



OMV Petrom  
Sustainability Report 2021



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

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# About this Report

This 2021 OMV Petrom Group Sustainability Report, presents the impact of our activities on the economy, environment, and society, our progress and new commitments, and complements the 2021 OMV Petrom Annual Report with the legally required information related to the non-financial reporting requirements, specified by Ministry Order No.1938/2016, as amended. The sustainability reports are prepared by OMV Petrom on an annual basis. This Report has been prepared in accordance with the GRI Standards: Core option – updated 2020, and the information included in the Report refers to the financial year 2021, from January 1st to December 31st, 2021.

The data presented in the Report is consolidated at the OMV Petrom Group level, headquartered in Bucharest, Romania, unless boundaries are otherwise specified. Relevant oil & gas sector data boundaries are considered for each material topic in the text of this Report. The Report also includes disclosures required under the EU Taxonomy Regulation, the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and a series of IPIECA core disclosures, the SASB Sustainability Accounting Standards for the oil & gas sector, and the provisions of the non-binding EU Guidelines on non-financial reporting.

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. More information about OMV Petrom can be found in the [OMV Petrom Annual Report 2021](#) 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 2021).*

*Starting with January 1, 2022, OMV Petrom's business segments were renamed as follows: Upstream to Exploration & Production; Downstream Oil to Refining & Marketing, and Downstream Gas to Gas & Power.*

## 2021 KEY FIGURES

**EUR 11 bn**  
investments by 2030 in the **energy transition**

**Net zero**  
operations by 2050

**30%**  
reduction of carbon intensity of operations by 2030

### Top ESG Ratings:

**Ranked in the top 3%** of the Oil and Gas Producers Industry by **Sustainalytics**

**A - CDP Climate Change\***  
*\*based on OMV Group's response*

**EUR >11 mn**  
investment in communities development

**83%**  
recovery rate of waste generated

**11%**  
reduction in carbon intensity vs. 2019

**>1 mn**  
seedlings planted in Romania plants for tomorrow program (2020 - 2021)

**30.6%**  
share of women at management level

# CEO Statement

2021 was a year when the global COVID-19 pandemic continued to disrupt lives, societies and industries. A year when concerns related to security of supply also became more real than ever, highlighting yet again the need for a strong and diversified energy sector.

For us, at OMV Petrom, 2021 was a milestone year, with the launch of our Strategy 2030. We have set out on an ambitious path to transform OMV Petrom for a lower carbon future, with sustainability fully embedded into our business plans. We put forward the largest private investment plan in the Romanian energy sector, totaling EUR 11 bn. Around 35% of our investments will go to low and zero carbon solutions. We also intend to enlarge the share of natural gas in our hydrocarbon production to about 70%, as we see natural gas as a key enabler for a successful energy transition in Romania.

Increased performance and transparency on ESG issues remain a key focus for us. In 2021, we continued to improve our disclosure related to climate change management, in accordance with the recommendations issued by the Task Force on Climate-related Financial Disclosures. Our efforts were recognized by ratings agencies such as Sustainalytics that placed us among the top 3% performing peer companies. It makes us proud to see that OMV Petrom's management of sustainability is rated as strong. Moreover, at the same time holds us to account to keep working on the areas where we need to improve.

## Our Net Zero journey

The global climate crisis remains urgent and requires our immediate attention. In December 2021, we announced a bold investment plan, with the ambition to lead the energy transition in South-East Europe by capitalizing on emerging market opportunities. On our journey to reach Net Zero operations by 2050, we aim for a 30% reduction in the carbon emissions of our operations by 2030, versus 2019. Our combined Scope 1, 2 and 3 emissions will decline by approximately 20% by 2030. We also target a reduction in our methane intensity to less than 0.2% by 2025, in line with international targets.

Our Strategy 2030 builds on a strong sustainability framework, with a clear commitment to run responsible operations, foster people and communities and leverage innovation and digitalization.

Our new climate targets will soon be followed by new commitments in other sustainability areas.

## Run Responsible operations

Health and safety remain a top priority for OMV Petrom and, in this context, we deeply regret the two contractor fatalities that occurred in 2021. We express our sincere condolences to their families. Our focus remains to avoid any health and safety incidents.

Running responsible operations is also about focusing on resource efficiency and acting with integrity and transparency towards all our stakeholders. We have zero tolerance for any form of corruption and expect our partners to do the same.

## Foster People & Communities

As a corporate citizen, OMV Petrom contributes significantly to the economic and social fabric of society. We want to build and keep a talented, diverse and engaged team to help the company transition to a low-carbon business and achieve its regional growth goals. Diversity and inclusion are powerful advantages that aid in the creation of business value and support our ability to innovate. We continued to increase women's representation in leadership positions and are already ahead of our 30% target for 2025.

We strive to make a positive difference in our communities by listening and acting on their concerns, as well as supporting their long-term development. We continued to invest in infrastructure to improve access to basic services such as healthcare and education in the pandemic context. And our three-year forestation program initiative became a collaborative platform and a collection of "firsts": the first Tiny Urban forest in Romania and the first platform for calculating and estimating the carbon sink potential of newly planted forests.

## Leverage Innovation & Digitalization

To support our ambitious decarbonization plans, we will invest approximately 2 bn euro in innovation and new technologies, mainly in hydrogen and carbon capture and storage. We expect these will help us achieve the target to capture more than 2 mn tons of CO<sub>2</sub> per year by 2030. And as partners in a European research project, we will implement a carbon capture and utilization pilot in our Petrobrazi Refinery.

The far-reaching changes brought about by the energy transition cannot happen without digitalization. We constantly focus on developing the digital skills of our employees and we are leveraging the power of digitalization to simplify and automate processes within the company. This will help us improve our organization's agility and offer a better experience for our customers.

## Our 2021 Sustainability Report

I welcome you all to read through our Report, as we take a look back at our promises and how far we've come, as well as introducing our new commitments to sustainability. Most prominently, we share in this Report the story of our energy and our people year after year, with 2021 serving as an example of our ability to adapt, overcome and continue to deliver results.

This is our sustainability story. This is what we do: provide the energy for a better life!



**Christina Verchere**

CEO OMV Petrom

# OMV Petrom Group

In 2021, OMV Petrom maintained its position as the largest energy company in Southeastern Europe, acting 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 mission is to provide the energy needed for day-to-day modern life: light, heat and fuels for mobility. Moreover, we are proud to be one of the top ten employers in Romania, as well as one of the largest taxpayers and private investors in the country.

Headquartered in Bucharest, Romania, the OMV Petrom Group had a turnover of RON 26 bn, with a CAPEX of RON 2.8 bn in 2021. The integrated business model of the Group, with Upstream, Downstream Oil and Downstream Gas as its three business segments, ensures its financial resilience in a volatile context, and helps provide an uninterrupted supply of energy to society.

## Upstream

- ▶ In 2021, our Upstream countries of operation included Romania, Bulgaria and Kazakhstan<sup>1</sup>, with main operation activities occurring in Romania within seven domestic assets operating 152 commercial oil and gas fields, including onshore and shallow offshore exploration & production and deep offshore exploration
- ▶ At the end of 2021, our portfolio consisted of 419.1 mn boe proved reserves and around 47.2 mn boe hydrocarbon production, including 3.2 mn tons of crude oil and natural gas liquids and 3.7 bn m<sup>3</sup> of natural gas
- ▶ In 2021 the sale of our 100% shareholding in Kom-Munai LLP and Tasbulat Oil Corporation (holding the production licenses for four onshore fields, respectively Komsomolskoe, Aktas, Tasbulat and Turkmenoi) in Kazakhstan was completed
- ▶ In the Eastern Black Sea, we signed a Production Sharing Contract (PSC) for Georgia Offshore Exploration Block II in March 2021
- ▶ Additionally, in December 2021 the transfer of 40 marginal onshore oil and gas fields was closed

<sup>1</sup> OMV Petrom had operations in Kazakhstan until May 2021



Onshore Oil Exploration and Production



Onshore Gas Exploration and Production



Offshore Oil and Gas Exploration and Production

## Usage



Aviation



Agriculture



Cars



Constructions



Plastics



Chemicals



Electricity



Heating



Hospitality



Steel

## Downstream Oil

- ▶ As part of our downstream operations, we operate **Petrobrazi Refinery**, located in Prahova County - Romania, with a capacity of 4.5 mn tons per year capable of processing OMV Petrom's entire Romanian equity crude oil
- ▶ Our retail included a total of 787 filling stations located in Romania, Moldova, Bulgaria and Serbia, operated under two brands: **Petrom and OMV**
- ▶ In 2021, we reached 5.34 mn tons of refined product sales, of which 2.94 mn tons were retail sales



Refining



Storage Logistics



Transportation



Marketing of Refined and Non-fuel Products



Power Marketing



Power Production

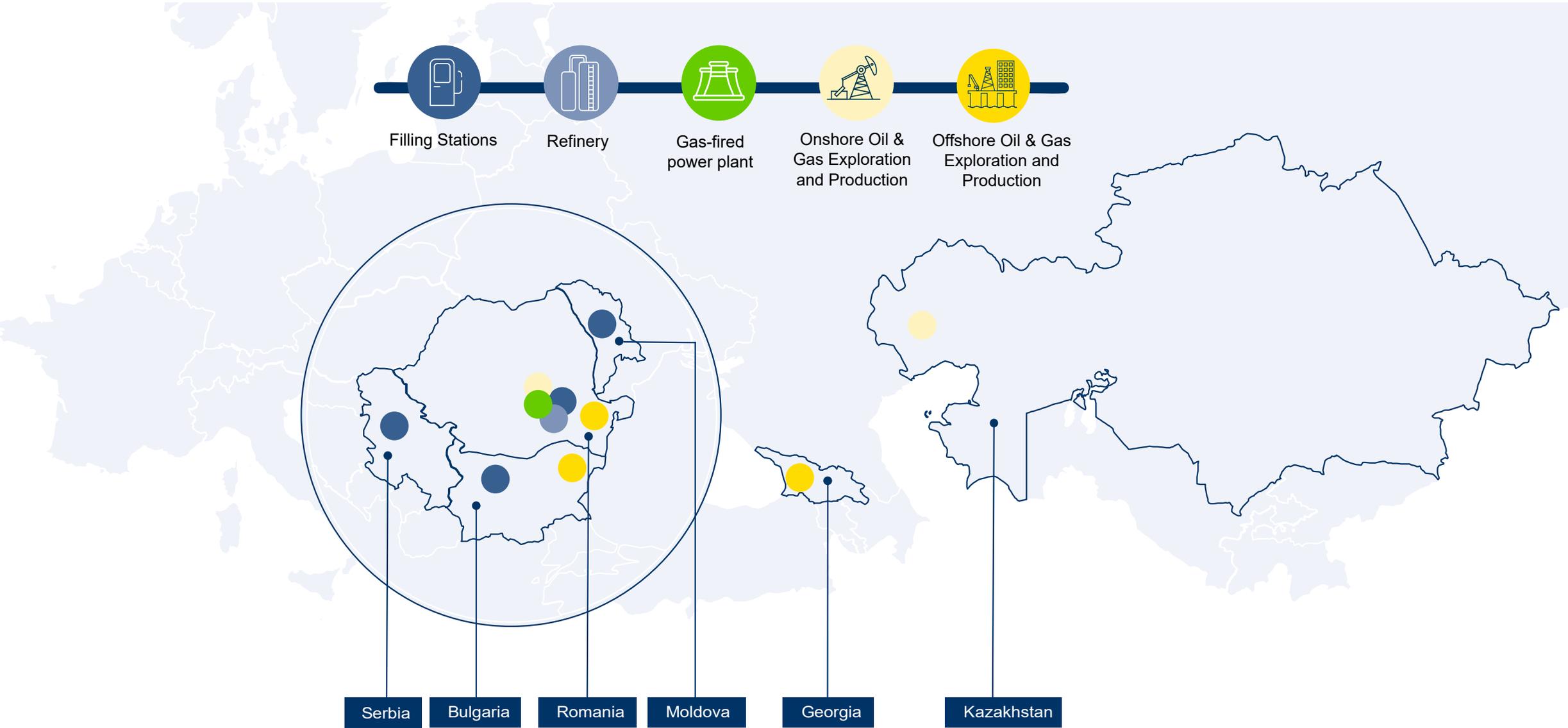


Gas Marketing

## Downstream Gas

- ▶ Our **Brazi Combined Cycle Power Plant (CCPP)** is a gas-fired power plant that has a capacity of 860 MW, and it is located in the same area as the Petrobrazi Refinery
- ▶ In 2021, the Downstream Gas segment recorded gas sales volumes of 48.94 TWh (including 38.42 TWh to third parties) and generated 4.79 TWh of electricity, a high record since start of operations.

# OMV Petrom Group



# Corporate Sustainability Governance

Sustainability is fully embedded in our Business Strategy, integrated as an essential component for the long-term increased value of our business.

## Shareholder structure

At the end of 2021, the Company had the following shareholding: OMV Aktiengesellschaft, the holding company of the OMV Group and one of Austria's largest listed industrial companies 51.0 %, Romanian State - 20.64% Fondul Proprietatea S.A. 7% S.A. while 21.4% were freely 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 2021](#) and the Company's [website](#). 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. 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, which includes an evaluation by a Supervisory Board member, followed by an external assessment. 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. 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 our core principle of pay for performance. The Executive Board remuneration consists of fixed and variable compensation elements, as well as benefits. The variable remuneration (which comprises a Long-Term Incentive Plan and annual bonus) includes performance 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.

## The Executive Board

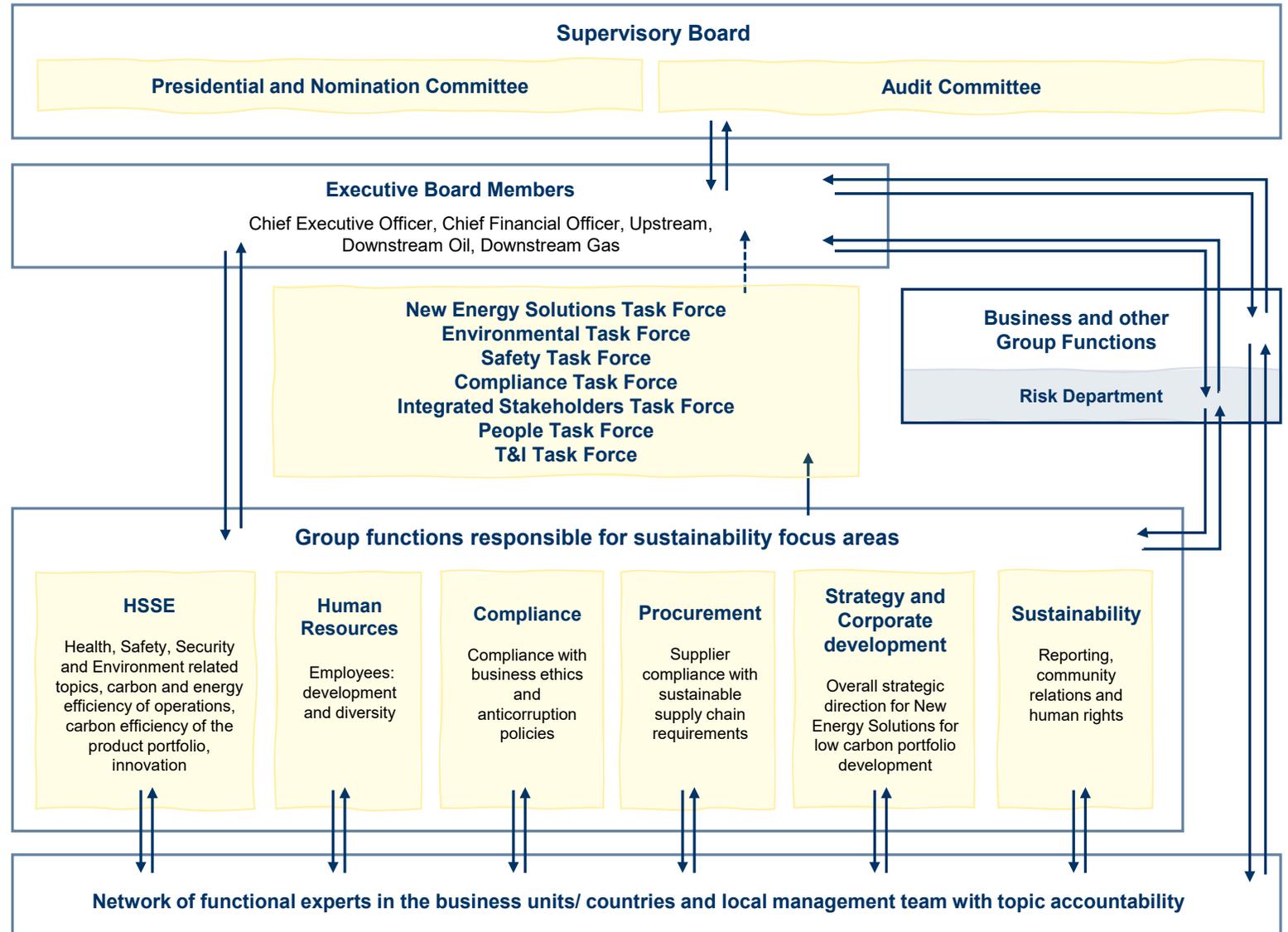
The [Executive Board](#) is appointed for a 4-year mandate by the Supervisory Board and consists of five members whose current mandate runs until April 2023. The Executive Board establishes the strategy and policies regarding the development of the Company, manages the daily activities and operations 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. 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 Strategic Framework of the Group** and the annual Sustainability Report and is informed of the progress in the Sustainability Strategy implementation. More information about our corporate governance system can be found in the [OMV Petrom Annual Report 2021](#).

# Corporate Sustainability Governance

Our functional experts and key stream leaders from corporate functions, acting as topic owners for strategic sustainability matters, are our most important players in the development of the sustainability framework incorporated in our Business Strategy as well as in its implementation.

According to internal regulations, the accountability for the OMV Petrom Sustainability Strategy and targets lies with the Executive Board. Moreover, we nominated the personnel in charge with the implementation of the OMV Petrom Sustainability Strategy 2025 and the revised Sustainability Framework 2030 in a series of task force teams, while our network of experts in sustainability matters monitor the progress on the implementation of the planned actions and prepare reports. Our experts report directly to their line managers, who further report to the Executive Board members. Their tasks include reporting on the progress in achieving the strategic targets, important events related to material topics and other sustainability initiatives. The ESG topics are on the agenda of OMV Petrom's dedicated task forces, with the participation of all Executive Board members, directors and relevant Senior Vice Presidents.

At corporate level (within the OMV Petrom Group), our Sustainability Department from our Group functions, coordinates the corporate sustainability projects and is responsible for contributing to and reporting on sustainability-related topics to internal and external stakeholders. It is also responsible for all social corporate awareness campaigns and stakeholder communication.



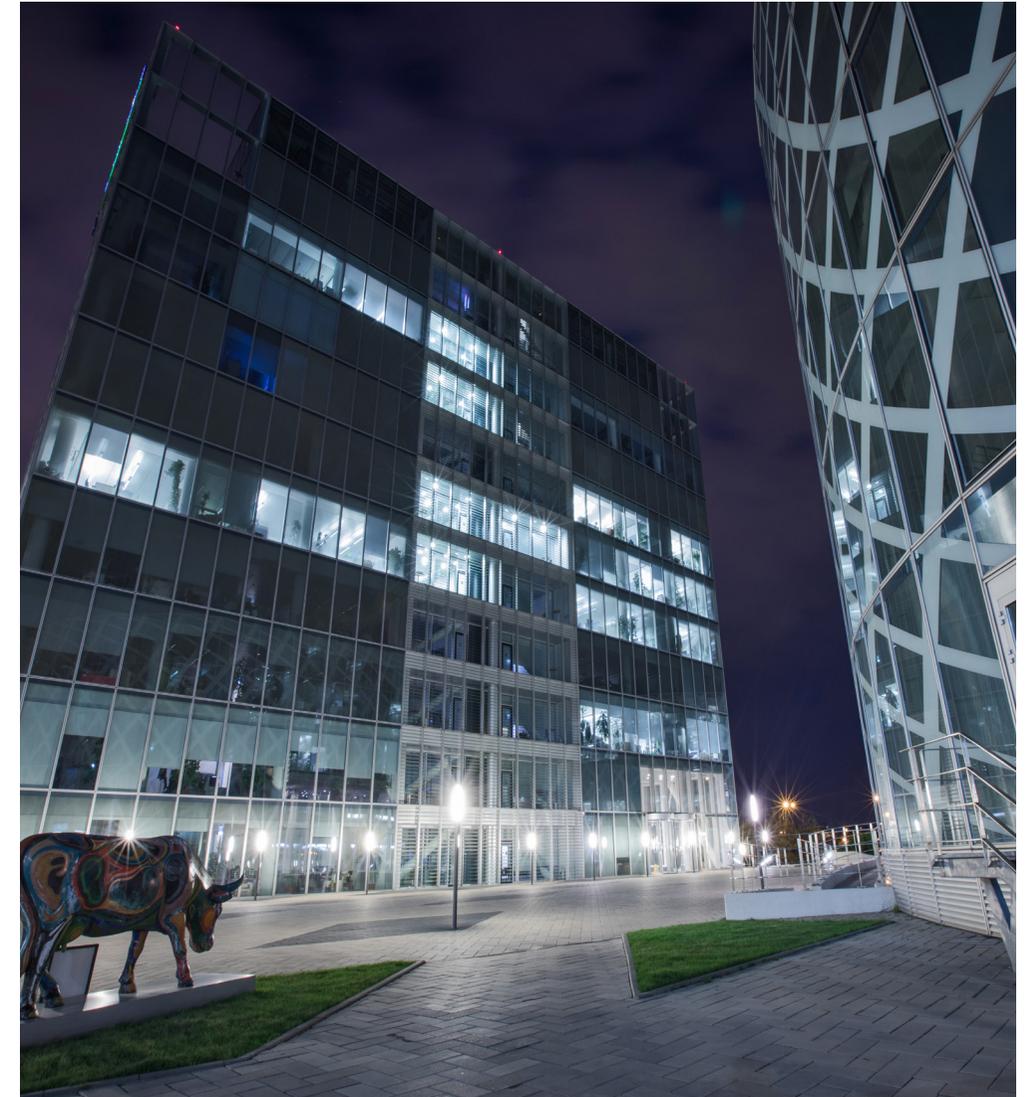
# Corporate Sustainability Governance

## Our public commitments

OMV Petrom is a signatory to the **United Nations (UN) Global Compact** since 2013, is fully committed to the UN Guiding Principles on Business and Human Rights, and actively contributes to UN Sustainable Development Goals (SDGs). The information disclosed in this Report is correlated with the relevant SDGs to emphasize our contribution.

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, we endorsed the World Bank's initiative "Zero routine flaring by 2030" and consequently aim to end routine flaring and venting in our operations by 2030 at the latest. In 2020, OMV Petrom also 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, to evaluating, disclosing and taking action on climate-related risks and opportunities. In line with these recommendations, we continue to improve our disclosures related to governance, strategy, risk management, and metrics and targets. The TCFD Index is presented in an annex to this report. To further increase transparency towards the investors' community and strengthen our commitment to sustainability, in 2021 our ISS ESG score was **C+** and from CDP at corporate level, the OMV Group obtained an **A-** score. OMV Petrom is ranked in the top 3% of the Oil & Gas Producers Industry in Sustainalytics' ESG Risk Ratings as of October 2021, achieving a score of 22.4 (medium risk). OMV Petrom's management of sustainability is rated as strong. We will continue to present our performance on all material ESG topics and progress achieved in our aim to improve our sustainability performance.

Our company supports the Paris Climate Change Agreement and contributes to UN's 2030 Agenda for Sustainable Development.



# Sustainability at OMV Petrom

## Sustainability Framework in our Business Strategy

### How we manage sustainability

In 2021, OMV Petrom launched the 2030 Business Strategy through which we are embarking on a path to transform to a lower carbon future. By the new ambition and targets established, OMV Petrom recognizes climate change as one of the most important global challenges as well as opportunities of today. The strategy sets out how we plan to grow as a diversified integrated energy company by adding new low carbon business activities and setting the path towards net zero in operations by 2050. Sustainability is fully embedded in the business strategy, with our focus on running responsible operations, innovation & digitalization and fostering people and communities. The UN 2030 Sustainable Development Agenda is an integral part of our sustainability mission and links between the 17 goals and our strategic ambition and enablers.

The Sustainability Framework covers all relevant sustainability material topics – as resulted from the materiality analysis conducted in November 2020. For each material topic, clear commitments, action plans and targets are being developed. Driving the Energy Transition in SE Europe is our strategic ambition and the core of our sustainability efforts. It is our long-term aim to reach net-zero emissions in operations by 2050 and enable access to low and zero-carbon energy solutions to our customers and society at large.

### Strategy 2030 key commitments

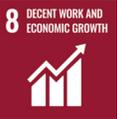
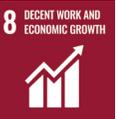
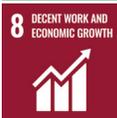
#### OMV Petrom: transforming for a lower carbon future

- ▶ **Our ambition is to lead the energy transition in South-East Europe, capitalizing on emerging market opportunities**
- ▶ **We are committed to achieve Net Zero operations by 2050**
- ▶ **By 2030 we will reduce the carbon emissions of our operations by ~30%, gas will make up 70% of our hydrocarbon production and**
- ▶ **~35% of our CAPEX will shift to low and zero carbon business**



# Sustainability at OMV Petrom

Our Sustainability Framework is built on **four focus areas**, which include **9 Material topics**, to emphasize our direct contribution to the UN SDGs.

Sustainability Framework	Material topics categories	SDGs	ESG Topics
Transition to low carbon business	Climate change and Energy transition	    	Environment
	Health, Safety and Security		
Run Responsible operations	Environment	   	Social
	Business Principles & Economic Impacts	  	Environment
	Supply chain		Governance
Foster People & Communities	Employees	   	Social
	Community Relations	  	
	Human Rights		
Leverage Innovation & Digitalization	Circular economy and Innovation	  	Environment
			Social

We already started on this journey, with investments for our transition to low and zero carbon products, recognizing the need to limit our industry's impact on climate change. On the path towards Net Zero operations by 2050, we also set intermediate 2030 targets for all emissions scopes. This is only the start of our energy transition. We will continue to work towards our decarbonization strategy for the years beyond 2030, to assess opportunities that we may pursue on long-term with the objective to contribute to the limitation of the global warming as set by the Paris Agreement.

# Sustainability at OMV Petrom

## Strategic commitments

The OMV Petrom targets under the new **sustainability framework extend to year 2030 and address the Transition to low carbon business** in particular. Commitments and targets for all the other focus areas are under development, to be finalized in 2022. Moreover, we will continue to track progress on our 2025 assumed targets in this report.

**2030 Climate Targets include achieving Net Zero Operations by 2050 (Scope 1 & Scope 2) with a Low Carbon Spending CAPEX (2022 – 2030) of 35% as well as a series of more specific 2030 targets related to carbon intensity and absolute values reduction.**

Reduction area	KPI	Target 2030
<b>Carbon Intensity of Operations</b>	E&P Carbon Intensity Reduction	- 70%
	Refining Carbon Intensity Reduction	- 15%
	Power Business Carbon Intensity Reduction	- 20%
	Group Carbon Intensity Reduction	- 30%
<b>Absolute GHG Emissions</b>	E&P Methane Intensity <sup>2</sup>	< 0.2%
	Scope 1: Zero Routine Flaring and Venting	0
	Scope 1-2 GHG Reduction	- 30%
<b>Carbon Intensity of our Portfolio</b>	Scope 1-3 GHG Reduction	- 20%
	Share of Low and Zero Carbon Products in Total Product Portfolio	~ 60%
	Net Carbon Intensity of Energy Supply Reduction	- 20%

<sup>2</sup> Methane intensity target is by 2025

## 1 Transition to low carbon business

By 2050, OMV Petrom operations will be carbon neutral, contributing to Romania's decarbonization targets. A greener and more diversified portfolio will be reached by investing in biofuels, alternative mobility, renewable power generation and new technologies.

## 2 Run Responsible Operations

We will achieve our business and climate ambitions by prioritizing the health and safety of our employees, customers and partners, focusing on resource efficiency and environmental protection, and acting with integrity and transparency towards all our stakeholders.

## 3 Foster People and Communities

We aim to build and retain a talented, diverse and engaged team to support the company's transition to a low-carbon business and its regional growth ambitions. We strive to make a positive impact in our communities, by listening and acting on their concerns and supporting their sustainable development.

## 4 Leverage Innovation & Digitalization

We are committed to explore the use of innovative technology, research & pilot projects in new energy solutions, such as: carbon capture utilization and storage CC(U)S, low carbon hydrogen, photovoltaic assets, e-mobility, gas mobility. We support the use of waste feedstock to produce biofuels. We leverage digitalization to run programs to reduce carbon footprint, enhance HSSE capabilities and upskill employees.



Romania is among the fastest growing economies in Europe, driving increasing energy demand. OMV Petrom is well placed to meet this demand with **lower carbon Black Sea gas and** significant investment in renewable power, biofuels, alternative mobility and new technologies.

Combined with a **disciplined approach to capital allocation**, we will generate significant free cash flow with **strong growth in profits** – supporting our investments across the business and delivering strong returns for shareholders through the decade

**We maintain a relentless focus on our stakeholders:** employees, communities, customers, and shareholders

# Materiality

## Engaging with our stakeholders

Our operations and products have a direct and indirect impact on a series of stakeholders.

We are committed to engaging with our entire range of stakeholders through mutual respect, transparency and open dialogue.

We continually focus our efforts on an active dialogue with all our stakeholders to establish win-win relationships. As such, our activities include:

- ▶ **social assessments** for each project envisioned
- ▶ **professional support** jointly with professional associations in the energy and oil field 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
- ▶ **dialogue and support to local communities** where we operate
- ▶ **frequent engagement with investors on ESG** issues via one-to-one conversations, participations at external events and group meetings
- ▶ **active participation** at forums, conferences with key stakeholders, expert committees, and discussions, working groups, and organizing common projects discussions (partnerships)
- ▶ **constant engagement** with our employees. In 2021, over 35 virtual meetings between Executive Board Members team and employees were organized

## Stakeholder 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 and continued our engagement during 2021. Thus, we have involved in this process representatives from all our business units to classify our stakeholders into categories and sub-categories and prioritize them
- ▶ We aim to continue building on our Stakeholder identification and prioritization process

## 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 2021, the Company's top management and the Investor Relations (IR) team maintained their active presence on the local and foreign capital markets, by attending conferences and organizing calls for analysts and investors
- ▶ In 2021, we attended a series of conferences and we virtually/personally met investment funds, to regularly update investors and analysts on the quarterly operational, financial performance, strategy execution and plans
- ▶ During 2021, the number of interactions with a focus on ESG topics increased

## Dialogue with Trade Unions

We permanently value our Employer-Trade Union relationship, essential in maintaining the Company's social equilibrium.

- ▶ In 2021, we continued our 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
- ▶ In 2021 we continued our dialogue with Trade Unions to find common approaches to the new challenges that the business environment and employees' lives are facing, to inform and consult with them in the decision process



# Materiality

Stakeholder group	Examples of engagement
<b>Suppliers &amp; Contractors</b>	Negotiations and contracts
	Supplier audits and assessments
	Supplier meetings
	Reporting related to common projects
<b>Employees</b>	Update events with Executive Board members
	Online company platform (Intranet)
	Internal newsletter
	Internal blog
	Survey
<b>Local community</b>	Constant dialogue through Trade Unions
	Sustainability projects
	Sponsorships and donations
	Grievance mechanisms
	Meetings for business projects
	Public Debates
<b>Government/ Central Authorities</b>	Participation in Town Hall events
	Participation to meetings
	Relationship management
<b>Media</b>	Regular reporting (as required by legislation)
	Press releases
	Conferences/Events
	Interviews
	Workshops
<b>Joint Venture &amp; other Business Partners</b>	Industry meetings
	Contracts
	Participation in working groups

Stakeholder group	Examples of engagement
<b>Capital market participants</b>	Regular reports and presentations
	Roadshows
	General Meetings of Shareholders
	Conferences
<b>Education, science and research organizations</b>	Joint projects with industry partners, scientific organizations, schools and universities
	Conferences and lectures
	Sustainability projects
	Employer branding activities
<b>Customers</b>	Advertising/ communication campaigns
	Events
	Engagement activities within the filling stations
<b>NGOs/ NPOs</b>	Newsletters
	Social projects for communities, vulnerable people
	Sponsorships and donations
<b>Competitors &amp; Peers</b>	Stakeholder dialogue and grievance mechanisms
	Industry meetings
	Contracts
<b>Associations/ Networks</b>	Participation in working groups
	Regular reports and presentations
	Roadshows
	General Meetings of Shareholders
	Conferences
<b>Associations/ Networks</b>	Meetings/ Debates
	Workshops/Conferences



# Reporting on Materiality

Every three years we develop an extensive and structured process of consultation with the Company's external and internal stakeholders in order to identify new material topics for the Sustainability Report.

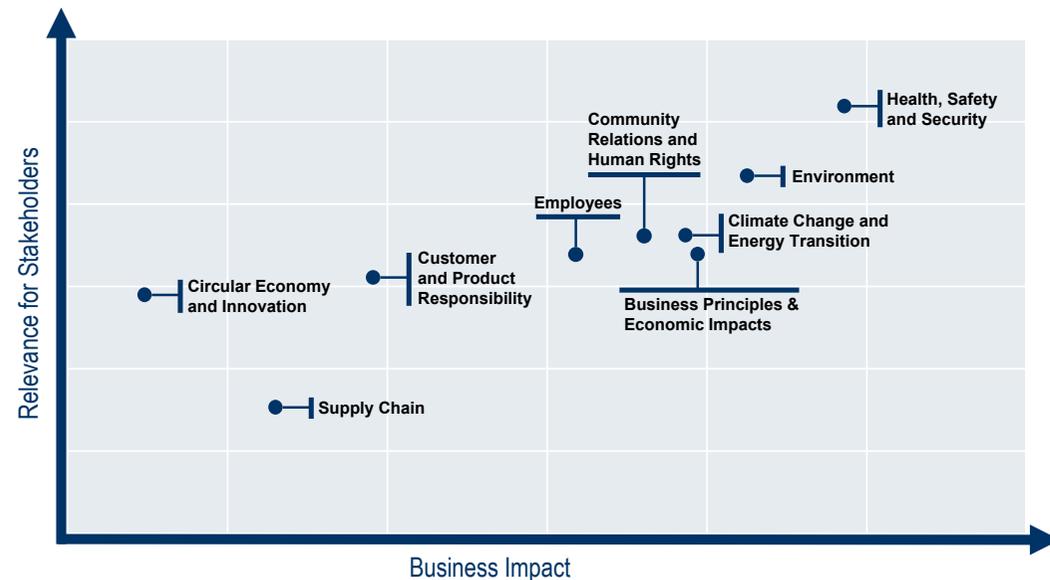
In 2020, we implemented an analysis and consultation process to determine our new sustainability priorities. Since then, we have continually monitored and updated our priority issues. You can find more about the full-scale process of consultation and analysis we performed in our [Sustainability Report 2020](#) and our [website](#).

The sustainability topics are re-grouped into 9 topic categories, containing a series of sub-topics to facilitate the reporting process and harmonization with the Sustainability Framework under the [2030 Strategy](#) approved by the Executive Board at the end of 2021.

Material topic categories of major importance for stakeholders and OMV Petrom are presented in the matrix below.

These topics are further classified in four focus areas as strategically updated in 2021, and our performance on each topic and sub-topic is disclosed within this Report.

We will continue to monitor internal and external factors that can influence our sustainability priorities. Given the current legal developments at EU level on corporate sustainability reporting and other developments in particular related to climate change and energy transition, we decided to re-examine the materiality of our topics in a new consultation in 2022.



Sustainability Framework	Material topic categories	Sub- topics
Transition to Low and zero carbon	Climate Change and Energy Transition	<ul style="list-style-type: none"> <li>▶ Reduction of flaring, venting</li> <li>▶ Scope 1,2,3 emissions</li> <li>▶ Energy efficiency</li> </ul>
		<ul style="list-style-type: none"> <li>▶ Health</li> <li>▶ Occupational Safety</li> <li>▶ Process Safety</li> <li>▶ Product Safety</li> <li>▶ Security</li> </ul>
		<ul style="list-style-type: none"> <li>▶ Spills management</li> <li>▶ Waste management</li> <li>▶ Water management</li> <li>▶ Environment compliance</li> </ul>
Run Responsible operations	Environment	<ul style="list-style-type: none"> <li>▶ Business ethics, anti-corruption and anti-competitive behavior</li> <li>▶ Indirect economic impact through local economic development</li> </ul>
		<ul style="list-style-type: none"> <li>▶ Business ethics for suppliers</li> </ul>
		<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>
Foster People & Communities	Employees	<ul style="list-style-type: none"> <li>▶ Community development investments</li> <li>▶ Environmental, health and well -being impact</li> </ul>
		<ul style="list-style-type: none"> <li>▶ Human Rights</li> </ul>
Leverage Innovation & Digitalization	Circular economy and Innovation	<ul style="list-style-type: none"> <li>▶ Circular economy and Innovation</li> <li>▶ Digitalization</li> </ul>
		<ul style="list-style-type: none"> <li>▶ Human Rights</li> </ul>

# Mapping our specific Sustainability Risks

## Risks and Opportunities

Same as the entire oil and gas industry, 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).

The COVID-19 pandemic continues to have a major impact on the global economy, while the energy sector is undergoing its own specific challenges. OMV Petrom closely monitors developments and regularly evaluates their impact on its cash flow and liquidity position

## Risk Management Governance

The Executive Board is responsible for risk oversight, ensuring that management has put in place a rigorous process for identifying, prioritizing, managing, and monitoring the critical risks affecting the Company. The Executive Board is responsible for risk oversight, ensuring that management has put in place a rigorous process for identifying, prioritizing, managing, and monitoring.

Risk prevention is deeply integrated into the decision-making processes of everyday business activities at every level of our organization. The Executive Board sets, communicates, and implements our risk management culture throughout the Group. OMV Petrom Executive Board members regularly discuss current and upcoming environmental, climate, and energy-related policies and regulations, related developments in the fuels and gas market, the financial implications of carbon emissions trading obligations and progress on achieving sustainability-related targets.

To ensure that management takes risk-informed decisions, with adequate consideration of actual and prospective view, the Executive Board has empowered a dedicated Risk Management function with the objective to lead and coordinate the Company's risk management-related processes. OMV Petrom's consolidated risk profile is regularly reported for the Executive Board's endorsement and for the information of the Supervisory Board's Audit Committee.

## Risk Management Process

The **risk management process** is based on a precautionary, systematic approach, aimed at timely identification and management of risks in order to avoid a possible negative impact on our business or reputation. We believe that creating a **risk-aware culture** throughout the organization, where everyone is aware of the risks related to his 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 focus on risks that might affect the Company's objectives. The main purpose of our EWRM process is to deliver value through risk-based management and decision-making. OMV Petrom is constantly enhancing the EWRM process based on internal and external requirements, with 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 bring their effects on the Company's cash flow to an acceptable agreed level.

**Bottom-up and top-down processes are combined**, with every single employee responsible for managing the risks within their sphere of responsibilities in a holistic process. We use common risk terminology and language across OMV Petrom in order to facilitate effective risk communication and management. 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. Department heads are responsible for initiating the risk analysis, which includes selection of 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 prioritization process and serve to identify probability ranges and the related consequences if risks were to materialize. On the other hand, senior management evaluates **top-down risks** against a long-term time horizon to provide a strategic perspective of risks across a ten-year timeframe. Permanently scanning the horizon to identify emerging risks and having regular risk meetings, our 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, and 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 and risk appetite. The risk management system and its effectiveness are monitored by the Audit Committee of the Supervisory Board via regular reports.

# Mapping our specific Sustainability Risks

## Risk Taxonomy

Risk categories are defined as follows:

- ▶ **Short-term risks** may impact near-term financial results, including those that may materialize within the current annual reporting cycle
- ▶ **Medium-term risks** may materially impact our financial results within a three-year timeframe
- ▶ **Long-term risks** may fundamentally impact the viability of our long-term strategy and business model, including those that may materialize within a ten-year timeframe

The risks within OMV Petrom's EWRM system are further grouped into the following categories: market and financial, operational, and strategic. These categories include, among others, market, financial, project, process, health, safety and security, tax, compliance, personnel, legal, regulatory, and reputational risks. In terms of tools and techniques, OMV Petrom follows the best 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 three-year time horizon. Risks identified are analyzed considering the causes, consequences, historical trends, volatilities, and potential cash flow impact.

## Market and Financial Risks

Key financial and non-financial exposures include commodity market price risk, foreign exchange risk, counterparty credit risk, etc., in connection with low-probability, high-impact hazards. Other risks accounted for are counterparty credit risk, liquidity risk, and interest rate risk. In terms of **mid-term liquidity**, we aim to secure our capacity to deliver positive economic value while managing the Company's risks and their potential cash flow impact within the limits of the risk appetite. High potential single event risks as well as long-term strategic risks are also identified, evaluated, analyzed, and managed consistently.

To assess **short-term liquidity risk**, the budgeted operating and financial cash inflows and outflows are monitored and analyzed on a monthly basis to establish the expected net change in liquidity, and the basis for financing decisions and capital commitments. For mid-term risks, to ensure that OMV Petrom always remains solvent and retains the necessary financial flexibility, liquidity reserves in the form of committed credit lines are maintained.

In regard to 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's risk profile and liquidity. The market price risks of OMV Petrom commodities are closely analyzed, quantified, and evaluated. In terms of **foreign exchange risk management**, OMV Petrom is essentially exposed to the volatility of RON 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 prices 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. Counterparty credit risks are assessed, monitored and managed at Company level using predetermined limits for specific countries, banks, clients, and suppliers. Based on creditworthiness and available rating information, all counterparties are assigned maximum permitted exposures in terms of credit limits (amounts and maturities), and the creditworthiness assessments and granted limits are reviewed on a regular basis. OMV Petrom is also inherently exposed to interest rate volatility in its financing activities, however, the risk level is low.

## Operational Risks

From an operational risk perspective, OMV Petrom is an integrated company with a wide asset base composed mainly of hydrocarbon production and processing plants. A special focus is given to process safety risks where OMV Petrom's policy is "ZERO harm - NO losses".

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. 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 its risks via insurance instruments. These risks are however closely analyzed, quantified, and monitored by the risk organization and are managed via detailed internal procedures. Our risk management system is part of the corporate decision-making process. Risks associated with new major investment projects or important business initiatives are assessed and communicated to management prior to the approval decision, as part of the project evaluation process.

## Pandemic risks

The global spread of the COVID-19 pandemic continues to have a significant impact on global economic development. Increases in COVID-19 cases around the world as new virus variants emerge, combined with supply chain disruptions and high price inflation, could cause a delay in the expected demand recovery. OMV Petrom is responding to the situation by taking specific steps to protect the company's economic stability and energy supply. Every employee's health and well-being is a top priority.

## Strategic risks

From a long-term sustainability perspective, a strategic risk assessment process is in place, on the one hand, to capture the executive management's perspective of the risk environment across a long-time horizon and, on the other hand, develop risk mitigation plans and monitor implementation of defined actions. The strategic risks refer to both externally and internally driven risks (e.g., oil and gas market volatility, climate change, political, regulatory, human capital, technology and innovation). An annual strategic risk assessment ensures a robust revalidation of identified risks. It captures new developments or provides updated information on the operating environment and industry trends, and thereby has a positive impact on the Company's ability to achieve its objective.

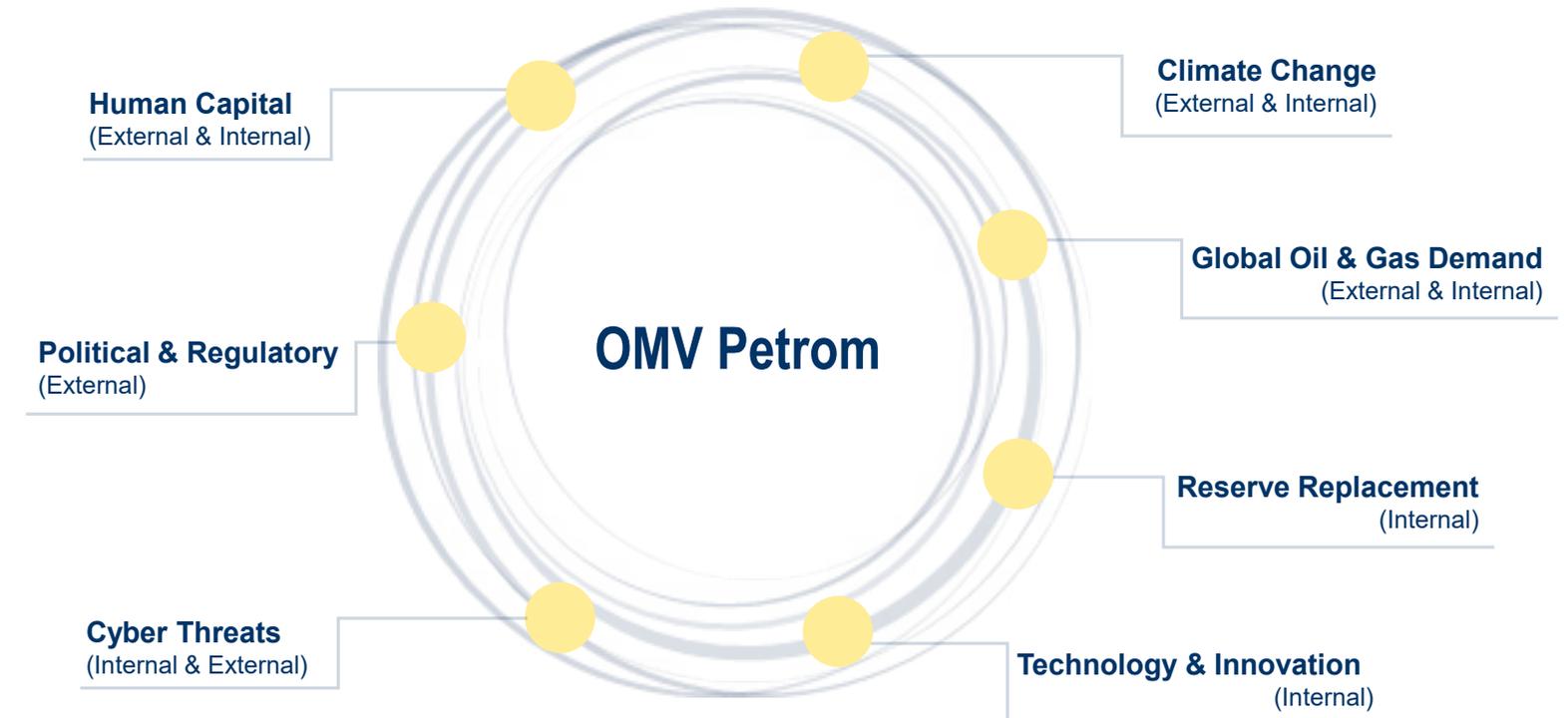
# Mapping our specific Sustainability Risks

## The universe of our strategic risks

- ▶ **Climate Change** - In OMV Petrom we approach climate change in a holistic way, all energy transition related activities are integrated to minimize the risks and enhance the opportunities.
- ▶ **Global Oil & Gas Demand** - Due to major factors affecting the volatility of the oil and gas markets, the prices may have large fluctuations. The recent climate change regulations trigger an unprecedented pressure, affecting all market fundamentals.
- ▶ **Reserve Replacement** – OMV Petrom mature fields and declining production triggers immediate measures to increase Reserve Replacement Rate (RRR). This supports our view of increasing the share of natural gas in our hydrocarbon production, as we see natural gas as a key enabler for a successful energy transition in Romania.
- ▶ **Technology and Innovation** – The fast pace of technology development, the current trends within the energy industry and the lack of innovation capabilities could lead to a significant loss of growth or efficiency opportunities.
- ▶ **Cyber Threats** – Due to a major cyber event, the OMV Petrom IT infrastructure may experience a massive disruption that can lead to the loss of access or the destruction of critical information.
- ▶ **Political & Regulatory** - Major political factors and emerging regulatory requirements may impact OMV Petrom's ability to achieve its strategic objectives.
- ▶ **Human Capital** - As a major company, OMV Petrom considers human capital as an important asset and has put in place a strategy to manage human resource risks.

## Mapping our sustainability risks and opportunities

A summary of our potential risks and opportunities (identified risk and opportunity topics), their potential impact and our mitigation or other actions in management approach, structured by our sustainability material topics is presented, [annexed](#) to this report. Relevant risks and opportunities included were selected based on their magnitude using impact and probability, and at least one relevant example for each material topic was selected for our internal analysis. The summary includes risks and opportunities for each material topic, their effects and our mitigation measures or approach.



# Mapping our specific Sustainability Risks

## Climate Change Risks Management

Climate-change-related risks and opportunities are integrated into OMV Petrom's EWRM process aimed at identifying, assessing, and managing business-related risks. The short- and medium-term risks are analyzed for their impact on the Company's three-year financial plan. The effects of long-term risks are evaluated based on a qualitative analysis, taking into account a wider range of uncertainty. Climate-related risk and opportunities have already impacted our business plans and objectives in the medium term. The most substantive climate-related changes in the oil and gas industry are expected to arise on a longer time scale – in particular with regard to revenues. Therefore, management pays close attention to climate change related long-term risks and opportunities and takes these into account in strategic decision-making. Risks are identified in a bottom-up approach by the employees responsible for our day-to-day business, and in a top-down approach by the corporate units responsible for monitoring regulatory, market, and reputational risks in line with the latest national and international developments. These risks are assessed in terms of their potential impact on the medium-term financial performance plan. In the bottom-up approach, climate-change related risks are identified using the standardized methodology of the EWRM process. This process is based on the EWRM Standard supplemented with a set of principles defining the ESG/sustainability risk and opportunity requirements as part of the OMV Petrom risk management framework, supported by the rights, responsibilities and expectations of specific risk stakeholders.

Being the first Romanian company to support the recommendations of the Task Force on Climate-related Financial Disclosures, 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**. This year, OMV Petrom announced a series of commitments in support of reaching a net zero target by 2050. Getting there requires measuring, managing risks and opportunities, enhancing transparency and proper funding.

In 2021, our **progress on TCFD** is reflected in our initiation of first steps:

- ▶ **Governance** - manage and coordinate climate change risks and opportunities. There are dedicated task forces New Energy Solutions and Environmental task forces through which EB members quarterly monitor and manage climate change aspects
- ▶ **Strategy** – risks and opportunities identified, future focus on impact evaluation and company resilience in the light of the recently published 2030 OMV Petrom business strategy with the sustainability framework embedded
- ▶ **Climate Change Risk** – risk management process ongoing (scenario analysis); future focus: pilot for climate risks of new investment projects
- ▶ **Metrics and Targets** – ongoing disclosure, new climate change KPIs disclosed in 2030 OMV Petrom strategy

## Physical risks

Potential severe weather events like flooding, periods of low or no precipitation and storms could bring physical risks that impact our assets portfolio such as: floods, landslides, railway infrastructure damages, inability to access water for the normal operations (internal consumption). Climate change risks impacting physical assets are evaluated on a mid-term period (three-year time horizon) using our EWRM framework and process. The potential financial impact has been estimated based on assumed business interruption in OMV Petrom Upstream and Downstream generating loss of revenues of approximately EUR 27 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 sufficient 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 Fit for 55 legislative packages proposal, and their subsequent transposition into national Romanian regulation result in limits set on GHG emissions by the energy sector. This process of decarbonization 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-intense 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 of 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 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 creates opportunities for OMV Petrom based on the increased demand for lower- or zero-carbon products (e.g., natural gas, biofuels, e-mobility, CNG, LNG, hydrogen). OMV Petrom is well placed to meet this demand with lower carbon Black Sea gas and significant investment in renewable energy, biofuels, alternative mobility and new technologies.

# Mapping our specific Sustainability Risks

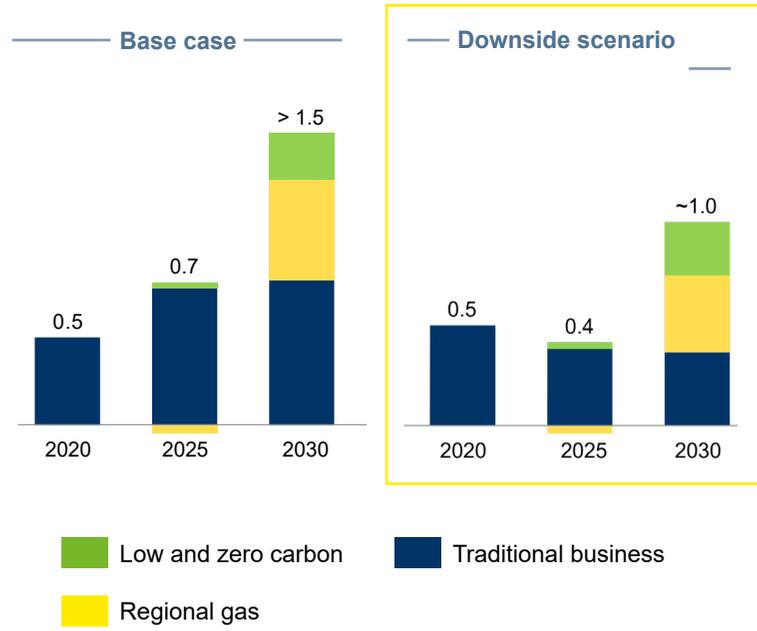
## Scenario Analysis

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 considered 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 uses the International Energy Agency (IEA) assumptions to incorporate current and announced policies, targets and plans in the company's mid-term planning framework. Based on the IEA, in the context of Sustainable Development Scenario (SDS) path implementation, we projected the development of the oil and gas demand in Europe and in the OMV Petrom core markets up to 2030.

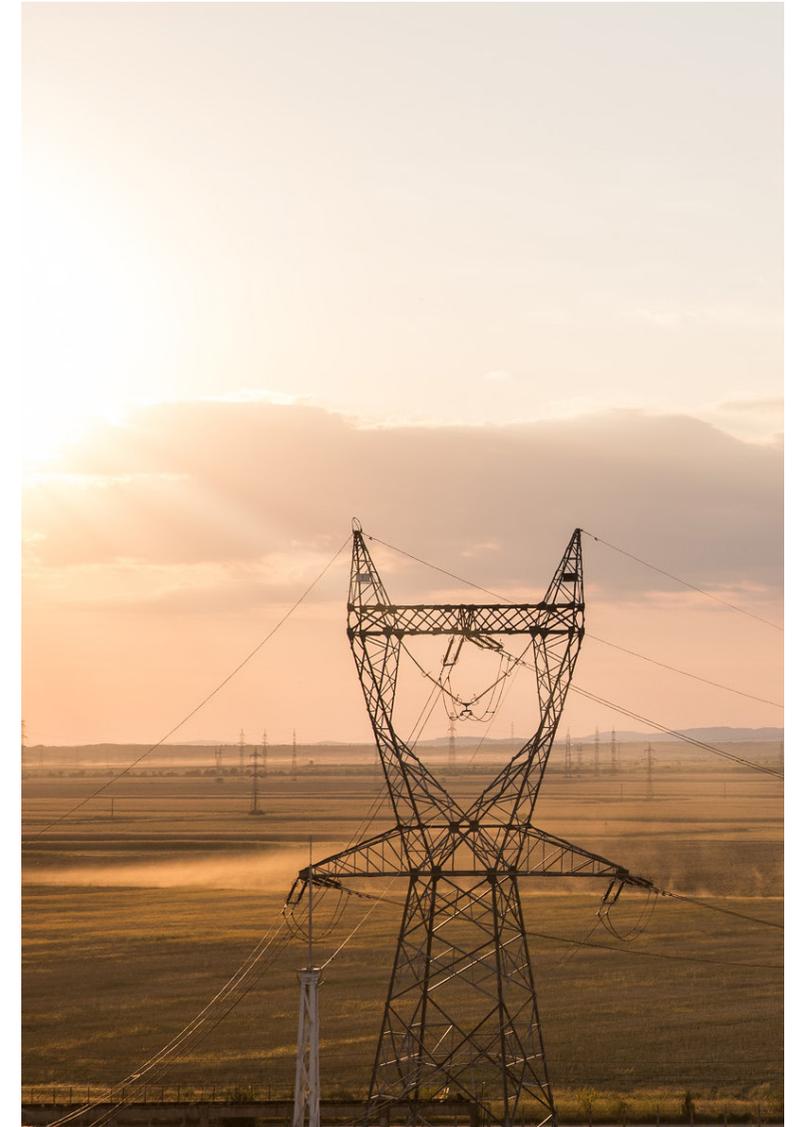
The IEA SDS was used by OMV Petrom as a downside sensitivity to generally understand how the existing and future OMV Petrom portfolio performs in such a business scenario. For this scenario, a thorough analysis was performed regarding the assumptions behind it and their implementation in an OMV Petrom model in order to understand the long-term financial consequences for OMV Petrom.

Given the uncertainties generated by the long-term horizon and the increasing challenges posed by climate change on our industry, we have tested our strategy for a downside-price scenario, with a Brent price lower by USD 15-20 than in the mid-term plan scenario. The stress case reflects globally declining volume developments for almost all products resulting in negative growth rates and further decline in margins compared to the mid-term plan scenario. Also, an increase in CO2 price was taken into consideration. See next the clean CCS EBIT in EUR bn variation.



The results under the downside price scenario present a healthy financial position maintained, with a gearing ratio below 20% throughout the period. In addition, under this price scenario the 2030 Clean CCS EBIT is estimated to be double versus 2020 considering the transformational program that OMV Petrom is proposing through the new strategy, while the CAPEX remains unchanged.

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. According to our strategy, OMV Petrom will reduce by 2030 the Scope 1 and 2 carbon emissions of its operations by ~30%, compared to 2019.





## FOCUS AREAS

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# Transition to Low Carbon Business

In the face of many uncertainties, our 2030 Strategy demonstrates that we know this to be true: we will grow our business, provide more energy with less emissions, assist our customers in decarbonizing, and make our employees proud to be a part of this journey. Transitioning to a low-carbon business means finding new and sustainable ways to meet the growing energy needs of society. We will continue to invest in order to meet the decarbonization targets.

## Climate Change and Energy Transition

We recognize climate change as one of the most important global challenges. The goals set forth by the **Paris Climate Change Agreement** call for our full and continuous commitment to climate change mitigation and responsible resource management. Our 2030 ambition is to **lead the energy transition in South-East Europe**, capitalizing on emerging markets opportunities. The company aims to achieve **Net Zero operations by 2050** and three key directions will contribute to this objective: decarbonize current operations, expand lower carbon gas business and pursue low and zero carbon business opportunities. OMV Petrom will build on its unique expertise and capabilities as the largest integrated energy player in South-East Europe. The company's portfolio will be expanded to include five new zero and low carbon business activities, which together will account for EUR 3.7 bn investments, representing around 35% of cumulated CAPEX by 2030, and will contribute with approximately 15% to the total 2030 Clean CCS EBIT.

To provide customers with a range of lower carbon energy options, OMV Petrom aims to build a portfolio of renewable power assets, first initiating investments in solar photovoltaic technologies, that have a great potential in Romania. The company aims to put in function more than 1 GW of renewable power capacity in Romania by 2030. Diversifying and decarbonizing our fuels portfolio represents another important direction, with the production of biofuels and advancement of alternative fuels. OMV Petrom plans to exceed 15% biofuel from the total fuel production in 2030, with 150 kt/year of 2<sup>nd</sup> generation ethanol from hay straws and 450 kt/year of sustainable aviation fuel and renewable diesel. The low carbon mobility infrastructure will be developed, with more than 500 alternative fuel refill points (e-mobility, H<sub>2</sub> solutions, LNG & CNG). In the second half of the decade, the company will intensify investments to seize opportunities on carbon capture, utilization and storage, as well as on hydrogen, which are anticipated to have a significant contribution to the decarbonization of the country.

For **carbon capture, utilization, and storage**, OMV Petrom aims to leverage its extensive expertise as Upstream operator, also capitalizing on Romania's onshore and offshore storage potential. In low-carbon **hydrogen**, OMV Petrom has the ambition to become an integrated player in the long-term, exploring various opportunities - from the production of blue, turquoise, and green hydrogen to utilizing hydrogen for own decarbonization, industry demand and as fuel for mobility.

The share of gas in the company's hydrocarbon production mix will increase to around 70%, reflecting the pivotal role of natural gas as a transition fuel in the energy mix in Romania. The increase in equity gas will also support the country's efforts to decarbonize, as gas can replace coal in power generation and enable integration of renewable capacities.

Overall, the implementation of the 2030 strategy, with the strong commitment to energy transition, will lead to the reduction of carbon intensity throughout all business segments. Carbon intensity of our operations is expected to decline by around 30% while the intensity for Scope 1-3 emissions is forecast to drop by around 20% until 2030. We are targeting a reduction in our methane intensity to less than 0.2% by 2025, in line with international targets.

Our commitment to energy transition is supported at various levels within our organization, complementing the environmental governance processes already in place, the enhanced focus on low-and zero-carbon business. In 2021, we developed the New Energy Solutions (NES) unit within the Strategy and Corporate development group function, that reports to the CEO. The objective of the NES Department is to enable and support OMV Petrom's strategic ambition for 2030 to lead the energy transition in South-East Europe. In close collaboration with all relevant internal and external stakeholders, the NES unit facilitates the meaningful business transition towards a future where low emission technologies and innovative energy solutions are employed to reduce our own and our clients' carbon footprint.



# Climate Change and Energy Transition

## The progress on our promises

2025 targets		Status	Target 2030 vs 2019		Next steps	
Climate Change and Energy Transition	<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 practice and phase out existing routine flaring and venting latest until 2030.</li> </ul>		<b>Carbon Intensity of Operations Reduction</b>	E&P Carbon Intensity Reduction	- 70%	▶ Continue reduction of intensity and absolute values measures, monitor progress yearly to ensure targets are reached, implement additional measures as needed
				Refining Carbon Intensity Reduction	- 15%	
	Power Business Carbon Intensity Reduction	- 20%				
	Group Carbon Intensity Reduction	- 30%				
	Upstream Methane Intensity	< 0.2%				
	<b>Absolute GHG Emissions Reduction</b>	Scope 1: Zero Routine Flaring and Venting	<b>0</b>			
		Scope 1-2 GHG Reduction	- 30%			
		Scope 1-3 GHG Reduction	- 20%			
	<b>Carbon Intensity of Portfolio Reduction</b>	Share of Low and Zero Carbon Products in Total Product Portfolio	~ 60%			
		Net Carbon Intensity of Energy Supply Reduction	- 20%			

Note: 2019 is our base year for all KPIs, except: Upstream Methane Intensity, Scope 1: Zero Routine Flaring and Venting, and Share of Low and Zero Carbon Products in Total Product Portfolio, for which no 2019 values were recorded.

Status On track

In OMV Petrom, the Executive Board members are informed regularly, at least quarterly, via Environmental Steering Committee, 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. See also our [Climate Change Risk Management](#) approach.

According to Article 8 of the EU Taxonomy Regulation, OMV Petrom Group prepares a statement on its EU Taxonomy eligible and aligned activities indicating the related CAPEX, OPEX and turnover, and to publish this statement in the Group Sustainability Report. The EU Taxonomy Reporting is prepared annually. For the 2021 reporting cycle, the eligible activities according to the EU Taxonomy Climate Delegated Act were identified taking into consideration the description of the listed eligible economic activities. For the detailed information about the process and the results, see [EU Taxonomy Reporting](#) in this report.

# Climate Change and Energy Transition



Our carbon efficiency agenda focuses on process optimization and modernization, energy efficiency, using renewable energy, and delivering projects that reduce natural gas venting and flaring. Management of carbon efficiency in operations is incorporated into the sustainability governance process, as described in the [Sustainability at OMV Petrom](#) chapter of this report. The Executive Board approves carbon-related targets as part of the [Sustainability Framework in our Business Strategy](#).

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 and to meet the need for cleaner energy.

As a major national energy player, we are committed to contribute to Romania's transition to a low-carbon economy. OMV Petrom takes climate action in its operations, product and service portfolio, innovation and R&D activities, environment and social investments.

Our **Climate change and energy transition** approach and actions contribute to the following **UN Sustainable Development Goals**.

**SDG 3** ► target 3.9, by employing cleaner energy sources to ensure healthier lives



**SDG 7** ► target 7.2 and target 7.3 by increasing our share of renewables and increasing efficiency



**SDG 8** ► target 8.4 through resource efficiency improvement in our operations



**SDG 12** ► target 12.4 by employing a more sustainable management and efficient use of natural resources



**SDG 13** ► target 13.1 by increasing our resilience to climate change impacts, including scenario analysis.



# Scope 1, Scope 2, Scope 3

## Why is this important?

Reducing emissions from operations is an important strategic target for OMV Petrom, demonstrating our commitment to this essential topic, from our position of major energy supplier. CO<sub>2</sub> emissions from our operations as well as methane add to the significant impact on climate change resulting from the use of fossil fuel products. The Scope 1, 2 and 3 emissions of OMV Petrom are all significant contributors to climate change and to the future of OMV Petrom and have a financial impact on our business.

## Our commitment

Our renewed strategic commitment is to achieve Net Zero operations by 2050, and by 2030 to reduce our Scope 1 and 2 carbon emissions of our operations by ~30%, and by 20% for our total footprint including Scope 1, 2 and relevant Scope 3 emissions. By 2025, our carbon intensity shall be reduced by 27% (vs. 2010).

## We measure



We record our GHG emissions Scope 1, Scope 2 in Upstream and Downstream operations. Scope 3 relevant emissions are also reported.

## We act



Our GHG emissions occur along the entire value chain, so our mitigation measures include active decarbonization; our ambitious strategic targets of decreasing the GHG Intensity is set.

## We check



- ▶ Our Environmental Management System EMS - ISO 14001 is regularly audited for recertification.
- ▶ Our headquarters (HQ) representatives perform internal audits and quality data verification.
- ▶ EU-ETS installations are externally verified by an accredited company, according to the relevant legislation.

## We train



Environmental training provided under the EMS includes GHG management.

## We plan



Our planned actions include:

- ▶ Phasing out routine flaring and venting in Upstream by 2030
- ▶ Energy efficiency improvements in Upstream and in Downstream Oil
- ▶ Fugitive methane emissions reduction through process optimization, field modernization, and integrity improvement measures in Upstream

## Our key actions on carbon efficiency



OMV Petrom **Upstream** continued to implement projects to reduce GHG emissions. In 2021, our actions delivered reductions of flaring, venting and fugitive methane emissions thanks to modernization, replacement and/or optimization of gas processing and transportation infrastructure, as well as energy efficiency projects. Examples include:

- ▶ Modernization of the gasoline loading system at our Midia Terminal

- ▶ Install gas-to-power (G2P) units - in Pârâieni, Asset Oltenia, Park 3 Oarja – Asset Muntenia Vest and Tankfarm Băicoi Vest, in Asset Muntenia

- ▶ Rehabilitation/ replacement of gas pipelines in Asset Muntenia Vest

Continuing Leak Detection and Repair program in all Assets, as well as the organization of Green Kaizen events. 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.

An important contribution continued to be enabled by a **dedicated Carbon Management Program team** with focus on three main areas: carbon portfolio development, performance management, people awareness and mindset, analytics and data digitalization.

OMV Petrom Upstream is a pioneer in using fit for purpose technologies and applications for efficient use of energy and reduction of emissions. The G2P/CHP power plants mainly exploit the energy of the associated gases, that otherwise cannot be used, to obtain electricity and, in case of CHP applications, electricity and thermal energy for oil heating and separation processes. The obtained energy is exclusively used within OMV Petrom Upstream.

We have in operation 36 G2P and CHP power plants with a total installed capacity of 102 MW. In 2021, G2P Pârâieni (Asset Oltenia) was put in function with an installed capacity of 1.75 MW. Another two G2P power plants at Oarja (Asset Muntenia Vest) and Băicoi Vest (Asset Muntenia) have been also completed at the end of 2021. The latter two G2P projects are expected to deliver an emission reduction of around 45,000 t CO<sub>2</sub>eq against 2020 volumes.

# Scope 1, Scope 2, Scope 3

## Our key actions on Scope 1, Scope 2, Scope 3



### Small Hybrid Energy Efficiency Projects

OMV Petrom initiated several small hybrid energy efficiency projects to use the renewable energy and make its facilities more energy efficient, as follows:

- ▶ Solar to Power (S2P) & Gas to Power (G2P) “pilot” project, at Icoana in Asset Muntenia Vest
- ▶ Solar to Power (S2P) & Combined Heat and Power (CHP) in Asset Oltenia
- ▶ Solar to Power (S2P) & G2P in Asset Moesia
- ▶ Wind to Power (W2P) & CHP “pilot” project in Asset Moldova

On the medium and long-term, the intention is to cover all the electricity needs of the OMV Petrom Upstream Division with similar projects.

In 2021, **Downstream Oil** continued to implement relevant low carbon projects, such as:

- ▶ **Electro-mobility** - 21 electric car recharging stations were operational in Romania and Bulgaria. We are expanding our network of recharging stations for electric vehicles in Moldova and Serbia. Thus, OMV Petrom becomes the first energy company in the region with a network of recharging stations in four South-Eastern European countries. The infrastructure for powering electric cars is being developed together with partners from the electric mobility sector. Romania, Bulgaria, Moldova and Serbia will be connected by the end of 2022 through a network of around 100 fast and ultra-fast recharging stations. A short waiting time for recharging will encourage the electromobility in the region. Our ambition to reach over 200 charging points for alternative fueled vehicles by 2025, and additional 500 such points installed in our network by 2030, was communicated in our new Business Strategy

- ▶ The **Climate Neutral Card** is an initiative through which companies can become active in climate actions and contribute to offsetting carbon emissions resulting from fuel usage. In 2021, through the Climate Neutral Card, 31 companies were able to offset their carbon emissions. The Climate Neutral card is a unique product on the Romanian market and makes possible concrete actions to protect the environment and the communities

In 2021, at **Petrobrazi Refinery**, we continued the implementation of actions to improve carbon efficiency by replacement of L571 furnace with a steam preheater in the Catalytic Reforming Plant 2 to reduce the energy consumption by 7,993 GJ/year, equivalent with reduction of 178 tons/year gas fuel and reduction of 471 tons CO<sub>2</sub>eq/year.

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 electricity production of 4.788 TWh compared to 4.148 TWh in 2020. Since the commissioning date, this year's electricity production has had the highest value; the power plant also contributed to the balancing market and system services, supported by its technical capabilities. Power generated from gas supports the transition to renewable power. In 2021, our net power production increased by 0.640 TWh, and the GHG intensity decreased by 1.13%.

The Power Plant in OMV Petrom City increased its thermal and electricity production by 2.34% in 2021 vs. 2020, in line with consumption needs.

### Direct GHG Emissions (Scope 1)

In 2021, 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) totaled 4.04 mn t CO<sub>2</sub>eq, 5.4% lower (2020: 4.18 mn t CO<sub>2</sub>eq). The other GHGs are not relevant to our business and therefore have not been included in our figures.

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 2021. Around 72% 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 2021, our indirect GHG emissions totaled 0.0939 mn t CO<sub>2</sub>eq (2020: 0.0936 mn t CO<sub>2</sub>eq).

Our Scope 2 emissions are primarily driven by our energy-intensive Upstream and Downstream businesses. We will further explore the potential decrease in the electricity and steam purchased and increased use of own produced electricity and steam, as well as the purchase and use of electricity and steam from renewable sources.

### Indirect GHG Emissions (Scope 3)

In 2021, our Scope 3 emissions were 23.33 mn t CO<sub>2</sub>eq (2020: 24.74 mn t CO<sub>2</sub>eq) and are related to the total product sales volumes of OMV Petrom as stand-alone company. 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.

Reducing greenhouse gases will decrease our environmental impact and avoid costs associated with non-compliance with climate-related regulatory requirements while ensuring the efficient use of resources.

# Scope 1, Scope 2, Scope 3

Climate Change and Energy Transition

## Results (KPI, other indicators)



- ▶ Scope 1 emissions totaled 4.04 mn t CO<sub>2</sub>eq
- ▶ Scope 2 emissions totaled 0.0939 mn t CO<sub>2</sub>eq
- ▶ Scope 3 emissions were 23.33 mn t CO<sub>2</sub>eq

See also [Performance in detail – Environmental Performance](#)

## Progress



- ▶ Reduced the 2021 GHG Intensity of our operations in by 25% vs. 2010 and by 11% vs. 2019
- ▶ No new project with routine flaring in 2021
- ▶ Continued implementation of projects to phase out routine flaring and venting by 2030

## Outlook



OMV Petrom will continue the implementation of projects aiming at phasing out routine flaring and venting, as well fugitive methane emissions. In this regard, a portfolio of projects and measures was set up, consisting mainly in integrity, field modernization and process optimization projects.

Our planned energy efficiency projects also play a crucial role in reducing our carbon footprint. Examples of projects in 2022-2023 include E&P's Energy Efficiency Program with 15 MW of G2P/CHP power plants and hybrid G2P/CHP (combined with solar or wind power), as well as the Petrobrazi Refinery's Advanced Process Control System (APC) in Catalytic Reforming.

In 2022, 13 additional electric car recharging stations will be installed.



# Flaring and venting

## Why is this important?

Phasing out routine flaring is one of the essential steps towards reducing our GHG footprint and combining resource efficiency with economic success. Flaring and venting are both controlled releases of greenhouse gases, including methane, into the atmosphere. The environmental impact of these releases (along with fugitive emissions) can have a significant contribution to OMV Petrom's performance.

## Our commitment

We are committed to phasing out routine flaring according to the World Bank global initiative "Zero routine flaring by 2030"

In our renewed 2030 Strategy, by 2025, we further committed to achieve less than 0.2% methane intensity, detect and reduce fugitive emissions in addition to phasing out existing routine flaring and no new projects with routine flaring and venting.

## We measure



We measure, monitor, or perform mass balance calculations to determine the following:

- ▶ Volume of gas flared (Upstream and Downstream)
- ▶ Volume of gas vented (Upstream)
- ▶ Hydrocarbon vented
- ▶ Hydrocarbon flared
- ▶ Routine flaring and venting
- ▶ Methane emissions

## We act



**OMV Petrom Environmental Management Standard** requires that oil and gas fields shall be developed and operated according to plans that incorporate sustainable utilization or conservation of the field's associated gas without routine flaring and venting. Therefore, routine flaring or venting of associated/free gas as a means of gas disposal to facilitate liquid (oil and condensate) production (this includes Early Production Facilities) is prohibited.

Leak Detection and Repair (LDAR) serves as the basis for developing reduction projects in accordance with best practices in the industry and the best available technologies.

We also continue implementing projects to **phase out routine flaring and venting.**

## We check



- ▶ Advanced process control in place
- ▶ Production audits (include flaring and venting)

## We train



We act for improving continuously the GHG related competencies of our relevant employees (HSSE, production, maintenance, operators), though various means including classroom training, workshops, on the job training.



# Flaring and venting

## Our key actions on flaring and venting



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. 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.

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 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.

### Advanced Process Control in Petrobrazi Refinery, Downstream Oil – balancing fuel gas system

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.

## Green Kaizen Events in Upstream - minimizing fugitive emissions

In Upstream, in 2021, we continued the organization of Green Kaizen events, in Assets Oltenia & Moesia. Green Kaizen Events are intended to minimize and even eliminate the fugitive emissions in selected facilities, while enabling a low-carbon operational behavior among field personnel and local contractors. The Green Kaizen events typically occur for 5 days and involve a great engagement of the participants throughout this period. It is as such a very concentrated form of LDAR, which on top incorporates measurements before and after, by external contractor. 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.

### Modernization of gasoline loading system in Midia Terminal, Asset Petromar, Upstream

The project was finalized in 2021 with an investment of EUR 700,000. It consisted in the upgrade of the existing loading system, which involved pressurizing the tank with lean gas to facilitate the transfer of gasoline into the rail tankers. Furthermore, the lean gas was routed to the flare. Through installation of a new gasoline pumping unit, to enable loading without the lean gas pressurization, the flared gas releases will be decreased, resulting in an estimated yearly reduction of 3,800 t CO<sub>2</sub>eq.

## Results (KPI, other indicators)



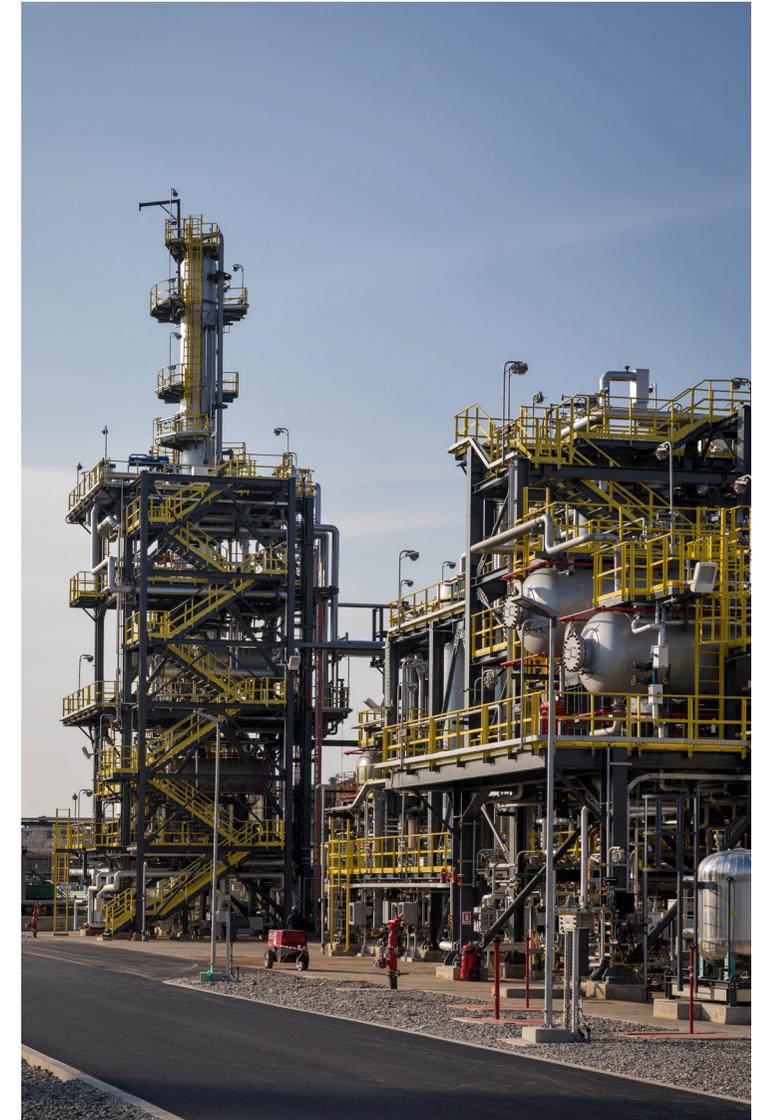
Our 2021 flaring and venting results are presented in the [Performance in Detail – Environmental Performance](#) section in this report.

## Outlook



We will continue our programs and plans:

- ▶ Fugitive methane emissions reduction through process optimization, field modernization, and integrity improvement measures in E&P
- ▶ Phasing out routine flaring and venting in E&P
- ▶ LDAR program in G&P and E&P



# Energy Efficiency

## Why is this important?

As an integrated oil and gas company, OMV Petrom operates large facilities and is also a major energy consumer. The amount of energy we use creates a significant impact on the environment. Effective management of energy consumption reduces the 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.

Energy efficiency measures therefore have a considerable effect on issues relating to energy consumption of interest to stakeholders. It is our Management's commitment to facilitate the creation of an energy efficiency culture within the organization.

## Our commitment

Our **Energy Policy Statement** reflects the organization's commitment to continuously improve the energy performance, and it is applicable to the Business Divisions included in the Energy Management System (EnMS). Internal governance on energy efficiency is performed by two bodies: Energy Efficiency Council and Energy Efficiency Committee.

**OMV Petrom is firmly committed to improve its energy performance across all its business segments.**

Binding targets are set for 2030 including actions to:

- ▶ cut greenhouse gas emissions
- ▶ increase share of renewable energy production
- ▶ improve energy efficiency performance

## We measure



- ▶ Our energy performance indicators and estimated consumptions for 2021 versus our objectives
- ▶ We monitor the legal requirements in the field of energy, in coordination with the internal audit program of the EnMS

## We act



OMV Petrom S.A. and OMV Petrom Marketing S.R.L. have certified since 2014 the Energy Management System according to ISO 50001. Last recertification was done in 2020.

Through annual campaigns, we aim to improve environmental performance, including energy consumption by setting targets and monitoring processes. For example, we have set targets for the Refinery to reach energy index ratings and assess areas for improvement in energy efficiency. OMV Petrom is continuously improving its energy performance.

Each division within OMV Petrom has its own energy performance indicators that are monitored, recorded, and reviewed regularly in accordance with the standard; we organize twice a year the Energy Efficiency Council and Energy Committee meetings.

## We check



Auditing for certification is performed to maintain our certification under ISO 50001.



## We train



- ▶ Training is performed according to the energy management system certified as per ISO 50001; training requirements include Internal Auditor course and refresher sessions.
- ▶ Energy manager for industry training & certification is a legal requirement for the companies, which have the energy consumption more than 1,000 tep/year. In accordance with this requirement, we have certified energy managers from all our per divisions.

# Energy Efficiency

Climate Change and Energy Transition

## Our key actions on energy efficiency



The 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. Our Energy Management System which is certified according to ISO 50001 covers 70% OMV Petrom sites.

Energy efficiency requires major interventions for reducing greenhouse gas emissions by reducing energy consumption. In this regard, OMV Petrom has maintained its strategic partnership with the Energy Policy Group (EPG) on the energy efficiency program “*România Eficientă*”, a unique initiative in Romania further detailed in the [community development investment](#) section of this report.

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

Our energy efficiency measures are closely linked with technical improvements and process optimization directed at reducing energy use while achieving the same operational output and linked with GHG emissions reduction.

The **Petrobrazî Refinery** has embarked on a long journey towards a high-energy efficiency performance confirmed by participating to a well-known anonymous benchmarking provider for fuels studies, known as Solomon Associates. 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.

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.

The solution would require a multiphase approach for OMV Petrom to progressively define measure, analyze, improve and control its energy performance using methods supported by technologies to transform its energy performance management.

In 2021 we finalized the pilot project **Energy Management Solution** for the Crude Distillation Unit at Petrobrazî, which is an analytics software solution that provides industrial companies with real-time data. The project aims at monitoring the energy consumption and energy losses from an operational and design perspective. This project was applied for the pump for crude oil feed, crude oil preheats train and for the heat exchangers as well as the atmospheric distillation furnace. The results are to be analyzed in 2022.

The Petrobrazî Refinery continued its **digitalization journey** to improve energy efficiency by applying operational measures and design new projects.

**Upstream** initiatives in 2021 included Automation of the Oil Piston Pumps at Suplac Park, Asset Crişana – the energy saving results from replacing the continuous operating regime, with an operating one only when necessary, according to level radars in the oil separator. Another initiative was the Optimization of gas delivery at Bărbunceşti Station, Asset Moldova, and consists in adjustment of the compressor's regime to the needs of the consumers.

**Corporate initiatives included** the replacing of the classic lighting with LED technology in Petrom City – an ongoing project, expected to be finalized in 2022, the main objective being energy saving.

## Results (KPI, other indicators)



- ▶ In 2021, **our total energy consumption** was 45.06 PJ
- ▶ **ISO 50001** Energy Management System covering **70% OMV Petrom sites**



## Outlook



Planning is performed in the framework of our energy management system. Our planned **E&P projects** include:

- ▶ Asset Moldova - Bărbunceşti Compressor Station Modernization: the 12 XOB Compressors will be replaced with 3 new screw compressors and frequency converters
- ▶ Asset Moldova - Relocation of CHP Comăneşti: the project consists in the relocation of the 3 engines from CHP Comăneşti in 3 new locations for the capitalization of thermal and electric energy

At corporate level, the replacement of classic lighting with LED technology will continue in 2022.



Run

# RESPONSIBLE OPERATIONS

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# Run Responsible operations

At OMV Petrom, we will achieve our business and climate ambitions by prioritizing the health and safety of our employees, customers and partners, focusing on resource efficiency and environmental protection, and acting with integrity and transparency towards all our stakeholders.

Our transparent integration and achievement of responsible operation goals is strategic for improving the long-term performance of our company and its supply chains.

We constantly take measures to prevent or mitigate adverse impacts from our operations; we have our production management practices involving protection of health, safety, security and environment, as well as business principles and management of our supply chain.

## The progress on our promises

	2025 targets	Status	Next steps
<b>Health, Safety, Security</b>	▶ Zero work-related fatalities	●	▶ Health, safety, security, and protection of the environment will receive the highest priority in all activities
	▶ Stabilize Lost-Time Injury Rate at below 0.30	●	
<b>Environment</b>	▶ Keep leading position for Process Safety Event Rate (2017: 0.18)	●	▶ Proactive risk management will continue for reaching OMV Petrom’s HSSE Vision of “ZERO harm – NO losses”
<b>Business Principles &amp; Economic Impacts</b>	▶ Raise Business Ethics awareness for targeted OMV Petrom employees through trainings and compliance communication programs	●	▶ Create new digital channels to enhance awareness of ethical values and principles in all regions where business is conducted
<b>Supply chain</b>	▶ > 20 supplier audits, covering sustainability topics by 2025.	●	▶ Increase number of supplier audits

**Status** ● On track ● Additional effort required



# Health, Safety, Security

Health, safety, security (HSSE) in our operations are vital values and an integral part of our commitment to responsibly conducting our business. “ZERO harm – NO losses” vision is key to all our actions.

## Our Core Management and Due Diligence Processes

**Our General HSSE framework** defines targets, action plans, periodical monitoring, reporting and top management involvement.

OMV Petrom Group implements the HSSE Strategy through strategic focus areas and initiatives, transposed in an annual HSSE plan, which is approved by senior management. The implementation of the plan is monitored in dedicated quarterly campaigns and reports are delivered for analysis to the management.

**Planning and Performance** monitoring processes are performed in the Synergi HSSE reporting tool, which supports a user-friendly way for gathering of hazards, near-misses, incidents, and findings from HSSE walks and audits regarding health, safety, security and environment. It also enables the definition of required actions, follow-up on their status and supports an efficient and effective analysis of collected HSSE data.

In 2021, we continued to make Synergi reporting functionalities more familiar to employees, by conducting regular online trainings or via actively getting engaged in the bi-weekly 1-hour Synergi talks on current HSSE reporting issues or news on further developments of the tool. A particular focus was put on promoting the use of Synergi Dashboards among different management levels, to increase awareness on how to better manage their own records in their area of activity.

**HSSE management system within OMV Petrom:** Achieving performance with zero incidents brings complexity and the obvious need of managing Health, Safety, Security & Resilience, and Environment systematically. The Vision, Mission, Policies and Strategy are defining the main directions. Specific regulations and process descriptions are setting the rules and applicability of our management system. The OMV Petrom HSSE regulations include:

- ▶ OMV Group-wide (HSSE Policy, HSSE Directive, 14 HSSE Group Standards and a Group Procedure)
- ▶ OMV Petrom Corporate (four HSSE Standards and two HSSE Procedures)
- ▶ OMV Petrom Business Division
- ▶ Business Unit/Site-specific

The first two categories contain the high-level minimum requirements for managing health, safety, security, resilience, and environment in the company. Furthermore, HSSE processes are defined on the process map in the OMV Group Management System.

The HSSE Directive provides a framework for how the HSSE aspects are managed within OMV Petrom Group in order to protect people, environment, assets and reputation in line with our HSSE Policy, the Major Accident Prevention Policy and in view of our HSSE Vision “ZERO Harm – NO Losses”. The HSSE Directive and its annexes set out the principles and rules for the management of HSSE throughout the lifecycle of business and activities, including capital projects, mergers and acquisitions, providing also a set of standardized HSSE terms and definitions used within OMV Petrom and aligned with definitions used internationally across the industry and in sustainability reporting and the life-saving rules. The HSSE Directive is underpinned by a set of HSSE regulations and processes fully integrated into the overall Management System, establishing how HSSE shall be integrated in all business activities.

Our HSSE Management System has been designed to be consistent with existing international models for HSSE management (e.g., ISO 9001, ISO 14001 and ISO 45001). The management process therefore reflects the cyclical ISO system of continuous improvement following the “plan, do, check, act” (PDCA) process. Moreover, auditing is one of our main tools for checking if HSSE is managed according to requirements and for identifying opportunities for improvement. The HSSE audit approach is defined within the “HSSE Audits” Group Standard and is consistent with ISO 19011:2018, Guidelines for Auditing Management Systems. The aim of this standard is to provide the general framework to be followed to plan, execute, track, close-out, and benefit from the conclusions of HSSE audits. Considering a risk-based approach, entities with higher HSSE-related risks have priority and are subject to audits more frequently than low-risk entities. Criteria for the risk assessment include, but are not limited to, occupational and process safety performance, environmental and carbon management, security risk, criticality of the operations for the business. The annual HSSE Audit Program, including the first-, second- and third-party audits, was established in 2021 by registering in the HSSE Group’s reporting tool. The group wide consolidated HSSE audit program enabled the early identification of potential redundancies, leveraging synergies and increasing efficiency.

# Health, Safety, Security



**HSSE competencies management within OMV Petrom:** People competencies in HSSE are an important development path towards the strategic goal of having empowered employees. Our learning catalogue is reviewed and updated yearly for an easy digital access through *My Success Factors* platform under the Learning module. In addition, within each business unit, local internal deliveries are carried out, depending on the local legal requirements in terms of frequencies and activities specifics. Our digitalization drive continued in the pandemic context of 2021.

By the end of the year, our Group Standard “HSSE Awareness and Competencies” had been majorly revised for ensuring the right approach to HSSE qualifications development. The initial focus will be on training middle management and roll out for building HSSE qualifications into employees’ development plans. A few examples of required or recommended trainings: HSSE Leadership, Process Safety awareness, GHG awareness, Biodiversity, Security Awareness and or specific competencies on Security Technology or Resilience, Stress Resilience - Health programs, First Aid training (qualifications and or refreshers), etc.

We constantly focus on growing a genuine HSSE culture within our organization, by encouraging employees and contractors to speak up on any unsafe condition or action they observe. This can be done directly to line managers or through our Synergi tool, which facilitates the identification and sharing of lessons learned within the organization.

**General Reporting Boundaries:** our HSSE data boundaries are generally defined in the Group Standard “HSSE Reporting”, where reporting is based on the Operational Control Approach, meaning that the company reports data on a 100% basis, even where the Group’s interest is less than 100% but more than 50%, or less than 50% if the company is the operator of a joint venture, with the exception of ETS reporting. Therefore, the Group does not report data from joint ventures it does not control and from companies with more than 50% interest where legal regulations do not allow control.

Our **Health, Safety and Security** approach and actions contribute to the following **UN Sustainable Development Goals**.

**SDG 3** ▶ target 3.3 and target 3.9 by taking action to ensure minimization of contagious disease spread (COVID-19), deaths or illnesses from hazardous chemicals and air, water, and soil pollution and contamination



**SDG 8** ▶ target 8.8 by having systems in place for labor rights and promotion of safe and secure working environments for all workers



**SDG 12** ▶ target 12.4 by employing a more sustainable management and efficient use of natural resources



# Health

Health, Safety, Security

## Why is this important?

Our vision is to promote health as an essential value, protected through individual responsibility, but powered by OMV Petrom as a responsible employer. The wellbeing, physical and mental health of our employees are the foundations for a successful company, since they affect the performance levels of our Company's core asset, our human capital

## Our commitment

As stated in our [HSSE Policy](#), the Group commits itself to the continuous improvement of the quality of our activities while protecting people, environment, assets and reputation. The Group's HSSE Vision "ZERO Harm – NO Losses" guides behaviors, actions and decisions focusing on the health of our employees by improving working conditions and delivering medical services and programs based on the World Health Organization 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. Through health services, programs and promotion campaigns, we address the most important health impact issues, customized according to our employees' health profile.

## We measure



To monitor health, the *group owned company PetroMed* provides services, which mainly consist of legally required occupational health examinations, general medical consultations, medical emergency support, as well as preventive medicine consultations for our employees.

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

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

## We act



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. Moreover, we are assisted by PetroMed Solutions SRL, an in-house health service provider, responsible for the operative delivery of health services through a network of 24 workplace clinics.

There is an ongoing identification of occupational health (OH) hazards, assessment of OH risks and implementation of necessary control measures according to the HSSE Risk Management Standard. We have developed guidelines – based on international guidelines from IOGP/ IPIECA – for risk assessment that cover such health risks as harm from chemical agents, psychological strain, physical injuries, and others. The medical team supports the HSSE Team to develop and maintain at each site complete and updated occupational risks records. Risk assessments are carried out on a regular basis, at least once in every three-year period, as well as when new work procedures are implemented, or new products are used.

## Group Health Standard

We have established a Group-wide health care standard to ensure a high level of care for our employees' health. The standard includes preventive initiatives such as targeted health promotion campaigns, a systematic assessment of health risk mitigation, and curative care. The Group Standard for Health describes the main principles, roles and responsibilities, and lines of communication.

The Standard provides a framework for managing preventive health measures and curative health care, as well as collaboration among HSSE specialists, and regulates work of service providers.

## Health: ON! Stress: OFF!

In 2021, all health programs and initiatives offered by the Company were gathered under our *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).

Within the Health: ON! Platform we also focused, in 2021, on stress management and psychological support initiatives for our employees. Through our partnership with a specialized clinic, we continued to offer OMV Petrom employees' access to individual psychotherapy sessions. We also developed a campaign, which involved a series of short videos in which a psychotherapist offered us useful tips for stress management and talked about the causes and consequences of stress.

## We check



The health audit program serves as an evaluation tool to ensure that our common corporate health care standard is implemented and followed throughout the Group. The program stipulates that all clinics and medical partners be audited every three years, and clinics also report on a self-conducted audit every year. Audit results serve as the basis for identifying areas for further improvement and analyzing the effectiveness of our health management approach.

# Health

Health, Safety, Security

## We train



First Aid training 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 organization) and provide all information required to organize and deliver the training to employees on each location as legally required.

## We plan



Our Annual HSSE Plan includes health targeted actions and programs related to health promotion and awareness. In addition, a major focus is on our response to the COVID-19 pandemic to ensure a healthy and safe work environment for our employees, contractors and partners, and maintain OMV's system-critical business activities, and to cope with various challenges and limitations of the pandemic, in alignment with the OMV Group COVID-19 vaccination policy, where we:

- ▶ do not compel any individual to be vaccinated against any specific disease (this includes COVID), respecting an individual's right to choose not to be vaccinated against COVID-19 as much as possible in accordance with local legislation
- ▶ support equitable access and distribution as per the local authorities' requirements and vaccination strategy, giving priority to vulnerable employees with pre-existing health conditions
- ▶ provide employees with reliable information to facilitate an informed decision and minimizes the possible influence of misinformation
- ▶ take over costs to enable vaccinations, which are approved by local and/or international health authorities

## Our key actions on health



### Pandemic response and health awareness

In 2021, the PetroMed team continued to respond to the emergency situation generated by the COVID-19 pandemic. 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 at the entire OMV Petrom Group. Thus, in collaboration with the other departments within OMV Petrom, we have been able to adopt the most appropriate measures for the employees' health and implement the Company's activity in the best conditions. We developed and distributed communication materials on coronavirus prevention measures. We also developed a COVID-19 vaccination campaign, by offering support in registering on the national vaccination platform, providing information materials and organizing online events with medical experts.

Throughout the pandemic period, our medical staff carefully monitored the health of the people while providing personalized information and advice. For their own safety, OMV Petrom employees in high-risk groups (e.g., people of certain ages and with chronic illnesses) have been instructed to work from home.

We continued to provide 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.

In addition, we have delivered specific webinars addressing main concerns in relation to the pandemic context, which registered a high participation rate among our colleagues.

Another special service that we used is the *PetroMed Call Line*, with the support of the *Doctors' Caravan Association*. The call line was available to all OMV Petrom employees who needed advice and recommendations related to COVID-19 as well as other medical issues.



### 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 healthy lifestyle activities (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 2021 with its 6<sup>th</sup> edition, in a hybrid format. The competition was open to both colleagues with intranet access and those without access with the support of local PetroMed clinics and we registered around 1,700 participants.

# Health

## Results (KPI, other indicators)



Our accomplishments in 2021 include:

- ▶ COVID-19 response: we managed to ensure a healthy and safe work environment for our employees, contractors and partners, and maintain OMV Petrom's system-critical business activities
- ▶ We positioned Health as a business asset, including awareness for individual responsibility of own health via the Health: ON! Platform (implementation of the 6th edition of the Passport for Health campaign, screenings, vaccinations)
- ▶ We provided sustainable health services (occupational, curative, emergency health services)
- ▶ First Aid trainings and legally required health and safety trainings were carried out. In 2021, 208 people completed the First Aid basic training and approximately 290 employees received refresher trainings. Health related aspects in context of pandemic were included in the periodical legally required training for health and safety

## Outlook



Looking forward, our HSSE Plan includes:

- ▶ Pandemic management: COVID-19 response and implementation of the vaccination campaign against COVID-19
- ▶ 2 health promotion campaigns: Mental health (Increase awareness among OMV Petrom employees and managers regarding work-life balance and develop basic skills for stress resilience) and Passport for health, 7<sup>th</sup> edition (promote prevention as a proactive approach in our community)
- ▶ Continuation of First Aid and Medical Emergency Care



# Occupational Safety

## Why is this important?

The focus on safety is core to our industry and is part of OMV Petrom recruitment, promotion and individual performance management processes. OMV Petrom is part of a high-risk industry, where flammable and toxic substances are present in our facilities with a potential fatality risk for our employees, contractors and neighbors.

## Our commitment

Our Strategic commitment is to have Zero work related fatalities and to stabilize Lost Time Injury Rate below 0.30.

OMV Petrom aims to adhere to the highest standards to provide its employees and contractors with a safe workplace. Our Safety Management System is based on the HSSE Policy, the HSSE Directive, and corporate regulations such as HSSE Risk Management, Occupational Safety Management, Contractor HSSE Management, Management of Hazardous Substances, Personnel Transportation, Reporting, Investigation, and Classification of Incidents, which provide the framework for safety management. Our corporate regulations are sustained by divisional procedures and standards as well as by specific local work instructions where required.



## We measure

We have established KPIs for monitoring our safety performance, reviewed on a quarterly basis by our Central Safety Steering Committee and based results, actions for improvement are defined and implemented. Safety KPIs are monitored at division, business unit and operational site levels.

## We act



Our HSSE Policy clearly states: “The long-term business success of OMV Petrom depends on our ability to continually improve the quality of our activities while protecting people, environment, assets and reputation. Therefore, HSSE are integral parts of our business.”

**Risk management** is an important part of our occupational safety system. Risk assessments are done/ included in different processes as:

- ▶ **Workplace risk assessment** – an evaluation reviewed when work conditions are changed, or accidents are taking place, the process being required both by legislation and by the internal Risk Management Standard
- ▶ **The Permit to Work System** – a formally documented process used to authorize and manage works identified as significantly hazardous by making sure all the safety measures are in place before work starts. The Permit to Work system is supported by further operational requirements and together they constitute the Safe Systems of Work (e.g., lifting operations, electrical and mechanical isolations, excavations, working at heights, simultaneous operations, etc.). The main part of the system is Job Safety Analysis or task risk assessment which must be conducted though the verbal authorization (e.g., routine job) or based on a written Permit (e.g., non-routine job). The JSA splits the job in phases and for each phase hazards and associated control measures are identified. JSA content is discussed during the Toolbox Talk prior to start working. The Chief of the working group coordinates the discussion
- ▶ **Management of Change (MoC)** – a process applied whenever a change is introduced that could have negative or positive consequence for: human (health & safety), environment, quality and customers, financial and asset loss, reputation and media attention, and compliance (external and internal)

- ▶ **Journey Management** – an assessment done before a trip; template and requirements mentioned in the Group Standard “Personnel Transportation”
- ▶ **HSSE risk of contracts** – a risk assessment done in the planning phase of a contracting process; the assessment is related to the level of HSSE risks associated with the contracted activities, determining if the services have high, medium or low HSSE risks

In our risk management process, hazards are identified, risks assessed and mitigation measures for risk reduction are established and implemented.

All our contracts have the specific requirement that contractors need to apply similar HSSE management qualification and management to their (sub) contractors, according to **Group Standard “Contractor HSSE Management”**.

## We check



**The ISO 45001: 2018 Certification covers 49% of our employees in all OMV Petrom Business Divisions.**

Important risks and the respective mitigation measures are evaluated and monitored within the EWRM process, documented in a Group-wide database (Active Risk Management System), and reported to top management twice a year or on an ad-hoc basis whenever issues arise. Senior management is directly involved in the review of risks identified as a top priority. Sites are audited regularly based on a Group HSSE audit program, as well as at divisional levels, including audits to contractors. Inspections and site visits are performed on a regular basis by operational HSSE organization, focus areas for 2021 being compliance to the Permit to Work requirements, correctness of the Job Safety Analysis, topics discussed during our Toolbox Talk.

# Occupational Safety

Health, Safety, Security

## We train



The training process is defined in the Group Standard “HSSE Awareness and Competencies” (the revised regulation being issued in November 2021). In the new standard, the HSSE requirements, including safety, are defined for different categories of employees. The training matrices at divisional levels are in the development phase, trainings being delivered based on the operational needs, and all staff is required to be familiar with the HSSE Policy, internal HSSE regulations and relevant legislation. OMV Petrom employees at all levels are regularly trained on their roles and responsibilities. Important topics of our trainings and dialogues are the safety alerts and lessons learned. The process regulating the issuing of safety alerts and lessons learned is part of our Reporting, Investigation and Classification of Incidents Standard.

### Focus on Contractors Safety

The safety of our contractors is just as important as the safety of our own employees. For this reason, we have established processes that require contractors to work according to our standards. Our Contractor HSSE Management Process begins when we issue the scope of work with information about HSSE requirements and the HSSE Key Performance Indicators (KPIs), continues through the tender stage with the HSSE evaluation and capability audit, if needed. Before work begins at the site, we reinforce our expectations and requirements during kick-off meetings, HSSE induction, site specific trainings, and other joint meetings. We monitor our working contractors by way of audits (39 in 2021), inspections, joint HSSE or safety walks, service quality meetings, forums, and workshops. We revised our Group Standard “Contractor HSSE Management” in 2021, and these training sessions will continue in 2022.

All our employees and contractors receive regular safety training on-site, as well as our visitors.

## We plan



In the HSSE Plan 2022 we have defined the safety focus areas as well as the main activities and goals. Those were cascaded to the operational sites and together we established the steps for achieving our targets. In 2022, our safety focus areas are:

- ▶ Contractors Management
- ▶ Process Safety
- ▶ Safety Culture

## Our key actions on Occupational Safety



### Our Safety Culture

During 2021 we continued to consolidate the driving change phase of the Safety Culture program at operational sites level through the defined specific activities: quarterly local safety committees (management teams meetings for discussing the safety performance, safety programs development, safety issues, etc.) and working groups (local employees from various disciplines assigned to improve a safety topic/area). Examples of working groups topics include slips, trips, falls, work permit, stop work, pressure tests, risks assessment, work conditions improvement.

We focused our efforts towards bringing safety closer to the hearts and minds of our colleagues by having an open dialogue during HSSE walk-around and safety walks, which promotes understanding of the challenges in the operating fields and increases trust between the workforce and management. To check our progress, a third-party assessment was performed, and the results showed an evolution of our organization in comparison with the previous assessment in 2018. The assessment recommendations were included in mid-term action plans, which will be implemented in the next few years.

All employees and contractors were encouraged to bring to the attention of line management unsafe conditions and behaviors.



In 2021 we continued already well anchored practices for good safety behavior acknowledgement like the “Report of the Month”, used to raise improvement opportunities and bigger events during Safety Day, where our Board Members are recognizing and rewarding good practices and results, such as: the best performance in safety, the best demonstration of safety leadership, Reporting & Sharing Lessons Learned, the best Process Safety project, the best & most valuable safety initiative. Moreover, kicking this off at the very end of 2020, we introduced the Procedure **HSSE Motivational Management**, aiming to harmonize and formalize the process of recognition, rewarding and consequences management throughout the entire company.

# Occupational Safety

## Our key actions on Occupational Safety



### Contractors Management

We conducted an internal audit on contractor management with a focus on the existing processes for managing the activity of subcontractors. The audit included also the HSSE aspects of these activities and involved a big group of employees who have important roles in managing HSSE during a contract lifecycle, like Contract Owners, Contract Holders, Procurement and HSSE representatives. The improvement opportunities identified during the audit supported the decision to start a new project, which is steered by OMV Procurement and involves representatives from the two divisions of OMV Petrom, technicians and HSSE as well. The action plan resulted from the initial analysis will start the implementation in 2022, with OMV Petrom as pilot.

Our **Head Quarter Projects** included:

- ▶ **HSSE Passport** – through HSSE training for contractors and the „Archibus On Site Control” application we ensure that contractors working in Petrom locations received basic safety awareness training and they are qualified for the job, verified via a unique identification card: over 6500 Upstream and Downstream-Petrobrazzi contractors held cards in 2021.
- ▶ **HSSE Review together with Upstream HSSE** – Quarterly analysis of HSSE performance of contractors on site and discussions about results during the Local Safety Committees and Contract Holder- HSSE Forum in Upstream (New in 2021). Two forums were organized, and the initiative will be extended in 2022 to Downstream, by involving divisional representatives in the analysis and experience sharing.
- ▶ **HSSE File** has been developed to define and test an IT application registering and connecting the sources of HSSE info during a contract lifecycle. The aim is to provide a permanent information source about the HSSE activity during a contract and to create in parallel a HSSE profile of the contractor and sub-contractors involved.

Our projects at **operational level** included:

- ▶ **Dedicated “Stewards”** for contractor’s monitoring, in Petrobrazzi Refinery Falck (firefighting) contractor supported the observation of other contractors’ activity on site, reports, failures and wrong HSSE behavior.
- ▶ In 2021, we started a project to improve the visibility of the Filling Station employees. All filling stations forecourt employees are to be equipped with high visibility vests (antistatic), all FS partners and as well to contractors were subject of **awareness raising campaign regarding the importance of using the correct LPG personal protective equipment**.
- ▶ The **Self-unloading project** (the driver unloads himself the fuel) was continued in 2021, being implemented in 191 Filling Stations.

In our **Non-Operated Assets**:

- ▶ **Safety campaigns** were conducted in 2021 to address the gaps identified during the Third-Party Audits and internal needs, with topics as: Lifting operations; Preventing shortcuts; Leadership and commitment; Environmental aspects awareness and incidents reporting; LOTO- extended isolation. Actions were implemented to **reduce the H<sub>2</sub>S** concentration in the flow stream.
- ▶ **Hazard Hunt campaign was organized** in Workover & Drilling sites (rigs, WO installations), aiming at identification of hazards and assessment of the risks and their reporting process, with the involvement of employees. In addition, training and supervision were performed on sites to increase awareness of employees and contractors on how to react in case of an emergency.

For strengthening our **collaboration with Contractors**, services quality meetings were organized and during those the safety performance was analyzed and opportunities for improvement established.



# Occupational Safety

## Our key actions on Occupational Safety



### Transportation

In the field of Road Safety, important steps were taken in 2021 to maintain and strengthen our internal road safety tools. We updated our *Internal Framework*, including a review and roll out of the IVMS Standard in accordance with the latest organizational change, GDPR requirements, and introduction of COVID-19 measures with focus on personnel transport.

Our **Enhanced IVMS solution** covers:

- ▶ Roll out over the entire OMV Petrom fleet
- ▶ Training of all roles (IVMS coordinators, HSSE) on new platform Dynamics & GDPR
- ▶ Additional features available in the IVMS reports (incl. seatbelt misconduct recognition, Mobile IOS/Android app's available, performance quick Dashboards) for all solution users

In Downstream Oil, Logistic area upgraded the HSSE contractual annex with ambitious road safety best practice requirements for fuel transport contractors, which was based on findings and recommendations from previous audits and incident investigations.

We also established at Corporate level a cross divisional **Transportation Safety Task Force** with a primary goal to assess and align our Road Safety expectations, then further roll out in a consistent approach for all high risk-high impact transportation contracts in line with our internal policy and industry best practice IOGP, starting in 2022.

Audits of all transport contractors and subcontractors from Workover & Drilling Business Unit were performed in order to verify how the OMV Petrom rules and regulations are implemented in their management system.

### Other projects:

**JSA library** - our Job Safety Analysis (JSA) is the main component of the Permit to Work Procedure and it is used as a technique that focuses on job phases identifying hazards and risks associated to the work to be performed. The generic JSA library is a solution that enables the job Performer (employee or contractor) to easily and quickly access an electronic library with information in templates accessible using laptops, tablets or smart phones either in the offices or on the working sites.

As we mentioned above, **training sessions** were delivered based on our operational needs:

- ▶ Webinars organized for persons with roles and responsibilities (employees and contractors) in Upstream as required by the "Permit to Work" process (23 sessions, 300 participants)
- ▶ E-learning on "Hazards Associated to H<sub>2</sub>S" for Upstream frontline staff, on "Dropped Objects" for Upstream and Downstream frontline staff, on "Slips, trips, falls" for OMV Petrom employees, white collar and blue collar, Motivational Management and cross divisional workshops for Motivational Management (663 participants completed the e-learning and 205 people attended the workshops)
- ▶ Training for Contract Holders, Procurement, HSSE and employees involved in management of HSSE in contracts": "Contractor (HSSE) management within the Source-to-contract process – trainings done together with Procurement (99 participants)

The above trainings were provided in addition to periodical legally required trainings, and included internal procedures and work instructions, alerts and lessons learned from incidents, life-saving rules.



# Occupational Safety

Health, Safety, Security

## Results (KPI, other indicators)



- ▶ Unfortunately, we have not been able to sustainably eliminate all fatal incidents involving our contractors, 2 fatalities were recorded for Contractor employees
- ▶ Combined OMV Petrom Group LTIR value for YTD 2021 (0.28) is above IOGP LTIR benchmarking for 2020 (0.22)
- ▶ TRIR 2021 = 0.53 (below IOGP benchmark 2020 = 0.70)
- ▶ 49% of our employees in all OMV Petrom Business Divisions are certified on ISO 45001
- ▶ 30 formal joint health and safety committees (meetings on quarterly basis) comprising management and employees representatives were organized in OMV Petrom
- ▶ 4,200 employees have been trained in health and safety

## Progress



Keeping employees and contractors safe is our top priority. We aim to do no harm to people and to have no leaks across our operations. We refer to this as our Zero work fatal incidents commitment. We expect everyone working for OMV Petrom company to intervene and stop work that may appear unsafe. We investigate incidents and aim to learn from them, sharing findings to improve safety performance across our industry. All company employees and contractors must meet our safety standards and requirements, which have helped us make significant progress in preventing serious incidents, including many potential fatalities, ever since they were launched in 2009. However, two fatalities occurred at contractors working on behalf of OMV Petrom in 2021, which is an increase versus previous years. We were deeply saddened by the loss of life and are determined to learn from what happened. Therefore, total number of LTIs increased by 70% vs. 2020 (due to very low base effect).

## Outlook



In 2022 we will continue the journey for **safety culture development** through a series of activities, such as:

- ▶ Follow up on DuPont safety culture assessments by establishing action plan for OMV Petrom based on identified commonalities and specific action plans for operational sites in accordance with their needs
- ▶ Improve open reporting culture (Launching of the project through road show and visuals; open dialogue on the topic during HSSE Walks; pilot workshops with employees/supervisors for identifying the barriers for a better reporting as well as and ways for improving the area)
- ▶ Keep the high commitment with the good practice of safety committees' meetings
- ▶ Increase transparency and applicability of HSSE Motivational Management:
  - ▶ Procedure optimization based on learnings of a first-year duration since publication, experience and know how exchange from Refining business towards Upstream business, aiming to enhance and fit working frame for Upstream contractor related approach on HSSE Motivational Management
  - ▶ Further implementation verification through site observation visits
  - ▶ Continue rewarding of safety related behavior during Safety Day and get deeper involvement of top and middle management for promoting HSSE motivation as a tool aiming to ease the safety culture journey towards its maturity.



For Contractor Management enhancement, the **HSSE File** will be populated and maintained during a contract lifecycle. **Subcontractors Management** will be improved in the project led by Procurement, with the participation of relevant functions from operation, aiming the identification of processes to be improved for influencing the contractors to better manage the HSSE aspects of their service suppliers that are involved in OMV Petrom's activity.

Another project envisioned is the **Electronic individual training booklet**, to link the database of trainings performed on the online platform *My Success Factors* to an electronic signatures flow and access card.

We plan to improve our road safety performance in 2022 through actions established by our dedicated task force.

# Process Safety

Health, Safety, Security

## Why is this important?

Process Safety Management (PSM) is the proactive identification, analysis, evaluation and safeguarding of releases of hazardous substances and process accidents that could occur because of failures in process technology, procedures or equipment. It applies to the management of hazards associated with the chemical and physical properties of the substances handled in our oil, gas and energy activities.

Process safety incidents are the high consequence – low frequency events that mean management and staff often lack firsthand experience or knowledge of the causes and nature of such incidents. Therefore, it is important to monitor the risks of such events on a company level, apply sufficient competent resources to manage those risks and share learning from incidents or near misses, which might help to prevent similar incidents Group wide.

## Our commitment

Our commitment is to keep a leading position for our Process Safety Event Rate, around 0.18. We strive for the continuous improvement of our safety performance, reflected in the continuous knowledge improvement and experience sharing in the process safety domain, we maintain our external collaboration with high-profile organizations by extending the membership in EPSC (European Process Safety Center).

OMV Petrom is a full rights member of the EPSC, an industry-funded network which exists to provide an independent forum for the leadership and support of process safety within Europe. OMV Petrom is part of Technical Steering Committee of EPSC and a series of working groups including PS Fundamentals, Digitalization, Semi-quantitative Risk Evaluation Methods and Energy Transition.

Moreover, OMV Petrom is part of the **CCPS Beacon** (Center of Chemical Process Safety) project. Process Safety Beacon sponsored and produced by CCPS is a resource aimed at delivering process safety messages to plant operators and other manufacturing personnel. The monthly one-page newsletter covers the breadth of process safety topics, and it is delivered into company as lessons learnt from PS experience from other companies and industries.

Process Safety Beacon is distributed across OMV Petrom, for information and debate, providing an important mean of the worldwide communication on process safety topics aimed to deliver process safety messages and present process safety accidents and describe the lessons learned and the practical means to prevent reoccurrences.

## We measure

Leading and lagging indicators provide useful information for improving process safety and reducing risks of major hazards by identifying trends and underlying causes and taking action to prevent reoccurrence. As part of OMV Group, we have adapted the four-tier framework of process safety KPIs in alignment with American Petroleum Institute (API), (recommended Practice 754) and IOGP Report 456.

As a framework for measuring activity, status or performance, process safety indicators are classified into four tiers of leading and lagging indicators. Tiers 1 and 2 are suitable for external reporting and Tiers 3 and 4 are intended for internal use only. Annex 3 of Group standard Process Safety Management provides guidance on reporting of Tier 1 and Tier 2 process safety events as defined in the API Recommended Practice (RP) 754, which are reported externally for industry benchmarking (IOGP, CONCAWE, EPSC, CEFIC), and the collection of Tier 3 KPIs which are reported to assess the performance of barriers that manage the risk of process safety events.

## We act



**Process safety management** in our operations is intended to minimize the risk of a major hazard accident occurring which may impact humans, environment, assets, production and reputation to tolerable values, to ensure that the necessary mitigation and emergency preparedness mechanisms are in place if an accident does happen, and to contribute to business performance by loss control management.

Effective Process Safety Management requires consideration of all lines of defense:

- ▶ Integrity of design, Integrity of operations, Integrity of assets
- ▶ People and business culture
- ▶ Documented policies and practices

In our process safety teams, at corporate level, a Senior PS Expert is part of the Safety Department team. Moreover, in Downstream, at our Petrobrasi Refinery, a Senior PS Expert is part of the HSSE Department team, and in Upstream at HQ level there is a dedicated Process Safety and Integrity Department to conduct process safety and integrity initiatives, projects, activities. At asset level there is a dedicated Process Safety and Integrity team including a team lead and a process safety engineer.

Process Safety deals with the risks of Loss of Primary Containment (LOPC) from process installations used in drilling and production operations in our industry. This includes rigs and process equipment to process, store and transfer material including ancillary systems, such as primary containment elements (such as pipelines, tanks, etc.), ancillary support areas (such as boiler houses and wastewater treatment plants), on-site remediation facilities, and distribution piping. In scope are all activities related to drilling, production and processing operations including facility start-up or shutdown operations, related brownfield construction activities, or decommissioning operations, and events resulting from sabotage, terrorism, extreme weather, earthquakes, or other indirect causes.

# Process Safety

## We act



Process Safety and Integrity is among the highest priorities for OMV Petrom. In Upstream, there is a dedicated budget and focus on reducing risk in its facilities and pipeline networks.

**Our Major Accident Prevention Policy** clearly defines the way in which process safety incidents (low frequency - higher consequences) could be prevented. Specific Process safety requirements are included in the Group Standard Process Safety management and defines the minimum requirements, the framework for managing Process Safety aspects, and provides guidance on how Process Safety is integrated in the HSSE management of the Group.

The **Process Safety Management** system is aligned with OMV Group HSSE Directive and the OMV Group Management System. This structure covers, in a comprehensive manner, all activities which are recommended by relevant legislations and best available practices. The specification of the Process Safety requirements will be described with reference to each of the 12 Elements of the HSSE Directive. Key policy aspects in preventing major accidents are identification of process safety hazards, risk assessment and putting in place risk controls. These key aspects are defined in the Group Standard HSSE Risk management including specific guidelines to evaluate specific risks, e.g., Workplace Risk Assessment, Health Risk Assessment, HAZID, and HAZOP.

Each Business Division (Upstream and Downstream) developed specific regulations which define process safety requirements from design to operation and maintenance of process equipment, systems and installations. All process safety related standards are available on a central platform for regulations group wide (i.e., corporate & divisional) called REAL Regulations Alignment Platform (M-Files). Examples for **Downstream** standards include Process Safety Management, Management of Change, Prestart-up Safety Reviews, Technical Documentation, Definition and Reporting of Process Safety Performance Indicators (PSPI), Internal Assessment of Process Safety Performance,

Layer of Protection Analysis (LOPA), Interlock Bypass, Preparation for Emergency Situations and Response Capability.

**Upstream** standards include Process safety and integrity in engineering and design, Control of Defeats, Document management for projects and operations, Safety Critical Elements, and others.

## We check



**Safety performance in general, and process safety performance in particular, are reviewed** during HSSE/safety committee meetings at different levels in organization e.g., OMV Petrom Safety Steering Committee, Upstream HSSE Committee, Petrobrazi Safety Committee, HSSE Committee at Asset level. In such meetings process safety is an important part, discussing PS projects, initiatives, objectives, KPIs and taking decisions.

A Process Safety Annual Report is developed at asset/refinery level. The process safety report contains all process safety related projects, activities, objectives, performance indicators that reflect the performance at local level. This report provides a comprehensive view of the process safety performance for asset management. The Asset manager signs the report.

Process safety performance indicators (PSPI) based on Tier classification are registered and monitored in the Synergi reporting system. A quality check of PS events reported in Synergi is done on a monthly basis by the nominated responsible in the organization. The objective of the quality check is to improve Process safety incident reporting and to allow for a proper analysis, to draw meaningful conclusions on performance and to identify improvement actions and prevent the reoccurrence of such incidents. All Tier 1 and 2 PS events are investigated, and lessons learnt are disseminated into organization. All incidents are identified and reported in an appropriate and timely manner. Work-related incidents with potential consequences for people, environment, assets, or reputation are adequately investigated to

determine direct causes, root causes, and systemic causes to learn from and prevent the recurrence of similar incidents.

Tier 1 and Tier 2 process safety events provide baseline performance information and are measured each year for a consistent overview of the Company's process safety performance. In addition to Tier 1 and 2 process safety incidents, we monitor Process Safety Tier 3 events for a better assessment of the critical barriers. The monitoring and reporting of Tier 3 events provide an overview of challenges to safety systems to identify and correct weaknesses within the barriers at facility level.

**Audits** are performed for MAE and legal compliance verification.

## 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.

OMV Petrom complies with the Directive 2013/30/EU on safety for offshore oil and gas operations. The objective of this Directive is to reduce as much 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.

# Process Safety

Health, Safety, Security

## We check



### Pipeline integrity

In 2021, OMV Petrom continued to improve the Pipeline Integrity Management Program in Upstream. To complement the Pipeline Integrity Management System the introduction of the in-house Integrated Risk Register came into effect. This not only targeted high-risk pipelines, but also prioritized them in such a way that the ones with the largest risk reduction were addressed first. The Corrosion Management Plans developed in 2020 were implemented in the field, which now support the integrity and longevity of our pipelines by cleaning, inspecting and introducing inhibition chemicals along with new corrosion monitoring techniques.

External coatings and cathode protection (CP) 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, coated and further protected in accordance with Cross Divisional (Upstream and Downstream) standard for 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.



The Cathodic Protection complies with the requirements for the design, construction, operation and maintenance of cathodic 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.

A Pipeline Inspection program is in place, functional and being further expanded for all categories of pipelines with capability for internal inspection where feasible, 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. New technologies are also being tried such as guided wave and ultra-sonic testing, which aims to improve the integrity of the difficult to inspect segments of the pipelines.

In addition to the pipeline integrity and inspection programs mentioned above, OMV Petrom continues to reduce the number of kilometers of pipelines through several field optimization projects, which will reduce the exposure risk by removing numerous aging pipelines whilst maintaining optimal production.

In **Downstream**, the effective integrity management of Petrobrazi Refinery is supported by a clear program of inspections to ensure maximizing the operational life of the equipment, safe and legal provisions while reducing risk, a practice continued in 2021 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.



## We train



Training received by our personnel include workshops on process safety events, MoC trainings, and awareness campaigns along with all other external legal requirements for personnel qualifications, all part of a well-defined training plan. We use a Process Safety Network, an online collaboration platform including a reference library, discussion board, and other features, with regular virtual sessions for exchanging process safety knowledge across the Group, with participants from a variety of Group countries working in different fields of expertise to foster continual learning. Top management participation in these online sessions sends a clear message that process safety is important and demonstrates process safety leadership and commitment.

## We plan



Our Annual HSSE plans include process safety initiatives.

The top 255 actions, which account for 80% risk reduction are currently included into the MTP and planned for execution under CAPEX projects, daily running business (OPEX) or by shutting down/in facilities and pipelines.

# Process Safety

Health, Safety, Security

## Our key actions on Process Safety



In 2021, the Process Safety initiatives remain a major focus for the Company, even though the pandemic influenced the entire business.

In **Downstream**, the effective integrity management of our Petrobrazil Refinery is supported by a clear program of inspections. The aim of inspection activities is to ensure efficient and effective operational life of the equipment, safe and legal provisions while reducing risk. The practice continued also in 2021 with key inspections scheduled for piping, vessels, boilers, atmospheric tanks, pressurized vessels, and pipelines. Key actions on Process safety were directed to developing PS roadmap for refinery for the next period (2021-2025). The Retro-HAZOP program started in 2011 and continued also throughout 2021. The status of Retro-HAZOP measures is continuously tracked. All high-risk measures from Retro-HAZOP program and other PHA studies were the basis to develop integrated risk register (IGRR) at refinery level.

In **Upstream** the following key Process Safety KPI's were established with actions developed:

- ▶ Develop Process Safety Road Maps for 5 facilities per Asset
- ▶ Complete IGRR population and Cost Benefit Analysis for all High-Risk Actions for both Pipelines and Facilities
- ▶ Convert 32 Instrument Gas Compressor to Instrument Air by end of 2021
- ▶ Positively Isolate and remove from service Open Pits (29) and Atmospheric Storage Tanks (128) which are no longer in service to ensure no future usage
- ▶ 14 high risk pipelines replaced by the end of 2021
- ▶ Develop 100 Corrosion Management Plans for pipelines and facilities to implement in 2022

### Audits in 2021

As part of identification and management of major accidents two MAE audits were conducted in OMV Petrom: one in Petromar Offshore with

a mixed team (external party and experts from OMV and OMV Petrom) and the second one in Tank Farm Poiana Lacului (Asset Muntenia Vest). Due to COVID-19 restrictions only online interviews were conducted.

Two legal compliance on-line audits were conducted: one in Upstream (Asset Muntenia Vest) and the other in Downstream (Petrom Aviation).

As part of 2021 HSSE plan a MoC assessment was conducted by Divisional MoC coordinators in Upstream and Downstream. Safety Corporate Department conducted two spot checks on MoC applications: one in Upstream (Pipelines and Civil Work BU) and the other in Downstream - CAPP Brazil.

### Trainings in 2021

- ▶ Two workshops on process safety events reporting in Synergi for Upstream representatives (Process safety and HSSE).
- ▶ Two MoC training sessions were conducted for corporate functions, and 124 employees were trained.
- ▶ An Explosion awareness campaign was conducted for Downstream.

**EPSC Benchmark for 2020<sup>3</sup>** - As member in EPSC, OMV Petrom participates in the PSE benchmarking since 2017. OMV Petrom process safety performance against EPSC members who participated in the benchmark is presented below.

	2020	2019	2018	2017
<b>PSE Rate Benchmark</b>				
EPSC all results (API & ICCA & CEFIC)	0.84	1.20	1.0	1.10
EPSC only ICCA	1.70	2.10	1.50	1.00
EPSC only API	0.34	0.53	0.51	0.72
OMV Petrom	0.11	0.11	0.13	0.06

<sup>3</sup> 2021 EPSC benchmark will be available in Q2 2022.

## Results (KPI, other indicators)



In 2021, the PSE rate was 0.14. High-Risk actions are included in the IGRR and prioritized in order of greatest risk reduction per euro spent. It is planned to have achieved 80% risk reduction by 2025.

	2021	2020	2019
<b>Process Safety Events</b>			
Tier 1	1	3	3
Tier 2	7	4	4
<b>Total</b>	<b>8</b>	<b>7</b>	<b>7</b>

Process safety events split into years

Tiers, Total Country and Total Company are presented in the [Performance in detail](#) section of the report.

## Progress



**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 3,600 wells, representing 50% from the total wells in scope of the project at the end of 2021.

# Process Safety

Health, Safety, Security

## Outlook



For 2022, the HSSE plan was prepared, and process safety objectives are consistently defined, applicable in both Upstream and Downstream. Process safety objectives for 2022 are related to:

- ▶ Set-up Process Safety Roadmaps for the sites that do not already have a Roadmap
- ▶ Integration into all existing and new roadmaps of a risk reduction plan for the years 2022 – 2025, including MTP approval to close out IGRR Actions to reduce PS risk exposure by 80% until end of 2025 (based on IGRR status end of year 2021).
- ▶ Execution of actions defined in existing Process Safety Roadmaps
- ▶ Quarterly update of IGRR
- ▶ Perform Management of Change (MoC) Quality audits according to audit plan and report quality in Synergi
- ▶ Implement PHA Compliance monitoring in Synergi including collecting data (type and date of study) on PHA studies and developing a PHA program for facilities without PHA study.
- ▶ Improve Process safety skills and competences employees and relevant contractors by a Process Safety training program for period 2022 – 2025 using existing Process Safety CBT (computer-based training) modules
- ▶ Analysis of Tier 1 and Tier 2 PSEs since 2016 to identify common causes and derive learnings
- ▶ Improve quality of process safety reporting in Synergi by training, quality check of process safety entries in Synergi and providing feedback to the reporters



## Product Safety

OMV Petrom assumes responsibility for delivering safe, high-quality products. At the same time, we continuously work on exploring ways to reduce our environmental impact during our product life cycle. We take a comprehensive approach to product safety, with technologically advanced solutions used to deliver safe top-quality products, while taking action to ensure responsible use of our products.

### We are committed to the safety of our products!

Our internal Management of Hazardous Substances standard stipulates measures to ensure **regulatory compliance** and guarantee that risk assessments are conducted for all products or hazardous substances contained in products. Our activities are also focused on **low carbon products and e-mobility**. OMV Petrom is well positioned to act for providing low carbon products in the future, supporting the transition to a low carbon environment, considering the following:

- ▶ **REACH compliance** - We have established adequate processes and workflows to ensure our compliance with the EU regulations on Registration, Evaluation, and Authorization of Chemicals (REACH) and on Classification, Labelling, and Packaging (CLP) of substances and mixtures. We are committed to maintaining and updating our mandatory registrations to keep up with relevant regulatory developments. To this end, we closely follow the guidance published by the European Chemicals Agency and participate in the REACH consortia as well as in working groups via the oil and chemical industry trade associations.
- ▶ **Safety data sheets** are available to customers and stakeholders on [our website](#). Their contents are regulated under REACH, and include comprehensive information on potential health, safety and environmental issues, providing customers and employees with guidance on the safe handling and use of our products. Looking forward, our objective is to continue to minimize potential chemical hazards and risk associated with the products in our portfolio.

# Corporate Security

Health, Safety, Security

## Why is this important?

OMV Petrom Vision “ZERO harm – NO losses” guides our behavior, actions, and decisions, therefore our security and resilience services align to our vision by focusing on three key objectives:

- ▶ 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

## Our commitment

We do our best to protect people, assets, operations, and reputation against emerging malicious and/or intentional threats. Our commitments are laid out in our [HSSE Policy](#). To continuously improve the processes and deliver security and resilience services that meet our business needs and expectations, our Security and Resilience Department has implemented the Quality Management System in accordance with ISO 9001:2015 (certified by Lloyd's Register Quality Assurance).

OMV Petrom is fully committed to ensuring that the Security and Resilience function shall continue to be embraced as an essential resource enabling business competitiveness, and the recent external recognition of our team members are building on this commitment - Member of the Business Continuity Institute (MBCI), ASIS International CPP (Certified Protection Professional) certification, member of the Association of Certified Fraud Examiners (ACFE).

## We measure



### Security Services Contractors Performance Monitoring

We monitor the performance of the security services contractors through the implemented KPIs and improve the quality of security services being rendered. KPIs data is collected and closely monitored through established internal processes such as security inspections, roving patrols, and security incidents reporting. Contractor performance monitoring process ensure that legal and contractual requirements are followed, and the security services delivered at the highest quality standard with focus on equipment, legal required documentation, execution of the service and post attributions.

The reporting of the security incidents is made through the Geographical Information System Mapping software and is initiated by security contractor, subsequently being verified and validated by the local security responsible before report is released to relevant stakeholders. The graphic feature which maps the security incidents occurrence is extremely helpful to understand the threat environment and the main driver for security risk mitigation supporting the redesign of the security operational concepts to cope with the continuously evolving criminal factors.

## We act



### How we manage Security and Resilience

Security and Resilience (S&R) 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 **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.

All identified nonconformities are assessed and discussed with the service providers during the quarterly quality meetings and addressed by corrective action plans implemented together with the providers.

**Security Services Management across OMV Petrom Group** sites in Romania are centralized under coordination of the Corporate Security & Resilience department, to ensure:

- ▶ a unitary and structured approach providing company-wide strategic direction addressing all security related topics
- ▶ increased operating efficiency
- ▶ compliance with national specific legislation
- ▶ country-wide risk-based and flexible allocation of security resources
- ▶ clear accountability for all related processes to ensure control over security services contracts, budget needs (post lists, locations) and allocation, selection of security providers, performance measurement and reporting, costs tracking and administration.

# Corporate Security

Health, Safety, Security

## We act



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 protection of people, guarding of our facilities against unauthorized access, thefts and any other material damages.

### Risk-based resources allocation

In OMV Petrom, deployment of the security measures is risk based to ensure proportionate and efficient threat detection and adequate response. *Security Risk Assessments (SRA)* are meant to identify and classify risks per location and allow the Security Team to evaluate the efficiency of the current mitigation measures in place and trigger necessary improvement.

In addition to legal framework, OMV Petrom is using a best practice methodology to ensure a unitary approach for a Group-wide security risk assessment. The methodology is based on Acumen dedicated software platform for assessing, planning and mitigation risk at corporate levels, which allows monitoring the risk status, generating a common operating picture with real-time insights and alerts to changing realities. Annually, for all OMV Petrom objectives, security risk assessment reports have

been revised using ACUMEN, under the Corporate Security and Resilience department's coordination and direct involvement. Security Risk Assessments process enabled in 2021 the implementation of new measures, such as projects for advanced technological solution in commercial depots and Upstream high-risk facilities for increased efficiency in loss prevention and ensure optimizations of the operational security.

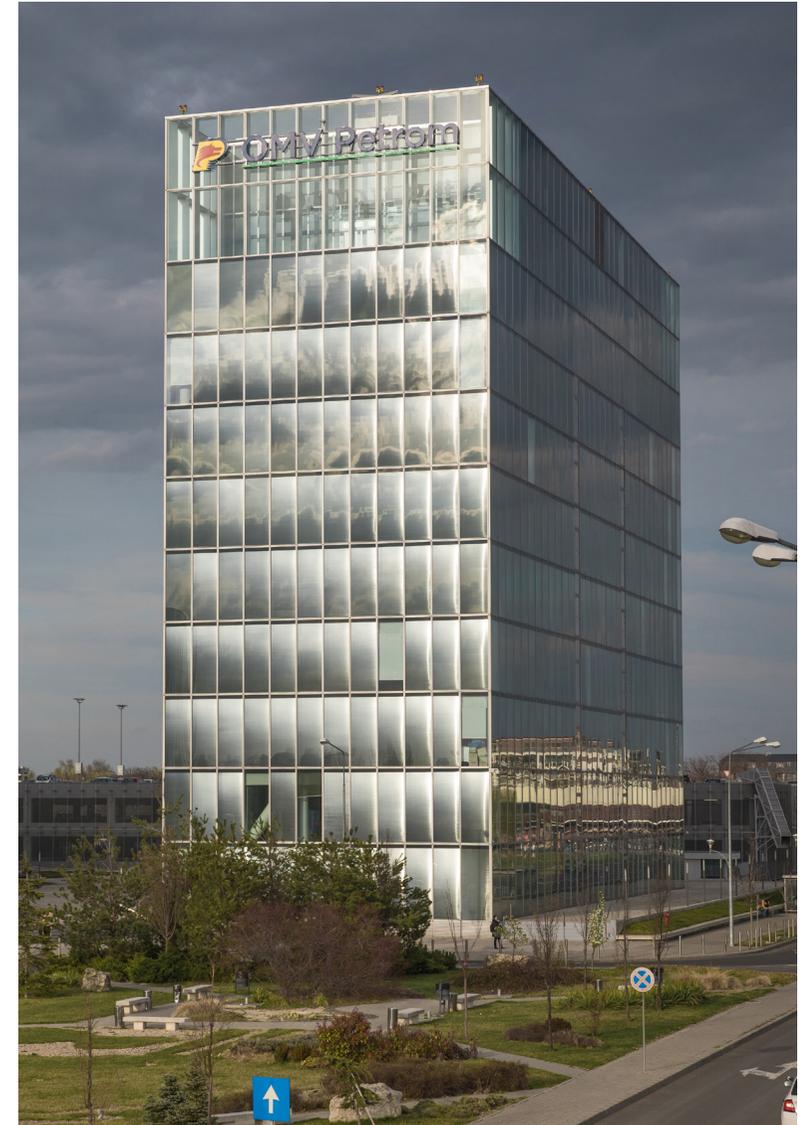
### Incident Reporting

All security incidents occurring on OMV Petrom locations resulting in personal injury or damage to equipment, property, or reputation, or having the potential to do so, are reported to OMV Petrom immediately. Accurate reporting of all security incidents, technical incidents and non-conformities is necessary to analyze and establish measures to prevent the recurrence of similar incidents.

Security Incident Reporting process, it is an important indicator of the efficiency and efficacy of operational security concepts, by indicating if the available resources are allocated properly, in order to prevent or mitigate losses. Security Incidents are regularly analyzed for identifying the causes and develop additional protection measures or updating the operational concepts.

### Maintain Quality Management System in Security and Resilience Department

The S&R department has implemented the Quality Management System in accordance with ISO 9001:2015 (certified by Lloyd's Register Quality Assurance). In our continuous efforts for improving and becoming more efficient, a customer satisfaction survey has been conducted to more than 60 key interested business representatives, assessing 5 main criteria (e.g., understanding the business needs, response time, value added, innovation and the overall cooperation). The overall score average of all 5 criteria has shown a very good reputation of the Security & Resilience Department among Business Units, but also highlighted areas for improvement.



# Corporate Security

Health, Safety, Security

## We check



In addition, for in-depth assessment of the security contractor's performance, a yearly Audit Program is established for a second party security services with detailed audit objectives ranging from: safety, human rights and other requirements related to the security activity.

## We train



The S&R personnel have a constant focus in expanding their professional capabilities by participating in development trainings, exchanging knowledge with peers or sharing industry best practices. The trainings are based on constant needs assessments and legal requirements. The course themes vary from acknowledging the legal provisions that govern the **guarding activity**, to the increase in the professional preparedness level of the personnel, in terms of intervention, the protection of goods, assets, people, driving regulations and others. A special focus is also placed on the Human Rights policies and principles and on acknowledging the OMV Petrom specific procedures, HSSE provisions and improving the overall quality and efficiency of the services offered.

## We plan



We monitor the performance of the security services contractors through the **implemented KPIs** to improve the quality of security services being rendered.

Our plans are developed taking into account the national legislation and internal regulations. The **guarding plan** mainly establishes the characteristics of the guarded objective, in the respective area, the number of posts and their location, the necessary personnel for security, installations and technical means of security and alarm, and regular duties for the guards.

The high complexity rendered by the large number of countrywide distributed sites is tackled through **regional guarding plans**, which are aligned and approved by local and regional police. This resulting in 26 guarding plans who are managed through an internal process that facilitates monitoring of the status for each guarding plan, thus ensuring its internal revision at least once per year by taking into consideration the results of the regular risk assessments or other modifications that call for amendments of the plans.

At county level, **engagement plans** have been set through regular meetings with law enforcement authorities, as basis for organizing periodical common preventive actions. The aim of these actions is to mitigate and prevent crime in the exploration and production areas.

One other special focus in managing our security services contractor is the adoption of **Voluntary Principles on Security and Human Rights**, in this regard OMV Petrom assesses and monitors its risks, identifying customized strategies and solutions, in an ongoing effort to be more effective in preventing and mitigating not respecting human rights in our security operations. At the end of 2021 we have completed a **human rights risk assessment**, supported by an independent expert. The resulting action plan will be implemented in 2022 by the departments involved in this activity.

### Business continuity and crisis management

Our 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. OMV Petrom uses a three tiers approach for the management of incidents, emergencies and crises leveraging existing line management. The first priority in any incident, emergency or crisis is always to protect and save lives.

Stakeholder management is paramount when dealing with incidents/ emergencies or crisis as such the OMV Petrom crisis management framework sets up the arrangements for efficient communication with

local communities as part of the stakeholders' management process. In case of an emergency, the Communication Department, which is part of the Crisis Management Team, ensures a coordinated response to employees, media and communities.

**The Incident Response Plans** focus on saving life, protecting property and minimizing damage to the environment by setting clear 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 specific, emergency procedures for high risks and major accident events and the personnel evacuation in a safe manner to the muster points for ensuring a fast and efficient reaction in case of an emergency. A clear and specific part of the response plans is related to the training of personnel involved via classroom sessions and practical drills. 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.

### Action Plan to "ZERO harm – NO losses"

To ensure the successful implementation of the Security & Resilience strategic vision, every year a set of initiatives are identified and defined as projects. For 2021 we developed initiatives to improve key areas such as: incident reporting, employees training & awareness, improve company preparedness to cope with crises and security technologies deployment.

# Corporate Security

Health, Safety, Security

## Our key actions on security & resilience



In 2021, we continued to contribute to the overall efforts to prevent coronavirus spread among OMV Petrom employees, and contractors and specific attributions were agreed with security contractors to be performed by the security personnel.

### Security Incidents Reporting

A very important development of incidents reporting process was identified as a target for this year and as such automation and develop cross divisional functionalities were in focus for 2021. It was mandatory to improve the automation reporting process and include new features to help us better understand the prejudices values and the consequences. A special focus was to implement the automated reporting for the filling stations security incidents which have an increased dynamic and specific response measures such as intervention teams. The new tool also provides the possibility to assess the security contractor's performance based on filling station personnel feedback.

### Embedding technologies into security operations

Following our strategic direction to embed technologies into our daily security operations, we constantly assess opportunities to replace obsolete equipment with new security systems with up-to-date digital technologies and integrate them to Security Operations Centre based on centralized software platform (PSIM) providing enhanced incident handling. This approach is focused 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. Thus, we moved our security systems to digitalization, and maximized the use of CCTV latest technologies advancements by adopting equipment's with artificial intelligence capabilities based on deep learning algorithms, reducing false alarms and a high detection performance. This year, a series of projects for implementing highly efficient protection concepts contributed to an increased capability for

detection and response through installation of more than 250 CCTV cameras in Upstream (multiple locations) and Downstream (Petrom Aviation terminals, Brazi CCPP, Petrobrazi Refinery, and other).

The operational procedures in our **Security Operating Centre (SOC)** were fully revised and updated to reflect the new developments, operators received specific training and detailed working instructions for handling the new equipment and features, ensuring an adequate monitoring activity and support for our field security operations.

### Improve business continuity and crisis management

In the pandemic context, we continued to contribute to the crisis response providing an accurate monitoring for COVID-19 evolution and related impact in OMV Petrom. We provided support to ensure an efficient recovery phase for our employees, contractors, and clients. In 2021, we started a major revision of Crisis Management and Business Continuity framework in order to adopt most recent international best practice and lessons learnt.

As such, in-depth research and training were undertaken by the resilience function personnel on international regulation and best practice. The review of Crisis Management framework is schedule to be finalized in 2022 through the release of the new **Crisis Management Plan**.

As part of the legal requirement type of documentation, under the provisions of emergency situations and civil protection legislation, the **Incident Response Plans** are comprehensive documents developed at the facility/site level, as resulted from risk assessment at the county level released by authorities and specific legal requirements to address site specific foreseeable risks. Thus, across OMV Petrom there are more than 2,714 response plans addressing various risks such as intervention and evacuation plans in case of fire or explosion, response plans in case of earthquake, flooding or landslides, civil emergencies, emergencies and disaster management plans etc. According with fire safety and civil protection legal provisions, regular emergency situations drills are performed. In 2021 more than 2,000 drills were performed across company locations and sites.



### Changing culture towards security and resilience in OMV Petrom

In 2021 we developed 2 new dedicated e-learning materials tackling general Security & Resilience concepts that each employee can adopt and implement, either in the office environment or operational areas. Moreover, a series of quarterly awareness topics have been delivered through a "Security Minute" program that meant to raise awareness on each individual's contribution towards Security. The 4 topics: Open Reporting in Security & Resilience, Intention vs Accident (Security and Safety), Security measures during travel and securing our office and operational areas, have reached cumulatively more than 400 participants per quarter (own employees and contractors).

In 2021, **two security contractor audits** were conducted. No major nonconformities have been identified during the audits, and any minor nonconformity that was identified was treated through specific actions over an appropriate timeframe.

# Corporate Security

Health, Safety, Security

## Results (KPI, other indicators)



The **security performance was evaluated at a high level of quality** (96% average score).

- ▶ Approximately 500 security inspections in Upstream and Downstream
- ▶ 1,500 security agents trained within more than 100 hours of training
- ▶ 990 training hours for the S&R team members (Agile methodologies in projects, Digitalization skill-set, and best practices in Crisis Management & Business Continuity)
- ▶ >200 preventive actions were organized with the law enforcement agencies

## Risk-based resources allocation

381 security risk assessments were performed in 2021, across both Upstream (at the productions area level - 36 security risk assessments) and Downstream (341 filling stations and Refinery and depots - 4 assessments), in order to cope with structural changes of the locations, business developments, or due to expiration of the validity legal period.

## Progress



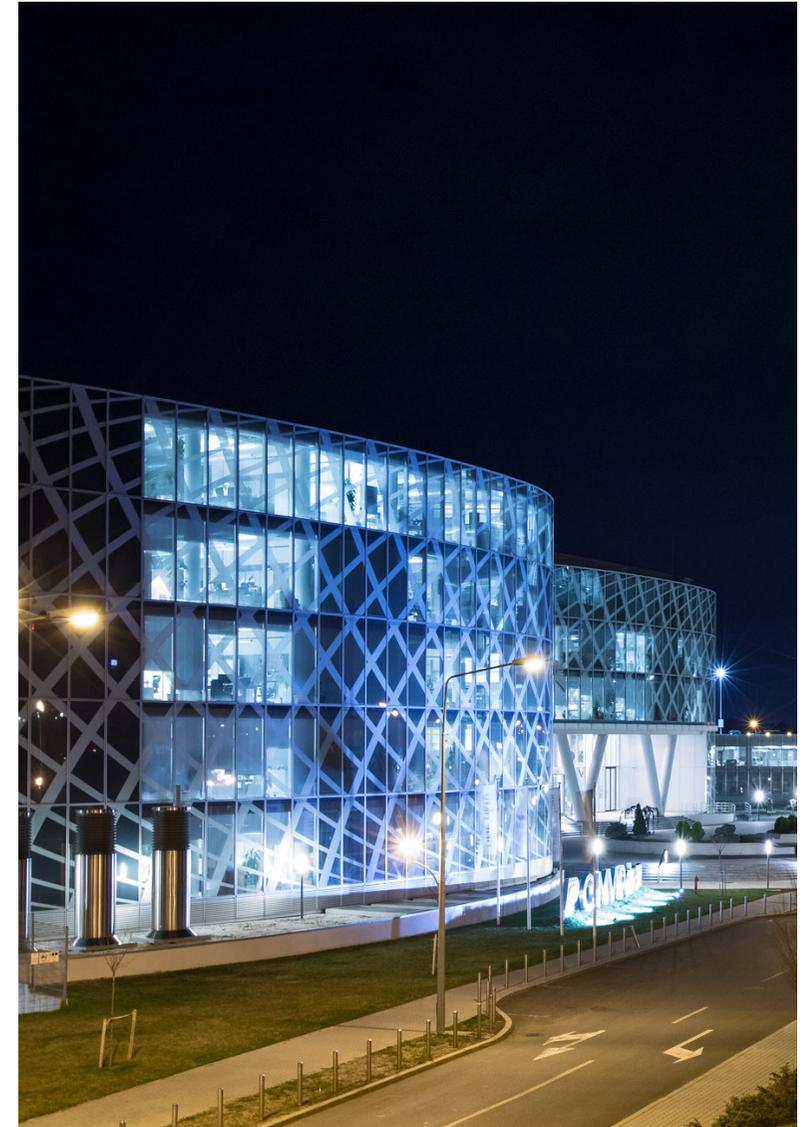
- ▶ The certification of Security & Resilience Quality Management System has been maintained following the annual surveillance audit conducted by Lloyd's Register Quality Assurance in March 2021, confirming the professionalism of the services delivered to our Business Units
- ▶ Implementation of state-of-the-art perimeter detection and control access security solutions in Petrom Aviation terminals, commercial depots, Brazi CCPP and Petrobrazi Refinery
- ▶ Improved employee awareness of security and resilience principles and behaviors by designing and delivering new security awareness topics through the quarterly Security Minute Program

## Outlook



Looking forward we aim to:

- ▶ **Foster transition from traditional to digital security** by maximizing deployment modern technologies into daily security operations for new projects and opportunities to implement additional security measures to mitigate security vulnerabilities of our operational facilities
- ▶ **Explore opportunities** for working with our security contractors to optimize physical security in Upstream onshore operations. We plan to also develop a **detection and response to concealed theft of petroleum product**
- ▶ **Improve organizational resilience** by assessing pandemic lessons learned and international best practice to embed them in the revised Crisis and Emergency Preparedness and Business Continuity framework
- ▶ Continue to **ensure legal compliance** while applying our risk-based flexible resources allocation for all Company sites through provision of Security Risk Assessments
- ▶ Continuous improvement of the S&R Quality Management System, including confirmation by Lloyd's Register Quality Assurance, and other ISO management system standards requirements, especially regarding security management **systems for the supply chain and risk management**
- ▶ Continue the **trainings on human rights for the security personnel**. Moreover, a revision of the existing contractual provisions with regards to human rights will be performed
- ▶ The **Human Rights action plan** will be implemented in 2022; the plan was developed as a result of a 2021 **human rights risk assessment**



# IT Security

In an increasingly interconnected global environment, information is exposed to a rapidly growing variety of risks, threats, and vulnerabilities. OMV Petrom invests in information and cybersecurity to protect technology, assets, and critical information as well as to protect our reputation and avoid any damage or monetary loss resulting from unauthorized access to our systems and data. Keeping OMV Petrom free from security gaps and potential security risks is essential for the whole business. The IT and OT Security regulations apply to all the Group's IT and OT assets and shall be followed by all our employees and contractors.

## Specific policies and Commitments

Our internal **IT/ OT Security Directive** lays out the details of the IT/ OT Security Framework, through which topic or security domain related security standards and policies are continually aligned and managed. The security framework in total consists of approximately 50 regulatory documents and is harmonized with the ISO 27000-series recommendations for IT controls and domains.

## Management and due diligence processes

We run an **Information Security Management System (ISMS)** which is based on ISO 27000 standard and accordingly certified, with annual external surveillance and re-certification processes applied. One of the basic principles of an ISMS is covering the continuous improvement cycle in order to identify, prevent, mitigate and remediate potential information security leakages or gaps.

**Preventive, Technical, Detective and Reactive Measures** - We lower the risk of security breaches by introducing new tools, individual detection strategies, and response plans in order to maintain a strong perimeter for our on-premises as well as our cloud environment. Our technical housekeeping measures ensure a solid foundation with up-to-date hardware and software as well as adequate information security processes. The detective and reactive measures are designed and executed on an ongoing basis to create transparency around existing risks, security gaps, and vulnerabilities. To further protect our assets

and eliminate intruders, we integrate detective and reactive measures to mitigate possible damage and take remediation measures to ensure a fast and total recovery. Examples of detective and reactive measures include:

- ▶ permanent vulnerability scans on cyber assets
- ▶ implementing a holistic MFA functionality
- ▶ running continuous internal & external penetration tests on critical applications/systems
- ▶ external audits as quality insurance (ISO 27000, PCI-DSS, NIS etc.)

**Training** - We run regular and intensive measures to keep our employees' information security awareness on a high level. The awareness efforts are either based on general topics of infosec interest, on ad-hoc demands as timely countermeasure on dedicated use-cases or even target-group focused, and set upon different formats such as:

- ▶ mandatory e-learnings including knowledge check
- ▶ topic based videos
- ▶ classroom trainings
- ▶ phishing email campaigns
- ▶ MyNews shared via intranet and blog postings

**Incident Reporting and Escalation Processes** – OMV Petrom operates a continuous 24/7 security monitoring. Potential findings are processed via a Security Information and Event Management (SIEM) intelligence and enriched by Level 1, Level 2 and Level 3 analysts. Escalation procedures exist to ensure timely remediation of security incidents on a 7x24 basis. Our Cyber Defense Team classifies the incident, triggers the incident response process, and activates all required functions via automatic and manual alerting via voice phone and SMS. All remediation actions are following pre-defined “runbooks” to ensure efficient and timely processing. A clear communication concept ensures the proper information of all relevant stakeholders. Moreover, the Group runs on a yearly basis, and with external expertise as steer, cyber emergency exercises on dedicated realistic threat scenarios in order to verify related mitigation procedures and processes.

**We made progress** by the introduction, in 2021, of the KnowBe4 platform, a state-of-the-art tool to provide information security awareness and training content on modern and attractive formats, in order to further increase employee awareness. We ran several initiatives to further increase and develop its cyber-attack resilience and reduce the cyber risk exposure, including a holistic InfoSec program consisting of a bunch of targeted projects to implement or enhance technical or procedural measures with focus on infosec capabilities, a continuous program to constantly evaluate the IT maturity level and its progress by external assessments and an intensive set of activities to keep the information security awareness on a high level.

## 2021 Activities:

We did not face any noteworthy incident as defined by the Romanian legislation, which implements the NIS Directive - local Law 362/2018 according to which we have been identified as an essential service operator.

OMV Petrom ran several initiatives to further increase, develop its cyberattack resilience, and reduce cyber risk exposure, such as:

- ▶ a holistic information security program consisting of a series of targeted projects to implement or enhance technical or procedural measures with focus on information security capabilities
- ▶ a continuous program to constantly evaluate the IT maturity level and its progress using external assessments
- ▶ an intensive set of activities to keep information security awareness at an adequate level

## Outlook

OMV Petrom is dedicated to continuous improvement processes and implementing related measures. Other strategic aims and core endeavors are to further increase the basic IT maturity level, to further extend cyber-defense capabilities and threat resilience beyond the already established high level, while maintaining certification of the comprehensive information security governance structures in place.



# Environment

**OMV Petrom Group's HSSE Directive** – Sets the principles and rules for environmental management. It 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.”

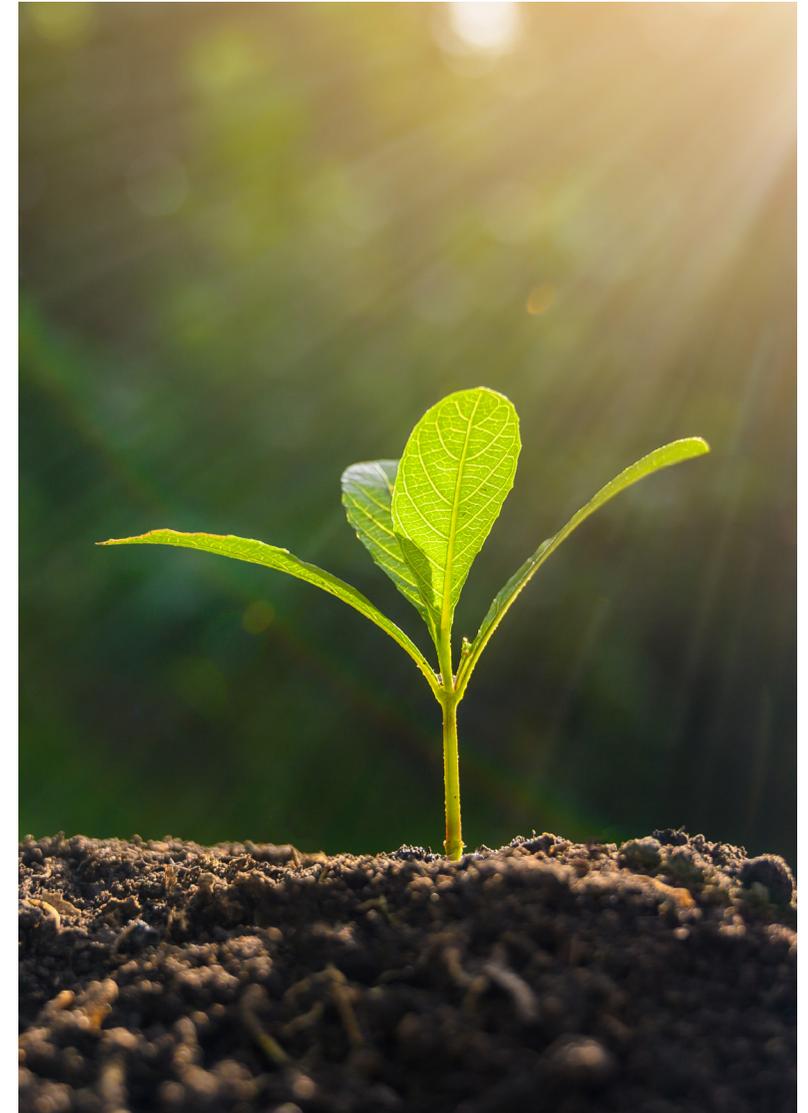
OMV Petrom Group's Environmental Management Standard supports our commitment to minimize our impact on the environment through pollution prevention, reduction of emissions and efficient use of energy and natural resources along the value chain. This Standard establishes the key responsibilities and requires 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 2021, 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: Petrobrazil Refinery, external fuel Tankfarms and Petrom City
- ▶ OMV Petrom Marketing S.R.L. (OMV branded filling stations), OMV Bulgaria OOD and OMV Srbija DOO
- ▶ OMV Petrom S.A., CCPP Brazil, Downstream Gas, gas and power supply activities

Our **Environmental Management System**, certified according to ISO 14001, covers around 70% of OMV Petrom Group's sites.

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. Before undertaking new operational activities 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. 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. The OMV Petrom Group Environmental Management Standard has been approved by the Executive Board.

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 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. Each subsequent phase of project implementation is accompanied by a detailed assessment of environmental risks.



# Environment



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. We promote environmental communication including via events, awareness campaigns and round tables. Examples include the OMV Petrom Environmental Awards 2021 - webcast event with over 1,300 participants when the Executive Board awarded 70 winners with significant contribution to environmental performance in 2021, the awareness campaigns in Petrobrazi and PEC Turnu as well as the Environmental Round Table, knowledge exchange platform targeting the HSSE Managers and Environmental experts.

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 2021, our total environmental costs (accounting for environmental protection expenditure, including depreciation and environmental investments for assets put into operation) amounted to EUR 174.49 mn (2020: EUR 148.82 mn). According to the EMA approach, the environmental investments for assets put into operation in 2021 totaled EUR 28.59 mn (2020 EUR 36.26 mn). In 2021, we paid EUR 0.076 mn (2020: EUR 0.047 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 2021.

Our approach to **Environmental protection** actions contribute to the following **UN Sustainable Development Goals**.

**SDG 3** ► target 3.9, by our protection measures related to hazardous chemicals and air, water, and soil pollution and contamination



**SDG 12** ► target 12.4, by employing an environmentally sound management of chemicals and all wastes



**SDG 15** ► target 15.5, by mitigation of our impact on biodiversity through studies and measures



# Water

## Why is this important?

Water is an essential resource in our operation, in both 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 of the 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, while our Petrobrazi Refinery and our CCPP Brazi use recycled water for various operational purposes. Our impact extends from the use of freshwater to the discharged water from our operations in Upstream and Downstream. Our potential impact on water resources affects both our communities and other local business.

## Our commitment

OMV Petrom's approach to water management is in line with the Group's water framework that includes a Water Ambition Statement and a Water Strategy. This strategy is based on five strategic pillars: transparency, risks and opportunities, water efficiency and treatment, training and awareness.

### 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 internal 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 employee is responsible for minimizing the impact of our activities on water resources

## We measure

OMV Petrom monitors and reports water performance systematically and takes appropriate measures for all the relevant sites across the Company. We monitor the impact of our activities 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).

## We act

Our water management activities' key goals are to reduce water consumption, utilize water resources efficiently and treat wastewater appropriately.

Internal directives include Group HSSE Directive and Group Environmental Management Standard. OMV Petrom Group's Environmental Management Standard supports our commitment to minimize our impact on the environment, including water resources impact.

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. Our Community Grievance Mechanisms enable communities to raise concerns about water-related issues such as contamination.

## We check

The pollutant 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).

OMV Petrom's water management activities pursue socially equitable water use. In our [Human Rights Matrix](#), we commit to ensuring an adequate standard of living. This applies also to our suppliers that sign and commit to the [Code of Conduct](#). OMV Petrom regularly carries out supplier audits to ensure compliance with our human rights requirements.

The EMS 14001 is regularly audited for surveillance/ recertification.

## We train

Water topic is addressed as part of periodical environmental training. For example, in 2021 we provided employees on operational sites with training on implementing the Response Plan in case of accidental water pollution.

## We plan

Our **Water Management Plans** aim to allow sustainable long-term production with minimal effects on the environment and to mitigate the **impact related to water withdrawal**.

# Water

## Our key actions on water



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**" by World Wildlife Fund Water Risk WaterTool as well as own assessments, as required, to identify operations in areas facing the risk of water scarcity and water stress. In 2021 we conducted the water hazard assessment for the Upstream's assets of Oltenia, Muntenia Vest, Moesia, and Moldova. The results are used as input for assessing the climate change-related water stress risk under EWRM.

In 2021, around 80% of the **priority sites** operated by OMV Petrom have completed water management plans, while for the remaining sites the development of plans was in progress. 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.

In 2021, in total we withdrew 56,347 ML of water, consisting of groundwater, surface water, water from public supply, sea water and produced water (2020: 59,362 ML). Out of the total water withdrawn in 2021, 5,348 ML was groundwater.

The Freshwater Withdrawal Intensity Index of OMV Petrom's operations decreased by 6.54% in 2021 vs. 2020, based on a 20.9% decrease in Downstream Oil, a 6.3% decrease in Downstream Power Plants (CCPP Brazi, Petrom City Power Plant) and a 18.3% increase 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 Marketing, OMV Petrom Aviation.

In 2021, our Upstream operations generated 39,460 ML of produced water (2020: 41,443 ML) - a by-product of oil and gas production. Following treatment, around 95% of it was reinjected in the underground.

The rest of the produced water 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 Crișana 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 2021, the monthly averages of TPH were 0.1mg/l which is well below the permitted limit (5mg/l). The total quantity of hydrocarbon discharged within the treated water of Crișana Asset was around 0.197kg in 2021.

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. 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 impact must be managed appropriately. To mitigate the **impact related to water discharges** we apply best practice in terms of wastewater treatment technologies (e.g., Petrobrazi Refinery and Asset Crișana). Measures to reduce or minimize the amount of water withdrawal include:

- ▶ Water recirculation (e.g., at CCPP Brazi)
- ▶ Replacement of water-cooling systems with air coolers (for example, the C3+ fraction recovery plant from Petromar); and the use of desalinated seawater rather than fresh water supplied by ships (offshore)

- ▶ Closed system cooling water recirculation, as well as the use of air or glycol as a cooling agent instead of water at Asset Oltenia's 2 Bustuchin Compressor Station
- ▶ Reduction of operational complexity, upgrade of equipment (boilers), maintenance of equipment to reduce water loss, and optimization of pipeline routes for water supply (drilled water wells near consumers)

## Results (KPI, other indicators)



Full water-related data can be found in [Performance in Detail - Environmental Performance](#) section of this report.

## Progress



### 2021 Upstream

We completed the modernization of the Tank farm Ghercești in Asset Oltenia with an investment of around EUR 1.5 mn. This project aimed at optimizing the oil treatment process and included installation of two new tanks. It is estimated for the water withdrawal to be reduced by around 38% due to this upgrade.

In addition, the environmental impact and risks were minimized, for example through implementing closed vapor recovery systems, ensuring a recovery over 95% of the released pollutant volatile organic compounds, and geomembrane in the tank's bunds to prevent soil pollution. Likewise, the water losses issue of the old system was eliminated thus reducing the impact on water resources.

### 2021 Downstream

In Arpechim, in addition to continuing the modernization of the water supply network, a new water pump was installed at the Water Treatment Station Bradu, which enables water withdrawal to be adapted to the needs. Specific chemical dosing skid and online analyzers integrated in SCADA have been also installed in Water Treatment Plant.

# Waste

## Why is this important?

All waste generated by oil and gas activities must be properly managed due to concerns about the potential impacts on public health and environment resulting from improper 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. The potential impacts of our activities are related to the quantities produced and the disposal of a series of waste streams, hazardous as well as non-hazardous. We generate waste as a result of our ongoing operations, as well as from projects such as demolition and abandonment ("one-time waste").

## Our commitment

We pledge to reduce emissions, releases of pollutant substances and waste.

## We measure

Each permitted site maintains waste management registers in accordance with applicable legal requirements. Our reporting tool, OMV Synergi also collects waste data. Clear responsibilities are set regarding the review and final approval of data. All waste shipment documents are archived.

## We act



### The OMV Petrom Group Environmental Management Standard

requires compliance with all applicable environmental laws and regulations, or other requirements, and alignment with internationally accepted best practices. This Standard also requires for all businesses and activities to identify and use the lowest hazardous material option as well as minimize both the use of raw materials and the subsequent generation of waste.

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.

Waste management, along with other environmental topics, is integrated into awareness campaigns and internal workshops.

## We check



The EMS 14001 is regularly audited for surveillance/ recertification.

## We train



Environmental training is provided to our staff working on-site and in charge of environmental tasks.

## Our key actions on waste



In 2021, OMV Petrom generated 605,172 t of total waste (2020: 537,855 t). We diverted from disposal by recycling, recovery and preparing for use 83% of the total waste generated throughout the year. The total waste amounts cover both production waste and waste from one-time projects. The hazardous waste amounted to 333,157 t and mainly included soil from wells and facilities abandonment and tank sludge while non-hazardous waste included scrap metals and clean concrete from decommissioning activities.

In 2021, from the contaminated soil treated in our bioremediation plants, 83% resulted as bioremediated soil for use as backfill material, and 17% resulted as non-hazardous soil waste that qualified for landfill disposal.

The bioremediation infrastructure includes 11 bioremediation plants, 4 final deposits and 8 temporary storage platforms, strategically distributed throughout the country. Contaminated soil as a result of abandonment works, accidental spills, and operation works is sieved and then placed in batches at bioremediation plants. Minerals, nutrients, structural materials and water are added, and then the soil is aerated. Thus, the microbiological activity that leads to the degradation of petroleum products is stimulated. After several aeration cycles, soil samples are taken from each batch and the total oil hydrocarbon content is determined. Depending on the results of the analysis, the bioremediated soil is classified as backfill soil (which is used to fill excavations, stabilize, level) and final storage soil, which is stored in final deposits that belong either to our company or to third parties.

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

In 2021, we executed works for surface abandonment of 718 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 184,000 t of contaminated soil in our bioremediation plants with a recovery rate of around 83%. The clean concrete represented around 87% of the construction waste, which amounted to 53,000 t, and we delivered it for further use in OMV Petrom and outside. We recycled around 14,500 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.

# Waste

## Our key actions on waste



In 2021, we performed a challenging pilot project – Subsurface abandonment of the well 805 Bustuchin. The project challenges included:

- ▶ Land slide environment
- ▶ Large area to be excavated, 27 m depth x 8 m diameter
- ▶ Working in confined space and dangerous environment

The well was affected by landslide and we did consolidation works through a mining construction to reach the depth of 27 m. The land consolidation was necessary to execute cutting and reconnection of broken casings.

We successfully restored the verticality of the casings with environmental benefits including:

- ▶ Elimination of the blow out risk (well is located in the forest area and close to community)
- ▶ Avoidance of gas emissions from the well area
- ▶ Aquifer isolated in the excavation area

The project was presented at ADIPEC international event.

In Downstream Oil, we continued the high performance on waste recovery rate out of demolition projects. We achieved a 99% waste recovery rate from the demolition projects finalized in 2021 in Petrobrazi Refinery.

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

In 2021 we completed the works for six sites, from a total of 30 former fuel terminals, with sites remediated up to initial pre-operational state, according to legal provisions in place. In addition to the 145,000 m<sup>3</sup> of soil/subsoil contaminated with petroleum products generated and treated in the previous years, around 77,000 m<sup>3</sup> contaminated soil were excavated and treated.

The treatment is performed by site-specific methods 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 periodic monitoring during and after site rehabilitation, as requested for each site by the environmental authorities. The site status (e.g., land covering by grass, soil compaction) is quarterly monitored for one year after our works are finalized.

## Results (KPI, other indicators)



See waste related indicators in the [Performance in Detail - Environmental Performance](#)

## Progress



The recovery rate increased to 83% in 2021 (77% in 2020) on account of increased amount of clean concrete generated and recovered from facilities' demolition in Downstream and well abandonment in Upstream.

## Outlook



For the coming years, we plan to continue our decommissioning and demolition projects for Upstream and Downstream as scheduled, clean-up the land and properly manage all resulting wastes. In 2022, we will continue the site restoration for the remaining two depots Constanța and Oradea. We also plan to revise the Waste Management Plans at operational level.



# Spills

## Why is this important?

Oil spills are a critical environmental issue for our industry. Stakeholders with major concerns relating to potential impacts stemming from spills include:

- ▶ 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

We constantly implement spill prevention and control measures, to prevent the impact on the environment, on our reputation and financial stability of OMV Petrom.

## Our commitment

HSSE- Health, safety, security, and protection of the environment have the highest priority in all activities. We aim at preventing spills and appropriately managing the response in case of occurrence.

## We measure

We monitor the number of major spills, minor releases, quantities spilled. We aim to prevent and reduce oil spills and leakage in our operations at sea as well as on land. Appropriate spill prevention and control plans that account for specific business conditions have been put in place.

## We act



The OMV Petrom's Environmental Management Standard requires that spills of substances causing harm to the environment shall be prevented and in the event of occurrence they shall be appropriately managed. Hydrocarbon spills are assessed and cleaned up immediately after their occurrence in accordance with specific procedures governing spill remediation. Leaks are repaired in a timely manner and based on the risk and feasibility of repair during operation. We employ performant clean-up and remedial measures; we ensure that the affected land is further suitable for its initial intended use.

We rely on third-party support for capping and containment, surface clean-up, and emergency management.

We approach remediation measures in line with the relevant legal requirements, which include clean-up (e.g., by excavation and clean earth filling), restoration, rehabilitation, and/or replacement of damaged environmental receptors.

We also rely on natural attenuation (recovery) based on the respective decision of the environmental authorities. Provisions are recognized in our accounts for the liabilities related to spills and cover cleaning and remediation costs.

In the event of a very large oil spill in offshore, when considerable amounts of equipment and expertise may need to be mobilized, we use international specialized service providers to support an effective oil spill response.

## We check



For spill prevention please see the "Process Safety" chapter.

## We train



In order to strengthen our response to and reduce the environmental impact of oil spills, we continued to perform emergency drills, including pollution scenarios, for example in Assets Muntenia Vest, PEC Turnu and Petromar, training on our Pollution Prevention Plan was delivered to the relevant employees.

## We plan



Appropriate **spill prevention and control plans** for specific business conditions are in place to assist personnel at our 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, we perform emergency drills, including pollution scenarios.

Offshore, 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, so an offshore oil spill prevention and contingency plan is in place.

## Our key actions on spills



In 2021, we recorded two major hydrocarbon spills (no major hydrocarbon spill in 2020). A total of 2,140 minor releases occurred in 2021 (2,267 minor releases occurred in 2020). Total hydrocarbon spillage was 48,761 l (2020: 31,908 l).

# Spills

Environment

## Our key actions on spills



One major spill occurred in Upstream due to pipeline integrity failure and the second one in Downstream due to roll over of a fuel truck belonging to a hauler. Details on the two major hydrocarbon spills and intervention actions are provided below:

- ▶ Level 3 hydrocarbon spill in Asset Muntenia Vest, Park 24 Cocu - due to a pipeline integrity failure, 140 l of crude oil and 300 l of produced water were released in the environment. This resulted in the pollution with crude oil traces of 5 m<sup>2</sup> of land and 1,800 m length on water of Valea Scroafei and Cotmeana rivers. The pipeline was isolated by shutting down the relevant wells and retention dams were installed for preventing the crude oil to further spread down the river. The crude oil was recovered with vacuum trucks and fed back into the technological flow. The contaminated soil was removed from the affected area and transported to the bioremediation plant. Fertile soil was brought to fill the cleaning gap. The spill response was performed according to Emergency Response Plan – Accidental Pollution scenario (Plan for prevention and interventions in case of accidental spills and failures) available at Asset level. The environmental authorities were announced in both situations and they followed these incidents to closure.
- ▶ Level 3 hydrocarbon spill in Downstream: hauler fuel truck heavily hit a concrete road divider and rolled over. 5,900 l of gasoline and 11,800 l of diesel spill occurred after tanker inner walls broke and compartment 4 lid was damaged after hitting the light pole. Around 20 m<sup>2</sup> of land is estimated to be polluted. The environmental authority requested a preliminary investigation to determine the magnitude of contamination and appropriate measures, with deadline at beginning of 2022.

## Results (KPI, other indicators)



Our 2021 results are presented in the [Performance in Detail – Environmental Data](#) section in this report.

## Progress



Continued effort in the reduction of number of spills.

## Outlook



Improve integrity to prevent loss of containment, our actions are summarized in the [Process safety](#) section of the report.



# Non-GHG Air Emissions

## Why is this important?

Air pollutants other than GHG associated with OMV Petrom operations affect air quality. Air pollutants can have adverse effects on humans and the ecosystem. To prevent any such adverse effects, all operational environmental permits include emission limits where relevant, based on local or EU legislation, accompanied by a monitoring and reporting system. Air pollutants other than GHG include SO<sub>x</sub>, NO<sub>x</sub>, CO, particulate matter/dust, non-methane volatile organic compounds (NM-VOC). Odor also causes public concern as a nuisance.

## Our commitment

Strategic commitment - HSSE - Health, safety, security, and protection of the environment have the highest priority in all activities.

## We measure

Emission monitoring is done for pollutants specified in the environmental permits. In our refinery, we monitor emissions of pollutants such as SO<sub>x</sub>, NO<sub>x</sub>, CO, particulate matter/dust, and (NM) VOC as required by European and national legislation and the respective permits. To improve management of air emissions, additional monitoring stations have been installed, and measures have been implemented.

## We act

OMV Petrom Group Environmental Management Standard: our internal standard stipulates that all OMV Petrom Group businesses and activities understand the impacts of their air emissions on local and regional ambient air quality. Air emissions shall be minimized, monitored and controlled systematically.

Our aim to apply technologies are Best Available Techniques (BAT) compliant. For example, Petrobrazi Refinery is in compliance with BAT

Reference Document for the Refining of Mineral Oil and Gas - Industrial Emissions Directive 2010/75/EU and the Brazi Power Plant - BAT Reference Document for Large Combustion Plants - Industrial Emissions Directive 2010/75/EU. Among our technologies, we mention Low NOx combustion technology flue gas cleaning systems, Coker closed blowdown system at Petrobrazi refinery and internal floating membrane at benzene tank to reduce emissions of volatile organic compounds

## We check

The EMS 14001 is regularly audited for surveillance/ recertification.

## We train

Environmental training includes air protection.

## Our key actions on Non-GHG Air Emissions

### Dust and odor control during cleaning and remediation works

In 2021, OMV Petrom continued to restore sites that were formerly fuel terminals. The works related to the Project "Cleaning, remediation and ecological reconstruction works of former Suceava oil terminal" in Downstream could generate dust (from excavation, loading, soil treatment on the bioremediation platform and earth fillings) and smell (from hydrocarbon vapors accumulated in the soil). The challenge was to minimize the dust and smell nuisance from a project site located in a sensitive area (with residential neighborhoods). Among the best practices applied we mention the water spray curtain, dust protection nets, forced ventilation, off-site bioremediation of the most contaminated soil, periodical communication with the community and the authorities, solutions agreed with all the relevant local authorities who performed weekly site visits. In addition, we minimized the dust-producing activities in periods of strong wind simultaneously with a more intense wetting of the surfaces as well as covering the surfaces on the on-site biopiles. With respect to odor and dust control during soil excavation and transport, we optimized the transportation routes to minimize nuisance

to the community, covered the load, washed the wheels at the site exit to avoid contamination of public roads and sprinkled the access roads on-site.

In **Downstream**, Petrobrazi Refinery implemented an LDAR Program according to BAT- Reference Documents (BREF). This program's objective is to reduce fugitive emissions from the plant's technological equipment (e.g., vents, flanges). In 2021, the program targeted accessible fugitive emissions sources from Tank Farm and Aromatic units. 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. 84% from the leakages identified were fixed. This program runs periodically, according to a schedule, in all Petrobrazi installations.

## Results (KPI, other indicators)

Our 2021 results are presented in the [Performance in Detail – Environmental Data](#) section in this report.

## Progress

In Petrobrazi Refinery, the tank modernization program continued in 2021 and included installation of internal floating membrane or double sealing for six volatile product tanks and commissioning of one new tank, according to BAT. These measures amounted to EUR 12.5 mn and contributed to the reduction of the environmental impact due to VOCs.

## Outlook

Best practice in controlling and managing odor are to be established according to new-emerging methodologies.

In 2021, we initiated a pilot project to develop the Odor Management Plan for one representative facility within one Asset of Upstream. The pilot project will be finalized in 2022.

# Biodiversity

## Why is this important?

Areas of interest for oil and gas may be recognized and valued for their biodiversity resources. Current operations and new developments within OMV Petrom must account for the potential impact on biodiversity.

## Our commitment

Health, safety, security, and protection of the environment have the highest priority in all our activities. At OMV Petrom, protection of the environment includes protection of biodiversity.



## We act

OMV Petrom Group Environmental Management Standard (EMS), including requirements on biodiversity: this internal regulations states that all OMV Petrom activities must be conducted in such a way as to cause minimal disturbance to protected areas and local flora and fauna. Permitting and assessment procedures are applicable in all operation countries, at OMV Petrom Group level.

Our [HSSE Policy](#) is part of our EMS, communicated and verified in the certification process.

Impacts and mitigation measures are established in the framework of the permits obtained for each one of our sites. Additional measures implemented are part of the EMS 14001.

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.

## We check



The EMS 14001 is regularly audited for recertification.

## We train



Trainings on biodiversity are received on the larger context of environmental training, part of the EMS 14001. Biodiversity topic is on the Agenda of the Environmental Workshops in OMV and OMV Petrom held on a systematic basis.

## Our key actions on biodiversity



We conducted a desktop assessment by reviewing the official GIS database for Natural Protected Areas (NPAs). We identified 11 major operating units (Upstream Assets and Downstream Retail units in Romania) that have part of the property area inside or adjacent, within the 1km buffer, to natural protected areas (NPAs). The total surface area inside the NPAs accounts for approximately 2% of the total operational surface in Romania. We operate inside various types of NPAs such IUCN Category II-V, RAMSAR, Natura 2000, Biosphere Reserve and World Heritage Sites. Most of these NPAs are Natura 2000 sites.

## Results (KPI, other indicators)

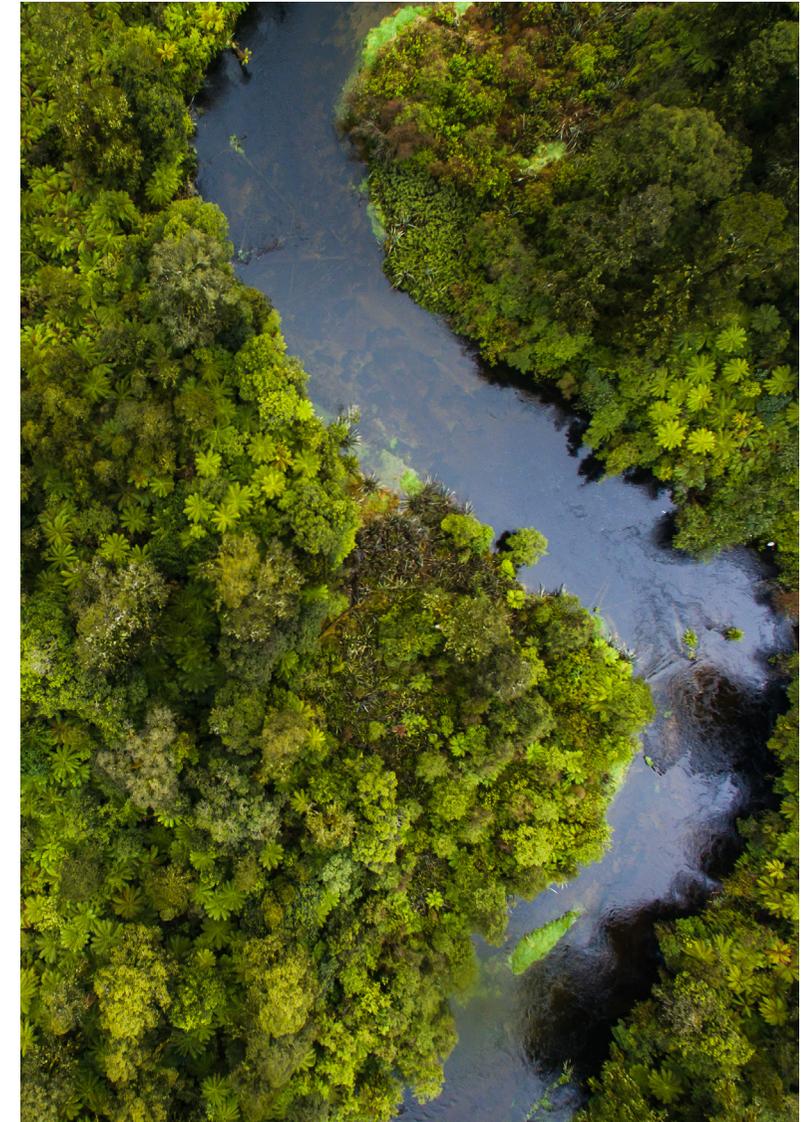


11 major operating units identified (Upstream Assets and Downstream Retail units in Romania) that have part of the property area inside or adjacent, within the 1km buffer, to NPAs.

## Progress



Our 2021 progress relates to increased biodiversity screening of exposure to protected natural areas.



# Business Principles & Economic Impacts

Our business principles are highly based on integrity and trust. As a signatory of the UN Global Compact, we are committed to respect and promote the 10<sup>th</sup> Principle regarding the fight against corruption and strive to combat and prevent the risks of bribery and corruption.

Compliance with ethical standards is a non-negotiable value that takes precedence over all other considerations. At OMV Petrom, absolute devotion to this purpose reaches all levels, from top management to every employee. Additionally, our business partners are required to share our dedication to and knowledge of ethical standards. OMV Petrom Compliance department was founded in 2008 with the objective of managing corporate ethics-related risks throughout the OMV Petrom Group, including businesses located outside of Romania. The Compliance department examines and evaluates the company's exposure to business ethical concerns, provides guidance on how to avoid and handle such risks, and develops procedures to safeguard the organization against those risks. Continuous monitoring and evaluation of the efficacy of controls is critical to managing an organization's risk exposure.

OMV Petrom has a strict zero-tolerance policy for bribery, fraud, theft, and other types of corruption. Corruption is defined broadly as any departure from morality and responsibility that is damaging to a person's or public interest in favor of another person's, public or private, benefit. Bribery is a form of corruption and is defined as the promise, offering, requesting, or receiving directly or indirectly, for oneself or another, of money or other undue benefits in exchange for the performance, non-performance, haste, or delay of an act that involves service duties or for the performance of an act contrary to such duties. For our activities, community grievance mechanisms are in place, along with data protection management, public advocacy, and tax transparency.

The ultimate responsibility for ensuring the ethical conduct of OMV Petrom while generating economic value lies with the Executive and Supervisory Boards. The responsibility for economic impacts and business principles is not centralized in one department, but rather distributed among various departments.

For instance, the Compliance Management System is implemented Group-wide through collaboration between centrally based management units and local compliance officers in all countries in which OMV Petrom Group operates.

The Group's approach to tax and the risks related to it are monitored by the tax function (as part of Group Finance) and overseen by the CFO and the Supervisory Board. Tax compliance is generally dealt with by finance managers and at legal entity level by local tax managers, shared service centers or external tax advisors. OMV Petrom's Compliance department reports to the OMV Petrom CEO, while the Tax department reports to OMV Petrom's CFO.

Our Public Affairs department is the interface of OMV Petrom to the relevant political and public administration decision makers, at national, regional, and European level. Relationships with stakeholders are based on transparency and mutual trust. The Public Affairs department reports to the OMV Petrom's CEO.

Our **Business Principles** as implemented contribute to the following **UN Sustainable Development Goals**.

**SDG 1** ► target 1.4 - through our grievance mechanism in place to ensure that we address issues raised related to equal rights in our community and related to ownership and control over land and other forms of property



**SDG 16** ► targets 16.3, 16.5 and 16.6 - through our strict zero-tolerance policy for bribery, fraud, theft, and other types of corruption and implementation of our Code of Business Ethics



**SDG 17** ► target 17.16: by engagement in multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals



# Business Ethics

## Business Principles & Economic Impacts

### Why is this important?

Ethical behavior is paramount for establishing a good reputation, building and maintaining the trust of our business partners, customers and stakeholders.

### Our commitment

Our core policies and commitments include OMV Petrom [Code of Conduct](#), [Code of Business Ethics](#) and [Whistleblowing Platform Directive](#). In 2021, the Whistleblowing Platform Directive has been updated to address all areas relevant for OMV Petrom activity, in accordance to provisions of EU Directive 1937/2019 on the protection of persons who report breaches of Union law (the Whistleblowing Directive). We also have a fully implemented OMV Petrom Compliance Management System. We are committed to raising business ethics awareness for targeted OMV Petrom employees through trainings and compliance programs.

### We measure

We monitor the training level as well as conflicts of interest of those who work for us.

### We act

OMV Petrom has a fully implemented compliance management system that includes internal rules, processes and controls aiming to prevent, monitor and detect potential business ethics deviations and promote a business ethics culture within the organization. The compliance management system gravitates around the [Code of Conduct](#) and the [Code of Business Ethics](#).

Both the [Code of Conduct](#) and the [Code of Business Ethics](#) are signed by OMV Petrom Executive Board and apply in all countries where the company operates. The **Zero tolerance policy towards bribery, fraud, theft and other forms of corruption** is clearly stipulated in the [Code of Business Ethics](#) that is endorsed by the Executive Board. The [Code of Business Ethics](#) is communicated to all OMV Petrom employees via all the communication channels available in the organization.

The [Code of Business Ethics](#) is mandatory for everybody who works for OMV Petrom, including OMV Petrom's subsidiaries in Romania, Bulgaria, Moldova and Serbia, including our employees and all external staff that works for us under secondment agreements.

The internal Whistleblowing Directive lays out how employees and externals can confidentially and anonymously make a whistleblower report regarding all relevant topics pursuing the EU Whistleblowing Directive, including (but not only) corruption and bribes, conflicts of interest, competition law, and capital markets law.

### We check

The OMV Petrom Compliance Management System was audited in terms of design, implementation, appropriateness and effectiveness according to international Standard IDW PS 980 in 2013 and 2017. The Compliance Management System is regularly reevaluated under IDW PS 980.

The risks are reassessed on a semi-annual basis, a requirement under EWRM.

### We train

It is of strategic importance for us to make sure that every single employee is fully aware of our ethical values and principles. There are two main trainings conducted, namely on business ethics and antitrust law topics.

The compliance team receives training, participates in meetings and workshops, which also include sharing of country specific experience on implementation of whistleblower programs. Raising business ethics awareness for all OMV Petrom employees is achieved through trainings and the compliance communication program.

### We plan

Our planned actions include periodical mandatory trainings on business ethics for white-collar employees, Competition Law mandatory for all employees in the most risk-exposed areas, direct business ethics trainings (virtual or face-to-face) for managers, and Competition Law trainings (virtual or face-to-face) for managers and employees in the most risk-exposed areas.



# Business Ethics

## Business Principles & Economic Impacts

### Our key actions on business ethics



In 2021, we worked specifically on:

- ▶ enhancing the training and awareness activities in OMV Petrom and the subsidiaries outside Romania with a focus on whistleblowing
- ▶ starting the development of a new compliance tool accessible for OMV Petrom employees from their mobile phones
- ▶ enhancing third party risk mitigation by closer scrutiny of 1st tier subcontractors

The Integrity Platform was expanded in view of new legal requirement and can be used to make reports of perceived violations in the following legal areas:

- ▶ Corruption and bribery
- ▶ Conflicts of interest
- ▶ Cartels/ unfair competition
- ▶ Capital market law
- ▶ Public procurement
- ▶ Environmental protection
- ▶ Product/ food safety and consumer protection
- ▶ Corporate tax regulations
- ▶ Data protection

Maintaining a direct and permanent dialogue with the employees of OMV Petrom subsidiaries is an important objective of the awareness and training activity for the Compliance team. In this regard, meetings were held, both face to face and online with the management and employees of the three OMV Petrom subsidiaries, Moldova, Serbia and Bulgaria. The scope of these meetings was to deliver compliance refresher sessions on Business Ethics, Competition Law and other compliance aspects.

In addition, a Compliance workshop was organized on whistleblowing aspects, involving Local Compliance Officers from OMV Petrom subsidiaries in Romania, Moldova, Bulgaria and Serbia.

### Results (KPI, other indicators)



#### Trainings

- ▶ E-learning trainings on Business ethics: 4,100 participants
- ▶ E-learning trainings on Competition Law: 212 participants
- ▶ Virtual face-to-face trainings on Business ethics: 252 participants
- ▶ Virtual face-to-face trainings on Competition law: 84 participants

**Spot checks** ▶ **quarterly** spot checks on the topics of conflict of interests and gifts & invitations.

**Whistleblowing** ▶ **zero relevant whistleblower reports** in the Integrity platform.

**Incidents of corruption** ▶ **zero incidents** resulting in contracts with business partners or employees terminated or not renewed due to corruption.

**Public legal cases** ▶ **zero public cases** involving corruption brought against the organization or its employees during the reporting period. However, there are 2 legal actions pending with regard to competition law matters in subsidiaries in Moldova and Bulgaria. Our performance is detailed in the [Performance in Detail](#) section of this report.

### Progress



Our progress is reflected in our actions to raise increase business ethics awareness for all OMV Petrom employees through trainings and compliance communication program.



### Outlook



The new compliance tool was developed, the Compliance App will be available from the first quarter in 2022 on mobile phones of OMV Petrom employees and will provide a user-friendly modern communication channel to facilitate contact with the Compliance team and send compliance reports or access compliance tools. Our additional planned actions include:

- ▶ E-learning Business ethics mandatory every 2 year for all white-collar employees
- ▶ E-learning Competition law mandatory every 2 year for all employees in the most risk- exposed areas
- ▶ Direct Business ethics trainings (virtual or face-to-face) mandatory every 3 year for managers level 1-4
- ▶ Direct Competition Law trainings (virtual or face-to-face) mandatory every 3 year for managers and employees in the most risk-exposed areas

# Community Grievance Mechanisms

Business Principles & Economic Impacts

## Why is this important?

OMV Petrom Group's Grievance Management Process is part of the Compliance Management System, which ensures compliance with applicable legal provisions and internal regulations in order to reduce non-compliance risks and/or financial consequences for the company, as well as to improve the efficiency of dialogue with stakeholders and communities.

An effective grievance mechanism should provide a transparent, credible and equitable process to all parties. A good grievance management process helps to build trust as part of the wider community relations activities and contributes to the overall success of the OMV Petrom Group's social performance. The process establishes how the managers of the specialized departments within the Organizational Units (OU) handle the grievances, respectively receiving, registering, reviewing, establishing measures, resolving grievances, as well as transmitting the responses in time.

## Our commitment

Assess Community Grievance Mechanisms of all sites against UN Effectiveness Criteria<sup>4</sup> by 2025

## We measure

We register the number of Grievances, by category.

We measure the number of received grievances vs. number of resolved grievances.

<sup>4</sup> legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue

## We act



We address all concerns effectively, in a transparent and easy to follow process and in a timely manner.

## We check



We investigate all grievances and offer a channel to resolve them in a non-judicial manner and, depending on the case, access to remedy for community members.

Our Compliance department audits the data in the database to ensure the information accuracy and, where applicable, makes recommendations for improvement.

The due time for resolving a grievance is also closely monitored.

## We train



All appointed employees in charge with grievance management are trained by Compliance department and are constantly receiving support and guidance.

## Our key actions on Community Grievance Mechanisms



Our planned actions target a stronger commitment to responding and resolving grievances, as well as a better understanding of our communities' concerns. E&P is planning a deep dive analysis to understand the root causes of the numerous grievances related to Asset Valahia.

In 2021, we worked specifically on continuing the implementation of the new standard as well as the new platform for registration of the grievances, Service Now. To provide traceability and predictability in the management of grievances, the new Community Grievance Mechanism (CGM) database was created and implemented.

In addition, the Petrobrazi Refinery increased its external outreach to local communities by upgrading the call center service, available 24/7, which promotes the communication between the refinery and any stakeholder interested finding answers to their questions or submitting a complaint. Over the past years, CGM procedures of Petrobrazi Refinery and Upstream Division were reviewed and adjusted to the new company community grievance management standard.

## Results (KPI, other indicators)



In 2021, we registered a total of 786 grievances related to society, human rights and environmental issues, out of which 570 were resolved. We also resolved a number of 67 remaining grievances from the previous year. Most of them (412) were related to social impacts generated by our operations and 374 grievances were related to environmental impacts (of which 294 were related to land contamination).

Complaints with both social and environmental impact are more than 90% raised by individuals from the communities where OMV Petrom operates, and the rest by the local authorities and local environmental agencies.

## Progress



In 2021, the grievance resolution rate was 73%, in the same range as in previous years.

## Outlook



For 2022, we plan a detailed assessment in OMV Petrom E&P to evaluate the root causes of grievances and implement appropriate measures to reduce their number.

The call center service will continue also in 2022 and an evaluation after one year from the implementation is also planned.

# GDPR

During 2021, the consolidation and updating of the set of internal regulations in personal data processing and protection continued, highlighting and adopting the procedures related to:

- ▶ assessment of all type of contracts from Data Protection perspective (Joint Controllers/ Independent Controllers/ Controller-Processor)
- ▶ revision and update of the Record of Processing Activities (RoPA)
- ▶ performing of Data Protection Audits

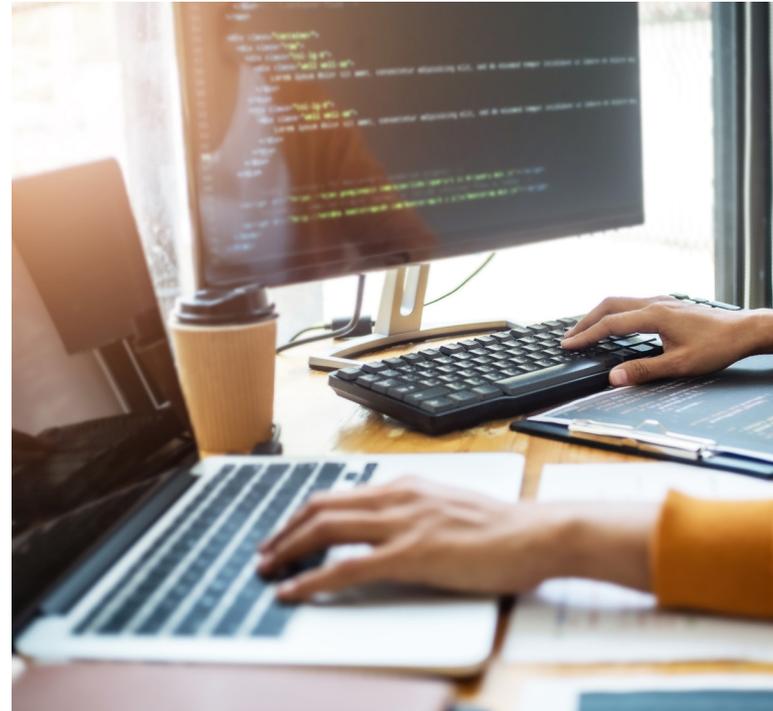
The new awareness program concept considered the employees working for the companies which are part of OMV Petrom Group and the employees and representatives of third-party companies. All managers performed the special training dedicated to them. In addition, customized trainings for different categories of employees, such as the new employees (Induction Program) were carried out.

At the same time, a series of open webinars were organized, offering to the interested employees the opportunity to interactively discuss about data protection topics of interest (e.g., medical personal data processing in the context of the COVID-19 pandemic, data breach, processing of personal features – image/voice, roles and responsibilities etc.). Information of high interest to all employees were published through intranet/ blog articles or the internal magazine, keeping the employees updated on data protection topics.

Different levels of management were involved in the new awareness type action, by receiving, in a periodical basis, specific or customized newsletters.

Implementing the new digitalized version of RoPA offered to all Processing Activities' owners the opportunity to perform the necessary updates in a comfortable, friendly to use and fast way. Along with the updating of RoPA all required Legitimate Interest Assessments (LIA) were successfully performed.

Specialized data protection advising activity via, mainly, the digitalized Ticketing System, implemented last year, substantially increased.



Particular attention was paid to the management of the Data Subjects' Requests (DSRs) concerned to exercise the rights protected by the GDPR and all DSRs received by all Group Companies were solved accordingly.

**No relevant data breaches** occurred in 2021, and the minor ones (e.g., lost IT devices) were managed so as to not affect the Data Subjects' rights, liberties, and interests.

During 2019 and 2020, an audit on Data Protection department's activity was performed by an important external audit company. All identified audit measures and outcomes were implemented by the Data Protection department, in co-operation with relevant business stakeholders.

## 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 2021.

We follow political and regulatory initiatives (both at EU and at 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. Since currently there is no lobby law in Romania, OMV Petrom does not have lobby actions and expenditures for 2021. We collaborate and promote our position on business and regulatory related topics through public advocacy channels (e.g. 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. The list of professional associations can be found [annexed](#) to this report.

**0 political donations in the OMV Petrom Group in 2021.**



# 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. This Tax Strategy was valid during 2021.

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, considering 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 provided 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 European Council) and has published 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 on our website.

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.

## Risk Assessments

We continuously carry out risk reviews, which also include tax risks, in order to assess our current and future financial and non-financial risks, assess how these trends will impact OMV Petrom, and then develop appropriate responses. We report key risks internally at least twice a year to the Supervisory Board through a very clearly defined process. The Executive Board drives OMV Petrom's commitment to the risk management program and sets the tone for a strong risk culture across the organization. We follow OMV Petrom's risk management system as part of our internal control processes. We identify, assess, and manage tax risks by implementing risk management measures at the operational level with a robust and complex set of controls and procedures.

## Outlook



Taxation as a key steering instrument towards an eco-friendly, green economy plays a major role in the current initiatives of the EU, OECD member states, and the Romanian government.

For instance, several initiatives have been launched such as:

- ▶ The Fit-for-55 package by which the EU aims to reduce its net greenhouse gas emissions by at least 55% by 2030 will have an impact on the taxation of inefficient and polluting fuels.
- ▶ OECD/G20 inclusive framework on reforming international tax rules by implementing new rules for profit allocation (Pillar One) and establishing a global minimum taxation regime (Pillar Two) effective in 2023.
- ▶ Common European Council, European Parliament, and European Commission agreement on the proposed public country-by-country reporting (CbCR) directive. Considering the 18-month transposition deadline for member states, the public CbCR will enter into force in 2024 for the 2023 fiscal filing year.

# Supply Chain

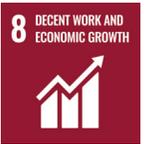


To mitigate supply chain risks including forced labor, slavery, human trafficking, and corruption, OMV Petrom imposes the legal requirements and internal rules and standards applicable to OMV Petrom on its suppliers. Our suppliers are obligated to fully comply with the content of the Code of Conduct, and our supply chain partners are required to sign the Code of Conduct. In addition, our suppliers must accept the [General Conditions of Purchase](#), which further detail our business standards (e.g., labor rights), as an integral part of our contractual agreements.

Our commitment to implement sustainable procurement practice is the focus of the Supply Chain material topic. Specific information on how each of the aspects of the Supply Chain topic is managed is found throughout this chapter and other parts of the report. Specific Supply Chain risks and impacts are detailed in the [Mapping Our specific Sustainability Risks](#) section.

Our **Supply chain** actions contribute to the following **UN Sustainable Development Goals**.

**SDG 8** ► targets 8.7 and 8.8: by taking action through rules imposed along the supply chain aimed to eradicate forced labor, end modern slavery and human trafficking, and protect labor rights and promote safe and secure working environments



**SDG 16** ► target 16.5: through our supply chain rules towards corruption



**SDG 17** ► target 17.16: by engagement in of our suppliers in partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals



# Supply Chain

## Supply Chain

### Why is this important?

Implementing sustainable procurement means caring about the environmental, social, and economic impacts of the goods and services the company intends to purchase. At OMV Petrom, we aim to foster innovation, maximize value contribution, and enable supply chain growth. 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 safety, environmental protection, and human rights standards while managing our supply chain.

### Our commitment

We aim to continuously manage and decrease the carbon volume of our purchased goods and services. OMV Petrom is fully committed to climate change mitigation and responsible resource management. Only by working together with our suppliers will we be able to define joint low-carbon initiatives to continuously decrease the carbon emissions in the supply chain and meet our Paris Agreement commitments. For this reason, OMV became a CDP Supply Chain member in 2021.

Together for Sustainability (TfS) - In 2021, OMV as a Group joined TfS. The TfS program is based on the UN Global Compact and Responsible Care® principles. Becoming a member of Together for Sustainability will also help OMV Petrom to further embed sustainability in day-to-day business operations and cascade sustainability requirements in our supply chain.

**We are committed to increasing the number of supplier audits; over 20 supplier audits, covering sustainability topics shall be performed by 2025.**

### We measure



We measure our supplier performance and their compliance to the contractual requirements through supplier audits and assessments on five dimensions: financial, organization, supply chain, sustainability and cyber security.

### We act



OMV Petrom reserves the right to terminate relationships with suppliers if non-compliance with applicable policies is discovered or if non-compliance is not addressed in a timely manner.

### We check



### Risk Assessments

Understanding a supplier's risk is an important factor in deciding whether and how we do business with the supplier. In 2019, we began receiving daily alerts about our registered suppliers through SAP Ariba. These enable us to monitor their risks in four categories: Environmental and Social, Finance, Regulatory and Legal, and Operations. These risk alerts help us to conduct a preventive risk management process. Furthermore, we have a screening process in place to ensure that parties sanctioned by the EU or international organizations, such as the United Nations, are not accepted as procurement partners.

### Audits/ Inspections

OMV Petrom conducts supplier audits as part of the prequalification process and/or during contract implementation. The aim of the audits is to measure the performance of our suppliers and define actions that will enable them to optimize their performance and meet OMV Petrom requirements. During the audits, we pay special attention to the financial stability of our suppliers, their strategy and organization, and the supply chain and sustainability (e.g., human rights, carbon management, environmental management, certifications, and social responsibility).

In 2021, we added the cyber security dimension to our supplier audits. We also perform yearly subject-specific audits on topics such as process safety, quality, and efficiency. During the supplier audits, we place great emphasis on understanding not only the management approach of the topics within the scope of the audits (e.g., HSSE aspects), but also how the topics are understood and applied by the employees on site (e.g., through on-site discussions with workers and managers). All the audits with in-scope sustainability elements were performed remotely in 2021 due to COVID-19 travel limitations.

### Supplier Selection

Following prequalification, Procurement department together with business representatives select the best suppliers based on a pre-defined set of commercial, legal, HSSE and technical criteria during a tender process. In 2021, we started embedding sustainability elements into the evaluation matrix (e.g., technologically innovative elements, carbon emissions, energy efficiency KPIs) in several pilot projects.

### Supplier Engagement

Individual meetings and webinars were organized in 2021 to help suppliers understand how to fill out the CDP questionnaire and why this information is important to OMV Petrom.

In addition to reporting their emissions, we asked suppliers whether they have carbon reduction targets in place and invited them to share with us any initiatives or projects to reduce carbon emissions in which they would like us to participate.

### We train



We provide awareness sessions on sustainable procurement. A significant number of buyers from OMV Petrom participated in these sessions. The focus was on what sustainable procurement means and what can be done to incorporate sustainability into core procurement processes and day-to-day operations (e.g., carbon footprint of purchased good and services, sustainability in tenders).

# Supply Chain

## Supply Chain

### We plan



Sustainable procurement and low-carbon procurement were also topics included in the agenda of our annual strategic supplier meetings.

### Our key actions on Supply Chain



In 2021, we worked specifically on increasing the number of suppliers audited. Audits containing sustainability elements were performed at 14 suppliers of OMV Petrom.

We also conducted several awareness sessions on sustainable procurement. More than 20 buyers from OMV Petrom participated in these sessions. The focus was on discussing with buyers what sustainable procurement means and what can be done to incorporate sustainability into core procurement processes and day-to-day operations (e.g., carbon footprint of purchased good and services, sustainability in tenders).

Moreover, in the previous year, Procurement department defined an internal tool to assess the impact of COVID-19 on selected suppliers based on how critical they are to our business. The COVID-19 assessment focused on topics related to the financial stability of suppliers, their risk of insolvency/bankruptcy, downsizing, and Group's dependence on the products and services delivered by the respective supplier. A COVID-19 supplier risk score was calculated based on the assessment by the Procurement category managers after a prior meeting with the selected suppliers and business representatives. For all high-risk suppliers, we have defined mitigation measures and are monitoring them closely to ensure no interruptions will affect our business. In 2021, we continued monitoring the impact of COVID-19 on our most critical suppliers.

### Local Procurement

We aim to support the local communities in the locations where we operate by fostering economic development. Local procurement strengthens the local economy and meets the local procurement expectations of neighboring communities. Increased local procurement has had the added benefit of reducing business disruption in recent years. In 2021, OMV Petrom's spend with local suppliers was 90.3% (e.g., in Romania alone the spend with local suppliers being 90.7%).

### Carbon footprint of the Supply Chain

We aim to continuously manage and decrease the carbon footprint of our purchased goods and services. OMV Petrom is fully committed to climate change mitigation and responsible resource management. Only by working together with our suppliers we will be able to define joint low-carbon initiatives to continuously decrease carbon emissions in the supply chain and meet our commitments to the Paris Agreement.

As part of CDP Supply Chain, 38 suppliers located in Romania were invited to answer the CDP Climate Change questionnaire in 2021. Suppliers were selected based on their estimated carbon emissions volume and the carbon intensity of the goods and services purchased from them. We also asked the selected suppliers to submit to us their Scope 1, Scope 2 and Scope 3 emissions, as well as emissions allocated to products and services. Moreover, individual meetings and webinars were organized in 2021 to help suppliers understand those topics.

In addition to reporting their emissions, we asked the suppliers whether they have carbon reduction targets in place, and we invited them to share with us any initiatives or projects to reduce carbon emissions in which they would like us to participate. Sustainable procurement and low-carbon procurement were also topics included in the agenda of our annual strategic supplier meetings. Because OMV became a CDP Supply Chain member in 2021, OMV Petrom's suppliers are part of the CDP Supply Chain engagement.

### Results (KPI, other indicators)



- ▶ 14 audits for local suppliers with sustainability aspects included
- ▶ More than 20 buyers located in OMV Petrom attended awareness sessions on sustainable procurement
- ▶ 38 suppliers located in Romania were invited in 2021 to answer CDP Supply Chain questionnaire on Climate Change

### Progress



In 2021, we reached 14 audits performed by the Procurement department with sustainability elements included while in 2020, were performed 12 audits.

### Outlook



Procurement practices are constantly improving in various areas, and in the coming years, sustainable procurement will be a high priority; our three focus areas for the future will include:

- ▶ Sustainable suppliers (e.g., only suppliers who meet our sustainability requirements will be eligible to participate in tenders)
- ▶ Sustainable sourcing (e.g., we aim to integrate sustainability criteria into award decisions, such as CO<sub>2</sub> emissions per kg product)
- ▶ Low-carbon procurement (e.g., we aim to continuously manage and decrease the carbon volume of purchased goods and services)

For the coming years, we plan to expand the CDP Supply Chain initiative started in 2021 and increase the number of supplier engagements.



Foster

# PEOPLE & COMMUNITIES

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# People & Communities

We aim to build and retain a talented, diverse and engaged team to support the company's transition to a low-carbon business and its regional growth ambitions. We strive to make a positive impact in our communities, by listening and acting on their concerns and supporting their sustainable development.

The Universal Declaration of Human Rights (UDHR), UN Global Compact Principles, and the International Labor Organization (ILO) guide our actions in protecting fundamental human rights, as international standards that recognize and protect the dignity of all human beings as a principles-based approach to doing business.

This means operating in ways that meet fundamental responsibilities in the areas of human rights, labor and with care for our communities. We engage with local communities to help prevent or reduce the risks and direct or indirect impacts resulting from our operations' activities, and take action to support long-term, sustainable development. We also recognize that demonstrating social responsibility in the community is a key driver of employee engagement and ultimately the success of our business. Our employees are at the core of OMV Petrom's sustainable business. Every year we maintain our constant presence among the top 10 employers in Romania by providing the right environment to engage our people.

We therefore set strategic targets and take action to advance in our support and respect for the protection of internationally proclaimed human rights, labor rights and the elimination of discrimination in respect of employment, with active engagement of the next generation and in our local communities.

## The progress on our promises

	2025 targets	Status	Next steps
<b>Employees</b>	▶ Increase the share of women at management level to 30% by 2025		▶ Monitor yearly the share of women at management level to ensure target is reachable ▶ Increase employee experience and engagement
	▶ Increase the next generation of talents through Fresh Graduate employees		
	▶ Measure and increase the engagement level of our employees		
<b>Community Relations</b>	▶ Local Communities: Assess Community Grievance Mechanisms of all sites against UN Effectiveness Criteria by 2025.		▶ Maintain coverage of social investments, monitor yearly to ensure target is reachable
	▶ 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		
<b>Human Rights</b>	▶ Human Rights: Conduct human rights trainings for all employees exposed to human rights risks by 2025		▶ Continue to develop the awareness and trainings activities

Note: 2030 targets will be established in 2022.

Status On track Additional effort required

# Employees



OMV Petrom has a People Strategy 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 achieve success.

All of our employees receive standard benefits such as kindergarten coverage, relocation, health insurance, parental leave, work-commuting coverage, and paid vacations and treatment (see [Performance in detail](#)). Furthermore, under the framework of the collective labor agreement, our company provides paid days off for close family events, as well as dedicated allowances for certain family events. For personal reasons, unpaid days off are also available. The internal procedures also refer to the reimbursement of part of the costs of the education of small children, while advantageous conditions with some private education providers are also negotiated for our employees.

The People Strategy’s scope is to support the implementation of four priorities through planned initiatives that target our continuous growth:

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

Our approach regarding **People & Communities** contribute to the following **UN Sustainable Development Goals**.

**SDG 3** ▶ target 3.3 by working to combat communicable diseases (COVID -19)



**SDG 4** ▶ target 4.3, 4.4, 4.5 by ensuring equal access to men and women, increasing skills and prevention of discrimination



**SDG 5** ▶ target 5.1 by ensuring there are no forms of discrimination against women through our policies



**SDG 8** ▶ target 8.2, 8.5 through diversification, technological upgrading and innovation, decent work and equal treatment of all employees



**SDG 10** ▶ target 10.3 by ensuring to eliminate all discriminatory policies and practices



**SDG 13** ▶ target 13. 1 by our afforestation initiatives



# Diversity, inclusion, and non-discrimination

## Why is this important?

Diversity is an enormous strength that we are actively leveraging to create business value. At OMV Petrom, we truly recognize the role that age, nationality and gender diverse groups have in challenging the “status quo” and bringing new ideas to the table.

## Our commitment

OMV Petrom has established its Group Diversity, Equity, and Inclusion strategic direction with a focus on gender and internationality. Our commitments include the increase of the share of women at management level, and an increase in the next generation of talents, while increasing employee experience and engagement.



## We measure



We measure annually on age diversity, nationality diversity, gender diversity of our employees and diversity in management positions. We also measure parental leave for both women and men.

## We act



Multi-year dedicated programs: Core & Advanced Mentoring Program, Cross Company Mentoring Program, SHEnergy

New programs – in 2021: Diversity & Inclusion Week, Diversity Talks, Inspired by Diversity, Many Facets of You

## We train



Internal training and interactive events to communicate on diversity, equity and inclusion topics were provided during our annual Diversity and Inclusion Week.

We also launched a series of events with the aim of building up a community around Diversity, Equity and Inclusion topics.

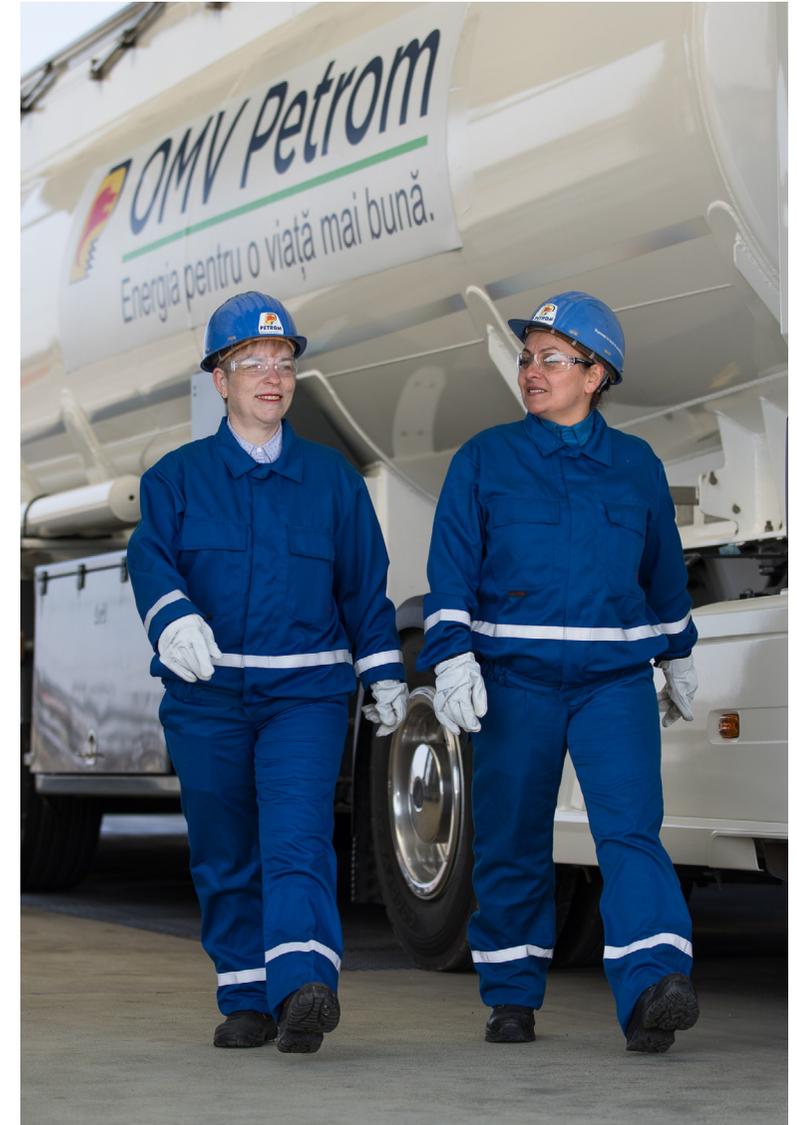
## We plan



The Group Diversity, Equity and Inclusion Strategy for 2030 is to be launched in 2022.

Diversity in Recruitment - workforce diversity is one the objectives in our recruitment processes.

All our programs dedicated to students and young professionals had in focus the gender diversity aspect. Each program aimed to ensure an equal share of women and men.



# Diversity, inclusion, and non-discrimination

## Our key actions on diversity, inclusion and non-discrimination



In 2021, we continued and developed our journey to Diversity, Equity and Inclusion. We tackled a more practical and specific approach towards inclusion, by addressing the needs of a more diverse population in our organization.

- ▶ **Diversity & Inclusion Week** – online interactive events aimed at raising awareness on diversity, equity, and inclusion topics. We launched a short movie, “4 Generations Talk”, celebrating the diversity of thoughts, generations, and cultures in our organizations
- ▶ **Diversity and Inclusion Talks** – series of events where we invite professionals with extensive experience in the field to share best practice examples
- ▶ Targeted training programs like **SHEnergy** for supporting female leadership skills. The program focuses on active inclusion skills and emphasizes the power of mentoring and networking as development measure for our female leaders. Our leadership team is fully supporting this program, and, in this edition, female representatives of our Board were guest speakers sharing their professional challenges and also great learnings in terms of diversity, equity and inclusion
- ▶ **#TheManyFacetsOfYou** is our campaign to celebrate diversity and promote inclusion, aimed at celebrating the multi facets of each other
- ▶ **Core & Advanced Mentoring programs** - skills and competences development by working together with an internal Mentor, chosen by the Mentee

- ▶ Cross Company Mentoring Program, 7<sup>th</sup> edition – creates learning opportunities, knowledge sharing, skills development for employees with different backgrounds and level of experience and it develops new support networks across different functional areas of the company, empowering both women and men to step into their highest leadership potential

 **108**  
mentors & mentees

 **57%**  
women mentees

 **28%**  
cross-country

 **60%**  
mentee pool increase

- ▶ **Mentoring Program for students** organized as part of **OMV Petrom Excellence Scholarship**
- ▶ **“Inspired by Diversity” Podcast** series featuring executive management discussing on the status quo and finding common ways to shape the future of the company
- ▶ Update of the **intranet page dedicated to Diversity & Inclusion** with new resources, such as **Kids’ Corner** - The initiative aims at supporting work-life balance & parenthood, by providing tips, tools, talks and encouragement for the parents in their journey to raising kids or dealing with specific challenges along the way
- ▶ **A Diversity, Equity and Inclusion Quick Poll** was created and deployed at the end of 2021. The survey was structured on 3 main sections, Diversity & Equity, Inclusion and Improvement Possibilities, encompassing questions that were considered relevant in regular and global DE&I practice. We also added an “Open Comments” area that will play an important role in defining further actions to enhance Diversity, Equity and Inclusion @OMV Petrom



## Results (KPI, other indicators)



- ▶ 30.6%<sup>5</sup> women at management level
- ▶ The Net Promoter Score is 8.50 as a main result of the quick poll (3,717 employees)
- ▶ Participation in our centrally managed mentoring programs consisted of 108 participants (core and advanced pools), 6 Mentors and 5 Mentees (cross company), 49 students and 26 mentors (excellence scholarship – with over 2,000 hours invested)

## Outlook



For 2022, we plan to continue our programs related to Diversity, Equity and Inclusion, and to develop new action plans based on the OMV Petrom specific results and answers received from Diversity, Equity and Inclusion Quick Poll. We also plan to review our KPIs on Diversity, Equity and Inclusion.

<sup>5</sup> Starting 2021, this KPI has been reconsidered at OMV Group level, both in terms of the calculation algorithm, but also in terms of the targets assumed until 2030 by each major entity of the group. This indicator refers to the share of women in executive and advanced positions out of the total number of employees (GRI 102-7). In 2021, the value of this KPI, calculated according to the same algorithm used in the 2020 Sustainability Report, was 24.7%.

# Labor rights, working practices and conditions

Employees

## Why is this important?

OMV Petrom strives to be a fair and responsible employer. Upholding and promoting labor rights is essential to achieving legal compliance in a local and international environment. It is also essential to ensuring that our global workforce can develop professionally and fulfil their personal aspirations in line with business needs.

## Our commitment

We fully support the freedom of association, we recognize the right to collective bargaining, we are against any form of forced or compulsory labor, child labor or any act of discrimination regarding employment.

## We measure

The rights and obligations of our employees are set out in individual employment contracts and in the applicable collective labor agreement.

## We act

We constantly inform and consult with the employee representatives on developments in the company's activities that may affect their interests.

All aspects related to collective bargain agreements are communicated on our intranet page.

We use internal applications for Human Resources and personnel administration processes: MySF, EmployeeSelfService.

## We check

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 labor contracts, and the collective labor agreements.

## We plan

In the event of individual or collective dismissals for reasons not attributable to the employees, we give a notice period of 30/60 days (depending on the employee's age) and we provide compensation based on the employee's seniority as defined in the collective labor agreement. Also, in the event of a transfer of an undertaking, the minimum notification period for employees and their representatives is 30 calendar days, as required by applicable legislation.

## Our key actions on Labor rights, working practices and conditions

In 2021, we worked specifically on the extension of **Paperless for People** Project by adopting the electronic signature for different categories of labor relations related documents. In the context of remote working, our action contributes to increasing efficiency in our activities, by reducing the time allocated for bureaucracy.

For approximately 5,300 employees, the individual labor agreements, addendums, decisions, conventions, notifications, information letters, certificates and other administrative documents issued during the employment process were signed and communicated electronically between parties and also used in relation with the authorities. Beneficiaries include current employees, but also candidates validated for employment who are about to sign the individual labor agreement, interns working under an internship contract, beneficiaries of scholarship contracts, Human Resources department, personnel administration, managers, trade unions.



## Progress

In 2021, we implemented the **electronic signature** for documents related to labor relations.

Our status remained that 100% of our employees are subject of collective labor agreements, and 87.39% of our employees were represented by our local trade unions.

## Outlook

In 2022, we will deploy new capabilities of electronic signing flow mainly to increase the number of documents signed electronically and to improve the user experience.

# PetrOmbudsman

Employees

## PetrOmbudsman Department - Out-of-the-box vector of change

PetrOmbudsman Department helps people deal with workplace conflicts and encourages them to share ideas, find ways to improve their business and career processes, 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 appropriate action based on PetrOmbudsman's recommendations. Since its inception's, the PetrOmbudsman department has been committed to complying with and enforcing the International Ombudsman's Code of Ethics and Standard of Practice.

The year 2021 brought an important international recognition for our activity from the International Ombudsman Association. Moreover, the Romanian language versions of the Code of Ethics and the Standard of Practice were made available on the International Ombudsman Association website. The PetrOmbudsman team virtually organized and hosted the European Ombudsman Conference.

The PetrOmbudsman team is committed to proposing remedies to correct the negative impact on employees and the company, creating mutually beneficial situations for all parties involved. The focus was on actions, innovations and different solutions that are out of the box. The PetrOmbudsman Department continued the journey of its reinvention in 2021 and made extensive use of more digital tools, continuing to be present among employees, both physically and in a virtual environment. In 2021, approximately **4,000 people** were in contact with the representatives of the department, of which **400 people** also benefited from the Ombudsman workshops. The PetrOmbudsman workshops focused on assertive online communication, but also on a new conflict management workshop, emphasizing the importance of effective communication and conflict management of all kinds, in an environment based on inclusion and diversity, promoted by OMV Petrom.

The PetrOmbudsman department continued to be part of the Company's team, being involved in impactful projects such as: teleworking & flexidesk, PetrOmbudsman in discussions with contractors, discussions with company divisions, fresh graduate project, seniority anniversary, vaccination campaign, and the Be Smart, Stay Motivated! project. A new initiative to prepare an Empathy Guide for Managers also started. The PetrOmbudsman also thought about the local communities and delivered the Assertive Communication workshop to teachers from schools in Suplacu de Barcău, Marghita and Videle communities, where OMV Petrom has a significant presence, a type of involvement planned to continue in the future.



# Skills Development and Training

## Why is this important?

Creating an organizational learning culture is the right environment for our people to develop, grow and innovate and to build at the same time an engaging workplace. Our activities require highly qualified employees able to cope with the fast-changing market demands and all stringent challenges that our business is facing.

## Our commitment

Building and retaining a talented and competent team.

## We measure

We monitor the number of training hours per employee, per different categories of employees and by gender as well as the number of employees receiving regular performance and career development reviews.

## We act

We continuously adjust our training curricula according to the needs assessment, by combining internal programs with external programs. Traditional classroom trainings went through a major transformation due to the COVID-19 pandemic, and we can say that we are now focusing more and more on e-learning and digital content platforms where we encourage our employees to select the subjects better suited to their needs.

## We check

An evaluation process is in place for all training performed. Criteria like content quality, instructor performance and ability to adapt to the audience, achievement of the desired outcomes are carefully assessed, and after an internal analysis, improvements are considered and implemented.

## We train

Our Training team is always in close contact with each department to better understand the needs of our business. We consider that only by understanding the specific need, we can select the best training providers able to create tailored trainings.

## We plan

We design and implement new innovative learning programs to help the transformation process of our organization and position it for growth.



## Our key actions on Skills Development and Training

In 2021, we launched new innovative learning programs besides the initiatives already running.

### Leadership Development

*Change starts from top and we need inspiring role-models to embed the new ways of working sustainably and to trigger long lasting behavior change.*

- ▶ **GROW** is our Leadership Program focused on 3 main behaviors: Simplify the Company & Save Time, Develop & Empower People and Collaborate. Strong leaders are the key for the success of a company and by investing in them we ensure that all our people will be engaged and motivated to continue helping us to deliver results and stay competitive. GROW is based on a 9-month micro-learning concept (minimum) and on the daily needs of OMV Petrom Leaders. GROW program **is a practice of new ways of working, a personal help for Leaders** to better manage their own life and their teams.

- ▶ **Communication Kit for Managers** - Hybrid work added a new layer of challenge for managers and their teams in terms of communication. In some cases, remote work brings uncertainty and lack of connection with the rest of the team and with the organization overall. We aim to foster an open communication culture inside OMV Petrom, to value and empower managers as primary message carriers to all employees, to provide essential social communication know-how to effectively engage with their employees and social stakeholders. We prepared a quarterly Communication Kit to disseminate to all management levels an overview of the main messages in our organization, based on each quarterly internal webcast with the Executive Board. Relevant business and people related topics can be further discussed with each team. The kit includes a guide with tips and tricks on how to better communicate in the meetings with their team.

# Skills Development and Training

Employees

## Our key actions on Skills Development and Training



- ▶ **First Time Leaders 2.0** was designed to build leadership skills to all people taking over a leadership role for the first time, adapted to their management level. It included useful information on OMV Petrom's leadership models, their role as a leader, highly effective teams, virtual leadership, and change management
- ▶ **Leadership Essentials** is meant to help managers acquire knowledge on the people management. The program was available for current OMV Petrom leaders, for employees taking over a leadership role for the first time and for the employees who are joining OMV Petrom on a leadership position
- ▶ **Leading Remote/ Hybrid teams** is our training aimed to enable and upskill current leaders to lead highly effective remote teams and tackled subjects like challenges of leading remote teams or digital tools coaching session. The program was delivered virtually and facilitated internally. It was offered to both leaders and experts, individuals with a need to manage continuous change, growth and maximize their potential
- ▶ **Digital skills for leaders** - The scope of this program was to offer information on how to effectively lead organizations to success where transformation drivers are less predictable, alongside with fast evolving technology and change. Main topics covered included: leading collaborative networks, enabling accountability, digital fitness (e-learnings)

## Other learning programs

- ▶ **Virtual Facilitation Skills** - highly interactive, practical modules, aimed at building the skills to run successful virtual workshops (e.g., preparing and planning the workshop, using digital tools, moderating exercises online, presenting content online)

- ▶ **Team effectiveness workshops** - designed to increase effectiveness and performance within the team through blended learning activities tailored for the team needs. Typical content: team effectiveness analysis, diagnostic tool, debrief and follow up
- ▶ **Get to Know and Grow** – was a development initiative purposely focusing on Core Top Talents employees led by OMV Petrom Executive Board Members and consisted in development talks between Executive Board Members and Core Top Talents in a cross-divisional set up. The program started in 2020 and was successfully implemented also in 2021

## Results (KPI, other indicators)



- ▶ Our employees received 110,886 hours of training, of which 25,175 were online sessions in our digital platform
- ▶ Our leadership program – GROW - involved ~50 Executives and Top leaders in a huge changing behavior program with positive impact on the whole company
- ▶ First Time Leaders 2.0 covered the whole backlog of new leaders promoted end of 2019 and 2020 who could not be enrolled due to pandemic situation

## Progress

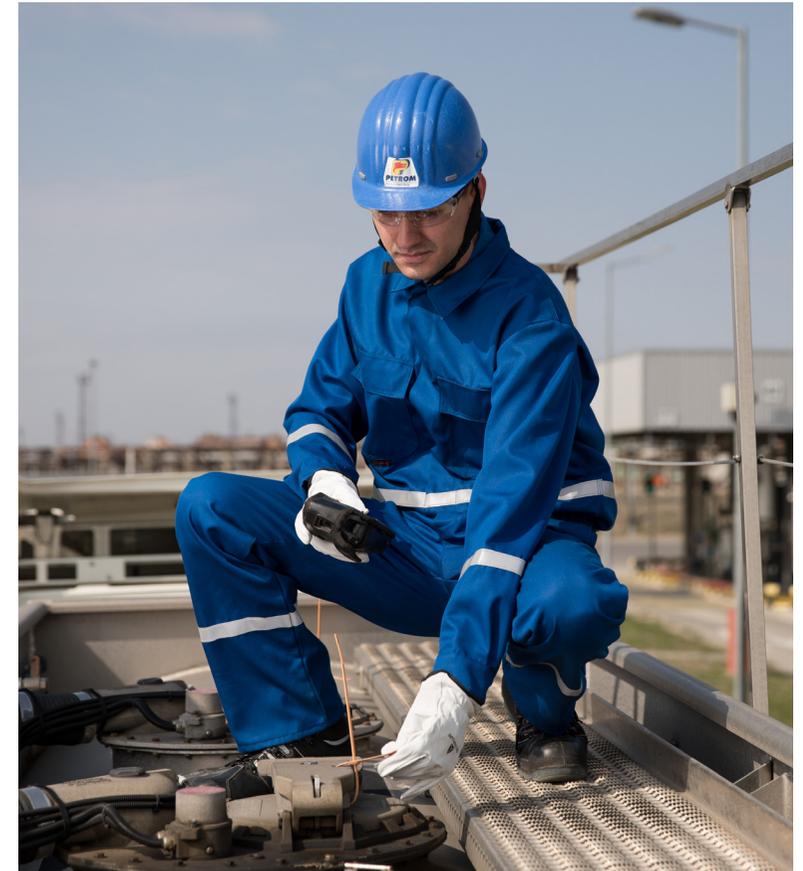


In 2021, we launched new innovative learning programs. We continued to adapt our learning programs to the virtual set-up, offering new tools to our leaders.

## Outlook



In 2022, we plan to expand GROW project, to include also the second line of management. Moreover, the Communication Training for managers will be launched as a second phase of the Social Communication project. Most of our training programs will also continue in 2022.



# Talent attraction and retention

Attracting and retaining talents is a top priority for our business and we are continuously working on developing strategies and programs to make sure we build a team of remarkable professionals, eager to contribute to OMV Petrom's growth. A good retention rate offers benefits for team itself, offering a high morale and a positive atmosphere at the workplace; it increases the productivity and helps us promote our company as an employer of choice.

At OMV Petrom, we track the number of new employees' hires and employee turnover by age group and gender, and we also monitor parental leave data. Our People Strategy 2021+ is built on five principles: Team Spirit, Accountability, Passion, Pioneering Spirit, and Performance. These principles serve as the foundation for building and sustaining a solid talent pipeline that will enable us to achieve our goals. We want to build the next generation of talents by attracting Fresh Graduate employees, therefore we focus on building multiannual talent attraction programs. A series of projects dedicated to the new generation of professionals were implemented during the reporting year, as follows:

## OMV Petrom Excellence Scholarship Program - Growth resource for the young generation

Starting with November 2021, the OMV Petrom Excellence Scholarship Program 3<sup>rd</sup> edition (2021-2022) will help a new generation of students to pursue a career in the oil and gas business, mentored by experienced professionals in our company. This is the third generation of students (67 participants) who will benefit from the opportunity to broaden their knowledge and gain practical experience. This 3<sup>rd</sup> generation of students joined the additional 27 students who participated in the 2020-2021 edition, and who will continue the program in the current edition. The program is focused on special student-mentor projects and dedicated trainings, including soft skills trainings like Presentation Skills and Problem Solving. In the previous edition, 2020-2021, the scholarship program included 49 students who were mentored by 27 OMV Petrom specialists for nearly 2,000 hours. **Seven graduates are now our colleagues.**

## OMV Petrom Tech Talks webinar series

A new event format was tested with our colleagues from the Downstream Oil Division. Our goal is to get closer to students and young graduates, to help them better understand the oil and gas industry and the new technologies we use. In addition, we want this to be an initiative that can help us attract young talents from universities, become more visible as employer and communicate more on "eco-friendly" technologies.

## Fresh Graduates-Evolvers Program, 10<sup>th</sup> edition - From a fresh graduate, to an engineer! Or how small is a big step

We invited young graduates (Petroleum Engineer, Automation Engineer, Petrochemical Engineer) to join the OMV Petrom team, in Upstream. 15 motivated people eager to learn and build a career in the oil and gas field were hired. We offer a 3-year professional development plan, which includes mentoring, involvement in innovative projects, mixt learning methodologies to combine technical and soft skills development through a direct professional experience, team interaction and special trainings. In addition, they are all included in the Integrated Graduates Development (IGD) Plan designed to prepare and upgrade for the next professional level. Since 2011, over 550 graduates became our colleagues.

## Open4U – internship program is back, 9<sup>th</sup> edition

The program is dedicated to top undergraduate and MA/MSc students with a diverse academic background (technical, IT, economic, social science). Through this program, they had the chance to discover the business environment and become familiar with certain areas of activity and specific requests of the industrial environment, which helps them understand the practical side of the knowledge acquired. We had 39 top class students onboarded in a fully virtual journey, each of them having a dedicated mentor along the 2 months of internship. Since 2012, over 700 students were part of this experience and shared their enthusiasm and passion for learning with us.

## Scholarships - International Petroleum Academy

OMV Petrom offered scholarships for 2 top class students enrolled at Montan University in Leoben for a 2-year master's degree in Petroleum Engineering, with the option of specializing in Drilling Engineering, Production Engineering or Reservoir Engineering.

During the **Balkan Geophysical Society Congress**, OMV Petrom hosted a special webinar, focused on tips and tricks for the Oil & Gas industry interviews. By interacting with our HR team, students from 7 countries found some practical answers to their questions related to the recruitment process and expectations of a future employer.

## Other important projects and achievements

### OMV Petrom – the Most Desired Employer in the Energy Industry

We are glad and honored to be included also in 2021 in the *Top of the Most Desired Employers* in Romania. The ranking placed us in the first position in Energy industry and in top 10 companies on the Romanian market.

### Understanding Gen Z - Kit for managers

Based on the results from OMV Petrom's Crowdsourcing project *Unboxing employee experience - What are the hopes and needs of the new generation?* - a special kit dedicated to managers was created, and the new program gathered 20 students and young graduates. The project generated over 70 unique ideas that are being analyzed for further implementation; 2 of the participants became our colleagues, and 5 students were recruited in the OMV Petrom Excellence Scholarship program.

### 100% of our recruitments interviews in 2021 were conducted online

Our **Crowdsourcing program** was awarded at the **2021 HR Excellence Gala** organized by HR Club, the association of HR professionals in Romania. Furthermore, the project was published in the "HR Club Best Practices Manual", 2021 edition, as a best practice example in Human Resources.

# Community Relations

Within OMV Petrom, we continuously work with local communities to assist in avoiding or mitigating hazards and direct or indirect consequences of our operations. We concentrate on the local level and take into account particular issues we encounter everywhere we operate, and take action to ensure our long-term, sustainable development.

A series of internal procedures and standards are in place to ensure our stakeholder engagement and actions.

- ▶ The **OMV Petrom Group Environmental Management Standard** 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** for each new development project. The final ESIA report is submitted to the local regulator or lender (whichever is applicable) for review, public disclosure and approval.
- ▶ We require everyone who acts on our behalf to comply with our values and rules of behavior, which are clearly set out in the [OMV Petrom Code of Conduct](#), which acknowledges OMV Petrom's social and environmental responsibility within our sphere of influence. OMV Petrom adopted the provisions of Code of Conduct from OMV Group.
- ▶ Our **CRCD Handbook** lays out the procedure for the required management process to be followed for Community Relations and Community Development (CRCD) activities in order to enable OMV Petrom Group organizations to maintain our social license to operate. CRCD is about establishing and maintaining a transparent and trustful relationship with community stakeholders in order to foster business success. CRCD helps to build community capacity to address issues and take advantage of opportunities, find common ground and balance competing interests. We use community development to manage positive change. In community development the process is as important as the results. One of the primary challenges of community development is to balance the need for long-term solutions with the day-to-day realities that require immediate decision-making and short-term action. This special handbook on Community Relations and Development is available for all Corporate Social Responsibility (CSR) experts in the Group.
- ▶ Our Sponsoring Strategy aims to establish criteria for implementing the sponsorship process in OMV Petrom to ensure transparency regarding the efficient use of financial resources in cash and in kind granted as sponsorship. It establishes the strategic framework for sponsorship and the set of rules governing sponsorship activities. All OMV Petrom sponsorship projects shall contribute to UN Sustainable Development Goals. The sponsored initiatives shall be in line with our [Code of Business Ethics](#).
- ▶ The Sustainability Directive is our internal OMV Petrom Group documentation of processes and accountabilities, which cover Social Responsibility, including Community Relations and Development & Social Investments, Human Rights, Volunteering and NGO Relations. Sustainability for us means creating long-term value for our customers and shareholders by being innovative and an employer of choice. We conduct our business in a responsible way, respecting the environment and adding value to the societies in which we operate.

As such, we bring out our contribution to the **UN Sustainable Development Goal** related to wellbeing of our **communities**.

**SDG 1** ▶ target 1.4 – through the series of internal procedures and standards for our stakeholder engagement and actions implemented



**SDG 3** ▶ – target 3.3 through our health initiatives within our communities



**SDG 4** ▶ target 4.7 - through initiatives addressing education, environment and vulnerable people



**SDG 8** ▶ targets 8.5 and 8.6 – through stable workplace initiatives, actions in the community and youth programs



**SDG 13** ▶ target 13.1 – through our private project of national interest dedicated to energy efficiency in buildings



# Community development investments

## Why is this important?

We contribute to community development through our community and social investments, focused on preventing or mitigating social risks, positioning OMV Petrom as a socially responsible company and changing our local communities for the better.

## Our commitment

In accordance with UN Principles on Business and Human Rights, we perform our actions in communities with the goal of promoting the United Nations' 2030 Agenda for Sustainable Development. We committed to assess community grievance mechanisms of all sites against UN Effectiveness Criteria by 2025, 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.



## We measure

Our assessments and plans cover the entire OMV Petrom Group, in terms of social sponsoring and social projects.

We measure our community investment, impact, the number of volunteers and their hours, the number of beneficiaries reached and share of our local communities assisted.



## We act

**Consultation** is conducted at early stages of a project in the SIA framework and ongoing consultation mechanisms available through our community grievance mechanisms.

Our social projects are **prioritized, planned, and a budget** is allocated yearly.

## We check



We **screen our projects** to minimize the communities' risks and work with local people to prevent, reduce and manage effects that occur.

## We volunteer



We offer employees opportunities to actively engage in driving responsible and sustainable behavior.

## We plan



## Community Consultation and Social Impact Assessments

Our community relations and development management process is based on centralized policies and targets to be implemented by locally responsible staff 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: commissioning, 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 needed, 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.

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 or during the ongoing consultations with the local communities for developing or 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 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.

# Community development investments

## We plan



The OMV Petrom Sustainability corporate level function governs and steers the implementation of the community relations and development plans in Upstream and Downstream, 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. Community relations and development management activities are designed in each business division in accordance with their respective business strategies.

### Needs Assessments and prioritization

In our assessment, we prioritize projects with a potential to generate long-term societal value and make lasting change to beneficiaries' lives. Community and social investments are aligned with the SDGs and the community needs identified during SIAs and our continuous community consultation process.

We aim to implement our projects in partnership with local stakeholders (public authorities, non-governmental organizations) to ensure a maximum social return on our investment. Key OMV Petrom focus areas for our community and social investments include health, education and environmental protection. Community development strategies for our Upstream, Downstream Oil and Downstream Gas Divisions 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 inspectorates). Our planning includes a final selection of projects and budget allocation.

## Our key actions on community development



In 2021, we invested over EUR 11 million<sup>6</sup> in projects mainly for environment, education and health that covered 96.7% of our local communities. Through our community programs and social investments, we had over **100,000** beneficiaries, over 180 scholarships. We continued to get involved in the communities where we activate by supporting the medical system to face the COVID-19 pandemic and facilitating the access of vulnerable children to on-line school programs, through IT equipment and meal vouchers. 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. Our progress is presented below. Our social projects, especially volunteering activities were developed taking into consideration the COVID-19 restrictions in each country; our plan was designed taking into consideration the pandemic context.

Our progress in 2021 related to involvement in our local communities includes a series of educational, environmental and health projects as well as volunteering initiatives, therefore bringing our contribution to UN Sustainable Development Goals 4 and 8.

### Educational projects

- ▶ **Oilmen school.** We continued our initiative in 2021, with 2 generations in dual education system, having 174 pupils distributed in 6 classes in 3 partner high schools: "Astra Pitești" Technical High School, "Grigore Cobălcescu" Technical High School of Moinești and "Voievodul Mircea" Technical High School of Târgoviște.

<sup>6</sup> Includes contributions in cash, in kind, and donations; excludes related management overheads

- ▶ **Let's click on Romania** is a unique public-private partnership project, developed by a long-standing collaboration between private businesses, the Workshops Without Borders NGO, and 230 schools and local NGOs working in underserved areas. During the project's implementation, 4,000 refurbished computers were donated to 110 public schools with the assistance of the NGO's nine vulnerable employees and ten volunteers. By implementing this project, we saved over 576,000kg of CO<sub>2</sub>, which is equivalent to the CO<sub>2</sub> absorbed by 29,262,600 trees in a single day. The ongoing global COVID-19 pandemic has posed a number of challenges to our society. OMV Petrom continued to assist in mitigating the social and economic effects of the pandemic by ensuring access to remote schooling. The project's three main goals are to address education, the environment, and vulnerable people, and they are as follows:

- ▶ Reduce the digital gap and support fair education in Romania
- ▶ Reduce the impact on the environment, since all the electronic equipment donated to schools is diverted from waste disposal and reconditioned for reuse
- ▶ Provide a stable workplace for the 9 employees enrolled in the socio-professional insertion program developed by the NGO

### Environmental projects

- ▶ **Romania plants for tomorrow** - Two new projects were part of "Romania plants for tomorrow" program in 2021. **Urban forests** were created in Moinești, Urziceni and Buftea to improve the air quality, reduce noise and support biodiversity. The second project is the **Educational Forest**, in which pupils from several schools in Prahova County took field trips to Tinosu to learn about the forest ecosystem. In this second year of our "Romania plants for tomorrow" program, approx. 600,000 seedlings were planted on 125 hectares, in 41 locations from 18 counties. The afforestation was performed in two seasons, spring and autumn.

# Community development investments

## Our key actions on community development



- ▶ **România Eficientă** is the largest private project of national interest dedicated to energy efficiency in buildings, which has entered this year the stage of school renovation to the latest energy efficiency standards. The program is a unique initiative in Romania, aimed to create a culture of energy efficiency in the real estate sector. In 2021, we started the renovation works at Elie Radu Energy Technological High School in Ploiești, which is our energy efficiency pilot project that we want to use later as a standard for the renovation of buildings at nearly Zero Energy Building (nZeb) standard in Romania. The renovation is scheduled to have the commissioning in 2022.

## Health

In these difficult times, with healthcare systems under the pressure of multiple challenges, we continued to support health projects. One of the most important health initiatives in 2021 was "**Minutes of flight, for hours of life**"; the project provides air transportation for patients, especially children, whose conditions cannot be treated in Romania.

## Corporate Volunteering

OMV Petrom employees are encouraged to play an active part in sustainability initiatives, including by volunteering. OMV Petrom supports its employees' volunteering activities, encourages them to find solutions for local communities' development and needs, and rewards the most active colleagues. We continued the Volunteer Championship, our initiative that challenges our employees to propose social projects for our communities.

## Results (KPI, other indicators)



- ▶ Over EUR 11 mn social investments in projects that covered 96.7% of local communities
- ▶ Over 1,100 OMV Petrom volunteers

## Awards



- ▶ **ARIR Gala** – winner at the category “Best Sustainability Report”
- ▶ **PR Awards** – excellence diploma for the 2020 Sustainability Report
- ▶ **CCIFR** - award in the CSR category: Sustainable Development for the project **Romania planting for tomorrow**.

## Progress



Our social investment increased from EUR 6 mn to over EUR 11 mn covering 96.7% of local communities.

## Outlook



Projects to be continued in 2022 include:

- ▶ **Romania plants for tomorrow** - the largest private planting campaign will continue.
- ▶ **Oilmen School** - the 3<sup>rd</sup> generation of pupils will graduate in 2022, and a 4<sup>th</sup> generation will commence the professional classes
- ▶ **România Eficientă** will continue with the renovation works at Liliiești Secondary School in Baicoi.
- ▶ "**Minutes of flight, for hours of life**" will provides air transportation for patients, especially children, whose conditions cannot be treated in Romania.

New initiative for Petrochemical School – Pilot project for the 1<sup>st</sup> generation in dual system: petrochemical operators' qualification (3 years) with the aim of assuring higher quality and a sustainable pipeline of blue-collar workforce at Lazăr Edeleanu High School Ploiești

New projects will be planned to be adopted based on the needs assessment results.



# Human Rights

OMV Petrom holds itself responsible for protecting the human rights of its employees, rights related to non-discrimination, decent wages, working hours and employee representation, as well as for protection of these rights beyond our company limits, in the supply chain and the community. Our external responsibilities in the area of human rights include, but are not limited to, equality and non-discrimination, security, primary health care, labor rights in the supply chain (including fair wages and working hours), education, poverty reduction, land rights, as well as timely informed consultation with our communities. Our [Human Rights Policy Statement](#) outlines our commitments on human rights. It sets out our understanding and responsibility for the protection of 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.

Our commitments are further defined in our internal Human Rights Matrix, also adopted from OMV Group. OMV has mapped its human rights responsibilities in a comprehensive Human Rights Matrix, which constitutes the basis for our activities in the field of human rights and serves as a fundamental tool for its implementation. This includes the particularly sensitive areas of security arrangements and supply chain management as well as interaction with indigenous peoples. Categorized into essential, expected, and desirable, our responsibilities cover relations with relevant stakeholders, such as employees, communities, contractors, business partners, and customers. The Matrix examined human rights issues in all business practices along the value chain; it served as an umbrella for work already undertaken and allowed for the translation of practices into company directives.

**The OMV Human Rights Matrix** is a tool used to

- ▶ map human rights responsibilities
- ▶ help managers assess identified gaps

**Human rights issues** addressed in the matrix:

- ▶ equality,
- ▶ security,
- ▶ forced labor,
- ▶ child labor,
- ▶ health and safety,
- ▶ adequate remuneration,
- ▶ freedom of association and collective bargaining,
- ▶ property,
- ▶ procedural rights and effective remedy,
- ▶ social security,
- ▶ standard of living,
- ▶ education,
- ▶ minorities and indigenous rights and religions, and
- ▶ freedom of expression and assembly.

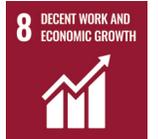


**Our approach regarding our Employees contribute to the following UN Sustainable Development Goals.**

**SDG 4** ▶ target 4.7 – through our entire array of human rights issues addressed



**SDG 8** ▶ target 8.7 – by ensuring full compliance with UN Goal of eliminating all forms of child labor or forced labor



# Human Rights

## Why is this important?

Human rights are universal values that guide our conduct in every aspect of our activities. Our Duty as a major regional energy player is to foster a company culture that recognizes moral and ethical obligations toward the members of communities where we operate. We commit to addressing social concerns and to increase awareness of operative and social risks within our core business.

Our human rights responsibility surpasses our company's borders in our effort to avoid becoming complicit in human rights abuses across our sphere of influence, which includes: our employees, our business partners, our suppliers and contractors, the local community, government and state bodies, and the wider society.

Our desire is to conduct our business in alignment with our role as a good corporate citizen, with respect for people, security of our operations and protection of our company's reputation.

## Our commitment

We have been a signatory to the UN Global Compact since 2013, 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. Our commitment is to conduct human rights trainings for all employees exposed to human rights risks by 2025.

## We measure

OMV Petrom's Corporate Sustainability department is responsible for coordination of activities and reporting our performance on human rights issues, at the OMV Petrom Group level, including awareness-raising and training level.

## We act



We conduct awareness campaigns, training and risk assessments for our security forces.

Human rights aspects are embedded in all our social activities, and the responsibilities lay with the management of various departments to act and mitigate

Our Human Resources department handles human rights issues related to labor rights.

Our Procurement department is responsible for managing human rights issues in the supply chain, HSSE department is responsible for security-related human rights issues, and our Community Relations and Development department is responsible for site implementation of our [policy related to human rights](#) impact on communities.

Community Grievance Mechanisms are put in place to address community concerns.

## We check



Third-party experts support OMV Petrom in conducting due diligence on the Company's exposure to human rights risks for our operations as well as new entry country due diligence, as needed.

## We train



An e-learning human rights course from MySF platform is provided to all employees with access to PC.

## We plan



- ▶ e-learning for all employees starting 2022



# Human Rights

## Our key actions on human rights



In 2021, we worked specifically on:

- ▶ Risk assessment for security forces
- ▶ Human rights awareness campaign
- ▶ Human rights e-learning preparation for all employees starting 2022

### Awareness campaign

As every year, a communication campaign for supporting human rights was conducted in December, when International Human Rights Day was brought to the employees' attention. All employees Group-wide were informed about our commitment and invited to complete the human rights e-learning program.

### e-learning

We are in the process of completing a training course for all employees without access to computers (blue collars).

### Risk assessment

At OMV Petrom, we respect and prioritize the right to life, body integrity and health of our employees and people of local communities.

Security events, produced by security employees, or security incidents can potentially affect an entire spectrum of human rights, including economic, social, and cultural rights. Such events can also have a significant negative or positive impact on freedom of expression and may lead to involvement of local authorities.

In 2021, a risk assessment of the activities performed by security companies in Romania was conducted. The risk-assessment covers both broad human rights indicators and specific indexes, including child labor, access to remedy, hazards reporting procedure, grievance mechanism, corruption, and labor flexibility. Based on the results, we will prepare action plans and mechanisms for the protection of our employees and communities, which will be implemented in 2022 in coordination with our Security and Resilience department.

## Concluding action needs - Risk Assessment report

- ▶ Revision of the contractual clauses regarding human rights, for better communication of the principles assumed by the company
- ▶ Inclusion of human rights in the annual training program of contractors
- ▶ Continuing dialogue with the local authorities to bring up human rights issues of the Security services
- ▶ Inclusion of human rights issues in the security audits that are performed on contractors

## Results (KPI, other indicators)



In 2021, 470 employees from OMV Petrom Group were trained on human rights through our e-learning course; approximately 940 hours training hours were provided.

## Progress

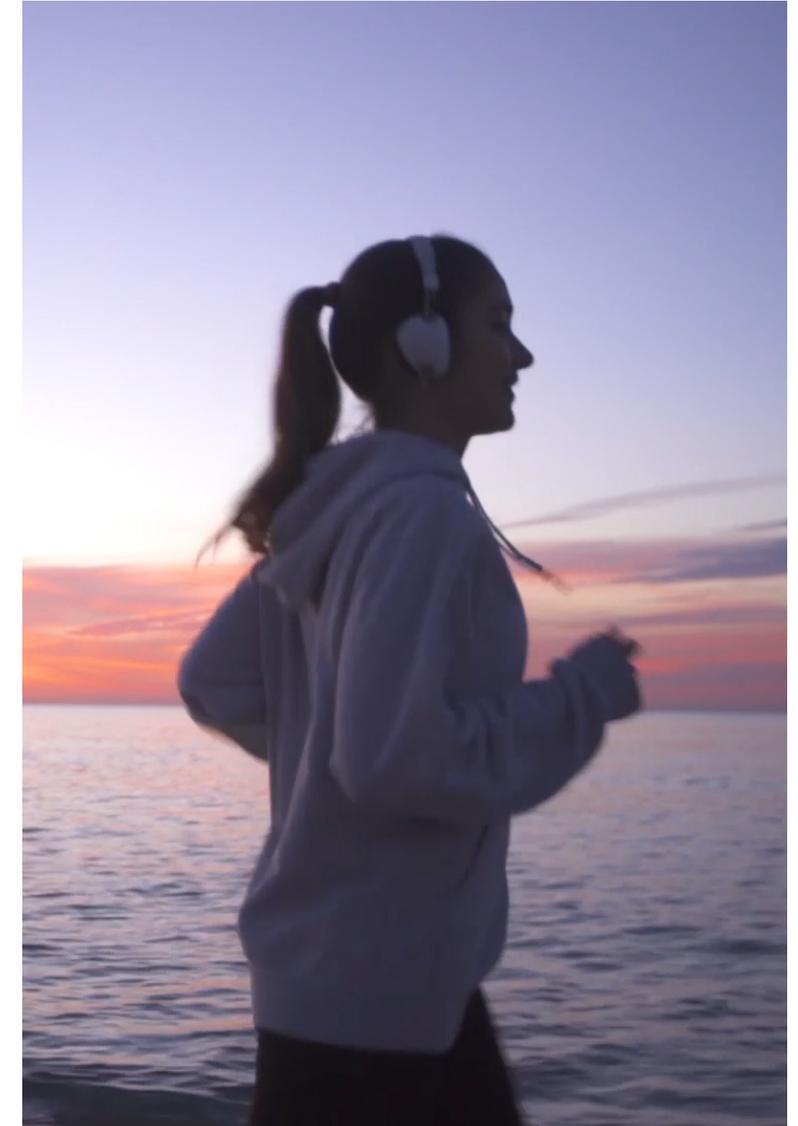


- ▶ A risk assessment of the activities performed by security companies in Romania was conducted
- ▶ 76% of employees trained in human rights during 2019- 2021
- ▶ We updated the human rights KPIs to support a just energy transition that advances human rights and education for all employees
- ▶ Human Rights training materials are prepared for all employees at OMV Petrom's sites

## Outlook



We will continue updating our human rights e-learning training tool to be implemented at the entire OMV Group level, and we will expand the training coverage to all our employees.





Leverage

# INNOVATION & DIGITALIZATION

Innovation & Circular Economy 93

Digitalization 95

# Innovation & Digitalization

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 plan to invest approximately EUR 2 bn by 2030 in innovation and new technologies, mainly in hydrogen and carbon capture and storage. We leverage digitalization to run programs to reduce carbon footprint, enhance HSSE capabilities and upskill employees.

Our strategic targets reflect our continued search for solutions to help unlock our business potential, our desire to finance change and our support to people that embrace sustainable innovation.



## The progress on our promises

	2025 targets	Status	2030 Targets	Next steps
<b>Innovation &amp; Circular Economy</b>	▶ Implement Advanced Recovery pilots in OMV Petrom Upstream to increase the recovery factor of our oil fields and asses upon full field implementation	●	EUR 3.7 bn by 2030 investments for low and zero carbon business (such as: biofuels, CC(U)S, low carbon hydrogen, photovoltaic assets):	▶ Strategic step in own production of advanced ethanol, renewable diesel and bio-jet from sustainable feedstock, monitor yearly to ensure target is reachable
	▶ 50kt 2 <sup>nd</sup> generation ethanol capacity	●	▶ 150 kt/year until 2030 2 <sup>nd</sup> generation ethanol produced from locally sourced agricultural residues	
	▶ CCU test in Petrobrazil Refinery	●	▶ 450 kt/year until 2030 renewable diesel and sustainable aviation fuel from sustainable feedstock	
<b>Digitalization</b>				▶ Run programs to reduce carbon footprint, enhance HSSE capabilities in resource efficiency and upskill employees

**Status** 
 ● On track 
 ● Additional effort required

# Innovation & Circular Economy

By 2030, OMV Petrom is targeting the addition of new low carbon activities to its portfolio: biofuels, carbon capture and storage and hydrogen.

We set our ambitious decarbonization plans to go beyond renewables, sustainable fuel and mobility. We planned CAPEX of EUR 2 bn, which will be invested after the technical and commercial viability on new technologies including Carbon Capture Utilization Storage (CCUS) is assessed. The new technologies are expected to help us achieve the target to capture more than 2 mn tons of CO<sub>2</sub> per year by 2030. CCUS is expected to play a critical role in reducing emissions not only for us, but also for hard to abate industries.

OMV Petrom is partner in an ambitious European project aimed to address issues related to CO<sub>2</sub> emissions from important industrial sectors through development and demonstration of novel versatile carbon capture and conversion technologies. The ConsenCUS project brings together 19 partners (companies, Universities and NGOs) from seven countries and the technologies will be tested in three different locations and industries: cement, magnesia production and oil refining. The technologies that will be tested at Petrobrazi will capture the CO<sub>2</sub> from flue gases released by the Cogeneration unit, further converting them electrochemically into marketable products. The innovative technology to be tested at Petrobrazi has an efficiency level of over 90%.

The Fit for 55 package has ushered in a new era in the fight against climate change and is bound to impact many industries in Europe. According to the new proposals, at European level, the share of renewable energy sources in transport will have to increase significantly by 2030 (to between 27% and 29% from the current 14% set by Renewable Energy Directive (REDII) in 2018), including a substantial contribution of advanced biofuels. In the context of decarbonization, OMV Petrom's sustainability target for co-processing biogenic feedstock in the Petrobrazi Refinery by 2025 has been changed to support our ambitious low-carbon transformation.

We see biofuels as a way to reduce emissions in both road and air transportation, and therefore we have set a new target for biofuel to exceed 15% of the company's total fuel production by 2030. This target is to be achieved through the production of bioethanol, hydrotreated vegetable oil and sustainable aviation fuel.

We also contributed to the advancement of **circular economy** practices by taking a strategic step in our own production of advanced ethanol, renewable diesel, and bio-jet from sustainable feedstock, with a planned investment level for 4 projects by 2030:

- ▶ **Bio-Ethanol** - Romania presents a unique combination of hay availability and low cost, therefore positioning itself as a high potential location for a future production of biocomponents. Upgrading agricultural residues that are suitable to produce carbon-negative ethanol when combined with carbon capture and storage, constitutes an important opportunity to be explored with a potential contribution to energy transition. Demand for ethanol is expected to grow given its usage as a blend in gasoline and optional feed for Sustainable Aviation Fuel production and green petrochemicals.
- ▶ **Sustainable Aviation Fuel (SAF)/ Hydrotreated Vegetable Oil (HVO) production** - Romania benefits from a strong agriculture sector and an opportunity to upgrade agricultural waste to high value Hydrotreated Vegetable Oil (renewable diesel) or Sustainable Aviation Fuel. Our new production unit will provide flexibility between SAF and HVO production, with the final option depending on the market demand.

Another relevant example of circularity is our unique public-private partnership project between private companies, NGOs and 230 local schools, named Let's Click on Romania. During this project, 4,000 computers were refurbished and donated to public schools. With this occasion, we avoided the emission of over 576,000 kg of CO<sub>2</sub> which is approximately the CO<sub>2</sub> quantity absorbed by 29,262,600 trees in one day.



## Advanced Recovery

Throughout the reporting year, we also focused our actions on the implementation of 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. In Upstream, we work 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 Romania (OMV Petrom). In addition, pilot tests on polymer flow lines were performed under various operating conditions. Therefore, we started the first economical Enhanced Oil Recovery (EOR) Polymer Project, after a successful pilot in 2020, and we aim for starting injection by the second quarter in 2022. The expected amount recovered for this first phase is estimated at 1.3 mn bbl of oil from our fields.

In Upstream, our target for 2025 is to increase our fields' recovery factor with implementation in various fields. As an achievement, our Viscous Water Injection pilot project successfully passed at Independența oil production site. A similar project for the Vata oil field advanced and will start execution by the second quarter of 2022.

# Innovation & Circular Economy

## Research and development activities

ICPT Câmpina, the only scientific research center for the oil industry in Romania, has continued to deliver support and expertise to the entire OMV Petrom – Upstream, while also maintaining a very close collaboration with OMV Head Office and the 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 52 ongoing projects, of which 29 were directly run by our own specialists, in many others ICPT being the main contributor. The topics covered by the research activity included:

- ▶ methods for increasing the oil field 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
- ▶ improvement of water treatment performance in the injection processes
- ▶ new slurry compositions for cementing jobs used in workover

As part of its Quality Management System, ICPT Câmpina was involved in a number of international inter-laboratory comparison rounds concluded with excellent results proving the high expertise of its specialists as well as its well adapted laboratory methods and equipment.

Our collaboration with academia world on topics like environmental, material and corrosion, geology and geophysics, has increased in 2021. Among our collaborators are well known universities: Polyethnic University from Bucharest, University of Oil and Gas from Ploiești, Babes-Bolyai University in Cluj-Napoca, National Institute for Lasers Plasma and Radiation Physics (INFLPR) or National Institute for Research and Development in Mine Safety and Protection from Explosion – INSEMEX Petroșani.



Our **innovation and circular economy** activities contribute to the **UN Sustainable Development Goals** related to fostering innovation and action on climate change.

**SDG 9** ▶ target 9.5 - by enhancing scientific research and innovation for upgrading the technological capabilities of our industrial sector.



**SDG 12** ▶ target 12.a: our circular economy initiatives and innovation contribute to strengthening the scientific and technological capacity in the region



**SDG 13** ▶ target 13.1 - by focusing our innovation activities on decarbonization aimed at increasing economic resilience to climate change in our communities, minimizing the number of potentially affected members of community



# Digitalization

We structured our digitalization efforts in 2021 on 3 pillars: **enhance resource efficiency, enhance HSSE capabilities and upskill our employees.**

The **Enhance Resource Efficiency** pillar consists of the following major projects:

- ▶ **Paperless initiative** - in 2021 the number of printouts decreased by more than 37% compared to 2020. We continue to make efforts to reduce paper consumption, with additional initiatives running, such as the implementation of a companywide electronic archiving system, integrated with the electronic signature, to be used by all users, standardization of e-signing solutions.
- ▶ **Artificial Intelligence** - algorithms analysis via the video analytics in order to perform checks of product availability on shelves and layout conformity, and report live on changes or missing products. The platform will enhance customer experience, grow sales, permanently ensure HSSE and security compliance, as well as reduce food waste. The project was piloted in 20 filling stations.
- ▶ **Fixed Assets Inventory Automation** - a project initiated to eliminate paper documents generated during the inventory process, by using an integrated digital solution, electronic signature and archive create a digitized, standardized, more qualitative, efficient, and faster inventory process by applying a high degree of automation. Also, the project aims to eliminate paper documents generated during the inventory process, by using an integrated digital solution, electronic signature and archive. An important milestone achieved was to implement the IT application in the cloud environment by end of the year, and to start integration with other applications in OMV Petrom (SAP, GIS, Geocall, Mfiles). In parallel, the complex process of harmonization and standardization of fixed assets in all OMV Petrom divisions is ongoing.
- ▶ **Our DataLake pilot in Downstream** serves as the basis for big water related data applications – predictive analytics, time forecasting, natural language processing, image recognition up to complex optimization solutions. **DataLake** use cases developed or that are under development in Downstream in 2021 related to a series of our activities in product retail, Petrobrazil Refinery, fuel stations and gas transport and dispatching.
- ▶ **Flexi-Desk** - Flexi Desk comes to complete our Teleworking Program. It provides more flexibility, ensuring a higher utilization of the office space as well as new ways of working.

We also continued to work on our second digitalization pillar, **enhancing HSSE capabilities:**

- ▶ **HSSE Passport, digitization of conformity verification processes** - As part of the continuous supervision and as support for improving the HSSE performance of contractors, we permanently deliver HSSE trainings to managers and workers working in our locations. A unique badge was associated to the "HSSE Passport Training" for each contractor and it was designed like a verification mean if contractors received the safety awareness training and it reflects the participants' understanding of hazards and risks associated to their work. Legally required certifications/authorizations can be also recorded in the same database and can be tracked on the same card via a QR code. The cards can be verified on site by the HSSE staff, supervisors, and project managers using smartphones. This verification ensures that the people performing activities in OMV Petrom locations are qualified for the job they perform. A common database of Upstream & Downstream Oil (Petrobrazil) Contractors has been consolidated.

The **Digitalization Pillar - Upskill Employees:**

- ▶ **Digital Democracy** – a project aiming to mobilize and empower the workforce leading to a more agile and efficient organization through digitalization, therefore targeting to scale digitalization to speed up time to value by wide use of key technologies.
- ▶ **Digital Bootcamp** – the objective was to understand our Fuels & Petrochemical Sales customer dissatisfaction issues and then calibrate the Voice of the Customer with the Voice of the Business in order to generate meaningful ideas for implementation. In 2021, we selected for implementation three ideas consisting of:
  - ▶ Implementation of a notification system for bulk B2B customers, to provide full transparency over the process
  - ▶ Tank gauging meters that generate orders, to resolve any out-of-stock issues for our customers
  - ▶ E-commerce card payments to reduce end-to-end delivery time



## PERFORMANCE IN DETAIL

Economic Performance	97
Social Performance	98
Environmental Performance	115

# Economic Performance

	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
Profit/(loss) before tax	mn.lei	3,398	1,479	4,277	4,914	2,904	1,052	
Sales <sup>1</sup>	mn.lei	26,011	19,717	25,485	22,523	19,435	12,594	102-7
Total capitalization <sup>2</sup>	mn.lei	28,265	20,590	25,320	16,937	16,200	14,784	
<b>Quantity of products provided</b>								
Downstream Oil total refined product sales	kt	5,339	4,993	5,462	4,987	5,073	4,932	
thereof: Gasoline	kt	1,283	1,291	1,310	1,208	1,249	1,297	
Diesel	kt	2,789	2,518	2,702	2,494	2,434	2,409	
Kerosene/Jet fuel	kt	164	126	289	275	279	251	
Fuel oils & Bitumen	kt	315	329	342	267	276	282	
thereof: Retail sales volumes <sup>3</sup>	kt	2,944	2,619	2,847	2,743	2,703	2,561	201-1
Upstream sales volumes	mn. boe	44.96	50.3	52.1	54.3	57.8	59.9	
Gas sales Volumes	TWh	48.9	57	54.8	47.3	51.4	50.4	
Net electrical output	TWh	4.8	4.2	3.4	3.8	2.7	2.9	
Direct Economic Value Generated <sup>4</sup> (DEVG)	mn. lei	26,355	20,441	26,040	22,898	19,825	17,224	
Economic Value Distributed <sup>5</sup> (EVD)	mn. lei	25,215	20,941	23,979	19,813	18,170	16,188	
Economic Value Retained	mn. lei	1,139	-500	2,061	3,085	1,655	1,036	
<b>Financial Assistance Received from Government</b>								
Tax relief (e.g. reinvested profit)	mn. lei	56	35	9	9	14	13	
Tax credits (e.g. sponsorships)	mn. lei	66	47	81	38	25	24	201-4
Other financial benefits	mn. lei	17	13	10	8	8	9	
Investment grants <sup>6</sup>	mn. lei	1	0	0	103	81	203	
<b>Total proved reserves as of December 31</b>								
Total proved reserves as of December 31	mn. boe	419	473	504	532	566	606	
<b>Total hydrocarbon production</b>								
Total hydrocarbon production	mn. boe	47.21	52.98	55.35	58.30	61.18	63.74	OG1
of which crude oil and NGL production	mn. boe	23.05	25.51	26.12	26.78	27.33	29.15	
of which natural gas production	bn. cm	3.70	4.21	4.47	4.83	5.18	5.29	

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>1</sup> Sales excluding petroleum products excise tax.

<sup>2</sup> Calculated based on the closing share price and RON/EUR exchange rate as of the last trading day of the respective year.

<sup>3</sup> Retail sales volumes refer to sales via Group's filling stations in Romania, Bulgaria, Serbia, Moldova.

<sup>4</sup> DEVG = net sales, other operating income and financial revenues (interest income and income from at-equity accounted investments).

<sup>5</sup> EVD = value distributed to stakeholders (suppliers, governments, capital providers, employees, shareholders, society).

<sup>6</sup> Mainly financing contract for the investment in the Combined Cycle Power Plant located at Brazi (based on the date of the agreement).

# Social Performance

## Workforce Performance

Total number of employees	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
<b>OMV Petrom Group</b>								
Total number of employees	number	7,973	10,761	12,347	13,201	13,790	14,769	102-7
thereof women	number	2,159	2,586	2,832	2,997	3,108	2,951	
With ILC, undetermined period, full time	number	7,878	10,627	12,125	13,044	13,565	13,689	
thereof women	number	2,127	2,543	2,764	2,950	3,034	2,909	
With ILC, undetermined period, part time	number	9	6	10	15	7	3	
thereof women	number	7	4	9	9	4	1	
With ILC, determined period, full time	number	86	126	210	140	225	161	
thereof women	number	25	39	58	38	70	41	
With ILC, determined period, part time	number	0	2	2	2	0	0	
thereof women	number	0	0	1	0	0	0	
<b>Romania</b>								
Total number of employees	number	7,821	10,262	n.r.	n.r.	n.r.	n.r.	102-8
thereof women	number	2,076	2,430	n.r.	n.r.	n.r.	n.r.	
<b>Bulgaria</b>								
Total number of employees	number	55	55	n.r.	n.r.	n.r.	n.r.	102-8
thereof women	number	30	29	n.r.	n.r.	n.r.	n.r.	
<b>Kazakhstan*</b>								
Total number of employees	number	0	344	n.r.	n.r.	n.r.	n.r.	102-8
thereof women	number	0	74	n.r.	n.r.	n.r.	n.r.	
<b>Moldova</b>								
Total number of employees	number	52	56	n.r.	n.r.	n.r.	n.r.	102-8
thereof women	number	28	28	n.r.	n.r.	n.r.	n.r.	
<b>Serbia</b>								
Total number of employees	number	45	44	n.r.	n.r.	n.r.	n.r.	102-8
thereof women	number	25	25	n.r.	n.r.	n.r.	n.r.	

The number of employees is calculated for OMV Petrom Group - Romania, Moldova, Bulgaria, Serbia, Kazakhstan (\*until May 2021 when we completed the sale of our 100% shareholding in Kom-Munai LLP and Tasbulat Oil Corporation in Kazakhstan).  
Workforce indicators: Headcount as per: 31.12.2021.

# Social Performance

## Parental Leave

	Unit	2021		2020		2019		2018		2017		2016		GRI Indicator
		women	men	women	men	women	men	women	men	women	men	women	men	
Total number of employees that were entitled to parental leave as per 31.12.2021	number	2,159	5,814	2,586	8,175	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 2021	number	54	13	143	25	126	25	163	26	150	31	121	19	
Number of employees who returned to work after parental leave ended	number	53	17	62	14	57	18	69	16	48	13	20	4	
Number of employees who returned to work after parental leave ended, who were still employed twelve months after their return to work	number	46	12	51	12	43	10	60	15	42	9	18	4	401-3
Total number of employees due to return to work after taking parental leave	number	124	25	143	25	126	25	163	26	150	31	121	19	
return to work rate*	%	43	68	43	56	45	72	42	62	32	42	17	21	
retention rate*	%	74	86	89	67	62	63	125	115	210	225	47	40	

\*Due to internal revisions of our reporting procedures, new formulas to calculate Return to work rate and Retention rate are used starting with 2021.

The data provided are only for OMV Petrom Romania.

Return to work rate is calculated as Total number of employees that did return to work after parental leave divided by Total number of employees due to return to work after taking parental leave x 100.

Retention rate is Total number of employees retained 12 months after returning to work following a period of parental leave divided by Total number of employees returning from parental leave in the prior reporting period x 100.

# Social Performance

## Diversity by Age, Gender and Employee category

### The percentage of individuals within the Supervisory Board

	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
<b>Supervisory Board</b>								
men	%	88.9	100	88.9	88.9	88.9	100.0	
women	%	11.1	0	11.1	11.1	11.1	0.0	
< 30	%	0.0	0	0.0	0.0	0.0	0.0	405-1
30-50	%	33.3	22.2	22.2	11.1	11.1	33.3	
> 50	%	66.6	77.8	77.8	88.9	88.9	66.7	

### The percentage of individuals within the Executive Board

	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
<b>Executive Board</b>								
men	%	60	60	60	80	60	60	
women	%	40	40	40	20	40	40	
<30	%	0	0	0	0	0	0	405-1
30-50	%	40	60	80	80	40	20	
> 50	%	60	40	20	20	60	80	

The percentage is calculated by reference to the total number of women / men.

# Social Performance

## Diversity by Age, Gender and Employee category

	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
<b>Top Management</b>								
women	%	0.56	0.54	0.39	0.47	0.45	n.r.	405-1
men	%	0.4	0.29	0.26	0.21	0.18	n.r.	
<30	%	0	0	n.r.	n.r.	n.r.	n.r.	
30-50	%	68.57	68.42	n.r.	n.r.	n.r.	n.r.	
>50	%	31.43	31.58	n.r.	n.r.	n.r.	n.r.	
<b>Middle management</b>								
women	%	5.33	4.95	4.7	4.37	4.41	n.r.	405-1
men	%	3.56	2.7	2.46	2.48	2.48	n.r.	
<30	%	0.31	0.29	n.r.	n.r.	n.r.	n.r.	
between 30-50	%	60.87	55.87	n.r.	n.r.	n.r.	n.r.	
>50	%	38.82	43.84	n.r.	n.r.	n.r.	n.r.	
<b>Lower Management</b>								
women	%	1.62	1.01	0.81	1.4	1.54	n.r.	405-1
men	%	2.94	2.61	2.19	2.51	2.67	n.r.	
<30	%	0.97	1.26	n.r.	n.r.	n.r.	n.r.	
30-50	%	32.52	32.22	n.r.	n.r.	n.r.	n.r.	
>50	%	66.51	66.53	n.r.	n.r.	n.r.	n.r.	
<b>Operative Staff</b>								
women	%	92.5	93.5	94.1	93.76	93.6	n.r.	405-1
men	%	93.1	94.4	95.09	94.1	94.68	n.r.	
<30	%	3.78	3.28	n.r.	n.r.	n.r.	n.r.	
30-50	%	45.9	42.45	n.r.	n.r.	n.r.	n.r.	
>50	%	50.32	54.28	n.r.	n.r.	n.r.	n.r.	

The percentage is calculated by reference to the total number of women / men.

# Social Performance

## Average hours of training per year per employee, by gender and employee category

		2021	2020	GRI Indicator
<b>Participants</b>	<b>number</b>	<b>7,068</b>	<b>9,247</b>	
Total training hours for all employees	hours	110,887	135,285	
thereof male	hours	77,020	102,228	
thereof female	hours	33,867	33,056	
Average hours of training per employees	hours	14.00	12.60	404-1
thereof male	hours	13.00	12.50	
thereof female	hours	16.00	12.80	

		2021	2020	GRI Indicator
<b>Employee Category</b>		<b>Total hours</b>	<b>Total hours</b>	
Advanced		2,366	2,763	
Core		12,388	12,180	
Entry		33,214	27,120	
Executives		226	297	
not available/left		32	275	404-1
Primary		26,195	29,035	
Technician		36,466	63,611	
<b>Total Hours</b>		<b>110,887</b>	<b>135,285</b>	

# Social Performance

## Ratio of remuneration of women to men by employment category at Group level

	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
Employees with ILC, undetermined period, full time	Ratio	1.14	1.25	1.3	1.29	1.27	1.3	405-2
Employees with ILC, determined period, full time	Ratio	0.41	0.39	0.39	0.40	0.30	0.55	
Employees under 30 years old	Ratio	1.37	1.27	1.21	1.18	1.16	1.54	
Employees between 30-50 years old	Ratio	1.19	1.39	1.35	1.49	1.40	1.10	
Employees over 50 years old	Ratio	1.01	1.05	1.26	1.06	0.93	0.99	

## Ratio of basic salary of women to men by employment category at Group level

	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
Employees with ILC, undetermined period, full time	Ratio	1.16	1.23	1.27	1.21	1.21	1.23	405-2
Employees with ILC, determined period, full time	Ratio	0.41	0.45	0.49	0.40	0.33	0.67	
Employees under 30 years old	Ratio	1.29	1.21	1.20	1.18	1.15	1.40	
Employees between 30-50 years old	Ratio	1.22	1.38	1.46	1.49	1.33	1.09	
Employees over 50 years old	Ratio	1.05	1.08	1.23	1.06	0.93	0.96	

## Ratio of remuneration of women to men by employment category (Romania)

	Unit	2021	2020	GRI Indicator
Employees with ILC, undetermined period, full time	Ratio	1.20	1.25	405-2
Employees with ILC, determined period, full time	Ratio	0.43	0.27	
Employees under 30 years old	Ratio	1.30	1.33	
Employees between 30-50 years old	Ratio	1.33	1.42	
Employees over 50 years old	Ratio	1.01	1.04	

## Ratio of basic salary of women to men by employment category (Romania)

	Unit	2021	2020	GRI Indicator
Employees with ILC, undetermined period, full time	Ratio	1.20	1.24	405-2
Employees with ILC, determined period, full time	Ratio	0.45	0.36	
Employees under 30 years old	Ratio	1.26	1.29	
Employees between 30-50 years old	Ratio	1.34	1.40	
Employees over 50 years old	Ratio	1.04	1.08	

The company has more men in the blue-collar category (51%), where average remunerations are lower, while 87% of women are white-collar employees with higher average remunerations.

Ratio of the basic salary and remuneration of women to men for each employee category is calculated as ratio of average base gross salary or remuneration of defined category between woman and men (where average base gross salary or remuneration = sum of total base gross salary or remuneration divided by w/m headcount).

# Social Performance

## New employee hired by age group and gender

Age Group	Unit	number of employees						women						GRI Indicator
		2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	
<b>Total OMV Petrom Group</b>														
	number	164	130	320	329	302	91	49	43	114	114	101	25	401-1
	rate	2.06	1.2	2.6	2.5	2.19	0.61	2.27	1.66	4.02	3.8	3.31	0.84	
<b>Romania</b>														
	number	139	107											
<30	number	59	49	n.r.	n.r.	n.r.	n.r.	15	13	n.r.	n.r.	n.r.	n.r.	401-1
	rate	42.45	48.80	n.r.	n.r.	n.r.	n.r.	38.46	12.14	n.r.	n.r.	n.r.	n.r.	
30-50	number	74	51	n.r.	n.r.	n.r.	n.r.	23	22	n.r.	n.r.	n.r.	n.r.	401-1
	rate	53.24	47.66	n.r.	n.r.	n.r.	n.r.	58.97	20.56	n.r.	n.r.	n.r.	n.r.	
>50	number	6	7	n.r.	n.r.	n.r.	n.r.	1	1	n.r.	n.r.	n.r.	n.r.	401-1
	rate	4.32	6.54	n.r.	n.r.	n.r.	n.r.	2.56	0.93	n.r.	n.r.	n.r.	n.r.	
<b>Bulgaria</b>														
	number	5	3											
<30	number	0	1	n.r.	n.r.	n.r.	n.r.	0	0	n.r.	n.r.	n.r.	n.r.	401-1
	rate	0.00	33.33	n.r.	n.r.	n.r.	n.r.	0.00	0.00	n.r.	n.r.	n.r.	n.r.	
30-50	number	5	2	n.r.	n.r.	n.r.	n.r.	4	0	n.r.	n.r.	n.r.	n.r.	401-1
	rate	100.00	66.67	n.r.	n.r.	n.r.	n.r.	100.00	0.00	n.r.	n.r.	n.r.	n.r.	
>50	number	0	0	n.r.	n.r.	n.r.	n.r.	0	0	n.r.	n.r.	n.r.	n.r.	401-1
	rate	0.00	0	n.r.	n.r.	n.r.	n.r.	0.00	0.00	n.r.	n.r.	n.r.	n.r.	
<b>Kazakhstan</b>														
	number	7	12											
<30	number	4	3	n.r.	n.r.	n.r.	n.r.	0	0	n.r.	n.r.	n.r.	n.r.	401-1
	rate	57.14	25.00	n.r.	n.r.	n.r.	n.r.	0.00	0.00	n.r.	n.r.	n.r.	n.r.	
30-50	number	3	7	n.r.	n.r.	n.r.	n.r.	1	3	n.r.	n.r.	n.r.	n.r.	401-1
	rate	42.86	58.33	n.r.	n.r.	n.r.	n.r.	100.00	25.00	n.r.	n.r.	n.r.	n.r.	
>50	number	0	2	n.r.	n.r.	n.r.	n.r.	0	1	n.r.	n.r.	n.r.	n.r.	401-1
	rate	0.00	16.67	n.r.	n.r.	n.r.	n.r.	0.00	8.33	n.r.	n.r.	n.r.	n.r.	

# Social Performance

## New employee hired by age group and gender

Age Group	Unit	number of employees						women						GRI Indicator
		2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	
<b>Moldova</b>		<b>6</b>	<b>3</b>											
<30	number	4	2	n.r.	n.r.	n.r.	n.r.	2	1	n.r.	n.r.	n.r.	n.r.	401-1
	rate	66.67	66.67	n.r.	n.r.	n.r.	n.r.	100.00	33.33	n.r.	n.r.	n.r.	n.r.	
30-50	number	2	1	n.r.	n.r.	n.r.	n.r.	0	0	n.r.	n.r.	n.r.	n.r.	401-1
	rate	33.33	33.33	n.r.	n.r.	n.r.	n.r.	0.00	0.00	n.r.	n.r.	n.r.	n.r.	
>50	number	0	0	n.r.	n.r.	n.r.	n.r.	0	0	n.r.	n.r.	n.r.	n.r.	401-1
	rate	0.00	0	n.r.	n.r.	n.r.	n.r.	0.00	0.00	n.r.	n.r.	n.r.	n.r.	
<b>Serbia</b>		<b>7</b>	<b>5</b>											
<30	number	0	0	n.r.	n.r.	n.r.	n.r.	0	0	n.r.	n.r.	n.r.	n.r.	401-1
	rate	0.00	0.00	n.r.	n.r.	n.r.	n.r.	0.00	0.00	n.r.	n.r.	n.r.	n.r.	
30-50	number	7	5	n.r.	n.r.	n.r.	n.r.	3	2	n.r.	n.r.	n.r.	n.r.	401-1
	rate	100.00	100.00	n.r.	n.r.	n.r.	n.r.	100.00	40.00	n.r.	n.r.	n.r.	n.r.	
>50	number	0	0	n.r.	n.r.	n.r.	n.r.	0	0	n.r.	n.r.	n.r.	n.r.	401-1
	rate	0.00	0	n.r.	n.r.	n.r.	n.r.	0.00	0.00	n.r.	n.r.	n.r.	n.r.	

Rate is calculated taking in consideration the number of employees from each country. Same for women's rate.  
n.r. = not reported

# Social Performance

## Employee turnover by age group and gender

	unit	number of employees						women						GRI Indicator
		2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	
<b>Total Group</b>														
	number	2,952	1,716	1,174	918	1,281	1,272	476	284	280	225	319	270	401-1
	rate	37.02	15.95	9.50	6.95	9.28	8.61	22.05	11	9.88	7.5	10.26	9.15	
<b>Romania</b>		<b>2,580</b>	<b>1,681</b>											
<30	number	18	19	n.r.	n.r.	n.r.	n.r.	5	5	n.r.	n.r.	n.r.	n.r.	401-1
	rate	0.70	1.13	n.r.	n.r.	n.r.	n.r.	1.27	0.3	n.r.	n.r.	n.r.	n.r.	
30-50	number	834	431	n.r.	n.r.	n.r.	n.r.	99	54	n.r.	n.r.	n.r.	n.r.	
	rate	32.33	25.64	n.r.	n.r.	n.r.	n.r.	25.19	3.21	n.r.	n.r.	n.r.	n.r.	
>50	number	1,728	1,231	n.r.	n.r.	n.r.	n.r.	289	210	n.r.	n.r.	n.r.	n.r.	
	rate	67	73.23	n.r.	n.r.	n.r.	n.r.	73.54	12.49	n.r.	n.r.	n.r.	n.r.	
<b>Bulgaria</b>		<b>5</b>	<b>5</b>											
<30	number	2	0	n.r.	n.r.	n.r.	n.r.	1	0	n.r.	n.r.	n.r.	n.r.	401-1
	rate	40.00	0.00	n.r.	n.r.	n.r.	n.r.	33.33	0.00	n.r.	n.r.	n.r.	n.r.	
30-50	number	2	5	n.r.	n.r.	n.r.	n.r.	1	3	n.r.	n.r.	n.r.	n.r.	
	rate	40.00	100.00	n.r.	n.r.	n.r.	n.r.	33.33	60	n.r.	n.r.	n.r.	n.r.	
>50	number	1	0	n.r.	n.r.	n.r.	n.r.	1	0	n.r.	n.r.	n.r.	n.r.	
	rate	20.00	0.00	n.r.	n.r.	n.r.	n.r.	33.33	0.00	n.r.	n.r.	n.r.	n.r.	
<b>Kazakhstan</b>		<b>351</b>	<b>23</b>											
<30	number	30	4	n.r.	n.r.	n.r.	n.r.	11	2	n.r.	n.r.	n.r.	n.r.	401-1
	rate	8.55	17.39	n.r.	n.r.	n.r.	n.r.	14.67	8.69	n.r.	n.r.	n.r.	n.r.	
30-50	number	254	17	n.r.	n.r.	n.r.	n.r.	51	6	n.r.	n.r.	n.r.	n.r.	
	rate	72.36	73.92	n.r.	n.r.	n.r.	n.r.	68.00	26.08	n.r.	n.r.	n.r.	n.r.	
>50	number	67	2	n.r.	n.r.	n.r.	n.r.	13	1	n.r.	n.r.	n.r.	n.r.	
	rate	19.09	8.69	n.r.	n.r.	n.r.	n.r.	17.33	4.35	n.r.	n.r.	n.r.	n.r.	

# Social Performance

## Employee turnover by age group and gender

	unit	number of employees						women						GRI Indicator	
		2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016		
<b>Moldova</b>		<b>10</b>	<b>5</b>												
<30	number	5	2	n.r.	n.r.	n.r.	n.r.	2	1	n.r.	n.r.	n.r.	n.r.		
	rate	50.00	40.00	n.r.	n.r.	n.r.	n.r.	100.00	20	n.r.	n.r.	n.r.	n.r.		
30-50	number	5	1	n.r.	n.r.	n.r.	n.r.	0	0	n.r.	n.r.	n.r.	n.r.		
	rate	50.00	20.00	n.r.	n.r.	n.r.	n.r.	0.00	0	n.r.	n.r.	n.r.	n.r.		401-1
>50	number	0	2	n.r.	n.r.	n.r.	n.r.	0	0	n.r.	n.r.	n.r.	n.r.		
	rate	0.00	40.00	n.r.	n.r.	n.r.	n.r.	0.00	0	n.r.	n.r.	n.r.	n.r.		
<b>Serbia</b>		<b>6</b>	<b>2</b>												
<30	number	1	0	n.r.	n.r.	n.r.	n.r.	1	0	n.r.	n.r.	n.r.	n.r.		
	rate	16.67	0.00	n.r.	n.r.	n.r.	n.r.	33.33	0	n.r.	n.r.	n.r.	n.r.		
30-50	number	5	1	n.r.	n.r.	n.r.	n.r.	2	1	n.r.	n.r.	n.r.	n.r.		
	rate	83.33	50.00	n.r.	n.r.	n.r.	n.r.	66.67	50.00	n.r.	n.r.	n.r.	n.r.		401-1
>50	number	0	1	n.r.	n.r.	n.r.	n.r.	0	1	n.r.	n.r.	n.r.	n.r.		
	rate	0.00	50.00	n.r.	n.r.	n.r.	n.r.	0.00	50.00	n.r.	n.r.	n.r.	n.r.		

Rate is calculated taking in consideration the number of employees from each country. Same for women's rate.

# Social Performance

## Standard benefits for employees\*

Benefit	2021	2020	Significant location of operation/Beneficiaries	Motivation	GRI Indicator
Holiday Leave	yes	yes	minimum 21 working days plus 1 to 9 days depending on length of service	Attraction/ CLA	
Vacation leave indemnity	yes	yes	All employees with special calculation of the indemnity corresponding to the vacation leave days	Attraction/ CLA	
Subsidies for holiday and treatment	yes	yes	All employees	Attraction/ CLA/ parity committee	
Retirement bonus	yes		All employees depending on the length of service	Attraction/ CLA/ parity committee	
Kindergarten subsidy	yes	yes	All employees with kids enrolled in kindergarten	Attraction/ parity committee	
Relocation indemnity	yes	yes	All employees that are relocated from the current working point to another working point (over 60 Km far away), without daily commuting possibilities	Attraction / safety/retention/ standard	401-2
Commuting support	yes	yes	Reimbursement of travel expenses for employees who is not resident or domiciled in the locality in which the workplace is located	Attraction / safety/retention/ standard	
Health insurance care	yes	yes	Private health insurance for employees and optional to their family members	Health protection	
Parental leave	yes	yes	All employees	Gender equality	
Reimbursement of home transport	yes	yes	Employees having domicile/ residence for over 10 Km further than the working point without shuttle transportation possibilities	Attraction/ CLA	
Meal tickets	yes	yes	All employees	Attraction/ CLA	

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

# Social Performance

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

	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
% of members of the organization who received performance review	%	55.26	46.94	48.21	43.47	41.61	36.34	
% of women who received performance review	%	82.66	75.72	77.38	71.4	66.06	63.23	
% of employees with ILC, undetermined period, full time, who received performance review	%	54.98	46.29	47.34	43.14	40.86	35.63	404-3
% of women, with ILC, undetermined period, full time, who received performance review	%	82.49	75.3	76.81	71.19	65.72	62.84	
% of employees with ILC, determined period, full time, who received performance review	%	77.91	99.21	81.9	74.29	86.67	97.52	
% of women, with ILC, determined period, full time, who received performance review	%	92	100	90.67	92.11	80	92.68	

### Indicators

### Calculation Criteria

% of members of the organization who received performance review	= number of members who received performance review divided to total members of organization
% of women who received performance review	= number of women who received performance review divided to total women of organization
% of employees with ILC, undetermined period, full time, who received performance review	= number of employees with ILC, undetermined period, full time who received performance review divided to total number of employees with ILC, undetermined period, full time
% of women, with ILC, undetermined period, full time, who received performance review	= number of women with ILC, undetermined period, full time who received performance review divided to total number of women, undetermined period, full time from organization
% of employees with ILC, determined period, full time, who received performance review	= number of employees with ILC, determined period, full time who received performance review divided to total number of employees with ILC, determined period, full time
% of women, with ILC, determined period, full time, who received performance review	= number of women with ILC, determined period, full time, who received performance review divided to total number of women, determined period, full time from organization

# Social Performance

## Number of incidents of non-compliance with regulations and voluntary codes

	Unit	2021	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	0	n.r.	417-2
Number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	number	0	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	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	42,351	63,780	145,950	91,350	n.r.	419-1
Total number of non-monetary sanctions	number	64	376	n.r.	n.r.	n.r.	n.r.	

## Frequency of training sessions on Code of Business Ethics

Category to whom document is applicable	Unit	Frequency of training sessions	2021	2020	2019	2018	2017	GRI Indicator
Employees on managerial levels in OMV Petrom SA	number	Every 3-year	252	222	153	226	330	
EB and SB members	number	Every 3-year	3	0	0	n.r.	n.r.	
Employees from OMV Petrom SA and subsidiaries	number	By request (F2F/virtual)	42	115	187	n.r.	n.r.	205-2
	number	Online	4,100	2,442	4,762	n.r.	n.r.	

# Social Performance

## 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

Unit	Type of request	Description of the type of request	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	
Type of counseling services			Number of requests						Number of requests that were answered						
Advice	number	Request for advice on business ethics-related topics	Conflict of interests	73	116	96	87	105	123	73	116	96	87	105	123
			Business ethics-related clauses in contracts with third parties												
			Gifts and invitations												
			Sanctions and embargo												

## Social investments in local communities

	Unit	2021	2020	2019	2018	2017	2016
Cash	mn EUR	10.75	6.30	13.50	2.50	2.80	4.00
In kind	EUR	114,306	167,052	266,959	4,289,491	365,893	358,688
Volunteering hours	hours	3,240	800	6,650	n.r.	n.r.	n.r.

# Social Performance

Occupational Safety	unit	2021	2020	2019	2018	2017	2016	GRI Indicator
<b>Occupational safety - employees</b>								
Fatalities	number	0	0	0	1	0	1	
Fatalities rate	per 100mn hours worked	0.00	0.00	0.00	3.99	0.00	3.53	
Number of hours worked	hours (thousand)	16,970	21,998	23,886	25,084	26,164	28,291	
Lost-Time Injury rate (LTIR)	per 1 mn hours worked	0.18	0.14	0.63	0.20	0.15	0.25	
High-consequence work-related injuries <sup>1</sup>	number	0	0	2	1	0	1	
High-consequence work-related injuries <sup>1</sup>	per 1 mn hours worked	0.00	0.00	0.08	0.04	0.00	0.04	
Lost workday injuries	number	3	3	15	4	4	6	403-9
Lost work days (Calendar days)	number	215	196	1052	256	242	490	
Total recordable injuries <sup>2</sup>	number	7	8	31	20	16	17	
Total Recordable Injury Rate (TRIR) <sup>3</sup>	per 1 mn hours worked	0.41	0.36	1.30	0.80	0.61	0.6	
The main types of work-related injury for employees		Slips and Trips (at the same height)	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	
Commuting LTIs (LTI = FAT + LWDI) - organized by company (acc to GRI defintion)	number	0	0	n.r.	n.r.	n.r.	n.r.	403-9
Commuting LTIs (LTI = FAT + LWDI) - acc to OMV Group Terms & Definitions	number	1	0	n.r.	n.r.	n.r.	n.r.	

# Social Performance

Occupational Safety	unit	2021	2020	2019	2018	2017	2016	GRI Indicator
<b>Occupational safety - contractors</b>								
Fatalities	number	2	0	0	2	0	0	
Fatalities rate	per 100mn hours worked	4.56	0.00	0.00	4,09	0.00	0.00	
Number of hours worked	hours (thousand)	43,857	42,764	46,352	48,928	43,143	51,408	
Lost-Time Injury Rate (LTIR)	per 1mn hours worked	0.32	0.16	0.15	0.29	0.19	0.19	
High-consequence work-related injuries <sup>1</sup>	number	0	1	1	1	0	1	
High-consequence work-related injuries <sup>1</sup>	per 1 mn hours worked	0.00	0.02	0.02	0.02	0.00	0.02	
Lost workday injuries	number	12	7	7	12	8	10	403-9
Lost work days (Calendar days)	number	552	496	291	967	410	400	
Total recordable injuries <sup>2</sup>	number	25	11	17	23	17	17	
Total Recordable Injury Rate (TRIR) <sup>3</sup>	per 1mn hours worked	0.57	0.26	0.37	0.47	0.39	0.33	
The main types of work-related injury for contractor		Falls from hight Assault, Robbery, Violent Act	Slips and Trips (at the same height) Falls from hight 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	
Commuting LTIs (LTI = FAT + LWDI) - organized by OMV Petrom company (acc to GRI defintion)	number	0	0	n.r.	n.r.	n.r.	n.r.	403-9
Commuting LTIs (LTI = FAT + LWDI) - acc to OMV Group Terms & Definitions	number	2	5	n.r.	n.r.	n.r.	n.r.	

# Social Performance

Occupational Safety		Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
Occupational safety - employees and contractors									
Lost-Time Injury Rate (LTIR)	per 1 mn hours worked	0.28	0.15	0.31	0.26	0.17	0.21	403-9	
Total Recordable Injury Rate (TRIR) <sup>3</sup>	per 1 mn hours worked	0.53	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 International Oil & Gas standards (IOGP, CONCAVE) and OMV Group definitions, commuting injuries are not included in the rates presented into safety performance table. According to GRI definition, rate should include injuries as a result of commuting incidents only where the transport has been organized by the organization; OMV Petrom Group did not record in 2020 and 2021 any commuting incidents organized by the organization.

<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.

## Process Safety Events

	2021			2020			2019			2018			2017			2016		
	Tier 1	Tier 2	Total Country	Tier 1	Tier 2	Total Country	Tier 1	Tier 2	Total Country	Tier 1	Tier 2	Total Country	Tier 1	Tier 2	Total Country	Tier 1	Tier 2	Total Country
Romania	1	6	7	1	3	4	2	3	5	1	6	7	2	0	2	3	4	7
Moldavia	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Bulgaria	0	1	1	1	0	1	1	1	2	0	0	0	0	0	0	0	0	0
Republic of Serbia	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0
Kazakhstan	0	0	0	0	0	0	0	0	0	1	1	2	0	2	2	2	8	10
<b>Total company</b>	<b>8</b>			<b>7</b>			<b>7</b>			<b>9</b>			<b>4</b>			<b>17</b>		

# Environmental Performance

Energy	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
Energy consumption <sup>1</sup>	PJ	45.06	43.90	43.10	45.10	43.30	45.75	
Fuel consumption within the organization	PJ	60.35	57.15	n.r.	n.r.	n.r.	n.r.	
Electricity consumption <sup>2</sup>	PJ	1.36	1.18	n.r.	n.r.	n.r.	n.r.	302-1
Heating, cooling and steam consumption <sup>2</sup>	TJ	103.2	100.3	n.r.	n.r.	n.r.	n.r.	
Electricity sold <sup>3</sup>	PJ	16.6	14.2	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	2021	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	4.04	4.18	4.42	4.55	3.99	4.40	
of which from Upstream activities	mn t CO <sub>2</sub> eq	1.22	1.58	2.09	2.16	2.02	2.32	
of which from Downstream	mn t CO <sub>2</sub> eq	2.82	2.60	2.34	2.39	1.98	2.07	305-1
CO <sub>2</sub>	mn t	3.64	3.54	3.40	3.61	3.18	3.29	
N <sub>2</sub> O	t	19	20	21	24	23	24	
CH <sub>4</sub>	t	15,909	25,384	40,286	37,361	32,048	44,304	
GHG (indirect, scope 2) <sup>2</sup>	mn t CO <sub>2</sub> eq	0.094	0.094	0.045	0.080	0.057	0.058	305-2
GHG (indirect, scope 3) <sup>3</sup>	mn t CO <sub>2</sub> eq	23.33	24.74	26.06	23.24	n.r.	n.r.	305-3
<b>Other air emissions</b>								
SO <sub>2</sub>	t	589	614	613	572	630	679	
NO <sub>x</sub>	t	2,915	3,054	3,211	3,584	3,290	3,218	
Non-methane-volatile organic compounds (NM-VOC)	t	3,114	3,586	5,080	5,364	5,358	6,958	305-7
Particulate emissions	t	64	62	64	59	62	63	

<sup>1</sup> Scope 1 refers to direct emissions from operations that are owned or controlled by the organization (OMV Petrom Group). 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.

<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, Plastics Europe, 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.

# Environmental Performance

<b>Flaring and Venting</b>	<b>Unit</b>	<b>2021</b>	<b>2020*</b>	<b>2019*</b>	<b>2018*</b>	<b>2017</b>	<b>2016</b>	<b>GRI Indicator</b>
Hydrocarbons flared	t	21,379	16,933	27,627	39,226	38,667	22,189	305-1
Hydrocarbons vented	t	16,195	26,368	42,506	39,405	31,348	48,233	

The volumes of flared and vented gas in Upstream are calculated following legal and internal regulations and are based on gas balance. Regular checks are performed and calculated volumes calibrated, if needed. Data may change based on such regular checks outcome and consolidated annually. \*Further to the above internal process, in one location having two alternative stacks (one for flaring, one for venting), a quantity of gas was reclassified from flaring to venting.

<b>GHG intensity of OMV Petrom operations</b>	<b>Unit</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>GRI Indicator</b>
GHG Intensity Upstream	t CO <sub>2</sub> eq/toe	0.186	0.214	0.270	0.266	0.237	0.263	305-4
GHG Intensity Petrobrazil Refinery <sup>1</sup>	t CO <sub>2</sub> eq/t throughput	0.234	0.246	0.247	0.254	0.240	0.251	
GHG Intensity CCPP <sup>1</sup>	t CO <sub>2</sub> eq/MWh	0.355	0.359	0.361	0.356	0.359	0.366	
Carbon Intensity Index of OMV Petrom <sup>2</sup>	% (vs. previous year)	-5.6	-7	0.5	6.7	-6.3	-5.9	

<sup>1</sup> CO<sub>2</sub> verified emissions

<sup>2</sup> CO<sub>2</sub> eq emissions associated with a certain business output using the following measurement units: Upstream: t CO<sub>2</sub> eq/toe, Petrobrazil Refinery: t CO<sub>2</sub> eq/t throughput, CCPP: t CO<sub>2</sub> eq/MWh, consolidated into a Carbon Intensity Index of OMV Petrom operations, based on weighted average of the business segments' carbon intensity.

# Environmental Performance

Water and wastewater	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
<b>Water withdrawal</b>								303-3
Water withdrawn <sup>1,2</sup>	megalites	56,347	59,362	17,930	18,290	16,750	17,590	
thereof groundwater	megalitres	5,348	5,700	5,780	5,190	7,080	6,600	
thereof freshwater (≤1,000 mg/l total dissolved solids)	megalitres	5,250	5,438	n.r.	n.r.	n.r.	n.r.	
thereof other water (>1,000 mg/l total dissolved solids)	megalitres	98	262	n.r.	n.r.	n.r.	n.r.	
thereof surface water	megalitres	10,568	11,360	11,050	11,840	8,450	9,730	
thereof freshwater (≤1,000 mg/l total dissolved solids)	megalitres	10,568	11,360	n.r.	n.r.	n.r.	n.r.	303-5
thereof other water (>1,000 mg/l total dissolved solids)	megalitres	0	0	n.r.	n.r.	n.r.	n.r.	
thereof from public supply systems	megalitres	961	851	1,100	1,260	1,220	1,260	
thereof freshwater (≤1,000 mg/l total dissolved solids)	megalitres	961	851	n.r.	n.r.	n.r.	n.r.	
thereof other water (>1,000 mg/l total dissolved solids)	megalitres	0	0	n.r.	n.r.	n.r.	n.r.	
thereof seawater	megalitres	10	8	n.r.	n.r.	n.r.	n.r.	
thereof produced water	megalitres	39,460	41,443	n.r.	n.r.	n.r.	n.r.	
<b>Water withdrawn by source from all areas with water stress<sup>3</sup></b>	megalitres	191	510	n.r.	n.r.	n.r.	n.r.	
thereof groundwater	megalitres	98	262	n.r.	n.r.	n.r.	n.r.	
thereof freshwater (≤1,000 mg/l total dissolved solids)	megalitres	0	0	n.r.	n.r.	n.r.	n.r.	
thereof other water (>1,000 mg/l total dissolved solids)	megalitres	98	262	n.r.	n.r.	n.r.	n.r.	
thereof surface water	megalitres	0	0	n.r.	n.r.	n.r.	n.r.	
thereof freshwater (≤1,000 mg/l total dissolved solids)	megalitres	0	0	n.r.	n.r.	n.r.	n.r.	
thereof other water (>1,000 mg/l total dissolved solids)	megalitres	0	0	n.r.	n.r.	n.r.	n.r.	
thereof from public supply systems	megalitres	18	49	n.r.	n.r.	n.r.	n.r.	303-5
thereof freshwater (≤1,000 mg/l total dissolved solids)	megalitres	18	49	n.r.	n.r.	n.r.	n.r.	
thereof other water (>1,000 mg/l total dissolved solids)	megalitres	0	0	n.r.	n.r.	n.r.	n.r.	
thereof seawater	megalitres	0	0	n.r.	n.r.	n.r.	n.r.	
thereof produced water	megalitres	75	199	n.r.	n.r.	n.r.	n.r.	
Water consumed <sup>1,4</sup>	megalitres	46,332	49,632	n.r.	n.r.	n.r.	n.r.	
Total water consumed from all areas with water stress <sup>3</sup>	megalitres	187	322	n.r.	n.r.	n.r.	n.r.	
Water recycled and reused	megalitres	313,206	311,797	n.r.	n.r.	n.r.	n.r.	

# Environmental Performance

## Water and wastewater

	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
<b>Wastewater discharged</b>								
Total water discharged to all areas by destination	megaliters	10,015	9,730	n.r.	n.r.	n.r.	n.r.	303-4
thereof Surface water	megaliters	9,110	9,038	n.r.	n.r.	n.r.	n.r.	
thereof Groundwater	megaliters	0	0	n.r.	n.r.	n.r.	n.r.	
thereof Seawater	megaliters	8	8	n.r.	n.r.	n.r.	n.r.	
thereof Third-party water	megaliters	897	684	n.r.	n.r.	n.r.	n.r.	
Total water discharge to all areas with water stress <sup>3</sup>	megaliters	4	11	n.r.	n.r.	n.r.	n.r.	
<b>Water discharged - quality</b>								
Hydrocarbons (oil) discharged	t	3	12	6	8	14	13	

<sup>1</sup> Excluding water withdrawn for once-through use that is not applicable in OMV Petrom.

<sup>2</sup> Produced water included according to GRI 303/2018 effective for reports after 1 January 2021.

<sup>3</sup> Applies to Kazakhstan.

<sup>4</sup> The change in the reported figure for OMV Petrom's water consumption 2020 (from 27,649 megalitres to 49,632 megalitres) is due to the fact the formula was affected by a reporting system error in Sinergy (updated post - reporting period).

## Freshwater Withdrawal Intensity of OMV Petrom operations

	Unit	2021	2020	2019	2018	2017	2016
Freshwater Withdrawal Intensity Upstream	cbm/toe	0.67	0.57	0.61	0.66	0.71	0.71
Freshwater Withdrawal Intensity Downstream Oil <sup>1</sup>	cbm/t throughput	1.71	2.16	2.10	2.26	1.74	1.82
Freshwater Withdrawal Intensity Power Plants	cbm/MWh	0.92	0.98	1.02	0.97	1.04	1.12
Freshwater Withdrawal Intensity Index of OMV Petrom <sup>2</sup>	%	-6.54	-0.2	-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.

# Environmental Performance

Waste	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
Total waste <sup>1</sup>	t	605,172	537,855	527,928	430,431	367,205	812,360	
thereof non-hazardous waste	t	272,015	158,000	233,815	186,643	149,483	568,419	
thereof non-hazardous waste to landfill	t	34,718	49,599	81,666	36,656	18,500	99,091	
thereof non-hazardous waste for recovery <sup>2</sup>	t	230,395	97,740	124,580	132,540	123,347	405,893	
thereof non-hazardous waste for incineration	t	969	210	23,810	678	91	173	
thereof non-hazardous waste for other disposal options	t	5,933	10,450	3,755	16,769	7,545	63,262	
thereof hazardous waste	t	333,157	379,855	294,113	243,788	217,722	243,941	306-3
there of hazardous waste to landfill	t	4,302	6,831	48,832	51,970	37,651	39,769	306-4
thereof hazardous waste for recovery <sup>2</sup>	t	269,543	314,964	158,543	64,538	51,566	97,861	306-5
thereof hazardous waste for incineration	t	11,656	13,786	892	2,393	4,380	11,053	
thereof hazardous waste for other disposal options	t	47,656	44,274	85,846	124,887	124,125	95,258	
Waste directed to disposal	t	105,235	125,150	244,805	233,353	192,292	308,606	
Waste diverted from disposal (recovered)	t	499,937	412,705	283,123	197,078	174,913	503,754	
Waste recovery <sup>2</sup> rate	%	83	77	53	46	48	62	

<sup>1</sup> Total waste amount including those from one-time projects.

<sup>2</sup> Recovery means operations that divert waste from being sent to disposal, such as preparation for reuse, recycling or other recovery operations.

Spills	Unit	2021	2020	2019	2018	2017	2016	GRI Indicator
Spills	number	2,142	2,267	2,012	2,164	2,375	2,105	306-3
of which major (i.e. severity level 3 to 5)	number	2	0	1	2	0	1	
of which minor (i.e. severity level below 3)	number	2,140	2,267	2,011	2,162	2,375	2,104	306-3
Spills Volume	litre	48,761	31,908	54,195	35,442	51,490	97,590	

# Environmental Performance

<b>Environmental protection expenditure<sup>1</sup></b>	<b>Unit</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Environmental protection expenditure, excluding depreciation	mn EUR	103.93	70.48	124.29	96.87	103.69	n.r.
Environmental investments for assets put into operation	mn EUR	28.59	36.26	45.82	59.43	29.39	n.r.

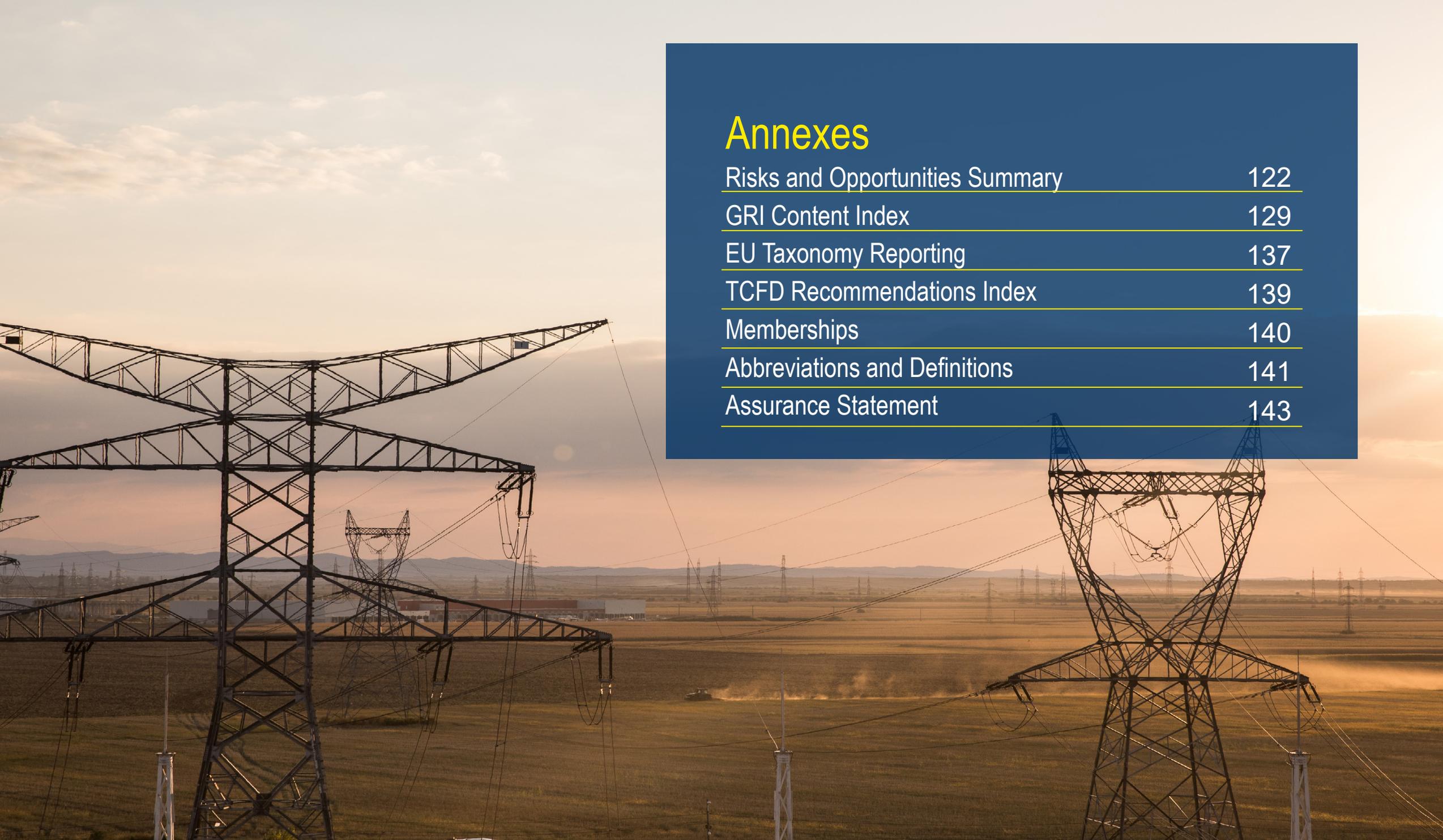
<sup>1</sup>When reporting Environmental protection expenditure, OMV Petrom uses the EMA (Environmental management accounting) methodology developed by International Federation Accountants (IFAC).

<b>Number of grievances - environmental impacts</b>	<b>Unit</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Total number of grievances</b>	number	<b>786</b>	<b>737</b>	<b>906</b>	<b>949</b>	<b>1,046</b>	<b>1,469</b>
Compensation for land contamination - Natural Persons	number	377	298	380	463	573	679
Compensation for land contamination - Legal Persons	number	9	18	23	29	28	33

**Bucharest, June 22, 2022**

**Christina Verchere**  
Chief Executive Officer

**Alina Gabriela Popa**  
Chief Financial Officer



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# Risks and Opportunities Summary

## Material Topic: Climate change and Energy transition

Risk/Opportunity		Effect Description (Positive or Negative)	Mitigation/Approach
Opportunity	Expansion of new energy solutions	<ul style="list-style-type: none"> <li>▶ Generation of new revenue streams</li> <li>▶ Long-term value for OMV Petrom and its shareholders</li> <li>▶ Carbon footprint reduction</li> </ul>	<ul style="list-style-type: none"> <li>▶ Test and implement business opportunities, which offer significant upscale potential, fit to OMV Petrom's capabilities</li> </ul>
Opportunity	Use of renewable energy for own operations	<ul style="list-style-type: none"> <li>▶ GHG emissions reduction from energy efficiency improvements and technology changes</li> <li>▶ Increase and enhancement of sustainable operations in Upstream and Downstream business (reduced carbon footprint, increased energy efficiency consumption)</li> <li>▶ Lower costs of electricity and carbon emissions (EU-ETS)</li> <li>▶ Improvement of reputation</li> <li>▶ Renewable energy sources will reduce the carbon intensity of products in our Company's portfolio</li> </ul>	<ul style="list-style-type: none"> <li>▶ Identify and execute business opportunities which offer significant upscale potential, fit OMV Petrom's capabilities, and create long-term value</li> <li>▶ Increase of energy efficiency and reduction of internal fuel consumption by renewable energy supplies such as own photovoltaic plants</li> <li>▶ Ensure achievement of OMV Petrom's long-term targets</li> </ul>
Opportunity	Carbon capture and storage use	<ul style="list-style-type: none"> <li>▶ Lower carbon footprint</li> <li>▶ Significant positive environmental benefits</li> <li>▶ Potential new business line</li> </ul>	<ul style="list-style-type: none"> <li>▶ Carbon capture and storage projects development and potential develop of business line</li> </ul>

## Material Topic: Environment

Risk/Opportunity		Effect Description (Positive or Negative)	Mitigation/Approach
Risk	Reduction of flaring, venting and fugitive emissions – failure to comply	<ul style="list-style-type: none"> <li>▶ Potential enforcement action by regulators</li> <li>▶ Stakeholder outrage (limited)</li> <li>▶ Damage of reputation</li> <li>▶ Potential environmental damage</li> </ul>	<ul style="list-style-type: none"> <li>▶ Procedures on GHG Emissions Monitoring and Reporting under EU Emission Trading Scheme</li> <li>▶ Carbon Intensity Monitoring at company level on a systematic basis, quarterly internal reporting on emissions</li> <li>▶ Carbon Management Program in Upstream</li> </ul>
Risk	Spills, waste and water management - environmental compliance issues	<ul style="list-style-type: none"> <li>▶ Pollution of soil, surface water or ground water, air</li> <li>▶ Community nuisance from noises, odors, light</li> <li>▶ Damage of company reputation</li> <li>▶ Environmental costs from potential liabilities, fines</li> </ul>	<ul style="list-style-type: none"> <li>▶ Environmental management system ISO 14001 - implemented</li> <li>▶ Proper management of conformity budget and projects</li> <li>▶ Operating procedures in place and risk-based maintenance</li> <li>▶ Emergency preparedness and response</li> <li>▶ Insurance for third party losses</li> <li>▶ Environmental risk assessments</li> </ul>

# Risks and Opportunities Summary

## Material Topic: Supply Chain

Risk/Opportunity	Effect Description (Positive or Negative)	Mitigation/Approach
Risk Labor practice and human rights criteria for the purchase of oil/gas and non-oil products and services; (supplier social and human rights assessment) – poor practice of subcontractors	<ul style="list-style-type: none"> <li>▶ Legal liability in case of direct complicity</li> <li>▶ Reputational damage</li> <li>▶ Low morale of contractor employees resulting in low quality of products and services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Training for employees (focus on high-risk countries)</li> <li>▶ Human Rights - Country Entry Check before launching operations in a country as well as regular human rights assessments in our countries of operations, consider labor rights aspects</li> <li>▶ HSSE contractor management considers human rights aspects (incl. labor rights) in pre-qualification and auditing phase</li> <li>▶ ESG supplier assessments</li> <li>▶ Code of Conduct includes labor rights</li> </ul>
Risk Engagement of local suppliers for goods and services as well as supplier development	<ul style="list-style-type: none"> <li>▶ Project delays and poor quality translated into costs</li> <li>▶ Deprivation of access to basic needs adequate standard of living for the rightsholder</li> </ul>	<ul style="list-style-type: none"> <li>▶ Implement Ariba Risk module fully (interface to Financial information providers not yet fully functional)</li> <li>▶ Build custom Supplier Risk alerts for subcontractors involved in high-risk projects (e.g., offshore assets)</li> </ul>
Risk Engagement of local suppliers for goods and services as well as supplier development - Lack of sub-contractor availability/quality	<ul style="list-style-type: none"> <li>▶ Increased costs, loss of expected benefits, project delays</li> <li>▶ Higher internal efforts for execution</li> <li>▶ Higher claim potential</li> <li>▶ Potential impact on other projects</li> <li>▶ Reputation damage</li> </ul>	<ul style="list-style-type: none"> <li>▶ Supplier category-specific procurement strategies developed - tailored for the actual activity to be performed</li> </ul>
Risk Carbon Footprint from goods & services purchased by Procurement	<ul style="list-style-type: none"> <li>▶ Lose share of SRI investors</li> <li>▶ Lower ESG ratings agencies</li> <li>▶ Reputational risk</li> <li>▶ Financial impact (e.g., EU carbon border adjustment mechanisms)</li> <li>▶ Potential environmental damage</li> </ul>	<ul style="list-style-type: none"> <li>▶ A new concept for Sustainable Procurement defined</li> <li>▶ Increase transparency through carbon management reporting (scope 3 emissions of purchased goods and services) in Power BI</li> <li>▶ Engaging with suppliers on carbon management topics through CDP Supply Chain</li> </ul>
Risk Business ethics in the supply chain	<ul style="list-style-type: none"> <li>▶ Reputational risk</li> <li>▶ Business impact (e.g., losing customers)</li> <li>▶ Business continuity (e.g., if a supplier is blocked and cannot continue to operate this has an impact on our business continuity)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Perform supplier audits and evaluations as part of the Together for Sustainability program</li> <li>▶ Include sustainability performance in selection criteria</li> </ul>

# Risks and Opportunities Summary

## Material Topic: Supply Chain

Risk/Opportunity	Effect Description (Positive or Negative)	Mitigation/Approach
Opportunity	<p>Safety of contractors &amp; suppliers – requirements defined for integrating best practice HSSE aspects in all phases of the life cycle of a product/service contracted</p> <ul style="list-style-type: none"> <li>▶ Improved reputation as a strong partner in a safer environment</li> <li>▶ Shared knowledge stays within local community and increases safety and environmental awareness among the communities, which leads to a positive impact on the environment and society</li> <li>▶ Positive impact on health of people and environment</li> </ul>	<ul style="list-style-type: none"> <li>▶ Measures to improve HSSE performance of OMV Petrom contractors</li> <li>▶ HSSE requirements in the SOW</li> <li>▶ HSSE pre-qualification of contractors</li> <li>▶ HSSE performance part of the capability audits for potential contractors</li> <li>▶ HSSE requirements annexed to the contract, binding conditions in binding documents</li> <li>▶ HSSE induction, common trainings, forums and workshops, common walks periodical meetings</li> <li>▶ Audits of the contractor HSSE management system</li> </ul>

## Material Topic: Health, Safety & Security

Risk/Opportunity	Effect Description (Positive or Negative)	Mitigation/Approach
Risk	<p>Occupational health and safety compliance</p> <ul style="list-style-type: none"> <li>▶ Fatalities</li> <li>▶ Fines</li> <li>▶ Reputational damage</li> <li>▶ Increased costs on municipal and national health systems</li> <li>▶ Work-life balance not established</li> </ul>	<ul style="list-style-type: none"> <li>▶ Compliance audits</li> <li>▶ HSSE management system audits</li> <li>▶ Awareness trainings and awareness campaigns</li> <li>▶ Safety culture improvement</li> </ul>
Risk	<p>Upstream Security/Thefts</p> <ul style="list-style-type: none"> <li>▶ Financial impact due to production interruption; loss of operational equipment/petroleum product</li> <li>▶ Associated safety risk that can lead to third party injuries</li> <li>▶ Environmental damage (after theft attempt)</li> <li>▶ Reputational impact</li> <li>▶ Legal liability due to possible nonconformities with the legislation</li> <li>▶ Personnel injuries due to interference with theft authors</li> </ul>	<ul style="list-style-type: none"> <li>▶ Corporate Security &amp; Resilience is currently managing security services for all OMV Petrom Group sites in Romania</li> <li>▶ Standards from OMV have been incorporated into the OMV Petrom SOW</li> <li>▶ Security services framework</li> <li>▶ Zero tolerance policy for theft</li> <li>▶ Protocols with Ministerul Afacerilor Interne</li> <li>▶ HQ Security continuous monitoring new solutions</li> <li>▶ Security concept focused on technology. Develop Integrated Security System projects</li> <li>▶ Standardized technical security through Integrated Security System Pprojects</li> <li>▶ Replace Man guarding with Technology</li> <li>▶ Automated Security Incident Reporting Tool</li> <li>▶ Security Risk Assessment framework</li> <li>▶ Security Operations Center (SOC) is operational</li> <li>▶ Implemented Security Loss Management Program for concealed theft detection and response</li> </ul>

# Risks and Opportunities Summary

## Material Topic: Health, Safety & Security

Risk/Opportunity	Effect Description (Positive or Negative)	Mitigation/Approach
Risk      Asset integrity and process safety	<ul style="list-style-type: none"> <li>▶ Injuries/fatalities of third party</li> <li>▶ Temporary stop of gas supply to population</li> <li>▶ Reputational damage to company in mass media</li> <li>▶ Damages and pollution caused to properties owned by third parties</li> </ul>	<ul style="list-style-type: none"> <li>▶ Risk awareness campaign</li> <li>▶ Lessons learned (internal incidents or industry experience)</li> <li>▶ Preventive maintenance</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>
Risk      Offshore Asset integrity and process safety	<ul style="list-style-type: none"> <li>▶ Loss of Life (including third-party fatalities)</li> <li>▶ Loss of Assets (destruction of jackets and facilities)</li> <li>▶ Costs for abandonment</li> <li>▶ Major Oil Spill (Pollution)</li> <li>▶ Significant negative public image with potential impact on sales</li> <li>▶ Reputational damage of OMV Petrom as competent operator.</li> <li>▶ Production loss (no reconstruction of the facilities)</li> <li>▶ Prosecution under Romanian laws and penalties/fines</li> <li>▶ Endangered biodiversity and eco-systems</li> </ul>	<ul style="list-style-type: none"> <li>▶ Risk awareness campaign</li> <li>▶ Lessons learned (internal incidents or industry experience)</li> <li>▶ Preventive maintenance</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>
Risk      Asset integrity and process safety (Vapor Cloud Explosion potential incident in refinery)	<ul style="list-style-type: none"> <li>▶ Maximum estimated damage in the process unit caused by an explosion</li> <li>▶ Fire and blast destruction of equipment (property)</li> <li>▶ Financial losses generated by the business interruption</li> <li>▶ Environmental impact</li> <li>▶ Employee fatalities and injuries (including third parties)</li> <li>▶ Reputational damage</li> <li>▶ Destruction and pollution of adjacent third-party property</li> <li>▶ Endangered biodiversity and eco-system</li> </ul>	<ul style="list-style-type: none"> <li>▶ Inspection program</li> <li>▶ Risk Based Maintenance</li> <li>▶ Operating and emergency procedures</li> <li>▶ Risk mitigation measures: 24H operator, gas detectors and measurements</li> <li>▶ Frequent turnarounds</li> <li>▶ Training program</li> <li>▶ HAZOP measures conducted (measures from risk analysis regarding possible sources of gas and ignition sources)</li> <li>▶ Related measures from QRA study</li> <li>▶ Third party liability insurance; Business interruption and Property Damage Insurance</li> <li>▶ Life insurance for employees</li> <li>▶ Emergency plans and exercises (with the collaboration of firefighting authorities)</li> </ul>

# Risks and Opportunities Summary

## Material Topic: Health, Safety & Security

Risk/Opportunity	Effect Description (Positive or Negative)	Mitigation/Approach
Risk Customer satisfaction – health and safety of consumers and environmental impact of products	<ul style="list-style-type: none"> <li>▶ Damage of reputation</li> <li>▶ Financial liability towards clients</li> <li>▶ Loss of clients</li> <li>▶ Decrease of customer satisfaction level</li> <li>▶ Customers claims</li> <li>▶ Potential damages to environment and people's health</li> </ul>	<ul style="list-style-type: none"> <li>▶ Implemented standards for products</li> <li>▶ Technical specifications for fuels in place</li> <li>▶ Quality Council with regular meetings</li> <li>▶ Regular audits on partners</li> <li>▶ Anticontamination and e-sealing devices</li> <li>▶ Monthly quality control in fuel stations</li> <li>▶ Active campaigns for customer loyalty</li> </ul>

## Material Topic: Business ethics, anti-corruption and anti-competitive behavior

Risk/Opportunity	Effect Description (Positive or Negative)	Mitigation/Approach
Risk Non-compliance with the principles of the Code of Business Ethics	<ul style="list-style-type: none"> <li>▶ Damage to business reputation that may result in withdrawal of business partners and difficulties to access credit lines</li> <li>▶ Suspension of activity and fines; contractual damage</li> <li>▶ Drop in share price</li> <li>▶ Misuse of company resources and improper direction of funds</li> <li>▶ Imprisonment for bribe offering / taking and ancillary crimes</li> </ul>	<ul style="list-style-type: none"> <li>▶ Internal rules in place: Code of Business Ethics</li> <li>▶ Advocacy of zero tolerance for bribery and corruption. EB commitment clearly stated in the Code of Business Ethics</li> <li>▶ Whistleblowing tools in place: whistleblowing platform available via Internet operated by an independent third party and ensuring confidentiality &amp; anonymity; business ethics helpline available 24 h; confidential e-mail address</li> <li>▶ Training program (both online &amp; face-to-face)</li> <li>▶ Communication activities to increase awareness</li> <li>▶ Required signing of the declaration of conflict of interest</li> <li>▶ Provide recommendations / advice upon request</li> <li>▶ Conduct Third Party Checks, workshops and recommendations</li> <li>▶ Provide advice and recommendations for third party verification assessments</li> </ul>
Risk Breaches of Competition Council rules (abuse of dominance, cartels)	<ul style="list-style-type: none"> <li>▶ Fines between 3% and 10% of company turnover</li> <li>▶ Damage to business reputation</li> <li>▶ Damage claims by third parties</li> <li>▶ Significant defense burden</li> <li>▶ Criminal allegations against the management in case of fraudulent intent</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 on relevant ad-hoc decisions</li> <li>▶ Legal verification of the contracts</li> </ul>

# Risks and Opportunities Summary

## Material Topic: Employees

Risk/Opportunity		Effect Description (Positive or Negative)	Mitigation/Approach
Risk	Talent acquisition & retention – decrease headcount	▶ Key roles not filled, left vacant with short or negative handovers and a resulting drop in company performance	<ul style="list-style-type: none"> <li>▶ Development of new projects in order to prepare young students for trade schools in various specialties for oil &amp; gas industry - such as Vocational School</li> <li>▶ Adaptation of new strategies to attract and retain key competences and key roles in the company</li> </ul>
Risk	Talent acquisition & retention - low capability	<ul style="list-style-type: none"> <li>▶ Key roles not filled, left vacant with short or negative handovers and a resulting drop in company performance</li> <li>▶ Damaged OMV Petrom reputation as an attractive employer</li> </ul>	<ul style="list-style-type: none"> <li>▶ Development of new projects in order to prepare young students for trade schools in various specialties for oil &amp; gas industry - such as Vocational School</li> </ul>
Risk	Freedom of association and collective bargaining	<ul style="list-style-type: none"> <li>▶ Delays in implementation of business projects</li> <li>▶ Blockage of business projects (restructuring/ outsourcing projects)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Constant anticipation of any related risks</li> <li>▶ Maintain and improve social peace and dialogue (inform/consult them on each project in order to maintain social peace)</li> </ul>
Risk	Talent acquisition & retention – low attractiveness	▶ Key roles not filled, left vacant with short or negative handovers and a resulting drop in company performance	<ul style="list-style-type: none"> <li>▶ Adapting new strategies to attract and retain key competences and key roles in the company</li> </ul>
Risk	Freedom of association – inconclusive collective bargaining	<ul style="list-style-type: none"> <li>▶ Collective conflict, including strike (in the absence of a valid collective bargaining result)</li> <li>▶ Unpredictability in labor relations</li> </ul>	<ul style="list-style-type: none"> <li>▶ Identify solutions to reach an agreement</li> <li>▶ Try to involve representative trade union in the negotiation as a partner, not from the opposite position</li> </ul>
Risk	Skills development & training – limited engagement	▶ Less effective outcomes, impact on productivity related to online learning	<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 &amp; 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>
Risk	Skills development & training-poor feedback	▶ Employees perceive that the company is not really focused on people development resulting in demotivation, disengagement, and lower performance	<ul style="list-style-type: none"> <li>▶ Strengthen the culture of feedback and increase training for leaders (coaching skills, people development skills)</li> </ul>
Risk	Working practices & conditions – post COVID	<ul style="list-style-type: none"> <li>▶ Migration of talents toward employers that can accommodate fast to the new expectations.</li> <li>▶ Disruptions in business continuity</li> <li>▶ Increased competition (across all geographies) over talents</li> </ul>	<ul style="list-style-type: none"> <li>▶ Adopt remote ways of working (teleworking)</li> <li>▶ Focus on measures to save time (Grow program)</li> <li>▶ Drive knowledge sharing programs to ensure capabilities</li> </ul>

# Risks and Opportunities Summary

## Material Topic: Community Investment

Risk/Opportunity	Effect Description (Positive or Negative)	Mitigation/Approach
Risk Community development investments, environmental, health, well-being impact	<ul style="list-style-type: none"> <li>▶ Consequences for communities: increased number of grievances/ social unrest, increased unemployment, limited economic opportunities, livelihood quality</li> <li>▶ Consequences for OMV Petrom: reputational damage, loss of social license to operate, limited economic opportunities, production delays, security issues</li> </ul>	<ul style="list-style-type: none"> <li>▶ Operating and emergency procedures</li> <li>▶ Efficient Training and Inspection programs</li> <li>▶ Risk based maintenance</li> <li>▶ Retro-HAZOP program and QRA study</li> <li>▶ Insurance for third party losses</li> <li>▶ Old gas pipeline replacement and pig traps installed</li> <li>▶ Corrosion Management Plan developed and implemented</li> <li>▶ Pipeline Integrity Management System in place -semi-quantitative risk evaluation</li> <li>▶ Routine patrolling of pipeline sections</li> <li>▶ CSR projects, community engagement, safety communication campaigns</li> <li>▶ Effective grievance mechanism</li> </ul>

## Material Topic: Human Rights

Risk/Opportunity	Effect Description (Positive or Negative)	Mitigation/Approach
Risk Human Rights policies – non-compliance	<ul style="list-style-type: none"> <li>▶ Consequences for stakeholders: limited rights of freedom of opinion and expression, discrimination</li> <li>▶ Consequences for OMV Petrom: reputational damage, legal liability in case of actual violation, fines</li> </ul>	<ul style="list-style-type: none"> <li>▶ Include Human Rights in social impact assessments and in social engagement plans</li> </ul>

# GRI Content Index

GRI Standard - General Disclosures	Location in the Report
<b>Organizational profile</b>	
102-1 Name of the organization	<a href="#">About this Report</a> <a href="#">OMV Petrom Group</a>
102-2 Activities, brands, products, and services	<a href="#">OMV Petrom Group</a>
102-3 Location of headquarters	<a href="#">About this Report</a> <a href="#">OMV Petrom Group</a>
102-4 Location of operations	<a href="#">OMV Petrom Group</a>
102-5 Ownership and legal form	<a href="#">Corporate Sustainability Governance</a>
102-6 Markets served	<a href="#">OMV Petrom Group</a> <a href="#">OMV Petrom S.A. Separate Annual Report 2021 pg 4-5 and pg 7-8</a>
102-7 Scale of the organization	<a href="#">Performance in detail - Economic Performance</a> <a href="#">Performance in detail - Workforce Performance</a>
102-8 Information on employees and other workers	<a href="#">Performance in detail - Workforce Performance</a> 102-8-d. A series of activities like maintenance and verification are performed by contractors.
102-9 Supply Chain	<a href="#">OMV Petrom Group</a> <a href="#">Mapping our specific Sustainability Risks</a> <a href="#">Supply chain</a>
102-10 Significant changes to the organization and its supply chain	<a href="#">OMV Petrom Group</a>
102-11 Precautionary Principle or approach	<a href="#">Mapping our specific Sustainability Risks</a> <a href="#">Transition to low carbon business</a> <a href="#">Health, Safety, Security</a> <a href="#">Environment</a>
102-12 External initiatives	<a href="#">Corporate Sustainability Governance</a>
102-13 Membership of associations	<a href="#">Annexes - Memberships</a>

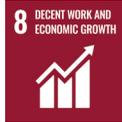
GRI Standard - General Disclosures	Location in the Report
<b>Strategy</b>	
102-14 Statement from senior decision-maker	<a href="#">Statement of the Chief Executive Officer</a>
102-15 Key impacts, risks, and opportunities	<a href="#">Mapping our specific Sustainability Risks</a> <a href="#">Transition to low carbon business</a> <a href="#">Climate Change and Energy Transition</a>
<b>Ethics and integrity</b>	
102-16 Values, principles, standards, and norms of behavior	<a href="#">Business Principles and Economic Impacts</a>
102-17 Mechanisms for advice and concerns about ethics	<a href="#">Business Principles and Economic Impacts</a> <a href="#">Mapping our specific Sustainability Risks</a> <a href="#">Performance in detail</a>
102-18 Governance structure	<a href="#">Corporate Sustainability Governance</a>
102-19 Delegating authority	<a href="#">Corporate Sustainability Governance</a>
102-20 Executive-level responsibility for economic, environmental, and social topics	<a href="#">Corporate Sustainability Governance</a>
102-21 Consulting stakeholders on economic, environmental, and social topics	<a href="#">Materiality</a>
102-22 Composition of the highest governance body and its committees	<a href="#">Corporate Sustainability Governance</a> <a href="#">OMV Petrom Annual Report 2021: Report of the Supervisory Board</a>
102-23 Chair of the highest governance body	<a href="#">Corporate Sustainability Governance</a> <a href="#">OMV Petrom Annual Report 2021: Corporate governance report</a>
102-24 Nominating and selecting the highest governance body	<a href="#">Corporate Sustainability Governance</a> <a href="#">OMV Petrom Annual Report 2021: Corporate governance report</a>
102-25 Conflicts of interest	<a href="#">Business Principles &amp; Economic Impacts</a> <a href="#">OMV Petrom Annual Report 2021: Corporate governance report</a> . The responsibilities of the members of the Supervisory Board, as well as the working procedures and the approach of conflict of interest are governed by relevant internal regulations.

# GRI Content Index

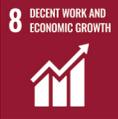
GRI Standard - General Disclosures	Location in the Report
<b>Ethics and integrity</b>	
102-26 Role of highest governance body in setting purpose, values, and strategy	<a href="#">Corporate Sustainability Governance</a>
102-28 Evaluating the highest governance body's performance	<a href="#">Corporate Sustainability Governance</a> <a href="#">OMV Petrom Annual Report 2021: Report of the Supervisory Board</a>
102-30 Effectiveness of risk management processes	<a href="#">Mapping our specific Sustainability Risks</a>
102-31 Review of economic, environmental, and social topics	<a href="#">Risk Management Process</a> <a href="#">Sustainability Framework in our Business Strategy</a>
102-32 Highest governance body's role in sustainability reporting	<a href="#">Corporate Sustainability Governance</a>
102-33 Communicating critical concerns	<a href="#">Corporate Sustainability Governance</a>
102-35 Remuneration policies	<a href="#">Corporate Sustainability Governance</a> <a href="#">Remuneration report for 2021</a>
<b>Stakeholder engagement</b>	
102-40 List of stakeholder groups	<a href="#">Materiality</a>
102-41 Collective bargaining agreements	<a href="#">Employees - Labor rights, working practices and conditions</a>
102-42 Identifying and selecting stakeholders	<a href="#">Materiality</a>
102-43 Approach to stakeholder engagement	<a href="#">Materiality</a> <a href="#">Community Grievance Mechanisms</a>
102-44 Key topics and concerns raised	<a href="#">Materiality</a> <a href="#">Community Grievance Mechanisms</a> <a href="#">PetrOmbudsman</a> <a href="#">Occupational safety</a> <a href="#">Community development investments</a>

GRI Standard - General Disclosures	Location in the Report
<b>Reporting practice</b>	
102-45 Entities included in the consolidated financial statements	<a href="#">About this Report</a> <i>Consolidated financial statement prepared in accordance to IFRS, pg 63</i>
102-46 Defining report content and topic Boundaries	<a href="#">About this Report</a> <a href="#">Materiality</a>
102-47 List of material topics	<a href="#">Materiality</a>
102-48 Restatements of information	<a href="#">Performance in detail</a> (Parental leave) <i>GRI 401-3 return to work rate and retention rate - Due to internal revisions of our reporting procedures, new formulas to calculate Return to work rate and Retention rate are used starting with 2021.</i> <i>GRI 303-5 Water consumption - the data provided for 2020 was revised, due to the fact the formula was affected by a reporting system error in Sinergy (updated post - reporting period)</i>
102-49 Changes in reporting	<a href="#">Reporting on Materiality</a>
102-50 Reporting period	<a href="#">About this Report</a>
102-51 Date of most recent report	The previous Sustainability Report was published in May 2020.
102-52 Reporting cycle	<a href="#">About this Report</a>
102-53 Contact point for questions regarding the report	<a href="#">Contact point for Sustainability Issues</a>
102-54 Claims of reporting in accordance with the GRI Standards	<a href="#">About this Report</a>
102-55 GRI content index	<a href="#">GRI Content Index</a>
102-56 External assurance	<a href="#">Annexes: Assurance statement</a>

# GRI Content Index

Material Topic	GRI Disclosures Reasons for omission and comments	Location in the Report	Contribution to UN SDGs	IPIECA Indicators
CLIMATE CHANGE AND ENERGY TRANSITION	Management Approach <b>GRI 103-1,103-2,103-3</b>	Materiality Transition to low carbon business Climate change and Energy Transition	    	<b>CCE-3</b> Lower-carbon technology  <b>CCE-4</b> Greenhouse gas (GHG) emissions  <b>CCE-6</b> Energy use  <b>CCE-7</b> Flared gas
	<b>GRI 305-1</b> Direct (Scope 1) GHG emissions	Scope 1, Scope 2, Scope 3 Flaring and venting Performance in detail - Environmental Data		
	<b>GRI 305-2</b> Energy indirect (Scope 2) GHG emissions			
	<b>GRI 305-3</b> Other indirect (Scope 3) GHG emissions			
	<b>GRI 305-4</b> GHG emissions intensity			
<b>GRI 302-1</b> Energy consumption within the organization* <i>*Reason for omission: 302-1-b. The fuel consumption split between renewable and non-renewable sources is not captured at present.</i>	Energy Efficiency Performance in detail - Environmental Data			

# GRI Content Index

Material Topic	GRI Disclosures Reasons for omission and comments	Location in the Report	Contribution to UN SDGs	IPECA Indicators	
<b>HEALTH, SAFETY AND SECURITY</b>	<b>Management Approach GRI 103-1, 103-2, 103-3</b>				
	<b>GRI 403-1</b> Occupational health and safety management system focus on Occupational Safety				
	<b>GRI 403-2</b> Hazard identification, risk assessment, and incident investigation				
	<b>GRI 403-3</b> Occupational health services	Materiality			
	<b>GRI 403-4</b> Worker participation, consultation, and communication on occupational health and safety <i>All workers are represented within the established structure of Health and Safety committees.</i>	Run responsible operations Health, Safety, Security Health			<b>SHS-1</b> Safety, health and security engagement <b>SHS-2</b> Workforce and community health
	<b>GRI 403-5</b> Worker training on occupational health and safety	Occupational Safety Process Safety			<b>SHS-3</b> Occupational injury and illness incident
	<b>GRI 403-6</b> Promotion of worker health	Corporate Security IT Security			<b>SHS-6</b> Process safety
	<b>GRI 403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Performance in detail – Occupational Safety			<b>SHS-7</b> Security risk management
	<b>GRI 403-8</b> Workers covered by an occupational health and safety management system <i>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.</i>				
<b>GRI 403-9</b> Work-related injuries					

# GRI Content Index

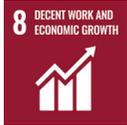
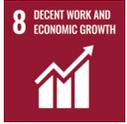
Material Topic	GRI Disclosures Reasons for omission and comments	Location in the Report	Contribution to UN SDGs	IPIECA Indicators
ENVIRONMENT	Management Approach <b>GRI 103-1,103-2,103-3</b>	Materiality Run Responsible operations Environment Community Grievance Mechanisms		
	<b>GRI 307-1</b> Non-compliance with environmental laws and regulations*	Environment		
	<i>* Reason for omission: 307-1-a-ii. We currently do not capture the total number of non-monetary sanctions</i>			
	<b>GRI 305-7</b> Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Non-GHG Air Emissions Performance in detail – Environmental Data		<b>ENV-1</b> Fresh water <b>ENV-3</b> Biodiversity Policy and Strategy
	<b>GRI 306-3</b> Waste generated	Spills		<b>ENV-5</b> Emissions to air
	<b>GRI 306-4</b> Waste diverted from disposal	Waste		<b>ENV-6</b> Spills to the environment
	<b>GRI 306-5</b> Waste directed to disposal	Performance in detail – Environmental Data		
	<b>GRI 303-1</b> Interactions with water as a shared resource			<b>ENV-8</b> Decommissioning
	<b>GRI 303-2</b> Management of water discharge-related impacts			
	<b>GRI 303-3</b> Water withdrawal	Water Performance in detail – Environmental Data		
	<b>GRI 303-4</b> Water discharge			
	<b>GRI 303-5</b> Water consumption			

# GRI Content Index

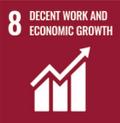
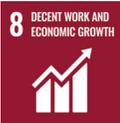
Material Topic	GRI Disclosures Reasons for omission and comments	Location in the Report	Contribution to UN SDGs	IPIECA Indicators
<b>BUSINESS PRINCIPLES and ECONOMIC IMPACTS</b>	Management Approach <b>GRI 103-1,103-2,103-3</b>	Materiality Run Responsible operations Business Principles & Economic Impacts Community Grievance Mechanisms		
	<b>GRI 201-1</b> Direct economic value generated and distributed	Performance in detail – Economic Data		
	<b>GRI 201-2</b> Financial implications and other risks and opportunities due to climate change	Mapping our specific Sustainability Risks		
	<b>GRI 201-4</b> Financial assistance received from government	Performance in detail – Economic Data		
	<b>GRI 417-1</b> Requirements for product and service information and labeling 417-1 b. We do not report the percentage of significant product or service categories covered by and assessed for compliance. This information can not be captured at present.	Product Safety		
	<b>GRI 417-2</b> Incidents of non-compliance concerning product and service information and labeling	Performance in detail – Social Data		
	<b>GRI 417-3</b> Incidents of non-compliance concerning marketing communications	(Number of incidents of non-compliance with regulations and voluntary codes)		
	<b>GRI 419-1</b> Non-compliance with laws and regulations in the social and economic area			
	<b>GRI 205-2</b> Communication and training about anti-corruption policies and procedures	Performance in detail – Social Data		
	<b>GRI 205-3</b> Confirmed incidents of corruption and actions taken			
	<b>GRI 206-1</b> Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics		
	<b>GRI 418-1</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data	GDPR		
<b>GRI 415-1</b> Political contributions	Public policy			

- GOV-3** Preventing corruption
- GOV-4** Transparency of payments to host governments
- GOV-5** Public advocacy and lobbying
- SOC-12** Community Grievance mechanisms

# GRI Content Index

Material Topic	GRI Disclosures Reasons for omission and comments	Location in the Report	Contribution to UN SDGs	IPIECA Indicators
SUPPLY CHAIN	Management Approach <b>GRI 103-1,103-2,103-3</b>	Materiality Business Principles & Economic Impacts	  	
	<b>GRI 204-1</b> Proportion of spending on local suppliers* <i>*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).</i>	Supply Chain		
	<i>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.</i>			
EMPLOYEES	Management Approach <b>GRI 103-1,103-2,103-3</b>	Materiality People & Communities Employees	     	<b>SOC-5</b> Workforce diversity and inclusion  <b>SOC-7</b> Workforce training and development  <b>SOC-8</b> Workforce non-retaliation and Community Grievance Mechanisms
	<b>GRI 401-1</b> New employee hires and employee turnover	Talent attraction and retention Performance in detail – Social Data		
	<b>GRI 401-2:</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employees Performance in detail – Social Data		
	<b>GRI 401-3</b> Parental leave	Diversity, inclusion, and non-discrimination Performance in detail – Social Data		
	<b>GRI 402-1</b> Minimum notice periods regarding operational changes	Labor rights, working practices and conditions		
	<b>GRI 404-1</b> Average hours of training per year per employee	Skills Development and Training Performance in detail – Social Data		
	<b>GRI 404-2</b> Programs for upgrading employee skills and transition assistance programs			
	<b>GRI 404-3</b> Percentage of employees receiving regular performance and career development reviews			
	<b>GRI 405-1</b> Diversity of governance bodies and employees	Diversity, inclusion and non-discrimination		
	<b>GRI 405-2</b> Ratio of basic salary and remuneration of women to men	Performance in detail – Social Data		

# GRI Content Index

Material Topic	GRI Disclosures Reasons for omission and comments	Location in the Report	Contribution to UN SDGs	IPIECA Indicators
<b>COMMUNITY RELATIONS</b>	Management Approach <b>GRI 103-1,103-2,103-3</b>	Materiality People & Communities Community relations	  	<b>SOC-13</b> Social investment
	<b>GRI 413-1</b> Operations with local community engagement, impact assessments, and development programs	Community development investments	 	
<b>HUMAN RIGHTS</b>	Management Approach <b>GRI 103-1,103-2,103-3</b>	Materiality People & Communities	 	<b>SOC-1</b> Human rights due diligence
	GRI 412-2 Employee training on human rights policies or procedures	Human Rights		
<b>INNOVATION &amp; CIRCULAR ECONOMY</b>	Management Approach <b>GRI 103-1,103-2,103-3</b>	Materiality Innovation & Digitalization	  	
	OMV Petrom specific indicator - Investments for low and zero carbon business	Innovation & Circular Economy		
<b>DIGITALIZATION</b>	Management Approach <b>GRI 103-1,103-2,103-3</b>	Materiality Innovation & Digitalization		

# EU Taxonomy Reporting

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

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

The Taxonomy Regulation establishes six environmental objectives

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

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

## OMV Petrom's process for determining Taxonomy-eligibility

In 2021, OMV Petrom assessed how much its activities contributed to the objective's climate change mitigation and adaptation, as required by the EU Taxonomy. In the first year of the Taxonomy's application, we are required to disclose the share of Taxonomy-eligible economic activities in our total turnover, CAPEX, and OPEX<sup>7</sup>.

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

OMV Petrom's values for the KPIs are derived from the figures reported in the Group's consolidated IFRS financial statements. Disposal groups classified as held for sale according to IFRS 5 (see OMV Petrom Consolidated Financial Statements 2021, Note 12) have been fully excluded from the calculation of the KPIs. This means that disposal groups according to IFRS 5 have not been considered in the assessment of eligible activities and they have been excluded from the denominator of the KPIs for the full reporting period 2021, irrespective of when the reclassification to "held for sale" was booked.

Associates accounted for using the equity method and not-consolidated subsidiaries were excluded from the assessment as per the reporting requirements of the EU Taxonomy regulation.

## Definition of turnover

The proportion of taxonomy-eligible economic activities in the total turnover has been calculated as the part of sales revenues derived from products and services associated with taxonomy-eligible economic activities (numerator) divided by the sales revenues (denominator), in each case for the financial year from January 1, 2021 to December 31, 2021. The denominator is based on OMV Petrom's consolidated sales revenues (OMV Petrom Consolidated Financial Statements 2021, Note 19) and adjusted for sales revenues coming from disposal groups according to IFRS 5. For further details on our accounting policies regarding the consolidated sales revenues see OMV Petrom Consolidated Financial Statements 2021, Note 4.3.p).

## Definition of CAPEX

The CAPEX KPI is defined as Taxonomy-eligible CAPEX (numerator) divided by OMV Petrom total CAPEX (denominator). The denominator, total CAPEX, consists of additions to intangible assets (including oil and gas properties with unproved reserves), tangible assets and right-of-use assets and is adjusted to exclude any additions related to disposal groups according to IFRS 5 during the reporting period. For further details on our accounting policies regarding the relevant assets, see OMV Petrom Consolidated Financial Statements 2021, Note 4.1.d), e), f).

Relevant CAPEX was identified for each eligible activity.

In the refinery, CAPEX related to PPE (Property Plant and Equipment) used for a joint production of fuels and organic basic chemicals have been allocated to the production of organic basic chemicals (activity 3.14) using an allocation key reflecting the yield, size and complexity of the refinery plant used for producing fuels and organic basic chemicals.

<sup>7</sup> As defined by the EU taxonomy

# EU Taxonomy Reporting

## Definition of OPEX

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

**R&D expenses** include the research and development expenditure recognized according to IAS 38 "Intangible assets" and included in the line "Other operating expenses" in the income statement (see OMV Petrom Consolidated Financial Statements 2021, Note 22).

**Maintenance and repair costs** and other direct expenditure related to day-to-day servicing of assets include mainly costs for external services, personnel expenses and material costs related to regular and unplanned maintenance, repair and servicing measures. The related cost items can be found in the line items "Production and operating expenses" as well as "Selling, distribution and administrative expenses" of the income statement.

Relevant OPEX was identified for each eligible activity.

In the refinery, maintenance and repair costs allocated to cost centers involved in the joint production of fuels and organic basic chemicals have been allocated to the production of organic basic chemicals (activity 3.14) using an allocation key reflecting the yield, size and complexity of the refinery plant used for producing fuels and organic basic chemicals.

**Expenses for short-term leases** have been determined and included in line with IFRS 16 "Leases".

## 2021 Overview

### Taxonomy-eligible Turnover

In 2021, 2.15% of OMV Petrom's turnover can be classified as Taxonomy-eligible. The main contributor was the activity 3.14 Manufacture of organic basic chemicals.

Activity	Turnover (RON mn)	% of total turnover
Manufacture of organic basic chemicals (3.14)	556.23	2.15%
Transmission and distribution of electricity (4.9)	1.01	0.00%
Taxonomy-non-eligible activities	25,360.27	97.85%

### Taxonomy-eligible CAPEX

In 2021, 6.05 % of OMV Petrom's CAPEX can be classified as Taxonomy-eligible. The largest contributors were the activities 3.14 Manufacture of organic basic chemicals, 6.14 Infrastructure for rail transport and 7.1. Construction of new buildings. Together these made up 81.45% of our Taxonomy-eligible CAPEX. Other contributors were 6.2 Freight rail transport, 6.5 Transport by motorbikes, passenger cars, light commercial vehicles, 7.2 Renovation of existing buildings and 4.1. Electricity generation using solar photovoltaic technology.

Activity	CAPEX (RON mn)	% of total CAPEX
Manufacture of organic basic chemicals (3.14)	76.25	2.61%
Infrastructure for rail transport (6.14)	48.55	1.66%
Construction of new buildings (7.1)	19.19	0.66%
Other eligible activities	32.78	1.12%
Taxonomy non-eligible activities	2,746.20	95.93%

## Taxonomy-eligible OPEX

In 2021, 7.23% of OMV Petrom's OPEX can be classified as Taxonomy-eligible. The largest contributors are the activity 3.14 Manufacture of organic basic chemicals, 4.9 Transmission and distribution of electricity, 6.14 Infrastructure for rail transport and 7.2. Renovation of existing buildings. Together these made up 77.34% of our Taxonomy-eligible OPEX. Other contributors were 9.1 Close to market research, development and innovation and 6.5. Transport by motorbikes, passenger cars and light commercial vehicles.

Activity	OPEX (RON mn)	% of total OPEX
Manufacture of organic basic chemicals (3.14)	14.01	1.87%
Transmission and distribution of electricity (4.9)	9.83	1.31%
Infrastructure for rail transport (6.14)	9.14	1.22%
Renovation of existing buildings (7.2.)	9.02	1.20%
Other eligible activities	12.30	1.64%
Taxonomy non-eligible activities	696.52	92.77%

## Outlook

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

Furthermore, the Commission adopted the Complementary delegated Act, which introduces specific disclosure requirements for businesses related to their activities in the gas and nuclear energy sectors and expects to adopt the second Delegated Act related to the remaining four environmental objectives in 2022; thus, we will also assess and report on those activities.

# TCFD Recommendations Index

<p>Recommendations:</p>	<p>Disclosure a) Describe the board's oversight of climate related risks and opportunities.</p>	<p>Corporate Sustainability Governance Sustainability at OMV Petrom Mapping our specific Sustainability Risks</p>	<p>Disclosure a) Describe the organization's processes for identifying and assessing climate-related risks.</p>	<p>Mapping our specific Sustainability Risks Transition to low carbon business</p>
<p>Disclose the organization's governance around climate-related risks and opportunities</p>	<p>Disclosure b) Describe management's role in assessing and managing climate related risks and opportunities.</p>	<p>Corporate Sustainability Governance Sustainability at OMV Petrom Mapping our specific Sustainability Risks <a href="#">Annual report</a>, Risk management governance section</p>	<p>Recommendations: Disclose how the organization identifies, assesses and manages climate –related risks</p>	<p>Corporate Sustainability Governance Mapping our specific Sustainability Risks <a href="#">Annual report</a>, Risk management section</p>
<p>Recommendations:</p>	<p>Disclosure a) Describe the climate related risks and opportunities the organization has identified over the short, medium, and long term.</p>	<p>Mapping our specific Sustainability Risks <a href="#">Annual report</a>, Risk taxonomy section</p>	<p>Disclosure c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.</p>	<p>Mapping our specific Sustainability Risks Transition to low carbon business</p>
<p>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.</p>	<p>Disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p>Mapping our specific Sustainability Risks Sustainability at OMV Petrom Transition to low carbon business</p>	<p>Recommendations: Discloses the metrics and targets used to assesses and manage relevant climate related risks and opportunities where such information is material.</p>	<p>Corporate Sustainability Governance Sustainability at OMV Petrom Sustainability at OMV Petrom Performance in details - Environmental data</p>
	<p>Disclosure c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.</p>	<p>Sustainability at OMV Petrom Transition to low carbon business</p>	<p>Disclosure c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.</p>	<p>Corporate Sustainability Governance Transition to low carbon business</p>

# Memberships

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1. Association of Electricity Suppliers in Romania (AFEER)
2. Romanian Petroleum Association (ARP)
3. Romanian Association for Promoting Energy Efficiency (ARPEE)
4. Romanian Standard Association (ASRO)
5. Association for the Prevention and Combating of Fraud (ACFE)
6. Romanian Association of Internal Auditors (AAIR)
7. Romanian Investor Relations Association (ARIR)
8. Energy Policy Group (EPG)
9. Romanian National Committee of the World Energy Council (CNR-CME)
10. HR Management Club Association
11. Romanian Association for International Numbering of Articles (GS1 Romania)
12. Association of Treasurers of Romania (ATR)
13. Romanian Black Sea Titleholders Association (RBSTA)
14. Romanian Association Chamber Pattern of Attorney (CNCPIR)
15. American Chamber of Commerce in Romania (AMCHAM)
16. Romanian – German Chamber of Commerce & Industry (AHK)
17. Romanian Energy Center (CRE)
18. Coalitia pentru Dezvoltarea Romaniei (through Concordia/FPPG, FIC and AMCHAM)
19. CONCORDIA Employers' Confederation (through Oil & Gas Employers' Federation)
20. CONCAWE
21. Foreign Investors Council (FIC)
22. Aspen Institut Romania
23. Oil and Gas Employers' Federation (FPPG)
24. Employer Organisation Gas/Organisation Petrogas (OPG)

# Abbreviations and Definitions

## A

ACFE	Association of Certified Fraud Examiners
AI	Artificial Intelligence
AIDA	Asset Integrity Data Assistant
API	Wells Standard
APC	Advanced Process Control
ARIR	Romanian Investor Relations Association
ARMS	Active Risk Management System

## B

BAT-BREF	Best Available Techniques - Reference Documents
bbl	Barrel(s), e.g., 159 liters
bcm	Billion cubic meters
BEPS	Base Erosion and Profit Shifting
bn	Billion
BOP	Blowout preventer
BTEX	Benzene, toluene, ethylbenzene, and xylene
boe	Barrels of oil equivalent
BVB	Bucharest Stock Exchange

## C

CAPEX	Capital Expenditure
CbCR	Country-by-Country Report
CBOs	Community Based Organizations
CCPP	Combined Cycle Power Plant
CCPS	Center for Chemical Process Safety
CCS	Carbon capture and storage
CCS EBIT	Current Cost of Supply (EBIT)
CCTV	Closed Circuit Television System
CDP	Climate Disclosure Project
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGM	Community Grievance Mechanism

## CH<sub>4</sub>

CH <sub>4</sub>	Methane
CHP	Cogeneration or Combined Heat & Power
CLP	Classification, Labelling, and Packaging
CMMS	Computerized Maintenance Management System
CNG	Compressed natural gas
CO <sub>2</sub>	Carbon Dioxide
CO <sub>2</sub> eq	Carbon dioxide equivalent
CSR	Corporate Social Responsibility

## D

DSRs	Data Subjects' Requests
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## E

EB	Executive Board
EBIT	Earnings Before Interest and Taxes
EIA	Environmental Impact Assessment
EMA	Environmental Management Accounting
EMS	Environmental Management System
EOR	Enhanced Oil Recovery
E&P	Exploration and Production
EPSC	European Process Safety Center
ESG	Environmental, Social and Governance
ESIA	Environmental and Social Impact Assessments
EU	European Union
EUR	EUR European Union, euro(s)
EU-ETS	EU Emission Trading Scheme
EWRM	Enterprise-Wide Risk Management

## F

FP	Property Fund
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## G

GDPR	General Data Protection Regulation
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## G2P

G2P	Gas to Power
G20	Group of Twenty is an intergovernmental forum comprising 19 countries and the European Union (EU)
GHG	Greenhouse Gas
GHG scope 1	Direct emissions from operations that are owned or controlled by the organization
GHG Scope 2	Energy indirect emissions resulted from the generation of purchased or acquired electricity, heating, cooling or steam
GHG Scope 3	Other indirect emissions that occur outside the organization
GMS	General Meeting of Shareholders
GJ	Gigajoule
GRI	Global Reporting Initiative

## H

HSSE	Health, Safety, Security and Environment
ha	Hectare
HAZID	Hazard Identification
HAZOP	Hazard and Operability
H <sub>2</sub> S	Hydrogen sulfide
HQ	Headquarter
HVO	Hydrotreated Vegetable Oil

## I

ICPT	Câmpina Institute of Research and Technological Design
IDW	Institut der Wirtschaftsprüfer
IFAC	International Federation Accountants
IGRR	Integrated Risk Register
ILO	International Labor Organization
IPIECA	International Petroleum Industry Environmental Conservation Association
ISO	International Organization for Standardization
IT/ OT	Information Technology/ Operational Technology

# Abbreviations and Definitions

## K

KPI	Key Performance Indicator
kWh	Kilowatt-hour

## L

LDAR	Leak Detection and Repair
LED	Light-emitting Diode
LIA	Legitimate Interest Assessments
LLP	Limited Liability Partnership
LNG	Liquefied natural gas
LOPC	Loss of primary containment
LPG	Liquefied Petroleum Gas
LTIR	Lost-time injury rate

## M

m, km	Meter(s), kilometer(s)
mn	Million
MAE	Major Accident Events
MoC	Management of Change
MTP	Mid Term Planning
ML	Megaliters
MS	Management Systems
MW; MWh	Megawatt(s); megawatt hour(s)
M&I	Monitoring and Intervention
m <sup>2</sup>	Square meter
m <sup>3</sup>	Cubic meter

## N

n.a.	Not applicable/not available
n.r.	Not reported
NES	New Energy Solutions
NGO	Non-governmental organization

NM-VOC	Non-methane volatile organic compounds
N <sub>2</sub> O	Nitrous oxide
NO <sub>x</sub>	Nitrogen oxide
NPO	Non-profit organization
nZEB	nearly Zero-Energy Building

## O

OECD	Organization for Economic Cooperation and Development
OGI	Optical Gas Imaging
OPEX	Operating Expenses

## P

PHA	Process hazards
PJ	Petajoule
PPE	Personal Protective Equipment
PSC	Production Sharing Contract
PSE	Process safety event
PSM	Process Safety Management
PSPI	Process Safety Performance Indicators

## Q

QRA	Quantitative Risk Assessment
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## R

R&D	Research and Development
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RoPA	Record of Processing Activities
RRR	Reserve Replacement Rate

## S

S2P	Solar to Power
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S.A.	Romanian JSC - Joint stock company
SAF	Sustainable Aviation Fuel
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
S&R	Security and Resilience
SIA	Social Impact Assessment
SO <sub>2</sub>	Sulphur dioxide
SoW	Scope of Work
SRA	Security Risk Assessment
SRL	Limited - Societate cu raspundere limitata

## T

t, kt	Metric ton(s), thousand tons;
toe	Ton of oil equivalent
TCFD	Task Force on Climate-related Financial Disclosures
TfS	Together for Sustainability
TJ	Terajoule
TPH	Total Petroleum Hydrocarbons
TRIR	Total recordable injury rate
TWh	Terawatt hour(s)

## U

UN	United Nations
US	United States

## V

VOC	Volatile organic compounds
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## W

W2P	Wind to Power
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# 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 2021 Sustainability Report (the “Subject Matter”) for the year ended 31 December 2021.

#### 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 30 December 2021. 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 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.

# Assurance Statement

## 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 online meetings with responsible persons from OMV Petrom Headquarters, Refinery Petrobrazi, CCPP Brazi, Asset Muntenia Vest and Asset Petromar 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;
- ▶ Assess whether the Requirements according to the EU Taxonomy regulation have been adequately addressed;
- ▶ 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 2021, in order for it to be in accordance with the Criteria.

On behalf of,

Ernst & Young Assurance Services S.R.L.

22 June 2022

Bucharest, Romania

Gelu Gherghescu

Partner

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**Photos:**

OMV Petrom archive, Dreamstime, iStock

**Other Publication for 2021:**

[OMV Petrom Annual Report 2021](#)

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