

# Sustainability Report 2020



**OMV Petrom**

The energy for a better life.

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## About this Report

The 2020 OMV Petrom Group Sustainability Report, a document published annually (the previous report was published in June 2019), presents the impacts of our activities on the economy, environment, and society and how we managed these impacts to strengthen our performance and ensure our long-term sustainable development. The information included in the report refers to the year 2020 (January 1st – December 31st), a challenging year for society and companies due to the COVID-19 pandemic.

This report has been prepared in accordance with the GRI Standards: Core option, GRI G4 Oil and Gas Sector supplement, and is fully compliant with the Romanian non-financial reporting legislation - Ministry of Public Finance (MPF) Orders No. 1938/2016 and No. 2844/2016. In the report drafting process, we also followed industry best practices: the IPIECA Sustainability Reporting Guidance for the oil and gas industry, the SASB Sustainability Accounting Standards for the oil & gas sector, and the provisions of the non-binding EU Guidelines on non-financial reporting. In 2020 OMV Petrom Group became the first Romanian company supporter of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). These recommendations are gradually being implemented and the current report reflects this progress.

The report presents our sustainability material topics resulted from the materiality analysis conducted in the second part of the year 2020 and also contains other relevant ESG (Environment, Social, and Governance) information.

For drafting the report, we considered the following principles: Stakeholder Inclusiveness – we conducted a stakeholder identification and prioritization exercise to identify the most relevant stakeholders, we implemented a consultation process with them, and we included the outcome of this process in the report; Sustainability Context – in the sections presenting the material topics, we included information describing these topics related to our Sustainability Strategy 2020-2025; Materiality – we conducted a thorough analysis at the sector level to identify the main relevant sustainability topics, we confronted these topics with internal and external experts and relevant stakeholders to determine the most significant economic, social and environmental impacts that our Company's activities have and our stakeholders' expectations related to these; Completeness – the data included in this report refers to the material topics resulted from the materiality analysis, covering the entire period of the report, and in most cases at Group level. Additionally, the report content is in line with the

accuracy, balance, clarity, comparability, reliability, and timeliness principles.

This report complements the OMV Petrom Annual Report 2020 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. The document also serves as OMV Petrom Communication on Progress for the UN Global Compact.

The Report's content has been assured through an assurance process by the Company auditor, Ernst & Young Assurance Services SRL (EY Romania) in accordance with the ISAE 3000 Standard.

The data presented in the Report is consolidated at the OMV Petrom Group level, headquartered in Bucharest, Romania. This boundary applies to all material topics unless clearly indicated otherwise for a particular material topic in the text of this Sustainability Report.

More information about OMV Petrom can be found in the OMV Petrom Annual Report 2020 and on our website:

[www.omvpetrom.com](http://www.omvpetrom.com)

**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 2020 [pg.149](#)).

## CEO Statement

**With its unprecedented challenges, 2020 was a year that exposed fragilities in the global systems and caused tremendous pain in our societies. However, 2020 was also the year when adaptability and collective efforts rose to new heights. At OMV Petrom, we delivered on our promise to provide energy, while making the safety, health and well-being of our employees and partners a top priority and helping society fight against COVID-19. I am extremely proud of the high engagement, genuine care and resilience shown by all our colleagues and partners in a year of huge disruption.**



As we have entered the second year of the pandemic, we also recognize the scale of other challenges ahead of us: in particular that of climate change. In this regard, 2020 was also the year in which OMV Petrom strengthened its position as a partner in the energy transition and advanced its carbon efficiency performance. Oil and gas are essential for our lives today and will continue to be valuable resources in the future. To meet the climate targets set by the Paris Climate Change Agreement, the industry is going through a massive transformation, and our sustainability report looks to demonstrate the progress we made and reinforces our commitments at OMV Petrom.

### **Climate change and energy transition: we are part of the solution**

The energy transition presents a set of challenges specific to each region, which we need to meet in a way that supports sustainable growth and economic prosperity. We believe the natural gas discovered in the Black Sea represents the fuel of choice to reshape Romania's and the region's energy system, providing the flexibility and security of the electricity supply with low-carbon energy solutions.

At the same time, we have continued our investments in a portfolio of projects aimed at optimizing the production of low GHG-fuels. For example, in 2020, we increased the blending capacity of bio-content in fuels produced at the Petrobrazi refinery.

Our commitment to climate change mitigation is reflected by the consistent efforts undertaken in the past decade to reduce the emissions from our operations, across all business segments. In 2020, we achieved a 26% reduction in carbon intensity (vs. 2010), which means we are ahead of progress on our target set for 2025 (-27% vs. 2010). We also halved the level of methane emissions compared to the previous year, making strong progress towards our 2030 target of zero routine flaring and venting.

Beyond our core activities, we also take an active role in raising the level of awareness and education on the energy transition topic. We all know the cleanest energy is the one that is not wasted. Thus, in 2020 we have continued our investments in the "România Eficientă" program (Efficient Romania) to promote energy efficiency measures and projects at the national level.

### Relentless focus on safety and health and genuine respect for diversity

Our foremost sustainability priority is the safety of our employees and partners, in line with our vision Zero harm-NO losses. All the efforts made in recent years to improve the Health, Safety and Security areas are showing progress: last year, we recorded the lowest LTIR (Lost-Time Injury Rate, 0.15 vs. target < 0.3) since 2004. Our focus will remain relentless.

The robust structures we have set in place enabled us to effectively respond to the COVID-19 crisis and take rapid actions to protect our employees, our customers and partners, all across the company, from production, to refinery and to retail stations. In these special circumstances, our people went to great lengths to ensure we kept our commitments towards customers and ensure business continuity.

As the pandemic forced organizations, including ours, to accelerate their digitalization agenda, we have also stepped up our efforts to equip our employees with the skills for the future. And despite the challenging conditions of 2020, we have made further progress on our Diversity & Inclusion initiatives, as we truly recognize the role that age, nationality and gender diverse groups have in challenging the status quo and creating business value. We particularly value the role that women can play in leading a resilient and cleaner energy sector. Thus, we are committed to advancing their representation in managerial positions to 30% by 2025, from a 26% level in 2020. To this end, we have implemented several programs to ensure we attract talent and inspire our colleagues to achieve their full potential.

### Acting as a responsible corporate citizen

OMV Petrom plays a vital role in the economic and social fabric of society. We have built a reputation for our responsible business practices, in line with our values and commitments to international standards and guidelines. We have zero tolerance towards any form of corruption and we expect the same from all our partners. We are constantly assessing the challenges that the communities we operate in are confronted with, from an environmental and social standpoint, and invest in their development in the long run. We took measures that help prevent land degradation and mitigate climate change effects. As one example, in 2020, we started a three-year forestation program, the largest private initiative of its

kind in Romania, aiming to plant 1.5 million trees. At the same time, we also act when and where it is needed most – and in 2020, this meant easing the burden faced by the medical system.

All these actions show our commitment and support for the principles of the United Nations Global Compact and the United Nations Sustainable Development Goals. The Sustainability Strategy 2025 is part of the company DNA, with colleagues all across our segments and

functions working together to achieve its targets. As we see an acceleration in expectations from stakeholders, we have also taken several steps to improve the level of transparency on our sustainability performance. In 2020 we became the first Romanian company to support the TCFD recommendations and we were evaluated by external rating agencies, receiving the evaluation from ISS ESG.

This year, we continue acting on the obligation to integrate sustainability at the core of our business and accelerate our transformation towards a low-carbon future. We will take further action to reduce our carbon footprint with an updated corporate strategy, which will set new targets and launch new programs to deploy new energy solutions. All while leveraging our leading position, integrated business model, existing assets and capabilities. We will use our resources to protect the environment and pay full consideration to the region's economic and social conditions. This is the prerequisite for an inclusive energy transition. This is our promise to provide the energy for a better life.

Christina Verchere  
Chief Executive Officer



Thank you for your interest in the 2020 Sustainability Report that includes the detailed description of the progress made in all the areas prioritized by our strategy and the processes and activities that contributed to our performance.

# Highlights 2020

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**Focus on natural gas**  
as the fuel of choice for the  
energy transition

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**26%**

reduction of carbon intensity  
of operations in 2020 vs. 2010

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**52%**

reduction of hydrocarbon vented  
in 2020 vs 2019 due to improved  
infrastructure

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**EUR 21 mn**

spent at Petrobrazi  
refinery in order to increase  
the bio-blending capacity

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**0**

fatalities and lowest – ever  
LTIR

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**0**

major spills

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**26%**

share of women  
at management level

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**EUR 6.3 mn**

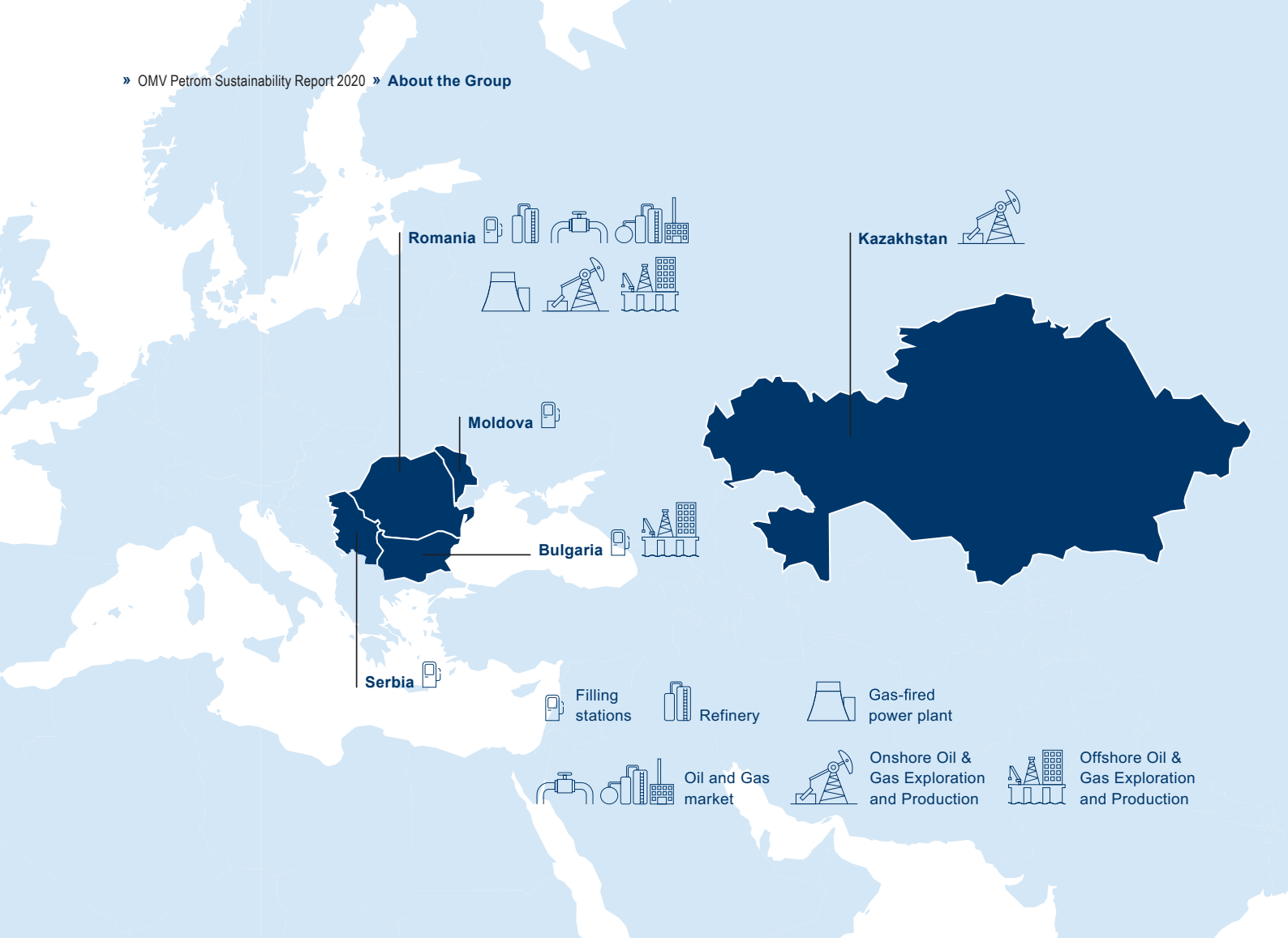
investment for communities  
development, with 140,000  
beneficiaries from social and  
environment projects

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**ISS ESG**

C+ rating, 1<sup>st</sup> decile  
rank of Oil&Gas industry

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## About the Group

OMV Petrom is the largest energy company in Southeastern Europe. The Company is active along the entire energy value chain: from exploration and production of oil and gas to refining and fuels distribution, and further on to power generation and marketing of gas and power.

Our products form the basis for a variety of plastics and high-end petrochemical products used daily by different industries and people. We are aware of our role for the communities where we operate as we are one of the largest taxpayers and private investors and one of the top ten employers in Romania, having 10,761 employees at the end of 2020. In 2020, OMV Petrom Group sales amounted to RON 19.7 bn, with a CAPEX of lei 3.2 bn. The Company is organized into three operationally integrated business segments – Upstream, Downstream Oil and Downstream Gas. OMV Petrom’s integrated business model provides financial resilience due to synergies and natural hedging against oil price volatility. In Upstream, OMV Petrom is present in Romania, Bulgaria and Kazakhstan. In Romania, we have operations in seven domestic Assets

(Asset Moesia, Asset Crişana, Asset Oltenia, Asset Muntenia, Asset Muntenia Vest, Asset Moldova and Asset Petromar), operating 193 commercial oil and gas fields. Our expertise varies from deep onshore and offshore exploration to mature fields and shallow offshore production. In 2020, our portfolio consisted of 473 mn boe proved reserves and around 53 mn boe hydrocarbon production (thereof 3.5 mn tons of crude oil and natural gas liquids and 4.2 bn cubic meters of natural gas). With regards to business strategy, our long-term growth depends on our ability to discover and commercially exploit existing and new reserves to leverage the role of natural gas in the energy transition, while preparing and transforming our business towards a low-carbon future. Thus, in 2020, we concluded a few international transactions. For example, we completed

the acquisition of OMV Offshore Bulgaria GmbH, following the Han-Asparuh extension of the exploration license in the offshore block in Bulgaria. OMV Petrom's share in the block is now 42.9%, alongside Total, with 57.1%, as operator. In the Eastern Black Sea, following the successful bidding procedure, we signed a Production Sharing Contract (PSC) for Georgia Offshore Exploration Block II, in March 2021. At the end of last year, OMV Petrom signed the transaction for the sale of its 100% shareholding in Kom-Munai LLP and Tasbulat Oil Corporation in Kazakhstan. Closing of the transaction is subject to certain conditions precedent, including approval by the Kazakh Ministry of Energy, and is expected in the first half of 2021.

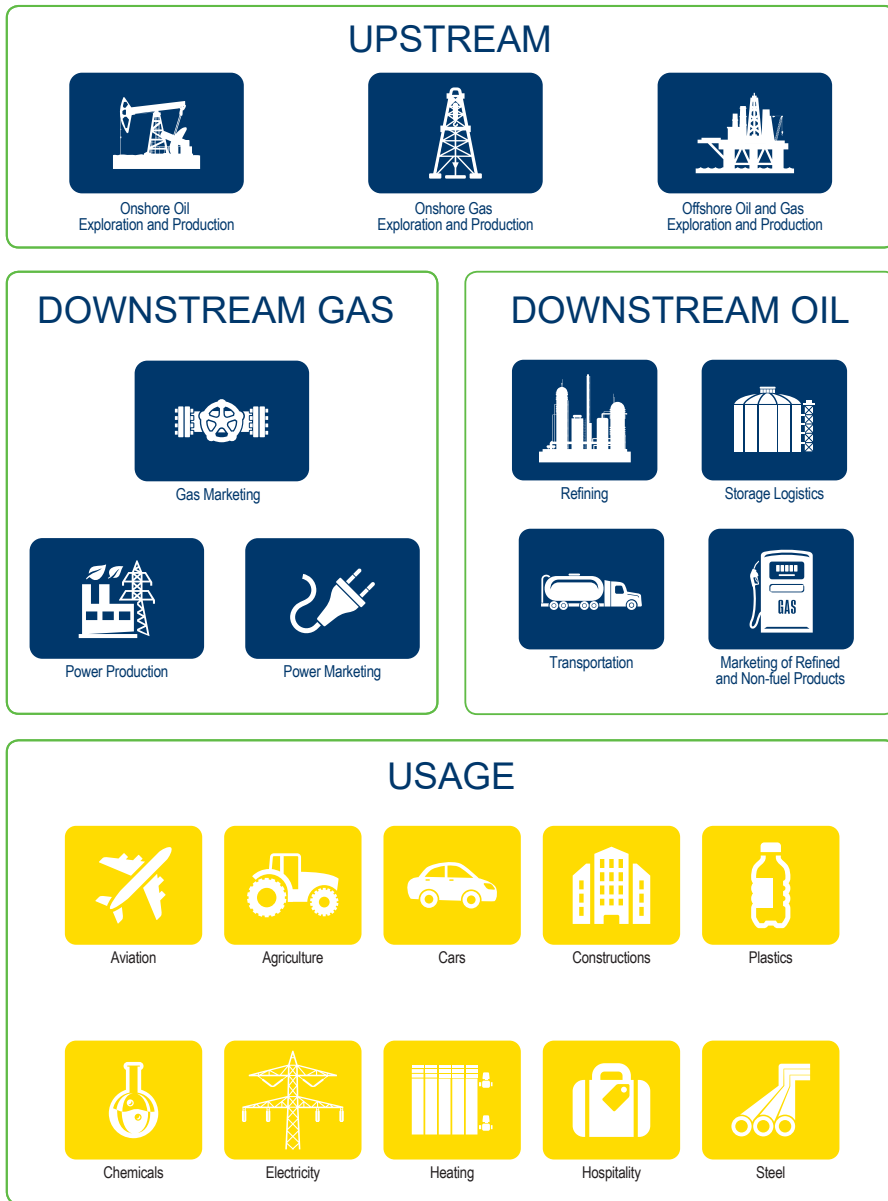
In Downstream Oil, we operate the Petrobrazi refinery, located in Prahova county, which has a capacity of 4.5 mn tons per year and can process OMV Petrom's entire Romanian equity crude oil. We are present in the oil products retail market through 793 filling stations located in Romania, Moldova, Bulgaria,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

In 2020, the Downstream Oil segment recorded 4.99 mn tons of refined product sales, of which 2.62 mn tons were retail sales.

In Downstream Gas, we are engaged in electricity production and gas and power sales. We operate the Brazi gas-fired power plant, which has a capacity of 860 MW. The Combined Cycle Power Plant Brazi is located in the same area as the Petrobrazi refinery. In 2020, the Downstream Gas segment recorded gas sales volumes of 57 TWh (thereof 47.75 TWh to third parties) and generated 4.27 TWh of electricity. The power business had an excellent contribution, while our gas portfolio showed good resilience in a declining year-on-year gas price environment. Every day, millions of people and thousands of businesses in Romania and in the

region use our energy. OMV Petrom's fuels and energy products enable mobility, provide heat for living and working, and form the basis for a variety of plastics and high-end petrochemical products used daily.

In 2020, during the pandemic crisis, we introduced swift measures to ensure an uninterrupted supply of energy to society, to protect the health and safety of our employees and customers and to safeguard the strength of our business.







## Corporate Governance

OMV Petrom has always conferred great importance to the principles of good corporate governance. Corporate governance represents a key element for the sustainable growth of the business and the enhancement of long-term value for shareholders.

### Shareholder 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 holds 20.64% of OMV Petrom shares, Fondul Proprietatea S.A. holds 6.99%, while 21.35% 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 main market of the London Stock Exchange. More information in relation to its shareholding can be found in OMV Petrom Annual Report 2020 [pg.12](#).

OMV Petrom is managed in a two-tier system, consisting of a Supervisory Board and an Executive Board. This

system 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 4th, 2016.

### Supervisory Board

The Supervisory Board is appointed for a 4-year mandate by the General Meeting of Shareholders and consists of nine non-executive members whose current mandate runs until April 2021. The President of the Supervisory Board is appointed by decision of the Supervisory Board amongst its members. The Supervisory Board monitors,

supervises and controls the activity of the Executive Board. Yearly and at least on the occasion of each (re)appointment of the Supervisory Board members, we conduct an evaluation of their independence based on the criteria provided by the Corporate Governance Code, consisting of a personal assessment done by the relevant Supervisory Board member, followed by an external assessment. Following this evaluation, it resulted that, during 2020, three Supervisory Board members met all independence criteria provided 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 Guideline, with the aim of assessing and, if necessary, improving the efficiency and the effectiveness of the Supervisory Board's activity as well as to ensure that the Supervisory Board can fulfil its responsibilities towards shareholders and other stakeholders.

In 2020, the Supervisory Board considered its composition to be satisfactory in terms of experience, expertise, qualification, diversity, number of members, and presence. 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. During an year governed by the COVID-19 pandemic situation, the Supervisory Board members did not meet in person, all five meetings being held by audio and video conferences.

The Supervisory Board has established two committees from among its members, namely the Audit Committee and the Presidential and Nomination Committee. The Audit Committee assists the Supervisory Board on topics such as financial reporting, external auditing, internal auditing, internal controls and risk management, as well as compliance, conduct and conflicts of interest. The Presidential and Nomination Committee's main role is to be involved in the Executive Board's succession planning, having full responsibility for the selection process of candidates for appointment in the Executive Board and making recommendations concerning the proposal of candidates for appointment in the Supervisory Board. At the same time, the Presidential and Nomination Committee deals with Executive Board remuneration and the content of the mandate contracts of the Executive Board members.

### **Remuneration Policy**

OMV Petrom implemented a new Remuneration Policy for the Executive Board and Supervisory Board of the Company, applicable starting 2021 financial year. The

Remuneration Policy is aligned with OMV Petrom's long-term strategy, current market practice, as well as OMV Petrom's shareholders' views and interests. It follows OMV Petrom's core principle of pay for performance.

### **Sustainability Component of the Remuneration Policy**

The Executive Board remuneration consists of fixed and variable compensation elements. The variable remuneration Long-Term Incentive Plan (LTIP) and annual bonus includes criteria directly related to the Company's sustainability performance (total recordable incident rate, carbon reduction goals, other HSSE KPIs, etc). This reflects our commitment to focus on the Environmental and Social priorities that are relevant for our industry, our company and our shareholders. For more information on our Remuneration Policy, please see our website and OMV Petrom Annual Report 2020 [pg.61](#).

### **The Executive Board**

The Executive Board is appointed for a 4-year mandate by the Supervisory Board and consists of five members whose current mandate runs until April 2023. The Executive Board establishes the strategy and policies regarding the development of the Company, manages the daily activities and operations of the Company and 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 2020, a year governed by the COVID-19 pandemic constrains, the Executive Board met 50 times either in person or by video conference and passed resolutions by circulation on eight other occasions to approve all matters requiring its approval in accordance with the Articles of Association and the Company's internal regulations.

Sustainability-related topics, including issues relating to the key material aspects (HSSE, climate change, business ethics), are subjects to discussions in the Executive Board meetings and are integrated into the Company's daily activities and management processes. The Executive Board approves the Sustainability Strategy of the Group and the necessary revisions, and the annual Sustainability Report. The Executive Board is periodically informed on the progress in the Sustainability Strategy implementation and other topics related to sustainability activities by the responsible persons.

More information about our corporate governance system, including details in terms of composition, independence, and works of governance bodies and committees established by the Supervisory Board, can be found in the OMV Petrom Annual Report 2020 at [pg.53-60](#).

# Sustainability at OMV Petrom

OMV Petrom aims to provide a secure supply of affordable energy for the sustainable development of society and the economy, while respecting the environment. OMV Petrom has a long tradition of sustainable and responsible behavior in delivering energy with the purpose of improving people’s lives.

## How we manage sustainability

Being the largest energy company in Southeastern Europe, OMV Petrom faces major challenges – from energy affordability, climate change, presence in communities and responsible products’ provision for our consumers. The Green Deal, the most ambitious plan established by the European Union to fight climate change, comes with both challenges and opportunities. As an energy company, we aim to be part of the solution, enabling the transition towards a low-carbon economy. We believe gas is one of the answers to this challenge.

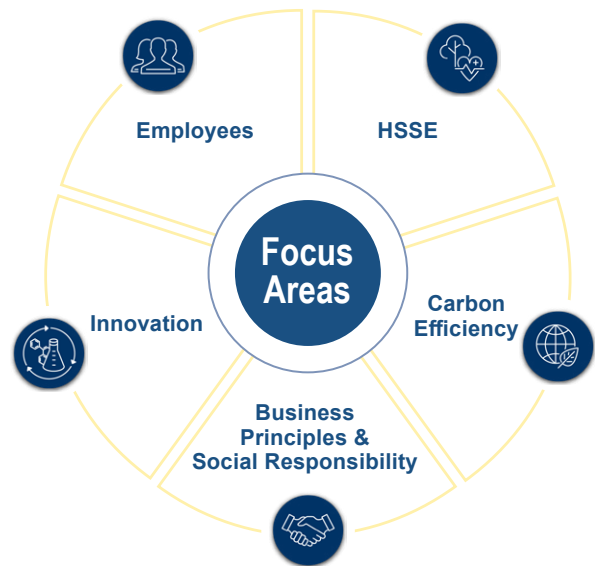
Conducting business sustainably is crucial for OMV Petrom in creating and protecting value in the long term, building trusting partnerships, and attracting customers as well as the best suppliers, investors, and employees. The Sustainability Strategy 2025 is an integral part of the business strategy and represents the sustainable component of OMV Petrom’s ambitions. The Sustainability Strategy defines objectives and targets, embedded into the business strategy of OMV Petrom, in five focus areas: Health, Safety, Security, and Environment (HSSE); Carbon Efficiency; Innovation; Employees; Business Principles and Social Responsibility.

Our strategy includes 15 targets that are aligned with the production, sales, and product portfolio plans set by the business strategy and are developed to provide a secure and sustainable supply of affordable energy to society.

## Climate Change Aspects

OMV Petrom clearly recognizes that climate change is one of the most important global challenges today and fully supports the goals set forth by the UN Paris Climate Change Agreement and the EU 2030 climate targets. OMV Petrom takes climate action in its operations, product and service portfolio, innovations and R&D activities, and social investments.

OMV Petrom’s commitment to climate change mitigation and responsible resource management is reflected by the public endorsements, as well as by the targets set in the Sustainability Strategy 2025 to reduce emissions in its operations. We focus on the role of natural gas as a transition fuel and solution to meet the EU 2030



Climate targets, and a lever to reduce the CO<sub>2</sub> emissions of our portfolio.

To address future climate-change challenges, we have set up a distinct team in the Strategy and Corporate Development department, which reports directly to the CEO. The “New Energy Solutions” (NES) team will develop and align views on new energy solutions, on aspects related to climate change and energy transition, on initiatives and partnerships that OMV Petrom will pursue in order to mitigate climate change risk.

In order to ensure Executive Board’s oversight of climate-related risks and opportunities, two Task Forces were set up to regularly provide an overview on energy transition and climate change, namely New Energy Solution Task Force and Environment Task Force. They convene (at least) four times per year and have as permanent members all EB members.

Climate action will be a key aspect of the strategy update in 2021, with new targets to be set to address our carbon footprint.

The topic is further detailed in the dedicated chapter, as material aspect – Climate Change and Energy Transition ([pag.70](#)).

# Sustainability Strategy Targets 2025



## Focus area and material topics: Health, Safety, Security and Environment (HSSE)

### Commitments

- ▶ Health, safety, security, and protection of the environment have the highest priority in all activities.
- ▶ Proactive risk management is essential for realizing OMV Petrom's HSSE Vision of "ZERO harm – NO losses."

### Targets 2025

- ▶ **Fatalities:** Achieve zero work-related fatalities.
- ▶ **LTIR:** Stabilize Lost-Time Injury Rate<sup>[1]</sup> at below 0.30 (per 1 million hours worked).
- ▶ **Process Safety:** Keep leading position in Process Safety Event Rate<sup>[2]</sup> (2017:0.18).

### Status 2020

- ▶ 0 work-related fatalities
- ▶ 0.15 (per 1 million hours worked)
- ▶ 0.11 Leading position maintained

### SDG supported through 2020 projects



Target 3.3  
Target 3.4  
Target 3.6  
Target 3.8  
Target 3.9  
Target 3d



Target 6.3  
Target 6.4



Target 8.8



Target 12.4  
Target 12.5

<sup>[1]</sup> Lost-Time Injury Rate (employees and contractors). The number of lost time injuries (fatalities and lost workday injuries) per one million hours worked.

<sup>[2]</sup> The Process Safety Event Rate is defined as (T1+T2) / Workhours business units \* 1,000,000 (employees and contractors). This definition excludes work hours from the corporate functions general management and finance.



**Focus area and material topics: Carbon Efficiency /**  
Climate Change and Energy Transition / Customer and Product Responsibility

**Commitments**

- ▶ 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.

**Targets 2025**

- ▶ Reduce OMV Petrom’s carbon intensity of operations by 27% until 2025 (vs. 2010).
- ▶ No new projects with routine flaring and venting practice and phase out existing routine flaring and venting latest until 2030.

**Status 2020**

- ▶ 26% vs. 2010 achieved.
- ▶ Continue implementing projects to phase out routine flaring and venting by 2030.

**SDG supported through 2020 projects**



Target 3.7  
Target 3.9



Target 12.2  
Target 12.4



Target 13.1

<sup>[3]</sup> CO<sub>2</sub> equivalent emissions produced to generate a certain business output using the following business-specific metric (Upstream: t CO<sub>2</sub> equivalent/toe produced, Refinery: t CO<sub>2</sub> equivalent / t throughput, Power: t CO<sub>2</sub> equivalent/MWh produced) consolidated to a OMV Petrom Group Carbon Intensity Operations Index based on weighted average of business segments carbon intensity. Starting from 2020, Refinery’s Carbon Intensity is defined as t CO<sub>2</sub>/t throughput [Crude Input + semi-finished products imports without direct blending components].



**Focus area and material topics: Innovation /**  
Circular economy and Innovation

**Commitments**

- ▶ 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.
- ▶ Innovation is supported by investment and partnerships in research and development.

**Targets 2025**

- ▶ OMV Petrom aims to co-process up to 90,000 tons of biogenic feedstock per year in the Petrobrazi refinery by 2025.
- ▶ Implement Advanced Recovery pilots in OMV Petrom Upstream to increase the recovery factor of our oil fields and asses upon full-field implementation.

**Status 2020**

- ▶ Process studies finalized and start process design work for co-processing at the Petrobrazi refinery.
- ▶ Pilot and Extension successfully done in Independența project.
- ▶ Started execution for a similar project in Vata field.

**SDG supported through 2020 projects**



Target 3.9



Target 9.4



Target 12.5



**Focus area and material topics:  
Employees**

**Commitments**

- ▶ 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.

**Targets 2025**

- ▶ **Gender diversity:**  
Increase share of women at management level<sup>[4]</sup> to 30% by 2025.  
Increase the next generation of talents through Fresh Graduate employees.  
Measure and increase the engagement level of our employees.

**Status 2020**

- ▶ 25.56% women at management level in 2020.
- ▶ 20 fresh graduates were hired in OMV Petrom.
- ▶ Employee promoter score 8.71 for 2020 survey.

**SDG supported through 2020 projects**



Target 3.2



Target 4.4  
Target 4.5



Target 5.1  
Target 5.5



Target 8.5  
Target 8.6  
Target 8.8



Target 10.2  
Target 10.3

<sup>[4]</sup> Management level: executives and advanced career level.



**Focus area and material topics: Business Principles & Social Responsibility /**  
Community relations and human rights / Business ethics / Supply chain

**Commitments**

- ▶ OMV Petrom strives to uphold equally high ethical standards at all locations.
- ▶ OMV Petrom is a signatory to the United Nations (UN) Global Compact, is fully committed to the UN Guiding Principles on Business and Human Rights, and aims to contribute to the UN's 2030 Agenda for Sustainable Development.

**Targets 2025**

- ▶ **Business Ethics:**  
Raise Business Ethics awareness for all OMV Petrom employees through trainings and compliance communication programs.
- ▶ **Local communities:**  
Assess Community Grievance Mechanisms of all sites against UN Effectiveness Criteria by 2025<sup>[5]</sup>.  
Maintain social license to operate through yearly Community Relations and Community Development strategies, plans and budgets, based on Social Impact Needs and Risks Assessment in OMV Petrom operations.
- ▶ **Human Rights:**  
Conduct human rights trainings for all employees exposed to human rights risks by 2025.
- ▶ **Supply Chain:**  
> 20 supplier audits, covering sustainability topics by 2025<sup>[6]</sup>.

**Status 2020**

- ▶ Business ethics trainings were conducted with around 2,800 employees.
- ▶ 3 out of 8 sites in scope assessed.
- ▶ Over 60 projects implemented covering more than 65 local communities from all our sites; more than EUR 6.3 mn spent for social and environmental projects.
- ▶ 1,197 employees trained (11% of total employees) in 2020; 26% of target group trained.
- ▶ 12 supplier audits conducted.

**SDG supported through 2020 projects**



Target 1.2



Target 3.7  
Target 3.8



Target 4.7



Target 5.2  
Target 5.4



Target 8.5  
Target 8.6  
Target 8.7  
Target 8.8



Target 10.3



Target 13.1  
Target 13.2  
Target 13.3



Target 16.1  
Target 16.3  
Target 16.5

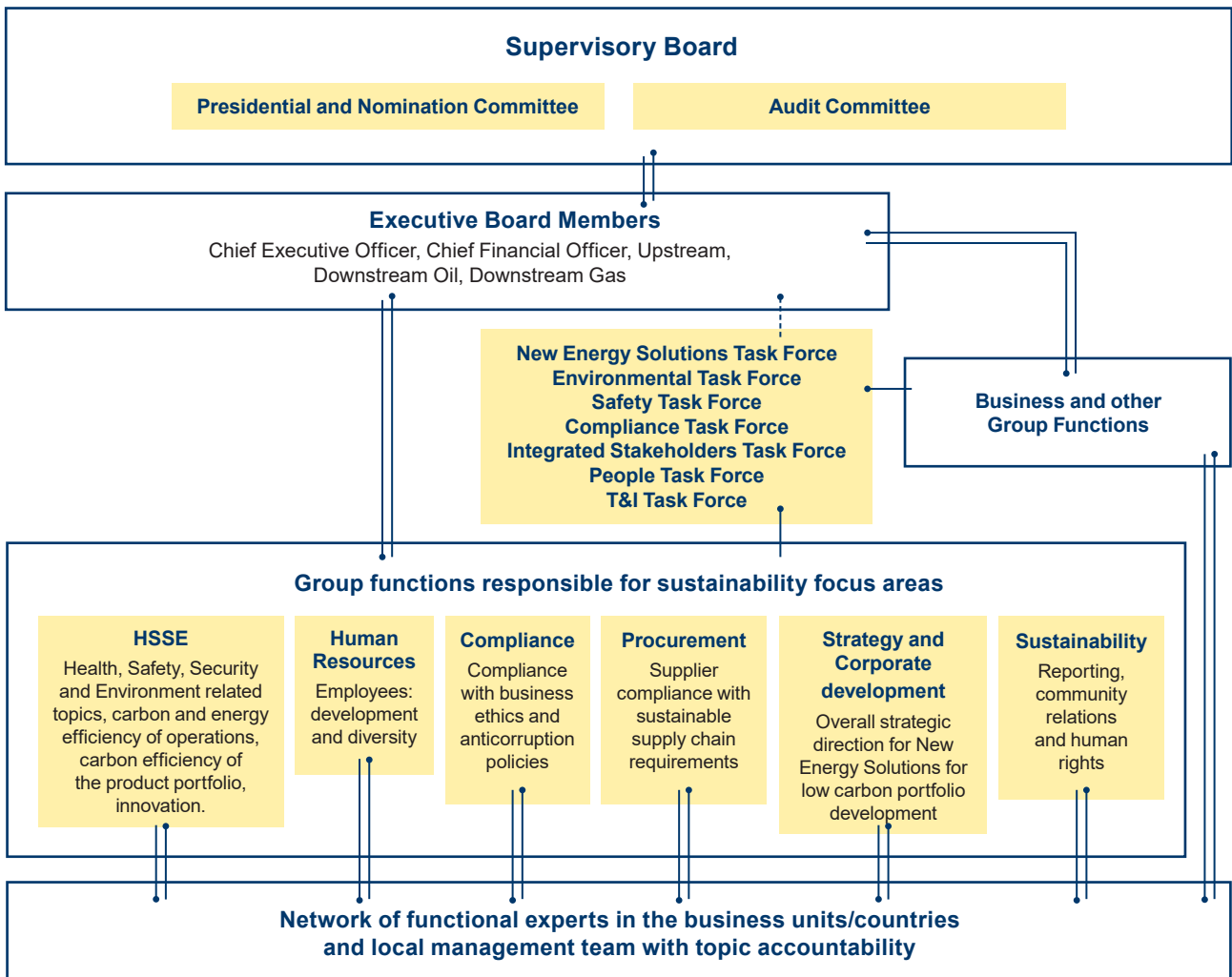
<sup>[5]</sup> Legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, based on engagement and dialogue.

<sup>[6]</sup> Suppliers in scope for this target are active suppliers (at least one purchase order in the past year) who meet certain criteria such as procurement spend and strategic fit.



# Sustainability Governance

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



According to internal regulations, the accountability for the OMV Petrom Sustainability Strategy and targets lies with the Executive Board. For the implementation of the OMV Petrom Sustainability Strategy 2025, responsible persons were nominated to ensure the realization of all projects and initiatives corresponding to the KPIs established within the Strategy. OMV Petrom’s experts in sustainability issues constantly monitor the progress on the implementation of the planned social and environmental topics, having in their tasks the sustainability reporting to rating agencies, investors’ reviews quarterly reporting to line managers.

Each Department’s expert reports on the relevant ESG issues, including climate change, directly to their line managers, 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 related to the material topics, submitting for approval the sustainability initiatives and related reports.

At the 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. The department has steered and monitored the process of defining OMV Petrom's Sustainability Strategy 2025 objectives and targets and coordinates its implementation. It is also responsible for all social corporate awareness campaigns, and for communicating to all stakeholders, how important it is to integrate sustainability in business activity.

### Our public commitments

OMV Petrom is a signatory to the United Nations (UN) Global Compact since 2013 and is fully committed to the UN Guiding Principles on Business and Human Rights.

OMV Petrom recognizes that the UN Sustainable Development Goals (SDGs) initiative addresses the world's most pressing issues. Measuring and revealing the impact of our activities on the SDGs helps us prove our involvement with stakeholders in making the best decisions and strengthening our responsibility and involvement in society. 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 objectives 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 at the latest.

In July 2020, OMV Petrom became the first Romanian company to support the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This voluntary engagement demonstrates our commitment to giving more visibility to our climate-related initiatives, evaluating, disclosing and taking action on climate-related risks and opportunities. In line with these recommendations, we disclose, where possible, in this report, climate change-related considerations in the operational elements of governance, strategy, risk management, and metrics and targets. The TCFD Index is set as an annex to this report.

To further increase transparency towards the investors' community and reflect our commitment to sustainability, in 2020 we have been evaluated by ISS ESG, from which we obtained a score of C+ and by CDP, from which we obtained a score of A- (based on OMV Group's response). We will continue to increase our disclosure on ESG topics and aim to improve our sustainability performance.



### 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. Thus, we constantly ensure an active dialogue with all our stakeholders to establish win-win relationships, develop yearly social assessments, and make a conscious effort to comply with international sustainability frameworks, guidelines, and standards.

OMV Petrom cooperates with the main professional associations in the energy and oil industry and with other economic actors in the field. Together with these organizations, we provide professional support to state institutions, ministries, and energy agencies on climate change and environmental issues, harmonize legislation with EU requirements and promote sustainable principles

in line with the SDGs. To fulfill our commitment and social responsibilities, we have increased the dialogue and support we offer to the local communities where we operate. Our stakeholder engagement activities take various forms, including active participation at forums, conferences with key stakeholders, expert committees and discussions, working groups, and organizing common projects discussions (partnerships). We also engage frequently with investors on ESG issues via one-to-one conversations, participations at external events and group meetings.

**Dialogue with shareholders**

OMV Petrom management is aware of its fundamental duty to represent and promote shareholder interests and recognizes its accountability for the Company's performance and activities. During 2020, the Company's top management and the Investor Relations (IR) team had an active presence on the local and foreign capital markets, by attending conferences and organizing calls for analysts and investors. In the context of the pandemic, the interactions took place mostly online, including for the Annual General Meeting of Shareholders, as there were no shareholders attending in person the meeting. In 2020, we attended 12 conferences and we virtually met around 90 investment funds from all over the world.

Such interactions provided the opportunity to regularly update investors and analysts on the Company's response to the COVID-19 crisis and oil price volatility, as well as on the quarterly operational, financial performance and strategy execution. During 2020, the number of interactions with a focus on ESG (Environmental, Social and Governance) topics increased. More specifically, we received questions about the European Green Deal's impact on our sustainability strategy and capital expenditure plans.

**Dialogue with Trade Unions**

Mutual respect of dialogue partners, good faith, and transparency shown in the relationship Employer-Trade Unions, combined with effective communication, were the main levers for maintaining the Company's social equilibrium during 2020. We respect the freedom of association and collective employee representation. We make every effort to work constructively with employee representatives to achieve mutually satisfactory solutions and communicate to our employees all aspects of collective bargaining agreements by our internal network and direct mailing. Having the employees as the core of our

activities, we place high on the agenda the dialogue with the Trade Unions, focusing our efforts to identify the optimal solutions for both the employees and the Company, reflecting the challenges of the year. Because of the pandemic, we had to take maximum safety measures to protect our employees, adding new digital tools to maintain contact with them and obtain feedback in real-time.

Since the start of the pandemic crisis, we have been engaged in dialogue with Trade Unions to find common responses to the new challenges that the business environment and employees' life are facing.

We found solutions to protect the employees' health and ensure business continuity. Isolation measures in critical facilities and extended shifts are only a few examples of the measures we have implemented during this difficult period. In the measures that we take with effects over the employees, we continuously inform and consult Trade Unions.

**Stakeholders' identification and prioritization**

Considering the importance of responding adequately to our stakeholders' needs, at the end of 2020, we revised the process to identify and prioritize our stakeholders. Thus, we have involved in this process representatives from all our business units to classify our stakeholders in categories and sub-categories and prioritize them. The result of this process was included in the revised Stakeholder Map that is presented below.



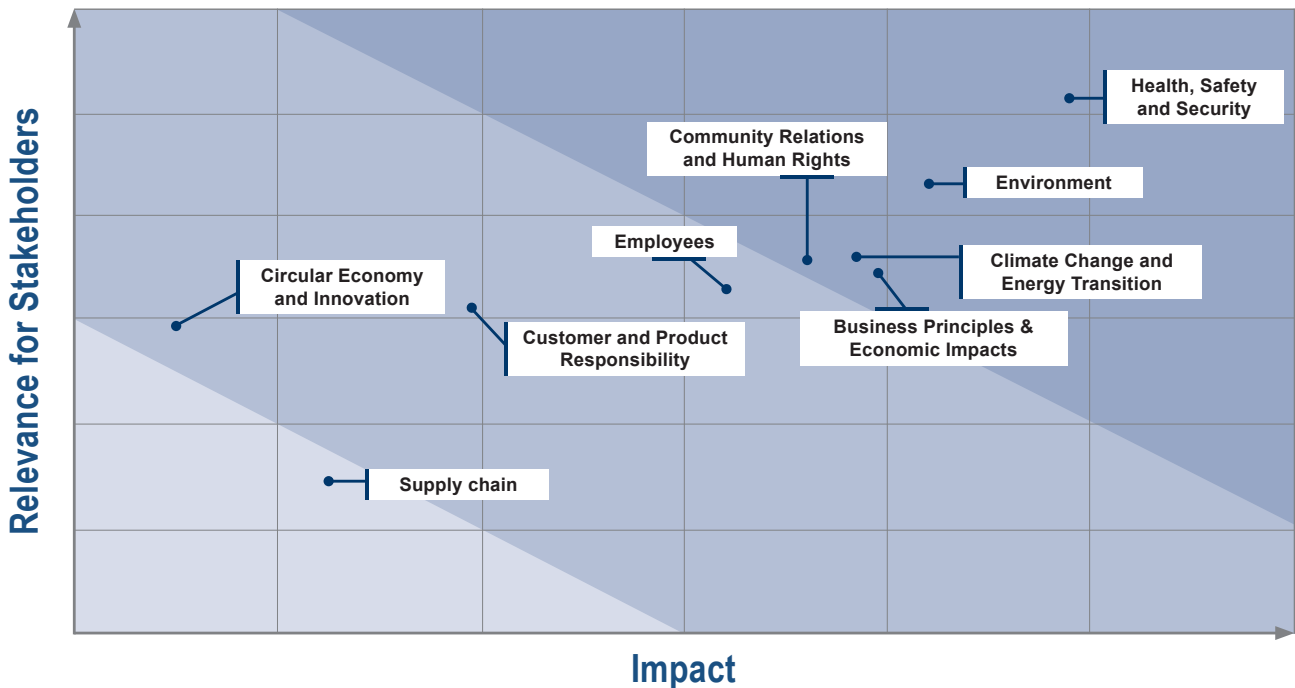
Stakeholder groups	Examples of engagement
Suppliers & Contractors	<ul style="list-style-type: none"> <li>▶ Negotiations and contracts</li> <li>▶ Supplier audits and assessments</li> <li>▶ Supplier meetings</li> <li>▶ Reporting related to common projects</li> </ul>
Employees	<ul style="list-style-type: none"> <li>▶ Update events with Executive Board members</li> <li>▶ Online company platform (Intranet)</li> <li>▶ Internal newsletter</li> <li>▶ Internal blog</li> <li>▶ Survey</li> </ul>
Local community	<ul style="list-style-type: none"> <li>▶ Sustainability projects</li> <li>▶ Sponsorships and donations</li> <li>▶ Grievance mechanisms</li> <li>▶ Meetings for business projects</li> <li>▶ Public Debates</li> <li>▶ Town hall events</li> </ul>
Government / Central Authorities	<ul style="list-style-type: none"> <li>▶ Participation to meetings</li> <li>▶ Relationship management</li> <li>▶ Regular reporting (as required by legislation)</li> </ul>
Media	<ul style="list-style-type: none"> <li>▶ Press releases</li> <li>▶ Conferences/Events</li> <li>▶ Interviews</li> <li>▶ Workshops</li> </ul>
Associations / Networks	<ul style="list-style-type: none"> <li>▶ Meetings/ Debates</li> <li>▶ Workshops/Conferences</li> </ul>
Capital Market Participants	<ul style="list-style-type: none"> <li>▶ Regular reports and presentations</li> <li>▶ Roadshows</li> <li>▶ General Meetings of Shareholders</li> <li>▶ Conferences</li> </ul>
Education, science and research organizations	<ul style="list-style-type: none"> <li>▶ Joint projects with industry partners, scientific organizations, schools and universities</li> <li>▶ Conferences and lectures</li> <li>▶ Sustainability projects</li> <li>▶ Employer branding activities</li> </ul>
Customers	<ul style="list-style-type: none"> <li>▶ Advertising/ communication campaigns</li> <li>▶ Events</li> <li>▶ Engagement activities within the filling stations</li> <li>▶ Newsletters</li> </ul>
NGOs / NPOs	<ul style="list-style-type: none"> <li>▶ Social projects</li> <li>▶ Sponsorships and donations</li> <li>▶ Stakeholder dialogue and grievance mechanisms</li> </ul>
Competitors & Peers	<ul style="list-style-type: none"> <li>▶ Industry meetings</li> <li>▶ Contracts</li> <li>▶ Participation in working groups</li> </ul>
Joint Venture & other Business Partners	<ul style="list-style-type: none"> <li>▶ Industry meetings</li> <li>▶ Contracts</li> <li>▶ Participation in working groups</li> </ul>

**Reporting on materiality**

As we update every three years our materiality analysis, in the second part of 2020, we implemented an analysis and consultation process to determine our new sustainability priorities. Thus, we started with identifying potentially relevant topics by performing a thorough desk analysis based on industry trends, on Company’s annual sustainability and financial reports, on specific sustainability standards and frameworks (Global Reporting Initiative, Sustainability Accounting Standards Board, IPECA), peers’ sustainability reports and other relevant sources (e.g., investors requirements, rating agencies questionnaires). For each topic, we identified the potential impacts the Company can have on society and the environment and the impacts the sustainability

topics could have on the Company’s activities. From this analysis, we obtained a number of 27 potentially relevant categories of topics which were afterward streamed down to a list of 11 relevant sustainability topic categories, containing 56 topics that are relevant for OMV Petrom. To determine the material sustainability topic category, we ran a consultation process that involved more than 600 internal and external stakeholders. All of the identified categories were considered material. The sustainability topics were then grouped into 9 categories, containing 27 topics to facilitate the reporting process and harmonization with the material topics identified at the OMV Group level and included in the 2020 OMV Petrom Materiality Matrix approved by the Executive Board at the end of the year.

**Materiality Matrix 2020**



Material topic categories resulted	Underlying topics
<b>Health, Safety and Security</b>	<ul style="list-style-type: none"> <li>▶ Health, Safety and Security engagement</li> <li>▶ Occupational Health and Safety for employees</li> <li>▶ Asset integrity and process safety</li> </ul>
<b>Community Relations and Human Rights</b>	<ul style="list-style-type: none"> <li>▶ Environmental, Health and Well-being impact (pollution, odour, noise, water use, land use, compensation, decommissioning, etc.)</li> <li>▶ Community development investments</li> </ul>
<b>Customer and Product Responsibility</b>	<ul style="list-style-type: none"> <li>▶ Extension to new energy solutions</li> <li>▶ Customer satisfaction management</li> <li>▶ Existence of low carbon products</li> <li>▶ Reducing the risks for the Health and Safety of consumers and the environment</li> </ul>

<b>Environment</b>	<ul style="list-style-type: none"> <li>▶ Spills management</li> <li>▶ Waste management</li> <li>▶ Water management</li> <li>▶ Environmental compliance</li> </ul>
<b>Business Principles and Economic Impacts</b>	<ul style="list-style-type: none"> <li>▶ Business ethics, anti-corruption and anti-competitive behaviour</li> <li>▶ Indirect economic impacts through local economic development</li> </ul>
<b>Circular Economy and Innovation</b>	<ul style="list-style-type: none"> <li>▶ Research and development activities</li> <li>▶ Technology development for decarbonisation, including circular economy technologies</li> <li>▶ Reduction of fossil resources and substitution through renewable or recycled materials in production</li> <li>▶ Development of cutting-edge technological competencies and Digitization</li> </ul>
<b>Climate Change and Energy Transition</b>	<ul style="list-style-type: none"> <li>▶ Use of renewable energy</li> <li>▶ Reduction of flaring, venting and fugitive emissions</li> <li>▶ Climate change (governance, strategy, objectives, risks and opportunities)</li> <li>▶ Efficient use of energy in operations</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>▶ Skills development and training</li> <li>▶ Talent attraction and retention</li> <li>▶ Diversity, inclusion and non-discrimination</li> </ul>
<b>Supply Chain</b>	<ul style="list-style-type: none"> <li>▶ Business ethics of suppliers</li> </ul>

Compared to the previous Materiality Matrix, two new topics resulted as material in 2020, as follows: “Climate Change and Energy Transition” and “Circular Economy.” “Health, Safety, and Security” resulted as being the most material category, followed by “Environment” and “Climate Change and Energy Transition”. The “Local Communities” topic, which was ranked first place in the 2017 Materiality Matrix,

received in 2020 a lower scoring, being ranked fourth in importance, and grouped with “Human Rights”, in a new category “Community Relations and Human Rights.”

Yearly, we will continue to monitor internal and external factors that can influence our sustainability priorities and update our sustainability matrix results if necessary.

## Mapping our Sustainability Risks

### Risk management

Same as the oil and gas industry as a whole, OMV Petrom is exposed to a variety of risks – including market and financial risks as well as operational and strategic risks. The OMV Petrom Group’s risk management processes focus on the identification, analysis, and evaluation of such risks and their impact on the Group’s financial stability and profitability as well as on their impact on sustainability matters.

For OMV Petrom, a risk represents the uncertainty on objectives measured by the combination of

the likelihood or frequency of an event and its consequences, which can result in opportunities (upside) or threats (downside). We have summarized the potential risks, mitigation measures, and net risks of OMV Petrom activities, structured by our material topics in the table below. Materiality in this context is defined as issues having a potential impact on the environment or society. Relevant risks reported were selected based on their magnitude using impact and probability, and at least one relevant example for each material topic was selected.

Risk description	Mitigation activities	Effects
<b>Material Topic: Climate change and Energy Transition</b>		
<ul style="list-style-type: none"> <li>▶ Failure to comply with existing and upcoming GHG-related legislation can impact costs and reputation.</li> <li>▶ Reputational harm can also be caused by failure to deliver against the GHG reduction commitments publicly made.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Acting according to Procedures on GHG Emissions Monitoring and Reporting under EU Emission Trading Scheme (EU-ETS).</li> <li>▶ Internal Audits are undertaken annually for each ETS plant.</li> <li>▶ Carbon Intensity is monitored at the OMV Petrom level on a systematic basis with quarterly internal reporting on emissions.</li> <li>▶ Carbon Management Program adopted in Upstream.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The impact on the environment or society is already described in the risk event.</li> </ul>
<ul style="list-style-type: none"> <li>▶ Increased use of renewable energy products generates lower demand for classical products (electricity, gas, crude oil).</li> <li>▶ An increase in renewable energy adoption can generate a negative reputation impact on the traditional energy companies.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Implementation of new energy solutions projects:                             <ul style="list-style-type: none"> <li>- mobility partnerships;</li> <li>- gas mobility pilot project;</li> <li>- co-processing of HVO ; (Hydrotreated Vegetable Oil);</li> <li>- investments in photovoltaics projects;</li> <li>- bioethanol advanced.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Promoting new energy solutions ensures a healthy environment and economic development.</li> </ul>
<b>Material Topic: Health, Safety and Security</b>		
<ul style="list-style-type: none"> <li>▶ Surface integrity and process safety failures (risk drivers such as integrity failure or unsafe process safety conditions leading to injuries/fatalities of employees, contractors' and 3rd parties' staff, major oil spill, company reputational damage, property damages and business interruption).</li> </ul>	<ul style="list-style-type: none"> <li>▶ Preventive maintenance.</li> <li>▶ Risk awareness campaign.</li> <li>▶ Lessons learned (internal incidents or industry experience).</li> <li>▶ Integrity assessment programs.</li> <li>▶ Corrosion Management Plan developed.</li> <li>▶ Pipeline Integrity Management System in place.</li> <li>▶ Awareness campaign for communities.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The impact on the environment or society is already described in the risk event.</li> </ul>
<ul style="list-style-type: none"> <li>▶ Theft of petroleum products and infrastructure components that may lead to third-party injuries, environmental damages (after theft attempt), reputational impact.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Corporate Security and Resilience internal regulation.</li> <li>▶ Standards from the Group OMV incorporated into OMV Petrom Scope of work.</li> <li>▶ Security services framework</li> <li>▶ Zero tolerance policy, Protocols with Ministry of Defense.</li> <li>▶ Security dept. continuous monitoring new solutions.</li> <li>▶ Security concept focused on technology</li> <li>▶ Automated Security Incident Reporting Tool.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The impact on the environment or society is already described in the risk event.</li> </ul>

Risk description	Mitigation activities	Effects
<b>Material Topic: Health, Safety and Security</b>		
<ul style="list-style-type: none"> <li>▶ Property damage offshore or onshore caused by different perils outside of normal operations or normal maintenance, such as fires and explosions (major accident events). Risk drivers such as integrity failure or unsafe process safety conditions would lead to business interruption, pollution, harm to employees' safety and even reputational consequences.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Rejuvenation and Asset Integrity Program offshore.</li> <li>▶ Operating and Safety Procedures.</li> <li>▶ National Contingency plan coordinated by the Authorities.</li> <li>▶ Insurance policy.</li> <li>▶ Frequent turnarounds.</li> <li>▶ Inspection program.</li> <li>▶ Risk-Based Maintenance.</li> <li>▶ Operating and emergency procedures.</li> <li>▶ Personnel trainings, emergency plans and exercises (with the collaboration of firefighting authorities).</li> </ul>	<ul style="list-style-type: none"> <li>▶ The impact on the environment or society is already described in the risk event.</li> </ul>
<b>Material Topic: Environment</b>		
<ul style="list-style-type: none"> <li>▶ Restrictions to access the water resources for normal operations in low/ no precipitation periods (mainly for the sites in water-stressed/scarcity area). In drought periods due to climate change, the population has priority in accessing water resources.</li> </ul>	<ul style="list-style-type: none"> <li>▶ International best industry practice to reduce wastewater volume and load of pollutants, e.g., segregated sewerage system, pre-treatment of residual waters, advanced purification of industrial wastewater through osmosis and electrode ionization.</li> <li>▶ CCPP Brazi recycles 98% of the total amount of withdrawn water, which is best practice in water management.</li> <li>▶ Water Management Plans in operations.</li> <li>▶ Water risk assessment in relevant areas.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The impact on the environment or society is already described in the risk event.</li> </ul>
<ul style="list-style-type: none"> <li>▶ Non-compliance with environmental legislation or other compliance obligations (internal or external) that could have a negative impact on the environment (e.g., aspects such as spills, water, waste, compliance).</li> </ul>	<ul style="list-style-type: none"> <li>▶ Implementing an Environmental management system according to ISO 14001.</li> <li>▶ Proper management of conformity budget and projects.</li> <li>▶ Operating procedures.</li> <li>▶ Risk-based maintenance.</li> <li>▶ Emergency preparedness and response.</li> <li>▶ Insurance for third-party losses.</li> <li>▶ Environmental Risk Assessments.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The impact on the environment or society is already described in the risk event.</li> </ul>



Risk description	Mitigation activities	Effects
<b>Material Topic: Employees</b>		
<ul style="list-style-type: none"> <li>▶ Human capital loss and limited headcount/decreased industry attractiveness. The industry is bracing for a serious shortfall of experienced technical professionals over the next several years due to attrition/retiring. The risk is as much about the number of workers retiring as it is about those ready to replace them.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Developing new projects to prepare young students for trade schools in various specialties for the oil and gas industry - such as Vocational School.</li> <li>▶ Adapting new strategies to attract and retain key competences and key roles in the Company.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The need for development in professional energy specialties could catalyze society's interest in this education sector.</li> </ul>
<ul style="list-style-type: none"> <li>▶ Risk of unbalancing the relationship with the social partners.</li> </ul>	<ul style="list-style-type: none"> <li>▶ We constantly anticipate any related risks.</li> <li>▶ Maintain and improve social pace and dialogue (inform/consult them on each project to maintain social pace).</li> </ul>	<ul style="list-style-type: none"> <li>▶ No relevant impact on society or the environment.</li> </ul>
<ul style="list-style-type: none"> <li>▶ Not reaching a common agreement regarding the new collective labor agreement (CLA).</li> </ul>	<ul style="list-style-type: none"> <li>▶ Identify solutions to reach an agreement.</li> <li>▶ Involving representative trade unions in the negotiation as a partner, not from the opposite position.</li> </ul>	<ul style="list-style-type: none"> <li>▶ No relevant impact on society or the environment.</li> </ul>
<ul style="list-style-type: none"> <li>▶ Limited employees' engagement for online learning.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Blended approaches.</li> <li>▶ Engaging employees in active learning.</li> <li>▶ Dedicated time slots for online learning during working hours.</li> <li>▶ Differentiating instruction per relevant competencies and development needs.</li> <li>▶ Frequent opportunities for employees to practice new knowledge or skills.</li> <li>▶ Knowledge sharing sessions.</li> <li>▶ Immediate and targeted feedback.</li> </ul>	<ul style="list-style-type: none"> <li>▶ No relevant impact on society or the environment.</li> </ul>

Risk description	Mitigation activities	Effects
<b>Material Topic: Business Principles and economic impacts</b>		
<ul style="list-style-type: none"> <li>▶ Non-compliance with the principles of the Code of Ethics (e.g., bribery, unlawful gifts and hospitality, embezzlement by undisclosed conflict of interest, reputation damage caused by third parties working in partnership with OMV Petrom).</li> </ul>	<ul style="list-style-type: none"> <li>▶ Internal rules in place: Code of Business Ethics. Advocacy of zero tolerance for bribery and corruption. Whistleblowing tools in place: confidential e-mail address, business ethics helpline.</li> <li>▶ Training program (online and face-to-face).</li> <li>▶ Communication activities to increase awareness regarding the principles of the Code of Ethics.</li> <li>▶ Signing of the declaration of conflict of interest.</li> <li>▶ Conduct Third-Party Checks, workshops, and recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>▶ No relevant impact on society or the environment.</li> </ul>
<ul style="list-style-type: none"> <li>▶ Breaches of Competition Council requirements regarding cartels/abuse of dominance.</li> <li>▶ Lack of internal awareness on the relevant competition principles could cause their unintentional breach.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Compliance program: ongoing training, antitrust guidelines, advice on sensitive matters, etc.</li> <li>▶ Awareness campaigns.</li> <li>▶ Advice on market policies/strategies and relevant ad-hoc decisions.</li> <li>▶ Legal check of the contracts.</li> </ul>	<ul style="list-style-type: none"> <li>▶ No relevant impact on society or the environment.</li> </ul>
<b>Material Topic: Customer and Product Responsibility</b>		
<ul style="list-style-type: none"> <li>▶ Non-compliance with existing technical and qualitative standards for our products (e.g., reducing the risks for the health and safety of consumers and the environment protection).</li> </ul>	<ul style="list-style-type: none"> <li>▶ Implemented standards for products according to legislation.</li> <li>▶ Technical specifications for fuels in place; Quality Council with regular meetings.</li> <li>▶ Regular audits on partners to ensure products quality and thus, customers satisfaction.</li> <li>▶ Active campaigns to increase customers satisfaction and loyalty.</li> <li>▶ Anticontamination and e-sealing devices implemented.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The impact on the environment or society is already mentioned in the risk description.</li> </ul>

Risk description	Mitigation activities	Effects
<b>Material Topic: Supply chain</b>		
<ul style="list-style-type: none"> <li>▶ Risk of poor-quality delivery of subcontractors (no decent wages in the supply chain (human rights); supplier pays wages below standards established by international human rights bodies).</li> </ul>	<ul style="list-style-type: none"> <li>▶ Training for employees (focus on high-risk countries).</li> <li>▶ Inclusion of labor rights aspects within the Human Rights Country Entry Check before launching operations in a country and within the regular human rights assessments conducted in our countries of operations.</li> <li>▶ HSSE contractor management considers human rights aspects (incl. labor rights) in the pre-qualification and auditing phase.</li> <li>▶ ESG supplier assessments Code of Conduct includes labor rights.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The impact on the environment is not relevant, but referring to society, there is a possible impact on workers' mental and physical health with even low life expectancy.</li> </ul>
<ul style="list-style-type: none"> <li>▶ Lack of sub-contractor availability and/ or poor quality delivered by subcontractors.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Build custom Supplier Risk alerts for subcontractors involved in high-risk projects.</li> </ul>	<ul style="list-style-type: none"> <li>▶ No relevant impact on society or the environment.</li> </ul>
<ul style="list-style-type: none"> <li>▶ Risk of dependency on a single supplier and vice versa.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Category strategy and a balanced supplier strategy for specific activity in accordance with requested business need/demand in place.</li> </ul>	<ul style="list-style-type: none"> <li>▶ No relevant impact on society or the environment.</li> </ul>
<ul style="list-style-type: none"> <li>▶ Risk of increasing the carbon footprint of the Company (carbon footprint from goods &amp; services purchased by Procurement).</li> </ul>	<ul style="list-style-type: none"> <li>▶ Sustainability in Procurement concept defined in 2020.</li> <li>▶ Increase transparency and awareness in Procurement. Create a dedicated carbon management reporting tool for Procurement.</li> <li>▶ Start engaging with suppliers on carbon management topics.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The impact on the environment or society is already mentioned in the risk description.</li> </ul>
<b>Material Topic: Community Relations and human rights</b>		
<ul style="list-style-type: none"> <li>▶ Risk of not fulfilling the expectations of local communities with regards to economic benefits.</li> <li>▶ Perturbances produced to the inhabited areas close to our operational sites (gas pipelines, noise, air pollution, spills).</li> </ul>	<ul style="list-style-type: none"> <li>▶ Realization of CSR projects.</li> <li>▶ Community engagement activities.</li> <li>▶ Realization of safety communication campaigns.</li> <li>▶ Effective grievance mechanism.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The impact on the environment or society is already described in the risk event.</li> </ul>
<ul style="list-style-type: none"> <li>▶ Human rights policies in relation with OMV Petrom business activities (e.g., risk of non-compliance or risk of indirect participation in human rights violations).</li> </ul>	<ul style="list-style-type: none"> <li>▶ Include human rights in social impact assessments and social engagement plans.</li> </ul>	<ul style="list-style-type: none"> <li>▶ No relevant impact on society or the environment.</li> </ul>

### Risk management governance

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 OMV Petrom Group.

To ensure that management takes risk-informed decisions, with adequate consideration of actual and prospective information, the Executive Board has empowered a dedicated Risk Management function with the objective to centrally lead and coordinate the Group's risk management-related processes. This Department ensures that well-defined and consistent risk management processes, tools, and techniques are applied across the entire organization. Risk ownership is assigned to the managers who are best suited to oversee and manage the respective risk. OMV Petrom's consolidated risk profile is reported twice a year to the Executive Board's endorsement and the Supervisory Board's Audit Committee.

### Risk Management Process

The Risk Management System and its effectiveness are monitored by the Audit Committee of the Supervisory Board via regular reports.

The risk management process is based on a precautionary, systematic approach aimed at timely identifying and managing risks to avoid a possible negative impact on our business or reputation. We believe that creating a risk-aware culture throughout the organization, where everyone is conscious of the risks related to their jobs and implements risk management practices on a daily basis, is the most effective way to avoid a negative impact. 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 focuses on risks that might affect the Company's objectives.

OMV Petrom's EWRM system complies with the ISO 31000 Risk Management International Standard. It comprises a dedicated risk organization working under a robust internal regulation framework with a quantitative information technology infrastructure. Additionally, the EWRM system actively pursues the identification, analysis, evaluation, and mitigation of main risks to manage their effects on the Company's cash flow up to an acceptable level agreed as per the risk appetite.

The risk management process, implemented through OMV Petrom's EWRM framework, combines **bottom-up** and **top-down** processes, each employee being responsible

for managing the risks within their responsibilities. Paying attention to every risk makes risk management a holistic process.

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. Risks are identified in the bottom-up process during day-to-day business. Department heads are responsible for initiating the risk analysis, including selecting the appropriate risk identification techniques. These tasks include interviews, workshops, surveys, and analyses of historical losses, and collection of information on risks documented in risk registers or loss databases. Heat maps or risk matrices are used to support the assessment process and serve to identify probability ranges and the related consequences if risks were to materialize.

Senior management evaluates top-down risks to provide a strategic perspective of risks across a longer time horizon. Permanently scanning the horizon to identify emerging risks and having regular risk meetings, the senior management have the full perspective on the strategic risks landscape. This process enables us to capture new trends and developments of the operating environment and industry best practices, thereby enabling the Group to achieve its long-term objectives.

OMV Petrom has **four levels of risk management roles in a pyramid-type risk organization**. The first (bottom) layer comprises the risk owners represented by managers from various areas. The second level is made up of risk coordinators who facilitate and coordinate the risk management process in their division. The third layer is the risk management function which coordinates the entire process assisted by specialized corporate functions (e.g., HSSE, Compliance, Legal, Finance, Controlling). The top level is represented by OMV Petrom's Executive Board which steers and approves OMV Petrom's consolidated risk profile in accordance with the Company's objectives.

### Risk taxonomy

**The Group considers short-, medium-, and long-term risks per the horizons noted below:**

- ▶ Short-term risks – risks that may impact near-term financial results, including those that may materialize within the current annual reporting cycle;
- ▶ Medium-term risks – risks that may materially impact our financial results due to longer-term manifestation, including those that may materialize over a three-year timeframe and might impact the Mid-Term Plan;
- ▶ Long-term risks – risks that may fundamentally impact the viability of our long-term strategy and business model, including those that may materialize over a ten-year timeframe;

In terms of **tools and techniques**, OMV Petrom follows the international risk management practices and uses stochastic quantitative models to measure the potential loss associated with the Company's risk portfolio under a 95% confidence level and a mid-term three-year horizon. The identified risks are analysed depending on their nature, considering their causes, consequences, historical trends, volatilities, and potential cash flow impact.

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 the Company's risks and their potential cash flow impact within the limits of the risk appetite. High potential single event risks and long-term strategic risks are also identified, evaluated, analysed, and managed consistently. For mid-term risks, to ensure that OMV Petrom always remains solvent and retains the necessary financial flexibility, liquidity reserves are maintained in the form of committed credit lines.

To assess **short-term liquidity risk**, the budgeted operating and financial cash inflows and outflows throughout OMV Petrom are monitored and analysed on a monthly basis to establish the expected net change in liquidity. This analysis provides the basis for financing decisions and capital commitments.

**The risks within OMV Petrom's EWRM system are organized into the following categories: market and financial, operational, and strategic.**

### Market and Financial Risks

Regarding the **market price risk**, OMV Petrom is naturally exposed to the price-driven volatility of cash flows generated by production, refining, and marketing activities associated with crude oil, oil products, gas and electricity. Market risk has core strategic importance within OMV Petrom Group's risk profile and liquidity. The market price risks of OMV Petrom commodities are closely analysed, quantified, and evaluated.

**Foreign exchange risk.** OMV Petrom is essentially exposed to the volatility of lei against USD and EUR. The effect of foreign exchange risk on cash flows is regularly monitored.

**Derivative financial instruments** may be used for the purposes of managing exposure to commodity price and foreign exchange currencies upon approval from OMV Petrom's Executive Board in line with the Company's risk appetite and/or risk assessments.

**Counterparty credit risk** management refers to the risk that a counterparty will default on its contractual

obligations resulting in financial loss to OMV Petrom. The Group's counterparty credit risks are assessed, monitored and managed at the Company level using predetermined limits for specific countries, banks, clients, and suppliers.

OMV Petrom is inherently exposed to interest rate risk due to its financing activities. The volatility of EURIBOR and ROBOR may trigger less or additional cash flow resources necessary to finance the interest payments associated with OMV Petrom's debt. However, the risk and the mentioned volatility are low.

### Operational Risks

OMV Petrom is an integrated company with a wide asset base composed mainly of hydrocarbon production and processing plants. The low-probability, high-impact risks associated with the operational activity (e.g., blowouts, explosions, earthquakes, etc.) are identified, and incident scenarios are developed and assessed for each of them. A special focus is given to process safety risks, where OMV Petrom Group's policy is "ZERO harm-NO losses". Where required, mitigation plans are developed for each specific location. Besides emergency, crisis, and disaster recovery plans, OMV Petrom's policy regarding insurable risks is to transfer the risks via insurance instruments. These risks are closely analysed, quantified, and monitored by the risk organization and are managed via detailed internal procedures.

OMV Petrom's risk management system is part of the corporate decision-making process. Risks associated with new major projects or important business initiatives are assessed and communicated to management prior to the approval decision as part of the project evaluation process.

### Strategic risks

From a long-term sustainability perspective, a strategic risk assessment process is in place. On the one hand, the process captures the executive management's perspective of the risk environment across a longer-term horizon and, on the other hand, develops risk mitigation plans and monitors the implementation of defined actions.

The strategic risks refer to both externally and internally driven risks (oil and gas market demand volatility, climate change, political and regulatory, reserve replacement rate, 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 achieve its objectives.



## FOCUS AREAS

Health, Safety, Security  
and Environment

Carbon Efficiency

Innovation

Employees

Business Principles  
and Social Responsibility



# Health, Safety, Security and Environment



Health, safety, security, and protection of the environment (HSSE) are core values that constitute an integral part of our commitment to responsibly conducting our business. The essence of prioritizing HSSE is expressed in OMV Petrom’s HSSE Vision of “ZERO harm – NO losses.” The integrity of OMV Petrom operating facilities, loss prevention, and proactive risk management are essential for achieving OMV Petrom’s HSSE Vision, embedded in the OMV Petrom HSSE Policy.

The activities of Health, Safety, Security, and the Environment are grouped into one single management focus areas: HSSE. HSSE management is governed by the OMV Petrom HSSE Directive, which defines key expectations in compliance with internal HSSE regulations at various levels of the

organisational structure, as well as across local functions. The Directive sets out the principles and rules for the management of HSSE-related risks and activities, including capital projects, mergers, and acquisitions. The Directive also defines key HSSE responsibilities for all employees, partners, and contractors in line with OMV Petrom HSSE Policy, the Major Accident Prevention Policy, and Life-saving rules. It also stipulates the continuous improvement of HSSE performance.

OMV Petrom HSSE performance is now fully supported by Synergi tool. This is a new HSSE software solution dedicated for reporting and managing risks throughout the Group, starting with January 1st, 2020. This modern HSSE tool centralizes data on hazards, near misses, incidents and findings with regard to health, safety, security and environment. Furthermore, it helps us in following up on actions and analyze further collected data so as to be able to take informed decisions and design initiatives for improvement. Synergi tool also enables the exchange of group-customized experience and a variety of lessons learned. This is essential in order to prevent incidents from re-occurring in future. Thus we can learn as an organization and develop our HSSE culture further.

Synergi supports us in planning and conducting audits and assessments so as to be able at the end of the day, to provide an overview of our HSSE performance. It is possible to generate a diverse range of reports, starting with incident reports until collecting various and complex environmental input data and create in a next step, an overview on a consolidated HSSE trends and analysis, by regularly using the functionality of Dashboard reports.

In a nutshell, Synergi combines the total scope of proactive and reactive HSSE management in a single solution; it is the depository of HSSE information related to proactive initiatives and reactive indicators, by both processing the granular information and analysis of information. We build on Synergi-based results to communicate in the organization HSSE lessons learned and key performance indicators.

# Health

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

OMV Petrom HSSE Policy envisions a work environment that protects the employees' physical and mental well-being. To accomplish that, we have implemented throughout the Group high healthcare standards and health promotion campaigns that address the most important health impact issues by taking into account the OMV Petrom employees' health profile. As stated in the HSSE Policy, the Group commits itself to the continuous improvement of the quality of our activities while protecting people, environment, assets and reputation. HSSE Vision "ZERO harm - NO losses" guides behaviors, actions and decisions focusing on the health of our employees by improving working conditions, health promotion programs and medical services following the WHO definition, that health is not only the absence of disease or infirmity, but also the state of complete physical, mental and social well-being of an individual.

The Health Standard includes preventive initiatives, such as targeted health promotion campaigns, a systematic assessment of health risk mitigation, and curative care. It aims to describe the main principles, the roles and responsibilities within the organization, as well as the communication of a proper framework for managing the prevention and curative health care aspects. The implementation of a Health Management System is a strategic and operational decision at the OMV Group level. Its success depends on leadership, commitment and participation from all levels and functions in the organization, the medical specialists and partners, as well as of employees.

## 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. All programs, activities and campaigns implemented and delivered by the Health Management Department are included in the annual HSSE Plan with specific deadlines and KPIs. Therefore, their implementation is mandatory and evaluated accordingly. Over the last years, all these objectives have been successfully accomplished.

The First Aid training (both the basic one and the refresh one) is coordinated by the Health Management department and delivered through the Training Product Management department. In this process, the Health Management department's role is to set the necessary agreement with the training provider, the Romanian Red Cross, and provide all information required by the Training Product Management department to organize and deliver the training.

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

**Health is a priority.**

**Holistic approach with focus on the state of complete physical, mental and social well-being.**

**Actions to improve working conditions, including First Aid trainings, health promotion programs and medical conditions.**



**Health: ON! Platform aims to change the employees' attitude from consumers to co-producers of health**

consultations. Over the past years, we have increased the number of preventive medicine consultations, providing our employees with specific screenings and vaccination campaigns.

All 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 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  
Pandemic response and health awareness**

From the first days of 2020, the PetroMed team mobilized to respond to the new emergency generated by the COVID-19 pandemic in the interest of OMV Petrom employees' health. Throughout this period, we analyzed daily the evolution of the number of cases, the results of the latest research, the recommendations of international agencies and decisions adopted at the European and national level to update and develop the action plan both at PetroMed and the entire OMV Petrom Group. Thus, based on official guidelines and recommendations, we developed and distributed communication materials on the coronavirus prevention measures that OMV Petrom employees need to adopt to ensure the safety of themselves, their families and their colleagues.

Because the virus particularly affects people of certain ages and chronic illnesses, OMV Petrom employees in at-risk groups have been instructed with priority to work from home for their own

safety. During the pandemic period, our medical staff is carefully monitoring their health while providing them personalized information and advice.

Also, during this period, we have been in contact with the health authorities at the central and local level for information and mutual support, and we consulted with representatives of the World Health Organization and other experts. Thus, in collaboration with the other departments within OMV Petrom, we have been able to adopt the most appropriate measures for employees' health and implement the Company's activity in the best conditions.

Due to the stressful context, we have provided a new psychological support service consisting of remote, fully confidential counseling sessions and aiming to help our colleagues who may experience any form of distress or anxiety. Also, together with the psychologists' team, we have delivered specific webinars addressing main concerns in relation to the pandemic context, which registered a high participation rate among our employees.

Another special service that we launched is the PetroMed Call Line, with the support of the Doctors' Caravan Association. The call line is available to all OMV Petrom and OPGS employees by offering advice and recommendations about COVID-19 as well as other medical issues. The call line also provides advice related to the access to various health benefits and services available in the context of pandemics.

Petromed offers general health screenings and free vaccinations against flu for all OMV Petrom S.A. employees on a voluntary basis. In 2020, 33,200 voluntary health screenings (including cardiovascular, hepatic, diabetes, creatinine, PCR test), 3,997 flu vaccinations, and 10,829 medical consultations were performed and/or organized by our medical staff.

**Quick and effective response to COVID-19 pandemic with various programs to protect the employees health**

**33,200**  
voluntary health screenings organized by PetroMed

### Passport for health

Organized on a yearly basis by the HSSE Health Management Department with the support of PetroMed, the campaign aims to set prevention as a proactive approach within our community, to encourage employees to participate in voluntary health programs and adopt a healthy lifestyle, and to strengthen identity towards a culture of healthcare in OMV Petrom.

The Passport for Health is a personal tracking system where employees can keep score of all the activities, they do to adopt a healthy lifestyle (e.g., participation in screenings, vaccinations, general practitioner check-ups, sports events, health hours, filling in questionnaires on various health topics, choosing healthy company canteen menus, smoking cessation, etc.). Passport for health continued in 2020 with its 5th edition, in a new format, exclusively online, easier to access, and by using a faster way to enroll in the competition. We started with stress resilience and continued with physical activity and a healthy diet. We delivered webinars and articles on the Intranet that tackled the three health topics and engaged our colleagues in the campaign.



## Get your visa in the Passport for health: **ON!**

**Validate at least 5 activities from the Passport for health, now exclusively online and you can win one of the 120 Decathlon vouchers (300 RON value each).**

#### If you have access to Intranet:

- Download the Passport and the health questionnaire from Intranet
- Tick the activities that you have accomplished/validated in the Passport and the correct answers in the questionnaire
- Send the two documents to [sanatae.acum@petrom.com](mailto:sanatae.acum@petrom.com) and you will enroll in the lucky draw!
- At the end, if you are one of the lucky winners, you will be asked to send the proofs for the activities you validated in the Passport.

#### If you don't have access to Intranet:

- Call **031 1100 292** (PetroMed Call Line)
- Ask the operator to help you fill in the activities in the Passport and the answers in the health questionnaire
- The operator will send the documents on your behalf and you will be enrolled in the lucky draw!
- At the end, if you are one of the lucky winners, you will be asked to send the proofs for the activities you validated in the Passport.

**The campaign is live between September 15th and November 27th as follows:**

- **September 15th – November 16th:** Submissions open
- **November 17th – November 20th:** Lucky draw and validation of the winners
- **November 23rd – November 27th:** Winners award






### The Health: ON festival!

Three days with webinars and an online championship with prizes for OMV Petrom employees.

If health were a sport, it would have been a marathon. Not a sprint, not a relay, not just a race, but a long-term commitment. We invited our colleagues to train their health at the first online health festival in OMV Petrom. We set to reach more employees with health key messages (vaccination, healthy lifestyle, COVID-19 prevention, correct body posture, health benefits awareness), engage them more,

and make them feel the social impact they can have during pandemic times and to interact on health subjects. We had three days in which we found out through two webinars how to get ready for holidays, in the busiest time of the year, during pandemic times, or how to prevent back pains while working from home through a correct posture and daily exercise. On the third day, we added an online championship on health, where participants had to test their knowledge on health topics and got awarded for their contribution.

**SDG 3 Target 3.8:** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

**The Private Health Insurance program**

Six years have passed since the implementation of the private health insurance, available for all OMV Petrom employees. As part of the ongoing concern for our employees' health, we have renewed this benefit for the next three years. The Private Health Insurance program is one of the most desired benefits among Romanian employees, especially in the context of increased challenges for the public health services. This benefit has proven useful since 2014, financially supporting many employees in

difficult medical situations. OMV Petrom's health insurance program remains one with the most complex medical coverage and the most competitive cost in Romania.

Within the pandemic context, we provided extra support through access to indemnities for diagnosis or hospitalization for COVID-19 cases (for all employees and family members enrolled in the new insurance program). Moreover, all employees and family members enrolled in the new insurance program benefited from the distance medical consultation service.

<p><b>Status 2020</b></p>	<ul style="list-style-type: none"> <li>▶ Pandemic management and health promotion communication in relation to COVID-19.</li> <li>▶ The 5<sup>th</sup> edition of the "Passport for Health" campaign, online version (120 winners).</li> <li>▶ The online Health:ON! Festival (41 winners).</li> <li>▶ Over 33,200 screenings performed by PetroMed for our employees, and over 3,997 colleagues vaccinated against flu.</li> </ul>
<p><b>Action plan to achieve the targets</b></p>	<ul style="list-style-type: none"> <li>▶ Manage COVID-19: Ensure a healthy and safe work environment for our employees, contractors and partners, and maintain OMV Petrom's system-critical business activities.</li> <li>▶ Position Health as a business asset, including awareness for individual responsibility of own health via the Health:ON! platform (implementation of the 6<sup>th</sup> edition of the Passport for Health campaign, screenings, vaccinations).</li> <li>▶ Provide sustainable health services (occupational, curative, emergency health services).</li> </ul>

**Sustainable Development Goals (SDGs) supported**



When you respect the safety principles, you are protected!



**5 Safety Principles**

- ✓ All accidents are preventable.
- ✓ Safety is #1 because we care about people.
- ✓ Safety is above all other business objectives.
- ✓ Every job can be done safely.
- ✓ Open reporting is a means of learning and improvement.

Sometimes a small rule can make a big difference. We encourage you to follow 5 strong Safety Principles as the foundation of our Company wide safety culture.



**OMV Petrom**  
The energy for a better life.

# Safety

Sustained by strategic goals, leadership and engagement at many other levels, Safety is our number one priority.

## Safety Culture

In 2020, even in a very changing climate, we recorded a very good safety performance: combined LTIR for the year 2020 was 0.15, 51% lower than 2019 (0.31), thus showing the best LTIR annual figures since privatization.

Our activities continued in line with our “ZERO harm – NO losses” vision, our safety management system based on OMV Petrom 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.

The “5 Safety Principles” of OMV Petrom were continuously promoted in 2020, as the foundation of our culture, as simple values to adopt beyond being an employee.

The principles encouraged everyone to choose Safety: act safely, observe, intervene and report.

In 2020, the principles were approached in dedicated sessions to promote the clear messages that each individual needs to have a call to action to prevent. We all must continue to find a reason to respect the principles and find ways to contribute to Safety through everything we do.

**Our vision:**  
**ZERO harm -**  
**NO losses**

**5** safety principles:

- ▶ All accidents are preventable
- ▶ Safety is #1 because we care about people
- ▶ Safety is above all other business objectives
- ▶ Every job can be done safely
- ▶ Open reporting is a means of learning and improvement

We have used two main actions for the rollout of the 5 Safety Principles as a going back to basics need. Communication and Facilitation have been driven all activities throughout the year.

The Principles were promoted on various channels as:

- ▶ Embedded in Safety Leadership e-Learning;
- ▶ Promoted throughout the HSSE Roadshow sessions;
- ▶ Internal dedicated campaigns (e.g., blogs, stickers, flyers);
- ▶ New Employee Orientation sessions.

Besides various internal channels, as mentioned, the 5 Safety Principles were also communicated “outside the border.” Two briefings focusing on the need for leaders’ engagement were sustained by Safety Experts in Contractors Forums within Upstream business units Workover and Drilling, Projects Delivery and Assurance.

At the same line, through the facilitation activities of our safety experts, within the Upstream business and furthermore to external Upstream contractor online forums, the principles were briefed, discussed and understood as a key aspect for continuous reminder for safe work. The business units from our divisions have involved their leaders in further medium-term actions to reinforce the principles and keep them alive. Some of the actions for the near future are:

- ▶ Appointing a custodian for each principle, as each of our Executive Board members has sponsored them;
- ▶ Including the principles in the process of monthly recognition;

- ▶ Promoting through HSSE Walk Around;
- ▶ Promoting through daily operational meetings;
- ▶ Including the principles in Safety Induction besides Life Saving Rules (in Drilling);
- ▶ Promotion through PIMMS system for operators;
- ▶ Local letters for promoting each principle;
- ▶ Use of media toolkit – visual package and video with our Executive Board members.

In Downstream, in 2020, a dedicated campaign was rolled out in all Retail business for the principle “All accidents are preventable,” enrolling employees and contractors from all Business Units. The campaign will continue in Retail Romania in 2021.

The Safety Culture Program actions of 2020 in **Downstream Oil** also included the safety culture maturity assessment in Retail Business Unit Romania. The evaluation ended with workshops that resulted in action plans addressing weaknesses in the areas of management accountability for safety, intervention and recognition, as well as contractor management.

The measures to be applied will cover recurrent safety relevant meetings with filling stations’ partners, guiding checklists for managers visiting the stations, a recognition process and a process to set major topics and focus areas which filling stations’ employees could identify in safety moments. Also, Retail Romania has committed to continue with leadership workshops, trainings refresh, Safety Walks



In 2020, the focus was still on Safety Leadership. The activities of the Safety Committees led by managers in Upstream and Downstream and at OMV Petrom corporate level have been adapted and continued using digital tools. Even though not all the planned activities under Safety Culture substantially progressed due

to COVID-19 implied prioritization, we managed to keep balance based on the good achievements from previous years, 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.

SDG 8 Target: 8.8 Protect labour rights and promote safe and secure working environments for all workers.

and contractors' meetings dedicated to safety topics as well as improving the relevant communication on safety.

For the former evaluations which took place in Retail Moldova, Serbia, Bulgaria and OMV Petrom Aviation in 2020, the activities were followed up. In OMV Petrom Aviation, a working group was established to further focus on behavior, rules and actions of handling operators on airport platforms to improve safety (for own employees, other operators and passengers).

Also, in 2020 the contractor Company "R&R", which is providing services at Arpechim Terminal, was assessed for the Safety Culture maturity based on our internal methods. The outcome of the assessment has engaged our contract holders and their management to adopt improvement measures which will also be spread to other locations (Depot Arad and Depot Cluj). Immediate actions were proposed for Communication (settlement of a collecting box for employee's suggestions, operational meetings to explain safety-relevant KPIs and to track their trends), for Responsibility (adopting immediate personal objectives on Safety) and on Contractors Management element by initiating quarterly meetings with other companies contracted by OMV Petrom, to debate and align HSSE requirements. Longer terms actions are aiming to improve the elements of Training and Competency, Hazard Awareness and Risk Assessment as well as Contractors Management.

Additional to the campaign held in 2019 – 2020, when employees and contractors were trained about Life Saving Rules, this training was transferred into a virtual micro-learning session accessed throughout the entire Company. In Downstream, the e-Learning was completed by 600 employees.

In **Upstream Division**, the rollout of the Safety Culture Program continued in 2020, affected by the COVID-19 prioritizations. In this pandemic context, the working groups' activity continued, and other working groups were created to address safety-relevant risks.

In 2020, four assessments of safety culture maturity were conducted based on internal methods in the Business Units Workover and Drilling, Projects Delivery and Assurance, Asset Oltenia and Asset Muntenia Vest. As an outcome, the maturity level of safety culture is situated at a middle level but with very solid ground to grow to the Independent level as expected for the end of 2021. The assessed business units have defined action plans treating all the elements considered key for safety culture. Among the new adding value activities were mentioned: interactive site visits conducted by Level 1 and 2 managers, video toolbox talks at sites, Job Safety Analysis revisions to reflect actual activities (not generic), HSSE Notice Boards (properly updated) on all construction sites, HSSE Passports and additional trainings (correlated with statistics outcome) for all contractors, promoting the five Safety Principles inside and outside the organization, implement consequence management in alignment with the Motivational Management framework, review and update training matrix relevant for HSSE, various communication improvements (more feedback forums to collect and discuss Safety inside and outside the organization, specific campaigns for awareness), Reward and Recognition actions.

OMV Petrom's leadership development has adapted in pandemic times. To balance the virtual way of working and the obvious need of maintaining leadership for safety and considering that middle managers are the link between the top management and the workforce, we developed an e-learning product.

The e-learning product has shifted our orientation of a classical workshop approach due to pandemic restrictions. We tried to bring interactivity and clear messages as well as marking aspects related to soft skills, striving for a strong and lived safety culture, a positive safety climate where safety is the driving value through the management organizational levels, as managers communicate and apply organizational priorities and values.

**Life Saving Rules e-learning course implemented across the Company**

The e-learning product is built on six modules dedicated to managers, touching important themes: Self-Reflection on fundamental skills, Leadership impact on Safety (including the 5 Safety Principles), Safety Culture – integral model and maturity aspects, Observing Safety (baseline methods and communication tips), Safety Performance aspects beyond statistics, Safety Leadership style Quiz, a view on self-approach of leadership and call for action.

The program aims at personal leadership development by reflecting on and integrating essential instruments for safety into the daily routines: Communication, Intervention, Stop Work, Engagement. The e-learning had been allocated as mandatory training in the Learning Management System of the Company, for the OMV Petrom Group countries, to the target group “middle managers”

learning system (MySF) is not available, the roll-out was done offline by distributing the training video to be used within their on-site safety moments and talks.

In OMV Petrom Headquarter, all employees completed their Life Saving Rules e-learning by the year-end.

The follow-up on the initiative “**Setting the tone in Petrom City**” started in 2019 had revealed important aspects when we conducted a third-party assessment of the safety culture maturity of our headquarters functions. The assessment took place at the end of 2019 and was finalized at the beginning of 2020. The report, as well as the Leadership workshop part of the assessment project, concluded that a dedicated Safety Committee should be set up for Petrom City. Other relevant actions such as management development skills and employee motivation-related activities

**Life Saving Rules course - program building blocks**

 <p><b>Self reflection</b></p> <p>Main soft skills to maximize performance</p>	 <p><b>Leadership impact on safety culture</b></p> <p>What is leadership and commitment in Safety?</p>	 <p><b>What is a safety culture</b></p> <p>An integral model</p>
 <p><b>Observing Safety</b></p> <p>Interaction for better safety</p>	 <p><b>Safety Performance</b></p> <p>A learning journey</p>	 <p><b>Check your Safety Leadership Style</b></p>

downlines, except for supervision level. The training has been accessed by a team of key functions in the OMV HSSE Team, and their interest was expressed to adopt this learning option for the OMV Classic organization, aiming to roll it out in 2021.

The reinforcement of Life Saving Rules was also adopted in Upstream via the virtual micro-learning session launched by OMV Petrom Bucharest Headquarter through the global learning system (My Success Factors). In Upstream’s operational area, where access to the

should be embraced and completed. Though, when the first quarter of the year 2020 was closing with radical changes due to the pandemic, the Company priorities shifted focus towards the COVID-19 crisis. Therefore, the Safety Committee could not yet be set up, but the baseline was documented. Also, all planned programs for managers were shifted to the e-learning based option for Safety Leadership.

**Safety Compliance**

Compliance with relevant laws and internal regulations requirements continued to be reviewed in 2020 through audits and inspections, by measuring performance data through KPI-based reporting, closure of improvement actions, and management review results. Two safety legal compliance audits have been planned and performed for 2020, in Upstream, Asset Moesia. The one planned in Downstream business was postponed for 2021 due to the pandemic restrictions. These specific audits are realized based on legal compliance register aspects included in dedicated checklists, online interviews and ultimately site visits for compliance verification. The outcome of the audits is presented to the local management in a report including the identified nonconformities. The assessed unit is undertaking a signed-off action plan.

The ISO 45001:2018 Certification covers 49% of our employees in all the Business Divisions. This percentage refers only to the OMV Petrom direct employees. Other workers performing activities on OMV Petrom premises and who are not directly employed by OMV Petrom are not included in the calculation.

According to the national law, OMV Petrom S.A. has a compliant structure in place for the Occupational Health and Safety Committees, including members of the Executive Board, specific functions, and employees represented by Trade Unions. The Health and Safety Committees are legally required and organized to serve employees' interests for health and safety compliance and improvements. These are held with quarterly recurrence at country level in Romania. Furthermore, following the Safety culture program started in the previous years, we engaged and we are holding quarterly Safety Committees at the Executive Board level for OMV Petrom Group and also at each Business Divisions level for safety matters. These Committees focus on safety overall performance, lessons learned from incidents, critical OHS, Process safety topics, and status of the main projects implemented. The meetings' outcome is

further documented and made available to the members, downlined to the level of interest by case, with the support of the HSSE business partners and operational management.

In the legally required committees, the workers representatives (all workers are represented within the established structure of Health and Safety Committees) are permanently engaged in establishing, operating, evaluating, and improving safety and health programs. This helps managers identify the most important issues while workers are more aware of their own safety. The topics permanently included to be treated in the Committees meetings are related to workplace risks, conditions, equipment and incidents.

At the divisional level, the established Health and Safety Committees continued their specific activity. The committees, formed by 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 Labour Medicine, continued to meet for an open dialogue regularly. Prevention and protection of people are the focus of the meetings' agenda, which are organized quarterly (in Upstream, at operational level and headquarter level, in the Downstream Divisions, and at the Corporate level).

In 2020, we continued to lead incident investigations with the internal resources of OMV Petrom. At the same time, we ensured the integration of technical experts in the HSSE incident investigation teams, aiming to better understand and identify failures in technically complex incidents, remaining focused on verifying the actions' effectiveness.

**Risk management in safety activities**

In the recent past, 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

**49%**  
employees covered  
by ISO 45001  
Certification

**Safety  
Governance:  
Occupational  
Health and Safety  
Committees  
at Group and  
Business  
Divisions level**



and Barrier Reviews were performed for these facilities. These assessments audited the suitability of existing barriers that are critical to prevent and/or mitigate the impact of a Major Accident Event and assessed the effectiveness of the implementation of process safety management. A similar approach continued in 2020 in Upstream for assessing other critical facilities in OMV Group, which includes but is not limited to offshore operated assets, refineries, operated tanks farms, etc. However, the plan was curtailed due to pandemic travel restrictions. One operations integrity assessment was complete in Q1 and two major accident event audits were carried out remotely by desktop exercises for offshore Petrom Asset and Asset Oltenia's largest producing gas well. The overall goal is to prevent major accidents and to limit the consequences of any accidents that may occur, in line with HSSE Policy "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, in 2020, an updated version of the Standard on HSSE Risk Management was rolled out in business, involving key personnel (20 persons in Downstream and 11 persons in Upstream).

In the updated version of the Standard, the information structure includes: how to comply with Document Control System, HSSE Risk Assessment recommendation (from the previous version) converted to an Annex, Previous Annexes, i.e. Risk Assessment Studies, Application of Risk Studies optimized and incorporated directly into Annex – HSSE Risk Assessment, and CR&SA Risk Matrix (annex from previous version) updated and incorporated into Annex – Risk Evaluation, Corporate HSSE Recommendations, i.e. Health Risk Assessment, SWIFT (What If) assessment, HAZOP, Workplace risk assessment transformed into Annexes. All Annexes now are directly linked to Updated Risk Management Standard and declared "Illustrative."

Roles and responsibilities related to the whole HSSE Risk Management framework are clear, being supported with descriptions and specific activities for each role.

The key personnel included in the rollout of the updated version of the Standard is represented by coordination functions that further influence the communication and decision chains in their business: HSSE local managers or HSSE representatives for the respective business.

Investigation of incidents as an activity on safety compliance is considered a very important activity. The most important reason to investigate a workplace incident is to find out the root causes of incidents and to prevent similar incidents in the future. Besides fulfilling legal requirements, other reasons are to determine the cost of an incident and determine compliance with applicable regulations (e.g., occupational health and safety, criminal, etc.) or to process workers' compensation claims.

In OMV Petrom, there are two processes that regulate incident investigation. They are defined in the OMV Group process map as "Set-up Incident investigation" and "Perform Incident investigation". The processes are governed by the internal HSSE standard Reporting, Investigation, and Classification of Incidents. The aim of this regulation is to ensure that all incidents are identified and reported in an appropriate and timely manner, all work-related incidents are adequately investigated to determine direct causes, root causes and systemic causes, that security incidents (malicious acts) are investigated to identify the parties involved and the circumstances and that the preventive and corrective actions are identified and implemented to reduce the likelihood for incidents to reoccur to as low as reasonably practicable (ALARP-Eliminate the hazard; Reduce the risk at source, Isolate from the hazard, Control the risk, Personal protective equipment, Discipline, which applies to all above-mentioned levels of the hierarchy).

The incident investigation methodology adopted by OMV Petrom is supported by 48 persons trained as Incident Investigation

**Focus on investigation of incidents, with two processes set in place, and 48 persons trained as Incident Investigations Leaders**

Leaders and 41 as team members. For each investigation, a Subject Matter Expert is appointed to assist and support the investigation team depending on the specificity of the incident. In 2020, in OMV Petrom we investigated 21 level 3+ incidents and 14 high potential incidents (HiPos) and six serious Process Safety incidents (Tier 1 and 2). For each, a comprehensive incident investigation report was issued, and lessons learned were distributed in the Company to achieve the objective of not repeating the incident.

An HSSE Alert or Technical Safety Alert (TSA) is issued, in the first few days after a severe incident or HiPo occurred or a critical hazard was detected in the form of a one-pager. The main objective is to inform all potentially affected stakeholders that equipment, a technique or a process that they use or might use failed – or has the potential to fail – causing significant damage and requires immediate attention and action to ensure that occurrence or reoccurrence of such incident will not happen in their own activities. The HSSE Alert or TSA should be distributed to a specific target group of potentially affected persons.

The Lesson Learned is issued after concluding the corresponding investigation and based on a formal root cause analysis. It may include more information and documentation than an Alert (including training material, videos, etc.) or information from external sources such as peer companies, industry associations, etc.

We have defined as Group-wide learning opportunity the **High Learning Value Event** (HLVE), which are events (including near-miss) that, after thorough investigation, are determined to be shared across the entire Group to learn from best practices and/or prevent recurrence of incidents by strengthening risk awareness and communicating appropriate prevention measures. The decision on HLVE and means of Group-wide distribution is taken by the Incident Investigation Panel. The **Incident Investigation Panel** is established at the OMV Group level at which OMV Petrom contributes to and participates. The Incident Investigation Panel is led by the incident

investigation process owner. The panel's role is to ensure the quality of incident investigation reports with respect to the applied method and the effectiveness of the defined actions. The number of HLVE is limited (typically three to six per year). For example, in 2021, we will focus on Dropped objects and working beneath or near electrical power lines.

On a smaller scale, we have **Local Learning Event**: events (including hazards, near miss and best practice) selected by local management for communication and/or training because they are deemed to contribute to the development HSSE awareness and safety culture. One-pagers are shared Group-wide on a common platform and/or in the HSSE reporting tool. Local management shall ensure a sufficient frequency of such one-pagers, but there will be no target number.

After the incident investigation is concluded and the incident sponsor appoints the persons who will be in charge with the corrective actions which came out from the investigation, then the corrective actions are recorded in Synergi (the HSSE reporting tool) and deadlines are set for each action. Upon completion of the action, it can be closed by the action owner. Regular verification of the completeness and effectiveness of the actions are performed.

### Occupational Safety

Within the hierarchical organization of the OMV Petrom Group, clear lines for Safety Management are defined. Having a foundation through the engagement of our Executive Board members by their membership in a defined Global Safety Committee, the values of Safety are embedded in the Company's culture and structures, from a compliance perspective and a behaviour perspective. The investments and actions adopted every year and being relevant for Safety prove our statement "Safety first."

All employees, at their levels defined by the hierarchy, have roles, rights and obligations for health and safety. In 2020, an Occupational Safety Standard was rolled out to effectively support the

The investments and actions adopted every year on Occupational Safety prove our commitment to the "Safety First" principle.

transition period of three years from the previous OHSAS 18001 international standard to ISO 45001, ending in March 2021. In preparation for this moment, the Standard (adopted at OMV Group Level and mandatory applicable at all levels) sets up the Occupational Safety Management requirements and provides the tools and measures for practical implementation. The requirements of this new standard were explained to OMV Petrom employees during online meetings. Train the Trainers sessions were organized for 170 HSSE Experts in Upstream, Downstream and Global Solutions. The rollout process continues until the information is disseminated to the entire organization. Among the roles for Safety Management, an important activity is related to risk management, especially to the work-related hazards and a process to control and mitigate the implied risks. The management identifies and provides resources needed to establish, implement, maintain, and continually improve the occupational safety processes. Responsibilities and accountabilities for the relevant roles within the occupational safety management frame are assigned and communicated at all organization's levels.

The Line Management consistently allocates the necessary resources for the established objectives and targets related to occupational safety performance improvement, including hazards identification and risk assessment.

The risk controls are selected according to their effectiveness by applying the hierarchy of controls (ERIC.PD) intended to provide a systematic approach to enhance occupational safety, eliminate hazards and reduce or control the occupational safety risks. Several controls are combined in order to succeed in reducing the occupational safety risks to a level that is as low as reasonably practicable (ALARP).

The workplace risk assessment is a collaborative activity and involves people from different disciplines and with different experiences, including the Occupational Health doctor. The most important phase is the continuous and proactive process of hazards identification that takes into

account: routine and non-routine activities including infrastructure, equipment, materials, substances and the physical conditions of the workplace; hazards that arise as a result of design, construction, commissioning, production and maintenance; decommissioning; human factors; how the work is actually done. Also, there are considered: emergency situations; people - employees, contractors, visitors, persons in the vicinity of the workplace; actual or proposed changes in the organization, its operations, processes, activities and occupational safety management; changes in knowledge of and information about, hazards; past incidents, internal or external to the organization, including emergencies, and their causes; how work is organized including workload, work hours, supervision and safety culture in the organization.

During the last years, a large number of work-related incidents occurred while contractors' employees were performing their jobs within our premises. The investigation reports of these incidents revealed a lack of or poor compliance with our HSSE requirements and a low level of HSSE performance.

Considering that one of our objectives is to have contractors committed and capable of managing the HSSE risks, a training package was created to be used by HSSE internal trainers to train contractors. We also developed an Application to check on-site via a QR code printed on cards if contractors and subcontractors working in our premises have the required valid safety trainings and valid legally required qualifications for the job they perform. This card (HSSE Passport) started to be integrated with the access card (Unified Badging System).

This way, no contractor will have access to the worksite without an HSSE basic training. Illegal labor will be avoided, and electronic traceability on the access rights and HSSE competency will be available.

Injuries caused by slips, trips, and falls in our industry are common, as the operational staff often work in challenging outdoor environments where such incidents can

occur. Our statistics show that during the last five years, more than 100 entirely preventable incidents happened in OMV Petrom during stepping/walking. From these, 71% happened because of unsafe behaviors. Therefore, we launched an occupational safety training, "Watch Your Steps!" with two modules created for specific target groups: Module I, available in MySF, mandatory for white collars and Module II, dedicated to blue collars available online and offline.

At the same time, a practical exercise has been prepared for the blue collars based on a checklist for recognizing slip-trip-fall hazards applicable on-site for all activities. Thanks to the knowledge acquired or refreshed after this course, all the participants know that they have to intervene when observing someone not using the handrail while stepping on stairs, walking and using cell phone, being in a hurry, taking shortcuts. More than 1,000 white collars already completed the e-learning.

Some past incident investigations were inconclusive due to contradicting or missing information which prevented the investigation team from doing proper analysis to set-up measures to avoid reoccurrence. To improve these aspects, a monitoring system of the working areas was implemented, allowing us to identify and provide recognition for safe behaviors and correct unsafe practices. A cross departments team of 35 persons in Upstream and Global Solutions has responsibilities in implementing this project. In 2018-2020, 409 cameras were installed on 120 Workover, Heavy Workover and Drilling rigs and in 33 fixed locations, including one offshore platform. There is a process in place to correct the unsafe practices that are identified complying with the GDPR requirements. Instead of using general HSSE topics to raise awareness, now we are able to refer to topics of interest for the operational staff explaining the safe practices.

<p><b>Our 2025 sustainability target on safety</b></p>	<ul style="list-style-type: none"> <li>▶ Zero work-related fatalities.</li> <li>▶ Stabilize Lost-Time Injury Rate at below 0.30.</li> <li>▶ Keep leading position for Process Safety Event Rate (2017: 0.18).</li> </ul>
<p><b>Status 2020</b></p>	<ul style="list-style-type: none"> <li>▶ Combined LTIR for 2020 was 0.15 by 51% lower than in 2019 (0.31); the best LTIR annual figure since privatization. No work-related fatality since May 19th, 2018.</li> <li>▶ Process Safety Event Rate (2020: 0.11)</li> </ul>
<p><b>Action plan to achieve the targets</b></p>	<ul style="list-style-type: none"> <li>▶ Keep target at the Group level: zero work-related fatalities.</li> <li>▶ Monitor and challenge the Action Item Response Rate on incidents Level 3+ and HiPos.</li> <li>▶ Identify initiatives/projects that improve process safety and create value in terms of Opex/Capex reduction or revenue increase.</li> <li>▶ Meet the key contractors and audit activities with a high safety risk, with a focus on sub-contractors.</li> <li>▶ Implement the new concept of Subcontractor HSSE Management, Risk Management.</li> <li>▶ Continue to focus on raising awareness and increase leadership involvement to build a safety culture maturity we all can be proud of.</li> </ul>

**Sustainable Development Goals (SDGs) supported**



### 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 2020, the Process Safety initiatives remain a major focus for the Company, even though the pandemic influenced the entire business. For continuous knowledge

In 2020, OMV Petrom continued to improve the **Pipeline Integrity Management Program** in Upstream, even during challenging times. New and existing risks were prioritized using the Pipeline Integrity Management System software, with the highest ranked pipelines being targeted for complete or sectional replacement, again ensuring that our pipeline integrity efforts focus on the locations where these greatest risks exist. In conjunction with this, the development of Corrosion

Process Safety Events					
	2020	2019	2018	2017	2016
TIER 1	3	0	2	2	5
TIER 2	4	2	6	2	18

Note: The numbers for 2020 are referring to OMV Petrom Group, while for the previous years, reflected only Upstream Division.

improvement and experience sharing in the process safety domain, we maintained our external collaboration with high-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 (Center for Chemical Process Safety), Process Safety BEACON, resources aimed at delivering process safety messages and which present accidents and describe the lessons learned and the practical means to prevent recurrences.

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.

The Process Safety KPIs in OMV Petrom Upstream also monitor the performance of safety-critical maintenance (99.93% completed work orders), the ratio of preventive to corrective work orders (77/23) and the number of regulatory inspections (98.77%).

Management Plans for our high-risk pipelines commenced along with projects to install “Pig Launchers and Receivers” to enable cleaning and internal inspection of these pipelines.

External coatings and cathode protection are now mandatory for all new metallic pipelines and are supported by the Group Standards and Procedures. Within OMV Petrom Upstream, all new pipelines are now constructed and coated in accordance with the following standard and further protected in accordance with Cross Divisional (Upstream and Downstream) standard for cathode protection (CP). The coating application for field joints for Onshore Pipelines are done based on the standard for Coating of Pipes for Pipelines and Coating for Field Joints developed upon the international standard EN ISO 21809 Petroleum and natural gas industries - External coatings for buried or submerged pipelines used in pipeline transportation systems and alternatively upon DIN 30670 Polyethylene coatings for steel pipes and fittings and EN 12068 cathode protection – External organic coatings – Tapes and shrinkable materials.

Cathode Protection is complying with the requirements for the design, construction,

**Continued focus on the Pipeline Integrity Management Program in Upstream.**

operation and maintenance of cathode protection systems for buried metallic pipelines onshore with and without the influence of external electrical sources. The requirements as defined in our regulation are based upon the international standard EN ISO 15589-1:2017 (D), Petroleum, petrochemical and natural gas industries.

In Upstream, a Pipeline Inspection program is in place and functional for all pipelines with capability for internal inspection, all of which is managed and planned within the SAP CMMS (Computerized Maintenance Management System). The Pipeline Inspection Program is a risk-based approach where “next inspection” period is based on the results from the previous inspection along with, corrosion coupon measurements and fluid and debris analysis during pigging and cleaning operations. Where pigging is not possible spot check wall thickness measurements are taken at critical points and “next inspection dates” based on results are also decided. Normally these range between 2 and 6 years.

Regarding the pipeline modernization and replacement programs, Upstream has a strategy for the replacement and modernization of onshore pipelines. Pipeline Integrity software and GIS data are used to calculate each pipeline's risk based on the inventory (Gas, Oil, Water) and over 100 criteria, which results in a risk ranking of the pipelines and pipeline segments considering safety, environmental, production and reputational consequences. The age and condition of the pipeline are considered as well as the routes with many criteria.

In Downstream, the effective integrity management of Refinery Petrobrazz is supported by a clear program of inspections. The task of inspection activities is to ensure efficient and effective maximizing of the operational life of the equipment, safe and legal provisions while optimizing risk by applying the concept of thinking and way of entrepreneurial action. This practice had started long before and continued in 2020 with key inspections programed for piping, vessels, boilers, atmospheric and pressurized tankage, and pipelines. There is a module of SAP system

in place, implemented under the label AIDA (Asset Integrity Data Assistant) which supports the relevant data management from recording and tracking of inspections results to relevant open cases for proper maintenance and remediation. Based on a local integrated process for inspections, several aspects and several domains are treated when planning and executing this activity throughout the year. Therefore, in 2020, an overview of the inspection activity revealed a total of approximately 1,700 visual-related inspections and over 250 specific inspections related to corrosion, shutdowns and end of lifetime. The Hazard and Operability (HAZOP) Program for Upstream facilities had to be partially postponed in 2020 due to the COVID-19 pandemic. It was planned to increase by an additional 15 to 35 HAZOP studies in 2021. A Leak Detection and Repair program using Infra-Red detection cameras was also established and rolled out with the execution now planned in the CMMS. Retrofits of existing Assets are now underway in some Assets along with projects that reduce the number of facilities, thus reducing our carbon footprint.

However, 11 HAZOPs were executed to support critical operations, reviewing and updating all the required technical documentation.

The Electrical Integrity Assessment II Project in Upstream is now 96% complete for all activities and over 100 high-risk selected equipment were modernized or replaced. Phase III also commenced in 2020 to target an additional 21 selected electrical equipment.

To prevent unintentional and intentional third-party damage, an awareness campaign for communities in proximity to OMV Petrom onshore pipelines is now up and running. This initiative is managed at the local level with the Asset, and regular information and leaflets are distributed with the communications department's full support. Right of way markers and warning markers are also being introduced and will be an ongoing effort. For enhanced leak detection, three pipelines are currently under pilot stages

**Awareness campaign launched, targeting communities where pipelines are placed, to prevent third-party damage and potential risks.**

Over  
**8,000**

hours of training and learning were completed on the subjects of Management of change in refinery Petrobrazi.

which commenced in 2019. Trials are being applied to Gas, Oil and mixed water/oil. For new pipelines, where suitable, fiber optic leak detection is being considered.

For the Integrity of the facilities in the Petrobrazi refinery, various investments were made to ensure and upgrade the physical and mechanical conditions. Several examples of integrity-related projects started can be mentioned:

- ▶ a project aimed to ensure compliance with process engineering standards and had the objective to replace both reactors 120 R1, R2 with suitable material for the process conditions. 120 R2 reactor was replaced in 2020.
- ▶ a project which also reveals the diversity and complexity of work that needs to be realized for a good management of installations integrity is the refurbishment of the metallic structure RC1 - unit 570.
- ▶ a project also started to continuously improve the status of the cable/pipe racks and underground pipes.
- ▶ a project named PCP - Upgrade Aromatic Complex will replace the old aromatic complex.
- ▶ a project to replace all 4 coke drums from Coker unit was started.

In terms of Process Safety, the Petrobrazi refinery has done several specific activities such as: risks reviews and several treatment plans completed for the risk management tool ARMS, more than 100 MOC forms were registered, over 25 PSSR (Process Safety Startup Review) were done, over 8,000 hours of training and learning were completed on the subjects of MOC, Process Safety beacons, EPSC, HAZOP, Process Safety Computer Based Training. A program that started in 2011 called Retro-HAZOP continued with Cogeneration and Utilities. The status of Retro-HAZOP measures is continuously tracked. Several MOC forms were released to implement the Retro-HAZOP measures. For projects HAZID and HAZOP studies are done on a regular basis.

#### **Contractor Management**

For a good performance of the contractors' activity, a close collaboration with our partners is crucial. Contractors perform more than 65% of the total work hours

recorded at the Company level; therefore, their skills and performance are vital to carry out our work safely and responsibly. It is our Company's decision to collaborate only with those contractors that meet our safety standards. Therefore, in 2020 we worked for the implementation of the revised version of the "Contractor HSSE Management", Group Standard. The new document, which requests a unique HSSE conduct during the entire lifecycle of a contract, is to be generally followed by all OMV and OMV Petrom employees and specifically applied by those employees with safety responsibilities (Contract Owner, Contract Holder, Contract User, Responsible Manager and HSSE representative).

These appointed responsible persons have important roles in the pre-qualification and selection of contractors, as well as in the supervision of the HSSE performance of those contractors and subcontractors involved in the execution phase.

Considering this, a cross-divisional and interdepartmental workgroup took the responsibility of developing the training material for this new standard. The same group organized workshops for presentation and debates on this new document's provisions, with a focus on the changes in boundaries, roles and responsibilities. The workshops' outcome has been shared with the participants to other similar workshops. In this way, colleagues involved in contracts from different business sectors received the same answers and gained the same understanding about the new regulation. In parallel, the new standard was presented in the periodical meetings with contractors that were organized at the business level, aiming the transfer of the good practices and the reiteration of the obligation for contractors to apply the rules of this standard to their contracted activities, the jobs performed by subcontractors. The daily activity of contractors is carefully planned, coordinated and monitored by our representatives. All procedures for managing their HSSE activity are regulated by the same OMV Group Standard "Contractor HSSE Management" that addresses the entire contract lifecycle

aspects, from selection of contractors to the contract closure. The Contract Holders, the appointed managers of contracts, involve from the early stage of the contract a HSSE representative who will advise on the implementation of the standard provisions. Legal and internal OMV Petrom HSSE documents are set up in all stages of the contract, aiming to regulate the collaboration and knowledge transfer between the two parts. All these elements are an important support for monitoring the HSSE performance of contractors. In this respect, at the beginning of the contracts a HSSE Bridging Document or a Convention between OMV Petrom and the contractor, which contains the decision on HSSE procedures to be followed during the contract. Also, before starting the contract is established, in relevant cases, OMV Petrom performs pre-start-up audits, resulting in some cases in improvement action plans having in scope HSSE compliance with OMV Petrom expectations and a good HSSE performance during the contract execution. It follows the most complex phase, the contract execution, when HSSE is part of all activities, always the first on the agenda and considered in any process or proposed change.

The contractors' employees are part of our professional family, part of them being daily engaged in our activity and living their professional life in the same culture with us, some being just occasionally involved in construction, modernization, drilling and other important activities. Their activity is continuously under the care of our supervisors and their presence. Their health condition and safety are equally important as that of our colleagues. For a proper monitoring of their activity, contractors' employees are registered since entering our sites, through badging systems in refinery or at OMV Petrom headquarters to permit to work system and documentation. All contractors and their subcontractors receive the HSSE induction training when starting a contract. They are daily trained to recognize, manage, and report HSSE risks and hazards and contribute continuously together with our colleagues to disseminate lessons learned from hazards, near misses, and incidents.

The Health and Safety management performance of our contractors is a constant concern for us. Therefore, for each high and medium HSSE risk contract, HSSE key performance indicators are established. The indicators are monitored and the results are analysed in regular meetings between OMV Petrom and contractors' management. The Service Quality Meetings are organized to discuss other different aspects, such as HSSE audits, incidents, and lessons learned.

The Permit of Work System, available and active in both Upstream and Downstream Divisions, is one of the main tools used for proper HSSE training when starting a job. Its defined procedures help the involvement of all OMV Petrom workers involved in a job to identify hazards and assess, mitigate and control possible risks. All these elements are documented. The evidence of all persons involved and of the job safety analyses performed are permanently available at the working place and archived at dedicated working points.

We ensure that contractors and subcontractors working on our premises receive the basic safety awareness training and that they are qualified, as legally required, for the job they perform. Therefore, in addition to the regular HSSE induction that any contractor and sub-contractor receive when starting a new contract on OMV Petrom sites or to the daily HSSE job preparation through Toolbox Talks and Job Safety Analyses, according to the Permit to Work System in 2020, we continued to identify solutions for the implementation of the "HSSE Passport for Contractors" project also in Downstream Division. The HSSE Passport was started in 2019 in Upstream and consists of a training course delivered by HSSE internal trainers in all business units, with no cost for our contractors and subcontractors, finalized with a test and individual badge with a unique QR code used to verify the qualification and to consequently grant the access to the working site. Even if the COVID-19 period's restrictions did not give us the chance to perform some activities in normal conditions, we adapted our previous practices to online

**HSSE  
Passport for  
Contractors**



activities. All periodical HSSE forums with contractors were held by following similar structures with the previous meetings, with the involvement of both OMV Petrom and contractors' representatives in presenting good HSSE practices, learnings from incidents, HSSE performance analyses, and rewarding for good safety behaviour. The same approach was adopted for the meetings between OMV Petrom and contractors' representatives, in individual contracts, those meetings for quarterly analysis of HSSE performance and identification of improvements - Service Quality Meetings.

We continued in 2020 the HSSE management system audits, considering both aspects of guidance for best practices and the implementation of corrective measures where non-conformities are identified. The difficulty of having meetings at contractors' premises or organizing site visits forced the auditors to do most of the activities remotely. This new approach had an important influence on the effort invested by both parties, the auditors and the auditees, because of the time resources needed to share and check documents, perform different analyses on them and have online interviews and clarification. We performed audits in both Upstream and Downstream divisions, called cross-divisional contractors (2 audits), but also performed 17 HSSE Management Systems audits for contractors that operate in different areas like projects, workover and drilling, maintenance, waste management, in each division and by following the audit plan proposed at the beginning of the year.

For all HSSE MS audits performed, we used the standardized audit tool provisioned by the recently revised Group HSSE Audit Standard. We continue the audits by monitoring the achievement of the actions assumed by the management of the audited companies, a process that is facilitated by the new reporting tool Synergi, implemented in OMV Petrom starting with 2020 and to which also contractors' representatives have access. In 2020, we started to be more focused on subcontractors' activity. This is equally

important because of their low HSSE performance in the last years and because we consider that the triangle "beneficiary-contractor-subcontractor" has to be always on the same level of HSSE awareness and culture. Several departments started to look for improvement initiatives, from the Compliance department, where a new project established a better registration of subcontractors' list in our internal systems, to Procurement Department, where their acceptance for involvement is better monitored and also to HSSE. The HSSE Department approach was to identify a concept for improvement; therefore, they organized a workgroup, with involvement from different functions from both divisions, to manage this aspect. The Group's approach was to first perform a gap analysis against the existing internal requirements; they gathered information about incidents, abnormal situations that were noticed in different activities, and weaknesses in the management performed by our contractors in relation to their subcontracted activities. This gap analysis resulted in proposals for six different focus areas to be better managed in the next period. Therefore, we designed six individual projects that will be implemented step by step in the upcoming period.

### Road Safety

Considering our high exposure to traffic hazards and country-specific challenges, in 2020, our focus was also kept on the basic rules of safe conduct in traffic and on demonstrating the severity of the consequences of traffic accidents. We continued to offer limited defensive driving training in the context of pandemic restrictions.

The very important topic of personnel transportation in OMV Petrom has been addressed through a virtual forum with companies that provide safe transportation services by bus and taxi, with management's participation. The workshop mainly aimed at the reiteration of the HSSE requirements of OMV Group's Personnel Transportation Standard, as well as the mandatory and critical necessary additional measures driven by COVID-19 restrictions for people transport.

# 17

HSSE management systems audits for contractors performed in 2020

# Security and Resilience

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

## How we manage Security and Resilience

Security and Resilience department activity starts with the proactive identification of business needs and requirements based on which we are responsible for designing and implementing an integrated framework of processes, regulations, tools, and technologies to enhance Security and Resilience across the Company value chain. The Security and Resilience department establishes and maintains a sustainable protection of people, assets and reputation against intentional malicious threats and continuously improves organizational preparedness to respond and recover from serious incidents adequately.

The Quality Management System Certification obtained by OMV Petrom Group Security and Resilience organization in 2017 was maintained following the two annual surveillance audits and the recertification audit conducted by Lloyd's Register Quality Assurance in February 2020. All these audits were successfully concluded without any nonconformities or improvement recommendations.

The Security function ensures the integration of the best security practices at the OMV Petrom level and supports business, not only through the delivery of its strategic objectives but also on an operational basis. A special focus is dedicated to managing the provision of operational security services and their effectiveness.

A unitary and structured approach, providing company-wide strategic direction addressing all security operations-related topics, is

ensured through a centralized management of the security services under the Security and Resilience department. Thus, we ensure increased operating efficiency and compliance with national-specific legislation through country-wide risk-based and flexible security resources allocation.

The Resilience function enables the effective recovery of operations and the preservation of the OMV Petrom brand in case of a significant incident, minimizing potential negative impacts on our business and our people.

Our Security and Resilience services are in line with OMV Petrom Vision "ZERO harm – NO losses" that guides our behavior, actions, and decisions focused on three main directions:

- ▶ increase effectiveness and efficiency of our security operations by centrally managing the provisions of cross-divisional security operations;
- ▶ ensure the detection and prevention of significant business threats;
- ▶ develop resilience to respond and recover from events with negative impact and develop, maintain and continuously improve business continuity framework.

The key objectives for implementing the Security and Resilience strategy are:

- ▶ embed modern technologies into daily security operations as the basis for increased efficiency in threat detection and response (loss prevention) and ensure optimizations of the operational security;
- ▶ improve security and resilience behavioral competencies.

**Modern technologies embedded into daily security operations**

**Risk-based resources allocation**

We periodically conduct Security Risk Assessments (SRA) that allow us to identify and manage security issues. These assessments help identify and classify risks per location and allow the Security Team to evaluate the current mitigation measures in place and make the necessary adjustments. In 2020, the SRA process was focused on ensuring compliance with legal requirements and reviewing Security Risk evaluations for all OMV Petrom objectives using the Group-Wide Security Risk Assessment Tool, ACUMEN. For the legal compliance, in both Upstream and Downstream Business Divisions, a total number of 274 security risk assessments were delivered, performed for OMV Petrom S.A. and Marketing Division due to structural changes of the locations, business developments, or the legal period obligation.

For all OMV Petrom objectives, SRAs have been revised using ACUMEN, under the Corporate Security and Resilience department's coordination and direct involvement.

Based on the revision of the Security Risk Assessments, the security concepts for commercial depots were revised from a technical, guarding and procedural perspective. The guarding component was calibrated to cope with each depot's specific characteristics and threats, and both security and operational procedures were reviewed and updated, ensuring that those are harmonized with newly implemented Security Operations Centres' (SOC) procedures for distance monitoring.

To enhance our capabilities in the area of SRA and ensure adoption of industry best practices, we have selected and made available for the business an external resource with know-how and capability to cover any requirement triggered by business changes or threat context.

**Monitoring & Intervention services**

To increase the protection of our people and goods in the filling stations network, in 2020 we improved the Monitoring & Intervention (M&I) security concept by



including additional specialized services for addressing the specifics of OMV Petrom Marketing's operational needs. This initiative followed the pilot project for testing a new M&I solution implemented at the end of 2019, together with the identified best practices during the market screening process.

As such, we adopted a threat-based approach to strengthen the protection of the high-risk filling stations. Thus, we developed dedicated security contractual KPI's for periodical monitoring and increase of contractors' performance. We contracted a new security service provider with the capabilities to deliver specific solutions in line with the evolution of the threat environment in the cities with significant security incidents in the filling stations network.

#### Managing 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 to 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 and 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.

In the challenging pandemic context, we ensured adequate field operations measures to respond to the specific threat evolutions, which maintained the security incidents rate similar to the previous years' trend, with a significant decrease of 76% compared with the first half of the (2011-2020) decade.

In 2020, considering that the security personnel are one of the most exposed categories, getting in contact with hundreds of persons daily in access control points, specific measures were implemented for security contractors' personnel.

Security operations response plans were developed with our security service providers to ensure proper health protection of security personnel and continuity measures to minimize disruption in security services provision, correlated with personnel unavailability in the epidemiological context.

During the pandemic, additional tasks have been added to security personnel, which successfully contributed to the overall efforts to prevent coronavirus spread among OMV Petrom employees and contractors.

In 2020, the security performance was evaluated at a high level of quality, as resulted from regular monitored Security Key Performance Indicators applicable in all security services contracts of OMV Petrom S.A., including for OMV Petrom Marketing contractors on the monitoring and intervention services.

The KPIs are collected and closely monitored through established internal processes such as security inspections, roving patrols, and security incidents reporting. In 2020, the operational security experts performed a total number of 629 security inspections in Upstream and Downstream, with more than 3,500,000 kilometers driven by the mobile patrols and 2,609 guarding posts verified. These activities ensure that legal and contractual requirements are followed and the security services rendered are at the highest quality standard.

**The operational security experts performed a total number of 629 security inspections in Upstream and Downstream.**



**Embedding technologies into security operations**

Following our strategic objective to embed technologies in our daily security operations, we constantly assess opportunities to replace outdated equipment with new security systems with up-to-date digital technologies to Security Operations Centre for enhanced incident handling.

This approach focuses on ensuring an adequate protection level of the

sites based on physical security systems to enable early detection and intruders' recognition, efficient incident management acting simultaneously as a deterrent against intentional malicious threats.

In Upstream, cost-saving opportunities were identified by replacing man-guarding with technical solutions in selected guarded locations and ensure their monitoring into the Security Operations Centre Dispatch for an efficient response.



In 2020, we conducted projects to upgrade/update the security equipment in Petrobrazi, focusing on replacing 111 perimeter video surveillance cameras and replacing the access control system. We moved our security systems to digitalization, preparing for and considering the new potential business initiatives on expanding the

benefits of the CCTV, such as artificial intelligence applications. New modern technologies were identified, and specific security solutions for each commercial depot were designed, contributing to an increased efficiency of protection level. The designed solutions will be considered for implementation in the upcoming years.

**SDG 3, Target: 3d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.**

Based on past efforts to integrate security systems from Petrobrazî, fuel depots and UPstream sites, in the Security Operations Centre, we continued in 2020 to fully deploy the concept and migrate the SOC from the external security provider. In the 2020 pandemic context, we managed to build options to ensure redundancies for our Security Operations Centre through fast and flexible alternatives, such as back-up solutions, using on-site control rooms and security services providers' Dispatch Centres, maintaining the monitoring and coordination capabilities during the unavailability of OMV Petrom SOC.

All the above initiatives are in line with the strategic direction of the Security and Resilience Department, which stands for a highly efficient protection concept with strong integration of local physical security measures with central Petrom-City SOC, thus significantly increasing the power to steer local resources in the event of a security breach.

**Improve business continuity and crisis management**

Resilience function is committed to continuously improving organizational preparedness, aiming to build efficient capabilities to respond to, recover from serious incidents and ensure business continuity in situations that generate operational disruptions.

As part of the legal requirement type of documentation, under the provisions of emergency situations and civil protection legislation, the response plans are comprehensive documents developed at the site level, as resulted from Risk Assessment at the county level released by authorities and specific legal requirements to address site related hazards (i.e., response plan in case of fire, evacuation plan, earthquake, etc.). The respective documentation clearly defines roles and responsibilities for the personnel onsite so that the technological installations are safely shut down, first intervention teams react depending on the type of incident and the people are evacuated in a safe manner to the muster points for ensuring a fast and efficient reaction in case of an emergency situation.

For every critical location, different types of response plans are developed, such as response plans in case of fire or explosion determined by different scenarios, response plans in case of earthquake, response plans in case of flooding or landslides.

A clear and specific part of the response plans is related to the training of personnel involved via classroom sessions and practical drills. The drills are conducted periodically as per the respective response plans' provisions and are focused on evacuation and first response. The frequency is based on the risk category of the location and/or on the legal provisions that are applicable to the respective location; thus, it can vary from once / month to twice / year.

Part of the drills are performed in cooperation with the authorities and/or local communities' representatives, depending on the type of the location in scope. Following each drill, lessons learned are captured and disseminated to the participants as part of the continuous improvement process.

The response plan is also a critical component of the Incident Management concept, implemented in OMV Petrom Group at the operational level, to support the local management team's decision-making process based on accurate, structured and reliable information received from the site level in a systematic manner.

At the strategic level, Crisis Management Plan, implemented in OMV Petrom Group, sets up the arrangements for efficient communication with local communities as part of the stakeholders' management process. During the preparing stage, the surrounding communities are proactively informed, via different communication channels, on any type of changes in the operational environment that could potentially impact them.

In case of an emergency situation, the Communication Department, which is part of the Crisis Management Team, ensures a coordinated response to media and other stakeholders.

**We ensured full in-house operational capability to monitor security systems across OMV Petrom.**

For every critical location, in case of an emergency situation, an audio alarm is triggered so that people can react as they were trained. If the situation escalates, an emergency cell is convoked by the authorities, gathering representatives from different institutions, including the operator and the communities.

One of the roles of this emergency cell is to ensure that the communication channel between OMV Petrom and surrounding communities is maintained throughout the crisis.

Providing support for the organization to efficiently manage the pandemic crises generated by the COVID-19, was the main focus of the Resilience function during 2020.

The main goals were to ensure:

- ▶ health for our employees, contractors, and clients;
- ▶ continue to provide energy for country needs;
- ▶ financial health of our Company.

Proactively, the Resilience function coordinated a cross-divisional working group, which initiated the first response measures from the very early phases of COVID-19 spread in Romania. A very fast coordinated reaction made available a work from home framework and the needed IT infrastructure to support the process.

Initial efforts were concentrated to develop pandemic scenarios and general assumptions, best practice response strategies, tools, and templates for Business Continuity Plans (BCP) to manage the pandemic consequences. Specific support was provided for the business in identifying business continuity measures, thus ensuring a cross-divisional unitary approach regarding the development of divisional BCPs.

As such, there were defined and implemented, at both divisional and site levels, joint plans including – incident/emergency response measures and business continuity measures, in strict correlation with the epidemiological evolution.

Once the Crisis Management Team (CMT) and Emergency Management Team (EMT) were activated, the Resilience function guided them on processes related to integrated coordination on behalf of the Corporate functions. In this regard, tools and processes were developed and permanent support to the business was ensured by active participation in the CMT and EMT. A very important aspect was to ensure smooth communication and transparency between CMT and EMT for efficient information sharing between strategical and tactical levels. Response measures defined during CMT meetings were constantly shared and transmitted for implementation through the joint emergency response and business continuity plans at site levels.

Resilience Function undertook additional tasks to ensure business continuity and crisis management, know-how transfer to our contractors through a set of “Minimum requirements in the context of COVID-19”, Common Information Picture (CIP) tool developed and maintained for CMT during the periodical meetings, accurate monitoring for COVID-19 evolution and related impact in OMV Petrom, best practice sharing with other critical players within the energy sector, support in developing the guidelines that enabled the managers to act in line with Company instructions in different COVID-19 related situations.

### 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.

To support this endeavour, one specific focus of 2020 was to promote a package of five security awareness e-learning modules that were made available throughout the Group for all employees, focusing on 5 security skills such as having a security mind-set, physical protection, travel security, incident management and reporting of the security incidents.

Five security awareness e-learning modules for all employees

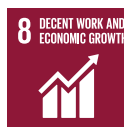
**Status 2020**

- ▶ The Quality Management System was recertified by Lloyd's Register Quality Assurance, confirming the professionalism of the services delivered to our Business Units.
- ▶ The deployment of automation and technologies is a strategic objective in delivering the Security and Resilience mission by embedding modern technologies into daily security operations to increase efficiency. In 2020 a special focus was on the Petrobrazi refinery and selected operational locations in Upstream.
- ▶ Ensured legal compliance and risk-based measures implementation for all Company sites through provision of Security Risk Assessments (SRAs), the context of an increased necessity triggered by business fast dynamics.
- ▶ Improved employees' awareness of security and resilience principles and behaviours by promoting a package of six security awareness e-learning modules having in scope how to prevent, prepare and react in case of a security incident.

**Action plan to achieve the targets**

- ▶ Continue to embed modern technologies into daily security operations as a basis for increased efficiency in threat detection and response (loss prevention) and ensure optimizations of the operational security.
- ▶ Strengthen Resilience support for the business to improve Crisis and Emergency Preparedness and efficient Business Continuity framework.
- ▶ Embed Security principles and practices into employees' and contractors' daily activities 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.

**Sustainable Development Goals (SDGs) supported**





# Environment

Our objective is to minimize our environmental impact throughout the entire lifecycle of operations. We are committed to acting for pollution prevention, reducing emissions and efficient use of energy and natural resources.

## Environmental Management

We emphasize issues of material importance to both OMV Petrom and our stakeholders: environmental compliance, spills, water and waste management, and greenhouse gas (GHG) emissions. All topics of material importance related to our environmental impact are managed through a single management approach, governed by general and topic-specific Group regulations, and reported to management accordingly. Specifics regarding the definition of each environmental topic's scope and management are provided in the corresponding sections: environmental compliance, spills, water management, and waste management. We also cover the topics of biodiversity and air emissions other than GHG, which are also important to OMV Petrom. Reporting on the management of GHG emissions can be found in the Climate Change and Energy Transition section.

The principles and rules for environmental management are set out in the OMV Petrom Group's HSSE Directive and the OMV Petrom Group Environmental Management Standard. The HSSE Directive provides a framework for how we manage all HSSE topics to protect people, environment, assets, and reputation, in line with our HSSE Policy and in view of our HSSE Vision "ZERO harm – NO losses."

The Environmental Standard supports our commitment to keep our workplaces and

processes safe for the environment and all people who may be affected by our activities. This Standard establishes the key responsibilities and requires that all relevant activities (including investment, acquisitions, and divestment) implement an Environmental Management System (EMS) consistent with ISO 14001 and adhere to the minimum requirements listed (including energy use, air emissions, GHG and climate change, water, waste, and biodiversity management).

In 2020, OMV Petrom held valid certifications in accordance with ISO 14001 for the following operations:

- ▶ OMV Petrom S.A., Upstream Business Division, Gas Pipeline Management System;
- ▶ OMV Petrom S.A., Upstream Business Division, Workover and Drilling Management System;
- ▶ OMV Petrom S.A., Refining Business Unit: Petrobrazzi refinery, Combined Cycle Power Plant Brazi and Petrom City (Product Supply and Strategic Pricing, and Petrom City Power Plant);
- ▶ OMV Petrom Marketing S.R.L. (OMV branded Filling Stations), OMV Bulgaria OOD and OMV SRBIJA DOO;
- ▶ OMV Petrom S.A., Downstream Gas, gas and power supply activities.

Our Environmental Management System that is certified according to ISO 14001 covers around 50% of Petrom Group's employees.

## Certifications in accordance with ISO 14001

OMV Petrom tracks environmental performance in all relevant areas through an annual campaign using suitable IT tools to collect, analyze, and validate the environmental data. Based on the results of the reporting, we can evaluate where our operations have the greatest potential for improvement. In addition to the annual campaign, we constantly monitor and report our environmental performance through specific KPIs on a systematic basis at various organization levels.

non-compliance and avoid monetary losses. We are liable for the impact that our activities have on the environment. Breaching environmental regulations on a national and international level results in monetary losses and harm to our reputation. Our license to operate depends on compliance with regulations relating to environmental protection, which is also of particular importance to our stakeholders, such as governmental authorities, shareholders and NGOs.



**Raising the environmental awareness of employees – foundation for sustaining our actions**

OMV Petrom raises the environmental awareness of employees through various internal communication tools, including campaigns. On the World Environment Day 2020, we conveyed biodiversity messages in the larger context of climate change. We addressed the water topic on

the occasion of the World Water Week. The Petrobrazi refinery implemented the campaign “Get involved in emission reduction, secure yourself a better future.” The campaign aimed at raising awareness on acting to decrease the refinery’s air emissions. A number of 28 employees submitted 49 improvement ideas. The management assessed these ideas and awarded the best three of them.

**SDG13 Target: 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.**

The Executive Board members are informed regularly, at least quarterly, via Environment Task Force, about environmental issues and performance on topics including climate change and energy transition, water management, present and upcoming environmental, climate, and energy-related policies and regulations, the status of environmental-related projects implementation, as well as the progress on achieving sustainability-related targets. Detailed information on the environmental performance is presented under Performance in detail Annex.

We report OMV Petrom’s environmental costs and investments according to EMA (Environmental Management Accounting) methodology developed by IFAC (International Federation of Accountants). The reporting boundaries for this indicator category are OMV Petrom S.A., OMV Petrom Aviation SRL and OMV Petrom Marketing SRL.

In 2020, our total environmental costs (accounting for environmental protection expenditure, including depreciation and environmental investments for assets put into operation) amounted to EUR 148.82 mn (2019: EUR 214.30 mn). According to the EMA approach, the environmental investments for assets put into operation in 2020 totalled EUR 36.26 mn (2019: EUR 45.82 mn). In 2020, we paid EUR 0.047 mn (2019: EUR 0.058 mn) in fines and penalties. These sanctions resulted mainly from environmental incidents, related to spills. No paid fines were above EUR 10,000 in any of our operations in 2020.

**Environmental compliance**

The OMV Petrom Group Environmental Management Standard requires compliance with all applicable environmental laws and regulations, identification of legal and other requirements, development and maintenance of appropriate legal compliance databases, and alignment with internationally accepted best practices as part of our EMS. According to the Standard, we must also establish programs to prevent

**EUR  
36.26 mn**  
environmental  
investments in 2020  
for assets put into  
operation

**Before undertaking new operational activities / projects or entering new countries, we perform environmental risk assessments.**

The OMV Petrom Group Environmental Management Standard stipulates an assessment of environmental impacts and risks and adherence to environmental performance requirements in terms of energy use, emissions into the atmosphere, water use and discharge, the use of raw materials, waste management, hazardous substance handling, and biodiversity and ecosystem protection. The OMV Petrom Group Environmental Management Standard also defines the process of carrying out Environmental and Social Impact Assessments (ESIAs). Preventive and mitigation measures as well as the monitoring program to ensure implementation of the proposed measures are documented in an Environmental and Social Management Plan. The final ESIA report is submitted to the local regulator or lender (whichever is applicable) for review, public disclosure and approval.

Environmental risks and opportunities include regulatory, operational, reputational, and financial drivers and specifically relate to climate change, water availability for operations, and the impact of energy, climate, and water policies. The management of environment-related risks is part of OMV Petrom's Enterprise-Wide Risk Management (EWRM) processes as described in the Risk Management section. Digital technologies are used to monitor and manage environmental risks through a special risk management IT tool – the

Active Risk Management System (ARMS). This tool allows us to better integrate environmental risk scenarios with other HSSE and business risks. Identified and assessed risks are controlled and mitigated at all organizational levels thanks to clearly defined risk policies and responsibilities.

Before undertaking new operational activities / projects or entering new countries, we perform environmental risk assessments, including evaluations of local legislation, the potential impact of our activities on sensitive and protected areas, and the effects on endangered species. Each subsequent phase of project implementation is accompanied by a detailed assessment of environmental risks.

Strategic risks and opportunities (e.g., related to climate change or water stress) are assessed in a top-down process, while a bottom-up process with a standardized methodology is used to assess environmental aspects, impacts, and risks, including legal compliance risks, in our operations. The framework and methodology for our coordinated Group-wide Environmental Risk Assessment are based on best practice, meet ISO 14001 requirements, and ensure the consistent qualitative assessment of operational risks related to the environment. The resulting environmental risk database includes information on existing controls for environmental risks and future actions required.



**Modernization of the Otopeni 2 aviation fuel terminal in Downstream - minimization of the environmental risks**

OMV Petrom is constantly focusing on the aviation business and is looking to improve the security of aviation fuel supply for all our airlines customers. Our Company provides Jet A1 fuel and offers into-plane services through OMV Petrom Aviation, at all main airports in Romania. In 2020, OMV Petrom completed the Otopeni 2 Aviation Fuel Terminal modernization, following an investment

of EUR 3.67 mn. This terminal has a storage capacity of 6,000 m<sup>3</sup> and modern equipment meeting the legal, technical, and HSSE requirements of the aviation industry for intermediary storages. We minimized the environmental risks through measures including automated downloading and uploading system, energy-efficient pumping system, geomembrane for tanks' bund lining, internal and external epoxy coating for corrosive protection of tanks, new sewerage system and leak-proof concrete platforms.

**SDG 9 Target: 9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

### Spills management

Oil spills are a critical environmental issue for our industry. Spills management is defined as the prevention of spills in operations and other spills (e.g., caused by sabotage or natural hazards) and the management and remediation of spills resulting from an incident.

Stakeholders with major concerns relating to potential impacts stemming from spills are:

- ▶ Government authorities: potential breaches of environmental regulations
- ▶ Employees and contractors: potential health and safety issues arising from accidents and damage to the environment and society
- ▶ NGOs/NPOs: potential damage to the environment and society
- ▶ Communities: damage to the surrounding environment
- ▶ Shareholders: direct financial losses due to the remediation costs and reputational risk.

Spill prevention and control measures include:

- ▶ hazard identification and risk assessment
- ▶ preventive measures and maintenance to avoid leaks
- ▶ emergency response and contingency plans, including materials and equipment for spill intervention
- ▶ clean-up and remediation procedures.

Appropriate spill prevention and control plans for specific business conditions are in place. These plans assist personnel at sites dealing with a spill by clearly setting out the responsibilities for actions necessary to stop and contain the spill and to mitigate its effects. This includes techniques for preventing the spill from moving beyond the immediate site, collecting the spilled substance and contaminated material. Clear communication and coordination protocols are set out in the local plans, particularly where national or international response resources may be required. To strengthen our response to and reduce the environmental impact of oil spills, in 2020 we continued to perform emergency drills, including pollution scenarios, i.e., in Assets Muntenia Vest and Petromar.

Offshore operations may lead to oil spills with a significant impact on marine ecosystems. The response strategy aims to minimize the probability of such risks and maximize readiness to provide timely remediation measures in the unlikely event of an oil spill. For OMV Petrom's offshore operations, we have an oil spill prevention and contingency plan, according to applicable legislation and approved by the relevant authorities. In the event of a very large oil spill, when considerable amounts of equipment and expertise may need to be mobilized, we have contracted an international specialized service provider to support an effective oil spill response.

### Spill prevention

OMV Petrom has a Well Integrity Management System in place to ensure that all the wells' technical integrity is maintained throughout their life cycle and oil spills are prevented. We apply several internal and industry standards when designing wells, such as the OMV Petrom Well Engineering Technical Standard including OMV Petrom Technical Requirement, i.e., for Casing Design and Operational Well Barrier Integrity, the OMV Petrom Well Management Systems for the well lifecycle internal documents, in line with international standards: API, ISO 16530 and NORSOK. Blowout preventer (BOP) is an important safety device for offshore drilling. BOPs are installed and tested for each drilling and workover program. We run cement bond logs after drilling new wells to get an image of cement quality. For the active wells, we perform visual inspections frequently and functional testing of the valves occurs periodically as per the Offshore Operations schedules.

Our Company complies with the Directive 2013/30/EU on safety offshore oil and gas operations. The objective of this Directive is to reduce as far as possible the occurrence of major accidents and to limit their consequences, thus increasing the protection of the marine environment against pollution. In alignment with the relevant Romanian authority, an independent verification body issues annual well integrity reports for the well control during the drilling and workover operations.

**We are committed to preventing and effectively manage oil spills, with various programs put in place to cover the entire spectrum of business conditions.**



**Digital Tool for Well Integrity – enhanced monitoring for spill prevention**

OMV Petrom implemented an industry-recognized digital tool for Well Integrity. Thus, we monitor and track each well barrier’s status to keep all hydrocarbon fluids within a closed and controlled system to prevent spills and environmental pollution and protect our employees and communities. We use

this tool to assess the well integrity risks, prioritize the well integrity inspections, and implement the appropriate risk reduction measures. Currently, each and all-active offshore wells are included and monitored in this software. Our goal is to digitalize all our wells and we have already succeeded for 3,000 wells, representing 38% from the total wells in scope of the project at the end of 2020.

**SDG 7 Target: 7.b** By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy for all in developing countries.

In 2020, the Report for OMV Petrom showed that we are compliant with the Well Integrity Management System and Well Integrity Performance Standard. In addition, we earned the Certificate of Compliance for the digital application of our Well Integrity Management System – the first ever received in Romania. Information about pipeline integrity and process safety management you can find in this report at the Safety Chapter – Process Safety and Integrity disclosure.

relevant legal requirements, including clean up, restoration, rehabilitation and/ or replacement of damaged environmental receptors. Due to the very effective and efficient cleaning and remediation techniques applied, the oil spills recorded by OMV Petrom in 2020 had only a minor short-term impact on the environment.

We ensured that the affected land was fit for the intended use by remedial measures, including cleaning up (e.g., by excavation and clean earth filling) and natural attenuation (recovery), upon the decision of the competent environmental authorities. Environmental provisions are booked in accounting for the liabilities related to spills, covering cleaning and remediation costs.

**ZERO**  
major oil spill  
recorded in 2020

**Spill performance**

In 2020, we recorded no major hydrocarbon spill (2019: one major spill). A total of 2,267 minor releases occurred in 2020 (2,011 minor releases in 2019). Total hydrocarbon spillage was around 31,908 litres (2019: 54,195 litres). The number of spills and their volume are fully documented and reported using the new OMV Petrom reporting tool. Spills were mainly due to the corrosion of the aging infrastructure in Upstream.

**Water Management**

Our water management activities’ key goals are to reduce water consumption, utilize water resources efficiently and treat wastewater appropriately. OMV Petrom uses water for its operations in Upstream and Downstream. Freshwater is used, for example, for drilling, steam generation, and cooling, among other processes. Smaller amounts of water are also used for non-industrial purposes. Some water used in operations is recycled back for reinjection to pressurize hydrocarbon reservoirs to optimize the extraction rate. Desalinated water is used in offshore operations. Our Petrobrazi refinery and Combined Cycle Power Plant Brazi also use recycled water for various operational purposes.

**Spill remediation**

Hydrocarbon spills are assessed and cleaned up immediately after their occurrence in accordance with internal procedures governing spill remediation. Leaks are repaired immediately or within defined time frames in accordance with the site’s maintenance processes and based on the risk assessment outcome and other factors, such as the feasibility of repair during operation. We approach the remedial measures in line with the

Our impact on water resources is material to stakeholders as follows:

- ▶ Government authorities (regulatory and river basin management authorities): compliance with water use rules and environmental parameters relating to discharged wastewater.
- ▶ Local communities: sharing of local water resources and the quality of discharged wastewater.
- ▶ NGOs/NPOs: environmental protection and water resource conservation.
- ▶ Local water utilities: supply of freshwater (for OMV Petrom’s operations) and treatment of wastewater.

Local regulatory and river basin authorities are involved to ensure that OMV Petrom is compliant with local environmental regulations and has obtained all the required permits, both for water withdrawal, use and discharge. In the case of new construction sites, we follow the regulatory EIA process (Environmental Impact Assessment), which requires public consultation with stakeholders on environmental topics, including water.

OMV Petrom water management activities pursue socially equitable water use. In our Human Rights Matrix, we commit to

Conduct. OMV Petrom regularly carries out supplier audits to ensure compliance with our human rights requirements. OMV Petrom’s approach to water management is in line with OMV’s water framework that includes a Water Ambition Statement and a Water Strategy (currently under review).

OMV’s Group-wide Water Strategy is based on five strategic pillars:

- ▶ Transparency
- ▶ Risks and opportunities
- ▶ Water efficiency and treatment
- ▶ Training and awareness
- ▶ Stakeholder engagement

OMV Petrom adheres to the requirements laid down in local legislation when setting standards for effluent discharge quality. The OMV Petrom Group Environmental Management Standard requires all activities to minimize the impact of effluents on the environment and local communities and outlines specific requirements for wastewater discharge onshore and offshore. The direct discharge of wastewater on land, in wetlands, or in other bodies of water without prior treatment is not permitted.



**Water Ambition Statement**

- ▶ We respect water as a precious limited resource and focus on its sustainable use.
- ▶ We are committed to meeting all applicable legislative requirements or our OMV regulations – whichever is more stringent.
- ▶ Water management is a key component of our social license to

- operate. We cooperate with local communities and prove to be responsible partners.
- ▶ We are committed to transparency when it comes to our impact on water resources.
- ▶ Every OMV employee is responsible for minimizing the impact of our activities on water resources.

SDG 6, Targets: 6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all; 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally; 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

ensuring an adequate standard of living, including access to water and food for our employees and contractors working for OMV Petrom. This applies not only to our operations, but also to our suppliers that sign and commit to following the Code of

The standard furthermore stipulates that no discharge may alter or diminish the value of the receiving environment. All discharges must be systematically monitored, and any environmental impacts must be managed appropriately.

We monitor the impact of our activities (pollutant levels) on both groundwater and surface waters. This is performed on a case-by-case basis, according to specific requirements in the environmental permits and in the water permits of the working points. The main indicator tested is Total Petroleum Hydrocarbons (TPH). Monitoring is done annually or twice per year, depending on permit requirements. The pollutants concentrations (including oil concentration) in the treated waters discharged to natural waters are measured and monitored as set in the environmental permit and the water permit in line with water legislation (in Romania, NTPA 001/2002 – Norms regarding the Maximum Allowable Discharge Concentrations for pollutants in municipal and industrial wastewaters discharged into natural waters).

#### Water Risk Assessment

High-level water risk assessments are conducted for all the relevant sites. We use international tools and indexes, such as Verisk Maplecroft's "Water Stress Index" complemented by the World Resources Institute's (WRI) Aqueduct "Baseline Water Stress" index and World Wild Fund Tool, as well as own assessments, as required, to identify operations in areas affected by water scarcity and water stress.

In 2020, we continued to evaluate the water risk at Arpechim Terminal in Downstream Oil and Asset Muntenia in Upstream, in addition to those finalized in 2019 (Petrobrazi, CCPP Brazi and Asset Crişana). The water risk assessment was performed by using an international methodology developed by the World Wildlife Fund. Both river basin data and industrial activity data were analyzed. The evaluation took into account physical criteria, including water scarcity, as well as compliance and reputational aspects. Given that some regions where we operate have already experienced water stress in dry years and that a further decline in water availability is expected, mainly due to climate change, we continue implementing measures for efficient water use. Results of these water risk assessments are used as input for

assessing the climate change-related water stress risk under EWRM.

Operating facilities located in places that are affected or are likely to be affected by water issues and operations utilizing significant water resources are prioritized when developing and implementing water management plans, including location-specific action plans. The Water Management Plans aim to allow sustainable long-term production with minimal effects on the environment. Around 80% of OMV Petrom's priority sites have completed water management plans, with the development of plans in progress at the remaining sites.

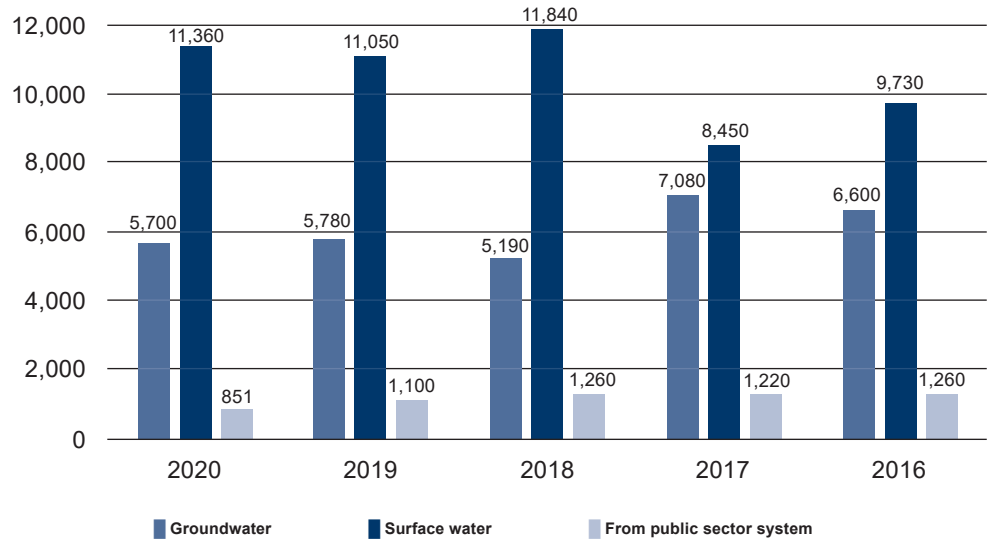
#### Water performance

OMV Petrom regularly monitors and reports water performance systematically and takes appropriate measures for all the relevant sites across the Company. In 2020, in total we withdrew 59,362 megalitres of water, consisting of groundwater, surface water, water from public supply, seawater and produced water (2019: 17,930 megalitres, not included produced water). Out of the total water withdrawn in 2020, about 5,700 megalitres was groundwater and around 1% was from areas with water stress. The scope of Freshwater Withdrawal of OMV Petrom's operations covers all operated assets and those with more than 50% stake, excluding filling stations, for which the process of data reporting is under development.

The Freshwater Withdrawal Intensity Index of OMV Petrom's operations decreased by 0.16% in 2020 vs. 2019, based on a 4.4% increase in Downstream Oil, a 3.5% decrease in Downstream Power Plants (CCPP Brazi, Petrom City Power Plant) and a 6.8% decrease in Upstream. The scope of Freshwater Withdrawal Intensity Index of OMV Petrom's operations covers all operated assets and those with more than 50% stake, excluding OMV Petrom Retail, OMV Petrom Aviation and OMV Petrom Global Solution. In 2020, our Upstream operations generated 41,443 megalitres of produced water (2019: 43,200 megalitres) - a by-product of oil and gas production.

**Around 80% of OMV Petrom's priority sites have completed water management plans.**

**Water Withdrawal by source (megaliters)**



**Responsible water management at Asset Oltenia in Upstream and Arpechim Terminal in Downstream Oil – minimized impact on water resources**

In Upstream, at Oltenia Asset, we achieved a significant improvement in water use efficiency. The freshwater withdrawal intensity decreased by 37% in 2020 versus 2019. This performance was driven by two new facilities finalized in 2019 (Centralized Hydrocarbon Dewpoint Plant and End Gas Compression Station at Hurezani) and one new facility finalized in 2020 (New Compressor Station 2 at Bustuchin).

These new facilities use air/glycol cooling and they replaced the old ones, which used water-cooling.

In Downstream, at Arpechim we reduced the freshwater withdrawal by 31% in 2020 versus 2019 due to continued measures to optimize the pre-treated water distribution system and the firewater system at Arpechim Old Bradu. Also important for this performance was the management decision for discontinuing the operation of the water pumps, with buffer water tanks being used during nights.

**SDG 6 Target: 6.4** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity.

Following treatment, around 95% 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.

The vast majority of formation water treated and discharged to surface water comes from Asset Crişana in Upstream. This water resulting from the crude oil extraction process is treated in the state-of-the-art water treatment plant at Suplacu de Barcău. The plant is fitted with physical,

chemical, and biological treatment units, and with an activated carbon filtration system for water polishing before discharge into Barcău River. The treated water discharges are monitored daily for various indicators as required by the Water Permit in line with NTPA 001/2002, including TPH (Total Petroleum Hydrocarbons). In 2020, the monthly averages of TPH were 0.1 mg/l which is well below the permitted limit (5 mg/l). The total quantity of hydrocarbon discharged within the treated water of Crişana Asset was around 0.205 t in 2020.



**77%**  
waste valorization  
rate in 2020

**Waste management**

Our activities generate solid and liquid waste, including hazardous waste, such as oily sludge, waste chemicals, catalysts, contaminated soil and construction debris. Examples of non-hazardous waste include concrete not containing dangerous substances, welding waste, water-based drilling wastes, as well as municipal waste, paper and metal. Our approach to waste management follows a hierarchy of priorities, namely, first prevent waste where possible; then reuse, recover and recycle it; and only as a last resort, dispose of it safely.

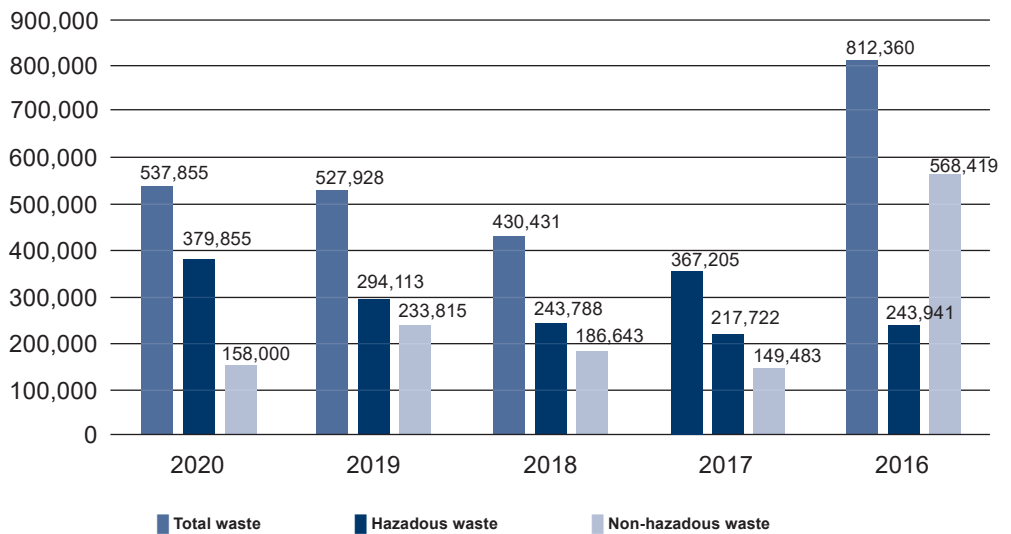
In 2020, OMV Petrom generated 537,855 t of total waste (2019: 527,928 t). We valorised (diverted from disposal by recycling, recovery and preparing for use) 77% of the total waste generated throughout the year. The total waste amounts cover both production waste and waste from one-time projects.

In 2020, from the contaminated soil treated in our bioremediation plants, 88% resulted as bio remediated soil for use as backfill material, and 12% 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., extended-reach wells), we use non-aqueous drilling fluids (NADF). We reuse drilling mud wherever practicable, treat and dispose of cuttings as per law, and use the best available technology.

In 2020, we generated 54,060 t of drilling mud and cuttings, out of which 86% were water-based (2019: 76%).

**Waste management by type (t)**



The scope of total waste for OMV Petrom covers all operated assets and those with more than 50% stake, excluding OMV Petrom Retail for which the process of data reporting is under development.

The hazardous waste amounted to 379,855 t and mainly included soil from wells and facilities abandonment and tank sludge, whereas non-hazardous waste included scrap metals and clean concrete from decommissioning activities.

We apply best practices for the management of drilling waste in Upstream. For example, in Asset Crişana, we continued to provide our contractor with inert drill cuttings from the water-based drilling waste to serve as stabilization agent of other waste. This waste is further used as a cover layer in non-hazardous waste landfills or disposed to landfill. Whenever possible, we reuse the spent water-based drilling mud for drilling new wells or abandon old wells in accordance with

legal requirements. This approach helps to avoid the generation of drilling waste by our Company. It also brings additional environmental benefits by preventing waste, preserving the natural resources (e.g., water, bentonite, and others),

capping) in terms of well abandonment. With respect to environmental protection, we comply with the obligations established by the Environmental Protection Agency, which certified this after the completion of our work.



**Surface abandonment works in Upstream – good practices applied for waste management**

In 2020, we executed works for surface abandonment of 503 wells and 30 facilities in Upstream. Contaminated soil, construction waste and scrapped metallic ferrous and non-ferrous materials were the main waste streams generated. We treated 193,500 tons of contaminated soil in our Bioremediation Plants with

a recovery rate of around 88%. The clean concrete represented around 85% of the construction waste, which amounted to 29,000 t, and we delivered it for further use in OMV Petrom and outside. We recycled around 12,900 t of scrapped metallic ferrous and non-ferrous materials through authorized companies. We directed the other wastes to specialized waste facilities for either recovery or disposal.

SDG 12, Target: 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

and decreasing the carbon footprint in the supply chain. In 2020, the Oltenia, Muntenia, Moesia, Muntenia Vest Assets were among the Upstream's Assets that reused the spent water-based drilling mud for well abandonment and drilling new wells.

In Downstream Oil, we continued the high performance on waste recovery rate out of demolition projects. We achieved 99% waste recovery rate out of demolition projects in Hunedoara county, respectively Deva fuel terminal and Deva railway as well as the Petrobrazi refinery, which were finalized in 2020.

**Site decommissioning and closure**

The OMV Petrom Group Environmental Management Standard requires that environmental and social components are identified for the entire life cycle of facilities, including decommissioning and abandonment, so that any future adaptation measures are identified and planned for.

**Site restoration for old Fuel Terminals – responsible management to the end-life of operations**

In 2020 we continued the cleaning, remediation and ecological reconstruction works for nine former Fuel Terminals, which started in 2019. These added to 30 former Fuel Terminals of which sites were brought to previous condition, according to the legal provisions, in 2019. As a result, besides around 137,000 m<sup>3</sup> contaminated soil/subsoil with petroleum products generated and treated in 2019, in 2020 around 145,000 m<sup>3</sup> contaminated soil and subsoil /subsoil were generated and treated by site-specific methods, as provided by the related project's solution, in line with best practice (e.g., bioremediation technologies off-site, on-site, in-situ, in-situ with injection). We achieved a recovery rate of 99% for the contaminated soil treated, which we further used for on-site backfills or directed to other authorized locations. We performed

For example, in Upstream, the works for surface abandonment comprise demolition, dismantling, cleaning, remediation and site restoration to the initial state. To meet the compliance obligations, we engage with all relevant stakeholders (e.g., Environmental Protection Agency, National Agency for Mineral Resources, City Hall/ County Council, State Construction Inspectorate, National Environmental Guard, Landowner), including for defining the desirable closure goals. We comply with the technical requirements specified by law (e.g., secure well plugging and



periodic monitoring during and after site rehabilitation, as requested for each site by the environmental authorities. For example, during site rehabilitation, we took samples of soil/subsoil and groundwater monitoring in each phase of the project (e.g., excavation, bioremediation). We monitored the quality of soil/subsoil and/or underground water after site rehabilitation when requested by the environmental authority. We also monitor the site status (e.g., land covering by grass, soil compaction) on a quarterly basis during one year after our works are finalized.

**Biodiversity protection**

According to the OMV Petrom Environmental Management Standard and Environmental and Social Impact Assessment Procedure, all OMV Petrom activities must be conducted in such a

way as to cause minimal disturbance to protected areas and local flora and fauna. In 2020, OMV Petrom finalized the development of a mobile application to enable employees to identify protected species observed within their operational boundaries easily. This project contributes to improving biodiversity conservation monitoring and increasing awareness on this topic.

Observed or predicted direct and indirect impacts on biodiversity and ecosystem services are described and analysed in the environmental impact assessment. Biodiversity screenings are carried out at all relevant sites to identify as far as reasonably possible the potential for the presence of nationally or globally threatened species, legally protected threatened or fragile ecosystems, and internationally recognized areas with sensitive biodiversity. In the event of significant observed or predicted impacts, we apply the mitigation hierarchy, and action planning gives priority to avoidance and minimization over restoration and offsetting of the impact.



**Midia Pipeline Project in Petromar Asset of Upstream – mitigate the risks in sensitive area**

In order to mitigate the operational risks to an environmentally sensitive area, we implemented a project with the scope of rerouting a section of 2.5 km of the main oil pipeline from the Central Offshore Platform to the Midia Terminal in Upstream’s Petromar Asset. This segment of pipeline is in a sandy, swampy area with a high-water table where an effective response to a potential spill would have been difficult. The aim was to install a new pipeline segment (with a cathodic protection system to ensure long-term integrity) on a deviated route as well as decommissioning of an old pipeline segment (by cleaning and sealing).

The relevant environmental authorities permitted the Midia Pipeline Project,

which had a reduced temporary impact on the environment. It did not involve the use of resources of which the biodiversity depends on. It also did not affect the integrity of natural protected areas (the land was rendered to initial status) and the protected habitat “Mediterranean salt meadows” (900 m of pipeline crossing this habitat were performed by Horizontal Directional Drilling).

“Corbu-Midia area is one of the most sensitive areas from Upstream. OMV Petrom main oil pipeline from offshore pass through a protected Biosphere area, near the Corbu village community. Identifying the risks and put in safety the integrity of this pipeline is the responsible way of OMV Petrom to act toward the local community, to the environment and for our business” Alin Viorel Bulău, Project manager of the project.

**SDG 15 Target 15.5** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

Characteristics of the environmentally sensitive area Corbu-Midia:

- ▶ RO SCI 0065 Danube Delta (Site of Community Importance)
- ▶ the Danube Delta Biosphere Reserve
- ▶ RO SPA 0031 Danube Delta and Razim-Sinoe Complex (Special Protection Area)
- ▶ 1 km away from RO SPA 0076 Black Sea and RO SCI 0066 Maritime Zone of Danube Delta
- ▶ biodiversity values listed in the Habitat Directive 92/43 EEC: Mediterranean spur-thighed tortoise (*testudo graeca*) and Mediterranean salt meadows (*Juncetalia maritimi*).

**Air emissions other than GHG**

In the Petrobrazi refinery, emission monitoring is done for pollutants such as SOx, NOx, CO, particulate matter/dust (NM) and Volatile Organic Compounds (VOC) as required by the European and national legislation and respective permits. To improve management of air pollutants, additional monitoring stations are installed, and measures are implemented. Minimum requirements on odor emissions were established in the OMV Petrom Environmental Management Standard

revised in 2020. Whenever odor and odor nuisance have or could have a relevant impact on the environment and people's health or might cause public concern, prevention or mitigation measures are established, preferably by applying Best Available Techniques (i.e. during design). Odor Management Plan and Odor Complaint Management complement these as the case may be. Odor is a subjective matter and the assessment is complex and often difficult to quantify.

Although there is a large set of international guidelines and standards dealing with odors, there are only a few specific regulations for odor. For example, in 2020, Romania passed a law to establish the regulatory frame for odor management. Methodological norms of application are going to be developed. In this context, OMV Petrom, in partnerships with the Oil and Gas Employers' Federation of Romania, initiated a project to identify the international best practice in controlling and managing odor. The results will be used to support the authorities in setting up the application norms of the odor law.

<b>Status in 2020</b>	<ul style="list-style-type: none"> <li>▶ Reviewed the Environmental Risk Assessment Registers and implemented risk reduction measures.</li> <li>▶ Developed reports on water and waste management.</li> <li>▶ Implemented water efficiency measures and assessed the water-related risks for Arpechim Terminal in Downstream and Asset Muntenia in Upstream.</li> </ul>
<b>Action plan to achieve the targets</b>	<ul style="list-style-type: none"> <li>▶ Monitor and report systematically on water and waste performance.</li> <li>▶ Monitor and manage the environmental risks, including climate change-related water stress.</li> </ul>

**Sustainable Development Goals (SDGs) supported**





# CARBON EFFICIENCY

Climate Change and Energy Transition

Customer and Product Responsibility

# Climate Change and Energy Transition

We recognize climate change as one of the most important global challenges today and acknowledge the goals set forth by the Paris Climate Change Agreement. OMV Petrom is fully committed to climate change mitigation and responsible resource management. We are the first Romanian company supporter of the Task Force on Climate-related Financial Disclosures (TCFD). We set targets to manage and reduce the carbon footprint of our operations. Reducing greenhouse gases will decrease our environmental impact and have a positive financial impact by ensuring compliance with climate-related regulatory requirements and ensuring the efficient use of resources.



## Climate change

OMV Petrom commits to doing business economically, ecologically, and socially sustainably. We will continue to uphold this commitment as it is the only way to protect and preserve security and prosperity in the long term. More people need more energy. At the same time, the planet is getting warmer, making climate protection increasingly important.

Therefore, we are transforming our business model step by step to reduce the carbon footprint of the Company.

OMV Petrom takes climate actions related to its operations, product and service portfolio, innovations and R&D activities, working environment, and social investments. OMV Petrom is fully committed to climate change mitigation and responsible resource management and has consequently set targets to manage and reduce the carbon footprint of its operations and product portfolio. In 2020, OMV Petrom met its set-up carbon targets. We also analyzed the opportunity to establish new carbon targets in line with those at the OMV

Group level, which is committed to the Paris Agreement (keeping the increase in global average temperature to well below 2 °C above pre-industrial levels) and the EU climate targets, pledging for the first time to become carbon neutral operations by 2050.

OMV Petrom S.A. **is scored A** - in the CDP Climate Change Program based on the response of OMV Group in 2020.

## Climate Change Risk Management

Climate change risk management supports OMV Petrom's efforts to act as a dedicated company to sustainable business practices. As an energy company, we are committed to contribute to Romania's transition to a low-carbon economy.

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

**We are transforming our business model step by step to reduce the carbon footprint of the Company and contribute to the transition towards a low-carbon economy.**

**OMV Petrom considers and addresses climate change-related risks according to TCFD recommendations.**

qualitative analysis, taking into account a wider range of uncertainty. Climate-related risks and opportunities have already impacted our business plans and objectives in the medium term. The most substantial climate-related changes in the oil and gas industry are expected to arise on a longer time scale, in particular with regards to revenues. Therefore, management pays close attention to climate-change-related long-term risks and opportunities and takes these into account in the strategic decision-making process. Risks are identified on a daily basis in a bottom-up approach by all employees 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. Being the first Romanian company to support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), OMV Petrom considers and addresses climate change-related risks according to TCFD recommendations, as well as the double materiality perspective proposed by the EU Non-Financial Reporting Directive. These new approaches have been implemented in OMV Petrom starting the second half of 2020, gradually throughout the organization, as follows:

#### **Physical risks**

Potential severe weather events like flooding, landslides, periods of low or no precipitation and storms could bring physical risks that impact our assets portfolio, such as railway infrastructure damages, inability to access water for the normal operations (internal consumption). Potential financial impact has been estimated based on assumed business interruption in OMV Petrom Upstream and Downstream as generating loss of revenues of approximately EUR 60 mn.

#### **Transition risks**

Potential future restrictions on the carbon intensity of feedstocks, political and security risks in the countries of origin of our

feedstock, and any other supply limitations pose a threat to the refinery feedstock supply. There is a risk of imbalance between certificates allocated and Company-required emissions volumes, resulting in higher costs generated by the uncertainties about the allowance demand and abatement costs. Current and emerging regulations in line with international public-sector initiatives, such as the Paris Agreement, and their subsequent transposition into Romanian national regulations would result in limits set on GHG emissions by the energy sector. This process of decarbonisation will change the energy mix and will lead to a reduced demand for fossil fuels with a high carbon content.

There is a risk that demand for refined fuels may decrease due to less carbon-intensive substitute products coming to the market. Emissions regulations, energy efficiency regulations, and regulations on the increased share of renewables in the energy mix are expected to result in a decrease in gasoline and diesel production in accordance with European regulation so as the new car registration trends towards gasoline and battery electric / hybrid cars, as well as to a decrease in the production of our heavy products.

Reputational risks stem from the increasing number of investors who assign a company's environmental and social responsibilities a high weight in their investment decision-making process. This can be for reasons of internal policy or due to regulatory pressure for public investment transparency regarding sustainability issues.

#### **Transition opportunities**

Decarbonization will create opportunities for OMV Petrom based on the increased demand for lower- or zero-carbon fuel (e.g., natural gas, CNG, LNG, hydrogen, biofuels, e-mobility). Further details will be provided with the Strategy update planned in the second part of the year.

#### **Scenario Analysis**

Scenarios consistent with the goal of limiting the global temperature increase to no more than 2 °C by reducing greenhouse gas emissions are of utmost importance for our strategic considerations as they imply

fundamental changes to the current energy market. We are aware of the potential risk of stranded assets if we cannot fully exploit our reserves due to surpassing the global carbon budget. During the strategy development and planning processes, OMV Petrom has taken into account scenarios reflecting various aspects of potential economic, technological, and social developments and their implications for the energy market and, consequently, for our business.

OMV Petrom currently still uses the International Energy Agency (IEA) Stated Policies (STEPS) Scenario, given that it incorporates current and announced policies, targets, and plans. Based on the IEA STEPS Scenario, we projected the development of the oil and gas demand in Europe and in the OMV Petrom core markets up to 2025. In general, according to the IEA STEPS Scenario, changing demand will lead to a less carbon-intensive fuel mix.

In comparison to the IEA STEPS scenario analysis, the IEA Sustainable Development Scenario (SDS) was used by OMV Petrom as a downside sensitivity to generally

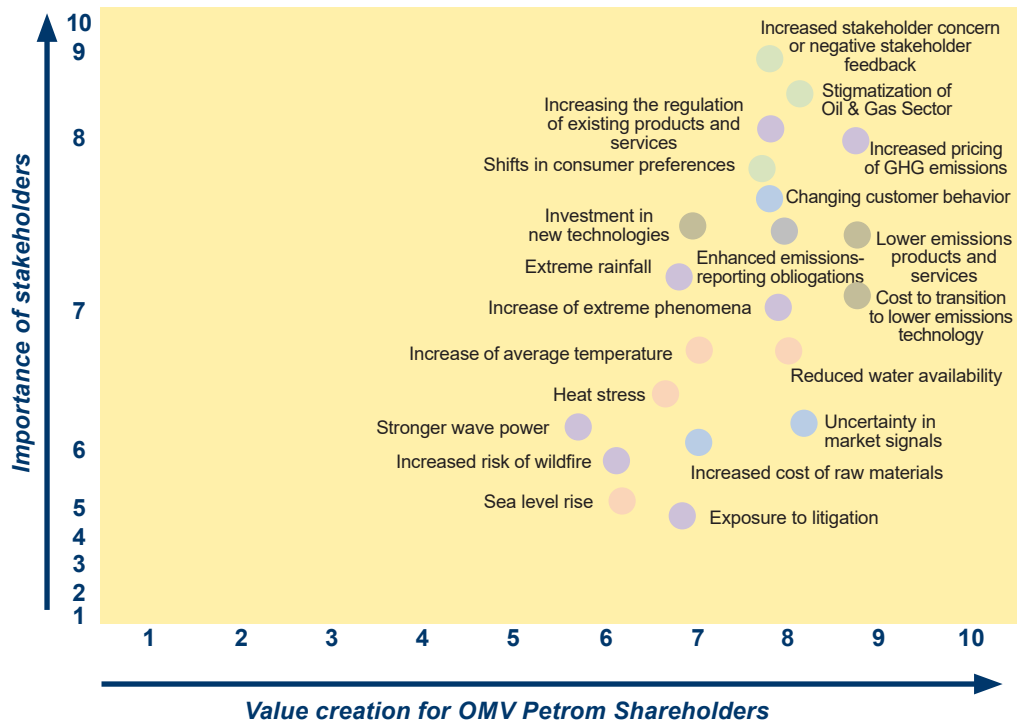
understand how the existing and future OMV Petrom portfolio performs in such a business scenario. The SDS charts a path fully aligned with the Paris Agreement by holding the rise in global temperatures to well below 2 degrees Celsius and meets objectives related to universal energy access and cleaner air. Considering the CO<sub>2</sub> price from SDS scenario for the year 2040 (122 EUR/t) and the CO<sub>2</sub> emissions of OMV Petrom at 2020 level (3.57 mn t) we can estimate a cost of EUR 436 mn for our CO<sub>2</sub> emissions.

**Climate Change Materiality Map**

To address the most critical aspects of energy transition, in 2020 OMV Petrom has undertaken a materiality assessment of the most relevant transition issues.

The materiality of climate change-related risks confirms that the two most important climate change issues for the Company and its stakeholders are increasing stakeholders' pressure on climate change disclosure and the stigmatisation of Oil and Gas sector. Next in line are issues such as emerging low emission regulations and increasing pricing of GHG emissions.

**Materiality of climate change related risks**





**The Executive Board approves the carbon-related targets as part of the Sustainability Strategy.**

**7.5%**  
decrease in GHG intensity vs. 2019, across all business areas, with 24.3% decrease in Upstream

**Carbon efficiency of operations**

Reducing emissions from operations is an important strategic target for OMV Petrom, demonstrating our commitment to this material sustainability topic. Our carbon efficiency agenda focuses on process optimization and modernization, energy efficiency, using renewable electricity, and delivering projects that reduce gas venting and flaring. Management of carbon efficiency in operations is incorporated into the sustainability governance process, as described in the OMV Petrom Sustainability strategy chapter.

**OMV Petrom decreased the GHG Intensity of its operations by 26% in 2020 vs. 2010.**

This proves our efforts to achieve our strategic target of decreasing the GHG Intensity by 27% by 2025 vs. 2010. In 2020, the overall OMV Petrom’s GHG Intensity decreased by 7.5% vs. 2019 for the entities in the scope, as follows: Upstream’s Assets decreased by 24.3%, Petrobrazi refinery increased by 4.1% and Power Plants (Brazi Power Plant and Petrom City Power Plant) decreased by 0.5%. Upstream continued measures to reduce GHG emissions. In 2020, our actions resulted in a significant reduction of venting and fugitive methane emissions thanks to modernization, replacement and/or optimization of gas processing and transportation infrastructure.

Examples include:

- ▶ Shutdown Compressor Station 10GK Bustuchin

- ▶ Install G2P in Icoana – Asset Muntenia Vest
- ▶ Rehabilitation/replacement of main gas pipelines in Muntenia Vest.
- ▶ Operational measures in Asset Muntenia
- ▶ Leak Detection and Repair program in all Assets and Green Kaizen events.

An important contribution was also the setup of a dedicated Carbon Management Program team with focus on three main areas (2020 onwards): carbon portfolio development, performance management, people awareness and mindset, analytics and digitalization.

As part of the Energy Efficiency Program in Upstream, we continued to develop projects to obtain electricity (gas to power - G2P) or electricity and useful thermal energy (Cogeneration or Combined Heat and Power - CHP) out of gas in Upstream. In 2020 we have finalized G2P Icoana and G2P Țintea Phase 2 and initiated other two new G2P projects (Asset Muntenia Vest – G2P Oarja and Asset Muntenia – G2P Baicoi Vest). We managed to ensure between 61% and 66% of the annual electricity consumption of our Upstream business and important production cost savings through such projects.

Our 860 MW Combined Cycle Power Plant (CCPP) located in Brazi is equipped with state-of-the-art emission reduction equipment that enables it to rank below the EU CO<sub>2</sub> emissions average. The Brazi power plant had a net



**New Compressor Station 2 Bustuchin in Upstream, Asset Oltenia - promoting modernization**

The Project related to “Shutdown of Compressor Station 10GK Bustuchin” was developed in OMV Petrom Upstream, Asset Oltenia, between 2017 and 2020 with around EUR 5 mn investment. The scope consisted of installing four new two-stage electrically driven compressors and related

auxiliary equipment, replacing the former compressor station 10GK Bustuchin, which had been operating since 1989. By having a new facility in place, referred to as Compressor Station 2 Bustuchin, the operational and integrity risks were reduced significantly. Therefore, the gas compression system downstream to Hurezani Panel was optimized, resulting in a direct GHG emission reduction of around 18,500 t CO<sub>2</sub>.

**SDG 9 Target: 9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

electricity production of 4.15 TWh compared to 3.38 TWh in 2019, representing 7% of Romania's electricity production, supported by positive margins; the power plant also contributed to the balancing market and ancillary system services, supported by its technical capabilities. Replacing lignite-fired power plants with gas reduces CO<sub>2</sub> emissions with minimum 50%. For example, our CCPP produced 1.535 mn t of GHG emissions in 2020. If it were lignite-fired, it would have produced 3.968 mn t of GHG emissions instead. In 2020, the power production increased by 0.796 TWh, and the GHG intensity decreased by 0.51%. The power plant in OMV Petrom City increased the thermal and electricity production by 1.96% in 2020 vs. 2019, in line with consumption needs.

#### Direct GHG Emissions (Scope 1)

In 2020, OMV Petrom's carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O) emissions levels directly related to our operations (Scope 1) totalled 3.99 mn t CO<sub>2</sub> equivalent and was relatively stable comparing with previous year (2019: 4.24 mn t CO<sub>2</sub> equivalent). The scope of direct GHG emission cover all operated Assets and those with more than 50% stake, excluding the filling stations of which contribution is marginal.

We are subject to the EU Emissions Trading Scheme (EU ETS). Five of our operating installations were under EU-ETS at the end of 2020.

Around 67% of our direct GHG emissions come from these EU-ETS installations and are externally verified by an accredited company, according to the relevant legislation.

#### Indirect GHG Emissions (Scope 2)

OMV Petrom's indirect GHG emissions (Scope 2) are those related to the production of the energy we purchased (electricity and heat) for our operations. In 2020, our indirect GHG emissions totalled 0.094 mn t CO<sub>2</sub> eq. (2019: 0.045 mn t CO<sub>2</sub> eq.). The increase of indirect GHG emissions was mainly due to the extended scope with filling stations of which contribution amounted to 0.038 mn t CO<sub>2</sub> eq.

Our Scope 2 emissions are primarily caused by the Upstream and Downstream Business Segments, both of which are energy-intensive.

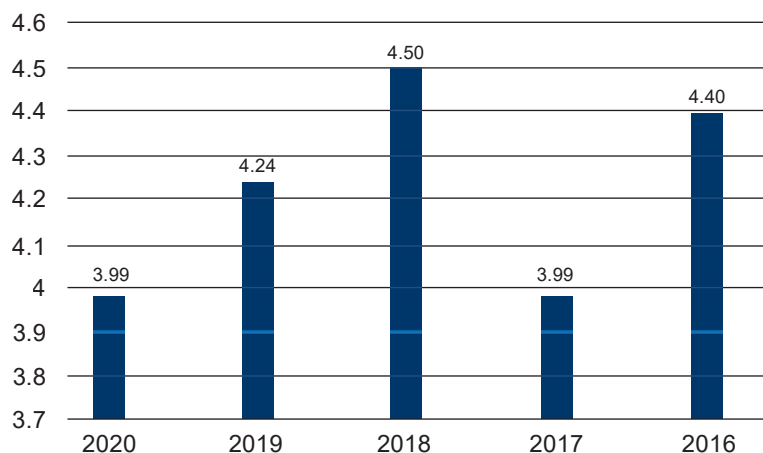
#### Indirect GHG Emissions (Scope 3)

In 2020, our Scope 3 emissions were 24.74 mn t CO<sub>2</sub> equivalent (2019: 26.06 mn t CO<sub>2</sub> equivalent) and are related to the total product sales volumes of Petrom as stand-alone company. Around 94% of OMV Petrom's products are directly used for combustion. The Scope 3 emissions from the use and processing of our products constitutes around 86% of our impact in terms of GHG emissions. The development of low-carbon products and new energy solutions to reduce this major impact is therefore in our focus to address the Climate Change and Energy Transition.

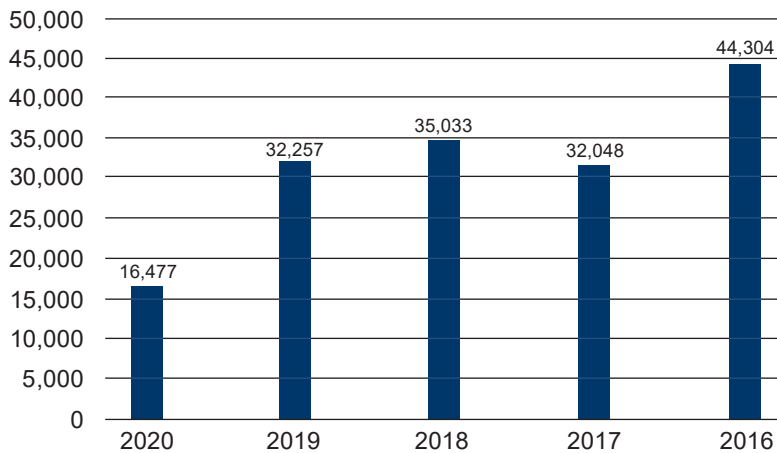
#### Flaring, Venting and Fugitive Emissions

Phasing out routine flaring is one of the essential steps towards combining resource efficiency with long-term economic success and a way to strongly support our efforts to reduce our operations' carbon footprint. In 2020, OMV Petrom routine flaring was 20.32 mn m<sup>3</sup> To reinforce our aim to responsible resource management and sustainable business, we committed to phasing out routine flaring according to the World Bank global initiative "Zero routine flaring by 2030", endorsed by the OMV Group.

Direct GHG emissions - mn t CO<sub>2</sub>eq



**Methane emissions (t)**



**52%**  
reduction  
in hydrocarbon  
vented in Upstream  
vs. 2019

New OMV Petrom oil and gas fields are developed and operated according to plans that incorporate sustainable utilization or conservation of the field’s associated gas without routine flaring. Existing sites where routine flaring of associated and free gas still takes place are required to develop a phase-out plan to eliminate legacy routine flaring as soon as possible, but no later than 2030.

Many activities and projects to stop or reduce routine flaring have already been implemented or are ongoing, such as the Energy Efficiency Program in Upstream. In the Petrobrazi refinery, optimal plant design is implemented to minimize flaring events by balancing the fuel gas system. Such advanced process control includes enough capacity of the flare gas recovery system, the use of high-integrity relief valves, and other economically viable organizational and control measures. As a result of such measures, we aim to use flaring as a safety system for other than normal operations, such as start-up, shutdown, emergency, process upsets, etc.

All OMV Petrom’s operations are required to minimize methane emissions from point sources as well as fugitive emissions and technically unavoidable emissions (such as well testing and well workover, among others). The main sources of methane emissions are routine/non-routine venting of gas during oil and gas production and processing as well as gas leaks. To prevent and mitigate fugitive emissions, important steps have been taken, such as a

pipeline integrity program and compressor station modernization (modernization of facilities) in Upstream and a Leak Detection and Repair (LDAR) Program in both Upstream and Downstream. An LDAR Program includes two fundamental steps, namely identification of the leaking components and repair of these leaks in order to minimize losses. This program serves as the basis for developing reduction projects in accordance with best practices in the industry and the best available technologies.

Upstream significantly reduced the hydrocarbon vented to 16,155 t in 2020, meaning a reduction of 52% comparing to 2019. Among the contributing measures are the Green Kaizen Events as well as improving and optimizing the gas infrastructure (e.g., replacement of Helvet 20” pipeline and closing of 10 GK Barbatești Compressor Station in Asset Oltenia, new gas pipelines at Mihaești and Merișani in Asset Muntenia Vest, relining of gas pipelines grid Boldești, capital repairing of Park 1125 Buștenari and increase of gas capacity for Compressor Station 9 Moreni in Asset Muntenia).

In Downstream Oil, the Petrobrazi refinery implemented an LDAR Program according to BAT-BREF (Best Available Techniques - Reference Documents). The program’s objective is to reduce fugitive emissions from the plant’s technological equipment (e.g., vents, flanges). In 2020, the Program targeted accessible fugitive emissions sources from Tank Farm and well as Fluid Catalytic Cracking and Gascon Plant.

The program also covered the screening of inaccessible sources, where no leaks were detected. The measurements were performed by using the Optical Gas Imaging (OGI) method, which involved an advanced hand-held infrared camera specifically developed for this purpose. All leak sources, with a concentration above the repair definition (threshold), underwent repairs in 2020. This program runs periodically, according to a schedule, in all Petrobrazi installations.

**Energy use and renewable energy**

As an integrated oil and gas company, OMV Petrom operates large facilities and is also a major energy consumer.



### Green Kaizen Events in Upstream - minimizing fugitive emissions

In Upstream, we deployed a LDAR Program in all Assets, as part of Green Kaizen Events in 2020. The aim is to repair all leaks identified while enabling a low-carbon operational behavior among field personnel and local contractors. The Green Kaizen Events consist of five main activities: leaks identification, volumetric measurement of fugitive gas leaks, leak repairs, post-repair measurement in repaired sources and

the assessment of results. These activities aim to set the employees' minds to see the problem, understand the problem's size, implement the solution, confirm the solution, and sustain the result. In 2020, we managed to decrease the fugitive emissions through two Green Kaizen Events at large facilities of Crişana and Oltenia Assets. We intend to continue this in all operated Assets, incorporating lessons learned and best practices to ensure maximum reach of set objectives.

**SDG 13 Target: 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.**

Energy and climate change issues are of interest to stakeholders including:

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

strategic partnership with the Energy Policy Group (EPG) on an energy efficiency initiative "România Eficientă." This is a unique initiative in Romania, aiming to create a culture of energy efficiency in the building sector.

Effective management of energy consumption reduces the environmental impact and environmental cost of our operations, increases financial savings thanks to energy efficiency, prevents non-compliance with regulatory requirements on energy use, and mitigates the climate effects of GHG emissions.

In 2020, **our total energy consumption** was 43.9 PJ (2019: 43.1 PJ).

The OMV Petrom Group Environmental Management Standard requires that all businesses use energy responsibly, conserve primary energy resources, and implement energy management plans in accordance with ISO 50001. In 2020, we held valid certifications of the Energy Management System according to ISO 50001 for OMV Petrom S.A. and OMV Petrom Marketing. Our Energy Management System which is certified according to ISO 50001 covers around 60% of Petrom Group's employees.

The Petrobrazi refinery embarked on a long journey towards a high energy efficiency performance confirmed by participating to a well-known benchmarking provider for Fuels Studies, known as Solomon. Based on the benchmarking studies, energy efficiency programs are defined for the ongoing year as well as long-term targets to be among the top performers of energy efficiency. To this end, we explored approaches and solutions enabled by the latest digital technology to significantly enhance the energy intensity index performance in a more complex global economy.

Energy efficiency requires major interventions for reducing greenhouse emissions by reducing energy consumption. In this regard, OMV Petrom signed a

The solution would require a multiphase approach for OMV Petrom to progressively

**In 2020 we received recertification for the Energy Management System according to ISO 50001.**

# 82

filling stations with photovoltaic cells installed

define, measure, analyze, improve and control its energy performance management using methods supported by technologies to transform its energy performance management. In 2020 we went further to implement a pilot project regarding Energy Management Solution (EMS) for the Crude Distillation Unit at Petrobrazi, which is an analytics software solution that provides industrial companies with real-time data, visual intelligence and actionable recommendations to help them optimize production and increase profitability.

The project identifies operational scenarios, overdue maintenance activities and unit design constraints that cause ineffective energy consumption to reduce CO<sub>2</sub> emissions and energy costs. The results from the Energy Management Solution's reports provide an objective measurement of both expected and some unexpected loss sources. A user can evaluate the current energy efficiency and associated emissions on-demand.

Energy efficiency measures are closely linked with technical improvements and process optimization directed at reducing energy use while achieving the same operational output and also linked with GHG emissions reduction (for more information, see Carbon Efficiency in Upstream and Downstream).

In the retail business, we continued to install photovoltaic cells and reached a total number of 82 filling stations at the end of 2020. Thus, over 10% of the energy consumption of those locations is covered by renewable energy. The total number of photovoltaic cells produced 2.345 MWh and the total investment amounted to EUR 2.1 mn. We also initiated a pilot project for Micro cogeneration (simultaneous production of electricity and heat in the same process from a primary energy source - natural gas) in OMV Cluj Mărăști filling station. This pilot project is under evaluation for one year, then analysis of results and decision for further implementation.

<p><b>Our 2025 sustainability target</b></p>	<ul style="list-style-type: none"> <li>▶ Reduce OMV Petrom's carbon intensity of operations by 27% until 2025 (vs. 2010).</li> <li>▶ No new projects with routine flaring and venting and phase out existing routine flaring and venting until 2030 at the latest.</li> </ul>
<p><b>Status 2020</b></p>	<ul style="list-style-type: none"> <li>▶ Reduced the GHG Intensity of the operations by 26% in 2020 vs. 2010.</li> <li>▶ Developed Report on GHG performance.</li> <li>▶ No new project with routine flaring and venting in 2020.</li> <li>▶ Continue implementing projects to phase out routine flaring and venting by 2030.</li> </ul>
<p><b>Action plan to achieve the targets</b></p>	<ul style="list-style-type: none"> <li>▶ Phasing out routine flaring and venting in Upstream.</li> <li>▶ Energy efficiency improvements in Upstream and in the Petrobrazi refinery.</li> <li>▶ Fugitive methane emissions reduction through process optimization, field modernization, and integrity improvement measures in Upstream.</li> </ul>

**Sustainable Development Goals (SDGs) supported**



# Customer and 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 technologies.

**793**  
filling stations  
under two brands -  
OMV and Petrom

**Customer responsibility:  
extension to new energy solutions**

We distribute a wide range of petroleum products, including gasoline, diesel, LPG and kerosene. To ensure the quality of the fuels, 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.

The OMV Petrom Group is present on the oil products retail market in Romania and neighboring countries through 793 filling stations, under two brands – OMV and Petrom.

In the third quarter of 2020, OMV Petrom and Auchan Romania finalized the agreement to extend their partnership and to open 400 MyAuchan proximity stores in the Petrom-branded filling station network in the following 5 years. For this target, OMV Petrom and Auchan Retail Romania will invest more than EUR 50 million in total to refurbish the ~400 Petrom branded filling stations. MyAuchan proximity stores will replace the existing commercial spaces in the Petrom-branded filling stations, offering customers over 2,500 products. In 2020 OMV Petrom and Auchan Retail România opened 25 such MyAuchan

proximity stores. Thus, Petrom's best value for money proposition in fuels has been completed with Auchan's offering of 24/7, convenient, accessible goods, available while customers fuel their cars.

On December, 15<sup>th</sup>, OMV Petrom inaugurated the first upgraded Petrom branded filling station, as part of an extensive modernization program addressing the entire network. This filling station includes a fast lane for fueling and card payments solutions at the pump.

Concerning our plans regarding electric mobility, our approach is to develop the electric vehicle-recharging infrastructure in our filling stations network, in partnership with other players in this field. Thus, in September 2020, we announced a partnership with Enel X for installing 10 fast recharging stations for electric cars in filling stations in Romania. This comes after the announcement in the second quarter of the partnership with Eldrive, for installing 30 fast charging stations for electric cars in filling stations in Romania and Bulgaria.

In October 2020, OMV Petrom, launched the OMV Climate Neutral card in Romania, through which companies can become active in climate actions and contribute to

**Partnership  
with Enel X  
and Eldrive  
for installing  
40 fast charging  
stations**



## First OMV CLIMATE NEUTRAL card to offset carbon emissions

offsetting carbon emissions resulting from fuel usage. This option, a premiere for the Romanian fuel market, is enabled through the cooperation with ClimatePartner, an international solutions provider for corporate climate action. The OMV Climate Neutral card can be used by businesses for fuel purchases in the OMV and Petrom branded filling stations. OMV Climate Neutral runs like a traditional fuel card and offers companies the possibility to offset carbon emissions caused during transportation by paying a fixed price of RON 0.023/liter for gasoline and RON 0.027/liter for diesel, in order to support the carbon offset projects in ClimatePartner's portfolio.

Any user of an OMV Climate Neutral card will be able to check, at any time, the volume of offset carbon emissions, on the ClimatePartner portal. The card can be ordered online through our virtual store on the OMV Romania website. Customers will receive a certificate confirming their contribution by offsetting carbon emissions. This mechanism for compensating the emissions is performed in accordance with the standards imposed by the Intergovernmental Panel on Climate Change.

## Product responsibility

We manage product quality and safety in accordance with 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 our clients' requirements.

OMV Petrom supplies fuels with a volumetric bio-content of 6.5% in diesel and 8% in gasoline. The use of fuels with increased bio-content contributes to achieving the EU targets of reducing

greenhouse gas emissions. As per the European regulations, the renewable energy content in transportation fuels must increase from 10% in 2020 to 14% in 2030, in order to support the reduction targets of greenhouse gas emissions arising from transportation.

accordance with ISO 9001, 45001 and 14001. 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).



In 2020, OMV Petrom invested approximately EUR 21 mn at Petrobrazi refinery in order to increase the bio-blending capacity and to improve the infrastructure for the transport, unloading and storage of bio-components

within the refinery. We increased the annual bio-blending capacity from 200 kilotons to approximately 350 kilotons for supplying fuels with increased quantities of bio-components into finished products.

SDG 7, Target: 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

**New marine fuel oil with low sulfur content**

**UP TO 0.5%,**  
unique in Romanian market

Bio-quota targets are set as energetic substitution targets, whereby each fuel has a different energy content defined.

OMV Petrom developed at the Petrobrazi refinery a new marine fuel oil with low sulfur content of up to 0.5%, following EUR 3 mn investment. This product is unique to the Romanian market. The fuel allows shippers to reduce sulfur emissions and to be compliant with the International Maritime Organization (IMO) 2020 regulations.

In terms of waterborne transport, we use the Danube navigation system for delivering products from Downstream. We ensure our transport service providers operate with due diligence from safety and environmental perspectives. In addition to legal requirements (e.g., European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways), we ask for a valid EBIS (European Barge Inspection Scheme) Certification and an implemented management system in

**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 handle and use our products safely.

We are committed to producing low sulphur diesel and gasoline (sulphur content <10 ppm) at our Petrobrazi refinery. In 2020, we blended 118.8 kt of biodiesel into diesel and 58.2 kt of ethanol into gasoline fuels for obtaining bio-fuels.

**Customer satisfaction**

In 2020, we continued our efforts to understand and improve customers'

OMV		PETROM				
Year	No. of respondents	General Satisfaction	Performance Fuels Satisfaction	No. of respondents	General Satisfaction	Base fuels Satisfaction
2019	11,152	84%	90%	37,217	85%	86%
2020	6,676	89.7%	94%	16,160	91.5%	92%





our customers. According to the report, the customers' general satisfaction related to the OMV brand is 89.7%, significantly above the previous year (84%). Same situation for the Petrom brand, where it increased from 86% to 92%. The performance fuels area is reconfirmed as the one with the highest performance (94% 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.

satisfaction in both our brands in Romania. Thus, a customer satisfaction survey was run in the Petrom and OMV branded filling stations providing almost 23,000 unique customers feedback related to the general satisfaction in our filling stations and also to products and services that we offer to

The overall satisfaction of the Petrom brand is rated at 91.5%. 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.

**Projects for communities-reducing the HSSE risks for consumers**

In Downstream Oil we always focus on conducting the business responsibly, efficiently and in an innovative way. We are committed to create long-term value for the company and our stakeholders, while respecting the environment and supporting the communities in which we operate.

► In 2020, 19 projects were implemented in the filling stations, with focus on health, safety, security, and protection of the environment. They involved partners from 74 filling stations. 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.

► The pandemic made Romanians understand the importance of solidarity and helping others in the community. OMV Petrom also shows its support for the Romanians in the context of COVID-19. On December 1st, we launched an initiative in partnership with the NGO Narada to open the way to online school to facilitate the access to education for children without financial possibilities. Romanians can donate money they save not going to school during this period. Each donated amount will be doubled by OMV Petrom at the end of the campaign.

► In Serbia, OMV Serbia donated income from the sale of VIVA coffee to charity. OMV Serbia traditionally celebrates the International Coffee Day on October 1, a good opportunity to jointly contribute together with the customers and work with organizations on the welfare of vulnerable children and youth. The entire income resulting from the sale of the popular VIVA coffee at OMV filling stations in Serbia during the Coffee Day was donated to the NGOs NURDOR (National Association of Parents of Children with Cancer) and the SOS Children's Villages Serbia Foundation.



► Life in the OMV Petrom filling stations during COVID-19 is a constant team effort. We consider safety of our filling station staff, our customers and partners, a first priority. Therefore, we ensured the supply with protection materials (gloves at the pumps, face shields, face masks for staff, surface and hand disinfectants), as well as safety measures communication. Also, during the pandemic crisis we maintained our filling stations activity 100% operational, by having an active dialogue with our partners to ensure the continuity of the business. Several measures were taken in full accordance with the legal and safety requirements (gastro area was restricted to a basic food portfolio offered only ToGo).

**Status 2020**

- We continued to provide products and services that meet our customers` needs in terms of quality and cost requirements, and increase customer satisfaction.
- We permanently integrated environmental, health and safety in the way we manage product quality throughout the manufacturing and sales process.
- We remained focused on further consolidating the market position of our premium fuels by underlining their unique benefits.
- We complied with EU and national regulations in terms of renewable energy content in our fuels to contribute to reducing GHG emissions.

**Action plan to achieve the targets**

- 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.
- We intend to collect burnt cooking oil in selected 50 OMV filling stations. For 2 liters of oil brought to OMV, we offer a free Viva coffee and the promise to plant one tree.

**Sustainable Development Goals (SDGs) supported**





**INNOVATION**

# Circular economy and 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. 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.



## Technology development

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

We are deeply aware that the linear economy model of production and global consumption is testing its physical limits in the next years. Therefore, a sustainable shift toward a circular economy is becoming obvious. We believe that transitioning to a circular economy will significantly reduce the impact on the environment and CO<sub>2</sub> emissions, while reducing the leakage of waste into the environment.

The circular economy will also reduce global warming. Through the efficient use of our precious resources, we can recover and reuse byproducts or waste to make new materials and products. This process has the potential to reduce associated emissions rights across product value chains significantly. We are deeply aware that circular economy

also has wider social implications, from mental behavior to a better life in a cleaner environment. It will provide economic benefits to the society by reducing the significant financial burden of ineffective waste management systems and pollution management and will create new business opportunities and employment at various stages of the value chain.

In the long term, OMV Petrom aims to support a change of energy paradigm and a conversion of the current consumption pattern towards a more sustainable and rational one, leveraging on the principles of the circular economy, pursuing a path to conversion by exploiting the Company's expertise, the OMV Group experience and positioning priority of the Downstream business in a highly innovative scale.

We are ready to become an important player in Romania in the circular economy. We will invest in innovative energy solutions such as co-processing, and traditional recycling for a circular economy and lower-carbon future. Further details will be provided with the Strategy update planned in the second part of the year 2021.

Increased focus on advanced biofuels



In July 2020, OMV Petrom successfully conducted the first field trial for Co-Processing in Petrobrazi refinery using rapeseed oil and was certified as an HVO (Hydrotreated Vegetable Oil) producer based on CERTROM audit, in accordance with the International Sustainability and Carbon Certification (ISCC) standard, an

EU-recognized system for the certification of sustainable biomass. We continue developing projects for Sustainable Distillates production through hydro-treatment. By 2025, the Company aims to co-process up to 90,000 tons of sustainable feedstock per year, depending on future legislation.

SDG 12, Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

OMV Petrom develops projects to increase fuel quality and stability with biogenic components through new technologies, such as co-processing and/or sustainable distillates production through hydro treatment. These processes involve introducing biogenic feedstock during the fuel refining process instead of the conventional method of blending biogenic components into fuel after production. At the same time, for further reduction of the Green House Gases emissions of the produced fuels, OMV Petrom executed a major investment program for increasing the capabilities of blending biogenic components. The bio-blending project was completed in 2020 and started at the beginning of December.

In Upstream, OMV Petrom works on extending the lifetime of operational facilities by mitigating abrasion and corrosion. To this end, cross-linked

polyethylene pipes are inserted in tubing with a special polymer lining developed by OMV Group and patented in 16 countries, including OMV Petrom. In addition, it has performed pilot tests on polymer flow lines under various operating conditions. Therefore, we started a pilot EOR (Enhanced Oil Recovery) project in OMV Petrom, with the initial increase in the recovery rate and production in 2020 and aim to start the implementation in 2021. In Upstream, our target for 2025 is in relation to increase our fields' recovery factor and the implementation in various fields to start in 2021. The target for 2025 is in relation to increase our fields' recovery factor and the implementation in various fields to start in 2021. As an achievement, the viscous water injection pilot project successfully passed with success in Independența site. A similar project for the Vata field advanced to the next phase by passing another project phase.



**Research and development activities**

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 Cămpina (ICPT Cămpina). ICPT Cămpina has continued to deliver support and expertise to the entire OMV Petrom - Upstream but also had a very close collaboration with OMV Head Office and Technology Center & Laboratory Gaenserndorf. All services requests were treated with maximum care and professionalism in the special conditions created by the pandemic environment.



The research activity continued this year with 66 ongoing projects, out of which 25 were directly run by our own specialists, in many others ICPT being the main contributor. Among the topics covered by the research activity, it is worth to mention:

- ▶ methods of increasing the recovery factor
- ▶ risk reduction in the exploration and production activities (reviewing the geological age of mechanical cores and / or sieve samples and correlating with rock samples from outcrops);
- ▶ corrosion mitigation;
- ▶ improve the water treatment in the injection processes;
- ▶ new slurry compositions for cementing jobs used in workover.

**Scaling technology with Digital Journey program**

Being keen to deliver services at a high level of quality, ICPT Cămpina was involved in a number of international inter-laboratory comparison rounds successfully passed. The excellent results obtained throughout this entire process proved our specialists' professionalism and confirmed that our laboratory methods and equipment are adequate to the scope. We also benefit from the collaboration and experience of our colleagues from OMV Group. In 2020, OMV opened its Innovation and Technology Center (ITC) in Gänserndorf, Austria. The main focus is placed on the technology areas of geology and geophysics, drilling technology, artificial lift, smart oil recovery, material and corrosion, saltwater treatment and nanotechnology. Sustainability is the connecting factor for all technologies.

**Developing of cutting-edge technological competencies and Digitalization**

Digital transformation promoted at OMV Group level was also implemented in OMV Petrom. The Digital Journey program 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. The digital strategy is focused on three key divisional programs, namely DigitUP in Upstream, Digital motion in Downstream, and Finance 4.0 in corporate services.

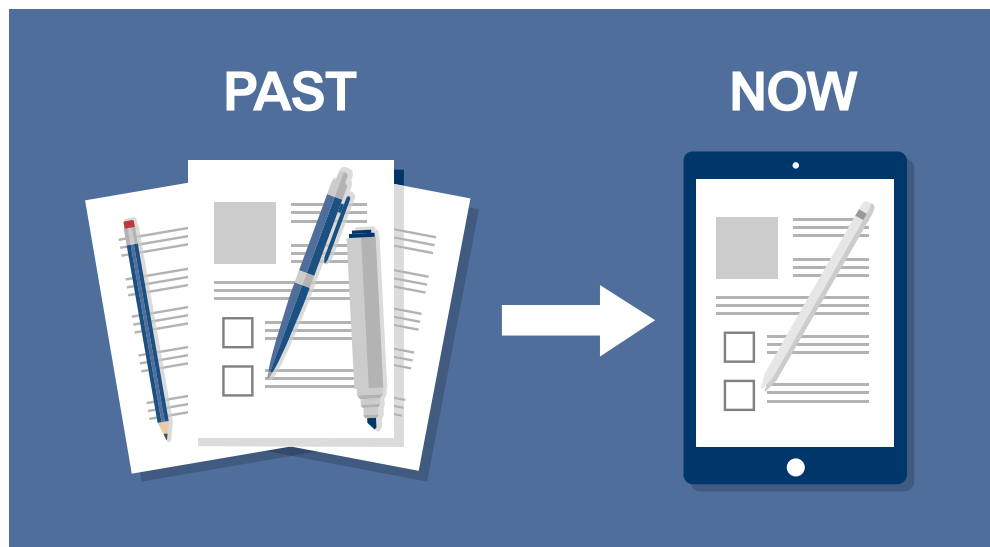
**Three signposts guide the OMV Petrom Digital Journey:**

- ▶ **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.

**Beyond technology-working differently**

Digital will become a major component of our daily activity. We started initiatives in the Corporate and Finance divisions, including the Procurement department, which have a key role in the Company’s digital transformation. With the implementation of the new SAP S/4HANA enterprise resource planning software from OMV Group, we enable automation and state-of-the-art digital tools, which are key enablers of

transformation with the ultimate aim of value-oriented procurement. The SAP Ariba Strategic Sourcing Suite establishes a global electronic signature process enabling efficient and remote approval workflows independently of office location. This would result in 75% of purchase orders fully automated, digitalized process and 100% paperless sourcing process triggering reduced cycles times.



**25%**  
reduction in paper consumption in 2020 versus 2019

**Paperless initiative**

We seek to reduce waste in our office operations. For instance, since 2017, OMV Petrom has launched the Paperless Project, where it takes a close look at its day-to-day operations involving paper consumption and considers ways to reduce the related environmental impact. To this end, the company has deployed various initiatives under the umbrella “Go paperless,” including implementing electronic signatures starting in 2017. The environmental benefits include reducing paper consumption, preventing paper waste, avoiding carbon emissions from courier services as well as minimizing the impact on natural resources required for maintaining controlled parameters (e.g., temperature and humidity) in the storage rooms. In addition, increased business efficiency and reduced costs are among the wins of this project. Its implementation was gradual, starting

with several financial flows of internal documents, then with external ones such as commercial contracts or operational documents in Upstream. An important step took place in 2020, when around 6,300 employees were provided with qualified electronic signature solutions for most types of documents. This technology helped the Company to reduce its paper consumption by 25% in 2020 versus 2019.

**Developing of cutting edge digitalization**

In 2020, at the corporate level, our OMV Petrom Regulation Platform, REAL, went digital. This offered a full-fledged electronic approval workflow for all internal regulations, covering all group-wide requirements.

Today, digitalization is vital for business at OMV Petrom, for example, to ensure optimal evaluation and convergent use of digital and analog data in machine

controls for increased efficiency and availability, safer operations, and more targeted maintenance activities. In 2020 we developed several special projects in OMV Petrom for the enhancement of employees' digitalization skills:

- ▶ "Welcome to the Digital Democracy!"
  - This program is enabling everybody in OMV Petrom Group to acquire the tools and skills to solve their own digital challenges.

The Digital Democracy project brings awareness sessions, hackathons, self-help guides and expert access.

- ▶ One of the first project From Digital Democracy program, that contributed to the Downstream Digitalization initiative DigitalMotion and aimed to improve efficiency, profitability and customer focus through modern digital platform-based innovation and new technology was Power BI. This new tool is very important in Sales, offering the power to swiftly collate, organize, and analyze data. It improves the decision-making process related data when managing volume and margin and provides the Sales Team with a user-friendly tool that helps them day to day.

Using Power BI, our colleagues managed to switch from manually extracting mountains of data compiled into Excel pivot tables to a series of punchy reports that allow to feed insights and optimize the processes.

In the flipbook of the Digital democracy program, data management and data visualization tools in Power BI were introduced through training courses, for individual use of Power BI, as well as for the creation of own dashboards from our own data sources. First and foremost, it implies an involved Sales Team that is willing to learn and has a customer-oriented attitude to be able to interpret and tailor the approach. As a next step, the project will be rolled out within Sales EAST: Bulgaria, Serbia and Moldova. We have developed these digital self-help kits for our colleagues, based on their feedback collected in

individual and group ideation and design thinking sessions. They offer a new and attractive way to consume and interact with the large amount of material that can be accessed from any fixed or mobile device, as long as we were connected to the OMV Petrom corporate network or, when working remotely via VPN, My Office (PC) or the Secure Web browser (smartphone/tablet)

- ▶ New Ways of Working (NWoW), webinars/trainings for our colleagues.

The Learning Hub and the Digital Democracy project teams have organized a deep learning experience where six of our colleagues shared their best practices on New Ways of Working (NWoW) during a webinar that took place on June 30.

Scrum, Design Thinking, Power BI, Kanban Board, are just some of the many tools that are labeled as "New Ways of Working". The purpose of this webinar was to highlight the unspoken personal experiences, to share valuable tips and tricks of NWoW in practice. The webinar was interactive, with lively discussions that offered our colleagues the chance to find out exactly what they need to know or help others with our own insights.

The session was an opportunity to learn how to improve the effectiveness and quality of our work, how to face disruptions and address challenges in a flexible manner, in a nutshell: how to unlock more value by adopting new ways of working.

- ▶ In 2020, to promote the digitalization within the organization, we organized the online workshops "Microsoft Artificial Intelligence" for Upstream and Downstream divisions with a large participation of 124 colleagues from Upstream divisions and 28 colleagues from Downstream division.

At the end of the year, a digitalization program was set up in Downstream Oil, Aviation Subsidiary. Using a new web application, FuelPort Go-Live, operators and management of OMV Petrom Aviation can manage fueling operations, reporting or resources just by accessing a secure link.

**Digital Democracy program - focused on customer centricity**





Starting with the FuelPort Go-Live, OMV Petrom Aviation can rely on a professional management system, based on latest technology and ready to answer to the current and future needs such as: possibility to fully digitalize the aircraft fueling process: daily fueling planning, automatically

receiving fueling orders, automatically receive fueling data; real time data exchange with airlines and airports systems in conformity with IATA (International Air Transport Association) standards; possibility for data exchange with major operations platforms used by airlines.

<b>Sustainability Strategy 2025 target</b>	<ul style="list-style-type: none"> <li>▶ OMV Petrom aims to co-process up to 90,000 tons of biogenic feedstock per year in Petrobrazi refinery by 2025.</li> <li>▶ 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.</li> </ul>
<b>Status 2020</b>	<ul style="list-style-type: none"> <li>▶ Process studies finalized for Petrobrazi refinery.</li> <li>▶ Upstream: pilot and extension successfully done in Independența.</li> <li>▶ Field Roll Out Vata started execution.</li> <li>▶ Several other fields are under evaluation at the moment.</li> </ul>
<b>Action plan to achieve the target</b>	<ul style="list-style-type: none"> <li>▶ Execute Vata according to schedule and Budget.</li> <li>▶ Pass another phase for Independența roll out.</li> <li>▶ Prepare implementation of additional chemically enhanced recovery methods such as alkaline polymer flooding.</li> </ul>

**Sustainable Development Goals (SDGs) supported**



# EMPLOYEES



# 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 10 employers in Romania.



OMV Petrom respects, fulfills and supports the realization of human rights as contained in the Universal Declaration of Human Rights, UNGC Principles, and in internationally recognized treaties, including those of the International Labour Organization (ILO). This includes a commitment to upholding labor rights, including decent wages, working hours, employee representation, and provisions against forced labor, child labor, and human trafficking.

Through our activities, we support the “four fundamental principles and rights at work” outlined in the ILO (International Labour Organization) Declaration:

- ▶ Freedom of association and the effective recognition of the right to collective bargaining
- ▶ The elimination of all forms of forced or compulsory labor
- ▶ The effective abolition of child labor
- ▶ The elimination of discrimination in respect of employment and occupation

#### OMV Petrom People Strategy

OMV Petrom Strategy has a People Strategy 2021+, set on five principles

– Team Spirit, Accountability, Passion, Pioneering Spirit, and Performance – that guide us for obtaining sustainable business growth. These principles are the underlying base for creating and maintaining a strong talent pipeline that will help us envisage success.

Thus, OMV Petrom is fully aligned with OMV Group on the OMV People Strategy, managed by the OMV Petrom Human Resources Department, whose scope is to support the implementation of four priorities through planned initiatives that target to support continuously OMV’s growth:

- ▶ Strengthening leadership capability
- ▶ Focusing on culture and performance
- ▶ Increasing organizational agility
- ▶ Remaining a great place to work

#### Main Programs fulfilled in 2020

- ▶ **Get to Know and Grow** – a development initiative purposely focusing on **Core TOP Talents** employees led by OMV Petrom Executive Board Members. It consisted in development talks between Executive Board Members and Core Top Talents in a cross-divisional set up;

**Our principles:  
Team Spirit,  
Accountability,  
Passion,  
Pioneering Spirit,  
and Performance.**



- ▶ **Launch of Career round table** – a program that aimed to enhance cross-divisional talent visibility and mobility, same time tapping more into internal source capabilities of the company in search for talents for various projects and roles.
- ▶ **Employer Branding Webinars** – online events for students and young graduates (approximately 100 participants) to strengthen employer branding and increase engagement with the next generation of professionals.
- ▶ **Launch of Crowdsourcing** – an innovative employer branding event, meant to reinvent the company’s way of approaching students and young professionals by creating an online way of interacting with and, in the same time, a method to gather Generation Z ideas about the ideal workplace. The initiative involved 20 young graduates and students, 8 internal mentors and facilitators that worked in teams on the topic: *Unboxing employee experience. What are the hopes and job expectations of the new generation?*
- ▶ **Launch of OMV Quick Pool on Corona topic** – a Group initiative, part of the Listening Strategy, that aimed to increase engagement and improve organizational efficiency by continuously listening to our employees. 43% of employees submitted

**45**  
scholarship  
for students  
from targeted  
universities

their answers. The results have been communicated via PowerBI to be further shared by the managers with their teams.

#### Talent Acquisition

OMV Petrom wants to improve their employee experience, in order to be a better place to work, more innovative, and more in-demand among applicants. As the employee experience is an increasingly popular topic, in 2020, we’ve created a collaborative environment (Crowdsourcing) where the young professionals shared with us their ideas and opinions on how an ideal candidate journey and employee experience look like. Therefore, 20 students and young graduates guided by mentors from OMV Petrom had the opportunity to speak their mind, share their thoughts, and their job expectations. Crowdsourcing is a tool for academics and businesses that allows them to harness the wisdom of crowds and provide recommendations and insight into complex situations. This method is used for innovation generating many new ideas based on the input of diverse groups of thinkers.

The Company is also focused on providing knowledge transfer programs and building a robust talent pipeline through cooperation with key universities and investing through complex internship and scholarship programs:

- ▶ **Fresh Graduates** – is a pillar program in OMV Petrom, attracting and hiring fresh graduates with a technical background. In 2020, we hired 20 fresh graduates to become our colleagues.
- ▶ **OMV Petrom Excellence Scholarship** is a program for students, offering the opportunity to focus on studies and link between theory and practice. In the 2020 edition, 45 students from targeted universities (University of Petroleum and Gas Ploiești, Polytechnic University of Bucharest, University of Bucharest) were awarded scholarships.

#### Digitalization of the recruitment process

In this unpredictable context, we adapted in an agile way to online communication through Power Platforms assuring the safety of all candidates and employees involved in the recruitment process. 100% of interviews are conducted online.

**33%**  
**women**  
from total new hired  
in 2020

**Diversity in Recruitment**

Workforce diversity is one of the most important objectives in the recruitment processes and continues to be also in the coming years, as part of OMV Petrom's strategy. Ensuring a good balance of diversity, 33.08% from 2020 hires are women. The number of hiring was calculated as from total employee numbers at the end of the reporting period.

**Training programs**

Learning is a key enabler of people development, organizational growth and change. The pandemic was an opportunity to showcase just how agile OMV Petrom's learning and development can be to minimize business disruption and improve organizational performance. Since 2018 Petrom already invested in modern learning management systems (LMSs), eLearning (LinkedIn learning libraries), digital content platforms, and this gave us a good basis to develop further for continuous improvement.

train the trainers in virtual facilitation available to all professionals interested in building virtual content for internal sharing knowledge and, as well, for those required to facilitate various workshops and leadership events.

Remote leadership was one of the major priorities, especially we focused to equip front line managers and first time leaders with the essential skills. Classroom content, where the case, was adapted for virtual delivery, while all the e-Learnings, webinars and online materials continued to be available and easy accessible on our Leaders Platform. Mentoring, Coaching and 360 feedback, facilitated by internal and external virtually platforms, never cease to be among the best tools in providing our leaders with trustful and professional advice. Employee well-being has become a key focus area for learning and development. Encouraging and supporting employees through this time was critical. In collaboration with HSSE colleagues we searched for ways to teach our leaders on



We started by guiding our employees and leaders in selecting the virtual content relevant for them in dealing with the new challenges. Learning Hub collections, Webinars (example: New ways of working best practices in OMV Petrom), Inspiration library for leaders, personal skills learning collections are among the first initiatives we took after face-to-face learning interaction was restricted. We've seen an elevated interest in virtual training through an increase (by 22.38%) in the number of registrations.

As training programs and events shift online exclusively, we searched for strategies to quickly convert instructor-led training to a virtual format. Furthermore, we developed a

how to motivate and engage their teams, to boost morale and reduce anxiety and stress, same time keeping them connected to the organization. And so, more than 250 of our leaders participated in dedicated trainings on building team effectiveness, under Time2Connect campaign.

As coaching (virtually) employees and feedback are key to leading effectively and essentials for their growth, this leadership competence area will continue to be in our focus for 2021.

In total, in 2020, we delivered 135,284 hours of training to our employees, of which 22,187 hours of online training session.

**135,284**  
**hours of training**  
**for employees**

## Programs implemented to upgrade employee skills

Type of program	Name of the Program / Training type	Skills acquired through the program
<b>Internal Programs</b>	▶ Mandatory and periodical training for all employees	▶ Phishing, Compliance, Business Ethics, Data Protections, Work from Home, Human Rights
	▶ HSSE Curriculum (internal and external)	▶ Occupational Health and Safety
	▶ Blue Collars Courses	▶ Technical knowledge and skills, according to job descriptions and regulations in place
	▶ New Employee Orientation (NEO) local	▶ This program is meant to offer useful information regarding our organization, tools and regulations
	▶ Digital Academy	▶ Online curriculum, mostly in partnership with LinkedIn Learning, covering relevant topics for all key competencies, plus IT.
	▶ Personal skills catalogue (content provided online via LinkedIn Learning platform)	▶ Personal skills such as innovation, creative thinking, public speaking, conflict resolution, time management, decision making
	▶ Frontline Managers (Upstream division)	▶ The Frontline Managers training is a tailor-made modular Upstream training program.
<b>External Programs</b>	▶ Leadership Group Programs	▶ Leadership capabilities & tools
	▶ Time2Upskill. Program that included the following workshops: - Skills for thriving when working from home - Digital teaming skills - Dealing with uncertainty for improved teamwork	▶ Depending on the workshop, the main objectives of the program were: - Learn new skills for balancing work and life while working from home - Get familiar with a framework for practicing leadership in an age of uncertainty - Learn new skills for more effective digital teaming.
	▶ Mentoring	▶ To accelerate learning, increase confidence, broaden perspectives and help Mentee reach their true potential
	▶ Open Programs	▶ Various professional skills according to specific development needs
	▶ Integrated Graduate Development Program	▶ Interdisciplinary expertise and competencies for the Upstream Junior Engineers
	▶ 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

**The evaluation of training programs and results follow-up:**

We have an evaluation process (both for classroom and online courses) that takes into account: the quality of the course material, the quality of the presentation, whether the course was useful or not, what other suggestions they have, what they learned from this course, which are major take-aways.

Also, the services offered by the Training team, as well as the training platform are evaluated based on the feedback received, regarding the quality of the course, discussions/alignments take place with the product owners/sellers/trainers in order to improve the quality of the materials and/or the quality of the presentation.

Regarding the Training and system team, following the feedback received, internal analysis sessions take place and the best actions to be implemented are decided (training/modification of internal processes, etc.). Feedback is anonymous, and the evaluation of the course/trainer is done constantly.

**Informing and consulting our employees**

We commit to maintaining 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 days (related to the age of the employee) and different dismissal compensation depending on the seniority in the oil industry as defined in the

collective labour agreement. Moreover, in case of transfer of undertaking or parts thereof, the minimum information 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. In total, there are four Collective Labour Agreements for the following entities, part of the OMV Petrom Group: OMV Petrom, OMV Petrom Marketing, OMV Petrom Aviation and OMV Petromed Solutions. Our employees have the right to exercise their freedom of association and collective negotiations, according to the applicable legal provisions. We communicate to our employees all aspects in regard to collective bargains on our intranet. Local trade unions represent 89.72% of our employees.

**Performance management**

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 structured, systematic planning of performance and personal development in the Company. In 2020, 5,051 employees underwent performance and career development reviews, structured as follows: 4,430 operative staff and 621 management. Out of total, 75.72% were women.

**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 and gas, in order to attract, motivate and retain the best-qualified talents.

Thus, we have set performance and development-based organization and, correspondingly, a performance-based reward management system, embedding the principles of People and Organisational

**47%**  
**employees underwent performance and career development reviews**

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 that best drive and support our strategy of “Profitable Growth” 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 the Company’s success because we believe that our success can be directly traced back to the high performance and effort of our employees.

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 is ensured this by regular reviews based on market benchmarks. Additionally, we ensure an objective evaluation of positions consistent across all divisions and countries through a clearly defined methodology and

process that makes the position’s value comparable both within the company and with the external market. The outcome of the evaluation is the basis of the remuneration decision for each employee.

The remuneration of OMV Petrom employees includes:

- ▶ 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;
- ▶ other fixed-payments, such as fixed bonuses and special allowances according to the Collective Labour Agreement;
- ▶ 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;
- ▶ short/medium term (quarterly and/or annual) performance-related component, recognition bonuses, and awards for role models and living Foundation principles, outstanding contributions into strategic projects or business transaction.

## Diversity at OMV Petrom

**Diversity is an enormous strength that we are actively leveraging by creating diversity based business value.**

We are proudly championing Diversity and Inclusion by creating a place of work focused on gender equality and internationality, as part of our People Strategy, which is in line with the OMV Group Diversity Strategy.

**Age Diversity** - Currently working together in OMV Petrom are four generations of people with different nationalities: Baby Boomers (17.83%), Generation X (69.15%) Millennials (12.28%) and Generation Z (0.74%). Age diversity is one of our main preoccupations, having in view that the average age within the Group is 49 years and the fact that the new generations are losing appetite for the oil and gas industry.

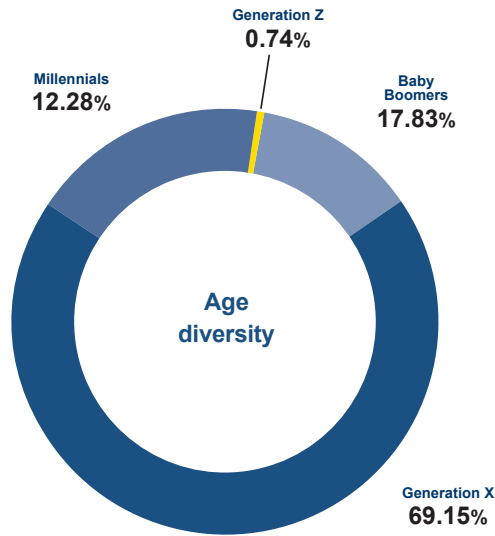
Consequently, for the future workers in Upstream, the Oilmen School initiative through which we, OMV Petrom,

re-established in 2015 the professional classes in the oil & gas industry in three high schools in Romania, starting from our business need to attract new employees in the company and industry. We established three classes specializing in Well Operator in three partner high schools: “Astra Pitești” Technical High School, “Grigore Cobălcescu” Technical High School of Moinești and the “Voievodul Mircea” Technical High School of Târgoviște. More information about this project can be found also at Community Relations chapter.

**Nationality Diversity** - The mix of nationalities in OMV Petrom is currently 94.34% Romanians and the rest natives from different countries.

**Gender Diversity** - Because we operate in an industry with a strong technical focus,





it is particularly challenging for OMV Petrom to achieve a balanced gender ratio in all areas of business activity. The proportion of women in OMV Petrom amounts to 24.03%.

To encourage gender diversity, our recruitment policy reflects our commitment to promoting equal opportunities: at least one female candidate is included in every shortlist for each position. Internationality, another focus of our diversity strategy is integrated into the recruitment process by highlighting the advantage of recruiting candidates with professional international experience. Our diversity targets are also embedded in succession planning, with a preference for female candidates when identifying top talent.

**Women in managerial positions**

At the end of 2020, 30% of the first line directors reporting to the Executive Board were women, and the share of women in managerial roles was 25.56%. 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 roles with international experience.

**Equitable gender choice for maternity and paternity**

We believe that our appreciation for individual differences allows us to benefit from varied perspectives, which is a powerful advantage in creating diversity-based business value both in the long run

and throughout crises, such as the health and economic downturn we are currently experiencing.

We also believe that equitable gender choice for maternity and paternity leave and other leave entitlements nurture top talent attraction and retention. These, in turn, are some of our enablers for high performance. During 2020, the total number of employees who were entitled to parental leave was 10,761, of which 25 men and 143 women took it during the reporting period.

**Non-discrimination - the elimination of discrimination in respect of employment and occupation**

The internal regulation frame provides transparent statements against any discrimination, regardless of criteria and access to jobs is ensured freely throughout the organization, regardless of the level. Internal programs are developed to encourage diversity and equal treatment as a way to shape organizational culture. Apart from actively building a diversity culture, the internal regulation frame provides for efficient tools to safeguard our culture towards any discrimination, by means of internal grievance and disciplinary policy.

**Diversity and Inclusion initiatives**

Championing Diversity in OMV Petrom is not limited only to fostering multiple generations at work, promoting gender equality at all levels, and especially in Senior Leadership roles, or nurturing work location mobility among different nationalities. It is also about diverse experiences and ways of thinking.

We consider this particular dimension a wealth of resources we may rely on and, at the same time, have a duty to nurture through continuously aligning the organization on purpose, embracing flexibility, and promoting diversity intelligence (DQ).

Diversity is an enormous strength that we are actively leveraging by creating diversity-based business value. It has therefore become a strategically important goal with

**25.56%**  
share of women  
in managerial roles



two measurable targets in our Sustainability Strategy 2025: gender equality and internationality. The focus on diversity is one of the key pillars of our People Strategy, which has been defined under the strategic priority of leadership as “Inspiring leaders – building high-performing, diverse teams.”

At OMV Petrom level, all the Diversity & Inclusion initiatives planned at the beginning of 2020 quickly adapted to the new context. Once the pandemic started, we shifted all of our initial plans to the virtual environment and have started a series of initiatives directed at celebrating Diversity of Thought and Experience and Promoting Work-Life Balance and an Inclusive Culture. These were directed at building a collection of Diversity & Inclusion tips, tools, and resources to build awareness, help our employees learn more on the subject and make inclusion easily approachable within the team, as a peer or manager, or even at home, as a parent or spouse. The initiatives under the Diversity & Inclusion umbrella were sponsored by one of the OMV Petrom’s Board members

and the Human Resources Vice President. Moreover, in 2020, we started the planning for additional initiatives that will be rolled-out in 2021, such as Diversity Talks, a series of events based on diversity success stories that aims to:

- ▶ Raise awareness on main diversity topics of interest for OMV Group;
- ▶ Identify relevant diversity topics as per the OMV Diversity strategy or immediate needs of the companies/groups across the world;
- ▶ Collect and present best practices existing across the Group, as well as promote to business as usual the most relevant experiences;
- ▶ Build a Community of Diversity Experts and Ambassadors that will be able to address and constructively deal with main diversity indicators.

Some of the 2020 Diversity & Inclusion initiatives examples may include:

- ▶ Diversity Insights – a series of blog articles on Diversity and Inclusion. Understanding Diversity & Inclusion, what we mean by these terms, why they matter

**OMV Petrom was nominated the best company on Romanian BET 15 for gender equality.**

for each and every one of us as individuals, for our teams, and for the organization as a whole, is the first step towards actively contributing towards an Inclusive Diversity Culture in our company and our local community. Through the series of blog articles published on the OMV Petrom blog in 2020, numerous dimensions of Diversity & Inclusion were covered. Topics were ranging from a celebration of women, plural and inclusive cities, schools open to diversity or combining cultural and social diversity to promote harmonious relationships between men and women, to rediscover interesting places to visit in our Romania and spend atypical winter holidays in 2020.

► Kids' Corner

The initiative is aiming at supporting work-life balance & parenthood, by providing tips, tools, talk and encouragement in the parents' journeys to raising kids or dealing with specific challenges along the way.

**Communication on Diversity**

OMV Petrom is a signatory of the Diversity Charter, (Romanian Diversity Charter took place on 2018, Romania thus becoming the 21st country in the European Union with a Diversity Charter and benefiting from the membership in the European Diversity Platform) joining other employers in Romania, in the desire to think together, in harmony and respect for diversity and equal opportunities. On the occasion of the 10th anniversary of the EU Charter Platform on Diversity, our CEO addressed a video message on the EU platform to all companies in Europe for the active promotion of diversity and awareness of its benefit for the business.

Furthermore, in 2020, between the 255 companies in the European Union assessed by Equileap, OMV Petrom was named as the best company on Romanian BET 15 for gender equality.

**Workplace Flexibility**

Our employees are continuously taking advantage of individualized working programs that allow them to better use their time in order to accommodate in a fair manner both professional and personal

lives. Starting from 2020, we reshuffled the "Friday Work from Home" program, a program that allowed the eligible employees to work from home on Fridays, and built a Teleworking program that allows all eligible population of OMV Petrom, based on pre-established eligibility criteria to work from two locations for a maximum number of 8 days per month.

Teleworking is a solid, ready-to-use and flexible program that provides a superior user experience by the mean of end to end digital flows. The program Enrolment was launched in November 2020 and will be implemented for the entire organization in 2021.

The provision of ready to use, easily accessible and digital programs is for us a priority, therefore we are working to provide our employees with state-of-the-art tools that are responding to the current labor context and are customized on our organization-specific needs. Just as an example, we shall be shortly launching the Flexi Desk program that aims to provide all employees in Petrom City Campus flexible desks in especially dedicated clusters, thus enabling our commitment to growing flexibility. Another program on which we started working on in 2020 is Flexi Time – this would allow the employees a better work-life balance by having the possibility to choose start and end time, within the available time windows, while managing a time account.

**Individual labor agreements types**

OMV Petrom and affiliated companies fully comply with the labor legislation when making available various types of individual labor agreements. As per the legal requirements, individual labor agreements are usually concluded for an unlimited period of time, this being a rule for hiring, as per Romanian legislation and the company's organizational culture. The employment under individual labor agreement for limited periods of time is available in the specific cases prescribed by the legislation (for example to ensure as a substitute for the employees whose labor agreements are suspended or to cover needs where the activity increases) and

**Teleworking Program enrollment launched in 2020, fully fledged program to be implemented in 2021, along with Flexi Desk Program.**

for the limited durations allowed by the law (no more than 36 months). The employees having limited duration individual labor agreements benefit from similar rights are ensured to those having unlimited duration labor agreements. Where possible, limited duration employees have also access to unlimited duration positions.

Part-time employments are also available where compatible with the employer's needs. Referring to the rights granted for part-time employment, the legal requirements are met, in terms of granting similar rights to full-time employment, except for the salaries computed on a pro-rata basis comparing the ones granted to full-time employees. The information on full-time job positions are available on the company's intranet to ensure employee's free access to it, as per the legal requirements.

**Family-related rights:  
time off and financial support**

We understand that our employees are part of families and this makes them happy and productive, therefore we make sure that they exercise their legal rights and have access to social security paid days off, as per the legal frame.

In line with the legal obligations, our employees are entitled to long-term paid time off via maternity leave (for women, prior and after childbirth); child care leave up to the child's age of 2/3 years, and unpaid leave following the Leave for child care, to be granted to both men and women; leave for the care of the sick child under a certain age to be granted to both men and women; paternity leave up to 15 days; adoption leave for parents (men & women) adopting a child. Short-term vacations (days off) are also available as paid days for legal holidays including International Children Days, first day in school every year, and International Women's Day;

In addition, under the collective labor agreement frame, our company encourages employees to participate to close family events by paid days off and also by dedicated allowances granted by

the employer in relation to certain family events. Unpaid days off are also available for personal situations.

The internal arrangements also refer to the reimbursement of part of the costs with the education of small children, while advantageous conditions with some private education providers are also negotiated for our employees.

In the past years, OMV Petrom has achieved major steps towards being a digital player. In the context of the COVID-19 crises, this was a big advantage, as we were able to implement important stages in a record implementation time, like digital signature and work from home program for almost half of our employees.

**COVID-19 Management in OMV Petrom**

The health and safety of our employees, contractors, and clients are our number one priority. This is why we implemented isolation measures in critical facilities, extended shifts, and offered a crisis indemnity. In case of a positive COVID-19 test, our employees have the benefit of private psychological clinic support and special conditions from the private insurance. In order to protect staff and themselves, very strict rules are introduced for the employees tested positive that come back to work.

The intranet dedicated page regarding COVID-19 is all the time updated with the latest information and advice. Besides Petromed call line and IT Recommendations regarding working from home, the Human Resources guide about people management and the guideline for managers in COVID-19 crisis situation are only a few examples of materials put together by our experts to support the activity and wellbeing of the OMV Petrom family.

At the end of 2020, after few taught months of working restriction, we did a quick Survey "#we are listening" on the coronavirus topic and for all our employees within OMV Petrom Group. Taking into consideration the special context, it was especially important for us to increase our

# 8.71

## Employee Promoter Score in 2020

employee engagement. This was achieved as shown in the Promoter Score of 8.71 reported. We received answers from 43% with a very good outcome about the impact of the coronavirus measures taken by the Company on everyday work life and how the Company is handling the challenges. The number of respondents was calculated for OMV Petrom Group and included Global Solutions.

- ▶ Most employees (78%) reported they were doing ok or were completely fine or

were satisfied with the support they received from the company's measures, leadership, and working virtually from home.

- ▶ Of the respondents who were struggling (6%), most were not working in virtual teams and were impacted by school restrictions.
- ▶ We continued to make “remaining a great place to work” our strategic priority: after all, almost 9 out of 10 employees recommend OMV Petrom Group as a workplace.

<b>Sustainability Strategy 2025 target</b>	<ul style="list-style-type: none"> <li>▶ Increase the share of women at management level to 30% by 2025;</li> <li>▶ Increase the next generation of talents through Fresh Graduate employees;</li> <li>▶ Measure and increase the engagement level of our employees.</li> </ul>
<b>Status 2020</b>	<ul style="list-style-type: none"> <li>▶ Share of women at management level achieved: 25.56%<sup>[1]</sup>;</li> <li>▶ 20 fresh graduates hired;</li> <li>▶ Employee promoter score 8.71 recorded from 2020 Survey.</li> </ul>
<b>Action plan to achieve the targets</b>	<ul style="list-style-type: none"> <li>▶ Implement innovative measures and projects in order to reach the targets of the Sustainability Strategy 2025.</li> <li>▶ Optimize employees' performance through our Principles-led culture in order to maintain the goal of employer of choice.</li> </ul>

<sup>[1]</sup> Starting 2020, in order to align to the OMV Group level KPI, the calculation algorithm has been modified. Thus, this KPI refers to the share of women in executive and advanced positions. The 30% target until 2025 remains unchanged. (The share of women in management positions as per 31.12.2019, calculated based on the same algorithm used in the 2020 Sustainability Report, was 22.68 %.)

### Sustainable Development Goals (SDGs) supported





## **BUSINESS PRINCIPLES & SOCIAL RESPONSIBILITY**

Community Relations and  
Human rights

Business Principles and  
Economic Impacts

# Community Relations and Human Rights

We engage with local communities to help prevent or reduce the risks and direct or indirect impacts resulting from our operations' activities. We focus at the local level, we consider the varied circumstances we face wherever we operate and take action to support long-term, sustainable development.



In OMV Petrom we engage with local communities throughout our operations' entire life cycle, from planning through active operations to decommissioning and site remediation. In this way, we minimize the impacts our presence could have on local communities, ensuring they benefit from our activities. We want to reduce and mitigate the impacts our operations may have on the livelihoods, land, environment, cultural heritage, health, and wellbeing of local people. We work with humility and try to earn local people's trust through our transparency and actions. We value their local skills and knowledge as employees and stakeholders. We engage with local people and their representative bodies, listening to their concerns and learning from them. Our aim is to find ways of working that deliver mutual benefit, balancing their needs with our business goals.

As a corporate citizen, we aim to be a partner for communities we operate in, through strategies, projects and investments that answer local needs and priorities. As a signatory of the UN Principles on Business and Human Rights, we conduct our activities in communities with the aim to support the UN's 2030 Agenda for Sustainable development.

## How we manage our community relations

Our community relations and development management process is based on centralized policies and targets and is implemented by locally responsible persons with local resources. Before starting a project in our communities, we conduct a Social Impact Assessment (SIA), which includes free and prior informed consultation and consent of local stakeholders. In specific cases, the SIA is integrated into the Environmental Impact Assessment (ESIA) to foster synergies and efficiencies. The SIA aims to ensure that the local communities' views are incorporated and addressed throughout all phases of the project life cycle: commencement, operational phase, and decommissioning or abandonment. We also pay particular attention to any possible impact on human rights. Based on the internal regulation for conducting SIAs, we include a baseline study, community needs assessments, stakeholder analyses, and a study of social risks associated with the project. Whenever it is, SIAs are conducted in a participatory manner by directly consulting with potentially affected communities. Our standards require that the outcomes of the SIA are communicated to affected stakeholders.

**Signatory to the UN Guiding Principles on Business and Human Rights**

We operate in over  
**350**  
 local communities  
 in Upstream division

Based on the SIA's outcome, we further develop and implement site-specific strategies for community relations and development, stakeholder engagement plans as well as Community Grievance Mechanisms.

To ensure a transparent community relationship process, we comply with national legislation, financial requirements and international standards. We have developed a specific set of internal standards, procedures and directives for the processes: Community Relations and Communities Development, the Stakeholder Engagement, the Upstream Engagement Process of Community Engagement, the Sponsorship Strategy and the Grievance Mechanism. The community relations and development guideline procedure was updated in 2020. The results of our community involvement projects are monitored and measured through pre-set KPIs and baseline studies.

We maintain regular communication with our communities and with major stakeholders.

We also bring our contribution to local development through community or social investments. The investments are prioritized based on the local needs identified through the SIA process and/or during the ongoing consultations with the local communities for developing/revising the yearly development plans.

Our community and social investments are focused on preventing or mitigating social risks and positioning OMV Petrom as part of the social fabric. These also include knowledge transfer initiatives aimed at building the potential workforce's local technical capacity (e.g., scholarships for students from Upstream communities who take part in vocational schools, requalification training for vulnerable people in Upstream communities). In case of decommissioning or exit, our community relations team ensures that potential social impacts are addressed by establishing targeted community engagement plans, social impact assessment, and management plans and developing exit strategies for ongoing community development projects.

The OMV Petrom Sustainability corporate level function governs and steers the implementation of the community relations and development plans in Upstream and Downstream divisions, receives regular reporting and feedback from stakeholders, monitors and ensures that the Group guidelines, policies, and regulations are correctly implemented. The management process of community relations is set up based on centrally governed policies, responsibilities, targets, and locally-engaged resources. We hold structured, regular alignment meetings with our community development specialists to monitor and steer local implementation of our site-specific community relations and development strategies and plans. The community relations and development guideline procedure was updated.

Community relations and development management activities are designed in each business division in accordance with business strategies. In 2020, due to the coronavirus crisis, part of our planned community relations and development management activities had to be postponed or some of the initiatives refocused on more immediate community needs response.

Our plans cover the activities of all our business segments, meaning 350 localities in Romania and Kazakhstan, where Upstream activities take place, as well as the areas where we have retail presence, through our 793 filling stations (Romania, Moldova, Bulgaria and Serbia).

The community development strategies for Upstream are revised yearly, and the project plans are designed based on consultation with the community, with major stakeholders (e.g., grass roots organization, schools, local public institutions, NGOs, Department for Child Protection, county inspectorate).

In 2020, we invested over EUR 6.3 mn in projects mainly for health, education and environment which covered 88% of our local communities. Through our community programs and social investments, we had over 140,000 beneficiaries and trained over 450 people for employment.

More than  
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 in projects mainly  
 for health, education  
 and environment





### Helping society fight against COVID-19

#### Romania

Caring for Romanian public health system – approx. EUR 1.4 mn sponsorship for 17 first line medical institutions from Romania, to be able to provide day by day job to fight against the coronavirus. We provided medical equipment, medical supplies, masks, disinfectants, COVID-19 tests.

OMV Petrom sponsored the Red Cross for equipment and testing kits for fast diagnosis of COVID-19 for 10 public hospitals. In Retail, we prepared, transported, donated over 20,000 packages directly to 7 hospitals, in advance we sent coffee machines and VIVA coffee pallets.

In all 7 Upstream areas OMV Petrom's financial aid was used for the acquisition of medical equipment, medical supplies, masks, disinfectants, COVID-19 tests and 5,000 visors for medical staff from medical units from first line.

#### Moldova

The financial aid was used for the hospitals' urgent needs: the acquisition of medical equipment, OMV Petrom being also involved in supporting the medical system in the Moldova in partnership with the Moldavian Red Cross organization.

The intervention consisted of medical supplies for the medical staff to provide their day-by-day job for medical institutions from three Moldavian regions with important numbers of coronavirus cases.

#### Serbia

We donated EUR 10,000 for the Institute of Virology, Vaccines, and Serums "Torlak" and the Community Health Centre in Vozdovac. These funds contributed to ensuring the functioning of organizations in the context of the 2020 pandemic. The Torlak Institute is a national manufacturer of vaccines and serums, immunobiological and diagnostic preparations and agents, which supplies health institutions in Serbia. The second organization was the Vozdovac Community Health Centre, a key organization in the local pandemic response.

#### Bulgaria

In partnership with the Bulgarian Red Cross, we supported hospitals with COVID-19 prevention materials and small medical equipment. Also, part of our support consisted in donating coffee and other coffee related materials cups, biscuits and coffee machines for an emergency room which had to deal with COVID-19 cases.



Having a responsibility towards the local communities in which it operates, OMV Petrom came to support the first line medical staff in 4 hospitals from Adjud, Râmnicu Sărat, Buzău, Moinești and the Bacău County Ambulance Service to purchase medical equipment for the treatment, prevention and control of the spread of coronavirus.

#### Luminița Bănașu

- Professional CSR, Asset Moldova

SDG 3, Target: 3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases; Target 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

In the new context created by the COVID-19 pandemic, the route of community projects and social investments was recalculated. From the beginning of the coronavirus crisis, we continued to take care of the communities where we are present by supporting the medical system to face the COVID-19 pandemic. Our rapid reaction's main pillar was to support 31 first-line medical units from Romania, Moldova, Bulgaria and Serbia.

As education is one of the OMV Petrom's main pillars for social investments, in 2020 we redirected our efforts to facilitate the access of vulnerable children to online school programs, through sponsorships and donations of equipment. Furthermore, we also supported initiatives to train teachers and help them adapt to the new context brought by the pandemic and shift to online teaching.

<p><b>Our 2025 sustainability target</b></p>	<ul style="list-style-type: none"> <li>▶ Maintain the social license to operate through yearly Community Relations and Community Development strategies, plans and budgets, based on social impact needs and risks assessment in OMV Petrom operations.</li> </ul>
<p><b>Status 2020</b></p>	<ul style="list-style-type: none"> <li>▶ Implementation of projects that support the medical system in the context of the COVID-19 pandemic according to our commitment to SDG.</li> <li>▶ Implementation of projects that support the education and vocational and technical education, according to our commitment to SDG 4 (e.g., Oilmen's School, Vocational Week, Online Teacher).</li> <li>▶ Implementation of projects that support OMV Petrom's local communities.</li> </ul>
<p><b>Action plan to achieve the target</b></p>	<ul style="list-style-type: none"> <li>▶ Continuing to have as our main priority implementing projects that support the vocational and technical education and health according to our commitment to SDG 4 and SDG 3.</li> <li>▶ Continuing to support OMV Petrom's local communities through various projects and be their partner according to our Sustainability strategy.</li> </ul>

**Sustainable Development Goals (SDGs) supported**



**We registered 737 grievances, out of which 575 were solved and 162 will be resolved in 2021.**

**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 conduct our activities minimizing any possible negative impact on 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 the communities, 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 the OMV Petrom S.A. level, coordinated from the corporate level, which allows us to receive, register, and solve grievances, as well as to monitor our action plans. The CGM offers a channel to resolve grievances in a non-judicial

manner and, depending on the case, access to remedy for community members. We define a grievance as an expression of dissatisfaction stemming from a real or perceived impact of the Company's business activities.

In 2020, we registered 737 grievances related to society, human rights and environmental issues (total grievances), out of which 575 were solved together with another 101 from the previous year). Most of them, 402 grievances, were related to environmental impacts – 316 were related to land contamination - and 335 grievances were related to social impacts generated by our operations.

To evaluate the community grievance mechanism's effectiveness 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.

<b>Our 2025 sustainability target</b>	▶ Assess Community Grievance Mechanism of all sites against UN Effectiveness Criteria <sup>[7]</sup> by 2025.
<b>Status 2020</b>	<ul style="list-style-type: none"> <li>▶ 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.</li> <li>▶ Implementation of a new Grievances database, tailored according to Audit Assessments and specific actual needs</li> <li>▶ Implementation and dissemination of the new Grievances Management Standard, including workshop with Business representatives.</li> </ul>
<b>Action plan to achieve the target</b>	<ul style="list-style-type: none"> <li>▶ Continue to implement the action plan based on the self-check/audit assessment of at least two Assets per year to have a continuous improvement towards fully meeting the UNGP effectiveness criteria for community grievance mechanism.</li> <li>▶ Assess the opportunity to extend the CGM and the Grievances database at the OMV Petrom Group level.</li> </ul>

<sup>[7]</sup> 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.

The alignment of CGM to UN Effectiveness Criteria is assessed through management processes review, consultations, and feedback from internal and external stakeholders. The assessment's recommendations were followed by tailored action plans to improve grievance management at the site level, as well as at the Corporate, Upstream, and Downstream level. These action plans are implemented by local management and monitored by the Compliance function. Until now, three assets were assessed in Upstream and Downstream Divisions (Petrobrazi refinery). In 2020 we updated the regulations regarding CGM and trained the persons in charge of these activities at the sites level. We will continue to conduct assessments of CGM base on the UN Effectiveness Criteria and in accordance with the plan at further OMV Petrom sites.

### Community engagement

We screen our projects to minimize the communities' risks and work with local people to prevent, reduce and manage effects that occur. For example, projects implemented by Community Based Organizations (CBOs) were considered as quick reaction in the context of coronavirus for medical institutions in Romania, Serbia, Bulgaria, and Moldova, as well as the support for education for vulnerable pupils in order to remain connected to the education system. OMV Petrom always focuses on conducting the business responsibly, efficiently and in an innovative way. The company is committed to create long-term value for the company and our stakeholders, while respecting the environment and supporting the communities in which we operate.

In 2020 we continued to support the community-based organizations from OMV Petrom hotspot communities of empowering our local communities, obtaining important results:

- ▶ 500 beneficiaries in 5 local communities.
- ▶ 129 participants obtained requalification certifications.
- ▶ over 120 children from five hotspot communities benefitted of educational programs to reduce school abandonment and to enhance school performance for the national exams.



Continuing our capacity-building approach, we organized two consultation meetings for sharing experience regarding the intervention in communities in the context of the COVID-19 pandemic for 11 CBOs to increase their organizational capacity to enhance local development.

Another consultation activity involved the most relevant environmental NGOs, with focus on significant environmental issues (e.g., waste selective collection, environmental education and forestation) in local communities and plans for 2021.

In Upstream, OMV Petrom continued to support the local education process to face the COVID-19 pandemic context. Thus, we have provided the local schools with electronic devices to reduce school abandonment, and we have offered requalification courses for vulnerable people from local communities. Due to the coronavirus crisis, the digitalization of the education system was done over the night, but the main actors, teachers, and pupils were not prepared for this quick shift. We supported initiatives that aimed to train the teachers on teaching online, and we donated thousands of IT devices for vulnerable kids and teachers.

The context generated also the decrease of the number and types of jobs, many Romanians returned to Romania and this contributed to the need to continue professional requalification projects. We continued the personal developing trainings for the development of children's life abilities-public speaking. An important part of our projects targeted the adults from local communities in order to increase the employability on labour market.

In 2020, at the Petrobrazi refinery, we developed a task force for community engagement, with a defined action plan that integrates fit-for-purpose solutions that address local needs by involving all relevant stakeholders from other Company's divisions, local communities, and authorities. Under this task force, we implemented projects for the benefit of the communities in the proximity of the Petrobrazi refinery, projects for environment (e.g., forestation programs and energy efficiency improvements in local projects), health (donations to hospitals) and education (e.g., modernization of schools, scholarships and vocational programs).

In our subsidiaries, we continued to take care of the communities where we are present by our involvement in supporting in the first place the medical system to face the COVID-19 pandemic and educational projects.

**Community Development Projects**

Started in 2015, the vocational education program is OMV Petrom's long term commitment to support and improve the technical and vocational education system in Romania. Also, by this approach, we want to raise awareness about the importance of this type of education in developing the national economy and in implementing solutions for our specific labour market. The vocational education program consisted of two major initiatives in 2020: Oilmen's School and Vocational Week.

**The Oilmen's School** is a traditional educational program through which we implement solutions for the future of oil and gas professional education. The first two generations of graduates from our education program are either employed at OMV Petrom (55 students) or have continued their studies. Also, during the project implementation, we invested in the equipment of partner schools' laboratories with modern technologies, equipment and training for the teachers. Furthermore, in cooperation with the Ministry of Education and Scientific Research, we developed an updated curriculum to support the teachers and students.

In 2020 we started the project adopting the dual system form. Thus, we established three new classes in well operator in three high schools from Argeş, Damboviţa, and Bacău counties. During all three school years, the students will benefit from a scholarship in the amount of RON 200 granted by the Romanian state and an additional scholarship granted by OMV Petrom of up to RON 700 per month based on the performance at school. Furthermore, the student will have the possibility to participate in internships. We will also contribute to the teachers' development, the update of the education curriculum, and the upgrades of the laboratories. After completing the three years of vocational education, the students will earn a professional certification valid all over Europe and will have the opportunity to become OMV Petrom employees.



**The Vocation Week** project was carried out in partnership with two high schools – Mechanical Technological Câmpina and Elie Radu Technical College High School Ploieşti – from OMV Petrom communities from Prahova county. The project approach was adapted to the pandemic context and was implemented online. The project was dedicated to 156 students on ninth grade, mechanics and electricians, and 81 teachers

**The Oilmen's School - three new classes in well operator in three high schools from Argeş, Damboviţa, and Bacău counties.**

# 156

students on ninth grade, mechanics and electricians, and 81 teachers as part of the Vocation Week project

as part of the activities planned within the national program “Non-formal week”. Future craftsmen went through an intense program, with personal and professional development online workshops to fill the formal education. The teachers involved in the project participated in online training to adapt methods and subject to online teaching and manage conflicts within the teacher-student relationship. The training theme for teachers was based on a needs assessment process. All beneficiaries of the project from the two partner schools benefited from digital equipment, tablets and internet subscription for one year, worth EUR 37,000.

### Volunteering Program

OMV Petrom supports its employees’ volunteering activities, encourages them to find solutions for local communities’ development and needs, and rewards the most active colleagues. In this coronavirus pandemic context, all the sanitary and physical distancing measures were observed during the implementation of the volunteering activities. Thus, over 733 volunteers participated in 2020 in volunteering projects within communities such as forestation, first aid activities, education, health and donations.

We continued the Volunteer Championship, our initiative that challenges our employees to find solutions for communities’ needs and dedicate time and energy to implement it. The employees’ projects are included in



a competition, and in 2020, 10 community projects were granted with EUR 30,000. These projects are strictly connected with OMV Petrom Sustainability Strategy areas: education, health, safety and environment. Also, in 2020, our employees supported NGOs and accredited social services suppliers by redirecting 3.5% from their due income tax. Furthermore, 200 of our employees participated in our yearly campaign “You can be Santa Claus!”, supporting through financial contributions 300 children from disadvantaged families.

### Environment climate projects (energy efficiency, waste, forestation)

In 2020, we also funded public lighting efficiency initiatives in 2 communes from Asset Oltenia. We replaced 523 existing bulbs with efficient and economical LED lamps increasing the public street lighting’s energy efficiency, improving public lighting quality, reducing electricity costs by 30%, and protecting the environment.



### România Eficientă

As the largest player in the Romanian energy market, OMV Petrom endorsed the “România Eficientă” program that promotes energy efficiency at the national level through public information campaigns, education programs, and financing projects for improving the energy efficiency of public buildings. The project has two major dimensions: on the one hand, there is the information, education, and public awareness part and, on the other hand, the execution of in-depth renovation works at nZEB

(nearly Zero-Energy Building) standards in six public schools from five counties in Romania (2020-2022). In 2020, in the second stage of the project “România Eficientă,” we have started the procedure of the renovation works of a school in Ploiești, with monitoring of the indoor environmental quality (IEQ) parameters and continuation of the education, information, and awareness campaign. Despite the unfavorable conditions caused by the COVID-19 pandemic, we remain committed to supporting the program until 2022 with a budget of EUR 4 mn.

SDG 13 Target: 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



### Romania plants for tomorrow

In 2020, OMV Petrom launched the largest privately funded forestation initiative in Romania with a contribution of EUR 4.6 mn for 1,500,000 seedlings that will be planted on 300 hectares in the next three years. The campaign runs in partnership with the Ministry of Environment, Waters and Forests and six environmental NGOs known for their contributions to environment protection: Act for Tomorrow, Mai Mult Verde, Plantăm fapte bune în România, Pădurea Copiilor, Viitor Plus, and Asociația Parcul Natural Văcărești. The Ministry of Environment, Waters and Forests will provide forestry specialists and local expertise during the tree planting campaign. In 2020, from spring to autumn, 550,000 trees were planted on an area of 124 hectares in 32 localities from 15 counties. Around 200 OMV Petrom volunteers participated in this initiative. All the sanitary and physical distancing measures were observed during last year's planting actions. The volunteers were divided into teams and received sanitary

protection equipment, a good part of the plantings being performed mechanically. All planted tree species were selected by specialists from NGOs, taking into account the climate and soil aspects specific to each community.

One of the planting activities took place in Parcul Natural Văcărești, in Bucharest. This park is an urban protected natural area, as it hosts a number of species specific to an ecosystem in a state of natural balance (13 species of mammals, 162 species of birds, 6 species of reptiles, 6 of amphibians and 135 insect species).

Forests, trees and their associated biodiversity provide a wide range of products and services that contribute to human health, including medicines, food, clean water and air, shade or simply a green space in which to exercise and relax. The more biodiverse a forest or tree system is, the wider the range of products and services it can provide.

**SDG 13 Target: 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries; 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.**

In Upstream, two projects were developed in Constanța County bordering the Black Sea that addressed relevant issues such as the limited number of jobs in the area and waste from Black Sea. "Offshore farms for the Black Sea" is a project with a new approach for Romania, with a high potential impact in the medium and long term. Offshore fish farming has reduced the nutrient footprint by 90%, the classic fish farm's carbon footprint by almost 30%, provided jobs, and increased productivity. The main activities conducted in 2020 refer to disseminating necessary

materials and information regarding these new fish offshore farms for Romania.

The second project is focused on waste from the Black Sea generated by the fishing nets. Fishing nets affect the environment and marine life globally because, along with other fishing gear, they account for 27% of total marine litter. During the project, more than 100 kilograms of fishing nets were lifted from beach sections and the Black Sea; after the actual recovery each net was assessed for recycling.



### 2020 Awards

- ▶ **CSR Awards Gala Education Category:** mention - The Vocational Students League.
- ▶ **Community Index** is a component part of the Romania CSR Index ranking (as parent index), the most important analysis of the level of transparency and performance from the perspective of corporate sustainability:
  - Education Category:** GOLD - Vocational students League
  - Career Education Category:** SILVER – Vocational Summer Camp
  - Environment: Forest protection:** GOLD - Romania Plant for tomorrow
  - Tech 4 Good category:** GOLD - Meserii.ro digital platform - OMV Petrom and Civic Net
- ▶ **ARIR GALA (the Romanian Investor Relations Association)**
  - Category Best Sustainability Report** – 1st place OMV Petrom 2019 sustainability report

### Respecting Human rights

OMV Petrom is committed to promote, respect, and comply with internationally recognized human rights. We have been a signatory to the UN Global Compact since 2013 and are fully committed to the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Universal Declaration of Human Rights. The primary responsibility for the protection of human rights lies with governments. However, OMV Petrom recognizes, according to the Group Policy, its responsibility to respect, fulfill, and support human rights in all business activities and ensure that it does not become complicit in any human rights abuses as defined under current international law. We undertake to act so that none of our management actions and



activities originate, directly or indirectly, abuse or violation of human rights in any geographic location from our operations, not throughout the value chain and sphere of influence concerning to our stakeholders. Our strategic commitment “ZERO harm-NO losses” also translates into an expectation to respect internationally recognized human rights of people affected by our operations.

These commitments are materialized through the formalization of our Human Rights Policy, updated in 2017. The policy is aligned with internationally recognized standards, including the ten principles of the United Nations Global Compact, the Universal Declaration of the United Nations Human Rights, UN Guiding Principles on Business and Human Rights. (<https://www.omvpetrom.com/en/sustainability/business-principles/human-rights>)

The OMV Group Human Rights Policy Statement, approved by the OMV Group Executive Board, valid for all OMV Group entities, sets out understanding and responsibility to protect human rights in our business environment. It is our guiding principle for dealing with human rights issues in all aspects of our daily business life. These aspects include a commitment to provide a safe, healthy, and secure working environment and treat employees and those impacted by our operations fairly and without discrimination. To meet our concrete responsibilities with regard to human rights, we have established a well-structured Human Rights Due Diligence process as well as effective operational-level grievance mechanisms. OMV Petrom also endorses the Women’s Empowerment Principles of the UN to promote gender equality in the workplace, marketplace, and community.

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 updated following international best practices and the latest developments in the human rights field.

Consequently, OMV Petrom holds itself responsible for protecting our employees’ human rights (i.e., non-discrimination, decent wages, working hours, employee representation) and the outside world, for example, our suppliers’ communities, vulnerable people, and society as a whole. Our external responsibilities in the area of human rights include, but are not limited to, equality and non-discrimination, privacy and family life, indigenous peoples’ rights, security, primary health care, labor rights in the supply chain (such as fair wages and working hours), education, poverty reduction, land rights, and free, prior, and informed consultation. We specifically concentrate on the impact of our activities on the human rights of vulnerable groups, women, and children.



Human Rights commitments

Code of business ethics	Communities	Our involvement in communities is guided by a policy of respect for and promotion human rights to which we also encourage our partners and suppliers to adhere through inclusion of specific clauses in their contracts.
HR Policy  CSR Policy	Employees	We ensure respect for the rights of our staff by adhering to national and international convention and guidelines (ILO, Ten principles of UNGC, Code of conduct).
Supplier Standard	Suppliers and partners	Our relationship with suppliers implies compliance with the principle Respect for HR and working conditions from CoC.

**Our Goals:**

- ▶ To strengthen the rule of law and accountability for human rights violations.
- ▶ To approach and evaluate human rights concerning communities.
- ▶ To enhance and protect civic space and public participation.
- ▶ To enhance equality and counter discrimination.
- ▶ To integrate human rights in sustainable development.
- ▶ To implement the outcomes of international human rights mechanisms more fully.

At the OMV Petrom Group level, Corporate Sustainability Department is also responsible for human rights aspects. The overall accountability for our compliance with human rights lies with the respective business heads. Locally officers for community issues conduct due diligence at the operating facilities with the support of two human rights managers at the Group level (at OMV and OMV Petrom). Action plans and mitigation measures are implemented and reported by the respective functions, depending on which human rights subject is in question. Thus, the Human Resources Department deals with human rights issues related to labor rights, the Procurement Department is responsible for managing human rights issues in the supply chain, the HSSE Department is responsible for security-related human rights issues, and the Community Relations and Development staff implements actions related to human rights impact on communities and indigenous peoples.

Internationally recognized third-party experts support OMV Petrom in conducting the due diligence on the Company's exposure to human rights risks for our operations and new entry country due diligence if needed.

**Due diligence**

At the OMV Group level, due diligence tools and techniques were developed. These tools are also used in OMV Petrom to assess the risk of human rights violations related to our business before we launch or acquire a business in a new country. Human rights are one of the decision-making components determining OMV Petrom's engagement in a given country and are presented to the respective Executive Board members before deciding to engage in a country. In 2020 OMV Petrom won an international tender held by the Georgian Economy Ministry, as the Company looks to expand its upstream activity in the Black Sea. To this end, we commissioned an external human rights expert to perform a Human Rights Country assessment for Georgia.

Current operations are also subjected to regular assessments of their exposure to the risk of human rights violations. Due diligence starts with an Initial Risk Ranking at the country level: every country from the OMV Group (or plan to operate in) is assessed based on comprehensive human-rights-related sources (Verisk Maplecroft, The Freedom House, US State Department, Human Rights Watch, Amnesty International) and consultation with internal and external experts.

The countries are ranked by low, medium, and high risk, countries with the highest manageable risk, and “no-go” countries with unmanageable risk. Based on this ranking, the yearly work plan, defining further due diligence actions, and human rights training is developed. In 2020, based on Country Risk Ranking at Group level, România is classified as a medium risk country in the OMV Human Rights Risk Ranking.

**Human rights in the Supply Chain**

The supply chain continues to be an important material activity for OMV Petrom. We expect that all our suppliers respect 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. Tools like 360-degree feedback, supplier evaluations, and audits assess and monitor suppliers’ valuations to the principles outlined in the Code of Conduct. Through ethical and human rights supplier verifications, we aim to identify gaps in the compliance management system and implementation. We pay particular attention to findings that are considered potential markers of modern-day slavery, child labour, and collaborate with the suppliers to eradicate these.

OMV Petrom’s supplier audits cover the most important human rights aspects related to purchases. The supplier audit conducted in 2020 for OMV Petrom’s suppliers is a KPI for the Procurement Department, and their results are described in more detail in the

section “Supply chain.” We engage with our suppliers to help them understand our ethical requirements and how we do business. If the expectations are not met, we take appropriate actions regarding the contract agreements.

**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. Our Human rights policy states that we must provide appropriate remediation if we cause or contribute to adverse human rights impacts. Also, OMV Petrom has an ethics helpline available to all our employees and third parties who want to communicate their concerns. Human rights grievances are submitted through the community grievance mechanism and then analyzed at the local and corporate level (More information can be found in this section).

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 whistleblowing 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 in section “Business Ethics and Compliance”).



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, which contains our approach in regard to remedies, established a set of activities that were implemented during 2019 and continued to be implemented in 2020. We covered all the recommendations, including a reorganization of the space in Petrom City with a special room for breastfeeding (and/

or pumping) to be used by employees that decide to return to work earlier and are still breastfeeding or rest for a short time within the pregnancy period. The space was organized in such a manner that it can be used as a separate room for changing a baby if the parent is in transit in Headquarter. Because 2020 was a special year due to the pandemic, with working at home by 90% of the employees, the room is used as a medical cabinet for the ill persons, until the medicine urgency services are provided.

**SDG 3 Target: 3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programs.**

**Training for human rights for all employees**

Also, OMV Petrom employees can report human rights concerns by directly contacting the PetrOmbudsman Department. Analyzing these tools, in 2020 there weren't reported any human rights incidents or grievances through formal channels (2019: no incidents). Also, during 2020, we have not identified any risks related to child labor, forced labor, or violation of human rights, labour rights, or discrimination.

**Awareness-raising and training**

In 2020, due to specific pandemic conditions, we continued to hold training courses with select groups, focusing on raising awareness for human rights risks and impacts from our activities. Since 2019, the e-learning courses for OMV Petrom's Human rights, a tool valid for all employees within the OMV Petrom Group, became a part of the "My Success Factors" as a voluntary course for all employees. This module is an interactive 30-minute training session that teaches a basic understanding of human rights in general and their relevance to our business specifically. It provides an opportunity for employees to test their knowledge using concrete, real-life examples. This year 1,197 employees from OMV Petrom Group were trained through e-learning course (around 600 hours, 11% of total employees). Our e-learning program on human rights has been revisited by most of the employees and is now made available in three languages.

Additionally, another 150 persons that were working from home and belong to a special target group category of persons exposed to human rights risks received special courses through e-mail. We have also created a stand-alone human rights page on our external website, with our human rights policy.

Human rights activity has a specific KPI and is included in the Sustainability Strategy 2025: Training is part of the employees' development goals. As every year, a communication campaign for supporting human rights at work and at home was conducted in December, when International Human Rights Day was brought to the employees' attention under the message: "We are all together - Standup4human rights".

All employees Group-wide were informed about our commitment and invited to complete the human rights e-learning program.

**Risks and impacts from human rights activities**

OMV Petrom's operational activities may have impacts on the rights of local communities, in particular, when it obtains temporary or permanent access to their land for Group's projects that may involve the physical and/or economic displacement of these populations. Also, noise and dust emissions and other potential impacts may also have consequences on the livelihood of neighboring communities. Consequently, the access to the land of local communities and their right to health and an adequate standard of living are two salient issues for OMV Petrom.

The OMV Petrom promotes human rights principles to the private security companies it hires in connection with its activities. These companies incorporate them through the training provided to security staff. The prevention of forced and child labour in the supply chain is another major area of concern. A project may contribute to human rights negative impacts if for its realization are involved project contractors with poor labour practices. Another example directly linked to a negative human right impact can be related to the security forces stationed to protect assets that use excessive force against people from communities or are not compliant with labor regulations (i.e., hiring of underage workers, discrimination in hiring practice or pay).

**PetrOmbudsman Department – an informal and confidential support for employees and management**

PetrOmbudsman Department helps people deal with workplace conflicts and encourages them to share ideas, find ways to improve business processes and their career paths and facilitate communication with the Company. A very important role of the PetrOmbudsman Department within the company is to identify and inform the organization about systemic trends and issues. In this way, the Company's management can take the appropriate measures based on PetrOmbudsman recommendations.

**300**  
**employees**  
 benefited from  
**Ombudsman**  
**workshops in 2020**

Since the beginning of its activity, the PetrOmbudsman Department has committed to respect and apply the International Ombudsman Association’s Code of Ethics and Standard of Practice. Also, the PetrOmbudsman team is committed to propose remedies to correct negative impacts for the employees and the Company, creating win-win situations for all the parties involved. Regarding the internal regulations, sharing the values promoted through the Non-Retaliation Policy, the management has embraced, in an updated form, this document, and currently, the policy is approved by Executive Board members.

The 2020 year was a difficult year, dedicated to reflection and assessment, providing the best care for our employees and finding the right tools to influence the communication within the Company positively. The PetrOmbudsman Department reinvented itself during 2020 and started to use more and more digital tools, continuing to be present in the middle of the employees in a virtual environment.

In 2020, about ~1,800 persons were in contact with the department representatives, of which ~300 also benefited from Ombudsman workshops. In 2020, the Ombudsman workshops focused on online Assertive Communication, highlighting the

importance of expressing opinions honestly and directly and without offending other people while avoiding residual frustration from accumulating. These workshops were just one of the many efforts made by the Ombudsman to foster an environment of respectful collaboration, which is inclusive for all employees and managers working in OMV Petrom.

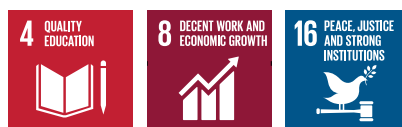
The PetrOmbudsman Department continued to be part of the Company’s team for its talent retention process review with projects such as Fresh Graduates Community Dialog or to improve managers’ skills, being part of the Frontline Managers project with the "Social Communication" workshop. Also, in 2020, the PetrOmbudsman team, using its characteristic tools, took the pulse of the organization and encouraged the employees in the project named: Hello, how are you?

Although it was a challenging year, we managed to deal with our own emotions and supported our employees to deal with their own. The PetrOmbudsman Department’s efforts were internationally recognized, and the Head of PetrOmbudsman Department of OMV Petrom received an “Exceptional Accomplishment Award from The World Petroleum Council for his contribution to People support to Petroleum Success Activity in Romania.”

<b>Our 2025 sustainability target</b>	▶ Provide Human rights trainings for all employees exposed to human rights risks by 2025.*
<b>Status 2020</b>	▶ Training on human rights through e-learning tools and special workshops for the persons exposed to human rights risks; 26% from targeted group.
<b>Action plan to achieve the target</b>	▶ Further promotion of human rights e-learning courses across the Group. ▶ Human rights classroom training session in Assets for communities’ needs.

\*Target Group = employees in countries with elevated human rights risks and functions responsible or accountable for the implementation of our human rights responsibilities (Human Resources, Security, Site Management, HSSE Auditing, Community Relations/Community Development, Procurement, Ombudsmen) as well as the corresponding corporate functions. 200 employees are in corporate functions managing human rights risks as well as the corresponding functions in countries with elevated human rights risks.

**Sustainable Development Goals (SDGs) supported**



# Business Principles and Economic Impacts

## Business ethics, anti-corruption and anti-competitive behavior

As a signatory of the UN Global Compact, we are committed to the respect and promotion of the 10th Principle regarding the fight against corruption and strive to combat and prevent the risks of bribery and corruption.

Reputation is an asset that we highly value. Compliance with ethical standards is a non-negotiable value that supersedes any business interest. Absolute commitment to this objective is embedded at all levels at OMV Petrom, from top management to every employee. Our business partners are also expected to share the same understanding of and commitment to ethical standards.

OMV Petrom Compliance department has been established in 2008 with the purpose to manage business ethics - related risks in OMV Petrom Group, including subsidiaries outside Romania. The Compliance department identifies and evaluates organization's exposure to business ethics risks that the organization faces, advises on how to prevent and address them and implements controls to protect the organization from those risks. Continuous monitoring and assessing

effectiveness of controls represents an essential aspect of the management of the organizations risk exposure.

### **Zero tolerance policy for any form of bribery and corruption**

OMV Petrom follows a zero tolerance policy with regard to bribery, fraud, theft, and other forms of corruption. In the most general sense, corruption is defined as any deviation from morality and duty which is detrimental to a person's interest or public interest in favor the interest of another person, public or private. Bribery is a form of corruption and is defined as the promise, the offering, requesting or receiving directly or indirectly, for oneself or for another money or other undue benefits in exchange for the fulfillment, non-fulfillment, urgency or delay fulfillment of an act that enters into service duties or for the fulfillment of an act contrary to such duties.

The trust that our stakeholders place on OMV Petrom relies upon our integrity. Therefore, it is of the utmost importance to us to detect any potential violations at the earliest stage, investigate such incidents and apply the appropriate measures.

The Code of Conduct and the Code of Business Ethics are our regulatory instruments centered on the Zero

**As a signatory to UN Global Compact, OMV Petrom is committed to a zero tolerance policy towards bribery, fraud, theft and other forms of corruption.**

**Click for**  
**CODE OF**  
**CONDUCT**  
**and**  
**CODE OF**  
**BUSINESS**  
**ETHICS**



**500**

**employees submitted**  
**the conflict of**  
**interests declaration**

tolerance policy for bribery and corruption and are applicable to anyone who works for or on behalf of OMV Petrom. Both Codes are applicable at the level of OMV Petrom Group, including all subsidiaries inside and outside Romania.

The Code of Business Ethics establishes the rules and ethical standards that any employee at OMV Petrom must follow. The Code of Business Ethics embeds organization's approaches in the area of business ethics, including the policy regarding conflicts of interests and the policy regarding gifts & invitations and donations. Compliance with the antitrust legal provisions, as well as with trade sanction and embargoes are important chapters of the Code of Business Ethics that provides rules in these respects.

Companies performing services for OMV Petrom must follow anti-bribery procedures that are consistent with the principles and business ethics standards, as defined in OMV Petrom's Code of Business Ethics and Code of Conduct. Standard Code of Conduct clauses are included in the contracts with our business partners. Our due diligence processes performed on potential business partners include business ethics and anti-corruption checks.

**The Code of Business Ethics**

The Code of Business Ethics starts with an introductory statement of the Executive Board of OMV Petrom that highlights OMV Petrom's commitment to maintain its ethical standard of trust and integrity.

The Code of Business Ethics is available internally to all OMV Petrom employees in all local languages. (Romanian, Bulgarian, Russian, English, Serbian). It defines bribes and facilitation payments and prohibits such practices. Further on, it sets out rules dealing with gifts and invitations, donations, and investment in local communities and provides guidance to employees as to what is considered acceptable behavior.

The Code of Business Ethics defines what a conflict of interests means and

sets out the disclosure obligation. Situations that follow under the disclosure obligations include, but not limited to, business and financial interests (e.g., shareholding) in OMV Petrom suppliers, as well as other business partners or competitors; secondary employment, including Executive Board membership in external organizations; the exercise of public or political functions.

The disclosure obligations apply to all OMV Petrom Group employees and managers, as well as to the members of the Executive Board. A member of the Executive Board must disclose any conflict of interests to another member of the OMV Executive Board, to the Supervisory Board and to Compliance department. Employees must disclose conflict of interests to their line managers and to Compliance department.

Starting with 2019, we have implemented the online conflict of interests declaration which gives the possibility to fill in and validate the declaration remotely. The conflict of interests declaration must be updated annually by the management and the employees working in the risk-most exposed areas (such as procurement and sales) and every 3-year by all employees. A number of 500 individuals submitted the conflict of interests declaration in 2020, including the top and high management levels, as well as the persons employed in procurement and sales activities in OMV Petrom SA and its subsidiaries.

By submitting the conflict of interests declaration, employees also acknowledge that they have read and understood the provisions of the Code of Business Ethics. The written acknowledgment is all the same required upon pursuing business ethics training. New senior management also receives onboarding to introduce OMV Petrom integrity standards.

Moreover, the Code of Business Ethics provides guidance for compliance with competition law provisions, as well as international trade sanctions and embargoes regime.



**OMV Petrom Compliance Management System**

OMV Petrom has set up a compliance management system to prevent, detect, and mitigate risks in key compliance areas. The system includes policies, audits, and trainings.

In 2013, OMV Petrom became the first organization in Romania to comply with the comprehensive IDW Assurance Standard 980 for Compliance Management Systems. The OMV Petrom Compliance Management System is regularly reevaluated and was recertified under IDW PS 980 in 2017.

Both external and internal risk factors, in particular changes in the regulatory framework, as well as recent developments or incidents are monitored on an ongoing basis to evaluate their possible impact on OMV Petrom’s current risk exposure. This ongoing risk analysis also includes an

institutionalized semi-annual risk analysis, which is part of OMV Petrom’s Enterprise-Wide Risk Management (EWRM). Business ethics and anti-corruption represent one key component of the Compliance Management System, together with compliance with laws and regulations concerning antitrust, capital markets, as well as international trade sanctions and embargoes that are applicable to OMV Petrom.

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 2020 there were no administrative or judicial sanctions levied against our organization or its employees for failure to comply with anti-corruption laws or regulations. Also, in 2020 there were no incidents regarding anti-corruption and anti-competitive laws (SDG Target: 16.5 Substantially reduce corruption and bribery in all their forms).

**Corruption prevention**

Identifying misconduct at an earlier stage is crucial to prevent wrongdoing and harm to the company. Our employees, as well as other stakeholders represent a valuable source of information that can help identify breaches of ethical standards. To this end, the OMV Petrom has introduced several reporting channels:

- ▶ business ethics helpline, a telephonic line free of charge for calls from Romania that is available both internally and externally 24/24;
- ▶ a compliance dedicated e-mail address;
- ▶ a whistleblower mechanism – the Integrity Platform, a third-party operated tool. Anyone can access it online ([omv-group.integrityplatform.org](http://omv-group.integrityplatform.org)) and report an issue relating to corruption, bribes, conflicts of interest, antitrust law, or capital markets law. The report can be filed anonymously if desired. It will be analyzed, and the answer provided within ten days through the same platform. Identified violations of ethical standards will be handled further by the Whistleblowing Committee. The platform is available in local languages.

**In 2013, OMV Petrom became the first organization in Romania to comply with the comprehensive IDW Assurance Standard 980.**

**OMV Petrom has implemented a whistleblower system to prevent business ethics risks. Retaliation against anyone who speaks up is absolutely not tolerated.**

The advisory activity provided by the Compliance department represents a core element of organization's corruption prevention strategy. Advisory expertise is available to the Executive Board, managers and employees in all the areas embedded in the Code of Business Ethics and is accessible by:

- ▶ direct contacting OMV Petrom Corporate Compliance Officer and the other members of the Compliance department
- ▶ e-mail ([compliance@petrom.com](mailto:compliance@petrom.com))
- ▶ telephone (business ethics helpline)

All the available advisory and reporting channels/mechanisms are underlined in the Code of Business Ethics in a dedicated section and published both on OMV Petrom intranet and Internet web page.

The importance of consulting the Compliance department whenever in doubt, as well as of reporting non-compliance behaviors is continuously emphasized during the trainings on business ethics matters. On these occasions, the available advisory and reporting mechanisms are re-iterated and employees are encouraged to use them.

Acting in good faith does not lead to any restrictions or negative consequences for employees in their capacity as whistleblowers. Retaliation against anyone who speaks up is absolutely not tolerated.

OMV Petrom's policy of no-retaliation is communicated to the employees via the Code of Business Ethics and the internal rules related to the Integrity Platform. It is also re-iterated within the business ethics trainings.

To prevent corruption risks related to potential business partners – suppliers, beneficiaries of sponsorship and donations, clients, other types of business partners, OMV Petrom has implemented a third-party check process. The third-party check is done in terms of corruption, money laundering, and other aspects of OMV Petrom Code of Business Ethics. It includes direct and indirect shareholders, ultimate beneficiaries, publicly exposed

persons, media coverage. To this end, OMV Petrom requests counterparties to provide information according to a standardized questionnaire. Red flags are defined as connections to government officials, persons, and companies referred to in high attention media reports related to political and corruption cases or any other criminal conduct involvement.

In terms of international trade sanctions and embargoes, a process for screening potential new, as well as existing business partner towards EU and US sanction lists has been put in place at OMV Group level since 2012.

As part of the reporting and monitoring activity, the Compliance department performs quarterly spot checks on the Code of Business Ethics topics, such as gifts & invitations, conflict of interests, third-party ethics checks. Spot checks are directed to those activity areas that are the most exposed to such risks. Apart of due diligence processes and the reporting channels, employee training is an important measure to prevent corruption risks.

### Training

Training and awareness represent a fundamental chapter of OMV Petrom Compliance Management System and are crucial for preventing corruption and business ethics risks.

Our Sustainability target for 2025 is to raise Business Ethics awareness for all OMV Petrom employees through trainings and compliance communication program.

Business ethics training includes the topics of anti-corruption and anti-bribery, gifts & invitations, conflict of interests. Our trainings emphasize OMV Petrom policy of zero tolerance for bribery and corruption. The available advisory channels and whistleblowing mechanisms are reiterated during the training sessions. Employees are encouraged to speak up. OMV Petrom has a clearly articulated no-retaliation policy which is also addressed during training session.

**Training and awareness represent a core component of OMV Petrom Compliance Management System. Both direct training and e-learning applications are available and mandatory for our employees.**



Direct trainings  
(face-to face & virtual):

**337**  
employees  
in OMV Petrom and  
subsidiaries

Trainings are delivered directly (face-to-face or online) to targeted category employees, based on a 3-year training cycle. The target group comprises all employees on managerial positions and is defined at the beginning of each training cycle based on the existing organization. Organizational and personnel changes during a training cycle are continuously adjusted and taken into account. Accordingly, all employees on managerial levels in OMV Petrom and its subsidiaries must undergo direct business ethics trainings every 3 years.

In 2020, direct face-to-face and virtual trainings on business ethics aspects were conducted with 337 employees in OMV Petrom and subsidiaries.

In addition to direct trainings, an e-learning application on the Code of Business Ethics topics has been put in place since the end of 2019 addressing all OMV Petrom employees.

A number of 2,442 of employees of OMV Petrom and its subsidiaries pursued the business ethics e-learning in 2020. In addition, the compliance department delivers on demand direct trainings directed

primordially to employees in the risk-most exposed areas, such as employees in procurement or sales.

Antitrust and Competition Law matters are addressed in dedicated training sessions. Topics include the rules for dealing with competitors, customers and suppliers and the appropriate conduct in markets where OMV Petrom has a market-controlling role.

The target group includes the employees who work in areas most exposed to antitrust risks, such as sales and procurement. These categories of employees must undergo the antitrust and competition law training every 3 years. The target group is defined at the beginning of the 3-year training cycle and is continuously adjusted according to the organizational and personnel changes that may intervene.

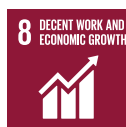
Trainings are delivered both directly and online. An e-learning application has also made available to employees of OMV Petrom Group since 2012.

In 2020, antitrust trainings were performed via the e-learning application and included a number of 90 employees.

**2,442**  
employees  
in OMV Petrom and  
subsidiaries pursued  
the ethics e-learning

<b>Sustainability Strategy 2025 target</b>	▶ Raising Business Ethics awareness for all OMV Petrom employees through trainings and compliance communication program.
<b>Status 2020</b>	<ul style="list-style-type: none"> <li>▶ Direct and virtual training of more than 337 employees of OMV Petrom Group on business ethics matters.</li> <li>▶ Attendance of business ethics e-learning by aprox. 2,500 employees of OMV Petrom Group.</li> <li>▶ Virtual training of 90 employees of OMV Petrom Group on antitrust topics.</li> <li>▶ Signing of conflict of interests declaration by about 500 employees representing high and middle level management, as well as staff working in risk-exposed areas.</li> </ul>
<b>Action plan to achieve the target</b>	▶ Continuing our trainings and compliance communication program in order to raise Business Ethics and compliance awareness for all employees.

**Sustainable Development Goals (SDGs) supported**



## Data protection management



During 2020, the consolidation and updating of the set of internal regulations in the field of personal data processing and protection continued, highlighting the procedure for retention and deletion of personal data.

The awareness campaign of the employees working for the companies part of OMV Petrom Group regarding the risks related to GDPR, has been intensified. Thus, a special training course dedicated to all managers was designed and started to be delivered. In addition, were developed customized training courses for different categories of employees, such as the one dedicated to CFO division's employees, available on the Digital Academy Platform and another for all persons (employees or contractors) who have access to and who manage the image (photo, video) or the voice of the data subjects. In addition, a general training course on data protection was prepared and implemented for all new employees through the NEO program.

At the same time, informing the employees about the news or about other topics of interest was intensified through internal letters and blog articles posted on the

Intranet page. Also, starting in 2020 OMV Petrom employees will benefit from a Booklet that provides them, through the Data Protection Platform, with the most important information and advice in the field.

The updating of the Personal Data Processing Registers of the companies from the OMV Petrom Group continued, in accordance with the provisions of the GDPR. In addition, following this process of updating the Register, the review of data processing impact assessments (DPIA) or issuing new ones, as appropriate, has started.

To meet the internal needs of specialized consultancy in the field of personal data processing, a digitalized Ticketing System for registration, management, and tracking of requests addressed to the Data Protection Department, was developed and implemented.

Particular attention was paid to the management of the Data Subjects' requests concerned to exercise the rights protected by the GDPR, this being done following the provisions of this Regulation.

## Tax Transparency



Our business activities generate a substantial amount and variety of taxes. We pay corporate income taxes, royalties, production taxes, employment and other taxes. In addition, we collect and remit payroll taxes as well as indirect taxes, such as excise duties and VAT. The taxes we collect and pay represent a significant part of our economic contribution to the countries in which we operate. At OMV Petrom Group, we are committed to complying with tax laws in a responsible manner and to having open and constructive relationships with tax

authorities. In 2020, OMV Group published a new Tax Strategy acknowledged by OMV Petrom Group, as part of the OMV Group.

Our tax compliance supports OMV Petrom Group's business and reflects our commercial and economic activity. OMV Petrom Group does not engage in aggressive tax planning which consists of artificial structures put in place merely to save taxes or of transactions lacking economic substance aimed at obtaining undue tax advantages.

We comply with applicable tax laws and seek to limit the risk of uncertainty or disputes. We perform transactions between OMV Group companies on an arm's-length basis and in accordance with current applicable OECD principles.

OMV Petrom Group companies are established in suitable jurisdictions, giving consideration to our business activities and the prevailing regulatory environment available. OMV Petrom Group does not establish its subsidiaries in countries that do not follow international standards of transparency and exchange of information on tax matters, unless justified by operational requirements in line with OMV Petrom Group's business ethics principles and our Code of Conduct.

Since 2016, OMV Petrom has been providing mandatory disclosures under the Payment to Government Directive (according to Chapter 8 of the Annex 1 of Ministry of Finance Order 2844/2016, transposing Chapter 10 of the Accounting

Directive (2013/34/EU) of the European Parliament and of the Council) and publishes its payments made to governments in connection with exploration and extraction activities, such as taxes, royalties or license fees, rental fees, entry fees and other considerations for licenses and/or concessions, in the consolidated financial statements. (For more details, see the Consolidated Report on the Payments to Governments in the Annual Report 2020 [pg.165.](#))

OMV AG files a Country-by-Country Report (CbCR) with Austrian tax authorities for OMV Group which is part of the OECD's Base Erosion and Profit Shifting (BEPS) Action Plan 13. In compliance with fiscal tax legislation in place, members of the OMV Petrom Group, acting as constituent entities of OMV Group, notify national authorities, where required, about the submission of the CbCR in Austria. The CbCR is an annual tax return that breaks down key elements of the financial statements by tax jurisdiction.

## Public Policy



OMV Petrom strives to earn stakeholders' confidence by implementing a high standard of corporate governance, transparency, and predictability. According to the Code of Business Ethics, OMV Petrom forbids any support of political parties, including donations. Accordingly, we made no political donations in 2020. We follow political and regulatory initiatives (both at EU and national levels) in our areas of interest, including energy, environment, climate change, trade activities, through a dedicated department of Regulatory and Corporate Public Affairs. We are fully in line with all reporting obligations at the national levels, and we are fully compliant with all transparency

requirements. Due to the fact that currently, there is no lobby law in Romania, OMV Petrom does not have Lobby actions and expenditures for 2020. We collaborate and promote our position on business and regulatory related topics through public advocacy channels. (ex. through business sector confederations, energy sector federation and few professional associations where we are members). The company's position papers are drafted and presented via professional associations and public disclosure through press statements or position papers submitted and registered with the authorities. List of associations can be found in the Annexes.



**SUPPLY  
CHAIN**

# Supply Chain

At OMV Petrom we aim to foster innovation, maximize value contribution, and enable the growth of the supply chain in line with both our Corporate and Sustainability Strategies. We achieve this by applying our sourcing and logistics expertise to ensure that the highest-quality materials and services are provided through our supply chain.

It is of paramount importance to our organization to be fully compliant with all applicable legal requirements, as well as with our internal standards in areas of safety, environmental protection, and human rights when managing our supply chain. To mitigate supply chain risks including forced labour, slavery, human trafficking, and corruption, OMV Petrom imposes the legal requirements and internal rules and standards applicable to OMV Petrom on its suppliers. For this reason, we require the suppliers to fully comply with the content of our Code of Conduct, and to sign it.

However, we saw the need to emphasize the importance of adhering to our principles and the business standards (e.g., labour rights) outlined in the OMV Petrom's General Conditions of Purchase, which our suppliers must accept it as an integral part of the contractual agreements.

Corporate and legal HSSE requirements are communicated to potential suppliers at the tender stage. Exceptionally, in OMV Petrom, Crude transportation partners are subject to an additional assessment against the

TMSA (Tanker Management and Self-Assessment) Standard, as OMV Group, the parent company, is a member of the OCIMF (Oil Companies International Marine Forum). OMV Petrom reserves the right to terminate relationships with suppliers if non-compliance with applicable policies is discovered or non-compliance is not addressed promptly. OMV Petrom has a process in place according to the Code of Conduct, aimed at ensuring that parties sanctioned by the EU or international organizations, such as the United Nations, are not accepted as procurement partners.

## OMV Petrom Supply Chain Description

Our vision in Procurement, "Create Value", aims to establish effective operations, improve efficiency, and simplify processes. Procurement Department supports the five focus areas of OMV Petrom Sustainability Strategy 2019-2025 through several activities (e.g., embed HSSE in supplier pre-qualification; mandatory HSSE clauses in the contract; suppliers audits; spend with local suppliers; ESG assessments). However, we saw the need to advance

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**CODE OF CONDUCT**

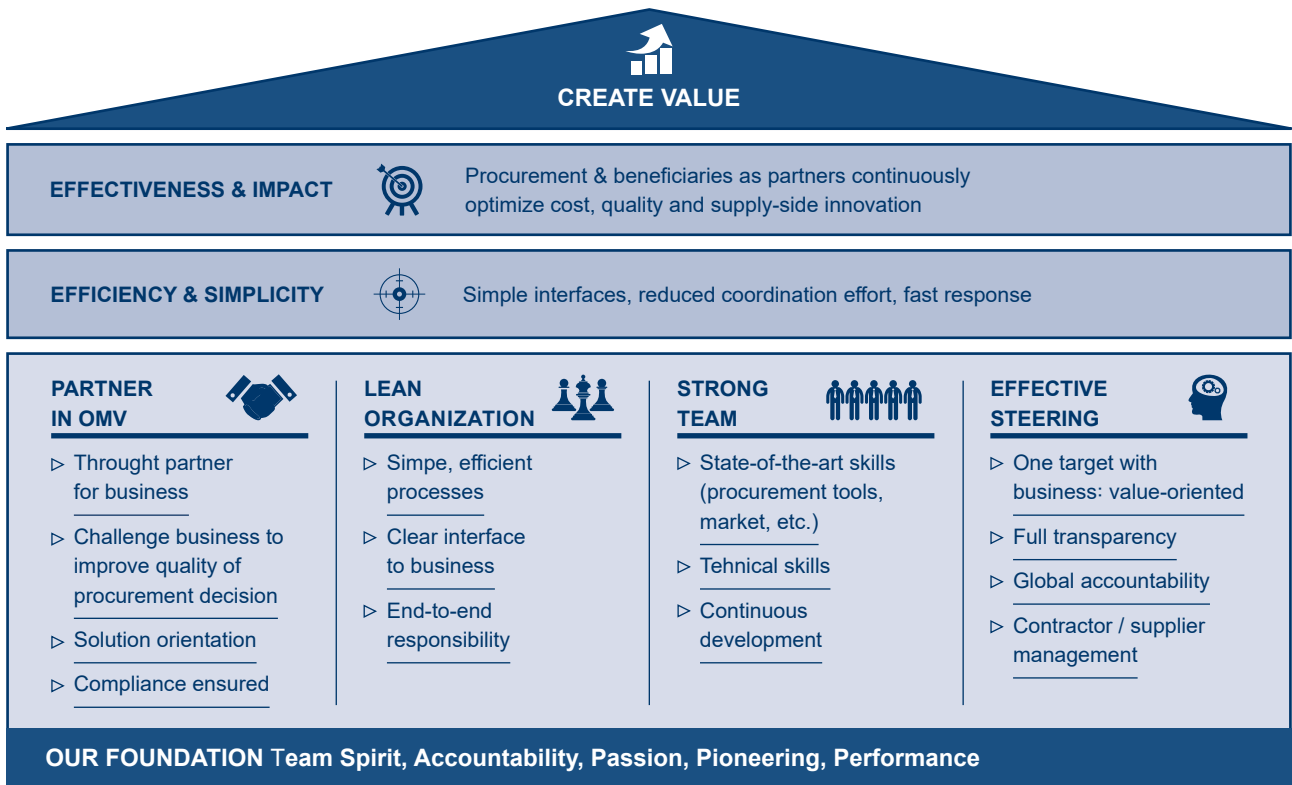


**Progress to ensure complete transparency in 2021 on carbon emissions generated by suppliers and engagement on action plans to decrease carbon footprint.**

further sustainability in our procurement activities. We have developed a new concept to bring sustainability closer to our core processes in procurement activities (e.g., plan-to-strategy, source-to-contract, supplier relationship, and performance management). Include sustainability in suppliers on boarding, analyse sustainability factors (e.g., the carbon footprint of the goods and services purchased through procurement) when developing procurement strategies are just two examples of initiatives defined in 2020, which will be developed further in 2021. Furthermore, the Procurement

**Business ethics of suppliers - Assessments and Audits**

Close collaboration between our contractual partners (suppliers) and the Procurement Department in OMV Petrom is a key element for good supplier relationship management. We foster the partnering relationships with our suppliers through a standardized evaluation system making sure that we collect the feedback regularly, whereas the input from suppliers can make a difference using the diverse channels implemented so far such as supplier audits, supplier meetings, ESG assessments,



**ESG assessments and 360 degree evaluations for suppliers**

Department together with Carbon, Energy & ESG Management department from OMV, have refined the calculation method of carbon emissions for purchased goods and services. We now have more transparency on the carbon emissions generated by our suppliers through a dedicated Power BI report accessible to the entire procurement community. In 2021, we plan to start direct engagement with the high-impact suppliers and set up joint improvement measures that will enable us and our suppliers to decrease carbon footprint.

and 360-degree evaluations. Since the implementation of a standardized concept focused on enhancing supplier quality management back in 2017, Procurement has assessed annually its strategic suppliers in the areas of environment, social and governance to raise awareness on the ESG agenda and OMV Petrom’s commitments to it, such as GHG reduction targets and environmental programs. In 2020, the Procurement Department assessed 16 strategic suppliers, hence reaching its goal

**ESG assessments plan (2019 - 2020) with all strategic suppliers achieved, with 16 assessments performed in 2020.**

# 12 audits

**with sustainability topics covered for suppliers in Upstream and Downstream Business Units, with no gaps identified**

to receive feedback on ESG elements from all its strategic suppliers by the end of 2020. Most of the suppliers in the scope of these assessments were in line with our requirements, and for identified areas of improvement (for example human rights), recommendations were agreed upon.

In order to meet the COVID-19 restrictions, suppliers meetings continued taking place online, ensuring an agile interaction with strategic suppliers and connection on a global level. We ran 360-degree questionnaires, the feedback was discussed on current open issues, insights were given and received on dedicated topics, and development-oriented action plans were agreed upon for 2021. Finally, we wanted to pay considerable attention to our climate change and carbon management plans along the supply chain and shared our strategic approach and examples to improve the carbon footprint, looking towards 2021 and beyond. In addition to building up a much greater level of understanding of the nature of carbon emissions from materials and services purchased by the Procurement Department in OMV Petrom, sustainability initiatives and insights of both parties were used as examples to improve environmental impact and limit its impact on climate change. Due to the COVID-19 impact on our

day-to-day activities, the Procurement Department has revised and defined a new supplier audit process. Supplier audits are organized in OMV Petrom during the pre-qualification process and/or during contract implementation. The audits aim is to measure the performance of our suppliers and define actions, which will enable them to optimize performance and meet our Company requirements. During the audits, we pay special attention to the financial stability of our suppliers, their strategic and organizational aspects, supply chain, and sustainability (e.g., human rights, carbon management, environmental management, certifications, social responsibility).

In 2020, Procurement Department performed 12 audits with sustainability topics covered. The suppliers selected are providing services and goods both for the Upstream and Downstream Business Units. All the audits have been performed remote due to the travel restrictions imposed by COVID-19. Ten of the suppliers assessed had follow-up measures in place which are in different implementation stages as agreed upon with suppliers. None of the audits performed showed actual or potential environmental and social impacts in the supply chain.

## **Facilitation of non-compliance reporting**

We perform yearly subject-specific audits on topics such as process safety, quality, and efficiency. In 2020, out of 119 audits performed on OMV Group level, 50 were done by OMV Petrom, most of them done remote due to COVID-19 context. In addition to supplier audits, in 2020, the Procurement Department defined an internal tool to assess the impact of COVID-19 on selected suppliers based on their criticality to our business. The COVID-19 assessment focused on topics

related to the financial stability of suppliers, risk of insolvency/bankruptcy, downsizing, or dependency on the services/product delivered by the respective suppliers. A COVID-19 Supplier Risk score has been calculated based on the assessment run by the procurement category managers after a prior engagement with the selected suppliers and business representatives. For all suppliers ranked with high risks we have defined mitigation measures and we are monitoring them closely to ensure no interruptions will affect our business.

**Continuous monitoring of the impact of COVID-19 on our most critical suppliers to ensure business continuity.**



The new business development trends, and a responsible approach towards our suppliers, motivated us to start and continue our procurement digitalization journey.

**Simina Mita** - Strategy and Digitalisation, OMV

OMV Petrom continues its journey toward procurement digitalization. Understanding a supplier's risk is an important factor in deciding whether and how we do business with them. Since 2019 through SAP Ariba, we receive daily alerts about our registered suppliers, which enable us to monitor their risks on four categories: Environmental and Social, Finance, Regulatory and Legal, and Operations. In 2020, we added a new feature to have even more reliable information about the financial ratings of our suppliers. The new

process eliminates the manual request/ordering of a financial report and enables that all updates of the financial ratings are uploaded automatically in SAP Ariba. The digital integration of all these elements into one system, SAP Ariba support us in implementing a preventive risk management process. Suppliers in scope for this target are active suppliers (at least one purchase order in the past year) who meet certain criteria such as procurement spend and strategic fit.

SDG 16, Target 16.5 Substantially reduce corruption and bribery in all their forms.

**91%**  
of total spend with local suppliers

**Local Procurement and Capacity Building**

We continue to maximize our positive impact on the locations where we operate, by supporting the local communities. Our spend with local suppliers' accounted for 91% in 2020, in Romania. Furthermore,

we believe it is important to take into consideration our impact in the areas of environment, social and governance, hence supporting local communities and suppliers to increase their development and advance with their sustainability agenda.

<b>Sustainability Strategy 2025 target</b>	▶ > 20 supplier audits, covering sustainability topics by 2025.
<b>Status 2020</b>	▶ 12 audits in 2020
<b>Action plan to achieve the target</b>	▶ We will continue on boarding with our new third party auditor and perform additional audits (both with third party support but also in house).

**Sustainable Development Goals (SDGs) supported**





A wide-angle photograph of an offshore oil rig at sunset. The sky transitions from a deep blue at the top to a vibrant orange and red near the horizon. The ocean is dark blue with gentle ripples. In the foreground on the right, a large section of the rig is visible, illuminated by warm yellow lights. A tall derrick with a bright orange light at its peak stands out against the twilight sky. In the distance, two other smaller rigs are visible on the horizon. A dark blue rounded rectangle is overlaid on the left side of the image, containing the text 'PERFORMANCE IN DETAIL' in white, bold, uppercase letters.

**PERFORMANCE  
IN DETAIL**

## Economic Data

	Unit	2020	2019	2018	2017	2016	GRI Indicator
Profit/(loss) before tax	mn. lei	<b>1,479</b>	4,277	4,914	2,904	1,052	
Sales <sup>10</sup>	mn. lei	<b>19,717</b>	25,485	22,523	19,435	12,594	
Total capitalization <sup>11</sup>	mn. lei	<b>20,590</b>	25,320	16,937	16,200	14,784	
<b>Quantity of products provided</b>							
Downstream Oil total refined product sales	kt	<b>4,993</b>	5,462	4,987	5,073	4,932	
thereof: Gasoline	kt	<b>1,291</b>	1,310	1,208	1,249	1,297	
Diesel	kt	<b>2,518</b>	2,702	2,494	2,434	2,409	<b>102-7</b>
Kerosene/Jet fuel	kt	<b>126</b>	289	275	279	251	
Fuel oils & Bitumen	kt	<b>329</b>	342	267	276	282	
thereof: Retail sales volumes <sup>12</sup>	kt	<b>2,619</b>	2,847	2,743	2,703	2,561	
Upstream sales volumes	mn boe	<b>50.3</b>	52.1	54.3	57.8	59.9	
Gas sales Volumes	TWh	<b>57</b>	54.8	47.3	51.4	43.9	
Net electrical output	TWh	<b>4.2</b>	3.4	3.8	2.7	2.9	
Direct Economic Value Generated <sup>13</sup> (DEVG)	mn. lei	<b>20,441</b>	26,040	22,898	19,825	13,593	
Economic Value Distributed <sup>14</sup> (EVD)	mn. lei	<b>20,941</b>	23,979	19,813	18,170	12,563	<b>201-1</b>
Economic Value Retained	mn. lei	<b>-500</b>	2,061	3,085	1,655	1,030	
<b>Financial Assistance Received from Government<sup>15</sup></b>							
Tax relief (mainly for reinvested profit)	mn. lei	<b>11</b>	9	9	14	13	
Tax credits (mainly sponsorships)	mn. lei	<b>47</b>	81	38	25	24	<b>201-4</b>
Other financial benefits	mn. lei	<b>2</b>	0	0	0	0	
Investment grants	mn. lei	<b>0</b>	0	103	81	203	
Total proved reserves as of December 31	mn boe	<b>473</b>	504	532	566	582	
Total hydrocarbon production	mn boe	<b>52.98</b>	55.35	58.30	61.18	60.66	
of which crude oil and NGL production	mn boe	<b>25.51</b>	26.12	26.78	27.33	26.34	
of which natural gas production	bn cm	<b>4.21</b>	4.47	4.83	5.18	5.25	<b>OG1</b>

**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](http://www.omvpetrom.com), section Investors > Investor News.

<sup>10</sup> Sales excluding petroleum products excise tax

<sup>11</sup> Calculated based on the closing share price and RON/EUR exchange rate as of the last trading day of the respective year.

<sup>12</sup> Retail sales volumes refer to sales via Group's filling stations in Romania, Bulgaria, Serbia, Moldova.

<sup>13</sup> DEVG = net sales, other operating income and financial revenues (interest income and income from at-equity accounted investments).

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

<sup>15</sup> Mainly financing contract for the investment in the Combined Cycle Power Plant located at Brazi (based on the date of the agreement); in 2020, 2 mn lei comes from other financial benefits from Bulgaria.

## Safety Performance

	Unit	2020	2019	2018	2017	2016	GRI Indicator
<b>Occupational safety, employees</b>							
Fatalities	number	<b>0</b>	0	1	0	1	
Fatalities rate	per 100 mn hours worked	<b>0.00</b>	0.00	3.99	0.00	3.53	
Number of hours worked	hours (thousand)	<b>21,998</b>	23,886	25,084	26,164	28,291	
Lost-Time Injury rate (LTIR )	per 1 mn hours worked	<b>0.14</b>	0.63	0.20	0.15	0.25	
High-consequence work-related injuries <sup>1</sup>	number	<b>0</b>	2	1	0	1	
High-consequence work-related injuries <sup>1</sup>	per 1 mn hours worked	<b>0.00</b>	0.08	0.04	0.00	0.04	
Lost workday injuries	number	<b>3</b>	15	4	4	6	
Lost work days (calendar days)	number	<b>196</b>	1,052	256	242	490	
Total recordable injuries <sup>2</sup>	number	<b>8</b>	31	20	16	17	
Total Recordable Injury Rate (TRIR) <sup>3</sup>	per 1 mn hours worked	<b>0.36</b>	1.30	0.80	0.61	0.60	<b>403-9</b>
The main types of work-related injury for employees		Slips and Trips (at the same height) Falls from height, Caught In, Under or Between (excl. dropped object)	Contact/Bit/Cut/Hit by Struck by Slips and Trips (at the same height)	Contact/Bit/Cut/Hit by Stepping, Handling, Manual lifting Struck by	Contact/Bit/Cut/Hit by Struck by Stepping, Handling, Manual Lifting	Contact/Bit/Cut/Hit by Stepping, Handling, Manual Lifting Struck by	

## Safety Performance

	Unit	2020	2019	2018	2017	2016	GRI Indicator
<b>Occupational safety, contractors</b>							
Fatalities	number	0	0	2	0	0	
Fatalities rate	per 100 mn hours worked	0.00	0.00	4.09	0.00	0.00	
Number of hours worked	hours (thousand)	42,764	46,352	48,928	43,143	51,408	
Lost-Time Injury Rate (LTIR)	per 1mn hours worked	0.16	0.15	0.29	0.19	0.19	
High-consequence work-related injuries <sup>1</sup>	number	1	1	1	0	1	
High-consequence work-related injuries <sup>1</sup>	per 1 mn hours worked	0.02	0.02	0.02	0.00	0.02	
Lost workday injuries	number	7	7	12	8	10	
Lost work days (calendar days)	number	496	291	967	410	400	
Total recordable injuries <sup>2</sup>	number	11	17	23	17	17	403-9
Total Recordable Injury Rate (TRIR) <sup>3</sup>	per 1mn hours worked	0.26	0.37	0.47	0.39	0.33	
The main types of work-related injury for contractor		Slips and Trips (at the same height) Falls from height Dropped objects	Contact/Bit/Cut/Hit by Struck by Slips and trips (at the same height)	Contact/Bit/Cut/Hit by Caught in, under, between	Stepping, Handling/ Manual lifting Contact/Bit/Cut/Hit by Security related	Contact/Bit/Cut/Hit by Caught in, under, between	

## Combined (OMV Petrom employees and contractors)

	Unit	2020	2019	2018	2017	2016	GRI Indicator
Lost-Time Injury Rate (LTIR)	per 1 mn hours worked	0.15	0.31	0.26	0.17	0.21	
Total Recordable Injury Rate (TRIR) <sup>3</sup>	per 1 mn hours worked	0.29	0.68	0.58	0.48	0.43	

**DISCLAIMER:** all the figures throughout this file refer to OMV Petrom Group; worked hours are expressed in thousands and rounded to closest integer value, so minor differences may result upon reconciliation. According to GRI definitions, commuting injuries are not included in the figures and rates presented into safety performance table.

<sup>1</sup> Lost-time injuries that resulted in 180 (or more) lost-workdays or permanent total disabilities.

<sup>2</sup> Corresponds to (GRI 403-9:2018-a-ii: Recordable work-related injuries) - Work-related injury that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

<sup>3</sup> Corresponds to (GRI 403-9:2018-a-iii: Recordable work-related injuries) - Work-related injury that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid.

## Workforce Data

### Total number of employees

	Unit	2020	2019	2018	2017	2016	GRI Indicator
Total number of employees	number	<b>10,761</b>	12,347	13,201	13,790	14,769	<b>102-7</b>
out of which women	number	<b>2,586</b>	2,832	2,997	3,108	2,951	
With ILC, undetermined period, full time	number	<b>10,627</b>	12,125	13,044	13,565	13,689	
out of which women	number	<b>2,543</b>	2,764	2,950	3,034	2,909	
With ILC, undetermined period, part time	number	<b>6</b>	10	15	7	3	
out of which women	number	<b>4</b>	9	9	4	1	
With ILC, determined period, full time	number	<b>126</b>	210	140	225	161	
out of which women	number	<b>39</b>	58	38	70	41	
With ILC, determined period, part time	number	<b>2</b>	2	2	0	0	
out of which women	number	<b>0</b>	1	0	0	0	
<b>Romania</b>							
Total number of employees	number	<b>10,262</b>					<b>102-8</b>
out of which women	number	<b>2,430</b>					
<b>Bulgaria</b>							
Total number of employees	number	<b>55</b>					
out of which women	number	<b>29</b>					
<b>Kazakhstan</b>							
Total number of employees	number	<b>344</b>					
out of which women	number	<b>74</b>					
<b>Moldova</b>							
Total number of employees	number	<b>56</b>					
out of which women	number	<b>28</b>					
<b>Serbia</b>							
Total number of employees	number	<b>44</b>					
out of which women	number	<b>25</b>					

The number of employees is calculated for OMV Petrom Group (excl. OPGS) - Romania, Moldova, Bulgaria, Serbia, Kazakhstan.

Workforce indicators: Headcount

As per: 31.12.2020

## Standard benefits for full-time employees

	2020	Significant location of operation/ Beneficiaries	Motivation	GRI Indicator
<b>Benefit</b>				
Kindergarten subsidy	yes	All employees with kids enrolled in kindergarten	Attraction/parity committee	
Relocation/Commuting	yes	Changing the current working point with another for over 60 Km further without commuting possibilities	Attraction / safety/ retention/ standard	
Health insurance care	yes	Private health insurance for employees and their family	Health protection	
Parental leave	yes	All employees	Gender equality	<b>401-2</b>
Reimbursement of home transport	yes	Employees having domicile/residence for over 10 Km further than the working point without shuttle transportation possibilities	Attraction/ CLA	
Subsidies for holiday and treatment	yes	All employees	Attraction	

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

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

	Unit	2020	2019	2018	2017	2016	GRI Indicator
% of members of the organization who received performance review	%	<b>46.94</b>	48.21	43.47	41.61	36.34	
% of women who received performance review	%	<b>75.72</b>	77.38	71.40	66.06	63.23	
% of employees with ILC, undetermined period, full time, who received performance review	%	<b>46.29</b>	47.34	43.14	40.86	35.63	
% of women, with ILC, undetermined period, full time, who received performance review	%	<b>75.30</b>	76.81	71.19	65.72	62.84	<b>404-3</b>
% of employees with ILC, determined period, full time, who received performance review	%	<b>99.21</b>	81.90	74.29	86.67	97.52	
% of women, with ILC, determined period, full time, who received performance review	%	<b>100</b>	90.67	92.11	80.00	92.68	

## Parental Leave

	Unit	2020		2019		2018		2017		2016		GRI Indicator
		Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	
Total number of employees that were entitled to parental leave as per 31.12.2020	number	<b>2,586</b>	<b>8,175</b>	2,832	9,514	2,997	10,204	3,108	10,682	3,328	11,441	
Total number of employees that took parental leave during 2020	number	<b>143</b>	<b>25</b>	126	25	163	26	150	31	121	19	
Number of employees who returned to work after parental leave ended	number	<b>62</b>	<b>14</b>	57	18	69	16	48	13	20	4	<b>401-3</b>
Number of employees who returned to work after parental leave ended, who were still employed twelve months after their return to work	number	<b>51</b>	<b>12</b>	43	10	60	15	42	9	18	4	
Return to work rate	%	<b>76</b>	<b>127</b>	83	257	73	160	47	72	20	27	
Retention rate	%	<b>118</b>	<b>120</b>	72	67	143	167	233	225	55	50	

## The percentage of individuals within the Supervisory Board

	Unit	2020	2019	2018	2017	2016	GRI Indicator
Percentage of men	%	100	88.9	88.9	88.9	100	405-1
Percentage of women	%	0	11.1	11.1	11.1	0	
Percentage of individuals under 30 years old	%	0	0	0	0	0	
Percentage of individuals between 30-50 years old	%	22.2	22.2	11.1	11.1	33.3	
Percentage of individuals over 50 years old	%	77.8	77.8	88.9	88.9	66.7	

## The percentage of individuals within the Executive Board

	Unit	2020	2019	2018	2017	2016	GRI Indicator
Percentage of men	%	60	60	80	60	60	405-1
Percentage of women	%	40	40	20	40	40	
Percentage of individuals under 30 years old	%	0	0	0	0	0	
Percentage of individuals between 30-50 years old	%	60	80	80	40	20	
Percentage of individuals over 50 years old	%	40	20	20	60	80	



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

	Unit	TOP MANAGEMENT					MIDDLE MANAGEMENT					LOWER MANAGEMENT					OPERATIVE STAFF					GRI Indicator
		2020	2019	2018	2017	2016	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016	
Percentage of women in the organization	%	<b>0.54</b>	0.39	0.47	0.45	n.r.	<b>4.95</b>	4.70	4.37	4.41	n.r.	<b>1.01</b>	0.81	1.40	1.54	n.r.	<b>93.50</b>	94.10	93.76	93.60	n.r.	405-1
Percentage of men in the organization	%	<b>0.29</b>	0.26	0.21	0.18	n.r.	<b>2.70</b>	2.46	2.48	2.48	n.r.	<b>2.61</b>	2.19	2.51	2.67	n.r.	<b>94.40</b>	95.09	94.10	94.68	n.r.	
Employees <30 years old	%	<b>0</b>					<b>0.29</b>					<b>1.26</b>					<b>3.28</b>					
Employees between 30-50 years old	%	<b>68.42</b>					<b>55.87</b>					<b>32.22</b>					<b>42.45</b>					
Employees >50 years old	%	<b>31.58</b>					<b>43.84</b>					<b>66.53</b>					<b>54.28</b>					

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

## Average hours of training per year per employee

		2020	Employee Category	Total hours 135,285	GRI Indicator
<b>Participants</b>	number	9,247	Advanced	2,763	404-1
Total training hours for all employees	hours	135,285	Core	12,180	
thereof male	hours	102,228	Entry	27,120	
thereof female	hours	33,056	Executives	297	
Average hours of training per employees	hours	12.6	not available / left	275	
thereof male	hours	12.5	Primary	29,035	
thereof female	hours	12.8	Technician	63,611	

### Ratio of remuneration of women to men by employment category at Group level

		2020	2019	2018	2017	2016	GRI Indicator
Employees with ILC, undetermined period, full time	Ratio	<b>1.25</b>	1.30	1.29	1.27	1.30	<b>405-2</b>
Employees with ILC, determined period, full time	Ratio	<b>0.39</b>	0.39	0.4	0.3	0.55	
Employees under 30 years old	Ratio	<b>1.27</b>	1.21	1.18	1.16	1.54	
Employees between 30-50 years old	Ratio	<b>1.39</b>	1.35	1.49	1.40	1.10	
Employees over 50 years old	Ratio	<b>1.05</b>	1.26	1.06	0.93	0.99	

### Ratio of remuneration of women to men by employment category (Romania)

		2020	GRI Indicator
Employees with ILC, undetermined period, full time	Ratio	<b>1.25</b>	<b>405-2</b>
Employees with ILC, determined period, full time	Ratio	<b>0.27</b>	
Employees under 30 years old	Ratio	<b>1.33</b>	
Employees between 30-50 years old	Ratio	<b>1.42</b>	
Employees over 50 years old	Ratio	<b>1.04</b>	

### Ratio of basic salary of women to men by employment category at Group level

		2020	2019	2018	2017	2016	GRI Indicator
Employees with ILC, undetermined period, full time	Ratio	<b>1.23</b>	1.27	1.21	1.21	1.23	<b>405-2</b>
Employees with ILC, determined period, full time	Ratio	<b>0.45</b>	0.49	0.40	0.33	0.67	
Employees under 30 years old	Ratio	<b>1.21</b>	1.20	1.18	1.15	1.40	
Employees between 30-50 years old	Ratio	<b>1.38</b>	1.46	1.49	1.33	1.09	
Employees over 50 years old	Ratio	<b>1.08</b>	1.23	1.06	0.93	0.96	

### Ratio of basic salary of women to men by employment category (Romania)

		2020	GRI Indicator
Employees with ILC, undetermined period, full time	Ratio	<b>1.24</b>	<b>405-2</b>
Employees with ILC, determined period, full time	Ratio	<b>0.36</b>	
Employees under 30 years old	Ratio	<b>1.29</b>	
Employees between 30-50 years old	Ratio	<b>1.4</b>	
Employees over 50 years old	Ratio	<b>1.08</b>	

The company has more men in the blue-collar category, where wages are lower (61 %), while 82% of women are white-collar employees with higher wages.

## New employee hired by age group and gender

Age Group	Unit	NUMBER OF EMPLOYEES					FROM WHICH, WOMEN					GRI Indicator
		2020	2019	2018	2017	2016	2020	2019	2018	2017	2016	
<b>TOTAL Group</b>												
	number	130	320	329	302	91	43	114	114	101	25	
	rate	1.20	2.60	2.50	2.19	0.61	1.66	4.02	3.80	3.31	0.84	
<b>Romania</b>												
		107										
<30 years old	number	49					13					
	rate	45.80					12.14					
30-50 years old	number	51					22					
	rate	47.66					20.56					
>50 years old	number	7					1					
	rate	6.54					0.93					
<b>Bulgaria</b>												
		3										
<30 years old	number	1					–					
	rate	33.33					–					
30-50 years old	number	2					–					
	rate	66.67					–					
>50 years old	number	0					–					
	rate	0.00					–					
<b>Kazakhstan</b>												
		12										
<30 years old	number	3					0					
	rate	25.00					0.00					
30-50 years old	number	7					3					
	rate	58.33					25.00					
>50 years old	number	2					1					
	rate	16.67					8.33					

401-1

## New employee hired by age group and gender

Age Group	Unit	NUMBER OF EMPLOYEES					FROM WHICH, WOMEN					GRI Indicator	
		2020	2019	2018	2017	2016	2020	2019	2018	2017	2016		
<b>Moldova</b>		<b>3</b>											
<30 years old	number	2					1						
	rate	66.67					33.33						
30-50 years old	number	1					0						
	rate	33.33					0.00						
>50 years old	number	0					0						
	rate	0.00					0.00						
<b>Serbia</b>		<b>5</b>											
<30 years old	number	0					0						
	rate	0.00					0.00						
30-50 years old	number	5					2						
	rate	100.00					40.00						
>50 years old	number	0					0						
	rate	0.00					0.00						

401-1

Note: Rate is calculated taking in consideration the number of employees from each countries. Same for women's rate.

## Employee turnover by age group and gender

Age Group	Unit	NUMBER OF EMPLOYEES					FROM WHICH, WOMEN					GRI Indicator
		2020	2019	2018	2017	2016	2020	2019	2018	2017	2016	
<b>TOTAL OMV Petrom Group</b>												
	number	<b>1,716</b>	1,174	918	1,281	1,272	<b>284</b>	280	225	319	270	
	rate	<b>15.95</b>	9.50	6.95	9.28	8.61	<b>11</b>	9.88	7.50	10.26	9.15	
<b>Romania</b>												
		<b>1,681</b>										
<30 years old	number	<b>19</b>					<b>5</b>					
	rate	<b>1.13</b>					<b>0.30</b>					
30-50 years old	number	<b>431</b>					<b>54</b>					
	rate	<b>25.64</b>					<b>3.21</b>					
>50 years old	number	<b>1,231</b>					<b>210</b>					
	rate	<b>73.23</b>					<b>12.49</b>					
<b>Bulgaria</b>												
		<b>5</b>										
<30 years old	number	<b>0</b>					<b>0</b>					
	rate	<b>0.00</b>					<b>0.00</b>					
30-50 years old	number	<b>5</b>					<b>3</b>					
	rate	<b>100.00</b>					<b>60.00</b>					
>50 years old	number	<b>0</b>					<b>0</b>					
	rate	<b>0.00</b>					<b>0.00</b>					
<b>Kazakhstan</b>												
		<b>23</b>										
<30 years old	number	<b>4</b>					<b>2</b>					
	rate	<b>17.39</b>					<b>8.69</b>					
30-50 years old	number	<b>17</b>					<b>6</b>					
	rate	<b>73.92</b>					<b>26.08</b>					
>50 years old	number	<b>2</b>					<b>1</b>					
	rate	<b>8.69</b>					<b>4.35</b>					

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## Employee turnover by age group and gender

Age Group	Unit	NUMBER OF EMPLOYEES					FROM WHICH, WOMEN					GRI Indicator	
		2020	2019	2018	2017	2016	2020	2019	2018	2017	2016		
<b>Moldova</b>		<b>5</b>											
<30 years old	number	2					1						
	rate	40.00					20.00						
30-50 years old	number	1					0						
	rate	20.00					0.00						
>50 years old	number	2					0						
	rate	40.00					0.00						
<b>Serbia</b>		<b>2</b>											
<30 years old	number	0					0						
	rate	0.00					0.00						
30-50 years old	number	1					1						
	rate	50.00					50.00						
>50 years old	number	1					1						
	rate	50.00					50.00						

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Note: Rate is calculated taking in consideration the number of employees from each countries. Same for women's rate.

## Number of incidents of non-compliance with regulations and voluntary codes

	Unit	2020	2019	2018	2017	2016	GRI Indicator
Number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	number	0	0	0	0	n.r.	417-2
Number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	number	0	0	0	0	n.r.	417-3
Number of fines for non-compliance concerning provision and use of products -thereof no number of cases brought before court and resolved number	number	0	0	0	0	n.r.	
Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	lei	0	63,780	145,950	91,350	n.r.	419-1
Total number of non-monetary sanctions	number	376	n.r.	n.r.	n.r.	n.r.	

Note: Only fines above EUR 10,000 and paid in 2020 reported.

## Frequency of training sessions on Code of Business Ethics

Category to whom document is applicable	Unit	Frequency of training sessions	2020	2019	2018	2017	GRI Indicator
Employees on managerial levels in OMV Petrom S.A.	number	Every 3-year	222	153			
EB and SB members	number	Every 3-years	0	0	226	330	205-2
Employees from OMV Petrom S.A. and subsidiaries	number	By request (F2F/virtual)	115	187			
	number	Online	2,442	4,762	N/A	N/A	

## 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	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	Unit	Type of request	Description of the type of request	NUMBER OF REQUESTS					NUMBER OF REQUESTS THAT WERE ANSWERED					GRI Indicator
				2020	2019	2018	2017	2016	2020	2019	2018	2017	2016	
Advice	number	Request for advice on business ethics-related topic	Conflict of interests	116	96	87	105	123	116	96	87	105	123	102-17
		Business ethics-related clauses in contracts with third parties												
		Gifts and invitations												
		Sanctions and embargo												



## Social investments in local communities

	Unit	2020	2019	2018	2017	2016
cash	mn EUR	<b>6.3</b>	13.5	2.5	2.8	4
in kind	EUR	<b>167,052</b>	266,959	433,715	365,893	358,688
volunteering hours	hours	<b>800</b>	6,650	n/a	n/a	n/a

## Environmental Data

	Unit	2020	2019	2018	2017	2016	GRI Indicator
<b>Energy</b>							
Energy consumption <sup>1</sup>	PJ	<b>43.90</b>	43.10	45.10	43.30	45.75	
Fuel consumption within the organization	PJ	<b>57.15</b>	n.r.	n.r.	n.r.	n.r.	
Electricity consumption <sup>2</sup>	PJ	<b>1.18</b>	n.r.	n.r.	n.r.	n.r.	<b>302-1</b>
Heating, cooling and steam consumption <sup>2</sup>	TJ	<b>100.3</b>	n.r.	n.r.	n.r.	n.r.	
Electricity sold <sup>3</sup>	PJ	<b>14.2</b>	n.r.	n.r.	n.r.	n.r.	

<sup>1</sup> Refers to the total energy used for operations based on site calculations with specific data and methodology.

<sup>2</sup> Includes only electricity/ heating/ cooling/ steam purchased and consumed. Electricity/ heating/ cooling/ steam/ consumed from own generation is included in fuel consumption.

<sup>3</sup> Electricity sold internally is excluded.

n.r. = not reported

## Emissions

	Unit	2020	2019	2018	2017	2016	GRI Indicator
<b>GHG Emissions</b>							
GHG (direct, scope 1) <sup>1</sup>	mn t CO <sub>2</sub> eq	<b>3.99</b>	4.24	4.50	3.99	4.40	
of which from Upstream activities	mn t CO <sub>2</sub> eq	<b>1.38</b>	1.91	2.11	2.02	2.32	
of which from Downstream	mn t CO <sub>2</sub> eq	<b>2.60</b>	2.34	2.39	1.98	2.07	
CO <sub>2</sub>	mn t	<b>3.57</b>	3.43	3.62	3.18	3.29	<b>305-1</b>
N <sub>2</sub> O	t	<b>20</b>	21	24	23	24	
CH <sub>4</sub>	t	<b>16,477</b>	32,257	35,033	32,048	44,304	
GHG (indirect, scope 2) <sup>2</sup>	mn t CO <sub>2</sub> eq	<b>0.094</b>	0.045	0.080	0.057	0.058	<b>305-2</b>
GHG (indirect, scope 3) <sup>3</sup>	mn t CO <sub>2</sub> eq	<b>24.74</b>	26.06	23.24	n.r.	n.r.	<b>305-3</b>
<b>Other air emissions</b>							
SO <sub>2</sub>	t	<b>614</b>	613	572	630	679	
NOx	t	<b>3,070</b>	3,225	3,588	3,290	3,218	
Non-methane-volatile organic compounds (NM-VOC) <sup>4</sup>	t	<b>2,476</b>	4,413	5,171	5,358	6,958	<b>305-7</b>
Particulate emissions	t	<b>62</b>	64	59	62	63	

<sup>1</sup> Scope 1 refers to direct emissions from operations that are owned or controlled by the organization. We use emission factors from different sources, e.g., IPCC, API GHG Compendium, etc. Since 2016 OMV Petrom is applying global warming potentials of the IPCC Fourth Assessment Report (AR4 – 100 year).

<sup>2</sup> Scope 2 refers to indirect emissions resulted from generation of purchased or acquired electricity, heating, cooling, or steam. We use emission factors from different sources, e.g., national authorities, supplier-specific emission factors, etc. The data in the table refers to the market-based approach. The increase in 2020 was mainly due to the extended scope with filling stations, whose

calculation of the Scope 2 emissions was prepared using the national emission factors for Romania and Moldova, and residual mix emission factors for Serbia and Bulgaria. Location based is 0.112 mn t CO<sub>2</sub>eq.

<sup>3</sup> Scope 3 refers to other indirect emissions that occur outside the organization, including both Upstream and Downstream emissions. We use emission factors from different sources, e.g., IPCC, PlasticsEurope, etc. The data includes Scope 3 emissions from the use and processing of sold products. Pure "trading margin" sales as well as intracompany sales are excluded.

<sup>4</sup> Decrease mainly due to the significant reduction of gas venting in Upstream.

## Flaring and Venting

	Unit	2020	2019	2018	2017	2016	GRI Indicator
Hydrocarbons flared	t	<b>27,146</b>	36,494	41,797	38,667	22,189	<b>OG6</b>
Hydrocarbons vented <sup>1</sup>	t	<b>16,155</b>	33,639	36,834	31,348	48,233	

<sup>1</sup> Decrease mainly due to improved / optimized gas infrastructure.

## GHG Intensity of OMV Petrom operations

	Unit	2020	2019	2018	2017	2016	GRI Indicator
GHG Intensity Upstream	t CO <sub>2</sub> eq/toe	<b>0.187</b>	0.247	0.259	0.237	0.263	<b>305-4</b>
GHG Intensity Petrobrazil Refinery <sup>1</sup>	t CO <sub>2</sub> eq/t throughput	<b>0.246</b>	0.247	0.254	0.240	0.251	
GHG Intensity CAPP <sup>1</sup>	t CO <sub>2</sub> eq/MWh	<b>0.359</b>	0.361	0.356	0.359	0.366	
Carbon Intensity Index of OMV Petrom <sup>2</sup>	%	<b>-7.5</b>	-2.4	+5.4	-6.3	-5.9	

<sup>1</sup> CO<sub>2</sub> verified emissions.

<sup>2</sup> CO<sub>2</sub> equivalent emissions produced to generate a certain business output using the following business-specific metric (Upstream: t CO<sub>2</sub> equivalent/toe produced, Refinery: t CO<sub>2</sub> equivalent/t throughput, Power: t CO<sub>2</sub> equivalent/MWh produced) consolidated into an Carbon Intensity Index of Petrom operations, based on weighted average of the business segments' carbon intensity (including direct emissions of CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O). Starting from 2020, Refinery's Carbon Intensity is defined as tCO<sub>2</sub>/t throughput [Crude input + Semi Finished Products Imports without direct blending components]. For comparison, the 2019 value was 0.236 t CO<sub>2</sub> eq/ t throughput.

## Water

	Unit	2020	2019	2018	2017	2016	GRI Indicator
<b>Water withdrawal*</b>							
Water withdrawn <sup>1,2</sup>	megaliters	<b>59,362</b>	17,930	18,290	16,750	17,590	
thereof groundwater	megaliters	<b>5,700</b>	5,780	5,190	7,080	6,600	
thereof freshwater ( $\leq 1,000$ mg/l total dissolved solids)	megaliters	<b>5,438</b>	n.r.	n.r.	n.r.	n.r.	
thereof other water ( $> 1,000$ mg/l total dissolved solids)	megaliters	<b>262</b>	n.r.	n.r.	n.r.	n.r.	
thereof surface water	megaliters	<b>11,360</b>	11,050	11,840	8,450	9,730	
thereof freshwater ( $\leq 1,000$ mg/l total dissolved solids)	megaliters	<b>11,360</b>	n.r.	n.r.	n.r.	n.r.	
thereof other water ( $> 1,000$ mg/l total dissolved solids)	megaliters	<b>0</b>	n.r.	n.r.	n.r.	n.r.	
thereof from public supply systems	megaliters	<b>851</b>	1,100	1,260	1,220	1,260	
thereof freshwater ( $\leq 1,000$ mg/l total dissolved solids)	megaliters	<b>851</b>	n.r.	n.r.	n.r.	n.r.	
thereof other water ( $> 1,000$ mg/l total dissolved solids)	megaliters	<b>0</b>	n.r.	n.r.	n.r.	n.r.	
thereof seawater	megaliters	<b>8</b>	n.r.	n.r.	n.r.	n.r.	
thereof produced water	megaliters	<b>41,443</b>	n.r.	n.r.	n.r.	n.r.	
<b>Water withdrawn by source from all areas with water stress<sup>3</sup></b>	megaliters	<b>510</b>	n.r.	n.r.	n.r.	n.r.	
thereof groundwater	megaliters	<b>262</b>	n.r.	n.r.	n.r.	n.r.	
thereof freshwater ( $\leq 1,000$ mg/l total dissolved solids)	megaliters	<b>0</b>	n.r.	n.r.	n.r.	n.r.	
thereof other water ( $> 1,000$ mg/l total dissolved solids)	megaliters	<b>262</b>	n.r.	n.r.	n.r.	n.r.	
thereof surface water	megaliters	<b>0</b>	n.r.	n.r.	n.r.	n.r.	
thereof freshwater ( $\leq 1,000$ mg/l total dissolved solids)	megaliters	<b>0</b>	n.r.	n.r.	n.r.	n.r.	
thereof other water ( $> 1,000$ mg/l total dissolved solids)	megaliters	<b>0</b>	n.r.	n.r.	n.r.	n.r.	
thereof from public supply systems	megaliters	<b>49</b>	n.r.	n.r.	n.r.	n.r.	
thereof freshwater ( $\leq 1,000$ mg/l total dissolved solids)	megaliters	<b>49</b>	n.r.	n.r.	n.r.	n.r.	
thereof other water ( $> 1,000$ mg/l total dissolved solids)	megaliters	<b>0</b>	n.r.	n.r.	n.r.	n.r.	
thereof seawater	megaliters	<b>0</b>	n.r.	n.r.	n.r.	n.r.	
thereof produced water	megaliters	<b>199</b>	n.r.	n.r.	n.r.	n.r.	
Water consumed <sup>1</sup>	megaliters	<b>27,649</b>	n.r.	n.r.	n.r.	n.r.	
Water consumed from all areas with water stress <sup>3</sup>	megaliters	<b>322</b>	n.r.	n.r.	n.r.	n.r.	
Water recycled and reused	megaliters	<b>311,797</b>	n.r.	n.r.	n.r.	n.r.	

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## Water

	Unit	2020	2019	2018	2017	2016	GRI Indicator
<b>Water discharged*</b>							
Water discharged by destination	megaliters	<b>9,730</b>	n.r.	n.r.	n.r.	n.r.	303-4
thereof to Surface water	megaliters	<b>9,038</b>	n.r.	n.r.	n.r.	n.r.	
thereof to Groundwater	megaliters	<b>0</b>	n.r.	n.r.	n.r.	n.r.	
thereof to Seawater	megaliters	<b>8</b>	n.r.	n.r.	n.r.	n.r.	
thereof to Third-party	megaliters	<b>684</b>	n.r.	n.r.	n.r.	n.r.	
Total water discharge to all areas with water stress <sup>3</sup>	megaliters	<b>11</b>	n.r.	n.r.	n.r.	n.r.	
<b>Water discharged - quality</b>							
Hydrocarbons (oil) discharged	t	<b>12</b>	6	8	14	13	

\*Excluding filling stations for which the process of data reporting is under development.

<sup>1</sup>Excluding water withdrawn for once-through use that is not applicable in OMV Petrom.

<sup>2</sup>Increase due to the inclusion of produced water, according to GRI 303/2018 effective for reports after 1 January 2021. For comparison, the produced water in 2019 amounted to 43,200 megalitres.

<sup>3</sup>Applies to Kazakhstan.

n.r. - not reported

## Freshwater Withdrawal Intensity of OMV Petrom operations

	Unit	2020	2019	2018	2017	2016	GRI Indicator
Freshwater Withdrawal Intensity Upstream	cbm/toe	<b>0.57</b>	0.61	0.66	0.71	0.71	
Freshwater Withdrawal Intensity Downstream Oil <sup>1</sup>	cbm/t throughput	<b>2.16</b>	2.10	2.26	1.74	1.82	
Freshwater Withdrawal Intensity Power Plants	cbm/MWh	<b>0.98</b>	1.02	0.97	1.04	1.12	
Freshwater Withdrawal Intensity Index of OMV Petrom <sup>2</sup>	%	<b>-0.2</b>	-4.7	+11.5	-3.3	-6.2	

<sup>1</sup> Not including Power Plants.

<sup>2</sup> Weighted average of Freshwater Withdrawal Intensity variations from business divisions.

## Waste\*

	Unit	2020	2019	2018	2017	2016	GRI Indicator
Total waste <sup>1</sup>	t	<b>537,855</b>	527,928	430,431	367,205	812,360	
thereof non-hazardous waste	t	<b>158,000</b>	233,815	186,643	149,483	568,419	
thereof non-hazardous waste to landfill	t	<b>49,599</b>	81,666	36,656	18,500	99,091	
thereof non-hazardous waste for valorization <sup>2</sup>	t	<b>97,740</b>	124,580	132,540	123,347	405,893	
thereof non-hazardous waste for incineration	t	<b>210</b>	23,814	678	91	173	
thereof non-hazardous waste for other disposal options	t	<b>10,450</b>	3,755	16,769	7,545	63,262	<b>306-3</b>
thereof hazardous waste	t	<b>379,855</b>	294,113	243,788	217,722	243,941	
thereof hazardous waste to landfill	t	<b>6,831</b>	48,832	51,970	37,651	39,769	
thereof hazardous waste to valorization <sup>2</sup>	t	<b>314,964</b>	158,543	64,538	51,566	97,861	
thereof hazardous waste for incineration	t	<b>13,786</b>	892	2,393	4,380	11,053	
thereof hazardous waste for other disposal options	t	<b>44,274</b>	85,846	124,887	124,125	95,258	
Waste directed to disposal	t	<b>125,150</b>	244,805	233,353	192,292	308,606	<b>306-5</b>
Waste diverted from disposal (valorized)	t	<b>412,705</b>	283,123	197,078	174,913	503,754	<b>306-4</b>
Waste valorization <sup>2</sup> rate	%	<b>77</b>	53	46	48	62	

\*Excluding filling stations for which the process of data reporting is under development.

<sup>1</sup> Total waste amounts including those from one-time projects.

<sup>2</sup> "Valorization" means diverted from disposal by recycling, recovery and preparing for use.

## Spills

	Unit	2020	2019	2018	2017	2016	GRI Indicator
Spills	number	<b>2,267</b>	2,012	2,164	2,375	2,105	
of which major (i.e. severity level 3 to 5)	number	<b>0</b>	1	2	0	1	
of which minor (i.e. severity level below 3)	number	<b>2,267</b>	2,011	2,162	2,375	2,104	<b>former 306-3</b>
Spills Volume	litre	<b>31,908</b>	54,195	35,442	51,490	97,590	

## Environmental protection expenditure<sup>1</sup>

	Unit	2020	2019	2018	2017	2016	GRI Indicator
Environmental protection expenditure, excluding depreciation	mn EUR	<b>70.48</b>	124.29	96.87	103.69	n.r.	
Environmental investments for assets put into operation	mn EUR	<b>36.26</b>	45.82	59.43	29.39	n.r.	

<sup>1</sup> When reporting Environmental protection expenditure, OMV Petrom uses the EMA (Environmental management accounting) methodology developed by International Federation Accountants (IFAC)

## Number of grievances - environmental impacts

	Unit	2020	2019	2018	2017	2016	GRI Indicator
Total number of grievances	number	<b>737</b>	906	949	1,046	1,469	
Compensation for land contamination - Natural Persons	number	<b>298</b>	380	463	573	679	
Compensation for land contamination - Legal Persons	number	<b>18</b>	23	29	28	33	

**Bucharest, April, 28, 2021**

**Christina Verchere**  
Chief Executive Officer

**Alina Gabriela Popa**  
Chief Financial Officer



## ANNEXES

GRI Content Index

TCFD Recommendations

Memberships

Abbreviations and definitions

Assurance statement



## GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	
			Explanation for part omitted	
<b>GRI 101: Foundation</b>				
<b>General Disclosures</b>				
<b>Organizational profile</b>				
102-1	Name of the organization	About this report		
102-2	Activities, brands, products, and services	About the Group		
102-3	Location of headquarters	About this report		
102-4	Location of operations	About the Group OMV Petrom Group is present in 5 countries.		
102-5	Ownership and legal form	Corporate Governance		
102-6	Markets served	About the Group OMV Petrom S.A. Separate Annual Report 2020 <a href="#">pg.4-5</a> and <a href="#">pg.7-9</a>		
<b>GRI 102: General Disclosures 2016</b>	102-7	Scale of the organization	Performance in detail: Economic Performance Performance in detail: Social Performance	
	102-8	Information on employees and other workers	Contractor Management Performance in detail: Social Performance 102-8-d. A substantial part of our work is performed by contractors.	
	102-9	Supply chain	About the Group Supply Chain	
	102-10	Significant changes to the organization and its supply chain	About the Group	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	
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<b>GRI 101: Foundation</b>				
<b>General Disclosures</b>				
<b>Organizational profile</b>				
<b>GRI 102: General Disclosures 2016</b>	<b>102-11</b> Precautionary Principle or approach	How we manage sustainability Risk Management Risk Management Process Health, Safety, Security and Environment Risk management in safety activities Occupational Safety Environmental compliance Spills management Water Management Customer responsibility: extension to new energy solutions		
	<b>102-12</b> External initiatives	Our public commitments		
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	<b>Strategy</b>			
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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
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	<b>102-19</b> Delegating authority	How we manage sustainability	
	<b>102-20</b> Executive-level responsibility for economic, environmental, and social topics	How we manage sustainability	
	<b>102-21</b> Consulting stakeholders on economic, environmental, and social topics	How we manage sustainability Engaging with our stakeholders	
	<b>102-22</b> Composition of the highest governance body and its committees	Corporate Governance OMV Petrom Annual Report 2020: Report of the Supervisory Board	
	<b>102-23</b> Chair of the highest governance body	Corporate Governance OMV Petrom Annual Report 2020: Corporate governance report	
<b>GRI 102: General Disclosures 2016</b>	<b>102-24</b> Nominating and selecting the highest governance body	Corporate Governance OMV Petrom Annual Report 2020: Corporate governance report	
	<b>102-25</b> Conflicts of interest	Business ethics, anti-corruption and anti-competitive behavior OMV Petrom Annual Report 2020: Corporate governance statement The responsibilities of the members of the Supervisory Board, as well as the working procedures and the approach to conflicts of interest are governed by relevant internal regulations.	
	<b>102-26</b> Role of highest governance body in setting purpose, values, and strategy	Corporate Governance How we manage sustainability	
	<b>102-28</b> Evaluating the highest governance body's performance	Corporate Governance OMV Petrom Annual Report 2020: Report of the Supervisory Board	
	<b>102-30</b> Effectiveness of risk management processes	Mapping our Sustainability Risks Climate Change Risk Management	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
			Explanation for part omitted
<b>GRI 101: Foundation</b>			
<b>General Disclosures</b>			
<b>Governance</b>			
<b>102-31</b>	Review of economic, environmental, and social topics	How we manage sustainability Reporting on materiality Environmental Management	The information presented refers to the frequency of the Executive Board review of economic, environmental, and social topics and their impacts, risks, and opportunities.
<b>102-32</b>	Highest governance body's role in sustainability reporting	Corporate Governance	
<b>102-33</b>	Communicating critical concerns	Corporate Governance How we manage sustainability	
<b>102-35</b>	Remuneration policies	Corporate Governance OMV Petrom Annual Report 2020: Corporate governance report	
<b>GRI 102: General Disclosures 2016</b>			
<b>Stakeholder engagement</b>			
<b>102-40</b>	List of stakeholder groups	Engaging with our stakeholders	
<b>102-41</b>	Collective bargaining agreements	102-41-a. 100% of our employees from Romania are covered by the collective bargaining agreements.	
<b>102-42</b>	Identifying and selecting stakeholders	Engaging with our stakeholders Reporting on materiality	
<b>102-43</b>	Approach to stakeholder engagement	Engaging with our stakeholders Reporting on materiality Contractor Management Improve business continuity and crisis management How we manage our community relations Community grievance management Community Engagement PetrOmbudsman Department Customer satisfaction	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions	
			Explanation for part omitted	
<b>GRI 101: Foundation</b>				
<b>General Disclosures</b>				
<b>Stakeholder engagement</b>				
<b>GRI 102: General Disclosures 2016</b>	<b>102-44</b> Key topics and concerns raised	Reporting on materiality Contractor Management Improve business continuity and crisis management How we manage our community relations Community grievance management Community Engagement PetrOmbudsman Department Customer satisfaction		
	<b>Reporting practice</b>			
	<b>102-45</b> Entities included in the consolidated financial statements	About this Report OMV Petrom Annual Report 2020: <a href="#">pg.149</a>		
	<b>102-46</b> Defining report content and topic Boundaries	About this Report Reporting on materiality		
	<b>102-47</b> List of material topics	Reporting on materiality		
	<b>102-48</b> Restatements of information	All changes relative to previous years' reported data or information have been indicated where relevant, with appropriate explanations provided.		
	<b>102-49</b> Changes in reporting	Reporting on materiality In 2020, OMV Petrom Group has conducted a new materiality analysis.		
	<b>102-50</b> Reporting period	About this Report		
	<b>102-51</b> Date of most recent report	About this Report		
	<b>102-52</b> Reporting cycle	About this Report		
<b>102-53</b> Contact point for questions regarding the report	Contact point for Sustainability Issues			
<b>102-54</b> Claims of reporting in accordance with the GRI Standards	About this Report			

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
			Explanation for part omitted
<b>GRI 102: General Disclosures 2016</b>	<b>102-55</b> GRI content index	Annexes: GRI Content Index	
	<b>102-56</b> External assurance	About the report This is the first sustainability report of OMV Petrom Group which is externally assured. Annexes: Assurance statement	
<b>Health, Safety and Security</b>			
<b>GRI 403: Occupational Health and Safety 2018</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Health Safety Security and resilience	
	<b>103-2</b> The management approach and its components	Health Safety Security and resilience	103-2-c.vi. Within the Group there is one mechanism for grievances which is detailed in section Business Principles and Economic Impacts.
	<b>103-3</b> Evaluation of the management approach	Health Safety Security and resilience	
<b>GRI 403: Occupational Health and Safety 2018</b>	<b>403-1</b> Occupational health and safety management system	Health, Safety, Security and Environment Health Occupational Safety Contractor Management	
	<b>403-2</b> Hazard identification, risk assessment, and incident investigation	Risk management in safety activities Occupational Safety	
	<b>403-3</b> Occupational health services	Health management system Health promotion Passport for Health The Health: ON festival The Private Health Insurance program	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
			Explanation for part omitted
<b>Health, Safety and Security</b>			
<b>GRI 403: Occupational Health and Safety 2018</b>			
<b>GRI 403: Occupational Health and Safety 2018</b>	403-5 Worker training on occupational health and safety	Safety Compliance Safety Culture Occupational Safety	
	403-6 Promotion of worker health	Health promotion The information refers only to employees.	
	403-8 Workers covered by an occupational health and safety management system	Safety Compliance  The information reported only covers employees of OMV Petrom S.A. It is reported only the percentage of employees.	
	403-9 Work-related injuries	Performance in detail: Social performance	
<b>GRI G4: Oil&amp;Gas Sector Disclosures</b>	<b>OG13</b> Number of process safety events, by business activity	Process Safety and Integrity Data is not broken down by business activity.	
<b>Environment</b>			
<b>GRI 303: Water and Effluents 2018</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Reporting on materiality Water Management	
	103-2 The management approach and its components	Environmental Management Water Management  103-2-c.vi. Within the Group there is one mechanism for grievances which is detailed in the section Business Principles and Economic Impacts.	
	103-3 Evaluation of the management approach	Water Management  Performance in detail	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
			Explanation for part omitted
<b>Environment</b>			
<b>GRI 303: Water and Effluents 2018</b>			
<b>GRI 303: Water and Effluents 2018</b>	<b>303-1</b> Interactions with water as a shared resource	Water Management	
	<b>303-2</b> Management of water-discharge-related impacts	Water Management	
	<b>303-3</b> Water withdrawal	Water Management Performance in detail	
	<b>303-4</b> Water discharge	Water Management Performance in detail	
	<b>303-5</b> Water consumption	Performance in detail	
<b>GRI 306: Waste 2020</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Waste Management	
	<b>103-2</b> The management approach and its components	Environmental management Waste Management 103-2-c.vi. Within the Group there is one mechanism for grievances which is detailed in section Business Principles and Economic Impacts.	
	<b>103-3</b> Evaluation of the management approach	Environmental management Waste Management Performance in detail	



GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
			Explanation for part omitted
<b>Environment</b>			
<b>GRI 306: Waste 2020</b>			
<b>GRI 306: Waste 2020</b>	<b>306-3</b> Waste generated	Environmental management Waste Management Performance in detail	
	<b>306-4</b> Waste diverted from disposal	Environmental management Waste Management Performance in detail	
	<b>306-5</b> Waste directed to disposal	Performance in detail	
<b>GRI G4 - Oil&amp;Gas Sector Disclosures</b>	<b>OG7</b> Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal	Waste Management	
<b>GRI 306: Effluent and Waste 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Spills management	
	<b>103-2</b> The management approach and its components	Environmental Management Spills management	
	<b>103-3</b> Evaluation of the management approach	Environmental Management Spills management	
<b>GRI 306: Effluent and Waste 2016</b>	<b>306-3</b> Significant spills	Spills management Performance in detail	
<b>GRI 307: Environmental compliance 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Environmental compliance	
	<b>103-2</b> The management approach and its components	Environmental Management Environmental compliance 103-2-c.vi. Within the Group there is one mechanism for grievances which is detailed in section Business Principles and Economic Impacts.	
	<b>103-3</b> Evaluation of the management approach	Environmental Management Environmental compliance	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions Explanation for part omitted
<b>GRI 307: Environmental compliance 2016</b>	<b>307-1</b> Non-compliance with environmental laws and regulations	Environmental compliance	307-1-a-ii. We do not report the total number of non-monetary sanctions. This information cannot be captured at present.
	<b>Climate Change and Energy Transition</b>		
<b>GRI 302: Energy 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Energy use and renewable energy	
	<b>103-2</b> The management approach and its components	Environmental Management Energy use and renewable energy 103-2-c.vi. Within the Group there is one mechanism for grievances which is detailed in section Business Principles and Economic Impacts.	
	<b>103-3</b> Evaluation of the management approach	Environmental Management Energy use and renewable energy	
<b>GRI 302: Energy 2016</b>	<b>302-1</b> Energy consumption within the organization	Energy use and renewable energy Performance in detail	302-1-b. The fuel consumption split between renewable and non-renewable sources is not captured at present.
<b>GRI 305: Emissions 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Carbon efficiency of operations	
	<b>103-2</b> The management approach and its components	Environmental Management Carbon efficiency of operations 103-2-c.vi. Within the Group there is one mechanism for grievances which is detailed in section Business Principles and Economic Impacts.	
	<b>103-3</b> Evaluation of the management approach	Environmental Management Carbon efficiency of operations	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions Explanation for part omitted
<b>Climate Change and Energy Transition</b>			
<b>GRI 305: Emissions 2016</b>			
<b>GRI 305: Emissions 2016</b>	<b>305-1</b> Direct (Scope 1) GHG emissions	Carbon efficiency of operations Performance in detail	
	<b>305-2</b> Energy indirect (Scope 2) GHG emissions	Carbon efficiency of operations Performance in detail	
	<b>305-3</b> Other indirect (Scope 3) GHG emissions	Carbon efficiency of operations Performance in detail	
	<b>305-4</b> GHG emissions intensity	Carbon efficiency of operations Performance in detail	
	<b>305-7</b> Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Carbon efficiency of operations Performance in detail	
<b>GRI G4: Oil&amp;Gas Sector Disclosures</b>	<b>OG6</b> Volume of flared and vented hydrocarbon	Performance in detail	
<b>Business Principles and Economic Impacts</b>			
<b>GRI 201: Economic Performance 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality OMV Petrom Annual Report 2020: Statement of the Chief Executive Officer OMV Petrom Annual Report 2020: OMV Petrom Strategy OMV Petrom Annual Report 2020: Business segments' operational performance	
	<b>103-2</b> The management approach and its components	OMV Petrom Annual Report 2020: Statement of the Chief Executive Officer OMV Petrom Annual Report 2020: OMV Petrom Strategy OMV Petrom Annual Report 2020: Business segments' operational performance	
	<b>103-3</b> Evaluation of the management approach	OMV Petrom Annual Report 2020: Statement of the Chief Executive Officer OMV Petrom Annual Report 2020: OMV Petrom Strategy OMV Petrom Annual Report 2020: Business segments' operational performance	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions Explanation for part omitted
<b>Business Principles and Economic Impacts</b>			
<b>GRI 201: Economic Performance 2016</b>			
<b>GRI 201: Economic Performance 2016</b>	<b>201-1</b> Direct economic value generated and distributed	Performance in detail	
	<b>201-2</b> Financial implications and other risks and opportunities due to climate change	Climate Change Risk Management	
	<b>201-4</b> Financial assistance received from government	Shareholder structure Performance in detail	
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Business Principles and Economic Impacts	
	<b>103-2</b> The management approach and its components	Business Principles and Economic Impacts	
	<b>103-3</b> Evaluation of the management approach	Business Principles and Economic Impacts	
<b>GRI 205: Anti-corruption 2016</b>			
<b>GRI 205: Anti-corruption 2016</b>	<b>205-2</b> Communication and training about anti-corruption policies and procedures	Zero tolerance policy for any form of bribery and corruption The Code of Business Ethics Training Performance in detail: Social performance	205-2-e. We report on total number of trained employees reported. Broken-down per region and employee categories is not monitored yet.
	<b>205-3</b> Confirmed incidents of corruption and actions taken	OMV Petrom Compliance Management System	
<b>GRI 206: Anti-competitive behavior 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Business Principles and Economic Impacts	
	<b>103-2</b> The management approach and its components	Business Principles and Economic Impacts	
	<b>103-3</b> Evaluation of the management approach	Business Principles and Economic Impacts	
<b>GRI 206: Anti-competitive behavior 2016</b>	<b>206-1</b> Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	OMV Petrom Compliance Management System	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
			Explanation for part omitted
<b>Business Principles and Economic Impacts</b>			
<b>GRI 415: Public Policy 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Business Principles and Economic Impacts Public Policy	
	<b>103-2</b> The management approach and its components	Business Principles and Economic Impacts Public Policy	
	<b>103-3</b> Evaluation of the management approach	Business Principles and Economic Impacts Public Policy	
<b>GRI 415: Public Policy 2016</b>	<b>415-1</b> Political contributions	Public Policy	
<b>GRI 419: Socio-Economic compliance 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Business Principles and Economic Impacts	
	<b>103-2</b> The management approach and its components	Business Principles and Economic Impacts	
	<b>103-3</b> Evaluation of the management approach	Business Principles and Economic Impacts	
<b>GRI 419: Socio-Economic compliance 2016</b>	<b>419-1</b> Non-compliance with laws and regulations in the social and economic area	Performance in details: Social Performance	We report information regarding monetary value of significant fines for non-compliance with laws and regulations, and number of non-monetary sanctions concerning the provision and use of products and services.
<b>Community Relations and Human Rights</b>			
<b>GRI 413: Local Communities 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality How we manage our community relations Community grievance management Community Engagement Community Development Projects	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
			Explanation for part omitted
<b>Community Relations and Human Rights</b>			
<b>GRI 413: Local Communities 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-2</b> The management approach and its components	How we manage our community relations Community grievance management Community Engagement Community Development Projects	
	<b>103-3</b> Evaluation of the management approach	How we manage our community relations Community grievance management Community Engagement Community Development Projects	
<b>GRI 413: Local Communities 2016</b>	<b>413-1</b> Operations with local community engagement, impact assessments, and development programs	How we manage our community relations Community grievance management Community Engagement Community Development Projects	
<b>GRI 412: Human Rights Assessment 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Respecting Human rights	
	<b>103-2</b> The management approach and its components	Respecting Human rights	
	<b>103-3</b> Evaluation of the management approach	Respecting Human rights	
<b>GRI 412: Human Rights Assessment 2016</b>	<b>412-2</b> Employee training on human rights policies or procedures	Awareness-raising and training	
<b>Employees</b>			
<b>GRI 401: Employment 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Employees	
	<b>103-2</b> The management approach and its components	Employees	
	<b>103-3</b> Evaluation of the management approach	Employees	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
			Explanation for part omitted
<b>Employees</b>			
<b>GRI 401: Employment 2016</b>			
<b>GRI 401: Employment 2016</b>	<b>401-1</b> New employee hires and employee turnover	Performance in detail	
	<b>401-2</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees	Performance in detail The information is reported by significant locations of operation for OMV Petrom S.A.	
	<b>401-3</b> Parental leave	Diversity at OMV Petrom Performance in detail	
<b>GRI 402: Labor management relations 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Employees	
	<b>103-2</b> The management approach and its components	Employees	
	<b>103-3</b> Evaluation of the management approach	Employees	
<b>GRI 402: Labor management relations 2016</b>	<b>402-1</b> Minimum notice periods regarding operational changes	Informing and consulting our employees	
<b>GRI 404: Training and Education 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Employees	
	<b>103-2</b> The management approach and its components	Employees	
	<b>103-3</b> Evaluation of the management approach	Employees	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
			Explanation for part omitted
<b>Employees</b>			
<b>GRI 404: Training and Education 2016</b>	<b>404-1</b> Average hours of training per year per employee	Performance in detail	
	<b>404-2</b> Programs for upgrading employee skills and transition assistance programs	Programs implemented to upgrade employee skills	404-2-b. Through our programs to upgrade skills, we facilitate our employees to build and grow their skills throughout their career.
			We do not implement yet transition assistance programs.
	<b>404-3</b> Percentage of employees receiving regular performance and career development reviews	Performance in detail	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Employees	
	<b>103-2</b> The management approach and its components	Employees	
	<b>103-3</b> Evaluation of the management approach	Employees	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	<b>405-1</b> Diversity of governance bodies and employees	Performance in detail	
	<b>405-2</b> Ratio of basic salary and remuneration of women to men	Performance in detail 405-2-b. Significant locations of operation are all the locations where OMV Petrom is the main operator.	



GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions Explanation for part omitted
<b>Customer and Product Responsibility</b>			
<b>GRI 417: Marketing and Labeling 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Customer and product responsibility	
	<b>103-2</b> The management approach and its components	Customer and product responsibility	
	<b>103-3</b> Evaluation of the management approach	Customer and product responsibility	
<b>GRI 417: Marketing and Labeling 2016</b>	<b>417-1</b> Requirements for product and service information and labeling	Product responsibility	
	<b>417-2</b> Incidents of non-compliance concerning product and service information and labeling	Performance in detail	
	<b>417-3</b> Incidents of non-compliance concerning marketing communications	Performance in detail	
<b>Supply Chain</b>			
<b>GRI 204: Procurement practices 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Supply Chain	
	<b>103-2</b> The management approach and its components	Supply Chain	
	<b>103-3</b> Evaluation of the management approach	Supply Chain	
<b>GRI 204: Procurement practices 2016</b>	<b>204-1</b> Proportion of spending on local suppliers	Local Procurement and Capacity Building 204-1-b. Local suppliers are defined as suppliers registered and active in the local countries where OMV Petrom has operations (e.g., the spend with local suppliers in Romania represent the spend of those suppliers which are registered in Romania). 204-2-c. Significant locations of operation are all the locations where OMV Petrom is the main operator. We disclose local spend for our biggest country of operation, Romania.	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
			Explanation for part omitted
<b>Supply Chain</b>			
<b>GRI 308: Supplier-environmental-assessment 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Supply Chain	
	<b>103-2</b> The management approach and its components	Supply Chain	
	<b>103-3</b> Evaluation of the management approach	Supply Chain	
<b>GRI 308: supplier-environmental-assessment 2016</b>	<b>308-1</b> New suppliers that were screened using environmental criteria	Business ethics of suppliers - Assessments and Audits	Assessments and Audits screening and reporting of new and existing suppliers checked against ESG and sustainability data are under development. Process further enhancement is ongoing and relevant figures shall be reported during the next data collection/reporting run.
<b>GRI 414: Supplier Social Assessment 2016</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Supply Chain	
	<b>103-2</b> The management approach and its components	Supply Chain	
	<b>103-3</b> Evaluation of the management approach	Supply Chain	
<b>GRI 414: Supplier Social Assessment 2016</b>	<b>414-1</b> New suppliers that were screened using social criteria	Business ethics of suppliers	Assessments and Audits screening and reporting of new and existing suppliers checked against ESG and sustainability data are under development. Process further enhancement is ongoing and relevant figures shall be reported during the next data collection/reporting run.

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions Explanation for part omitted
<b>Circular Economy and Innovation</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	Reporting on materiality Circular economy and Innovation	For our new material topic "Circular Economy and Innovation" resulted from our 2020 materiality process, we do not report any specific disclosure having in view this topic is not covered by the existing GRI Standards and GRI G4 Sector Disclosures for Oil and Gas sector. In order to fulfill the GRI recommendations, established within the GRI 101 Foundation 2016 Standard, we will set new indicator/indicators for this topic in the next reporting cycle.
	<b>103-2</b> The management approach and its components	Circular economy and Innovation	
	<b>103-3</b> Evaluation of the management approach	Customer and product responsibility Circular economy and Innovation	
<b>Other GRI Indicators</b>			
<b>Reserves</b>			
<b>GRI 103: Management Approach 2016</b>	<b>103-1</b> Explanation of the material topic and its Boundary	OMV Petrom Annual Report 2020: Business segments' operational performance	
	<b>103-2</b> The management approach and its components	OMV Petrom Annual Report 2020: Business segments' operational performance	
	<b>103-3</b> Evaluation of the management approach	OMV Petrom Annual Report 2020: Business segments' operational performance	
<b>GRI G4: Oil&amp;Gas Sector Disclosures</b>	<b>OG1</b> Volume and type of estimated proved reserves and production	About the Group Performance in detail: Economic Performance	

## TCFD recommendations Index

<p><b>Recommendations:</b></p> <p><b>Disclose the organization's governance around climate-related risks and opportunities</b></p>	<p>► <b>Disclosure a)</b> Describe the board's oversight of climate related risks and opportunities.</p>	<ul style="list-style-type: none"> <li>► Sustainability Strategy (<a href="#">pg.12-18</a>)</li> <li>► Sustainability Governance (<a href="#">pg.17</a>)</li> <li>► How we manage sustainability (<a href="#">pg.11</a>)</li> <li>► Mapping our Sustainability Risks (<a href="#">pg.22-28</a>)</li> </ul>
	<p>► <b>Disclosure b)</b> Describe management's role in assessing and managing climate related risks and opportunities.</p>	<ul style="list-style-type: none"> <li>► Sustainability Governance (<a href="#">pg.17</a>)</li> <li>► How we manage sustainability (<a href="#">pg.11</a>)</li> <li>► Mapping our Sustainability Risks (<a href="#">pg.22-28</a>)</li> <li>► <a href="#">OMV Petrom Annual Report 2020</a>, Risk management governance section</li> </ul>
<p><b>Recommendations:</b></p> <p><b>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.</b></p>	<p>► <b>Disclosure a)</b> Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.</p>	<ul style="list-style-type: none"> <li>► Mapping our Sustainability Risks (<a href="#">pg.22-28</a>)</li> <li>► Climate Change and Energy Transition (<a href="#">pg.70-78</a>)</li> <li>► <a href="#">OMV Petrom Annual Report 2020</a>, Risks taxonomy section</li> </ul>
	<p>► <b>Disclosure b)</b> Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<ul style="list-style-type: none"> <li>► Mapping our Sustainability Risks (<a href="#">pg.22-28</a>)</li> <li>► Climate Change and Energy Transition (<a href="#">pg.70-78</a>)</li> </ul>
	<p>► <b>Disclosure c)</b> Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.</p>	<ul style="list-style-type: none"> <li>► Climate Change and Energy Transition (<a href="#">pg.70-78</a>)</li> </ul>

## TCFD recommendations Index

	<p>▶ <b>Disclosure a)</b> Describe the organization's processes for identifying and assessing climate-related risks.</p>	<p>▶ Mapping our Sustainability Risks (<a href="#">pg.22-28</a>) ▶ Climate Change and Energy Transition (<a href="#">pg.70-78</a>)</p>
<p><b>Recommendations:</b></p> <p><b>Disclose how the organization identifies, assesses and manages climate-related risks</b></p>	<p>▶ <b>Disclosure b)</b> Describe the organization's processes for managing climate related risks.</p>	<p>▶ Sustainability Governance (<a href="#">pg.17</a>) ▶ Mapping our Sustainability Risks (<a href="#">pg.22-28</a>) ▶ <a href="#">OMV Petrom Annual Report 2020</a>, Climate Change risk management section</p>
	<p>▶ <b>Disclosure c)</b> Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.</p>	<p>▶ Mapping our Sustainability Risks (<a href="#">pg.22-28</a>) ▶ Climate Change and Energy Transition (<a href="#">pg.70-78</a>)</p>
<p><b>Recommendations:</b></p> <p><b>Discloses the metrics and targets used to assesses and manage relevant climate related risks and opportunities where such information is material.</b></p>	<p>▶ <b>Disclosure a)</b> Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>▶ Sustainability Governance (<a href="#">pg.17</a>) ▶ Sustainability strategy (<a href="#">pg.12-18</a>)</p>
	<p>▶ <b>Disclosure b)</b> Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>▶ Sustainability strategy (<a href="#">pg.12-18</a>) ▶ Performance in detail - Environmental data (<a href="#">pg.130</a>)</p>
	<p>▶ <b>Disclosure c)</b> Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.</p>	<p>▶ Sustainability strategy (<a href="#">pg.12-18</a>)</p>

## List of Participations in Professional and Employers' Associations

- ▶ American Chamber of Commerce in Romania (AMCHAM)
- ▶ ASIS International
- ▶ Aspen Institut Romania (ASPEN)
- ▶ Association of Certified Fraud Examiners (ACFE)
- ▶ Association of Electricity Suppliers in Romania (AFEER)
- ▶ Bucharest Geoscience Forum (BGF)
- ▶ Business Club Austria (ABC)
- ▶ Business French Club
- ▶ Chambre de Commerce, d'Industrie et d'Agriculture Francaise en Roumanie (CCIFER)
- ▶ CONCAWE
- ▶ CONCORDIA Employers' Confederation (through Oil & Gas Employers' Federation)
- ▶ Energy Policy Group (EPG)
- ▶ Foreign Investors Council (FIC)
- ▶ National Standardization Body in Romania (ASRO)
- ▶ Oil and Gas Employers' Federation (FPPG)
- ▶ Professional Representatives before European Patent Office (EPI)
- ▶ Romanian – German Chamber of Commerce & Industry (CCIGR)
- ▶ Romanian Association Chamber Pattern of Attorney (CNCPIR)
- ▶ Romanian Association for International Numbering of Articles (GS1 Romania)
- ▶ Romanian Association for promoting Energy Efficiency (ARPEE)
- ▶ Romanian Black Sea Titleholders Association (RBSTA)
- ▶ Romanian Energy Center (CRE)
- ▶ Romanian Investor Relations Association (ARIR)
- ▶ Romanian National Committee of the World Energy Council (CNR-CME)
- ▶ Romanian Petroleum Association (ARP)
- ▶ Society of Petroleum Engineers (SPE Rom)

## Abbreviations and definitions

### A

<b>AI</b>	Artificial Intelligence
<b>AIDA</b>	Asset Integrity Data Assistant
<b>ALARP</b>	As low as reasonably practicable
<b>API</b>	Wells Standard
<b>ARIR</b>	The Romanian Investor Relations Association
<b>ARMS</b>	Active Risk Management System

### B

<b>BAT-BREF</b>	Best Available Techniques - Reference Documents
<b>bbi</b>	barrel(s), i.e. 159 liters
<b>bcf</b>	billion cubic feet; 1 billion standard cubic meters = 35.3147 bcf for Romania or 34.7793 bcf for Kazakhstan
<b>bcm</b>	billion cubic meters
<b>BEPS</b>	Base Erosion and Profit Shifting
<b>bn</b>	billion
<b>BOP</b>	Blowout preventer
<b>BTEX</b>	benzene, toluene, ethylbenzene, and xylene
<b>boe, kboe</b>	barrels of oil equivalent, thousand barrels of oil equivalent
<b>BSE</b>	Bucharest Stock Exchange

### C

<b>CAPEX</b>	Capital Expenditure
<b>CbCR</b>	Country-by-Country Report
<b>CBOs</b>	Community Based Organizations
<b>CCPP</b>	Combined Cycle Power Plant
<b>CCPS</b>	Center for Chemical Process Safety
<b>CCTV</b>	Closed Circuit Television Systems

<b>CDP</b>	Climate Disclosure Project
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CGM</b>	Community Grievance Mechanisms
<b>CH4</b>	methane
<b>CHD</b>	Centralized Hydrocarbon Dewpoint
<b>CHP</b>	Cogeneration or Combined Heat & Power
<b>CIP</b>	Common Information Picture
<b>CLA</b>	Collective labor agreement
<b>CMMS</b>	Computerized Maintenance Management System
<b>CMT</b>	Crisis Management Team
<b>CoC</b>	Code of Conduct
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>CO<sub>2</sub>eq</b>	Carbon dioxide equivalent
<b>CP</b>	Cathode protection
<b>CSR</b>	Corporate Social Responsibility
<b>D</b>	
<b>DPA</b>	Data Processing Agreement
<b>DPiA</b>	Data Processing Impact Assessments
<b>E</b>	
<b>EB</b>	Executive Board
<b>EBIS</b>	European Barge Inspection Scheme
<b>EGN</b>	European Green Deal
<b>EIA</b>	Environmental Impact Assessment
<b>EMA</b>	Environmental Management Accounting
<b>EMS</b>	Environmental Management System
<b>EMT</b>	Emergency Management Team
<b>EOR</b>	Enhanced Oil Recovery

<b>EPG</b>	Energy Policy Group
<b>EPSC</b>	European Process Safety Center
<b>ERIC.PD</b>	Acronym for defining the hierarchy of hazard control.
	Eliminate
	Reduce
	Isolate
	Control
	Personal Protective Equipment
	Discipline
<b>ESG</b>	Environmental, Social and Governance
<b>ESIA</b>	Environmental and Social Impact Assessments
<b>EU, EUR</b>	European Union, euro(s)
<b>EURIBOR</b>	Euro Interbank Offered Rate
<b>EU-ETS</b>	EU Emission Trading Scheme
<b>EWRM</b>	Enterprise-Wide Risk Management

### F

<b>FP</b>	Property Fund
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### G

<b>GDPR</b>	General Data Protection Regulation
<b>G2P</b>	Gas to Power power plant
<b>GHG</b>	Greenhouse Gas
<b>GHG scope 1</b>	Direct emissions from operations that are owned or controlled by the organization
<b>GHG Scope 2</b>	Energy indirect emissions resulted from the generation of purchased or acquired electricity, heating, cooling or steam
<b>GHG Scope 3</b>	Other indirect emissions that occur outside the organization

<b>GHP</b>	Cogeneration or Combined Heat and Power	<b>IR</b>	Investor Relations	<b>MySF</b>	My Success Factors
<b>GMS</b>	General Meeting of Shareholders	<b>ISCC</b>	International Sustainability and Carbon Certification	<b>MW; MWh</b>	megawatt(s); megawatt hour(s)
<b>GJ</b>	Gigajoule	<b>ISO</b>	International Organization for Standardization	<b>M&amp;I</b>	Monitoring and Intervention
<b>GRI</b>	Global Reporting Initiative	<b>ISS</b>	Institutional Shareholder Services	<b>m<sup>2</sup></b>	Square meter
<b>H</b>		<b>IT</b>	Information Technology	<b>m<sup>3</sup></b>	Cubic meter
<b>HSSE</b>	Health, Safety, Security and Environment	<b>ITC</b>	Innovation and Technology Center	<b>N</b>	
<b>Ha</b>	hectare	<b>K</b>		<b>n.a.</b>	Not applicable/not available (as the case may be)
<b>HAZID</b>	Hazard Identification	<b>KPI</b>	Key Performance Indicator	<b>n.r.</b>	Not reported
<b>HAZOP</b>	Hazard and Operability	<b>KWh</b>	Kilowatt-hour	<b>NADF</b>	Non-aqueous drilling fluids
<b>HIPOs</b>	High Potential Incidents	<b>L</b>		<b>NEO</b>	New Employee Orientation Program
<b>HLVE</b>	High Learning Value Events	<b>LDAR</b>	Leak Detection and Repair		Interest bearing
<b>H2S</b>	Hydrogen sulfide	<b>LLP</b>	Limited Liability Partnership	<b>NES</b>	New Energy Solutions
<b>HQ</b>	Headquarter	<b>LMS</b>	Learning management systems	<b>NGL</b>	Natural Gas Liquids – it refers to condensate only
<b>HVAC</b>	Heating, ventilation, and air conditioning	<b>LPG</b>	Liquefied Petroleum Gas	<b>NGO</b>	Non-governmental organization
<b>HVO</b>	Hydrotreated Vegetable Oil	<b>LSE</b>	London Stock Exchange	<b>NM-VOC</b>	Non-Methane Volatile
<b>I</b>		<b>LED</b>	Light-emitting Diode	<b>N<sup>2</sup>O</b>	Nitrous oxide
<b>ICPT</b>	Câmpina Institute of Research and Technological Design	<b>LOPC</b>	Loss of primary containment	<b>NO<sub>x</sub></b>	Nitrogen oxide
<b>IDW</b>	Institut der Wirtschaftsprüfer	<b>LTIP</b>	Long-Term Incentive Plan	<b>NPO</b>	Non-profit organization
<b>IFAC</b>	International Federation Accountants	<b>LTIR</b>	Lost-time injury rate	<b>nZEB</b>	nearly Zero-Energy Building
<b>IFRS</b>	International Financial Reporting Standards	<b>M</b>		<b>NWoW</b>	New Ways of Working
<b>ILC</b>	Individual Labor Contract	<b>m, km</b>	meter(s), kilometer(s)	<b>O</b>	
<b>ILO</b>	International Labour Organization	<b>mn</b>	million	<b>OCIMF</b>	Oil Companies International Marine Forum
<b>IMO</b>	International Maritime Organization	<b>MAE</b>	Major Accident Events	<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>IOPG</b>	International Association of Oil and Gas Producers	<b>M&amp;I</b>	Monitoring and Intervention	<b>OGI</b>	Optical Gas Imaging
<b>IoT</b>	Internet of Things	<b>MOC</b>	Management of Change	<b>OIA</b>	Operational Integrity Assessments
<b>IPIECA</b>	International Petroleum Industry Environmental Conservation Association	<b>ML</b>	Megaliters	<b>OGMS</b>	Ordinary general meeting of shareholders
		<b>MS</b>	Management Systems		



**OPGS** Global Solutions – OMV’s subsidiary  
**OPEX** Operating Expenses  
**OSPAs** Outstanding Security Performance Awards

## P

**PCR** Polymerase Chain Reaction  
**PJ** Peta joule  
**PM** Particulate Matter  
**ppm** parts per million  
**PSC** Production Sharing Contract  
**PSSR** Process Safety Startup Review

## Q

**Q** quarter  
**QR** Quick Response

## R

**R&D** Research & Development  
**ROBOR** Romanian Interbank Offer Rate  
**RON** New Romanian leu  
**REACH** Registration, Evaluation, Authorisation and Restriction of Chemicals

## S

**S.A.** Romanian JSC - Joint stock company  
**SB** Supervisory Board  
**SDGs** Sustainable Development Goals  
**S&R** Security and Resilience  
**SIA** Social Impact Assessment  
**SOC** Security Operations Centres  
**SO<sub>2</sub>** Sulphur dioxide

**SRA** Security Risk Assessment  
**SRL** Societate cu răspundere limitată

## T

**t, kt** metric tonne(s), thousand tonnes;  
 1t of crude oil = 7.193 bbl for Romania or  
 7.78 bbl for Kazakhstan

**toe** Tonne of oil equivalent  
**TCFD** Task Force on Climate-related  
 Financial Disclosures

**TJ** terajoule  
**TMSA** Tanker Management and  
 Self-Assessment

**TOC** Tasbulat Oil Corporation  
**TPH** Total Petroleum Hydrocarbons  
**TRIR** Total recordable injury rate  
**TSA** Technical Safety Alert  
**TVET** Technical and Vocational  
 Education Training

**TWh** Terawatt hour(s)

## U

**UCO** Used Cooking Oil  
**UN** United Nations  
**UNGP** United Nations Guiding Principles  
**US** United States

## V

**VET** Vocational Educational Training  
**VAT** Value Added Tax  
**VOC** Volatile organic compounds  
**VO&UCO** Vegetable Oil & Used Cooking Oil

## W

**WHO**  
**WRI**

World Health Organization  
 World Resources Institute

# Assurance statement

## Independent assurance report

To the management of OMV Petrom S.A.

### Scope

We have been engaged by OMV Petrom S.A. (“OMV Petrom”, or the “Company”) to perform a ‘limited assurance engagement’, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on OMV Petrom’s English version of the 2020 Sustainability Report (the “Subject Matter”) for the year ended 31 December 2020.

### Criteria applied by OMV Petrom

In preparing the Subject Matter, OMV Petrom applied the Global Reporting Initiative Standards (“GRI Standards”) Core Option (the “Criteria”).

### OMV Petrom’s responsibilities

OMV Petrom’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

### EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (‘ISAE 3000’) and the terms of reference for this engagement as agreed with OMV Petrom on 3 December 2020. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services*

*Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

#### Our main procedures included:

- ▶ Obtain an overview of the company's activities, as well as its organizational structure and procedures;
- ▶ Conduct interviews with key personnel to understand relevant systems, processes and internal control procedures related to the content of the Subject Matter assured, which support the data collection;

- ▶ Examine relevant documents at the company's management level to assess awareness and priority of reporting issues and to understand how progress is being monitored;
- ▶ Perform analytical procedures at company level;
- ▶ Perform virtual meetings with responsible persons from OMV Petrom Headquarters, Refinery Petrobrazi, CCPP Brazi, Asset Moldova and Asset Crisana to obtain evidence of performance indicators;
- ▶ Test, on a sample basis, how data are collected, collated, consolidated and reported;
- ▶ Assess the coverage of material issues which have been raised in stakeholder dialogues, in media reports and environmental and social reports of peers;
- ▶ Test, on a sample basis, the disclosure and presentation of the Subject Matter against the Criteria.

We also performed such other procedures as we considered necessary in the circumstances.

#### Conclusion

Based on our procedures performed and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended 31 December 2020, in order for it to be in accordance with the Criteria.

Ernst & Young Assurance Services S.R.L.  
28 April 2021  
Bucharest

Gelu Gherghescu  
Partner

### Contact point for Sustainability Issues:

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### Referent person in charge of Sustainability:

Alina Popa, Communication and  
Sustainability Director

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

### Photos:

OMV Petrom archive, Dreamstime

### Other Publication for 2020: [OMV Petrom Annual Report 2020](#)

### Disclaimer regarding forward-looking statements

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