report systematically on water and waste performance
- ▶ Monitor and manage the environmental risks

Carbon Efficiency

OMV Petrom is fully committed to improve carbon efficiency and act on climate change mitigation.

Our carbon efficiency agenda focuses on process optimization, energy efficiency and implementing projects that reduce GHG emissions, energy consumption and costs. The risks and opportunities related to climate change are considered and addressed across the company as part of the Enterprise-Wide Risk Management process. There is a strong management attention and action around this topic from a long-term strategic perspective. OMV Petrom S.A. is scored A- in the CDP Climate Change Program based on the response of OMV Group in 2019.

We are subject to the EU Emissions Trading Scheme (EU ETS). Seven of our operating installations were under EU-ETS at the end of 2019. Around 60% of our direct GHG emissions come from these EU-ETS installations.

OMV Petrom decreased the GHG Intensity of its operations by 22% in 2019 vs. 2010. This proves our efforts to achieve our strategic target of decreasing the GHG Intensity by 27% by 2025 vs. 2010. In 2019, the overall OMV Petrom's GHG Intensity decreased by 2.4% vs. 2018, as follows: Upstream decreased by 4.7%, Petrobrazi refinery decreased by 3% and Power Plants increased by 1.4%.

GHG Intensity in Upstream

In Upstream, in 2019, we continued to implement initiatives to reduce the GHG emissions, such as modernization of transport infrastructure, replacements and optimizations, which led to a significant reduction of accidental venting. Measures to reduce the gas consumption include:

- ▶ Asset Oltenia: segments replacement of the Helvet gas pipeline, installation of new compressors at Mădulari and development of the gas treatment plant at Hurezani.
- ▶ Asset Crișana: rehabilitation and installation of two gas compressors at Marghita and the construction of two gas to power plants at Pișcolt and Curtușeni.

Between 2010 and 2019, Upstream developed a centralized gas treatment hub in Asset Oltenia, to serve domestic gas production in south-eastern Romania. The latest stage of the project started in 2017, in amount of EUR 50 mn, focused on the development of a new efficient gas treatment process – Centralized Hydrocarbon Dewpoint (CHD) Hurezani and addressed also the modernization of Compressor Station Hurezani Area 2. The project featured the installation of gas treatment units and pipeline infrastructure, thus completing the overall gas compression and treatment chain. The modernized facilities in 2019 increase energy efficiency and reduce GHG emissions by around 9,230 t of CO₂ eq. per year.

GRI:

103-2

103-3

305-4

305-5

OG6





CASE STUDY:

Promoting Modernization – Centralized Hydrocarbon Dewpoint – new efficient gas treatment process of EUR 50 mn investment at Hurezani, in Upstream, Asset Oltenia.

We continued to develop projects to obtain electricity (gas to power – G2P) or electricity and thermal energy (Cogeneration or Combined Heat & Power – CHP) out of gas in Upstream. In 2019 we initiated other three G2P (Muntenia West Asset – G2P Icoana, Muntenia Asset – G2P Țintea Phase 2 and Oltenia Asset – G2P Pârâienii de Jos) as well as one CHP (Crișana Asset – CHP GP7 Suplacu de Barcău). Through G2P and CHP projects we managed to ensure more than 50% of the annual electricity consumption of

our Upstream’s onshore Assets and multi-million Euro/year production cost savings.

OMV Petrom is committed to phasing out routine flaring according to the World Bank global initiative “Zero routine flaring by 2030”, endorsed by the OMV Group. To this end, many activities, such as Energy Efficiency Program (G2P/CHP), modernization and maintenance programs in Upstream, are already being implemented or ongoing.



Hurezani – gas treatment station



CASE STUDY:

Enhanced firing system in Cogeneration plant at Petrobrazil refinery

The EUR 75,000 project aimed at installing an efficient and effective technical solution to reduce steam consumption at Gas Turbine firing system in the Cogeneration unit.

GHG Intensity in Downstream Oil

In 2019, within Downstream Oil division, one of our focus areas was to continue the implementation of initiatives for improving GHG Intensity. The Petrobrazil refinery continued to implement measures to reduce energy consumption, through programs and initiatives:

- ▶ Enhanced firing system in the Cogeneration plant. Consequently, it was achieved an yearly steam reduction of around 22,000 GJ, equivalent to a CO₂ reduction of around 1,200 t/year.
- ▶ Advanced condensate recovery and reuse.

The above projects will result in yearly energy savings of around 34,900 GJ and over 2,000 t CO₂ equivalent.

Our 860 MW Combined Cycle Power Plant located in Brazi is equipped with state-of-the-art emission reduction equipment that enables it to rank below the EU CO₂ emissions average. In 2019, the power production decreased by 0.4448 TWh and the GHG intensity increased by 1.46%. The Power Plant in OMV Petrom City increased the thermal and electricity production by 8.19% in 2019 vs. 2018, in line with consumption needs.

GRI:
305-4
305-5
305-1
305-2

In the retail business in 2019 we continued to install photovoltaic cells of a total capacity of 400 KW at additional 4 filling stations, thus covering in total 14 filling stations with solar power. We obtained significant results by saving 34.5 MWh on consumption. Also, we reduced the carbon footprint by 10.14 t.

Based on the data from the energy monitoring system, HVAC (heating, ventilation, and air conditioning) & Refrigeration systems are two of the largest energy consumers in gas filling stations. The cooling systems, both air conditioning and refrigeration, are used to the maximum in the same time as the sun is at its brightest, which is also the best moment to harness the solar energy. Hence the idea to use photovoltaic systems to power the cooling system.

In addition, in 2019 we implemented a new project which contributed to reducing the energy consumption in filling stations: retrofitting open coolers with glass doors. The project was implemented in 215 filling stations and we have estimated an energy reduction of 1,300 MWh.

In 2019, a project to reduce energy consumption was implemented in Bacău Fuel Terminal. The aim was to replace the halogen light bulbs with LED. This will result in annual energy savings of around 36,000 KWh, and will minimize the impact on the environment.

Direct GHG Emissions (Scope 1)

Our total direct GHG emissions (scope 1) decreased by around 7% in 2019 vs. 2018 and accounted for 4.2 mn t of CO₂ eq. The decrease of direct GHG emissions was mainly due to the decrease of gas consumption and venting.

Indirect GHG Emissions (Scope 2)

Our indirect GHG emissions (scope 2) are those related to the production of the energy we purchased (electricity and heat) for our operations. In 2019, our indirect GHG emissions totalled 44,844 t CO₂ eq. (2018: 79,834 t CO₂ eq.). The decrease of indirect GHG emissions was mainly due to the decrease of purchased electricity on the account of increased share of electricity produced by OMV Petrom as well as due to the decrease of Romania's electricity label of CO₂.

Our 2025 sustainability target

- ▶ Reduce OMV Petrom's carbon intensity of operations by 27% until 2025 (vs. 2010), thus contributing to OMV Group 19% reduction target*.
- ▶ No new projects with routine flaring and venting and phase out existing routine flaring and venting until 2030 the latest.

Our achievements in 2019

- ▶ Reduced the GHG Intensity of the operations by 22% in 2019 vs. 2010
- ▶ Developed Report on GHG performance
- ▶ Reviewed projects list and implemented energy flaring and venting projects.
- ▶ Followed up the plan for phasing out routine flaring and venting by 2030.

Our plan for 2020

- ▶ Continue implementing projects to phase out routine flaring and venting by 2030
- ▶ Review of methane emissions inventories
- ▶ Follow OMV Petrom Group's strategic objective to reduce carbon intensity of operations by 27% until 2025 (vs. 2010)

*In scope: Upstream Assets, Petrobrazi refinery, CCPP and Petrom City Power Plant.

Energy Efficiency

Energy efficiency enables us to uphold our commitment to limit the environmental impact of our operations, while at the same time improving the economic performance of our projects and complying with the regulatory framework related to the use of energy.

OMV Petrom, as an integrated oil and gas company, operates large facilities and consequently, is a large energy consumer. Therefore, there is a continuous interest to improve the energy performance of our activities and operations on the entire value chain, to enhance competitiveness and to reduce the impact on the environment.

According to the International Energy Agency, energy efficiency could contribute around 40% of the emissions reductions needed to stay below the 2°C goal, as per climate change goal. This reflects the fact that energy efficiency is one of the most important factors in tackling emissions. Stable policy, regulatory frameworks and fiscal instruments such as tax exemptions are the key factors for energy efficiency improvements.

In addition, the European Commission announced in December 2019 the ambitious plan for climate change called the European Green Deal (EGN). The EGN is a “new growth strategy” that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net GHG emissions in 2050.

The energy efficiency requires major interventions for reducing greenhouse emissions,

by reducing the energy consumption. In this regard, OMV Petrom signed a strategic partnership with the Energy Policy Group (EPG) on an energy efficiency initiative.

In 2019, OMV Petrom launched in partnership with the Energy Policy Group, the “ROMÂNIA EFICIENTĂ” program allocating for the period 2019-2022, EUR 4 mn. The program will contain concrete examples and publicized works for increasing the energy efficiency of some public buildings, as well as public information-sharing actions, educational programs, training of specialized human resources and recommendations for public policy and energy efficiency measures. Educational programs on building retrofitting actions will be developed for increasing energy efficiency through the optimization of heating/cooling systems, ventilation, lighting, shading, etc., based on a handbook for retrofitted buildings that will be produced for this project.

The România Eficientă program is hosted on both website and social media at:

► romania-eficienta.ro

► <https://www.facebook.com/RomaniaEficienta/>



GRI:
103-2
103-3
302-1
302-4



CASE STUDY:

“România Eficientă” – a major program for energy efficiency in Romania in which OMV Petrom will contribute with EUR 4 mn during 2019-2022.

Energy Management System

We consider that an efficient energy management would reduce energy consumption and, consequently, costs. We already have a strong culture of systematic process management, having in place the Energy Management System – ISO 50001 recertified in 2017. ISO 50001 is a standard that supports organizations in all sectors to use energy more efficiently, to follow a systematic approach in achieving continual improvement of operational efficiencies and maintenance practices and gives customers, employees, management and stakeholders more confidence that the organization is environmentally aware.

In this context, in 2019, we have successfully completed a supervisory audit of ISO 50001. The external surveillance audit revealed zero non-conformities and showed that since the receipt of the certificate, the energy management system has not only successfully worked, but is also constantly developing.

In 2019, our total energy consumption was 43.1 PJ (2018: 45.19 PJ).

Apart from the usual efforts to increase energy efficiency standards, we continue to invest in research and development to improve the efficiency of our products, processes and operations, as energy efficiency measures are closely related to technical improvements and process optimization.

Innovation

OMV Petrom aims to become a regional energy leader in innovation and digitalization by leveraging global developments with an agile and skilled combination of the three enablers: People, Hardware technology and Digitalization.

In 2017 Innovation was chosen as one of the three key enablers of the 2021+ Business strategy for OMV Petrom. The company has a long tradition and history of innovation and pioneering technology, going through several transformation processes for becoming a strong player in the energy sector. In this context, creativity and innovation have proven essential for the success and resilience of our business.

We are using an open innovation approach and are actively working with strong local and global partners to constantly find and implement customized innovative solutions.

We embrace innovative ideas, initiatives and projects that relate to the development and deployment of new technologies and products improving competitiveness, while reducing impact on the environment or reducing carbon intensity in our operational sites and products.

How we manage innovation

Innovation represents an important pillar of our Sustainability Strategy 2019-2025, contributing to more agile and efficient operations, minimizing environmental impact and providing cost-efficient solutions to our customers and society.

Within our company, the innovation process is led by the Technology & Innovation Department that constantly scans the horizon for new solutions, using it to stimulate the overall innovativeness in alignment with the various divisional business strategies.

In 2019, within the Sustainability Strategy, we have established specific targets for innovation activity. Our efforts focus on optimizing production, exploring high-end petrochemical solutions, developing innovative energy and embracing digital technologies. Investment and partnerships in innovation, research and development are indispensable for long-term value creation.





Innovation event in Petrom City

Innovation in Business Divisions-targets

Our 2025 sustainability target

- ▶ OMV Petrom aims to co-process ~90,000 tons of VO&UCO⁹ per year in Petrobrazi refinery by 2025.
- ▶ Implement Advanced Recovery pilots in OMV Petrom Upstream to increase the recovery factor of our oil fields and assess upon full field implementation starting with 2020.

Our achievements in 2019

- ▶ Pilot testing on Bio Oil Co-processing investment project developed.
- ▶ Polymer Pilot Independența shows first results: significant decrease in water cut and increase in oil rate could be observed in two reaction wells.
- ▶ Vata Polymer Pilot successfully passed.

Our plan for 2020

- ▶ Further progress with Bio Oil Co-processing investment project
- ▶ Test selected bio-oils at the Petrobrazi refinery

⁹VO = Vegetable Oil; UCO = Used Cooking Oil

In order to achieve these targets, we collaborate with different universities – Politehnica University from Bucharest, University of Oil and Gas from Ploiești, Academy of Economic Sciences from Bucharest, Montanuniversität Leoben – and benefit from the experience of our own research institute – Institute of Research and Technological Design from Câmpina (ICTP Câmpina).

The activity of the Company's research institute has two main directions: Research & Development and Services.

The field of Research & Development has continued to grow in recent years, with 57 research projects completed in 2019, with a total budget of EUR 6.7 mn. Of these, 26 projects were led directly by the ICPT Câmpina specialists, the rest through contributing with laboratory expertise. The research activity focused mainly on methods of stimulation, methods of increasing the recovery factor, risk reduction in the exploration and production activities (reviewing the geological age of mechanical carrots and/or sieve samples and correlating with rock samples from outcrops), determination of the source rock properties of some of the rock samples recovered from the wells, geochemical correlations based on biomarkers between the source rocks and crude oil, as well as between the different crude oil and new solutions used in cementation or intervention operations.

In the Services sector, ICPT Câmpina collaborates with the Upstream production area, solving 1,231 requests in 2019, received from almost all the production areas. In parallel, the Institute continued to manage the activity from the carrot warehouse, where over 160,000 boxes with carrots and sieve samples are stored.

The ICPT Câmpina headquarters was refurbished, to international standards, partly with European funds and is unique in Romania due to its storage conditions and equipment.

Promoting innovation

In order to achieve our innovation targets, we promote an innovation culture among all our employees. We have implemented a strong internal communication campaign to raise awareness of our company's achievements in innovation and digitalization and to provide connections between innovative people, work and projects. Next to several magazine and blog articles, two events were organized at Headquarter Petrom City: "Technology & Innovation event" in January 2019 and "OMV Petrom DigitUP & Technology Day 2019" in September 2019. Also, we participated in the Masterclass concept in which our external partners and selected peer companies provided us with valuable insights and knowledge. (More details about the Masterclass concept are provided below).

Digitalization in OMV Petrom

Digital transformation promoted at OMV Group level was implemented also in OMV Petrom. This program (Digital Journey) is much more than applying and scaling technology – it is about people and culture, about creating a digital mindset, building digital skills, and reshaping the talent landscape. All of this is done using design thinking and agile ways of working and in close collaboration with technology partners, universities and start-ups.

Three signposts guide the OMV Petrom Digital Journey:

- ▶ **DIGITALIZE!** Creating business agility through smart investment choices that focus on the highest impact on business and HSSE priorities.
- ▶ **ACT!** Innovating at speed and scale by creating environments receptive to innovation and fostering an organization, skills, mindset and culture that are adaptive to digital. ACT! part specifically addresses our people and our ways of working.
- ▶ **ENABLE!** Common digital platforms form the backbone of our digital core that enables us to break down data silos and use data across the Group.

Digital will become a major component of our daily activity. For example, we started initiatives in the Corporate and Finance divisions, including Procurement department, which have a key role in the company's digital transformation.

OMV Petrom has gone to complete digitization of the fuel contracts with legal entities, implementing the electronic signature. Thus, about 32,000 kilograms of wood and 700,000 liters of water are saved annually, by reducing the amount of paper used in signing and fulfilling the contracts.

OMV Petrom started the rollout of the "Paperless" campaign, an initiative to minimize the use of paper for daily activities. We aim to establish a culture of efficient digital working as well as to use less paper in order to protect the environment. Through this project, the entire organization started to apply paperless initiatives, like digital signatures and digital forms and document archiving.

In our journey of becoming a more digitally dexterous and innovative company, we introduced the "Masterclass" concept in which our external partners and selected peer companies provide us valuable insights and knowledge. Held typically on a bi-monthly basis, all employees are welcomed to attend these educational events, covering digital technologies like AI, Video analytics, IoT, Cloud, as well as topics such as plant maintenance & turnarounds, paperless processes, startup as a service, agile ways of working and many others. For an even greater impact, the sessions are also live-streamed within the company as well as recorded, and together with presented materials, made available online for on-demand viewing. After attending the Masterclasses, the participants will be able to grasp the general concepts, speak about them with confidence, and see all subjects in the broader context. This enabled all of us to see more opportunities, build own views and judge proposals with more clarity.

In 2019 the Digitalization Master Class for Executives brought insights on emerging technologies in the oil and gas industry, on digital dexterity and key OMV digitalization projects.



Masterclass Digital Dexterity event in Petrom City

We continued the Pioneers Tribe project – an informal network of frontrunners, leaders of change, design thinkers who work across divisions and are focused on creative problem solving and continuous learning. It is open for colleagues from the entire organization who embrace change and are comfortable working with uncertainty and change.

For the third year running, we are proud to continue our strong collaboration and partnership with the largest startup business accelerator in Romania, Innovation Labs. This nationwide hackathon and startup competition has resulted in several startups we sponsored and with some of it even to collaborate with.

In Upstream we implemented the Digit UP program, developing a strong portfolio of

digitalization projects which will optimize main operations and processes. Our goal is to have everything we need just one click away and that means simple, on-demand access to information, people and tools. We will be able to use data anywhere, anytime via cloud-based technology.

In Downstream, we implemented the Digital-Motion program, a roadmap of many initiatives to make all elements of Downstream Oil and Gas more effective and agile using digitalization. The establishment of a corporate architecture and the strategic vendor selection for cloud and data warehousing technology will be the foundation of a coherent set of digitalization use cases across all business units.



Innovation Labs collaboration

CASE STUDY:

OMV Petrom DigitUP & Technology Day 2019! – promoting exchange of experience and presenting the latest OMV Petrom technologies.



In September 2019, 22 top service companies were present to a big event at OMV Petrom headquarter. They presented their products tested for OMV Petrom and answered to questions about their projects, products and application areas. Everyone

was deeply impressed by the technologies implemented in OMV Petrom. These technologies will support OMV Petrom to achieve its strategic targets and to maintain a competitive advantage in the years to come.

Employees

Our employees are at the core of OMV Petrom's sustainable business. We foster and nurture the right environment that engages, promotes and acts as a multiplier of sustainability and safety across our people, processes and actions. This is how we maintain our constant presence among the top 5 employers in Romania.

OMV Petrom People Strategy

OMV Petrom Strategy has a solid People Strategy 2021+, set on five principles – Team Spirit, Accountability, Passion, Pioneering Spirit and Performance – that guide us for obtaining a sustainable business growth. These principles are the underlying base for creating and maintaining a strong talent pipeline that will help us envisage success. As well, OMV Petrom is currently on a transformation journey which incurs further help create synergies and efficiency to support the overall company strategy.

Thus, OMV Petrom is fully aligned with OMV Group on OMV People Strategy, whose scope is to support the implementation of 4 priorities through planned initiatives that target to support continuously the OMV's growth:

- ▶ strengthening leadership capability
- ▶ focusing on culture and performance
- ▶ increasing organizational agility
- ▶ remaining a great place to work

GRI:
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103-3



Our 2025 sustainability target	<ul style="list-style-type: none"> ▶ Increase the share of women at management level to 30% by 2025. ▶ Increase the next generation of talents through Fresh Graduate employees. 	<ul style="list-style-type: none"> ▶ Measure and increase the engagement level of our employees.
Our achievements in 2019	<ul style="list-style-type: none"> ▶ Share of women at management level achieved: 26.3%. ▶ The Group-wide leadership upskilling initiatives (LEAD) had been rolled out to the next leadership levels, with 343 overall leaders attending; 158 leaders participated in 360 degrees feedback sessions. ▶ Launch of Digital Academy that pursues our human resources digitalization journey (a collection of training offers for all employees, to enable further development of digital capabilities). 	<ul style="list-style-type: none"> ▶ Talent Review Process is fully functional for core and advanced career levels. ▶ Grading & Career Framework was launched in 2019; the new approach improves data quality for management use, empowerment in leadership roles through accountability, consistency in grades and position titles for effective people management, enlarges scope of expert career opportunities, ensures transparency in reward and career development.
Our plan for 2020	<ul style="list-style-type: none"> ▶ Optimize employees' performance through our Principles-led culture in order to maintain the goal of employer of choice. 	<ul style="list-style-type: none"> ▶ Implement innovative measures and projects in order to reach the targets of the Sustainability Strategy 2025.

Knowledge transfer programs

OMV Petrom is focused on providing knowledge transfer programs and building a robust talent pipeline through cooperation with key universities.

In addition, we aim to have a contribution to the Romanian society by investing in young students and professionals through complex internship and scholarship programs:

- ▶ **Open4U** is our company's very successful internship program, through which, in 2019, 75 students (compared to 59 in 2018) were selected for a two-month paid internship
- ▶ **BeFirst** is the new internship program, through which, in 2019, 7 students were selected for a six-month paid internship
- ▶ **Program for Students and Fresh Graduates** is a scholarship program and it offers students the opportunity to focus on studies and link between theory and practice. In 2019, 45 students from targeted universities were awarded scholarships.

Training programs

Our priority is to offer to our employees learning and development opportunities that help us to perform for today, learn for tomorrow and create the energy for a better life. Thus, we want all of our employees to perceive OMV Petrom as a place to learn, grow, connect and collaborate – a great place to work.

We are dedicated to develop our employees' capabilities, as we consider them as best ambassadors. For this, we offer both development opportunities through training activities and participation in interdisciplinary and interdepartmental projects.

For the development of our employees, we use a 70-20-10 learning approach, where we largely build on internal knowledge and consider hands-on experiences as the most beneficial way to learn and develop:

- ▶ 70% Learning on the job
- ▶ 20% Learning from others
- ▶ 10% Learning from training

In this sense, we have implemented a specific competence model that outlines the four areas relevant to our business:

Functional/technical skills

- ▶ Fulfil the job-specific tasks
- ▶ Functional skill pool capabilities
- ▶ Professional and technical courses or qualifications
- ▶ Graduate programs
- ▶ Internship programs

Business skills

- ▶ New Employee Orientation Program
- ▶ HSSE and compliance

- ▶ Change and project management

- ▶ Languages and IT skills

Personal skills

- ▶ Collaboration and intercultural relationships
- ▶ Communicating and presenting with impact
- ▶ Business creativity and innovation
- ▶ Personal agility and navigating change

Leadership skills

- ▶ Leadership programs for transitioning leaders
- ▶ Leaders' online platform
- ▶ LEAD sessions
- ▶ 360° feedback

The first three sets of skills – functional and technical, business, personal – are important for all the employees. The leadership skills are important for the employees with a leadership role.

In 2019, we delivered 272,403 hours of training to our employees. At the same time, our employees attended 14,671 hours of online training sessions.

Working at OMV Petrom encompasses the chance to meet and work with the best specialists and grow with them. At the same time, we remain connected to the standards and the evolution of the market, offering to our employees mentorship, coaching and MBA programs, participation in various open training programs and specialized conferences.

We also monitor international best practices in order to attract, motivate and retain the best-qualified employees and we offer opportunities to grow within OMV Group globally, and by access to other local markets challenges and opportunities.

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404-2

Programs implemented to upgrade employee skills

Type of program	Name of the Program	Skills acquired through the program
Internal Programs	Upstream Peer Training	Technical Upstream related skills (i.e. Drilling, Geo-mechanics, Corrosion management, etc.)
	HSSE Curriculum	Occupational Health and Safety
	Blue Collars Curriculum	Technical knowledge and skills
External Programs	Leadership Group Programs	Leadership capabilities & tools
	Personal skills catalogue	Personal skills such as innovation, creative thinking, public speaking, conflict resolution, time management, decision making
	Conferences	Various professional skills
	Open Programs	Various professional skills according to specific development needs
	Integrated Graduate Development Program	Interdisciplinary expertise and competencies for the Upstream Junior Engineers
	Digital Academy	Online curriculum, mostly in partnership with LinkedIn Learning, covering relevant topics for all key competencies, plus IT. Subject matter experts from all divisions are involved directly in ensuring the relevance of the available content.
	Certifications and legally binding trainings	Technical, professional, health and safety related skills, in line with local regulations or internal policies (i.e. first aid, defensive driving)
	Languages	Various languages training provided for the employees.

Digitalization initiatives

Digitalization is all about people and culture. That is why creating a digital mindset and reshaping the talent landscape are an integral part of OMV's Digital Journey along with the integration of technology partners, universities, and start-ups into our activities.



Digitalization for Upstream's employees



CASE STUDY:

My Success Factors – a state-of-the-art SAP-based tool for our employees, needed to build a digital-oriented corporate culture.

Our human resources processes have been simplified and automated further in the course of digitalization. One initiative in this field was the installation of My Success Factors, a very useful tool for employees. The following processes are supported by My Success Factors, of which we have further enhanced performance features: goal setting, goal evaluation and feedback, development planning, succession planning, recognition, personal HR administration and learning and development. For example, employees can use the Feedback function in the tool to request and receive feedback from their col-

leagues on their performance. This feedback is directly linked to their record of achievements in the goal plan. Furthermore, a user-friendly and state-of-the-art Recognition tool allows in just a few clicks to nominate a colleague or a team for an award to show appreciation.

Continuing our digitalization, we have recently launched our Digital Academy program. Implemented under the pillar “Act” of the OMV Digital Journey, this program consists of a set of training courses with the goal to enable our employees to be digitally positive.

GRI:
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401-2
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Performance review

At OMV Petrom, we aim to optimize employee performance through our Principles-led culture. To unlock an employee's full potential, we look at what we do and how we do it. Both aspects are important when we set our performance and development goals, review our progress and evaluate our achievements. The purpose of our annual review process is to support our employees and our managers through a structured, systematic planning of performance and personal development in the Company. In 2019, performance and development reviews were conducted with 6,497 employees.

Reward management

We target to occupy a strong market position with compensation levels designed to be competitive in the respective labour markets, ideally in reference to the oil, gas and chemical sectors in order to attract, motivate and retain the best-qualified talents.

Thus, we have set a performance and development-based organization and, correspondingly, a performance-based reward management system, embedding the principles of People and Organisational Culture related Group strategy "OMV Foundation". Consistent with the objective to be a reputable employer, the Company's remuneration principles utilize a balanced mix of fixed and variable, monetary and non-monetary components.

Our remuneration principles are targeting more than just being compliant with the legislation. The Company places people at the core of its business, being one of the main pillars of its success.

Remuneration packages are set to achieve internal equity, as well as they remain externally competitive with the local and international market in which we operate.

The remuneration of OMV Petrom employees is competitive for the relevant oil and gas industry and includes: (i) a fixed based remuneration, paid monthly as a net salary determined by applying the income tax quotas and

social contributions to the base gross salary, (ii) other fixed-payments, such as fixed bonuses and special allowances according to the Collective Labour Agreement, (iii) other statutory and non-statutory benefits, such as private insurance, holiday indemnity/special days off and, depending on the assigned position, a company car compensation fee and (iv) short/medium term (quarterly and/or annual) performance-related component, recognition bonuses and Awards.

Informing and consulting our employees

We commit to maintain fair relationships with our employees. We pay great attention to complying with the rights of our employees and to fulfilling all our obligations in accordance with the relevant legislation in force, the individual labour contracts and the collective labour agreements. Communication with our employees is always open and aims to keep them informed and aware of the company's reality. To this end, we constantly inform and consult employee representatives on developments in the company's activity that may affect their interests, in accordance with applicable legal and/or conventional 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 labour agreement, to provide a notice period of 30/60 calendar days (depending on the employees' age) and different dismissal compensation (depending on employees' length in service).

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

The rights and obligations of our employees are set out in individual employment contracts as well as in the applicable Collective Labour Agreement. Local trade unions represent 91.95% of our employees. Our employees have the right to exercise their freedom of association and collective negotiations, according to the applicable legal provisions.

Diversity at OMV Petrom

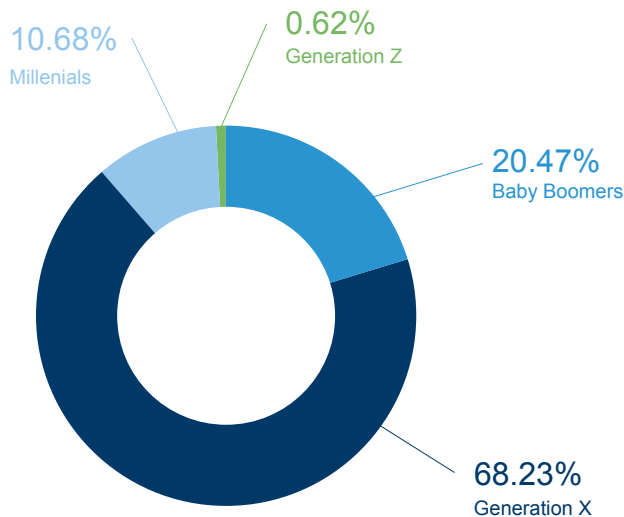
OMV Petrom embedded a diversity strategy in our People Strategy, which is in line with the OMV Group Diversity Strategy, focusing on gender equality and internationality. Diversity is a powerful advantage that helps us creating diversity-based business value. That is why we have established one important measurable target-gender equality within our Sustainability Strategy 2019 – 2025. Also, diversity focus is one of the key pillars of our People Strategy defined under the Leadership strategic priority as “Inspiring leaders – building high performing diverse teams.” In our company, are currently working together four generations of people with different nationalities: Baby Boomers, Generation X, Millennials and Generation Z.

We consider this a wealth of diversity and experience we may rely on and, at the same time, we have to nurture it through continuously aligning the organization on purpose, embracing flexibility and promoting diversity intelligence. The mix of nationalities in Petrom currently is 95.5% Romanians and

the rest is from different countries. OMV Petrom is an associate and subscriber of Diversity Charter in Romania since 2017.

The Diversity Charter is one of the most efficient recognition tools that helps enhancing the diversity and equality of chances through a series of general principles that are voluntarily adhered to by all its subscribers, with the scope of promoting diversity, non-discrimination, inclusion and the equality of chances at the working place.

Generations in OMV Petrom Group



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OMV Petrom employees from Upstream

Women in managerial positions

Christina Verchere took over the role of president of the Executive Board and Chief Executive Officer (CEO) of OMV Petrom in 2018 and as of April 17, 2019, Alina-Gabriela Popa has been appointed as the Chief Financial Officer (CFO) and Executive Board Member of OMV Petrom.

At the end of 2019, 31% of the first line directors reporting to the Executive Board were women, whilst the overall proportion of women at OMV Petrom Group level was 23% at the end of the year.

We specifically aim to increase our female representation in Senior Leadership roles to 30% by 2025 and keep a high share of

our managers in senior leadership role with international experience.

Equitable gender choice for maternity and paternity

We believe that equitable gender choice for maternity and paternity leave and other leave entitlements nurture top talent attraction and retention. The aforementioned are also enablers for the high performance of our employees.

During 2019 the total number of employees who were entitled to parental leave was 12,347, of which 25 men and 126 women took it during the reporting period.

Risk Management

We believe that creating a risk-aware culture throughout the organization, where everyone is aware of the risks related to their jobs and implements risk management practices on a daily basis, is the most effective way to control the downside of risks and seize opportunities.

Accomplished in 2019

- ▶ We continued to develop best risk and insurance practices across the company and further embed them into business practice.
- ▶ We continued to focus on key risks and ensured the implementation of mitigation actions. Climate change is on our loop.
- ▶ We continued to improve our risk culture based on best practices and learnings from the experience of other stakeholders.

OMV Petrom confers a great importance upon the principles of good corporate governance considering this practice a key element underpinning the sustainable growth of the business and also the enhancement of long-term value for shareholders. To remain competitive in a continuously changing world, OMV Petrom constantly develops and updates its corporate governance practices, so that it can meet new demands and seize future opportunities.

Risk Management System

The risk management process is based on a precautionary, systematic approach, aimed at timely identification and management of risks in order to avoid a possible negative impact on our business or reputation. To this end, our comprehensive Enterprise-Wide Risk Management (EWRM) program is driven by senior management and cascades to every employee of the Company. It ensures greater awareness and focus on risks that might affect the Company's objectives.

Risk prevention is deeply integrated into the decision-making processes of everyday business activities at every level of our organization. The Executive Board sets, communicates, and implements our risk management culture throughout the Group. The risk management process, implemented through OMV Petrom's EWRM framework, combines bottom-up and top-down processes, with every single employee responsible for managing the risks within their sphere of responsibilities. Paying attention to every risk makes risk management a holistic process. We use common risk terminology and language across OMV Petrom in order to facilitate effective risk communication and management.

GRI:
102-11
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102-30

The risks identified in the bottom-up risk process by operational staff during day-to-day business management are assessed against a mid-term time horizon of three years. Senior managers evaluate top-down risks against a long-term time horizon of three to seven years. Together, they provide a strategic perspective of risks across a longer time period.

Transparency and accountability towards our shareholders are a well-established and deeply entrenched practice that has been implemented in OMV Petrom. The Supervisory Board via its specialized Audit Committee provides assurance that the OMV Petrom has an effective risk management system in force.



OMV PETROM RISK MANAGEMENT ORGANIZATION

Audit Committee of Supervisory Board
(responsible for monitoring the entire system)

OMV Petrom’s Risk Management system complies with the ISO 31000 Risk Management International Standard and is ensured by a dedicated risk management department working under a robust internal regulation framework with a quantitative information technology infrastructure that enables an effective management of risks.

OMV Petrom’s risk management process enables the Company to assess whether long-term sustainability and the mid-term

liquidity are secured, and whether the estimated impact of the risks is within acceptable levels.

The risks identified at group level are assessed through two risk management processes associated to:

- ▶ long term strategic objectives and sustainability
- ▶ mid-term operational activity



OMV Petrom employee at site

From a long-term sustainability perspective, a strategic risk assessment process is in place, on the one hand, to capture the executive management's perspective of the risk environment across a long-time horizon, on the other hand, develop risk mitigation plans and monitor implementation of OMV Petrom Strategy.

The strategic risks refer to both externally and internally driven risks (e.g. oil and gas market volatility, climate change, political, regulatory, human capital, technology and innovation). An annual strategic risk assessment ensures a robust revalidation of identified risks. It captures new developments or provides updated information on the operating environment and industry trends, and thereby has a positive impact on the Company's ability to mitigate and/or protect itself against risks.

As regards mid-term liquidity, the objective of OMV Petrom's risk management system is to secure its capacity to deliver positive economic value added by managing OMV Petrom's risks and their potential cash flow impact within the limits of the risk appetite. High potential single event risks as well as long-term strategic risks are also identified, evaluated, analysed, and managed consistently.

Considering that most of our assets are hydrocarbon production and processing plants, a special focus is put on process safety risks, where our vision is "ZERO Harm – NO Losses".

OMV Petrom's successful management and operations mean value creation for stakeholders and involve a systematic and transparent management of the company, applying the best principles of corporate governance and risk management.

GRI:
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102-31
201-2

Climate Change Risk Management

Climate-change-related risks and opportunities are integrated into OMV Petrom's Enterprise-Wide Risk Management (EWRM) process aimed at identifying, assessing, and managing business-related risks. The short and medium-term risks are analysed for their impact on the Company's three-year financial plan. The effects of long-term risks are evaluated based on a qualitative analysis, taking into account a wider range of uncertainty. However, management pays close attention to climate-change-related long-term risks and opportunities and takes these into account in strategic decision-making. Risks are identi-

fied in a bottom-up approach by the employees responsible for our day-to-day business, and in a top-down approach by the corporate units responsible for monitoring regulatory, market, and reputational risks in line with the latest national and international developments. These risks are assessed in terms of their potential impact on the medium-term financial performance plan. In the bottom-up approach, climate-change-related risks are identified using the standardized methodology of the EWRM process.

Strategic Risks



Business Principles and Social Responsibility

Community Relations and Development

As a corporate citizen, we aim to be a responsible partner for our stakeholders and mainly for the communities. We rely on a social license to operate. In addition, this means creating long-term value for the company and for our stakeholders, while respecting the environment and the society. The company has operations in a substantial number of communities. Our focus is not only in investing in those communities, but also to help them to be more sustainable.

Our social investments are determined by local community needs and priorities. In OMV Petrom Sustainability Strategy 2019-2025, the focus area “Business Principles & Social Responsibility” refers to our commitment to build a strong relationship with people, with local communities, understanding their priorities and concerns, and managing our impact. In this sense, we are a signatory to the UN Guiding Principles on Business and Human Rights, conducting our community development activities by contributing to the UN’s 2030 Agenda for Sustainable Development.

How we manage our community relations

The management process of community relations is set up based on centrally-governed policies, responsibilities and targets as well as locally-engaged resources.

We operate in over 350 local communities from Romania, being aware that we have an important socio-economic impact and of the risks associated with these areas. Thus, we constantly carry-out social impact and risk assessment exercises in order to identify the proper solutions that we can implement through our community development programs, maximizing our positive impact.

To ensure a transparent community relationship process, we comply with Romanian legislation, financial requirements and international standards. Furthermore, we have developed a specific set of internal standards, procedures and directives for the Community Relations and Communities Development, the Stakeholder Engagement, the Upstream Engagement Process of Community Engagement, the Sponsorship Strategy and the Grievance Mechanism. The results of our community involvement projects are monitored and measured through pre-set KPIs and baseline studies. Also, we revise yearly our Community development strategy

SDGs supported through CRCD programs



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In 2019, we have invested 13.5 mn EUR in projects for infrastructure (e.g. hospital construction, equipping schools and laboratories, roads rehabilitation), education (e.g. scholarships, trainings) and environment (planting, energy efficiency). Also, through our community programs and social investments, we have over 170,000 beneficiaries and trained 180 people for employment. We integrated in our community activities initiatives that contribute to climate change mitigation through advanced technologies and efficient use of the resources.

These results demonstrate our commitment to contribute to the improvement of people's standards of living in Romania.

The most important project for the community of 2019 was the contribution of OMV Petrom to support the construction of the first children's oncologic hospital in Bucharest, via the largest single company sponsoring contribution in the Romanian history. It is estimated that more than 500 children are diagnosed with cancer in Romania every year – more than half of them are treated in Bucharest, in the two existing centres, which cannot adequately meet the needs. The new hospital will have the capacity to treat 300 children a year and significantly increase the country's capacity to treat paediatric cancer.

CASE STUDY:

Caring for Romanian Public Health System – EUR 10 mn sponsorship for the construction of the first children's oncologic hospital in Bucharest.

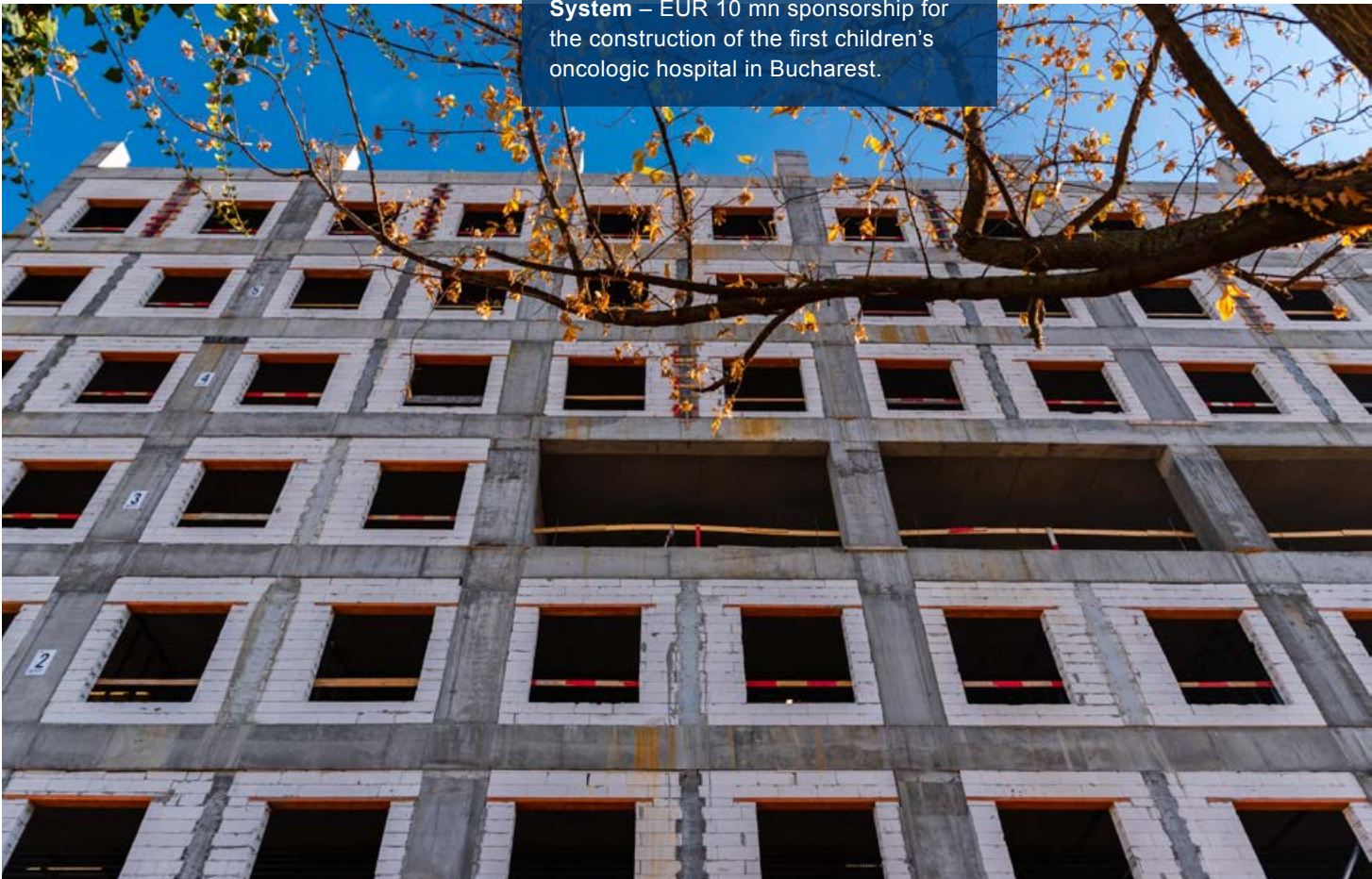


Photo credit: Enrico Brodoloni

Our 2025 sustainability target	<ul style="list-style-type: none"> ▶ Maintain social license to operate through yearly CR&CD strategies, plans and budgets, based on social impact needs and risks assessment in OMV Petrom operations. 	
Our achievements in 2019	<ul style="list-style-type: none"> ▶ Implementation of projects that support the vocational and technical education, according to our commitment to SDG 4 (Vocational school program, Vocational Students' League) 	<ul style="list-style-type: none"> ▶ Implementation of projects that support OMV Petrom's local communities.
Our plan for 2020	<ul style="list-style-type: none"> ▶ Continue to have as our main priority implementing projects that support the vocational and technical education, according to our commitment to SDG 4. 	<ul style="list-style-type: none"> ▶ Continue supporting OMV Petrom's local communities through various projects and continue being their partner according to Sustainability strategy.

Community grievance management

Our approach to managing community grievances follows the precautionary principle of ensuring local approval for OMV Petrom operations by identifying and resolving the issues of concern to the local community early on. We strive to conduct our operations in a way that limits any disruption to our neighboring communities to a minimum; however, grievances may still arise.

As a responsible organization, we are committed to conduct our activities minimizing any possible negative impact for the community in which we operate. This helps us to maintain the social license to operate and be recognized as a trustful partner by all our stakeholders. In the dialogue with communi-

ties, our effort is directed towards collecting their feedback about our operations and the resulting impact. Therefore, we implemented a grievances system – Community Grievance Mechanisms (CGM) – at group level, coordinated from corporate level, which allows us to receive, register and solve grievances, as well as to monitor our action plans.

During 2019, 906 grievances related to society, human rights and environment (total grievances) were registered and 809 were solved (136 from the previous year). Most of them, 520 grievances, were related to environmental impacts – land contamination. The remaining open cases will be handled during 2020.

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In order to evaluate the effectiveness of the community grievance mechanism based on the UN Guiding Principles on Business and Human Rights criteria, OMV Petrom developed an Audit Assessment conducted by an independent auditor at the end of 2018. The UN Effectiveness Criteria require the grievance mechanism to be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue.

The alignment of CGM to UN Effectiveness Criteria is assessed through management

processes review, consultations and feedbacks from internal and external stakeholders. The assessment's recommendations were followed by tailored action plans to improve grievance management at site level, as well as in Corporate organisation, Upstream and Downstream. These action plans are implemented by local management and monitored by the Corporate function. The sites already assessed were 3 Assets in Upstream and the Petrobrazi refinery. We will conduct assessments of CGM according to the UN Effectiveness Criteria in accordance with the plan at further OMV Petrom sites in 2020.

Our 2025 sustainability target	▶ Assess Community Grievance Mechanisms of all sites against UN Effectiveness Criteria ¹⁰ by 2025.	
Our achievements in 2019	▶ Implementation of self-check/audit assessment within OMV Petrom in order to have a continuous improvement towards fully meeting the UNGP effectiveness criteria for community grievance mechanism.	On Track: 3 out of 7 sites in scope assessed – Upstream and Downstream (2 Assets in Upstream and Petrobrazi refinery) in Romania.
Our plan for 2020	▶ Continue to implement the action plan based on the self-check/audit assessment within OMV Petrom in order to have a continuous improvement towards fully meeting the UNGP effectiveness criteria for community grievance mechanism.	

¹⁰ UN Effectiveness Criteria for Non-Judicial Grievance Mechanisms as set out in the United Nations Guiding Principles on Business and Human Rights. The UN Effectiveness Criteria require the grievance mechanism to be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue



Community Based Organizations (CBOs)

Also in 2019, we have continued to support the joint initiative of empowering our local communities, obtaining important results:

- ▶ 900 beneficiaries in 10 local communities;
- ▶ 30 participants obtained accountant and worker in plant culture certifications;
- ▶ over 600 children from seven communities benefitted of educational programs to reduce school abandonment at gymnasium level, to enhance school performance and the graduation exam success rate.

Continuing our local capacity building approach, in 2019, we organized a common training and share experience session for 11 CBOs in order to contribute to the increasing their organizational capacity to generate local development.

In Upstream, OMV Petrom continued to support the local education process in order to reduce the school abandonment and entrepreneurship trainings for local communities. In 2019, we developed projects consisting in courses of sewing, weaving and other Romanian traditional handicrafts for unemployed women; trainings in recycling and production

of handmade paper, hand weaving, reed processing, woodwork, accountant, worker for plant culture certification programs. We also focused on developing children's life abilities, public speaking, IT skills and provision of early career advice and to contribute to increased employability on labour market. In total over 34,000 people benefited from our community projects, 270 people from local communities have benefited from the above trainings and certification programs for enhancing their quality of life on medium and long term.

In our subsidiaries, we continued to take care about the communities where we are present. For example, in Serbia, the partnership with Caritas provided work experience and mentoring to young adults, from SOS Children's village community, on their path to independence and employment. The same collaboration with SOS Children's villages in Bulgaria and Serbia supported young, especially underprivileged children and young adults. Also, in Bulgaria and Serbia, few donations for fuel or heating vouchers were distributed to non-governmental organizations in order to take care of underprivileged people along all the year.

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Students from Oilmen school project

Community Development Projects:

Vocational Romania (“Romania Meseriașă”)

Initiated in 2015, “Vocational Romania” is OMV Petrom’s long term commitment to support and improve the technical and vocational education system in Romania. Through this program, we want to raise awareness about the importance of the vocational education in the development of the national economy and to implement solutions for future oil and gas professional education. Starting with 2016, “Vocational Romania” is part of the “Educated Romania” national program initiated by the Romanian Presidency. Vocational Romania consists of the following initiatives: Oilmen’s School, Vocational Summer Camp and Vocational Students’ League.

The Oilmen’s School is an education program through which we created six classes in three high schools in Romania for professional education of three years – in towns such as Târgoviște, Moinești and Pitești, for the oil and gas qualification (well operators and park operators). Through the program, the Company offers to the students monthly scholarships, practical experience “on site”

in our company, as well as teacher development, update of educational curriculum and school laboratory upgrades. The second generation of oilmen graduated in 2019 and 27 out of 83 young oilmen were employed by OMV Petrom.

The “TXS” recognition program rolled-out in 2019 at OMV Group level by the Human Resources Department allowed our project to be well known across the entire OMV Group and be awarded as one of the most voted social initiatives (second place). Based on this Recognition program, employees within the Group can give and receive awards as a token of appreciation for their accomplishments.

The **Vocational Summer Camp** is an intensive development program for high school students in the vocational education field, aiming to improve their personal and professional skills in order to become more employable. The program started as a response to our business need to have a well-prepared workforce in the oil and gas field, but expanded to also addressing the needs of our contractors and preparing their future employees: mechanics, electricians, chefs, waiters etc.

In 2019, 240 students from 26 technical schools from 2 counties, Argeş and Dâmboviţa, were trained to develop their soft skills: communication, teamwork, employability and others, as well as their practical skills, working closely with mentors (professionals in their fields) on a graduation project. 40 students received a one-year monthly scholarship to further invest in their education. Along with them, 40 teachers applied with projects that aim to develop the vocational education system and participated in our project management training. In the end, five projects were rewarded with grants totalling EUR 40,000.

all TVET (technical and vocational education training) schools in Buzău county, the League militate for change in the educational system. It started its own projects to set an example for the authorities and organized communication classes for 300 colleagues in their schools, made a report on the TVET situation correlated with the labor market and raised money for equipping all 13 mechanics high school workshops in the county with a basic toolkit. They did the fundraiser by organizing the first VET Gala in the country, growing a solid reputation among local stakeholders and shedding a light on the urgent needs of the system.

The **Vocational Students' League** is the first association of VET pupils in Romania, initiated and supported by OMV Petrom. With over 50 members, pupils and teachers from



Students' League project



Văcărești Nature Park

RO SMART in Andrei's Country

RO SMART in Andrei's Country is a national competition organized by OMV Petrom, under the Andrei's Country platform – the social responsibility platform of the company.

The competition offered grants totalling EUR 500,000, mentoring and software consultancy for projects that use technology and digitalization to increase life quality and contribute to the sustainable development of communities in Romania.

To be eligible, projects needed to help solve problems, improve public services, streamline resource consumption and reduce expenses, with the use of technology, in one of the following domains: health, education, environment, infrastructure and safety.

In 2019, 110 projects were submitted in the competition and were evaluated based on a public vote (20%) and a jury's evaluation (80%).

11 projects in education, health and infrastructure won the competition and received grants totalling EUR 455,000. The projects have access to mentoring from OMV Petrom's employees, as well as free IT consulting received from a company's partner during the one-year implementation.

OMV Petrom has been investing in community development projects since 2013 and we invested in more than 100 community projects. RO SMART is the upgrade of the "Ideas from Andrei's Country" competition.

One of these 2019 projects, was aimed to environmental protection under the name of "Green City Lab". The scope was to inventory all trees in the Văcărești Natural Park. Over 5,000 trees will be monitored and are waiting to be included on the park map.

The Văcărești Nature Park is an area, formed on the site of a hydro-technical project, 4 km away from the city center of Bucharest. It is unique in Romania and Europe, as its natural area offers a magnificent landscape and a very interesting contrast between the urban, entropized area and the natural wetland with areas of reed, swamps and wetland-specific trees and vegetation.

Additionally, based on the cooperation with the park Văcărești administration, during the autumn time 2019, OMV Petrom volunteers planted 600 new baby trees in the park.

Volunteering Program

OMV Petrom supports volunteering activities of its employees, encourages them to find solutions for the development and needs of local communities and rewards the most active colleagues. Thus, over 5,700 volunteers, including 2,200 from OMV Petrom and filling station employees, participated in 2019 in 60 volunteering projects within 100 communities such as forestation, greening, first aid activities, blood donation, education and health, renovating playgrounds and parks, or donations.

The Volunteer Championship is the initiative that challenges our employees to find solutions for community development and to dedicate time and energy to implementing it. The projects are included in a small competition, and 12 community projects were granted with EUR 63,000 at the end of 2019. Also, in 2019, our employees supported by redirecting of 2% or 3.5% from their due income tax to NGOs and accredited social services suppliers and 500 employees donated gifts to 500 children from disadvantaged families through the “You can be Santa Claus” campaign.

Special Climate projects (energy efficiency, waste, forestation)

As the largest player on the Romanian energy market, OMV Petrom endorsed the “Romania Eficientă” program aiming to promote energy efficiency at the national level, through public information campaigns, education programs and financing of projects for improving the energy efficiency of public buildings. The program is run by the Energy Policy Group (EPG) NGO. OMV Petrom will contribute EUR 4 mn to this program in the period 2019-2022.

In 2019, we also funded public lighting efficiency initiatives in 4 communes in Gorj County. We replaced 1,667 existing bulbs with efficient and economical LED lamps increasing energy efficiency of the public street lighting, improving the quality of public lighting, reducing electricity costs and protecting the environment.



Forestation campaign

In Upstream, two projects in Constanța County bordering the Black Sea were developed, aiming to address the issue of mismanaged waste. “Recycling Laboratory” project developed information and guideline materials on the types of recyclable wastes generated by a Romanian household, their recycling methods and recycling locations in Constanța city. The project was implemented in partnership with NGO Oceanic-Club, Grigore Antipa, Constanța County School Inspectorate, Constanța “Ovidius” University. The project also awarded 10 business plans developed by students in Constanța County, focusing on waste utilization.

The #noplasticwaste project, also focused on raising public awareness among residents and tourists for more sustainable behaviour, especially related to decreasing the non-recycled plastic quantities. The project developed an educational platform for sustainable development in educational institutions in Constanța county and ran a public waste collection and awareness raising campaign with over 1,500 direct beneficiaries. Project partners included NGO Mare Nostrum, County

Schools Inspectorate of Constanța, “Ovidius” University from Constanța and Water Administration of Dobrogea-Litoral.

OMV Petrom employee volunteers have also been actively engaged in 2019, in a big forestation initiative in Romania and Serbia. In Romania we had 72,500 trees planted on a surface of 14.5ha, with 2,200 OMV Petrom volunteers in 9 local communities. In Serbia, a forestation campaign was organized in partnership with Serbia Forests organization, planting a total of 5,000 pine trees. Overall, our natural climate solutions volunteering activities have the potential to contribute to 210 tons of CO₂ equivalent reduction in a year.

2019 Awards

- ▶ Romanian PR Award – Golden Award for Excellence for the project Vocational Students’ League at Advocacy category.



PR Award event

Business Ethics and Compliance

Our objective is to enhance OMV Petrom’s compliance program in order to mitigate strategic risks and focus on integrity and anticorruption.

How we manage the Business Ethics and Compliance

OMV Petrom has set up a compliance management system aiming to prevent, detect and mitigate risks in key compliance areas. The system was re-certified by international auditors in terms of design, appropriateness, implementation and effectiveness according to international standards in 2017 (IDW PS 980). Business ethics represents a core component of the system. The fair and respectful way OMV Petrom treats its stakeholders enhances the company’s reputation as a valuable and trustworthy employer and business partner.

The Code of Business Ethics

The Code of Business Ethics emphasizes OMV Petrom’s policy of “Zero tolerance for

bribery and corruption” and sets the rules for dealing with conflicts of interests, gifts and invitations, intermediaries, donations and investment in local communities, as well as for compliance with competition law provisions and trade sanctions and embargoes.

The Code is mandatory for everybody who works at OMV Petrom. Companies that perform services for or on behalf of OMV Petrom must have anti-bribery procedures that follow the principles of the Code of Business Ethics.

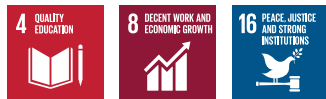
Whistleblowing

Our company requests that all employees must report concerns about unethical behavior. To this end, OMV Petrom provides reporting mechanisms, including a free telephone line and a dedicated e-mail address, which are available 24/24h both internally and externally. In 2018, a professional whistleblowing system was introduced (the Integrity Platform) which can be used voluntarily (both internally and externally) to report misconduct and which ensures full anonymity of the whistle-blower.



Compliance Team

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Our 2025 sustainability target	▶ Raising Business Ethics awareness for all OMV Petrom employees through trainings and compliance communication program	
Our achievements in 2019	<ul style="list-style-type: none"> ▶ Direct training of 340 employees on business ethics and more than 140 in antitrust topics ▶ Implementation of online declaration regarding conflict of interests in Employees Self-Service portal and setting up a centralized database of situations declared 	▶ Rolling out of compliance awareness caravan in Petrobrazi Refinery and all Upstream assets in Romania, as well as in subsidiaries in Bulgaria, Serbia and Moldova
Our plan for 2020	▶ Continuing our trainings and compliance communication program in order to raise Business Ethics awareness for all employees.	

Raising awareness

The periodic (every three years) face-to-face training on business ethics matters is mandatory for managers. Also, employees in higher compliance risk areas are included in tailored training programs on business ethics and antitrust topics.

In 2019, 340 employees received in-person training on business ethics, and 144 on antitrust.

Also, in 2019 a new business ethics e-learning application has been implemented in OMV Group. A number of 4,762 employees have undergone this training in OMV Petrom and its subsidiaries.

In addition to trainings, there are other types of initiatives that help raise awareness on anti-corruption topics and compliance risks, such as gaming, open discussions based on voluntary participation and workshops with reputable external speakers.

In 2019, we have continued the “Compliance Case Clinics” workshop series where compliance experts conduct debates on famous business ethics cases.

To secure compliant behavior from an early stage, new employees undergo an initial training as part of the New Employee Orientation Program (NEO) established organization.



CASE STUDY:

Act in accordance with the international ethical standards, contributing to foster ethical business at local level, in our sphere of influence.

Photo from Petrom City

To raise awareness, in 2019 the compliance team organized a compliance caravan that included site visits in all Upstream Assets in Romania, Petrobrazi refinery, as well as OMV Petrom subsidiaries in Bulgaria, Serbia and Moldova. On such occasions there were discussions related to topics derived from the Code of business ethics and case studies. Also, where the case, an assessment of locally received grievances was done.

Conflict of interests

Our internal regulations provide responsibilities and procedures for the members of the Executive Board and the Supervisory Board regarding the conflict of interests, which imply immediate disclosure and refraining from participating in debates and voting in such situations. Moreover, all our employees with managerial responsibilities also have to sign a conflict of interest declaration.

In 2019, the online conflict of declaration has been implemented thus giving to all employees with access in the Employee Self-Service system the possibility to electronically fill in and validate the conflict of interest declarations. As such, the number of employees who signed the conflict of interests declaration has been significantly extended. The electronic conflict of interests declaration was designed both as a tool for risk mitigation and for raising awareness.

Criteria for granting sponsorships

Our sponsorship management is based on the Romanian legislation, the OMV Group Code of Conduct, the Group Directive "Code of Business Ethics", the Sponsorship Strategy, the Corporate Communications Standard and other internal regulations. In 2019 in OMV Petrom it was updated the Sponsorship Strategy and OMV Petrom Communications

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Standard, in order to be aligned with the “one-voice policy” of the OMV Group. The process of sponsorship is managed through an evaluation made by the Sponsorship Committee – with representatives from each business division – under specific areas of involvement and criteria mentioned in the Sponsorship Strategy and the Corporate Communication Standard. Part of the evaluation consists in going through a compliance beneficiary assessment questionnaire. Part of the sponsorship process and based on the above-mentioned questionnaire, a third-party check is conducted, triggered by certain thresholds and/or compliance risks. Donations and sponsorships are monitored by the Compliance Officer via specific procedures and compliance tools. According to our internal regulations, Sponsorships shall not be granted to political parties, political candidates or individuals/entities who act (directly or indirectly) for the private benefit of a public servant or with the scope of promoting political campaigns.

Competition Law

OMV Petrom ensures that adequate measures are in place to achieve compliance with competition law, helping to protect long term healthy competition.

As a result of all these measures that OMV Petrom is implementing, in 2019 there were no administrative or judicial sanctions levied against our organization for failure to comply with anti-corruption laws or regulations. Also, in 2019 there were no incidents regarding competition law.

GDPR

For the year 2019, we strengthened and updated the set of internal regulations in the area of management of certain essential aspects, highlighting the procedure for managing the rights of data subjects and the procedure for managing infringements of data security.

The internal awareness campaign regarding the risks related to GDPR continued with implementation of an e-learning course session for white collars, to which more than 70% of them have participated so far. In addition, the Data Protection Times event got together high and medium level managers, interested employees and internal and external experts to debate about the latest topics in this area.

In addition, Data Processing Impact Assessments (DPIA) have been carried out for the business processes that fall under the specific legal requirements.

The system of managing and response related to the requests of data subjects who exercise their rights, protected by the GDPR has been evaluated and refined. In addition, simplified versions of some existing documents have been elaborated, out of which we mention the Data Processing Agreement (DPA), Information Notices and Consent to process the personal data.

The Register of processing personal data set at the beginning of 2018 has undergone an updating process, in the second half of 2019, in accordance with the provisions of the GDPR.

Furthermore, we have not identified complaints regarding breaches of customer privacy and losses customer data.

Product Responsibility

We provide safe and high-quality products, while exploring ways to improve our customers' experience with using our fuels. For this purpose, we work closely with universities and research institutes to identify advanced fuel technology.

Accomplished in 2019

- ▶ We have continued to provide innovative products and services that meet our customers' needs in terms of quality and cost requirements, and increase customer satisfaction.
- ▶ We have integrated environmental, health and safety issues in the way we manage product quality throughout the manufacturing and sales process.
- ▶ We stayed focused on consolidating the market position of our premium fuels by underlining their unique benefits.

We distribute a wide range of petroleum products, including gasoline, diesel, LPG and kerosene. To ensure the quality of fuel, we continuously monitor the entire supply chain of petroleum products, from refinery to filling stations. Therefore, we aim to provide products that meet our customers' quality expectations.

OMV Petrom is offering to customers the fuel they can rely on through its filling stations, positioned always on their way. In addition, we constantly adapt and improve the brand's value for money proposition.

How we manage product responsibility

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

We provide partners and customers with detailed information about our products. 100% of the fuel distributed is subject to product information and labelling 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.

New products are developed continuously in line with the standards and regulations in place and in close relationship with the market and with the requirements of our clients.

Safety Data Sheets

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

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

We are committed to producing sulphur-free diesel and gasoline (sulphur content <10 ppm) at our Petrobrazil refinery. In 2019, we blended 131,459 t biodiesel into diesel and 82,556 t bioethanol into gasoline fuels for bio-fuels.

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Petrom filling station

Customer satisfaction

In 2019, we have continued our efforts to understand and improve customers' satisfactions in both our brands in Romania. Thus, a customer's satisfaction survey was run in the PETROM and OMV branded filling stations providing almost 50,000 unique customers feedback related to the general satisfaction in our filling stations and also to products and services that we offer to our customers.

		2019	2018
OMV	No of respondents	11,152	11,546
	General Satisfaction	84%	83%
	Performance Fuels Satisfaction	90%	90%
PETROM	No of respondents	37,217	24,650
	General Satisfaction	85%	83%
	Base fuels Satisfaction	86%	84%

According to the report, the general satisfaction of the customers related to the OMV brand is 84%, slightly above previous year (83%), while for PETROM increased with 2 percentage points.

The performance fuels area is reconfirmed as the one with the highest performance (90% of customers declaring they are satisfied and very satisfied with the high quality of OMV MaxxMotion Performance Fuels). Other areas with very high customer satisfaction are: VIVA shop, our Gastro offer and additional services available in OMV filling stations.

The PETROM overall satisfaction is rated at 85%, with two percentage points higher than in 2018. In the PETROM branded filling stations, the area with the highest satisfaction rating is the fuels, reconfirming the brand's unbeatable "value for money" positioning.

Involvement in the communities

- ▶ Health, safety, security, and protection of the environment (HSSE) are core values that constitute an integral part of our commitment to conducting our business in a responsible way. In 2019, OMV Petrom team has carried out a number of 223 projects in the filling stations, in the areas of health, safety, security, and protection of the environment. They involved partners from 223 filling stations and over 2,300 employees. The success of those projects is the consequence of a very good cooperation between OMV Petrom employees, filling stations partners and their employees, authorities and products suppliers.
- ▶ Our safety projects aimed at raising awareness among employees and customers regarding the dangers one can encounter in a filling station. Some of the themes that were tackled are fueling in non-approved recipients and drinking and driving ("Never drink and drive"). Also, common exercises with Fire Fighting Authorities have been performed.
- ▶ In 2019, we have also strengthened our commitment to give back to the communities in which we live and work through a series of initiatives of social involvement. Customers from our filling stations in all PETROM network had the possibility to donate to the special collecting boxes placed at the cashier and support the "Dăruiește Viață" association.

- ▶ We have initiated for the 14th consecutive year the CARITAS program, which supports young people from disadvantaged families to start a professional life via their integration in our Filling Stations network. As a consequence, young people from Timișoara, Sfântu Gheorghe, Covasna, Petroșani, Alba Iulia have been hired for a determined period of time and trained for the future. At the same time, through local, regional or national activities initiated by our filling stations partners, we have helped disadvantaged families, children with medical problems, old people, hospitals and children with limited possibilities, but with good results in school.

WHAT WE WILL DO IN 2020:

- ▶ We continue to offer innovative products and services that meet the needs of our customers in terms of quality and cost requirements, respecting national and international standards, paying attention to the environmental impact and the climate change measures that can be implemented.



OMV filling station

Human rights

OMV Petrom supports and respects internationally recognized human rights, which are included in the processes and internal regulations, Human Rights Policy, OMV Executive's Board statements, and agreements with external parties.

Our goal is to operate in accordance with the UN Guiding Principles on Business and Human Rights, and to apply these principles in our own operations as well as in our Group's subsidiaries from other countries, partner risk assessments and supplier audits.

Human rights management system

The understanding of and the responsibility for respecting and upholding human rights in our business environment is established by the OMV Human Rights Policy Statement which applies also in OMV Petrom. This has been approved by the OMV Executive Board and serves as our guiding principles for dealing with human rights issues in all aspects of our daily business.

Our own operations have a direct or indirect impact on the realization of the human rights of our own personnel, those working in the supply chain, and members of local communities.

Since 2008, we have mapped our human rights responsibilities in a comprehensive Human Rights Matrix designed to serve as the foundation for our activities in this area. We use this tool to assess our human rights challenges and activities and thus, prioritize our actions. The projects we implement reflect the company's responsibilities to the rights of our employees and partners. The Matrix is redefined in accordance with international best practice and the latest developments in the human rights field.

Our main responsibilities deriving from the Matrix are:

- ▶ Comply with national and international law
- ▶ Conduct Human Rights Due Diligence along full business cycle and supply chain
- ▶ Provide effective operational-level grievance mechanisms
- ▶ Make all employees aware of human rights
- ▶ Train employees according to specific exposure
- ▶ Establish adequate management structures
- ▶ Ensure transparent and appropriate communication on Human Rights performance with stakeholders

OMV Petrom's Corporate Sustainability department is responsible for coordinating and developing sustainability, including human rights issues, at the OMV Petrom Group level.

Locally, human rights' due diligence at the operating facilities is conducted with the support of the managers and officers from corporate level (at OMV and OMV Petrom). Internationally recognized external experts support OMV Group in conducting this due diligence on our human rights risks exposure in all countries, including Romania.

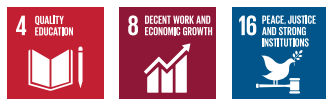
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Our impacts on human rights, the grievances management and the corrective measures

According to the UN Guiding Principles, an effective grievance mechanism is a crucial instrument for ensuring compliance with our human rights commitment. Human rights grievances are submitted through the community grievance mechanism, and then analyzed at local and corporate level (for more on the community grievance mechanism, see the chapter on “Community relations and development”).

Reporting channels used for reporting any suspected misconduct relating to labour conditions or human rights violations are defined in specific channels. For example, the “Integrity Platform”, which is a professional whistle-blowing system recently introduced within the company, is available to anyone (both internally and externally) to report any misconduct and which ensures full anonymity of the whistle-blower. (More information can be found at section “Business Ethics and Compliance”). Also, in the case of OMV Petrom employees, the finding can be reported by directly contacting the PetrOmbudsman Department.

Analysing these tools, we have not identified risks related to the use of child or forced labour in our own operations.

Support of employees’ right to freedom of association and collective bargaining are discussed in the section Employees.

During the year, our company did not receive any grievances through formal channels regarding human rights, labour rights or discrimination.

In 2019, an external consultant has audited the Community Grievance Mechanisms in OMV Petrom with regards to our external stakeholders’ consultation on the effectiveness of the available grievance channels. 17 measures were identified, partially implemented during the year 2019, including monitoring the human rights grievances in communities. More information about these audits can be found in the chapter about Community Relations and Community Development.

Having in view that at the end of 2018, a Sustainability assessment was carried out for our communities, including human rights evaluation, an action plan was concluded and submitted to the Executive Board. The action plan established a set of activities that were implemented during 2019 and will continue to be implemented in 2020.

We expect that all our suppliers respect the human rights. For this reason, we have included human rights requirements in our Code of Conduct which is part of the suppliers’ contract with OMV Petrom.

OMV Petrom’s supplier audits cover the most important human rights aspects related to purchases. The supplier audits conducted in 2019 for OMV Petrom’s suppliers is a KPI for the Procurement department and their results are described in more details in the section “Sustainable supply chain”.

Our training activities in human rights

In 2019, the e-learning for OMV Petrom’s Human rights became a part of the “My Success Factors” as a voluntary course for all employees. As a consequence, 5,621 employees completed the course. For those who are exposed to Human Rights the e-learning course is compulsory and was completed in the percentage of 36%.

In parallel, the training activity in human rights was categorized as a KPI and included in the “Sustainability Strategy until 2025”. A communication campaign for supporting human rights at work and at home was conducted in December, when International Human Rights Day is brought to the employees’ attention under the message: “OMV Petrom is committed to human rights because they affect all of us. Every one of us benefits and can contribute.”



Elaboration of human rights documents in OMV.

Our 2025 sustainability target

- ▶ Human rights trainings for all employees exposed to human rights risks¹¹ by 2025.

Our achievements in 2019

- ▶ Training on human rights through e-learning tools and special workshop for the persons considered exposed to human rights risks.
- ▶ Awareness campaign for all employees.
- ▶ New areas identified for extending PetrOmbudsman services within the organization and new collaboration opportunities with external Ombudsmen established, so as to help consolidating the profession in Romania.
- ▶ A new and updated concept for assertive communication workshops organized.

Our plan for 2020

- ▶ Continue trainings for the target group exposed to human rights.
- ▶ Further explore collaboration opportunities with external Ombudsmen, so as to help establish the profession in Romania, via founding of a National Ombudsman Association.
- ▶ Continue to empower people to make informed decisions for a lasting and positive impact.
- ▶ Contribute to a more engaged organization by helping people to reach their full potential, via coaching and other development tools.
- ▶ Consolidate the concept for Assertive Communication workshops, based on feedback received from employees and managers, to add even more complexity to this topic.

GRI:

103-2

103-3

¹¹Employees exposed to human rights are employees, highest manageable and no-go countries in specific functions (Human Resources, Security, Site Management, HSSE auditing, Community Relations/Community Development, Procurement) as well as corresponding corporate functions.

PetrOmbudsman Department – our support for all employees and for management

The department – the first of its kind in a Romanian oil and gas company – provides employees and management a safe environment to discuss workplace issues in a confidential, off the record, informal way. It helps people deal with workplace conflicts, but also allows them to share ideas, find ways to improve business processes or their own career paths, through self-empowerment or by facilitating communication with the company, where necessary. Also, it identifies and alerts the organization about systemic trends and issues, so that management can take the appropriate measures, based on recommendations. The Ombudsman department holds on-site visits and sometimes performs outreach activities, such as workshops, to help creating a harmonious work environment.

In 2019, about ~5,000 persons were in contact with the department representatives during these visits, of which ~400 also benefited from Ombudsman workshops. In 2019, the Ombudsman workshops focused on Assertive Communication, highlighting the importance of expressing opinions in an honest and direct manner, which does not bring offence to other people, and at the same time saves residual frustration from accumulating. This was just one of the many efforts made by the Ombudsman to foster an environment of respectful col-

laboration, which is inclusive for all employees and managers working in OMV Petrom.

2019 was also a year dedicated to reflection and assessment, on providing the best care for our employees and finding the right tools to attract and retain talent within the company. PetrOmbudsman was part of the team dedicated by the company for its talent retention process review, as a recognition of its valuable input in regards to people related topics. In this respect, the Ombudsman led the efforts towards choosing the most appropriate initiatives to encourage talent development, especially with regard to its young people.

Given it was a milestone for five years of PetrOmbudsman activity, and thus a marker of its maturity, in 2019 the department was keen to dedicate a significant portion of its attention towards the external Ombudsman environment. In October 2019, two important events took place: the first was the International Ombudsman Day, rejoiced internally with all OMV Petrom staff, while the second was the National Ombudsman Conference, organized by PetrOmbudsman at the Palace of the Parliament. Ombudsmen counterparts from other companies operating on the Romanian market, but also of professionals from various fields of activity, who are interested in the Ombudsman concept, participated to this conference, together with the Advocate of the People, who vigorously supported the extension of this profession in Romania.



Supply chain

OMV Petrom applies its sourcing and logistics expertise to ensure that the highest quality materials and services are provided through our supply chain. We aim to foster innovation, to maximize value contribution, and to enable growth of the supply chain in line with both our Corporate and Sustainability Strategies. It is of ultimate importance for us to stay fully compliant with applicable legal requirements, as well as with our internal standards in safety, environmental protection, and human rights areas, when managing our supply chain.

In this context, our “Create Value” Vision of the supply chain management focuses on establishing effective and impactful procurement operations, while improving the efficiency and simplifying processes.

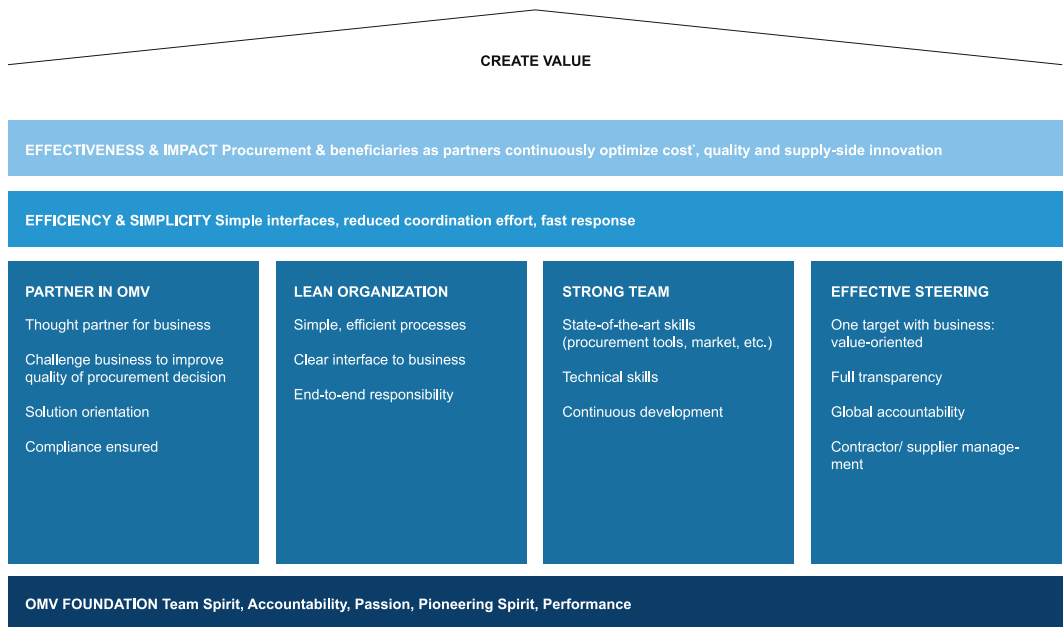
Our suppliers must follow the legal requirements and the relevant internal rules and standards applicable to OMV Petrom. Our Code of Conduct stipulates that suppliers

must support OMV Petrom’s principles and, therefore mitigates supply chain risks, such as forced labor, slavery, human trafficking, and corruption. Suppliers are obliged to comply fully with the content of the Code of Conduct, and all supply chain partners are required to become cosignatories of the Code of Conduct.

Tools such as evaluations and audits assess and monitor suppliers’ compliance with the principles outlined in OMV Petrom’s Code of Conduct.

Since 2017, OMV Petrom conducts assessments at selected strategic suppliers in the areas of Environmental, Social and Governance (ESG) performance. During the ESG assessment of suppliers, OMV Petrom also inquires about carbon targets and environmental programs, which would potentially include GHG reduction. For 2019, we performed 6 ESG assessments. Most of the suppliers assessed met our requirements. Further areas for optimization and improvement were identified and agreed upon.

How we manage the supplier sustainability compliance



GRI:

- 102-9
- 103-2
- 103-3
- 308-1
- 414-1

*Total cost of ownership/life cycle costs





CASE STUDY:

OMV Petrom strives to foster our Code of Conduct to all our suppliers to the benefit of the communities we are present.

Partnership with suppliers

OMV Petrom also conducts supplier audits that include sustainability elements. For instance, one of the elements covered in the audits is related to the Environmental Management and Certification, comprising energy management and, thus, the impact of a supplier activity on GHG emissions. In addition, we covered other HSSE topics, or business ethics, social responsibility and human rights.

OMV Petrom has established a strategic target related to conducting supplier audits with sustainability elements. In 2019, we supported 11 audits with sustainability topics Group wide.

Furthermore, we perform yearly subject-specific audits on topics such as: process safety, quality, performance efficiency. In 2019, we completed 85% of the targeted audit plan, with 66% of the audits resulting in follow-up measures. By the end of 2019, 63% of the suppliers that were identified as needing to implement follow-up measures, had completed more than 75% of the respective measures. The others will be closed according to an agreed plan in 2020.

Our 2025 sustainability target	▶ OMV Petrom supports > 20 supplier audits for OMV's suppliers, covering sustainability topics by 2025.
Our achievements in 2019	▶ We supported 11 supplier audits covering sustainability topics Group wide.
Our plan for 2020	▶ Increase the number of supplier audits covering sustainability elements – over twenty per year by 2025.

Corporate and legal HSSE requirements are communicated to potential suppliers at the tender stage. OMV Petrom assesses the HSSE risks of the potential suppliers and ranks them in the OMV Petrom Risk Matrix. For suppliers who present a potential risk to OMV Petrom we conduct a more in-depth analysis of the compliance with OMV Petrom's Contractor HSSE Management Standard. Crude transportation partners are subject to an additional assessment against the TMSA (Tanker Management and Self-Assessment) Standard, as OMV is a member of the OCIMF (Oil Companies International Marine Forum).

Supplier risk assessments are conducted on an annual basis and verifications are done on suppliers' HSSE performance based on inspections and audits of monitored KPIs. Final evaluations, including HSSE and social responsibility performance, are communi-

cated to Procurement department by the relevant parties conducting the evaluations, for further contractual management actions. OMV Petrom reserves the right to terminate relationships with suppliers, if non-compliance with applicable policies is discovered, or non-compliance is not addressed in a timely manner.

OMV Petrom has a process in place aimed at ensuring that parties sanctioned by the EU or international organizations such as the United Nations are not accepted as procurement partners.

We also provide a reverse engagement channel to our suppliers, where suppliers can use our community grievance mechanism to communicate any concerns.

GRI:
102-9
204-1
103-2
103-3

Local procurement

Local procurement creates added-value in our local communities. Spending with local suppliers accounted for 91% of total expenditures in 2019.

In line with our aim to always consider the impact of our actions on the local environment, our intention is to continuously improve our local content approach. We support local suppliers to improve their capabilities, which will help them meet higher technical, HSSE, and business standards. Our ESG assessments and various audits help suppliers understand critical issues in sustainability management and performance, and foster their further development in this area based on the gaps resulting from the assessment.

Role of digitalization in supply chain management

OMV Petrom continues its journey toward procurement digitalization. OMV developed further the SAP Ariba modules already in place since 2018, by adding Supplier Risk.

Understanding supplier's risk is an important factor in deciding whether and how we do business with a supplier.

Through SAP Ariba, we have now the chance to receive daily alerts about our registered suppliers. The alerts have a low, medium or high-risk level. The risk is calculated automatically based on around 150 incidents collected from publicly available information, such as newspapers, press releases, company homepages etc. The incidents are split in four risk categories: environmental and social, financial, regulatory and legal, and operational. In 2019, we have defined also a supplier risk monitoring process in full alignment with OMV Petrom's approach towards risk management. Based on this process, we perform several analyses with the purpose to check if the received alerts would prevent us from further collaborating with the respective supplier. The outcome of such analyses is also shared with the supplier, as a next step to introduce further mitigation measures, such as verification, follow-up actions, etc. The process ends with an internal analysis concluding whether continuing our partnership with the respective supplier is recommended or not.

The digital integration of all these risk elements into one system, SAP Ariba, will simplify the information evaluation process, will improve the mitigation management plan and last, but not least, will support our supply chain in improving its preventive risk management process.

Performance in detail





Economic performance

(RON mn)	Unit	2019	2018	2017	GRI INDICATOR
Profit/(loss) before tax	RON mn	4,277	4,914	2,904	102-7
Sales ¹²	RON mn	25,485	22,523	19,435	
Direct Economic Value Generated ¹³ (DEVG)	RON mn	26,040	22,898	19,825	201-1
Economic Value Distributed ¹⁴ (EVD)	RON mn	23,979	19,813	18,170	
Economic Value Retained	RON mn	2,061	3,085	1,655	
Financial Assistance Received from Government					
Tax relief	RON mn	9	9	14	201-4
Tax credits	RON mn	81	38	26	
Investment grants ¹⁵	RON mn	0	103	81	
Total proved reserves as of December 31					
	mn boe	504	532	566	OG1
Total hydrocarbon production	mn boe	55.35	58.30	61.18	
of which crude oil and NGL production	mn boe	26.12	26.78	27.33	
of which natural gas production	bn m ³	4.47	4.83	5.18	

Note: Starting January 2017, OMV Petrom's Consolidated Income Statement has been restructured in line with industry best practice in order to better reflect the operations of the Group and enhance transparency for the users of the financial statements. For more information, please see OMV Petrom's Investor News published on April 6, 2017, which can be found on the company's website www.omvpetrom.com, section Investors > Investor News.

¹² Sales excluding petroleum products excise tax

¹³ DEVG = net sales, financial revenues (income from at-equity accounted investments and interest income), other operating income and gains from disposal of fixed assets.

¹⁴ EVD = value distributed to stakeholders (suppliers, governments, capital providers, employees, shareholders, society).

¹⁵ Financing contract for the investment in the Combined Cycle Power Plant located at Brazil.

Environmental performance

Environmental Indicators	Unit	2019	2018	2017	GRI INDICATOR
Energy consumption	PJ	43.1	45.1	43.3	302-1 302-4
Water withdrawal by source	mn m ³	17.93	18.29	16.75	
thereof groundwater	mn m ³	5.78	5.19	7.08	303-1
surface water	mn m ³	11.05	11.84	8.45	
from public supply systems	mn m ³	1.10	1.26	1.22	
Total direct GHG emissions – scope 1	mn t CO ₂ eq	4.2	4.5	4	305-1
Upstream	mn t CO ₂ eq	1.91	2.11	2.02	
Downstream Oil, excludes Power plants	mn t CO ₂ eq	1.07	0.99	1	
Downstream Gas, includes power plants		1.27	1.40	0.98	
GHG (direct, scope 1)	mn t CO ₂ eq	4.2	4.5	4	305-1
CO ₂	mn t	3.4	3.6	3.2	
CH ₄	t	32,257	35,033	32,048	
N ₂ O	t	21	24	23	
GHG (indirect, scope 2)	mn t CO ₂ eq	0.045	0.080	0.057	305-2
Other air emissions					305-7
SO ₂	t	613	572	630	
NO _x	t	3,225	3,588	3,290	
Non-methane-volatile organic compounds (NM-VOC)	t	4,413	5,171	5,358	
Particulate emissions	t	64	59	62	
GHG Intensity					305-4
GHG Intensity Petrobrasi Refinery ¹⁶	t CO ₂ eq/t crude	0.247	0.254	0.240	
GHG Intensity CCPP ¹⁷	t CO ₂ eq/MWh	0.361	0.356	0.359	
GHG Intensity Upstream	t CO ₂ eq/toe	0.247	0.259	0.237	
GHG Intensity Index OMV Petrom ¹⁸	%	-2.4	+5.4	-6.3	
Waste water emissions					OG5
Chemical oxygen demand (COD)	t	683	1,096	665	
Hydrocarbons	t	6.37	7.84	13.5	
Total nitrogen	t	27.9	32	36	
Waste					306-2
Total waste hazardous and non-hazardous waste	t	527.9	430.4	367.2	
Spills	number	2,012	2,164	2,375	306-3
Spills Volume	Liters	54,195	35,442	51,490	
Flaring and Venting					OG6
Hydrocarbons flared	t	36,494	41,797	38,667	
Hydrocarbons vented	t	33,639	36,834	31,348	

^{16,17}CO₂ verified emissions

¹⁸Weighted average of GHG Intensity variations from Business Divisions

Freshwater Withdrawal Intensity	Unit	2019	2018	2017	GRI INDICATOR
Freshwater Intensity Upstream	cbm/toe	0.61	0.66	0.71	303-1
Freshwater Intensity Downstream Oil ¹⁹	cbm/t throughput	2.10	2.26	1.74	
Freshwater Intensity Power Plants	cbm/MWh	1.02	0.97	1.04	
Freshwater Intensity Index Petrom ²⁰	%	-4.7	+11.5	-3.3	

Waste management by type	Unit	2019	2018	2017	GRI INDICATOR
Total waste	thousand tons	527.93	430.43	367.2	306-2
Hazardous waste	thousand tons	294.11	243.79	217.72	
Non-hazardous waste	thousand tons	233.82	186.64	149.48	
Hazardous Landfill	thousand tons	48.83	51.97	37.65	
Hazardous recycling	thousand tons	158.54	64.54	51.56	
Hazardous incineration	thousand tons	0.89	2.39	4.38	
Other hazardous disposal	thousand tons	85.85	124.89	124.12	
Non-Hazardous land fill	thousand tons	81.67	36.66	18.5	
Non-Hazardous recycling	thousand tons	124.58	132.54	123.35	
Non-Hazardous incineration	thousand tons	23.81	0.68	0.09	
Non-Hazardous other	thousand tons	3.76	16.77	7.55	

Environmental protection expenditure²¹	Unit	2019	2018	2017	GRI INDICATOR
Environmental protection expenditure, excluding depreciation	mn EUR	124.29	96.87	103.69	103-2
Environmental investments for Assets put into operation	mn EUR	45.82	59.43	29.39	

Number of grievances – environmental impacts 2019/2018	Total number of grievances	Number of grievances analyzed	Number of grievances solved	GRI INDICATOR
	906/949	1142/949	809/732	103-2
Compensation for land contamination – Natural Persons	380/463	380/463	315/392	
Compensation for land contamination – Legal Persons	23/29	23/29	17/12	

¹⁹ Excludes Power Plants

²⁰ Weighted average of Freshwater Withdrawal Intensity variations from Business Divisions

²¹ When reporting Environmental protection expenditure, OMV Petrom uses the EMA (Environmental Management Accounting) methodology developed by International Federation Accountants (IFAC)

Social performance

Health and Safety Performance	2019	2018	2017	GRI INDICATOR
OMV Petrom Employees				
Fatalities	0	1	0	403-2
Lost workday injuries	15	4	4	
Lost work days (Calendar days)	1,052	256	242	
LTIR per one million hours worked	0.63	0.20	0.15	
TRIR per one million hours worked	1.30	0.80	0.61	
Contractors				
Fatalities	0	2	0	
Lost workday injuries	7	12	8	
Lost work days (Calendar days)	291	967	410	
Lost-Time Injury Rate (LTIR) per one million hours worked	0.15	0.29	0.19	
Total Recordable Injury Rate (TRIR) per one million hours worked	0.37	0.47	0.39	
Combined (OMV Petrom employees and contractors)				
Lost-Time Injury Rate (LTIR), per mn. hours worked	0.31	0.26	0.17	
Total Recordable Injury Rate (TRIR), per mn. hours worked	0.68	0.58	0.48	
Total number of employees at 31.12.2019	2019	2018	2017	GRI INDICATOR
Total number of employees	12,347	13,201	13,790	102-7
out of which women	2,832	2,997	3,108	102-8
With ILC, undetermined period, full time	12,125	13,044	13,565	
out of which women	2,764	2,950	3,034	
With ILC, undetermined period, part time	10	15	7	
out of which women	9	9	4	
With ILC, determined period, full time	210	140	225	
out of which women	58	38	70	
With ILC, determined period, part time	2	2	0	
out of which women	1	0	0	

Standard benefits for full-time employees²²**GRI INDICATOR**

Benefit	Details Significant location of operation/Beneficiaries	Motivation	401-2
Kindergarten subsidy	All employees with kids enrolled in kindergarden	Attraction/parity committee	
Relocation/Commuting	Changing the current working point with another for over 60 Km further without commuting possibilities	Attraction/safety/retention/standard	
Health insurance care	Private health insurance for employees and their family	Health protection	
Parental leave	All employees	Gender equality	
Reimbursement of home transport	Employees having domicile/residence for over 10 km further than the working point without shuttle transportation possibilities	Attraction/CLA	
Subsidies for holiday and treatment	All employees	Attraction	

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

	% 2019	% 2018	% 2017	GRI INDICATOR
% of members of the organization who received performance review	48.21	43.47	41.61	404-3
% of women who received performance review	77.38	71.40	66.06	
% of employees with ILC, undetermined period, full time, who received performance review	47.34	43.14	40.86	
% of women, with ILC, undetermined period, full time, who received performance review	76.81	71.19	65.72	
% of employees with ILC, determined period, full time, who received performance review	81.90	74.29	86.67	
% of women, with ILC, determined period, full time, who received performance review	90.67	92.11	80.00	

Parental Leave

	2019		2018		2017		GRI INDICATOR
	Women	Men	Women	Men	Women	Men	
Number of employees who returned to work after parental leave ended	57	18	69	16	48	13	401-3
Number of employees who returned to work after parental leave ended, who were still employed twelve months after their return to work	43	10	60	15	42	9	

²² These key benefits are the same for all locations of operations in the OMV Petrom S.A.

The percentage of individuals within the Supervisory Board	% 2019	% 2018	% 2017	GRI INDICATOR
Percentage of women	11.1	11.1	11.1	405-1
Percentage of individuals under 30 years old	0	0	0	
Percentage of individuals between 30-50 years old	22.2	11.1	11.1	
Percentage of individuals over 50 years old	77.8	88.9	88.9	

The percentage of individuals within the Executive Board	% 2019	% 2018	% 2017	GRI INDICATOR
Percentage of women	40	20	40	405-1
Percentage of individuals under 30 years old	0	0	0	
Percentage of individuals between 30-50 years old	80	80	40	
Percentage of individuals over 50 years old	20	20	60	

The percentage of women and men employees per employee category²³	Top Management			Middle Management			Lower Management			Operative Staff		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
Percentage of women in the organization	0.39%	0.47%	0.45%	4.70%	4.37%	4.41%	0.81%	1.40%	1.54%	94.10%	93.76%	93.60%
Percentage of men in the organization	0.26%	0.21%	0.18%	2.46%	2.48%	2.48%	2.19%	2.51%	2.67%	95.09%	94.81%	94.68%

Ratio of remuneration of women to men by employment category²⁴	2019	2018	2017	GRI INDICATOR
Employees with ILC, undetermined period, full time	1.30	1.29	1.27	405-2
Employees with ILC, determined period, full time	0.39	0.40	0.23	
Employees under 30 years old	1.21	1.18	1.16	
Employees between 30-50 years old	1.35	1.49	1.40	
Employees over 50 years old	1.26	1.06	0.93	

²³ The percentage is calculated by reference to the total number of women/men and not to the total number of employees

²⁴ The company has more men in the blue-collar category, where wages are lower (65%), while 78% of women are white-collar employees with higher wages

Ratio of basic salary of women to men by employment category	2019			2018	2017	GRI INDICATOR
	2019	2018	2017	2018		
Employees with ILC, undetermined period, full time	1.27	1.21	1.21	1.21	1.21	405-2
Employees with ILC, determined period, full time	0.49	0.40	0.40	0.40	0.33	
Employees under 30 years old	1.20	1.18	1.18	1.18	1.15	
Employees between 30-50 years old	1.46	1.49	1.49	1.49	1.33	
Employees over 50 years old	1.23	1.06	1.06	1.06	0.93	

New employee hired by age group and gender	Number of employees			Out of which women			GRI INDICATOR
	2019	2018	2017	2019	2018	2017	
<30 years old	117	116	110	32	39	42	401-1
30-50 years old	175	191	162	68	68	57	
>50 years old	28	22	30	14	7	2	

Employee turnover by age group and gender	Number of employees			Out of which women			GRI INDICATOR
	2019	2018	2017	2019	2018	2017	
<30 years old	60	53	82	18	17	32	401-1
30-50 years old	424	297	542	93	89	117	
>50 years old	690	568	657	169	119	170	

Number of incidents of non-compliance with regulations and voluntar codes	2019			2018	2017	GRI INDICATOR
	2019	2018	2017	2018	2017	
Products and Services						
Number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	–	–	–	–	–	417-2
Number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	–	–	–	–	–	417-3
Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	63,780 RON	145,950 RON	657	91,350 RON	91,350 RON	419-1

Frequency of training sessions on Code of Business Ethics			GRI INDICATOR
Category to whom document is applicable	Frequency of training sessions	2019	205-2
Employees on managerial levels	Every 3-year	153	
Other employees	By request (F2F)	187	
	Online	4,762	

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

Type of counseling services	Stakeholders for which the service is available	Availability of the service [no. hours/day]	Availability of the service [no. days/week]	The language in which the service is available	Obs	GRI INDICATOR
Advice via direct contact with the Corporate Compliance Office or representatives of the Compliance Department	Internal	Working hours (8.5 from Monday to Thursday; 6 hours on Friday)	Monday to Friday	Romanian; English	–	102-17
Advice via dedicated e-mail address or dedicated telephone line	Internal & External	24 hours	7 days	Romanian; English	–	
Advice via the new “Integrity Platform”	Internal & External	24 hours	7 days	Romanian; English	–	

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	GRI INDICATOR
Advice	Request for advice on business ethics-related topics	<ul style="list-style-type: none"> – Conflict of interests – business ethics-related clauses in contracts with third parties – Gifts and invitations – Sanctions and embargo 	96	96	102-17

Appendix





Memberships

- ▶ Association of Electricity Suppliers in Romania (AFEER)
- ▶ American Chamber of Commerce in Romania (AMCHAM)
- ▶ National Association of Energy Consumers in Romania (ANCER)
- ▶ Romanian Petroleum Association (ARP)
- ▶ Romanian Association for promoting Energy Efficiency (ARPEE)
- ▶ Aspen Institute Romania
- ▶ Romanian Standard Association (ASRO)
- ▶ Business Club Austria (ABC)
- ▶ British Romanian Chamber of Commerce (BRCC)
- ▶ Bucharest Geoscience Forum (BGF)
- ▶ French Business Club of Cluj (CEFAC)
- ▶ Romanian Association Chamber Pattern of Attorney (CNCPIR)
- ▶ Chambre de Commerce, d'Industrie et d'Agriculture Francaise en Roumanie (CCIFER)
- ▶ Romanian Investor Relations Association (ARIR)
- ▶ Romanian energy Center (CRE)
- ▶ Romanian – German Chamber of Commerce & Industry (CCIGR)
- ▶ Central and South Est European Business Forum for Energy (CEPS)
- ▶ Romanian National Committee of the World Energy Council (CNR-CME)
- ▶ CONCAWE
- ▶ Concordia Employers' Confederation (through Oil & Gas Employers' Federation)
- ▶ Employer Organisation Gas/Organisation Petrogas (OPG)
- ▶ Professional Representatives before European Patent Office (EPI)
- ▶ Foreign Investors Council (FIC)
- ▶ Oil and Gas Employers' Federation (FPPG)
- ▶ Romanian Association for International numbering of Articles (GS1 Romania)
- ▶ Association of Treasurers of Romania (ATR)
- ▶ Romanian Black Sea Titleholders Association (RBSTA)
- ▶ Romanian South African Association (ROSABA)
- ▶ Romanian Petroleum Exploration and Production Company Association (ROPEPCA)
- ▶ Society of Petroleum Engineers (SPE Rom)

Abbreviations and definitions

AI Artificial Intelligence	Gas Producers
ARMS Active Risk Management System	IoT Internet of Things
BTEX benzene, toluene, ethylbenzene, and xylene	IPIECA International Petroleum Industry Environmental Conservation Association
Bn billion	ISO International Organization for Standardization
boe Barrel oil equivalent	KPI Key Performance Indicator
Capex Capital Expenditure	kWh Kilowatt-hour
cm, cbm Cubic Meter	LED Light-emitting Diode
CBOs Community Based Organizations	LOPC Loss of primary containment
CCPP Combined Cycle Power Plant	LPG Liquefied petroleum gas
CCTV (Closed Circuit Television Systems)	LTIR Lost-time injury rate
CDP Climate Disclosure Project	MAE Major Accident Events
CEO Chief Executive Officer	MBA Master of Business Administration
CFO Chief Financial Officer	m² Square meter
CGM Community Grievance Mechanisms	m³ Cubic meter
CH₄ Metan	M&I Monitoring and Intervention
CHD Centralized Hydrocarbon Dewpoint	mn million
CHP Cogeneration or Combined Heat & Power	MOBEE Mobile Earthquake Exhibition
CO₂ Carbon Dioxide	MPF Ministry of Public Finance
CO₂ eq Carbon dioxide equivalent	MW Megawatt
CR&CD Community Relations & Community Development	MWh Megawatt hour
DEVG Direct Economic Value Generated	NEO New Employee Orientation Program
DPA Data Processing Agreement	NGL Natural Gas Liquids
DPIA Data Processing Impact Assessments	NGO Non-governmental organization
EGN European Green Deal	NM-VOC Non-Methane Volatile
EMA Environmental Management Accounting	N₂O Nitrous oxide
EPG Energy Policy Group	NO_x Nitrogen oxide
EPSC European Process Safety Center	NADF Non-aqueous Drilling Fluids
ESG Environmental, Social and Governance	OIA Operational Integrity Assessments
EU European Union	OPEX Operating expenses
EVD Economic Value Distributed	OSPAs Outstanding Security Performance Awards
EWRM Enterprise Wide Risk Management	PJ Petajoule
FIC Foreign Investors Council	PM Particulate Matter
GDPR General Data Protection Regulation	ppm parts per million
G2P Gas to Power	PSIM Physical Systems Information Management
GHG Greenhouse Gas	REACH Registration, Evaluation, Authorisation and Restriction of Chemicals
GHG Scope 1 Direct emissions from operations that are owned or controlled by the organization	SDGs Sustainable Development Goals
GHG Scope 2 Energy indirect emissions resulted from the generation of purchased or acquired electricity, heating, cooling or steam	S-E Europe Southeast Europe
GJ Gigajoule	S&R Security and Resilience
GRI Global Reporting Initiative	SO₂ Sulfur dioxide
Ha hectar	SOC Security Operations Centre
HAZOP Hazard Operability	SRA Security Risk Assessment
H₂S Hydrogen sulfide	t Tonnes
HSSE Health, Safety, Security, and Environment	toe Tonne of oil equivalent
HVAC Heating, ventilation, and air conditioning	TRIR Total recordable injury rate
ICPT Câmpina Institute of Research and Technological Design Câmpina	TWh Terawatt hour
IDW Institut der Wirtschaftsprüfer	UCO Used Cooking Oil
IFAC International Federation Accountants	UN United Nations
ILC Individual Labor Contract	UNGP United Nations Guiding Principles
IOGP International Association of Oil and	VET Vocational Educational Training
	TVET Technical and Vocational Education Training
	VOC volatile organic compounds
	VO&UCO Vegetable Oil & Used Cooking Oil

Material topic boundaries

Material Topic	GRI Indicators	Impact along OMV Petrom Value Chain		Stakeholders
		Inside OMV Petrom	Outside OMV Petrom	
Health, Safety, Security and Environment				
Health, Safety and Security	103-1,103-2, 103-3, 403-1, 403-2, OG13	●	●	Suppliers, External Consultants, Clients, Banks, Government (technical and operational bodies), The Legislative (Parliament), Representatives of employees, Professionals' associations, Local Administrations, Other community members, National media, Associations, Foundations, Universities/Schools, Employees, Capital Markets.
Environmental compliance and environmental expenditures	103-1,103-2, 103-3, 102-15, 201-2, 102-11, 307-1	●	●	Suppliers, External Consultants, Clients, Banks, Government (technical and operational bodies), The Legislative (Parliament), Representatives of employees, Professionals' associations, Local Administrations, National media, Associations, Capital Markets.
Hydrocarbon spills	103-1,103-2, 103-3, 306-3	●	●	Suppliers, External Consultants, Banks, The Legislative (Parliament), Representatives of employees, Professionals' associations, Local Administrations, Other community members, National media, Associations, Foundations, Universities/Schools, Employees, Research institutions, Capital Markets
Water Management	103-1,103-2, 103-3, 303-1, 303-2, 306-1	●	●	Suppliers, Banks, The Legislative (Parliament), Representatives of employees, Employers' associations, Professionals' associations, Other community members, National media, Associations
Carbon Efficiency				
GHG and other emissions	103-1,103-2, 103-3, 305-4, 305-5, OG6, 305-1, 305-2, 305-7	●	●	Suppliers, Clients, Banks, Employers' associations, Professionals' associations, Professionals' associations, Local Administrations, Other community members, Local or territorial media, National media, Associations, Foundations, Employees, Capital Markets,
Energy Efficiency	103-1,103-2, 103-3, 302-1, 302-4	●	●	Banks, The Legislative (Parliament), Representatives of employees, Employers' associations, Other community members, National media, Associations,
Employees				
Employment and skill development	103-1,103-2, 103-3, 401-1, 404-2, 404-3, 405-2, 401-2, 402-1, 102-7, 102-8, 405-1, 401-3	●	●	Clients, Banks, Government (technical and operational bodies), Government (Prime Minister, PM Cabinet, Ministers and related officials), The Legislative (Parliament), Local Administrations, Other community members, Associations, Universities/Schools, Employees

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Material Topic	GRI Indicators	Impact along OMV Petrom Value Chain		Stakeholders
		Inside OMV Petrom	Outside OMV Petrom	
Business principle and social responsibilities				
Risk Management	103-1,103-2, 103-3, 201-2, 102-30, 102-15, 102-11, 102-31, 102-33	●	●	Suppliers, Banks, Government (technical and operational bodies), The Legislative (Parliament), Representatives of employees, Professionals' associations, Local Administrations, Other community members, National media, Associations, Universities/Schools, Employees, Capital Markets
Local Communities	103-1,103-2, 103-3, 413-1, 203-1, 203-2	●	●	Banks, The Presidency, Government (technical and operational bodies), Government (Prime Minister, PM Cabinet, Ministers and related officials), The Legislative (Parliament), Representatives of employees, Professionals' associations, Other community members, Local or territorial media, Associations, Foundations, Universities/Schools
Business ethics and compliance	103-1,103-2, 103-3, 102-17, 206-1, 102-16, 205-2, 102-25, 415-1, 419-1, 418-1	●	●	Suppliers, External Consultants, Clients, Banks, The Presidency, Government (technical and operational bodies), The Legislative (Parliament), Employers' associations, Professionals' associations, Local Administrations, Other community members, Local or territorial media, Associations, Foundations, Universities/Schools, Employees, Capital Markets
Product responsibility	103-1,103-2, 103-3, 417-2, 417-3, 419-1, 417-1	●	●	Clients, Banks, Government (technical and operational bodies), The Legislative (Parliament), Representatives of employees, Professionals' associations, Other community members, National media, Associations, Foundations, Universities/Schools,
Human rights	103-1,103-2, 103-3, 412-3, 412-2	●	●	Banks, The Presidency, Government (technical and operational bodies), Employers' associations, Professionals' associations, Other community members, Associations, Foundations, Research institutions
Supply chain Management	103-1,103-2, 103-3, 102-9, 204-1	●	●	Banks, The Legislative (Parliament), Professionals' associations, Other community members, Associations, Foundations, Employees
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Innovation and technologies	103-1,103-2, 103-3	●	●	Suppliers, Government (technical and operational bodies), The Legislative (Parliament), Employers' associations, Professionals' associations, Local Administrations, Other community members, Associations, Capital Markets

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ART 44 (1)	Disclosure on sustainability matters
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GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	28, 29, 122-123	ART 44 (1)	Disclosure on sustainability matters
	103-2 The management approach and its components	92, 93	ART 44 (1)(b)	Policy and Due Diligence Processes
	103-3 Evaluation of the management approach	92, 93	ART 44 (1)(c)	The Outcomes of the Policy
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	94, 95	ART 44 (1)(e)	Non-financial KPIs
Socio-Economic Compliance			Social	
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	28, 29, 122-123	ART 44 (1)	Disclosure on sustainability matters
	103-2 The management approach and its components	92, 93	ART 44 (1)(b)	Policy and Due Diligence Processes
	103-3 Evaluation of the management approach	92, 93	ART 44 (1)(c)	The Outcomes of the Policy
GRI 419: Socio-Economic compliance	419-1 Non-compliance with laws and regulations in the social and economic area	94, 95, 116	ART 44 (1)(e)	Non-financial KPIs
Asset Integrity and Process Safety			Social	
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	28, 29, 122-123	ART 44 (1)	Disclosure on sustainability matters
	103-2 The management approach and its components	34, 35	ART 44 (1)(b)	Policy and Due Diligence Processes
	103-3 Evaluation of the management approach	40, 41	ART 44 (1)(c)	The Outcomes of the Policy
GRI G4: Oil & Gas Sector Disclosures	OG13 Number of process safety events, by business activity	42, 43	ART 44 (1)(e)	Non-financial KPIs

GRI:

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