OUR ENERGY FOR A SUSTAINABLE FUTURE

Sustainability Report 2018

OMV Petrom
The energy for a better life.

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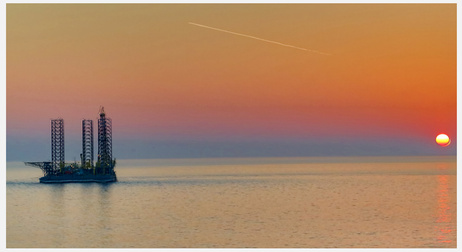

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OMV Petrom's headquarter

The information presented in this report refers to the consolidated results of OMV Petrom Group for the 2018 business/financial year.

The 2018 edition of the OMV Petrom Sustainability Report, a document published yearly, as a standalone report, was prepared in accordance with the provisions of Directive 2014/95/EU, which refers to the presentation of non-financial and diversity information by certain enterprises and large groups, transposed into national law through Ministry of Public Finance (MPF) Orders No. 1938 / 2016 and No. 2844/2016.

This report was prepared in accordance with the GRI Standards: Core option and was guided by GRI G4 Oil and Gas Sector supplement, which shows our commitment to communicate openly to all our stakeholders the impacts our activities have on the economy, society and environment, and the actions taken to better respond to their expectations.

The reported information was determined based on a materiality analysis carried out at OMV Petrom Group level in 2018, which took into account the views of the company's key stakeholders and focused on those topics – environmental, social, employees, respect for human rights, combating corruption and bribery – that were necessary for understanding the development, performance and market position of OMV Petrom, as well as the impact of our activities on society.

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

Furthermore, this report complements the OMV Petrom Annual Report 2018 with the legally required information: a description of the business model; a description of the policies pursued by OMV Petrom in relation to the reported topics and the results; the main risks related to the reported topics and the non-financial performance indicators specific to OMV Petrom activities or to its supply chain.

SUSTAINABILITY FOR A BETTER LIFE

GRI: 102-14

What drives OMV Petrom's commitment – the energy for a better life?
Globally, as the worldwide population is growing and as welfare and living standards improve, more and more energy is needed to meet this rising demand. It's hard to imagine modern life without gas for heating homes, without fuels for cars, without electricity for phones or computers. And it is energy that underpins both sustainable development and efforts to raise living standards.

We, at OMV Petrom, provide this energy in all its forms: fuels, gas and electricity. We conduct our operations in a safe and secure manner.

Where does sustainability fit in the big picture of the business?
As energy demand has grown, so have concerns about climate change and expectations for clean energy. At the same time, it is important to ensure access to affordable and secure energy supply. Now and in the future.

We see natural gas as part of the solution for cleaner and sustainable access to energy. It is two times cleaner than coal when used for power generation, it is affordable and clean when used for heating, and alternative solutions for transport can also be developed based on natural gas, increasing both affordability and supporting clean energy targets.

With natural gas accounting for approximately half of OMV Petrom's Upstream group production and opportunities related to deep Black Sea discoveries, OMV Petrom is to meet present and future demand in a clean and sustainable way.

As a corporate citizen, we rely on a social licence to operate. And this means creating long-term value for the company and our stakeholders, while respecting the environment, supporting the communities in which we operate, and striving to support the UN sustainable development goals.

What is 2018 Sustainability Report at a glance? Why is it important to go on reading?
OMV Petrom has a long tradition of sustainable and responsible behaviour and I am proud to share with you our third Sustainability Report. It contains the progress we made in the five areas essential to our Sustainability strategy: Health, Safety, Security, Environment (HSSE), Carbon Efficiency, Innovation, Employees, Business Principles and Social Responsibility. Only together we can responsibly fuel our energy for a better life. Thank you in advance for your interest and support!

ABOUT THE GROUP

“Tell me and I will forget; show me and I may remember; involve me and I will understand.”

Confucius

BUSINESS MODEL AND VALUE CHAIN

Upstream

- Onshore Oil Exploration and Production
- Onshore Gas Exploration and Production
- Offshore Oil and Gas Exploration and Production

Downstream Oil

- Refining
- Storage Logistics
- Transportation
- Marketing of Oil and Non-Oil Products

Usage

- Aviation
- Agriculture
- Cars
- Construction
- Plastics
- Chemicals
- Electricity
- Heating
- Hospitality
- Steel

Downstream Gas

- Power Production
- Power Marketing
- Natural Gas Marketing

Usage

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OMV PETROM KEY ISSUES

OMV Petrom produces and supplies the energy for millions of people - for their comfort, their need for mobility or passion to travel

OMV Petrom is the largest Group in South-East Europe, part of OMV Group, which is an integrated international oil and gas player, headquartered in Vienna.

OMV Aktiengesellschaft, the holding company of the OMV Group and one of Austria's largest listed industrial companies, holds a 51.01% share in OMV Petrom. The Romanian State (via the Ministry of Energy) holds 20.64% of OMV Petrom shares, Fondul Proprietatea S.A. holds 9.99%, while 18.35% represents the free float traded as shares within the Premium category of the Bucharest Stock Exchange and as global depository receipts within the Standard category on the London Stock Exchange. More information can be found in OMV Petrom Annual Report 2018 pg. 10. OMV Petrom is active along the entire energy value chain: from exploration and production of oil and gas, to refining and fuel distribution, and further on to power generation and marketing of gas and power. We provide sustainable access to energy needed for modern day-to-day life: light, heat produced from our gas, and fuels for mobility.

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Petrobrazi refinery

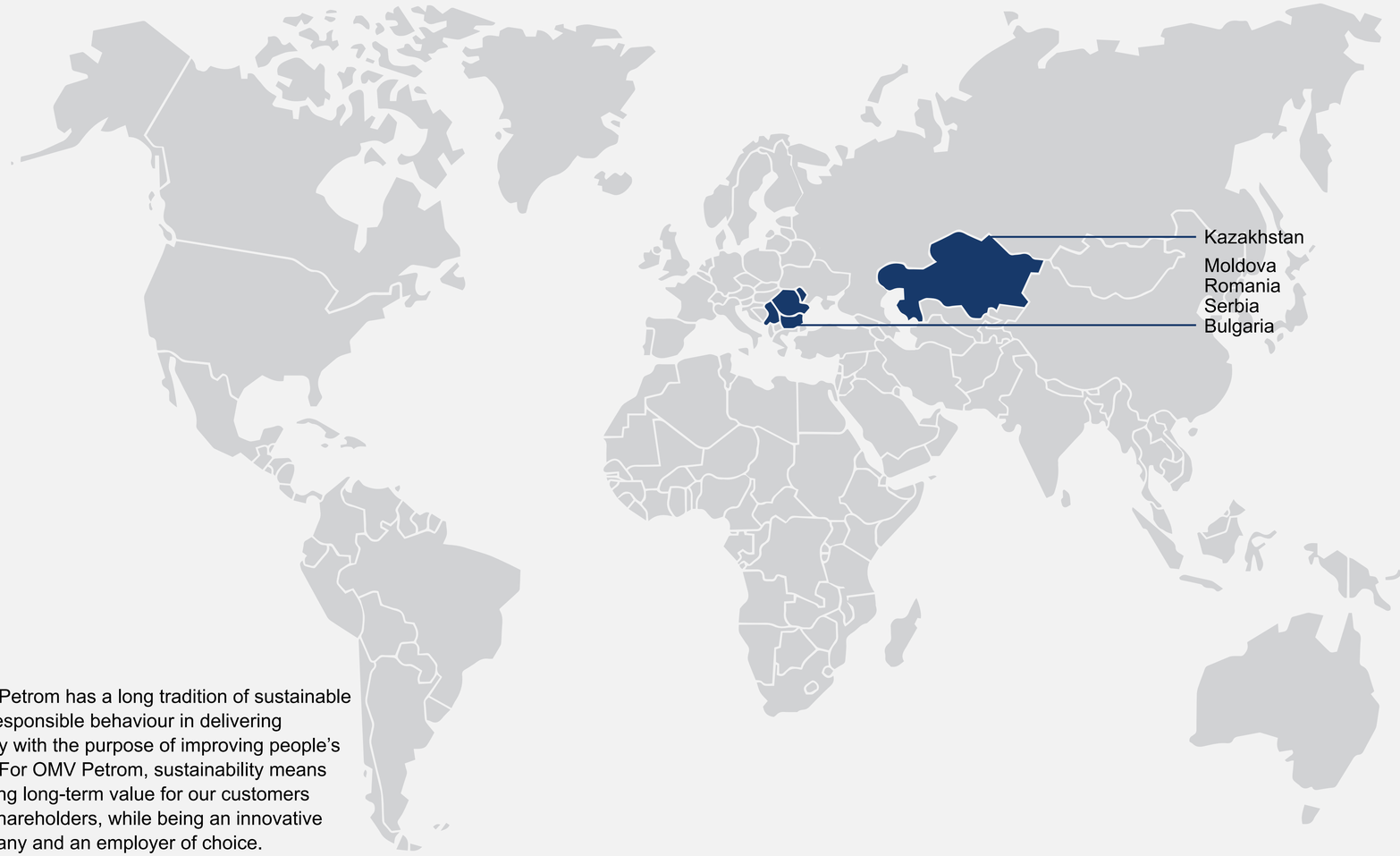
We conduct our business in a responsible way, respecting the environment and adding value to the communities in which we operate

Our business strategy drives performance through three key pillars: enhancing competitiveness of the existing portfolio, developing growth options, and regional expansion. The implementation of our strategy is supported by three enablers: people and organizational culture, sustainability, and technology and innovation.

The Company is organized into three operationally integrated business segments – Upstream, Downstream Oil, Downstream Gas. In the Upstream segment, OMV Petrom has oil and gas production activities in Romania and Kazakhstan and is engaged in exploration activities in Romania. Total hydrocarbon production in 2018 was 58.3 mn boe, of which 31.5 mn boe was natural gas.

In Downstream Oil, we operate the Petrobrazi refinery, with an annual refining capacity of 4.5 mn tons. We are present on the oil product markets in Romania and neighbouring countries (Bulgaria, Serbia and Moldova). Our footprint in retail sector consists of 794 filling stations, as of the end of December 2018, under two brands – Petrom and OMV.

In Downstream Gas, we are engaged in electricity production, and gas and power sales. We provide gas and power for hundreds of Romanian businesses through our supply subsidiary. In 2018, total gas sales volumes of OMV Petrom decreased by 8% compared with 2017, to 47.3 TWh. We operate the Brazi gas-fired power plant, with a capacity of 860 MW, which generated 3.8 TWh in 2018, providing approx. 6% of the national electricity production.



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

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AT A GLANCE

Economic

Capital expenditure

2018: RON **4,289** mn
2010: RON 4,863 mn

Cash flow from operating activities

2018: RON **7,385** mn
2010: RON 4,630 mn

Contribution to the RO state budget

2018: > RON **10.8** bn
2010: RON 7,813 mn

Environment

GHG intensity reduction in 2018 vs 2010 **20%**

Water withdrawal reduction in 2018 vs 2010 **54%**

Water withdrawal intensity reduction in 2018 vs 2010 **47%**

CORPORATE GOVERNANCE

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

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Supervisory Board

The Supervisory Board is in charge of monitoring, supervising and controlling the activity of the Executive Board. It is appointed for a 4-year mandate at the General Meeting of Shareholders and, in 2018, consisted of nine non-executive members. Yearly and at least on the occasion of each (re)appointment of the Supervisory Board members, we conduct an independence evaluation based on the independence criteria provided by the Corporate Governance Code, consisting in an individual personal assessment done by the relevant Supervisory Board member, followed by an external assessment. Following this evaluation, it resulted, that, during 2018, three Supervisory Board members met all independence criteria stipulated by the Corporate Governance Code.

Yearly, the Supervisory Board undergoes a self-evaluation process under the guidance of the President of the Presidential and Nomination Committee and based on the Supervisory Board Self-Evaluation Guideline that provides the purpose, criteria and frequency of such an evaluation, with the aim of assessing and, if necessary, improving the efficiency and the effectiveness of the Supervisory Board's activity.

In 2018, in terms of experience, expertise, qualification, diversity, number of members and presence, the Supervisory Board considers the composition of the Supervisory Board to be satisfactory. Also, the Supervisory Board members value the good collaboration with the Executive Board, the organization and conducting of the Supervisory Board meetings and the quality of the documents provided for such meetings.

Executive Board

The Executive Board, appointed for a 4-year mandate by the Supervisory Board, composed of five members in 2018, manages the daily activities and operations of the Company. The Executive Board reports to the Supervisory Board on a regular basis on all relevant issues concerning the course of business, strategy implementation, risk profile and risk management of the Company. In 2018, the Executive Board met 55 times in person and passed resolutions by circulation on 7 other occasions in order to approve all matters requiring its approval in accordance with the Articles of Association and the Company's internal regulations.

More information about our corporate governance system can be found in the OMV Petrom Annual Report 2018 at pg. 48.

OMV Petrom's headquarter

SUSTAINABILITY AT OMV PETROM

"Vision is the art of seeing what is invisible to others."
Jonathan Swift

SUSTAINABILITY AT OMV PETROM

We focus on conducting our business responsibly, efficiently and in an innovative way. We are committed to creating long-term value for the company and our stakeholders, while respecting the environment, supporting the communities in which we operate, and striving to support the Sustainable Development Goals.

GRI: 102-11 DIR

OMV Petrom has become a flexible, efficient and powerful company committed to maintaining and consolidating its position of leading integrated energy company in the region.

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

Every year, we invest a lot in becoming a more innovative, more profitable and an even faster growing company.

In 2018, we made ample efforts to maintain and consolidate our vision on sustainability from the bottom up. OMV Petrom aims to embed Sustainability in business and has continued to recalibrate its Sustainability Strategy, which is consistent with the ever-evolving business strategy.

A volunteer during trees' plantation

SUSTAINABILITY FOCUS AREAS

HSSE

CARBON EFFICIENCY

INNOVATION

EMPLOYEES

BUSINESS PRINCIPLES AND SOCIAL RESPONSIBILITY

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OMV SUSTAINABILITY STRATEGY 2025

15 targets were defined and set at OMV Group level.

At the end of 2018, at the OMV Group level, a new Sustainability Strategy 2025 was launched.

The Sustainability Strategy 2025 constitutes an integral part of the OMV Corporate Business Strategy 2025, and provides a sustainable vector to OMV Group's business development ambitions. This new strategy, which OMV Petrom adheres to, will be rolled-out across OMV Petrom in 2019.

To realize its mission to provide energy for a better life, the approach for the OMV Sustainable Strategy 2025 was to set measurable targets which express the quintessence of what the OMV Group considers to be its vision up to 2025.

15 targets were defined and set at OMV Group level in five focus areas: Health, Safety, Security, Environment (HSSE), Carbon Efficiency, Innovation, Employees, as well as Business Principles and Social Responsibility.

These are related to all OMV Group operations and products and are aligned with the strategies for production, sales, and product portfolio. The targets are also mapped with Sustainable Development Goals, to which OMV, as well as OMV Petrom, are fully committed.

These 15 targets of the OMV Group are described below. OMV Petrom will further contribute to achieving these targets by 2025 and, in 2019, will align its internal sustainability targets with the ones established at OMV Group level.

GRI 102-11
DIR

RO SMART competition, pitching day

OMV SUSTAINABILITY STRATEGY FOCUS AREAS AND TARGETS 2025

Focus Area	Commitments	Targets 2025	SDGs Supported
Health, Safety, Security, Environment (HSSE)	Health, safety, security, and protection of the environment have the highest priority in all activities. Proactive risk management is essential to achieving OMV's HSSE vision of "ZERO harm – NO losses."	Achieve zero work-related fatalities Stabilize Lost-Time Injury Rate at below 0.30 (per one million working hours) Keep leading position for Process Safety Event Rate	SDG 3 – Good health and well-being SDG 6 – Clean water and sanitation SDG 8 – Decent work and economic growth
Carbon Efficiency	OMV focuses on improving the carbon efficiency of its operations and product portfolio. OMV is fully committed to acting on climate change mitigation and responsible resource management.	Reduce OMV's carbon intensity of operations[1] by 19% by 2025 (vs. 2010) Reduce the carbon intensity of OMV's product portfolio[2] by 4% by 2025 (vs. 2010) Achieve zero routine flaring and venting of associated gas by 2030	SDG 7 – Affordable and clean energy SDG 13 – Climate action
Innovation	Investment and partnerships in innovation, research and development OMV's innovation efforts focus on optimizing production, exploring high-end petrochemical solutions, developing innovative energy solutions, and embracing digital technologies.	Develop ReOil into a commercially viable, industrial-scale process (volume of approximately 200,000 t per year) Increase the share of sustainable feedstock co-processed in the refineries to approximately 200,000 t per year Increase the recovery factor in the CEE region in selected fields by five to 15 percentage points by 2025, through innovative Enhanced Oil Recovery methods	SDG 8 – Decent work and economic growth SDG 9 – Industry, innovation and infrastructure SDG 12 – Responsible consumption and production SDG 13 – Climate action
Employees	Building and retaining a talented and competent team for international and integrated growth. OMV is committed to its diversity strategy with a focus on gender equality and internationality.	Increase percentage of women at management level[3] to 25% by 2025 Keep high percentage of executives with international experience at 75%	SDG 5 – Gender equality SDG 10 – Reduced inequalities
Business Principles and Social Responsibility	OMV strives to uphold equally high ethical standards at all locations. OMV is a signatory to the United Nations (UN) Global Compact, fully committed to the UN Guiding Principles on Business and Human Rights and aims to contribute to the UN's 2030 Agenda for Sustainable Development.	Promote awareness of ethical values and principles: conduct in-person or online business ethics trainings for all employees Assess Community Grievance Mechanism of all sites against UN Effectiveness Criteria by 2025 Conduct human rights trainings for all employees exposed to human rights risks by 2025 Increase the number of supplier audits covering sustainability elements to >20 per year by 2025	SDG 4 – Quality education SDG 8 – Decent work and economic growth SDG 16 – Peace, justice and strong institutions

GRI: 103-2 DIR

1 CO_2eq emissions produced to generate a certain business output using the following business specific metric (Upstream: t CO_2eq/toe produced, refineries: t CO_2eq/t throughput, power: t CO_2eq/MWh produced) consolidated into an OMV Group Carbon Intensity Operations Index, based on weighted average of the business segments' carbon intensity
2 The carbon intensity of OMV's product portfolio measures the COeq emissions generated by the use of OMV's products sold to third parties in t CO_2eq/toe sold
3 Management: executives and advanced career level

HOW WE MANAGE SUSTAINABILITY

Oilmen School, training day

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In OMV Petrom we aim to embed Sustainability and its related topics into business and into the overall governance structure of the Company.

Sustainability's topics have the same weight as any other business issue and, following the OMV Group's responsible approach to business, we will continue to consider them in all our activities.

The most important players in Sustainability are the representatives from across the business, as well as key stream leads from corporate functions, acting as topic owners for strategic sustainability matters.

Following the new Sustainability Strategy 2025, OMV Petrom will set up the Company's internal organization chart to ensure the implementation of all projects and initiatives that correspond to the KPI's established at the Group level. At present, OMV Petrom's experts for sustainability issues remain in continuous communication regarding progress on the planned implementation of social and environmental topics, as well as the reporting activity. Each Department's expert reports directly to the Directors and then to the relevant Executive Board Member on the social and environmental issues. Their tasks are to include reporting on progress of the implementation of sustainability strategy targets, presenting important events with regard to the material topics and submitting for approval the sustainability initiatives and related reports.

The Executive Board is the highest governance body of the Sustainability activity.
(More details on the functions and composition of the Executive Board and Supervisory Board are included in the OMV Petrom Annual Report, pg. 50)

At corporate level, the Sustainability Department acts as a coordination function for corporate sustainability projects and is responsible for steering or providing advice, and reporting on sustainability-related topics to internal and external stakeholders.

It is also responsible for all social corporate awareness campaigns, communicating to all our stakeholders how important is to integrate sustainability in our business activity.
The Sustainability Department has set up and has been running the OMV Petrom Social Responsibility Platform, called "Andrei's Country", for 11 years, and, over time, the platform has become a community for those who want to contribute with their forces and ideas to the completion of social projects for the country's development.

The Sustainability Department has steered and coordinated the process of defining the Sustainability Strategy principles and targets in OMV Petrom, as an important enabler for the Business Strategy. The most important upcoming step in 2019 will be to coordinate the OMV Sustainability Strategy 2025 implementation process in OMV Petrom.

OUR PUBLIC COMMITMENTS

OMV Petrom is fully committed to UN Global Compact Principles since 2013

OMV Petrom has been a signatory to the United Nations Global Compact (UNGC) since 2013 and to its subsidiary, Global Compact Network Romania, and is fully committed to the UN Guiding Principles on Business and Human Rights.

We continue supporting all Sustainable Development Goals (SDGs) 2030 through our projects and initiatives. In 2016 we had an internal survey and, based on its results, we prioritized for OMV Petrom our SDGs which will drive our projects for the next years (SDG 4,8,9,12,13). The information disclosed in the Report for each material topic is correlated with the SDGs relevant for OMV Petrom, expressing our support for their achievement.

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

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STAKEHOLDERS' ENGAGEMENT AND STAKEHOLDER MAP

The engagement with all our stakeholders is a very important goal

OMV Petrom is committed to stakeholders' engagement and is convinced that mutual respect, transparent behaviour and open dialogue are the best foundations for a good relationship with the various stakeholders with whom we interact.

Constant dialogue and active stakeholder engagement are an integrated part of our Sustainability commitment. We develop constant and constructive dialogue with authorities, local communities and non-profit organizations in order to maintain very good partnerships, to secure our licenses to operate and social acceptance for future developments.

We develop our business starting with elaborated action plans that integrate fit-for-purpose solutions to assess and address the stakeholders' engagement and needs. We engage in constant dialogue with our stakeholders in a range of win-win situations, we develop yearly social assessment and make a conscious effort to respect international sustainability frameworks, guidelines and standards.

Upstream meeting at OMV Petrom

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OMV PETROM STAKEHOLDER MAP

Business Partners

Suppliers and contractors

External consultants

Partnership

Customers

Peers

Capital Market

Capital market authorities

Investors

Shareholders

Analysts

Banks

Central Administrations

The Presidency

Government

Parliament

Central regulatory authorities

Central controlling authorities

Political parties

Competitors

Employees

Employees

Representatives of employees

Society

Local Community

County administrations

Local administrations

Local controlling authorities

Local regulatory authorities

Other community members

NGOs, NPOs

Associations, Foundations

Professional associations

Science / Research

Universities/Schools

Research institutions

Media

Local

National

International

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REPORTING ON MATERIALITY

Other topics reported additionally, which are important for OMV Petrom and our stakeholders:
Biodiversity
Diversity
Economic performance
Product responsibility
Waste management

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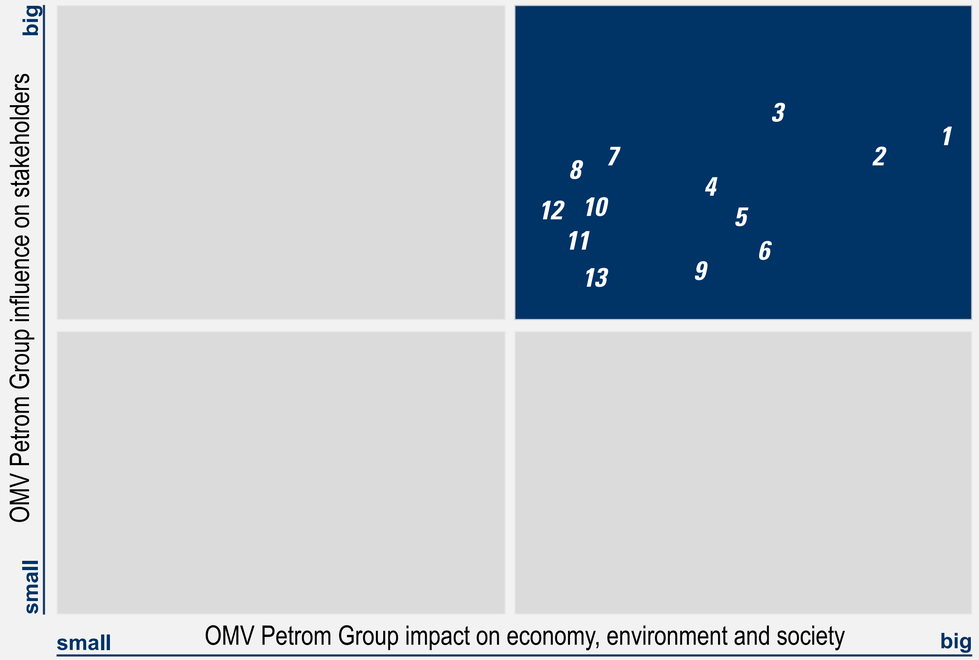
As an important component of our alignment process to the provisions of EU Directive 95/2014, transposed at national level through MPF Order no. 1938/2016 and MPF Order no. 2844/2016, we developed in 2017 an extensive and structured process of consultation with the Company's external and internal stakeholders in order to identify material content for the Sustainability Report. The full-scale process of consultation and analysis is repeated every three years.

Following consultation with all major stakeholder categories, a list of 13 material issues has been identified, proving the great interest of the stakeholders towards the impact that our activities generate within the society. The list was initiated and analysed with internal and external stakeholders and validated at the end of such process with external experts from the oil and gas industry.

Material topics of major importance for stakeholders and OMV Petrom are described below, classified in the OMV Group Strategy's five focus areas, and will be disclosed within the present Report.



MATERIALITY topics:

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

MATERIAL FOCUS AREAS

Health, Safety, Security, Environment

Carbon Efficiency

Innovation

Employees

Business Principles and Social Responsibility

“Professionalism is knowing how to do it, when to do it, and doing it.”
Frank Tyger

HEALTH
SAFETY
SECURITY
ENVIRONMENT

As an energy company, we are morally obliged to build a secure future for everyone – from our employees, to the communities we operate in, to cities and to Romania. We create social value by reducing risks of every nature. Through our health, safety, security, and environmental approach, we power people to be empowered every day.

“Safety is our number one priority. It isn’t an ON-OFF behaviour and, at the end of the day, this needs to become the way of living for everyone.”

TWO SIDES OF SAFETY: WORK AND SOCIETY

Why is the HSSE activity so important for energy companies and specifically for OMV Petrom?
As an integrated oil and gas company, we have specific risks in our business segments. And as a responsible company, we have mitigation measures to protect our people, the assets, the environment and the communities in which we operate.

People are the heart of our company, which is why the number one priority is their safety. All Executive Board members and the entire company made this commitment. **“ZERO Harm – NO losses”** needs to become more than a vision, a common target.

All accidents can be prevented, and every job can be done safely. Everyone can contribute, by acknowledging the risks in each activity, mitigating them and sharing their experiences with colleagues. This leads us to encourage intervention and STOP WORK when needed. Trainings, open reporting of hazards and near misses are the most effective way to prevent incidents, as well as a source of learning. Each of us can be the VOICE IN SAFETY at OMV Petrom.

How much of the experience in the HSSE area can be taken home for a safer and better life?
According to statistics, the biggest number of accidents happen outside working hours. That is why we launched a program for our employees. We want them to understand how safety measures and rules applicable at work can be easily applied at home to protect their loved ones. Safety is not an ON-OFF behaviour and, at the end of the day, this needs to become the way of living for everyone.

HSSE STRATEGY AT OMV PETROM

Implementing in our daily lives the HSSE "ZERO Harm - NO Losses" vision

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

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

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

In order to raise awareness on this new strategy throughout the organization and also to gather practical ideas from colleagues, the HSSE Department held in 2018 a caravan-type series of events in 10 sites in which we operate. The ultimate goal was to boost an open dialogue on the importance of HSSE 2021+ Strategy's main directions for each employee, regardless of his/her specific activity or workplace. Risk mitigation, empowering people, maintaining personal health and safety, accountability, simplifying processes, and creating an open reporting culture, all these are up to each of us, in the continuous improvement process oh HSSE culture and performance.

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HSSE 2021+ Strategy launch

HEALTH

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

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

Accomplished in 2018:

- **"Passport for Health" campaign: 2,497 participants**
- **"Win Health: ON!" contest held in Petrom City with participants from all business divisions**
- **Over 36,000 screenings performed by PetroMed for our employees**

Our HSSE Policy envisions a work environment that protects the employees' physical and mental well-being. In order to accomplish that, we have implemented, throughout the Group, high healthcare standards and health promotion campaigns and, at the same time, we also started conducting assessments systematically.

Health Management Department

The company allocates a significant level of resources for the health of its employees, through two organizational structures:

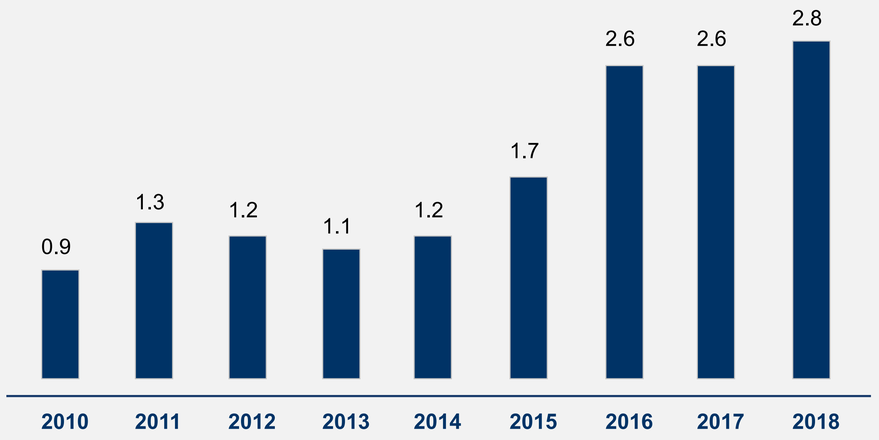
- Health Management department (fully integrated in OMV Petrom's HSSE Management System, focusing mainly on strategic aspects of health).
- PetroMed Solutions SRL (an in-house health service provider, responsible for the operative delivery of health services through a network of 24 workplace clinics).

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

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

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

Prevention consultation ratio
(number of consultation / employee / year)



Change the employees' attitude from consumers to co-producers of health

Health: ON! Platform

The Health:ON! Platform has been active since 2014 and reunites under one branded concept all the health programs and initiatives offered by the company. 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.

Health Benefits

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

Passport for Health - a yearly campaign based on gamification and addressing all OMV Petrom Group employees

Health promotion

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

In 2018, out of 2,497 colleagues from all divisions and locations who have submitted valid passports (with seven healthy activities), 70 employees won and received prizes. Of these 70 winners, 15 employees were selected to further participate at the yearly health knowledge contest "Win Health: On!" (adapted after the format of a well-known knowledge contest where participants have to answer different questions about health topics inspired by information provided in the brochures developed for our previous campaigns). Along with the contestants, there was a team of supporters who were actively involved in the contest and underwent specific challenges. Year after year, the participants for this campaign increased in number: in 2017 there were 1,790 and in 2016 there were 1,200.

The Private Health Insurance provided to employees by OMV Petrom is still the most comprehensive benefit of this type offered by an employer in Romania, according to our reputable broker evaluation, Marsh Care, which coordinates over 50% of private health insurance programs in Romania. This benefit has proven useful over three years of implementation, financially supporting many colleagues in difficult medical situations. During this period, the Insurer has repaid over EUR 6.45 million for the medical services of OMV Petrom employees and their family members, settling claims files of over 10,000 users, of which over 2,000 surgeries performed in private clinics in Romania and other European countries, totalling more than EUR 2 million.

Collaboration with external stakeholders

In 2018, as representatives in the Foreign Investors Council (FIC) Healthcare taskforce, we contributed to the drafting of two Healthcare Chapters of the FIC White Book 2019.

What we will do in 2019

- **Position Health as a business asset, including awareness for individual responsibility of own health via the Health: On! platform (i.e. Passport for Health campaign).**
- **Provide sustainable health services**
- **Establish preventive health programs to address the most important health impact issues**

GRI: 103-2 103-3 DIR

Health: ON! internal contest

SAFETY

8 DECENT WORK AND ECONOMIC GROWTH

GRI: 103-2 DIR

Our objective is to build on sustainable safety for people and plants.

Management approach to safety

Safety is of maximum importance for the protection of our employees and contractors, as well as for the communities neighbouring our operations.

The OMV Petrom Executive Board is committed to putting safety first, while in pursuit of our financial and operational targets, and to delivering on the goal of **"ZERO Harm – NO Losses"** with Safety as our number 1 priority.

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

The health and safety of the people who work for us are key priorities at OMV Petrom. Despite our efforts, we regretfully report the tragic loss of three of our colleagues, one of whom was an employee and two of whom were workers contracted to perform operations at a well in Komsomolskoe, Kazakhstan. On May 19, 2018, there was an explosion followed by a fire during a routine workover operation. The accident also injured another person. We took immediate action and implemented measures to prevent such an incident from occurring again.

Nevertheless, one of the year's important achievements for Downstream Oil Division in the safety field was the celebration of "10 million worked hours free of Lost Time Injury (LTI)" in June 2018.

Safety Culture

In 2018, we worked to enhance safety culture through specific OMV Petrom initiatives and plans, communication and awareness campaigns, as well as by starting phase II of the Safety Culture Program, with Asset IX-Moldova Sud in Upstream as pilot project. We focused on creating an environment where safe behaviour is to be a prerequisite for good safety performance. In this respect, the meeting of local and central Safety Culture coordinators from all divisions, that took place in 2018, represented an opportunity for knowledge and experience sharing.

OMV Petrom employee

We focused on creating an environment where safe behaviour is to be a prerequisite for good safety performance

GRI: 103-3 DIR

In Downstream Divisions, the safety culture initiatives continued with the maturity assessment, which was followed by a Retail management workshop on the implementation of the action plan that covered several safety topics: Leadership and Commitment, Hazard Identification and Risk Control, Competence & Training system elements.

2018 was the year when the **"Be Smart, Be Safe"** program was extended to OMV Bulgaria Retail, in order to assess the safety culture maturity level of this organization. The initiative concluded with an action plan that will address weaknesses in areas such as: Hazard Identification and Risk Control, Intervention and Recognition.

In order to increase HSSE awareness and competences amongst filling station employees, the **"Safety Champion"** pilot project was rolled out in 10 filling stations from Bucharest and Valcea counties. In addition, at filling station OMV 4 Darste, a pilot project titled "HSSE Best champion" was developed, which will be replicated in other 10 filling stations in 2019.

At 32 OMV Petrom filling stations, employees and customers were actively involved in "Yes for prevention, NOT for danger" awareness activities, as well as in "Can you give first aid?" training and exercises in other 26 filling stations.

At the Petrobrazi refinery, the **"Safety as habit"** project continued in 2018 with the goals to build a strong HSSE commitment and leadership, to increase the efficiency and effectiveness of HSSE processes, to manage HSSE risks on an acceptable level, and also to empower people to act interdependently.

Under the Safety Culture Program, the Upstream business area has extended OMV's Golden Rules with 12 supplementary Life-Saving Rules for activities that carry the greatest potential threats of serious injury and death. Simple rules that guide our employees and contractors to protect their own and their colleagues' lives were rolled-out across the entire Upstream community, through trainings and workshops.

In 2018, over 400 Group Leaders & Supervisors underwent a dedicated training program on HSSE aspects and also continued to acquire the soft skills of "Be Smart, Be Safe" concepts developed by OMV Petrom's Safety Culture Program. The initiative will be extended in Downstream Divisions in 2019.

The HSSE department from the CEO Division proposed to all employees the challenge to think on safety beyond our profession and, in 2018, started the implementation of a new project: **"Take Safety Home"**. Specifically, through this initiative, each and every employee of OMV Petrom was informed that we also needed to apply safety rules in our private lives and to strive to influence our families, friends, neighbours and communities to do the same. Topic-specific communications, containing basic rules for protecting ourselves and our families against specific hazards, were produced and distributed to employees on a monthly basis.

The **"Make Yourself Visible"** campaign was extremely appreciated by all employees, as it addressed the risks we all, as pedestrians, are taking when we are not visible at night or during extreme weather conditions. The reflective armbands distributed to all employees, together with the communication flyers explaining these risks and the protection rules, have had a high impact on our employees, as well as on their families and friends.

In two selected sites, one from Upstream Division and one from Downstream Oil, the new approach to safety culture assessment, called "Rapid diagnostics project", started by a third party check in 2017 in Upstream. The project continued with field visits and interviews in the Petrobrazi refinery and Upstream Headquarter, and with the preparation of an Executive Leadership Workshop. This concluded in a consolidated report, alignment on the diagnostic results and further inputs for the 2021 Vision.

In 2018, a pilot project in Asset IX – Moldova Sud in Upstream was established, as a continuation of the Safety Culture program, activity that consisted from 2014 to 2017 in successive assessments and improvement programs on safety culture. Upon the proposal of the Safety Culture Program team of OMV and OMV Petrom Headquarters, the management team of Asset IX – Moldova Sud demonstrated its commitment to driving the change. Under this initiative, local colleagues from different disciplines were brought together in a working group assigned to improve the implementation of a defined Life Saving Rule and to ensure safe behaviours related to it. In the same pilot, the local coordinator of the Safety Culture Program and the local multipliers continued the training and coaching of other field colleagues and contractors in relation to the recognition of hazards and the assessment of on-the-job risks. Based on the development and the learnings of this pilot, the same activities will be promoted, developed and implemented during 2019 in other operational sites.

Risk management in safety activities

In 2018, the risk management process continued to identify and establish feasible and viable mitigation measures to prevent accidents and to minimize the negative impact on people and the environment.

The Major Accident Prevention Policy, as part of the HSSE Directive, sets out the overall aim and means for controlling the risk of a major accident during operations and how these objectives are to be achieved. Assuming that the risks of major accidents in Downstream or Upstream operations are significant in terms of possible severe consequences for the environment and affected persons, OMV Petrom works continuously for strengthening its safety culture, as the foundation of all its operations and relations with relevant stakeholders.

Major risks and their respective mitigation measures are following the principles defined by OMV EWRM (Enterprise Wide Risk Management) Directive. Currently, a special

In 2018, over 1000 employees from onshore Assets within the Upstream division were trained and internally certified based on graduated courses

focus is given to review the completeness of sites where Major Accident Events may occur in this central register. Such sites include OMV Petrom facilities that are regulated by or meet the criteria of the Seveso-III Directive of the European Union.

Education and training are important tools for informing workers and managers about workplace hazards, risks and their control measures, so they can work more safely and more productively.

In 2018, over 1,000 employees from onshore Assets within Upstream division were trained and internally certified based on graduated courses. The training program aims for experience and knowledge sharing in order to develop professional skills in HSSE. The program consisted of five days of courses delivered by Upstream experienced internal trainers with HSSE expertise, and had two major components – one was technical and the other, which focused on Occupational Safety and Process Safety, was HSSE.

For improving the personnel awareness on Process Safety, computer-based training modules provided accessible, online training to company employees on topics such as: Bolted joints, Dropped objects, Pigs and pigging, H2S, Pressure Safety, Permit to work, Risk assessment, Toolbox talk.

We also identified the potential to increase the expertise in risk management and consequently held a two-day training in Upstream for HAZID and HAZOP techniques, including their application via an OMV Petrom customized software.

A comprehensive training program for over 3,000 persons with roles and responsibilities in the Permit To Work System (PTWS) took place in Upstream division, last year. The main goal was to increase the efficiency and effectiveness of HSSE processes by implementing the group-wide Safe System of Work concept. This program tackled subjects such as: Supervising & Managing Safety; HSSE General Awareness; Fire Safety; Effective Safety Interventions; Job Safety Analysis (case studies, SIMOPS – Simultaneous Operations); Risk management; Log-Out / Tag-Out (LOTO) principles, procedures, devices and techniques; Toolbox Talks.

Downstream Oil Division launched the **“Hazard awareness”** campaign to draw the employees’ and contractors’ attention to operational and occupational hazards. More than 2,000 employees and contractors were trained as part of this initiative.

In Petrobrazi refinery, efforts have been made to increase the process safety-related competency of the workforce by implementing a computer-based training program. A target group was defined and the required training modules have already been completed by most.

In the filling station network (Romania, Bulgaria, Serbia and Moldova), a traffic risk assessment was performed, resulting in three risk categories (High, Medium and Low risks). An action plan was defined for medium and high-risk categories, and most of them were implemented (e.g. road signs were installed, speed limit 5km/h / STOP, road markings have been painted etc.)

Safety Compliance

In line with our **“ZERO Harm – NO Losses”** vision, our safety management system enables us to comply with regulations and, where laws and regulations do not exist, this system provides a framework for ensuring high safety standards in all our activities.

Our internal safety management system is based on OMV Group’s HSSE Policy, HSSE Directive and OMV Corporate regulations such as HSSE Risk Management, Contractor HSSE Management, Management of Hazardous Substances, Personnel Transportation, Reporting, Investigation and Classification of Incidents.

Compliance with relevant laws and internal regulations’ requirements continued to be reviewed in 2018 through audits and inspections, by measuring performance data through KPI-based reporting, closure of improvement actions, management review results and by collecting new information from authorities and peers in safety-themed conferences and workshops.

OMV Petrom employee

GRI:
103-2
103-3
DIR

OMV Petrom employees

“ZERO Harm - NO Losses“ vision

GRI: 403-1 DIR

In 2018, we continued the legal compliance evaluation and improvement programs in Upstream with the assessments of Asset II-Oltenia and Asset III-Muntenia Vest. Customized action programs were implemented.

In Downstream, there was a continuous focus on the verification of the effectiveness of actions implemented after severe incidents and HiPos from the previous years.

Also in 2018, OMV Petrom started the implementation of the new “Reporting, Investigation and Classification of Incidents” standard that was issued in 2017. Furthermore, in order to increase the capacity of the internal investigation team of OMV Petrom, we initiated new training sessions that will be delivered in 2019 by an external expert. They will ensure skilled and knowledgeable internal resources for the identification of root causes and for establishing the adequate actions to prevent the occurrence of severe incidents or incidents with high potential. We continued the integration of technical experts in the investigation teams, to better understand and address the findings of technically complex incidents and, at the same time, we remained focused on the verification of the actions’ effectiveness.

A common platform was set up by OMV HSSE Corporate for ensuring company-wide knowledge sharing and learnings from incidents. A full collection of lessons learnt and incident-related information from OMV Upstream and Downstream is available starting in August 2018 at OMV Group level. The data was made available to be used in safety communications, as lessons learnt, training materials and debates in the Toolbox talks.

Occupational Safety

We believe that promoting an open dialogue and a culture in which health and safety are integrated into everyone’s role is an effective way to empower people to work safely. Workers are engaged in establishing, operating, evaluating, and improving safety and health programs. Themselves and their managers work closely to find joint solutions to problems. This helps managers to identify the real issues, while workers are motivated and encouraged to improve their own safety.

Therefore, at divisional level, Health and Safety Committees are established where the employer or its legal representative, employees with health and safety roles, as well as worker representatives and the Doctor of Labor Medicine are represented for an open dialogue. Prevention and protection of people are the focus of the meetings’ agenda, which are organized quarterly (in Upstream, 40 such committees were organized both at operational level and at headquarter level, 24 committees in the Downstream Divisions, and 4 at the Corporate level). In Downstream Oil, the focus topics of divisional health and Safety Committees were designed to better promote safety practices, thus creating a forum to provide a voice for employees at all levels.

In addition, the Upstream management has proposed quarterly HSSE meetings at the headquarters, in which safety topics are the top priority and where managers of operations have the opportunity to describe both safety-related achievements and the challenges they face during the operations and projects they manage.

In order to improve the occupational aspects of risk management on site, Upstream Division launched in 2018 a pilot for the program of permanent monitoring of operations on site, “Closed Circuit Television systems for safety”. The pilot consisted of the installation of cameras on drilling and workover rigs in order to proactively identify hazards and risks associated with specific activities and evaluate the control measures. The improvement opportunities can be addressed and the positive observations are recognized and encouraged.

We believe that promoting an open dialogue and a culture in which health and safety are integrated into everyone’s role is an effective way to empower people to work safely

Process safety days event

GRI: 403-1 DIR OG 13

Process Safety and Integrity

Process Safety management is the proactive identification, analysis, evaluation and safeguarding of releases of hazardous substances and process accidents that could occur as a result 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.

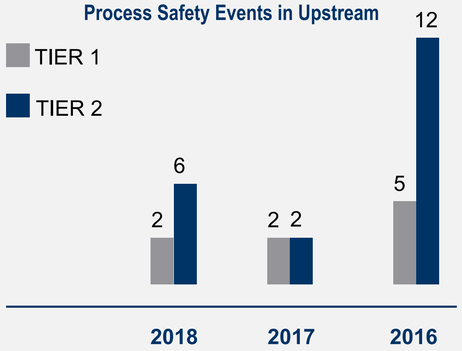
In 2018, the Process Safety initiatives continued to be a major focus for the company through various investments made to ensure continuous improvement (i.e. in Upstream Division over 30 mn. Euro on pipeline integrity upgrade projects).

In May 2018, we also conducted a dedicated event **"Process Safety Days"**, a cross divisional event that was supported in 2018 by the presence and involvement of OMV Petrom's CEO and in which over 60 colleagues from OMV Petrom and OMV shared their experiences, best practices and lessons learned from process safety activities and debated on solutions to improve the safety of technological processes.

We continued the external collaboration with the European Process Safety Center (EPSC), an organization in which OMV Petrom is a full member. In 2018, OMV Petrom was part of the "Semi Quantitative Risk Assessment" working group, which issued the study for the application of semi-quantitative risk assessments within various process industries, and of the "RAST (Risk Assessment Screening Tool)" working group.

OMV Petrom also collaborates with CCPS (Centre of Chemical Process Safety) BEACON, the resource aimed at delivering process safety messages to plant operators and other manufacturing personnel. Their monthly one-pager, which presents a real-life accident and describes the lessons learned and practical means to prevent a similar accident in a plant, is regularly distributed across OMV Petrom, for information and debate with operational personnel.

OMV Petrom Upstream follows the recommended practice from IOGP (International Association of Oil and Gas Producers) with regards to Process Safety Key Performance Indicators. These indicators are aimed at learning from past events to ensure continuous improvement in Process Safety. They are showing a steady decrease in Tier 1 incidents while maintaining a low number of Tier 2 incidents.



Process Safety Events in Petrom Upstream

The Process Safety KPI's also monitor performance of safety critical maintenance (more than 99.99% completed work orders), the ratio of preventative to corrective work orders (77/23) and the number of regulatory inspections (99.9%). By using both leading and lagging indicators for process safety, OMV Petrom Upstream monitors process safety performance.

In 2018, the OMV Petrom Upstream Pipeline Integrity Management program saw the results of years of data collection and software implementation. Using this software, a risk prioritization has been developed that ensures the optimized amount of Pipeline Integrity focus occurs at the correct locations. Our Pipeline Integrity program also saw an increased use of non-metallic pipeline material implementation for new projects. Non-metallic solutions eliminate the threat of corrosion due to produced oil field liquids and ensure long-term production.

The Operational Integrity Assessment (OIA) Technical Assurance program continued in OMV Petrom Upstream for the 4th year in 2018. In this program, OMV Petrom's technical experts completed a thorough review of facilities in terms of Integrity and Process Safety to ensure our operations meet or exceed the company's expectations.

The HAZOP (hazard and operability) program also continued in 2018 with 40 additional HAZOPs in Upstream, which resulted in a total of over 200 facilities completed and

Upstream Division launched in 2018 a pilot for the program of permanent monitoring of operations on site, "Closed Circuit Television systems for safety"

The Operational Integrity Assessment (OIA) Technical Assurance program continued in OMV Petrom Upstream for the 4th year in 2018

Process safety days event

a review and update of all the required technical documentation. In Downstream, 4 Retro-HAZOPs (Cogen, Automatic Ramp, RC130 and HM123) were done, as each unit developed its own action plan for the Retro-HAZOP measures and regular management reports were provided. Among other process safety activities in Downstream Oil Petrobrazi, in 2018, we continued to analyse and review the risks with several treatment plans being completed, as well as to update and record the related documentation.

The internal training for “Process Safety in Design” offered to people from Upstream Business Division the opportunity to learn about process safety basics, process safety management in OMV Petrom and specific process safety studies within a project lifecycle.

The **Electrical Integrity project** consisted of the completion of over 140 modernization and replacement actions in 2018. This represents over 88% of the planned actions that included the replacement of distribution cabinets, transformers, power lines and motor control cabinets. This Electrical Integrity program will continue in 2019 by ensuring the continuous improvement of personnel safety for electrical workers and the rehabilitation/ modernization/ replacement of our electrical infrastructure.

Contractor Management

Based on our Safety Culture, we decided to collaborate only with those contractors that meet our safety standards and, to this end, we consider the pre-qualification and performance monitoring to be essential. The management of HSSE along the entire lifecycle of a contract is regulated within OMV Petrom by a set of HSSE requirements and provisions which have to be applied by those employees that have a role in contract development.

Nevertheless, all rules have to be periodically reviewed and adapted to reality. Therefore, in 2018, a gap analysis between the requirements of OMV Contractor HSSE Management regulations package and its current applicability was conducted under the coordination of the HSSE corporate team. A working group from OMV Petrom and OMV was established for reviewing the current standard and its associated regulations for the management of HSSE in contracts. The conclusions of the analysis were captured in the new OMV Group Standard that is scheduled to be issued in 2019.

For a good performance of the contractors’ activity, a close collaboration with our partners is crucial. More than 60% of the total work hours recorded at company level are performed by contractors. Therefore, their skills and performance are vital to our ability to carry out our work safely and responsibly.

An example of good collaboration with our contractors was the turnaround performed at Petrobrazi refinery. It consisted of periodical maintenance works, inspections and verifications of refinery facilities, requiring approximately 2 million worked man-hours and involving 5,000 workers (4,000 more than during normal operation).

A week after the turnaround was finalized, the Petrobrazi refinery achieved 10 million hours worked without Lost Time Injury (LTI). Both events (turnaround and achievement of the 10+ million LTI-free worked hours) were celebrated on June 8th, as part of a dedicated internal event. The best safety performers, either contractors or refinery employees, were awarded.

Within the Downstream Oil division, enhanced activities in the contractors’ management were supported in 2018 by almost 40 regular service quality meetings, by almost 300 joint safety walk-around with senior management of the contracting companies and by performing more than 50 audits of suppliers and HSSE Management System at contractors.

In 2018, Upstream Division started to implement the **“Hazard hunt”** concept on drilling sites, which is aimed at ensuring the effective engagement of the workforce in order to improve their knowledge in an interactive way and to enable them to identify and understand the hazards that they spot on their locations. Each session is coached by a facilitator and includes an outdoor exercise.

A feedback followed each session, where the supervisors explain the hazards they observed, and the workers shared the difficulties faced in identifying hazards and controls.

Considering both aspects of guidance for approaching best practices and corrective measures where non-conformities are identified, both Downstream divisions

More than 60% of the total work hours recorded at company level are performed by contractors

Petrobrazi refinery employees

continued to conduct in 2018 HSSE Management system audits, while 19 high-risk contractors have been audited in Upstream.

Road Safety

Considering our high exposure to traffic hazards and country-specific challenges, in 2018 at company level, all Divisions implemented electronic forms for Journey Management Plan. All employees using company vehicles formally perform the required risk assessment of the planned journey. This represents the basis for the decision on travel opportunity by line managers, with a better control over all trips of their subordinates and with access to information about previous trips.

Based on a collaboration protocol between the Romanian Police and OMV Petrom Downstream Oil, a dedicated Road safety awareness campaign was organized in 5 Filling stations in Bucharest on which occasion discussions were held with the clients about road safety; also topics considering children's safeguard were covered: on the way to school, safety at home and safety at school.

What we will do in 2019

- **Keep target at the Group level: zero work-related fatalities;**
- **Continue Safety Walk Arounds, including coaching/feedback, for encouraging the dialog on site regarding risk prevention and effective intervention;**
- **Link Hazard awareness activities with HSSE Golden Rules, Life Saving Rules and last-minute risk analysis (LMRA);**
- **Monitor and challenge the Action Item Response Rate on incidents Level 3+ and HiPos;**
- **Increase the capacity of the internal investigation team of OMV Petrom - new training sessions to extend the investigation team;**
- **Identify initiatives/projects that improve process safety and create value in terms of Opex/Capex reduction or revenue increase;**
- **Meet the key contractors and audit activities with high risk on the entire lifecycle of the contract and supplier chain, with focus on sub-contractors.**

SECURITY AND RESILIENCE

8 DECENT WORK AND ECONOMIC GROWTH

Our objective is protecting people, assets, operations and reputation against emerging malicious and/or intentional threats.

Accomplished in 2018:

- **Quality Management System Certification re-confirmed by the Auditor.**
- **Security systems of the Petrobrazi refinery and the Upstream division (83 security systems licenses), were integrated in the Physical Systems Integration Management (PSIM) Platform.**

Management approach

Throughout OMV Petrom, security and resilience activities are overseen by the Security and Resilience Department, responsible for designing and implementing processes, regulations and tools to protect people, assets, information and reputation from malicious and/or intentional threats across the entire company. The department consists of the Security Team, which ensures the integration of the best security practices at OMV Petrom, and the Resilience Team, which enables the effective recovery of operations and the preservation of the OMV Petrom brand in case of a significant incident.

We periodically conduct Security Risk Assessments (SRA) that allow us to identify and manage security issues. This assessment helps identify and classify risks per location and allows the Security Team to evaluate the current mitigation measures in place and to make the necessary adjustments.

Taking into consideration the legal obligations and requirements set in place in 2018, 9 SRA reports were issued to cover the production areas in Upstream. In Downstream Oil, 4 SRA reports were issued for depots and 126 SRA reports were updated – Filling Stations and Petrobrazi Refinery due to structural changes of the locations, business development or legal period obligation. The development and review of the SRA reports for all operational locations across the value chain were performed under the coordination and direct involvement of the Corporate Security & Resilience department.

The Quality Management System Certification obtained by OMV Petrom Group Security & Resilience organization in 2017 was maintained following the first surveillance audit conducted by Lloyd's Register Quality Assurance in February 2018. The audit was successfully concluded without any nonconformities or improvement recommendations.

Following the implementation of the Integrated Security Systems framework, the result was an increased implementation of the new technology in OMV Petrom Business divisions. Considering the future development of technical security systems, we made the necessary steps to ensure an efficient utilization of all the various pieces of equipment by implementing a Physical Systems Information Management (PSIM) Platform, project that was promoted by the Technology & Innovation Council.

PSIM is a fully flexible and modular industry software that provides a platform and applications for creating situational awareness and centralized control in view of empowering personnel to identify and actively resolve situations, by integrating multiple unconnected security and business applications and devices, and managing them centrally through one comprehensive user interface and Standard Operating Procedures.

Security activity in Upstream

GRI: 103-2 OG 13 DIR

OMV Petrom employees

Security Contractors

Security contractors' activities are monitored on a regular basis and plans are reviewed and updated monthly. In 2018, each Security contractor was audited from a legal and operational perspective and any nonconformity that was identified was treated through specific actions over an appropriate timeframe. Furthermore, Security KPIs (such as legal requirements, execution of service or on time reporting of security incidents) have been developed and aligned with the providers and shall be annexed to the existing security services contracts, so as to have a clear and more objective evaluation of their performance.

In order to ensure a better dialogue and transfer of knowledge between the security service providers (SSPs) of OMV Petrom and law enforcement authorities, a Security Stakeholder Forum was organized in 2018, with over 40 participants. The main objective of the forum was to ensure that all parties have a common understanding of OMV Petrom's Security Strategy.

Key performance activity of the department

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

In 2018, one of the major focuses of the Security & Resilience team was to develop a unitary, cross-divisional Earthquake damage assessment methodology and roll-out for all locations, to ensure company-wide preparedness for a major earthquake.
In addition to the direct impact on OMV Petrom's locations, the assessment also aimed to evaluate the impact on business operations due to the factors such as national infrastructure damage or social issues.
Thus, a joint technical taskforce including the authorities (National Institute of Earth Physics and General Inspectorate of Emergency Situations) was set up in order to integrate the results of the national project RO-RISK* into OMV Petrom's methodology. These results will be used as a basis for the Business Continuity (BC) Program in 2019, mainly the BC Plan for earthquake scenario.

The Security and Resilience (S&R) department is committed to foster the S&R culture within the organization, to increase awareness on S&R topics and principles for employees.
As part of this long-term program, in 2018, an internal assessment was carried out on relevant aspects and security principles that will be promoted and considered in the future as the foundation of the security culture. Based on the outcome of the assessment, a pilot project will be initiated to validate the initial assumptions. The approach and methodology will be customized in order to ensure an increased and sustainable level of awareness of the security culture.

*the National Risk Assessment – RO RISK project was developed in 2016-2017, under the coordination of the General Inspectorate of Emergency Situations, and aimed, among others, to perform a disaster risk assessment at national level.

What we will do in 2019

- **Build a strong Security & Resilience Culture: perform the assessment of the pilot project, adapt the approach accordingly, and further roll out the concept in all Assets.**
- **Innovative Technologies as an enabler for optimization of security & resilience services: PSIM platform – integrate all OMV Petrom security systems, including the legacy ones; develop and upload in PSIM specific Standard Operating Procedures (SOPs); operationalize the Security Operations Centre; sustain and improve the resilience capacity of OMV Petrom by leveraging technology to simplify and automate the current Emergency - Crisis Management workflow.**
- **Improve the Management of Security Services: The security KPIs will be monitored to continuously improve the quality of the delivered services; review of Site Security Risk Assessments and Site Security Plans.**

ENVIRONMENTAL MANAGEMENT

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

GRI:
102-11
102-15
103-2
103-3
201-2
DIR

Our objective is to minimize our environmental footprint throughout the entire lifecycle.

Accomplished in 2018

- **Reviewed the Environmental Risk Assessment Registers and followed up on risk reduction measures**
- **Developed Reports on Water and Waste Management**
- **Implemented water efficiency measures and assessed the water related risks for Petrobrazi Refinery**
- **Carried out Biodiversity Assessment Study for relevant sites in OMV Petrom**
- **Run the "Shaping environmental values through performance" Program for increasing environmental culture**
- **Evaluated the compliance against the OMV Group Standard / ISO 14001 and defined plans to close the gaps**

Environmental management system

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

In 2018, there were valid certifications in accordance with ISO 14001, for the following operations:

- OMV Petrom S.A., Maintenance and Logistics activity in Upstream, as well as Maintenance, Gas Pipeline Management system
- OMV Petrom S.A., Refining Business Unit
- OMV Petrom Marketing S.R.L. in OMV branded Filling Stations
- OMV Petrom S.A., Supply, Marketing and Trading activity
- OMV Petrom Gas S.R.L., Gas delivery activity

We performed compliance self-assessments against the OMV Group Environmental Standard / ISO 14001 and established action plans for closing out the gaps across the company.

Promote environmental culture

In 2018, we ran the 4th edition of the yearly "Shaping Environmental Values through Performance" Program, on the occasion of the World Environment Day. This conveyed messages to enhance the environmental culture and awarded the best environmental performers across the company.

Environmental Risks and Opportunities

According to our OMV Petrom's EWRM, we constantly monitor and manage the possible environmental risks of regulatory, operational, reputational and financial drivers. The control and mitigation of identified and assessed risks are based on all organizational levels by using clearly defined risk policies and responsibilities.

Gas facility in Padina, Buzău

We concentrate our efforts to consolidate our infrastructure in order to reduce the number of spills on a yearly basis

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

In 2018, our total Water Withdrawal decreased by 54% compared to 2010

Environmental compliance and environmental expenditures

We report OMV Petrom's environmental costs and investments according to EMA (Environmental Management Accounting) methodology developed by International Federation Accountants (IFAC).
In 2018, our total environmental costs (accounting for environmental protection expenditure, including depreciation and environmental investments for assets put into operation) amounted to EUR 200.6 mn (2017: EUR 179.5 mn). According to the EMA approach, the environmental investments for assets put into operation in 2018 totalled EUR 59.4 mn (2017: EUR 29.4 mn).
In 2018, we paid EUR 0.090 mn (2017: EUR 0.076 mn) in fines and penalties. These sanctions were a consequence of environmental incidents, including spills and threshold limit value exceedances for discharging pollutants into the environment.

Hydrocarbon spills

Oil Spills are a critical environmental issue for our industry. We concentrate our efforts to consolidate our infrastructure in order to reduce the number of spills on a yearly basis.
In 2018, we had two significant oil spills due to pipeline corrosion. The total number of spills decreased to 2,164 (2017: 2,375; 2016: 2,105). The total hydrocarbon spillage decreased to 35,442 litres (2017: 51,490 litres; 2016: 97,590 litres). The spills were mainly due to corrosion of aging infrastructure.
We continued to perform at least one emergency drill exercise in every asset from Upstream, including pollution scenarios, in order to strengthen our response and reduce the environmental impact of oil spills.

Number of hydrocarbon spills

Water Management

Water Management Plans

We implement, at all operated sites, our Water Management Plans aiming to reduce our water withdrawal as well as the impacts of our operations, while also working to improve our water efficiency. Reduction targets were established for 70% of the sites and all the relevant sites across our company are subject to regular monitoring and reporting. Furthermore, we conduct high-level water-related risk screening every five years, as well as Quarterly and Annual Monitoring of Water Withdrawal Intensity.

Water Performance

In 2018, our total Water Withdrawal decreased by 54% compared to 2010, although it increased by 9% compared to 2017. We withdrew 18.29 mn cm of water in 2018 (2017: 16.75 mn cm of water; 2016: 17.59 mn cm), out of which 28% was groundwater.

The Freshwater Intensity of OMV Petrom increased by 11.5% in 2018 vs. 2017, after a continuous decrease since 2013 (decreased by 3.3% in 2017 vs. 2016; 6.2% in 2016 vs. 2015). This increase was mainly due to the turnaround in Petrobrazi refinery and increased water use in Arpechim terminal.

The OMV Petrom's Freshwater Intensity increase in 2018 vs. 2017 was based on a 30.4% increase in Downstream Oil (excluding Power Plants), a 6.1% decrease in Power Plants (CCPP Brazi, OMV Petrom City Power Plant) and a 7.3% decrease in Upstream.

In Upstream, we continued to implement measures for improving water efficiency, such as:

- ► Rehabilitation of Industrial Water Distribution System in Asset I – Crișana Banat (See Case Study)
- ► Upgrading Mădulari Gas Separation Station in Asset II - Oltenia (See Case Study)
- ► Modernization of Siliștea Water Station at Campina in Asset VII Muntenia - Est

Case Study: Rehabilitation of Industrial Water Distribution System in Asset I - Crișana Banat

In 2018, the Industrial Water Distribution System was rehabilitated in four parks at Suplac (Parks 16, 24, 31 and 49) in Upstream Asset I - Crișana Banat by replacing the old hydrant networks. Around 730 meters of new pipes were installed. The project cost amounted to around EUR 0.3 mn. Project benefits include avoiding water losses from old water hydrant networks and pipelines, as well as improved safety in operations.

Case Study: Commisioning of a new Gas separation station at Mădulari in Asset II - Oltenia

In 2018, a new Gas Separation Station was commissioned at Mădulari in Upstream, Asset II – Oltenia with an investment of EUR 66.6 mn. The new facility replaced an old tank farm, a gas drying facility and a compressor station, thus resulting in a reduction of water use by five times and of energy use by two times over six months. The new facility uses air cooling (instead of old cooling towers) and electrical heating for buildings (instead of steam heating). Both approaches are best practices in water management.

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Gas treatment plant in Burcioaia

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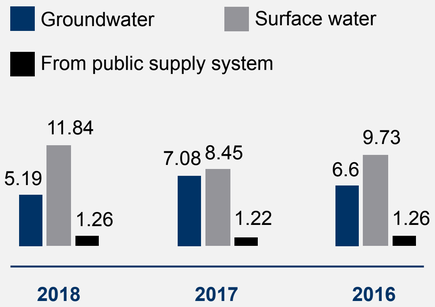
Water withdrawal by source (mn cbm)



In 2018, our Upstream operations generated 43 mn cm of formation water (2017: 44 mn cm; 2016: 46 mn cm) - a by-product of oil and gas production. Following treatment, over 93% of it was reinjected in the underground. The remainder was treated and discharged into surface water bodies, in accordance with the provisions of our environmental permits.

In 2018, we developed a study to evaluate water risks for the Petrobrazi refinery, based on physical criteria such as water scarcity (access to water resources, competing needs and supply patterns in the region) and water stress (physical availability of the water resources). The results were further integrated with compliance and reputational risks by using the Water Risk Filter tool of World Wildlife Fund. The Study showed that water availability decreased and will continue to decrease due to climate change. Taking into account the existing regional water stress, climate change adaptation measures are required, including wastewater recycling by the industry.

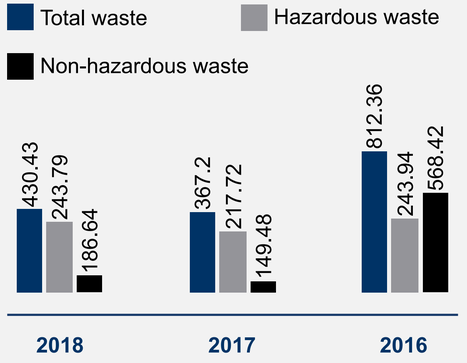
This Study supports the pilot project to recycle treated wastewater at the Petrobrazi refinery for attracting EU funds under Horizon 2020 Program.

Waste Management

We mainly produce solid and liquid wastes, including oily sludge, waste chemicals, spent catalysts and construction debris. In 2018, we updated and continued to implement our Waste Prevention and Reduction Plans across all our operations.

The total amount of waste generated in 2018 was 430,431 t (2017: 367,205 t and 2016: 812,360 t). Compared to 2017, there was an increase of 17% in terms of waste from demolition works and increasing bioremediation of contaminated soil. We recycled / recovered 46% of the total waste generated throughout the year.

Waste management by type (th. t)



Our Waste Management Approach

Water treatment plant, Suplacu de Barcău

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

In 2018, from the contaminated soil treated in our bioremediation plants, 89% resulted as bioremediated soil for use as backfill material and 11% resulted as non-hazardous soil waste that qualified for landfill disposal.

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

In Downstream, we continued to achieve a high waste recovery in demolition of old fuel terminals (see Case Study).

Biodiversity

In 2018, OMV Petrom conducted a Biodiversity Conservation Study for two Nature Reserves where Upstream operates, namely “Pădurea cu Pini” and “Mlaştina Satchinez”. The results showed a good conservation status of biodiversity in these Natural Protected Areas. Furthermore, integrity risk assessments were performed for high volume pipelines crossing Natural Protected Areas overlapping with Upstream’s operations, in order to define and prioritize measures for continuously reducing the risk exposure.

What we will do in 2019

- **Monitor and manage environmental risks**
- **Continue to promote a proactive environmental culture**
- **Continue to implement water management plans and improve water data quality**
- **Assess water related risks in relevant sites at OMV Petrom level**
- **Monitor and report systematically on Water and Waste performance**

Case Study: High waste recovery in demolition of old fuel terminals

In Downstream Oil, we finalized demolition projects that included three old fuel terminals (Resita Terminal and ANRS, Zalau and Zalau ANRS). This activity generated around 42,000 tons of waste, from 21 waste categories. The largest amount of waste (90%) was clean concrete, which was crushed at the demolition sites and prepared for further use. The scrapped metals were recycled by authorized companies. The other 19 waste types were directed to specialized waste facilities for either recovery or disposal. The whole demolition project achieved a waste recycling rate of 95%, thus maintaining the previous years’ high performance of over 90% recycling rate by best practices in waste management.

CARBON EFFICIENCY

We aim towards carbon efficiency in our business with a challenging ambition: to use clean, safe fuel, as gas is, and to have a positive impact on society. Our footprint is what we leave behind responsibly: from productive land to fresh natural resources.

“Taking care of the environment around us helps people to live in a better world. The main impact is that people’s habits are changing in order to directly contribute to this.”

LEAVE A CLEAN FOOTPRINT BEHIND US

Why is reducing GHG emissions important for the community we live in?
Climate is constantly changing and that is why we need to take our impact very seriously. In a few simple words, the carbon footprint is the mark our activities leave behind.

That is why every year we look closely in the areas where we operate and why we have strict policies on reducing GHG emissions. For the community we live and operate in, this means a cleaner environment and reducing water and/or energy consumption.

We contribute to this with our specific projects and one of my favourite environmental projects in 2018 is the upgrade of Mădulari Gas Separation Station in Asset II - Oltenia, focused on improving carbon efficiency by implementing state-of-the-art facilities.

How would you explain the impact on people’s lives?
Taking care of the environment around us helps people live in a better world. The main impact is that people’s habits are changing, translated in a change of their lifestyle. They don’t only follow the trend of a healthy life, but they are also interested in maintaining a cleaner environment.

This means they actively contribute to the personal mark they leave behind, by applying the main principles on how to save environmental resources (energy, water).

CARBON EFFICIENCY

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

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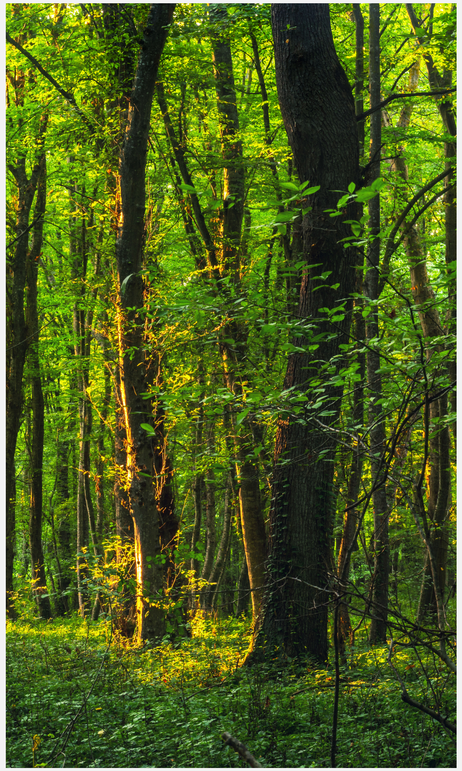

Focus on improving carbon efficiency and acting on climate change mitigation.

Accomplished in 2018:

- **Developed Report on GHG performance**
- **Implemented energy efficiency, flaring and venting reduction projects**
- **Followed up the plan for phasing out routine flaring and venting by 2030**

Our carbon efficiency agenda focusses on process optimization, energy efficiency and implementing projects that reduce GHG emissions, energy consumption and costs. The risks and opportunities related to climate change are considered and addressed across the company as part of the Enterprise-Wide Risk Management process. There is a strong management attention and action around this topic from a long-term strategic perspective.

We are subject to the EU Emissions Trading Scheme (EU ETS). Seven of our operating installations were under EU-ETS at the end of 2018. Around 57% of our direct GHG emissions come from these EU-ETS installations.

OMV Petrom decreased the GHG Intensity of its operations by 20% in 2018 vs. 2010. This proves our efforts to contribute to OMV Group's strategic objective of decreasing GHG Intensity by 19% by 2025 (vs. 2010). However, in 2018, the overall OMV Petrom's GHG Intensity increased by 5.4% vs. 2017, as follows: Upstream increased by 9.3%, Petrobrazi refinery increased by 6.1%, and Power Plants decreased by 0.9%.

GHG Intensity in Upstream

In OMV Petrom Upstream, in 2018, we continued to implement initiatives to reduce the GHG Intensity, such as: modernization of transport infrastructure, replacements and optimizations which led to a significant reduction of accidental venting and also to the reduction of gas consumption (e.g. Merişani and Vâlcele compressors stations in Asset III-Muntenia Vest, gas networks monitoring in Asset IV-Moesia, new production facilities at Mădulari in Asset II-Oltenia, improved gas pipelines infrastructure in Asset I - Crișana Banat and Asset III - Muntenia Vest).

We continued to develop projects to obtain electricity (Gas to Power - G2P) or electricity and thermal energy (cogeneration or Combined Heat & Power - CHP) out of gas in Upstream by the Energy Efficiency Program. In 2018 we initiated other two G2P in Assets I - Crișana Banat and we plan to finalize them in the first quarter of 2019. Through G2P and CHP projects we managed to ensure around 50% of the annual electricity consumption of our Upstream's onshore Assets and multi-million Euro/year production cost savings.

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

GHG Intensity in Downstream Oil

In 2018, within Downstream Oil division, one of our main focus areas was to continue implementation of initiatives for improving GHG Intensity.

Case Study: Reduce natural gas consumption at the flare pilot burner

The project, amounting to an investment of EUR 1.5 mn is aimed at reducing the natural gas consumption by installing high-energy efficiency pilot burners at Petrobrazi refinery's flares. The annual natural gas reduction accounted for around 61,500 GJ with a reduction in the environmental footprint by 3,600 t CO_2/year. In addition to energy savings, the project contributed to improved reliability and safety in the operation of flare stacks.

The power production of CCPP increased by 1.016 TWh and the GHG intensity decreased by 0.9%.

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The Petrobrazi refinery continued to implement measures to reduce energy consumption, through programs and initiatives:

►Reduce the natural gas consumption at the flare pilot burner by installing a high energy efficiency pilots at the flare stacks (See Case Study)

►Install the Hydrocom system to the K55 compressor in Isomerization Unit

►Replace the old motors with higher efficiency ones

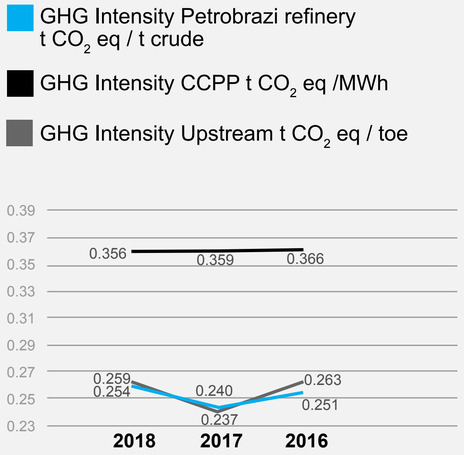
►Optimize operation for a lower energy footprint by insulating the crude oil tank

►Optimize the refinery fuel gas network in order to minimize flare losses and CO_2 emissions by installing a second compressor in the Cogeneration Unit

The above projects will result in yearly energy savings of around 77,000 GJ and over 13,000 t CO_2 equivalent.

Our 860 MW Combined Cycle Power Plant located in Brazi is equipped with state-of-the-art emission reduction equipment that enables it to rank below the EU CO_2 emissions average. In 2018, the power production increased by 1.016 TWh and the GHG intensity decreased by 0.9%. The Power Plant in OMV Petrom City increased the thermal and electricity production by 4.8% in 2018 vs. 2017, according to consumption needs.

GHG Intensity



In the retail business, in 2018 we modernized the integrated air-conditioning and refrigeration systems by installing new condensing units (Conveni Pack) in 85 Filling Stations. The heat resulting from the cooling process is introduced in the heating system, thus leading to a decrease in energy consumption of around 53% for each condensing unit.

Another project initiated in 2018 was aimed at using solar power in filling stations. Photovoltaic cells of a total capacity of 27 KW were installed at OMV Cluj - CâmpiaTurzii, OMV Constanța 1 and OMV București Milea. The Air Conditioning and Refrigeration equipment is powered by a new hybrid electricity supply system that uses energy both from photovoltaic cells and the main grid. The results indicated a share of around 40% solar energy in total energy consumption by the end of 2018. Apart from minimizing the impact of GHG emissions on the environment, the project contributes to costs saving.

Direct GHG Emissions (Scope 1)

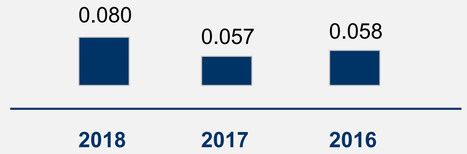
Our total direct GHG emissions (scope 1) increased by around 13% in 2018 vs. 2017 and accounted for 4.5 mn t of CO_2 eq. The increase of direct GHG emissions was mainly due to the increased electricity production of the Combined Cycle Power Plant located in Brazi.

GHG (direct emissions - scope 1) (mn t CO_2 eq)

Indirect GHG Emissions (Scope 2)

Our indirect GHG emissions (scope 2) are those related to the production of the energy we purchased (electricity and heat) for our operations. In 2018, our indirect GHG emissions totalled 79,834 tons CO_2 equivalent. The increase of indirect GHG emissions was mainly due to a higher share of purchased electricity in OMV Petrom's total electricity consumption, which was relatively stable compared to 2017. Nevertheless, the purchased electricity had a greener CO_2 label versus the previous year. An amount of around 130,000 tons CO_2 equivalent indirect GHG emissions were avoided in 2018 due to energy generated by the G2P and CHP units in Upstream.

GHG (indirect emissions - scope 2) (mn t CO_2 eq)



What we will do in 2019:

► Continue implementing energy efficiency, flaring and venting reduction projects.

► Monitor and report GHG performance and progress to phase-out flaring and venting by 2030.

► Follow OMV Group's strategic objectives related to carbon efficiency:
- **Reduce OMV's carbon intensity of operations by 19% by 2025 (vs. 2010).**
- **Reduce the carbon intensity of OMV's product portfolio by 4% by 2025 (vs. 2010).**
- **Achieve zero routine flaring and venting gas by 2030.**

ENERGY EFFICIENCY

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

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Combined Cycle Power Plant Brazi

OMV Petrom, as an integrated oil and gas company, operates large facilities and consequently, is a large energy consumer.

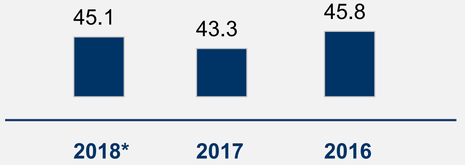
This energy creates a significant impact on the environment. The goal of the energy efficiency management is to reduce the environmental impact of our operations, to increase financial savings and to comply with the national and international regulatory framework related to the use of energy.

According to International Energy Agency, energy efficiency could contribute to around 40% of the emissions reductions needed to stay below the 2 °C goal, as per climate change goal.

Through energy efficiency, we achieve most emission reductions. From industry to individuals, access to advanced technology creates huge opportunities to earn gains in the coming years.

We create energy efficiency as a strong framework of awareness and education that needs to be conceived by providing a wide range of actions and transforming energy savings into the first energy resource.

Energy consumption (PJ)



*The increase of energy consumption is due to the maximum capacity operation of the Brazi Combined Cycle Power Plant.

Energy Management System

Our vision is that an efficient energy management would reduce energy consumption and, consequently, costs. ISO 50001 is a standard that supports organizations in all sectors to use energy more efficiently, through the development of an energy management system. Energy efficiency is at the heart of the company's activities, which continuously works to improve its energy and environmental footprint.

The system proposed by the ISO 50001 standard remains a good structure according to the organizational strategy, to facilitate communication on the management of energy resources and to promote good practices in energy management.

Energy efficiency measures and projects have a considerable impact on issues related to energy consumption and represent a huge interest for all our stakeholders.

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

Energy efficiency projects for 2019:

- **Steam condense recovery from Ethyl Tert Butil eter (ETBE) Unit**
- **Relining of 2nd gas turbine in Cogeneration Unit**
- **Advanced Process Control (APC) and online analyzers in RCI and Amine Units**

INNOVATION

Technology and Innovation are changing our world. Some things we experience as threats, other things we see as welcome solutions and tools to make our lives better. We look at innovation as a key enabler for providing our customers with the energy for a better life. Innovation and – especially these days – digitalization are helping us see and know more, and be more efficient with our resources, more energy efficient, get a higher asset utilization and save lots of paper for a cleaner future, conduct safer operations and become an overall more sustainable company.

“Technology and digitalization can change our lifestyle. It makes people aware of the environment and more responsible.”

INNOVATION IS THE ENGINE OF SUSTAINABILITY

The energy mix demand has probably never been more complex. What are the main innovations to support this demand in the current and future landscapes?
Innovation is one of the three enablers to support our strategy deployment. Digitalization presents us with opportunities to connect data across the company and even past company borders. This, in turn, helps us deal with the higher complexity and expectation levels of customer demand.

Data centralization and advanced analytics help make sense of production and logistical data to steer our production to fast changing customer needs. Customer movement and transactional data help us offer the best possible service to our customers.

Innovation can positively change people’s lifestyle, and provide a sustainable business for companies. What does this mean for OMV Petrom?
Technology and digitalization have given us an unprecedented access to information, which makes both customers and employees more aware of the environment and enables them to be more responsible. We educate our employees during Digitalization Master Classes on the latest technologies and practices, so they can create more value from data.

We believe both digital and technical innovation are vital to reducing both the environmental impact of our business and carbon intensity, as innovation often means better asset utilization and process efficiencies.

INNOVATION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

DIR

Topic materiality

We are all aware that the modern world is driven by numerous fast changes, many of which have uncertain impacts and timelines. In this context, creativity and innovation are essential for the success and resilience of any business. New technologies present new challenges, as well as new ways to solve existing challenges. We embrace innovative ideas, initiatives and projects that relate to the development of new technologies and products with the aim of reducing impact on the environment or reducing carbon intensity in our operational sites and products.

We use advanced technologies and digitalization to innovate our business for a sustainable future and to enable valuable experiences for our customers. This is the mantra for the Technology and Innovation strategy enabler, one of the three strategy enablers of OMV Petrom, driven by the Technology & Innovation department.

Management approach

OMV Petrom has clustered its innovation activities in a series of focus areas, which all contribute to making operations more agile and efficient, to minimizing environmental impacts and to providing cost-efficient solutions to our customers and society. OMV Petrom collaborates globally with universities (Politehnica University from Bucharest, Politehnica University from Timișoara, University of Oil and Gas from Ploiești, Academy of Economic Sciences from Bucharest, Montanuniversität from Leoben) and benefits from the experience of its own research institute (Institute of Research and Technological Design from Câmpina).

The Technology and Innovation Department has the very ambitious objective to secure a sustainable future for the company and a valuable experience for its clients, following three strategic directions: make existing business more competitive, develop growth options and develop a more agile and efficient organization.

OMV's innovation portfolio - selected project highlights

Over the past year, our Technology and Innovation Department, together with members of the Technology and Innovation Council, identified and supported a set of ideas that turned into pilot projects with noticeable results. Here are some of them:

- ▶ Design Incubator in OPGS
- ▶ Technology scouting and Deployment in Upstream
- ▶ Production forecasting algorithm using Machine learning
- ▶ Advanced Predictive Analytics in Retail
- ▶ Mobility in engineering (iPad-based gas reporting in field)
- ▶ Physical security integration management (Live video)
- ▶ Paperless vehicle handover protocol and Paperless Toolkit

Digitalization Master Class – as we move along on our journey towards being a digitally dexterous company, many of us are facing decisions and questions around the digitalization concept. In order to bring our employees to a comfortable level of knowledge around the main subjects and de-mystify the subjects in the process, we held a one-day Digitalization Master Class. We selected 12 technologies that were put in a historical context, explained everything in slightly challenging technical detail and practiced using real life examples. This was purely

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educational, so that the organization could get a good grip on digitalization in general. After the Digitalization Master Class, the participants are now able to grasp the general concepts, speak about them with confidence and see all the subjects in a broader context. This will enable all of us to see more opportunities, build our own view and assess proposals with more clarity. The next Masterclass will be about digital dexterity, i.e. the practices and ways of working surrounding Digitalization.

We set up the **Pioneers Tribe** – an informal network of frontrunners, leaders of change, design thinkers who work across and are focused on problem solving and learning. We are looking for colleagues from the entire organization who embrace and work with uncertainty and change. They meet up to discuss individual member challenges, attend Lunch & Learn sessions, participate in hackathons and meet external speakers – all with the end goal of bringing a positive impact in our business.

Over the past two years, OMV Petrom has collaborated with **Innovation Labs**, an accelerator program supporting start-up teams. The teams consist of students and young technology enthusiasts who want to start companies around innovative ideas. We went beyond being a mere sponsor. We assumed the responsibility to offer the participants our support and mentorship by sharing with them our professional experiences. We consider that looking beyond the boundaries of our business and interacting with young and bright minds might lead us to discover new business ideas.

Internal research activity. In 2018, the research activity developed a total of 46 projects internally, of which 22 projects were led by ICPT Câmpina specialists. Out of the 2018 research program, 25 projects are completed, and the other projects will continue in 2019 or 2020. They will ensure the continuity and sustainability of the program for research and development. In 2018, the Institute's Research Development activity covered half of the OMV Petrom total research and development plans.

Digit UP (the Upstream Digitalization program) – is not just a vision, it becomes reality. With the help of Digit UP, our company will be making faster, smarter and better investment choices in order to drive competitive advantage, ensure constant profitability and growth, become attractive to business partners and, last but not least, to be recognized as an employer of choice. Our goal is to have everything we need just one click away and that means simple, on-demand access to information, people and tools. We will be able to use data anywhere, anytime via cloud-based technology.

Digital transformation at OMV Petrom is much more than applying and scaling technology – it is about people and culture. Therefore, creating a digital mindset and reshaping the talent landscape are an integral part of the OMV Petrom Digital Journey as well as the integration of technology partners, universities and start-ups.

Three signposts guide the OMV Petrom Digital Journey:

- ▶ DIGITALIZE! Creating business agility through smart investment choices that focus on the highest impact along business and HSSE priorities.

- ▶ ACT! Innovating at speed and scale by creating environments receptive to innovation and fostering an organization, skills, mindset and culture that are adaptive to digital.

- ▶ ENABLE! Common digital platforms form the backbone of our digital core that enables us to break down data silos and use data across the Group.

What we will do in 2019:

- ▶ **Launch Digital Center of Excellence – establish a new discipline in our organization. Creating a digital mindset and reshaping the culture in OMV Petrom is our digital ambition.**

- ▶ **Digital Dexterity Masterclass – Developing OMV Petrom towards a digitally-skilled enterprise. First masterclass will focus on digital dexterity.**

- ▶ **Contribute to OMV Innovation targets according to Strategy 2025.**

- ▶ **T&I event, on January 22nd – Showcasing 22 technologies implemented since we declared T&I our strategy enabler; this event showed that we innovate a lot and we are well on our way to becoming an innovative company.**

T&I event

EMPLOYEES

Growing together is part of our sustainable business. Thus, we've created a path for our people based on skills and motivation, working on our company culture and embracing diversity. What we give back to the society is about what we value the most: the quality of our people. This is our energy for a better life.

“The diversity within OMV Petrom creates a good environment for learning, with a wide range of opportunities and access to international knowledge.”

LOCAL AND INTERNATIONAL DIVERSITY

OMV Petrom has strong, Romanian roots and is part of a global network. How do you manage this in terms of human resources?
This mix is a valuable asset for our colleagues and also for Romanian society. It represents a good environment to learn, with many opportunities, providing access to international knowledge. On the other hand, for OMV Petrom as employer, it means that we create and invest in a strong team, which becomes a strong asset for the company and its business. All our efforts are going towards being an employer of choice, towards creating employment practices that other colleagues in the industry can embrace.

We see a lot of debates on embracing diversity. How do you believe diversity can be made a reality in the current work environment?
Diversity is necessary to evolve. We have 38 nationalities working in the company, thus the first step would be to try and integrate a cultural diversity, either it is local diversity or international. At OMV Petrom, we have both due to the nature of our operations. This makes us to learn one from each other, employees from associates, associates from employees, by taking part in activities where we show our true value.

Which of the strategic priorities of human resources do you believe is the most valuable for the company?
All are important, combined work as a single one. The real value comes both from creating inspirational leaders, having a performing behavior, organizational agility and a great working environment.

EMPLOYEES

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

GRI: 103-2 103-3 DIR

Five Principles of our company: Team Spirit, Accountability, Passion, Pioneering and Performance.

Our employees are key to OMV Petrom's sustainable business performance and success. We strive to create an environment in which every employee can learn, grow, connect and collaborate, as well as live a safe and healthy lifestyle.

OMV Petrom people strategy

People and Organizational Culture is one of the three key enablers of OMV Petrom Strategy 2021+. OMV Petrom set the Foundation for its sustainable business growth and is currently on a growth journey, redefining the Reason (WHY), the Business Purpose (WHAT), and the Principles (HOW) which will support the company's strategy.

The Principles of our Company – Team Spirit, Accountability, Passion, Pioneering Spirit, and Performance – foster OMV Petrom's culture of aspiring and supporting the OMV Petrom growth in a sustainable way.

To make this possible, these Five Principles were introduced starting with 2017 and are presented consistently in all leadership tools and people development programs.

In 2018, we progressed in our journey, strengthening our performance, talent management and leadership development, and establishing a solid foundation for a feedback- and learning-oriented culture:

▶ The Group-wide leadership upskilling initiatives (LEAD) were rolled out to the next leadership levels, with 233 overall leaders attending; 42 leaders participated in 360 degrees Feedback.

▶ Pursuing our Human Resources digitalization journey, we updated our Human Resources technology, improving our effectiveness and efficiency in delivering Performance and Talent Management processes globally, the new Group-wide Recognition Program, through which we aim to increase the transparency and visibility of extraordinary results and role model behaviour of our people, is supported by an user-friendly IT application.

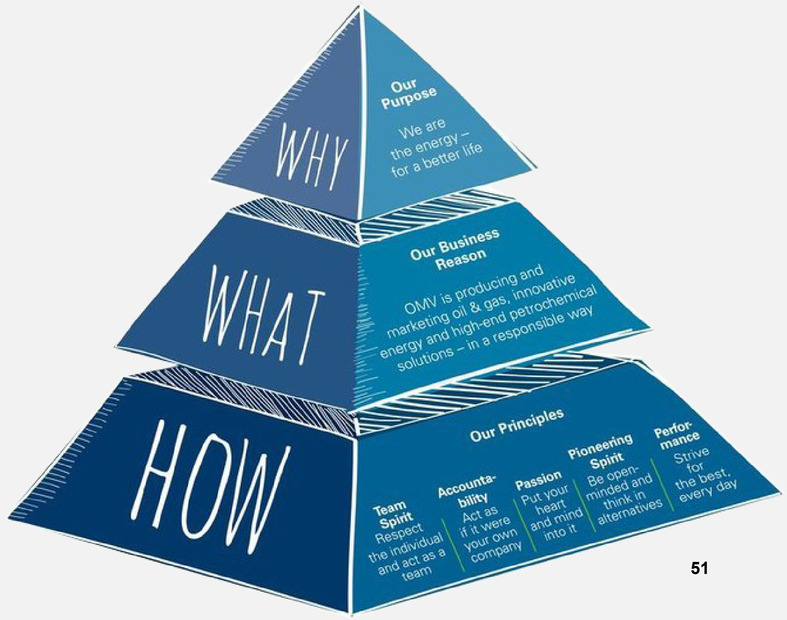
▶ The new Learning platform was prepared for go live starting February 2019. The Learning platform provides a wide range of learning for employees with various needs, automated training approval, and costs and training activities can be collated and reported more easily.

▶ Talent Review Process was rolled out to core levels and also took place the succession planning for business critical positions.

▶ Grading & Career Framework was prepared and approved for launching in 2019; the new approach will improve data quality for management use, empowerment in leadership roles through accountability, consistency in grades and position titles for effective people management, enlarge scope of expert career opportunities, transparency in reward and career development.

Knowledge transfer programs

Considering the average age within our company (reaching 48 in 2018), OMV Petrom is focused on providing knowledge transfer programs and ensuring succession for critical (technical) positions. In addition, we aim to attract the best students through successful internship programs, allowing them to acquire the necessary competencies to access the labour market. Open4U is our company's very successful internship program, through which, in 2018, 59 students (43 in 2017) underwent a two-month paid internship. Over the following years, we are looking forward to increasing the number of students attending the program.



Programs implemented to upgrade employee skills

Type of program	Name of the program	Skills acquired through the program
Internal Programs	Upstream Peer Training	Techical Upstream related skills (i.e. Drilling, Geomechanics, Corosion management, etc.)
	HSSE Curriculum	Occupational Health and Safety
	Blue Collars Curriculum	Technical knowledge and skills
External Programs	Leadership Group Programs	Leadership capabilities & tools
	Personal Skills Catalogue	Personal skills such as innovation, creative thinking, public speaking, conflict resolution, time management, decision making
	Conferences	Various professional skills
	Open Programs	Various professional skills according to specific development needs
	Integrated Graduate Development Program	Interdisciplinary expertise and competencies for the Upstream Junior Engineers
	Certifications and legally binding trainings	Technical, professional, health and safety related skills, in line with local regulations or internal policies (i.e. first aid, defensive driving)

GRI:
401-1
401-2
402-1
404-1
404-2
404-3
DIR

Training programs

Every year, we implement various training programs in order to upgrade the skills of our employees, based on their development needs. At the same time, we ensure the participation in various open training programs and specialized conferences. During the reporting period, 317,264 hours of training were delivered to OMV Petrom employees.

Performance review

Annually, our people are engaged in a performance review, action that aims to strengthen the bond between employees and their supervisors, emphasizing positive performance indicators and establishing future steps in order to achieve better results for the next evaluation timeframe. In 2018, 5,739 employees underwent performance and career development reviews, structured as follows: 5,026 operative staff and 713 management.

Reward management

To maintain long-term competitiveness, OMV Petrom has set a performance and development-based organization and, correspondently, a performance-based reward management embedding company foundations.

Consistent with the objective to be a Reputable Employer, the Company's remuneration principles utilize a balanced mixture of fixed and variable, monetary and non-monetary components in order to attract, recruit, motivate, train, develop, promote, and retain the best talents.

Remuneration packages are set to achieve internal equity, but at the same time to remain externally competitive with the local and international market in which the Company operates and to make people feel encouraged to create sustainable results and add value to the business.

The remuneration of OMV Petrom employees is at competitive levels for the relevant oil & gas industry and includes: (i) a fixed based remuneration, paid monthly as a net salary determined by applying the income tax quotas and social contributions to the base gross salary, (ii) other fixed-payments, such as fixed bonuses and special allowances according to the Collective Labour Agreement, (iii) other statutory and non-statutory benefits, such as private insurance, holiday indemnity / special days off and, depending on the assigned position, a company car compensation fee and (iv) short / medium term (quarterly and / or annual) performance-related component. The measures/ key performance indicators used are based on financial and non-financial metrics.

Informing and consulting our employees

We strive to maintain strong relationships with our employees. We pay great attention to complying with the rights of our employees and to fulfilling all our obligations in accordance with the relevant legislation in force, the individual labour contracts and the collective labour agreements.

Communication with our employees is always open and aims to keep them informed and

OMV Petrom employees during internal and external events

GRI:
102-41
103-2
103-3
405-1
401-3
DIR

aware of the company's reality. To this end, we constantly inform and consult employee representatives on developments in the company's activity which may affect their interests, in accordance with applicable legal provisions.

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

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

The rights and obligations of our employees are set out in individual employment contracts as well as in the applicable Collective Labour Agreement. Local trade unions represent 92.7% of our employees. Our employees have the right to exercise their freedom of association and collective negotiations, according to the applicable legal provisions.

Diversity at OMV Petrom

Embedding the principles of diversity and inclusion in the way we do business gives us a better understanding of the needs of our staff and our stakeholders.

By being part of OMV Group, OMV Petrom has acceded to the Group Sustainability strategy and we strive for diverse teams and, at management level, we specifically aim to increase our female representation in Senior Leadership roles to 25% by 2025 and keep a high share of our managers in senior leadership role with international experience.

We support this through a number of initiatives such as succession planning and specific training addressing topics like unconscious bias.

Women in managerial position

Christina Verchere took over the role of president of the Executive Board and Chief Executive Officer (CEO) of OMV Petrom starting May 1, 2018.

At the end of 2018, 41.7% of the first line directors reporting to the Executive Board were women, whilst the overall proportion of women at OMV Petrom Group level was 23% at the end of the year.

Equitable gender choice for maternity and paternity

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

In 2018, the total number of employees who were entitled to parental leave was 13,201, of which 26 men and 163 women took it during the reporting period.

At the end of 2018, 41.7% of the first line directors reporting to the Executive Board were women

RISK MANAGEMENT

13 CLIMATE ACTION

Our objective is to ensure that all our risks are properly managed with appropriate risk assessments and mitigation plans in place.

Accomplished in 2018

- **Two completed Mid Term exercises, showing trends in the risk environment and an updated risk profile.**
- **Successfully delivered Risk Review meetings covering all strategic risks, included in the Strategic Risk Report.**

We are able to guarantee with a certain level of confidence that the long-term sustainability and the mid-term liquidity are secured

GRI:
102-11
102-29
102-30
102-33
103-2
103-3
201-2
DIR

Risk Management System

Corporate risk management is a key component of the corporate governance system.

Through the nature of its business of extracting, processing, transporting and selling hydrocarbons, OMV Petrom is mainly exposed to safety and environmental risks.

Moreover, the scope of OMV Petrom's business activity and the markets in which the company operates also expose the company to significant risks in terms of commodity pricing, foreign exchange, operations, to name but a few.

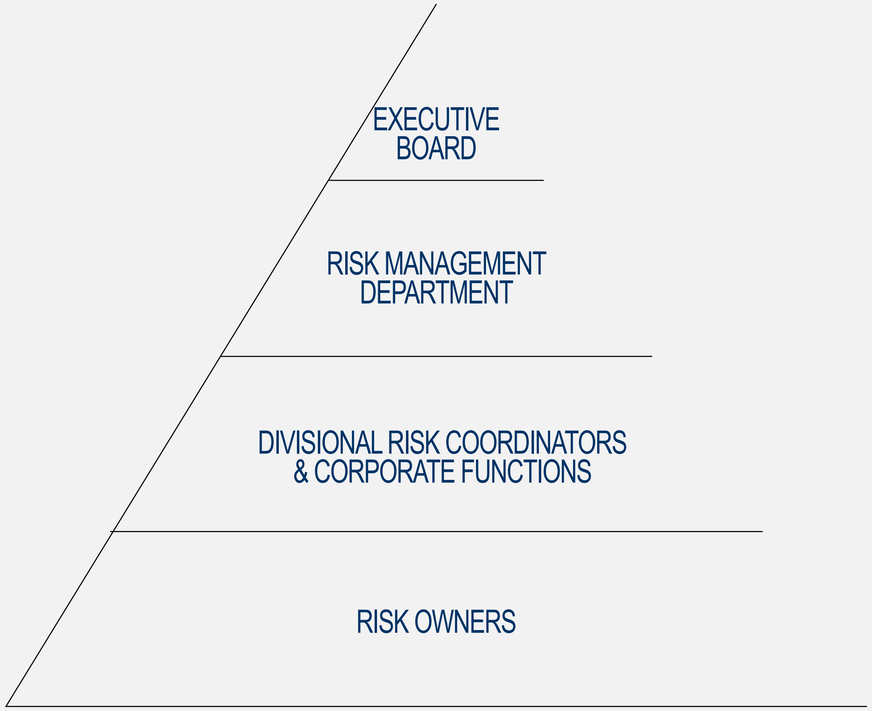
OMV Petrom implemented a risk management system (Enterprise Wide Risk Management – EWRM) with four levels of management roles in a pyramid-type structure. This allows us to timely identify threats and / or to reduce the adverse effects of events that are outside of our influence.

Following this process, we are able to guarantee with a certain level of confidence that the long-term sustainability and the mid-term liquidity are secured, and that the estimated impact of the risks is within acceptable levels.

OMV Petrom Risks

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

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



OMV PETROM RISK MANAGEMENT ORGANIZATION
Audit Committee of Supervisory Board
(responsible for monitoring the entire system)

Employees at Burcioaia plant

GRI:
102-11
102-15
102-31
102-33
DIR

The risks are classified in 3 main 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.

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

Within the Mid-Term Risk Management process, we identified and re-assessed our mid-term risk exposures, financial resilience and the list of risk mitigating actions.

The company's consolidated mid-term risk profile is reported biannually for the endorsement of the Executive Board and for the information of the Supervisory Board's Audit Committee.

Within the Long-term Strategic Risk Management process, a list of strategic risks was established.

In 2018, our strategic risk portfolio was re-assessed during five dedicated meetings with the participation of the Executive Board members. The focus of the discussions was on mitigating actions proposed by the appointed risk owners and an update of the risk developments over the recent period.

These two-risk management processes allowed us to focus the Executive Board's attention on key risks and provide assurance to the Supervisory Board's Audit Committee that key risks are properly managed by the management.

More information about how we manage risks can be found in the OMV Petrom Annual Report 2018 pg. 42.

In OMV Petrom, the Risk management culture is a key element to an effective and sustainable Enterprise Wide Risk Management process. Therefore, we continue to enhance the risk culture across the organization.

In the summer of 2018, an international risk management conference was held with the participation of international risk management experts to the benefit of OMV Petrom employees. The participants' business knowledge of the oil and gas industry was enriched from a risk perspective directly from highly skilled experts.

Strategic Risks

Internal	External
Hydrocarbons Reserves replacement	Oil & Gas market volatility
Physical assets and safety	Climate change
Human capital & competition on labor market to attract talents	Political and regulatory changes
Technology & Innovation	Earthquake risk

What we will do in 2019

- **Continue to develop best risk and insurance practices across the company and further embed them into business practice.**
- **Continue to focus on key risks and ensure that mitigation actions are implemented.**
- **Continue to improve our risk culture based on best practices and learnings from the experience of other stakeholders.**

BUSINESS PRINCIPLES AND SOCIAL RESPONSIBILITY

Community Relations and Development
Business Ethics and Compliance
Product Responsibility
Human Rights
Supply Chain

We are working to build a future where everyone can have a better life.

“Our responsible behaviour towards our stakeholders, the environment and society in its entirety should be at the forefront of our daily activity and not an „add-on”.”

HOW WE CAN MAKE A DIFFERENCE TODAY

Sustainability is at the forefront of many corporate strategies. What do you think makes OMV Petrom stand out, in terms of leadership in this area?
Sustainability is truly embedded in a company when it goes beyond corporate strategy and becomes part of the organizational culture. Our responsible behaviour towards our stakeholders, the environment and society in its entirety should be at the forefront of our daily activity and not an „add-on”. Integrating responsible behaviour in all aspects of the OMV Petrom business is key to transformative leadership. We consider this as an ongoing journey. The leadership test in sustainability happens every single day.

OMV Petrom has a long history of contributing to community development. What would you say is the red line through all the projects within Andrei’s Country?
Andrei’s Country has marked many premieres in Romanian community development (smart cities, trees planting, health, vocational education, social entrepreneurship). But the most important outcome was the evolution towards addressing business and society problems at the same time.

We are operating in one of the most important – and one of the most challenging – industries in the world. The energy demand has never been higher, worldwide.

So we focused our efforts in evaluating our impact and, at the same time, we tried to help build a culture of responsible use of resources – in our company and in the communities where we operate.

COMMUNITY RELATIONS AND DEVELOPMENT

SDGs supported by our community development programs:

GRI:
103-1
103-2
103-3
413-1
203-1
DIR

Community development

In 2018, OMV Petrom's Sustainability strategy was reshaped and Community Relations & Development was included in a new focus area – "Business Principles & Social Responsibility". This was introduced to continue our commitment towards the United Nations Guiding Principles (UNGP), by addressing and supporting the Sustainable Development Goals (SDGs) in our community development projects and by trying to bring more economic and social value in our operational areas.

Community engagement is not only "food for soul", but follows a strategic approach in the path for accountability and support for local economic growth. As a responsible partner in the communities in which we operate, we strive to have a reduced footprint and to empower our local stakeholders in their community development initiatives.

Community relations

OMV Petrom's operational area has a substantial dimension, with a high socio-economic importance: the company has operations – including joint ventures / operations – in over 350 communities in 24 counties in Romania. Over 30% of these counties faced a constant socio-economic risk in 2018, considering the average income and unemployment rate. We regularly monitor this risk in the communities we operate in. This aspect represents one of the most important landmarks in defining our community development programs in Romania.

Management approach of community relations

At OMV Petrom, the community relations process is managed in a manner that complies with the existing Romanian regulatory and financing requirements, but also tries to keep up with international best practices. The company applies its internal standards, procedures and directives - the Community Relations and Communities Development Standard, the Stakeholder Engagement Process, the Upstream Engagement Process of Community Engagement and Sponsorship Projects or the Grievance Mechanism Directive are just a few of the guidelines in place at OMV Petrom. We constantly measure and monitor the results of our community involvement programs, through pre-set KPIs, project assessments and baseline studies.

High school students during Summer Camp

In 2018, OMV Petrom has been engaged in initiatives that total an investment of EUR 2.5 mn

We try to have an integrated approach towards social issues and, thus, take them into consideration in all business and risk processes, both internally and externally – for our contractors. Year by year, we aim to improve our proactive involvement in communities and to respond in a sustainable way to local needs, based on the social, educational, economic and environmental impact.

Therefore, as part of the community engagement approach, we revise our Community Development Strategy on a yearly basis, looking into our operational impact on communities on the one hand, and into the social impact, on the other hand.

The management process of community relations is set up based on centrally-governed policies, responsibilities, targets and locally-engaged resources. We map, evaluate and rank the risks, consult and engage our stakeholders when developing our community involvement programs.

In 2018, 990 grievances related to society, human rights and environment (total grievances) were registered and 773 of them were solved

The output and impact are measured by the number of job opportunities generated, people trained for employment, local capacity built, stronger and trustful relations with stakeholders to get to long-term results generated by our investment in community.

The commitment to maintain the social license to operate and to be a good neighbour is not an easy job. It takes persistence, strength, struggle and consistency to do it.

In 2018, OMV Petrom was engaged in initiatives that total an investment of EUR 2.5 mn. The projects were directed to support infrastructure and local community needs, consisting in building roads, rehabilitating water and electricity networks, water pipes, rehabilitating and equipping schools and laboratories.

Community grievance management

As a responsible organization, we are committed to supporting the development of the area and of the community in which we operate. This helps us obtain a social license to operate and become the employer of choice. In the dialogue with communities, our effort is directed towards collecting their feedback about our operations and the resulting impact.

Therefore, we implemented a grievances system at OMV Petrom Group level, coordinated from corporate level. OMV Petrom lays the basis for social license to operate by receiving, registering, solving and monitoring the company's action plans.

But what is grievance at OMV Petrom? This represents the expression of dissatisfaction stemming from a real or perceived impact of the company's business activities. In 2018, 990 grievances related to society, human rights and environment (total grievances) were registered and 773 of them were solved. Most of them, 492 grievances, are related to environmental impacts (land contamination).

In 2018, OMV Petrom hosted an Audit Assessment conducted by an independent auditor, as part of OMV's targets to evaluate the effectiveness of the community grievance mechanism based on the UN Guiding Principles on Business and Human Rights criteria.

A very comprehensive checklist was used to assess OMV Petrom's approach to managing community grievances at the Corporate level, Upstream business and Downstream Refinery. The checklist was based on the 'Community Grievance Mechanism Diagnostic Tool' developed by IPIECA, the oil and gas industry association for environmental and social issues. The findings, recommendations and assessment of compliance with the UNGP effectiveness criteria were gathered in a final report which was presented in the first quarter of 2019 by the Auditor to OMV Petrom's top management.

Community Based Organizations (CBOs)

In 2018, we continued supporting the joint initiative of empowering local communities, which we started back in 2008 with our stakeholders and, thus, we re-launched our annual grant competition for 11 local NGOs.

The community development competition gathered 11 participating NGOs. After the evaluation, 8 CBOs were financed and 8 community projects were implemented in Schela, Suplacu de Barcău, Măneşti, Moineşti, Bustuchin, Telega, Boldești-Scăeni and Talpa.

The local footprint of these community development projects had an indirect contribution, consisting of economic, educational, cultural impact and civic engagement for over 570 beneficiaries in 10 local communities:

- ► Commercial worker certification for 22 participants;
- ► Educational programs to reduce school abandonment at gymnasium level, to enhance school performance and the graduation exam success rate for 300 children in five communities;
- ► Counselling – learning sessions for 61 teachers and parents for minimizing the generation gap with children / students;
- ► 55 volunteers involved in community support activities and local authority engagement.

Continuing our local capacity building approach, in 2018, a common entrepreneurship training session and experience was shared to all 11 CBOs in order to contribute to raising awareness among community members on possible tools and opportunities for local economic growth.

The Recognition program rolled-out in 2018 at OMV Group level by the Human Resources Department allowed our projects from CBOs to be well known across the entire OMV Group and awarded as one of the best initiatives for communities (first place).

Based on this Recognition program, employees within the Group can give and receive awards as a token of appreciation for their accomplishments.

Economic, educational, cultural impact and civic engagement for over 570 beneficiaries in 10 local communities

GRI:
203-1
203-2
413-1
413-2
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“Vocational Romania“ is OMV Petrom’s long-term commitment to support and improve the technical and vocational education system in Romania

Community Development Projects:

Vocational Romania (“Romania Meseriașă”)

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

Vocational Romania consists of the following initiatives: Oilmen’s School, Vocational Summer Camp and Vocational Students’ League.

The Oilmen’s School

The Oilmen’s School is a program through which we created six classes in three high schools in Romania, three years ago – Târgoviște, Moinești and Pitești, for the oil and gas qualification (well operators and park operators).

The Oilmen’s School is a program through which we created 6 classes in 3 high schools in Romania

The programs offer students monthly scholarships, practical experience “on site” in our company, as well as teacher development, update of educational curriculum and school laboratory upgrades. The first generation of oilmen graduated in 2018 and 26 young oilmen were employed by OMV Petrom as well operators in Workover and Well Intervention.

GRI: 413-1
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High school student during Summer Camp project

The Vocational Summer Camp

The Vocational Summer Camp is an intensive development program for high school students in the vocational education field, aiming to improve their personal and professional skills in order to become more employable.

The program started as a response to our business need to have a well prepared workforce in the oil and gas field, but expanded to also addressing the needs of our contractors and preparing their future employees: mechanics, electricians, chefs, waiters etc. In 2018, 235 students from 23 technical schools were trained to develop their soft skills: communication, teamwork, employability and others, as well as their practical skills, working closely with mentors (professionals in their fields) on a graduation project. 40 students received a one-year monthly scholarship to further invest in their education. Along with them, 40 teachers applied with projects that aim to develop the vocational education system and participated in our project management training.

In the end, four projects were rewarded with grants totalling EUR 40,000.

The program brought a new component in 2018, the **Vocational Students’ League.** This is an innovative project that created and continues to prepare the first initiative group to bring up for discussion on a local and national level the problems of students in technical and vocational education.

It is the first network of TVET students established in Romania in 2018, consisting of 27 students and 24 teachers. The group includes members from all TVET (Technical and Vocational Education and Training) high schools in Buzău County and represents the interest of all the pupils in this sector.

RO SMART in Andrei’s Country

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

The competition offered grants totalling EUR 400,000, mentoring and software consultancy for projects that use technology and digitalization to increase life quality and contribute to the sustainable development of

In 2018, 235 students from 23 technical schools were trained to develop their soft skills, as well as their practical skills, working closely with mentors on a graduation project

Volunteering program

communities in Romania.
To be eligible, projects needed to help solve problems, improve public services, streamline resource consumption and reduce expenses, with the use of technology, in one of the following 8 domains: transport, energy, health, education, environment, infrastructure, agriculture, safety.

250 projects were submitted in the competition and were evaluated based on a public vote (20%) and a jury's evaluation – 80%.

10 projects in education, health and infrastructure won the competition and received grants totalling EUR 400,000. The projects have access to mentoring from OMV Petrom's employees, as well as free IT consulting received from a company's partner during the one-year implementation.

OMV Petrom has been investing in community development projects since 2013. RO SMART is the upgrade of the "Ideas from Andrei's Country" competition, that funded over 100 community projects.

In 2018, the company's efforts to invest in the sustainable development of Romania were recognized by the "Smart City and Industry Association" and RO SMART received an award for "The Youngest Partner of the Year".

Volunteering Program

OMV Petrom supports volunteering activities of its employees, encourages them to find solutions for the development and needs of local communities and rewards the most active colleagues. Thus, 6,324 volunteers, including 1,763 OMV Petrom employees and filling station employees, participated in 2018 in 63 volunteering projects such as greening, first aid activities, education and health, renovating playgrounds and parks or donations.

The Volunteer Championship is the initiative that challenges employees to find solutions for community development and to dedicate time and energy to implementing them.

The projects are prioritized and, in 2018, 12 community projects initiated by our employees were funded. Also, 1,287 employees supported 190 NGOs in the 2% campaign and 450 employees donated gifts to 450 children from disadvantaged families through the "You can be Santa Claus" campaign.

2018 Awards

Business Review Awards:

▶ Vocational Summer Camp project as Best Community Development Initiative.

CSR Awards:

▶ 10 years of CSR for OMV Petrom – Award for Excellence

▶ 1st place for the Vocational Summer Camp project in the Education category

What we will do in 2019:

In 2019, we will continue to implement projects that support OMV Petrom's strategy. Among these we have the following:

- **Continue to implement the action plan based on the self-check / audit assessment within OMV Petrom in order to have a continuous improvement towards fully meeting the UNGP effectives criteria for community grievance mechanism.**
- **Continue to have as our main priority implementing projects that support the vocational and technical education in 2019, according to our commitment to SDG 4.**
- **Continue supporting OMV Petrom's local communities through various projects and continue being their partner.**
- **Continue bringing projects that recognizes people's efforts of contributing to a better future of Romania.**

GRI: 413-1 DIR

BUSINESS ETHICS AND COMPLIANCE

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

GRI:
103-2
103-3
102-16
DIR

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

Accomplished in 2018

- **Go-live of the Integrity Platform as of May 25th, 2018, and approval of the Whistleblowing Platform Directive**
- **Direct training of more than 200 employees on business ethics and more than 100 antitrust topics**

Compliance Management System

OMV Petrom has set up a compliance management system aiming to prevent, detect and mitigate risks in key compliance areas. In 2017, the system was re-certified by international auditors in terms of design, appropriateness, implementation and effectiveness according to international standards (IDW PS 980).

Business ethics represents a core component of the system. The fair and respectful way OMV Petrom treats its stakeholders enhances the company's reputation as a valuable and trustworthy employer and business partner.

The Code of Business Ethics

The Code of Business Ethics emphasizes OMV Petrom's policy of "Zero tolerance for bribery and corruption" and sets the rules for dealing with conflicts of interests, gifts and invitations, intermediaries, donations and investment in local communities, as well as for compliance with competition law provisions and trade sanctions and embargoes.

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

Whistleblowing

Our company requests that all employees report concerns about unethical behaviour. To this end, OMV Petrom provides reporting mechanisms, including a free telephone line and a dedicated e-mail address which are available 24/24h, both internally and externally.

In 2018, a professional whistleblowing system was introduced (the Integrity Platform) which can be used voluntarily (both internally and externally) to report misconduct and which ensures full anonymity of the whistle-blower.

Raising awareness

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

In 2018, 226 employees received training on business ethics, and 124 on antitrust.

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

In 2018, such initiatives included the "Keep Yourself(ie) Compliant!"" contest that was focused on the concept of integrity and that was open to all employees and presentations

In 2018, there were no administrative or judicial sanctions levied against our organization for failure to comply with anti-corruption laws or regulations

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of famous business ethics cases within the "Compliance Case Clinics" workshop with the participation of compliance specialists.

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

Conflict of interests

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

Criteria for granting sponsorships

Our sponsorship management is based on the Romanian legislation, the OMV Group Code of Conduct, the Group Directive "Code of Business Ethics", the Sponsorship Strategy and other internal regulations.

The process of sponsorship is managed through an evaluation made by the Sponsorship Committee – with representatives from each business division – under specific areas of involvement and criteria mentioned in the Sponsorship Strategy. A third-party check is part of this evaluation process.

The Sustainability department is responsible for developing the corporate sponsorship standard at OMV Petrom S.A. level, as part of the corporate communication and sustainability Standard. All donations and sponsorships are monitored by the Compliance Officer via specific procedures, in the Electronic Registers of Donations and Sponsorship, which are in transparently accessible via the intranet.

Competition Law

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

As a result of all these measures that OMV Petrom is implementing, in 2018 there were no administrative or judicial sanctions levied against our organization for failure to comply with anti-corruption laws or regulations. Also, in 2018 there were no incidents regarding competition law.

What we will do in 2019:

- **Raising Business Ethics awareness for all employees through comprehensive trainings and compliance communication program.**

Data protection management

The implementation of the Regulation no. 2016/679 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data in Romania starting May, 2018 (GDPR), was a challenge for the OMV Petrom Group in terms of implementing the numerous measures and activities needed in order to ensure the new requirements are met and, at the same time, a solid foundation for continuous compliance.

The top management has been directly involved in complying with this new regulation. Thus, the data protection officers were assigned within all companies in the Group and a department dedicated to this activity was set up.

Our management is connected and supports all initiatives and projects developed by the internal data protection experts to ensure the highest degree of comfort in relation to GDPR requirements.

In this respect, the management has approved the internal Data Protection Directive and the other necessary regulations, including the Policy related to data breach. The following were updated: Information notices and consent agreements for data subjects, rules on data usage on social and internet platforms, regulations for marketing campaigns dedicated to our customers.

A data processing register was drawn up and all business processes and IT applications were assessed to determine whether and under what conditions are processing personal data.

With regard to respecting the rights of data subjects (clients, employees etc.), a management system for their requests and responses has been elaborated.

In addition, the team responsible for data protection, together with colleagues in business and procurement, performed an analysis of all business contracts in order to determine the need for the conclusion of data processing agreements with the business partners.

A system to perform the data processing impact assessment (DPIA) was prepared.

At the same time, an extensive awareness program for employees, consisting of training sessions, debate meetings and presentations related to the data protection obligations for companies and their employees has been started; hundreds of employees were already involved in 2018.

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

Our management is connected and supports all initiatives and projects developed by the internal data protection experts to ensure the highest degree of comfort in relation to GDPR requirements

PRODUCT RESPONSIBILITY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

DIR, 103-2 103-3 417-1

Our objective is to provide products that meet our customers' quality and cost requirements.

Accomplished in 2018:

- **We consolidated the market position of our premium OMV MaxxMotion 100plus gasoline fuel, emphasizing its unique benefits.**

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

In 2018, in the OMV-branded filling station network we started developing real-life technical tests in partnership with the Technical University of Cluj-Napoca for our gasoline fuel, OMV MaxxMotion 100plus, that demonstrated its superior benefits in the market. For a better understanding of the OMV MaxxMotion 100plus distinctive features (e.g. unique cleaning molecules that prolong the life of the engine with every usage), a two-month cross-country OMV MaxxMotion Roadshow was organized in collaboration with one of the Napoca Rally Academy drivers and a dedicated truck was available in filling stations in 12 cities. MaxxMotion experts within the company, together with Napoca Rally Academy drivers, offered information to the customers interested in finding out more about our products.

The Petrom-branded filling station network offers customers the fuel they can rely on in conveniently-positioned locations, and its value for money proposition that we constantly adapt and improve.

Product Quality

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

Following legislative changes, gasoline with higher bio content (E10) was introduced in the

OMV filling station

Petrobrazi distribution station

GRI:
417-1
417-2
417-3
419-1
DIR

last quarter of 2018 in order to comply with the new bio-legislation in force starting with the 1st of January 2019.

We provide partners and customers with detailed information about our products. 100% of the fuel distributed is subject to product information and labelling requirements, such as the sourcing of components of the product or service, content, safe use, as well as disposal of the product and environmental / social impacts.

Starting with October 2018, new graphical elements are displayed on fuel pumps, which allow for the identification of fuels depending on the ethanol / bioethanol content.

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

Safety Data Sheets

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

These documents, regulated under REACH (EU regulation no. 1907/2006), include comprehensive information on potential health, safety and environmental hazards, and inform customers and employees how to safely handle and use our products.
We are committed to producing sulphur-free diesel and gasoline (sulphur content <10 ppm) at our Petrobrazi refinery. In 2018, we blended 76,411 t biodiesel into diesel and 47,092 t bioethanol into gasoline.

2018 has brought us one step closer to understanding and improving our clients' satisfaction. For the first time, we have conducted a per-brands, networks-scale client satisfaction digitalized survey aimed at measuring customer satisfaction on our range of products and services. This initiative provided us with over 35,000 unique customer feedbacks that will help us maintain the quality of our products and services over time.

Number of incidents of non-compliance with regulations and voluntary codes:

During the reporting year, there were no cases of non-compliance with regulations and voluntary codes concerning product marketing and labelling.

What we will do in 2019

- **Continue to provide innovative products and services that meet our customers` needs in terms of quality and cost requirements, and to increase customer satisfaction.**
- **Environmental, health and safety issues have to be integrated in the way we manage product quality throughout the manufacturing and sales process.**

During the reporting year, there were no cases of non-compliance with regulations and voluntary codes concerning product marketing and labelling

HUMAN RIGHTS

8 DECENT WORK AND ECONOMIC GROWTH

Our objectives are to implement OMV Petrom's Policy commitment to respect, fulfil and support the human rights principle of UNGC.

Accomplished in 2018:

- **Awareness campaign to reinforce our responsibility to respect human rights**
- **Human Rights Self-Assessment at corporate level in OMV Petrom**

Following the UN Guiding Principles on Business and Human Rights, OMV Petrom has certain responsibilities to respect, fulfil and support the observance of human rights in relation to its business activities. As one of the biggest private companies in Romania, fundamental human rights are of paramount importance to us. We primarily believe in protecting the human rights of our employees, recognizing their need for respect and dignity. We also know from experience that human rights violations and allegation of such can result in business risks. All these principles are described and incorporated in the OMV Human Rights Management System and the Human Rights Policy Statement, which were recently updated.

Starting with May 2018, a communication campaign for raising awareness about the updated Policy and the Human Rights Matrix, which are the main components of the OMV Human Rights Management System, was developed in OMV Petrom. 1,000 brochures were distributed and were well received by employees. Under the title of "respected at work, happy at home", employees understand that human rights responsibilities are important when they are embedded in their daily work and, moreover, they should be shared with the ones at home. Additionally, an interactive e-learning program is offered to all employees, which guides them through norms and situations with respect to the human rights approach.

Finally, at the end of the year, an internal campaign was developed for a week in order to celebrate Dec 10th, International Human Rights Day and 70th anniversary of Universal Declaration of Human Rights, which was proclaimed by the United Nations General Assembly in Paris in 1948.

GRI:
103-2
103-3
DIR

Brochures for human rights

The Human Rights Self-Assessment conducted in 2018

GRI:
412-1
412-2
412-3
414-1
414-2
DIR

Management approach

The OMV Group Human Rights Policy Statement, which is valid and respected in OMV Petrom, sets out our understanding and responsibility for the respect and observance of human rights in our business environment. It has been approved by the OMV Executive Board and serves as guiding principle for dealing with human rights issues in all aspects of our daily business life.

The OMV Human Rights Matrix covers responsibilities in the following areas:

- Human rights risk management in general, including compliance with national and international standards, human rights training, grievance mechanism and organizational set-up
- Equality and non-discrimination
- Security
- Health & safety
- Labor rights, including decent wages, working hours, employee representation and provisions against forced labor, child labor and human trafficking
- Education
- Property and standard of living, including land rights and poverty reduction
- Local communities and indigenous people, including free, prior and informed consultation
- Privacy and family life, including personal data protection.

In 2018, OMV Group conducted an Initial Country Risk Ranking and planned some risk assessments at country level. One of them was a Human Rights Self-Assessment in OMV Petrom, Romania. The Human Rights Self-Assessment is one of the tools to ensure human rights due diligence and to evaluate the implementation of our commitment to human rights.

While we are committed to identifying and addressing human rights risks and impacts directly linked to our business activities, including the rights of our workforce and of those living in communities affected by our activities, it was a good opportunity to assess the current status within the organization. The target helped us to create internal awareness, captured the self-perception of our human rights performance and facilitated the definition of gaps and further actions.

Managers of departments dealing with human rights related topics – such as human resources, legal, HSSE, procurement, community development and others – were asked to fill in a questionnaire capturing the self-perception of OMV Petrom SA in regard to compliance with the OMV Human Rights Policy Statement and Matrix in Romania.

The plausibility of responses was assessed by an independent external expert in light of the available human rights country data. Based on the expert's recommendations, OMV Petrom developed an action plan covering the areas of safety, security, grievance mechanism, supply chain management, working conditions, equality and non-discrimination. The actions will be implemented in the next years as specific projects for the need of employees.

In relation with the evaluation of the human rights activity, OMV Petrom has in place two instruments that can be used by the employees: the grievance mechanism for personal claims and using the opportunity to be advised in a professional manner by the staff of the PetrOmbudsman department.

In OMV Petrom, comprehensive disciplinary and grievance procedures are in place, that support us in eliminating discrimination at the workplace. The tools are managed at corporate level by the compliance and human resources departments. Additionally, we require our business partners (suppliers and sub-contractors) to respect our company's policy and we encourage them to develop similar standards. As a result of our specific management system and Policy, there were no incidents of severe human rights violations reported in 2018 (child labour, harm to indigenous people, discrimination).

PetrOmbudsman

PetrOmbudsman Department – support for employees and for management

The department – the first of its kind in a Romanian oil and gas company – serves employees and management as a safe environment to discuss workplace issues in a confidential, off the record, informal way. It helps people deal with workplace conflicts, but also allows them to share ideas, find ways to improve business processes or their own career paths, through self-empowerment or by facilitating communication with the company, where necessary.

Also, it identifies and alerts the organization about systemic trends and issues, so that management can take the appropriate measures, based on recommendations. The Ombudsman department holds on-site visits

A safe place to discuss issues

1,650 persons benefited from Ombudsman workshops

GRI: 412-3 414-1 DIR

and sometimes performs outreach activities, like workshops, as to help create a harmonious work environment.

In 2018, about ~6,000 persons were contacted by the department representatives during these visits, of which ~1,650 also benefited from Ombudsman workshops (topics focused on two of the company's most valued principles: team spirit and accountability).

Some of these visits were conducted in 2018 together with colleagues from the Legal Department, in a common effort to inform employees on amiable resolution options available before reaching litigation (both through the company's formal channels and by contacting the Ombudsman, as an informal channel).

To increase awareness, a video campaign was rolled out on the intranet consisting of short informative movies, on subjects related to behavioural patterns that people should follow in a normal and pleasant working environment. The topics were centered on basic values, derived from the Company's Code of Conduct and Human Rights policy, (e.g. equality and non-discrimination) which teach the importance of mutual respect and also accountability for one's actions.

Additionally, the department implemented other types of activities, such as:

- ► Updating the Ombudsman "Sensitivity Map" – a document that outlines the most important risks, from an Ombudsman perspective, in the main areas of the company;
- ► A campaign dedicated to "Adequate language behaviours", to remind employees of the importance of respectful communication;
- ► Extending its services towards other parts of the company, that had not been covered so far. (e.g.OMV Petrom Aviation, ICPT and some of the filling stations in the system)

What we will do in 2019

- ► **Continue training on human rights through e-learning tools and special workshops for the persons considered exposed to human rights risks.**
- ► **Continue the awareness campaign for all employees.**
- ► **Revision of PetrOmbudsman's "Non-retaliation policy", so as to reconfirm its position as a safe place to address any issues of concern.**
- ► **Identification of potential new areas for extending PetrOmbudsman services within the organization and potential collaboration opportunities with external Ombudsmen, so as to help consolidating the profession in Romania.**
- ► **A new and updated concept for Assertive communication workshops, available free of charge to the workforce.**

PetrOmbudsman continues to expand its footprint

SUPPLY CHAIN

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

GRI:
102-9
103-2
103-3
DIR

OMV Petrom applies its sourcing and logistics expertise to ensure the best quality of materials and services provided in a framework of our supply chain. Within the supply chain, Corporate Procurement Department plays an important part, acting as a valuable partner for the business, aiming to foster innovation, to maximize value contribution and to enable growth.

At the same time, we stay fully compliant with applicable legal requirements, as well as with internal standards in areas of, amongst others, health, safety, environmental protection, human rights.

OMV Petrom manages its supply chain in accordance with the internal principles and values, as demonstrated in the diagram, serving as a basis for the implementation of the OMV ‘s vision “Create Value”. Our vision is directed at creating effective and impactful procurement operations, while increasing the efficiency and simplicity of the supply chain management.

Sustainability compliance of suppliers

The legal requirements and internal rules and standards applicable in OMV Petrom must also be applied by all our suppliers. OMV Petrom’s Code of Conduct regulates that suppliers support the OMV Petrom’s principles, and it mitigates supply chain risks such as forced labour, slavery, human trafficking or corruption.

Suppliers are obliged to fully comply with the content of the Code of Conduct by requiring all of their supply chain partners to become co-signatories of the Business Ethics Policy or the Code of Conduct. Tools like 360-degree feedback, supplier evaluations and audits assess and monitor the suppliers´ valuations of the principles outlined in OMV Petrom’s Code of Conduct.

OMV Petrom has a process in place aimed at ensuring that sanctioned parties (e.g. by EU, United Nations) are not accepted as business partners for our procurement activities.

Additionally, we adjusted the supplier relationship management system and introduced improvements in accordance with the best practices in the sustainability area. This resulted in various improvements: we extended the ESG (environment, social

Effectiveness & impact | Procurement & beneficiaries as partners continuously optimize cost[1], quality and supply-side innovation

Effectiveness & simplicity | Simple interfaces, reduced coordination effort, fast response

Partner in OMV

- ▶ Thought partner for business
- ▶ Challenge business to improve quality of Procurement decisions
- ▶ Solution orientation
- ▶ Compliance ensured

Lean organization

- ▶ Simple, efficient processes
- ▶ Clear interface to business
- ▶ End-to-end responsibility

Strong team

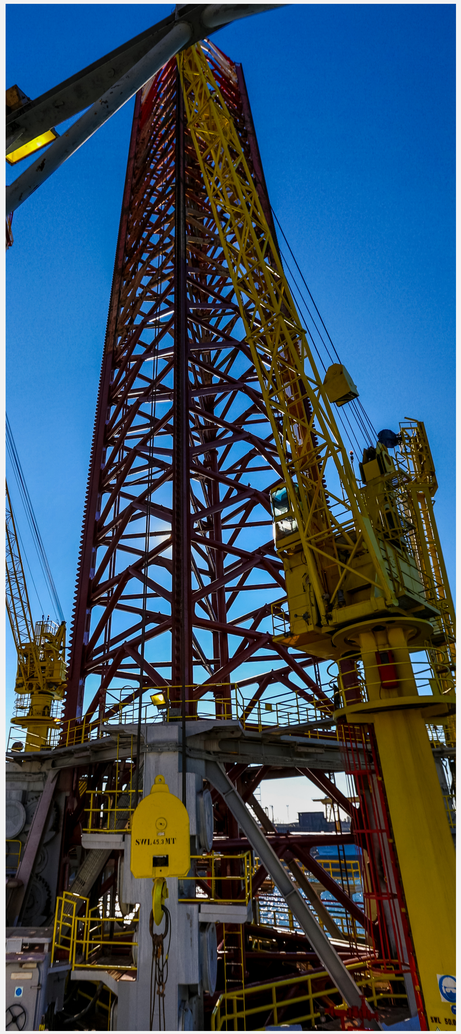
- ▶ State-of-the-art skills (market, procurement tools, etc.)
- ▶ Technical skills
- ▶ Continuous development

Effective steering

- ▶ One target with business: value-oriented
- ▶ Full transparency
- ▶ Global accountability
- ▶ Contractor/supplier management

OMV Foundation | Team spirit, Accountability, Passion, Pioneering spirit, Performance

[1]Total cost of ownership/life cycle costs



GRI:
102-9
204-1
DIR

and governance) assessment. Within the scope of our assessment in relation to the management of and performance on ESG topics, we cover human rights, occupational health and safety, social responsibility, business ethics, compliance and environmental performance. The assessment is conducted through a questionnaire, submitted to suppliers in a target group.

We developed a consolidated yearly audit plan covering the sustainability-related area of HSSE, business ethics, human rights, etc. In 2018, we made a step forward in our supplier performance management road map and defined the target to perform more than 10 audits per year by 2020, also covering sustainability topics and more than 20 per year by 2025.

By the end of 2018, nine audits covering the entire range of sustainability topics were performed.

In addition to this, each year we perform topic-specific audits, such as process safety, financial management, performance efficiency, management and organization. In 2018 we performed 83% of the audit plan. 86% of the audits had follow-up measures. By the end of 2018, in 60% of the audits the follow-up measures were closed, and the others will be closed according to an agreed plan in 2019.

The target for the ESG assessment and supplier audits defined for 2018 was fully reached, as defined in the road map. Following these actions, all the suppliers assessed and audited met our requirements. Further optimization and improvement areas were identified and agreed upon in order to improve the supplier relationship management system.

Sustainability risks for all new suppliers, including HSSE, community relations and reputation, are identified at the early assessment stage, in accordance with the "Corporate HSSE Recommendation on Pre-qualification for Contractors". Corporate and legal HSSE requirements are provided already at the tender stage.

We assess HSSE qualifications of potential suppliers and rank them in the OMV Petrom Risk Matrix.

For those suppliers that present potential sustainability risk for sustainable supply chain management of OMV Petrom, a closer investigation on compliance with the OMV Petrom "HSSE Contractors' Management Standards" is conducted.

For crude transportation partners, additional assessment against TMSA (Tanker Management and Self-Assessment) Standard is applied, as OMV Petrom is a member of the OCIMF (Oil Companies International Marine Forum).

For suppliers with over EUR 300,000 contract values, we conduct supplier risk assessment on an annual basis, where we verify their HSSE performance based on inspections and audits of monitored KPIs.

The final contractor evaluation, including HSSE and CSR performance, is communicated to the Procurement department to undertake further contractual management actions, as necessary. OMV Petrom reserves the right to terminate the relationships with suppliers, if issues of non-compliance with applicable policies are discovered, or non-compliance is not addressed in a timely manner.

Local procurement

Local procurement, which we encourage, creates further value in our local communities. Spending with local suppliers accounted for 89% of total expenditures in 2018.

In line with our aim to always consider the impact of our actions on the local environment, we aim to continuously improve our local content approach. We support local suppliers in actions to improve their capabilities, which will help them meet higher technical, HSSE and business standards.

Our newly introduced ESG assessments and various audits serve as a basis for suppliers to understand the critical issues in sustainability management and performance, and to foster their further development in this area based on the gaps resulting from the assessment.

Digitalization role in supply chain management

OMV Petrom advanced in its journey towards digitalization of the procurement process. Inspired by OMV's vision "Create Value" and in line with the developments in the procurement markets, OMV Petrom took a decision in 2018 to implement SAP Ariba in all processes related to "Source to Contract & Commerce Automation".

Introducing a single platform for managing the procurement process will help us to ensure effectiveness and efficiency by integrating various systems and processes used so far for detailed supplier assessment and management. A digital format of all procurement-related documentation will also improve the track record and timely management of all procurement-related issues.

This tight integration and structured monitoring of suppliers will enhance transparency and decision-making efficiency and ensure compliance of the entire supply base.

What we will do in 2019:

Respect the targets established at OMV Group level:

- **Perform more than ten audits per year by 2020, also covering sustainability topics.**
- **Increase the number of supplier audits covering sustainability elements – over twenty per year by 2025.**

PERFORMANCE IN DETAILS

„You have to constantly strive to climb higher to be able to see far away.”
Constantin Brâncuși

ECONOMIC PERFORMANCE

	Unit	2018	2017	2016	GRI indicator
Profit / Loss before taxes	RON mn	4,914	2,904	1,265	102-7, DIR
Sales[1]	RON mn	22,523	19,435	16,647	
Direct Economic Value Generated[2] (DEVG)	RON mn	22,898	19,825	17,224	201-1, DIR
Economic Value Distributed[3] (EVD)	RON mn	19,813	18,170	16,188	
Economic Value Retained	RON mn	3,085	1,655	1,036	
Financial Assistance Received from Government					
Tax relief	RON mn	9	14	13	201-4, DIR
Tax credits	RON mn	38	26	24	
Investment grants*	RON mn	103	81	203	
Total proved reserves as of December 31st	mn boe	532	566	606	OG1, DIR
Total hydrocarbon production	mn boe	58.30	61.18	63.74	
of which crude oil and NGL production	mn bbl	26.78	27.33	29.15	107-7
of which natural gas production	bcm	4.83	5.18	5.29	

[1] Sales excuding petroleum products excise tax
[2] DEVG = net sales, financial revenues (income from at-equity accounted investments and interest income), other operating income and gains from disposal of fixed assets.
[3] EVD = value distributed to stakeholders (suppliers, governments, capital providers, employees, shareholders, society).
* Financing contract for the investment in the Combined Cycle Power Plant located at Brazi.

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

ENVIRONMENTAL INDICATORS

Environmental Indicators	Unit	2018*	2017*	2016	GRI indicator
Energy consumption	PJ	45.1	43.3	45.8	302-1 302-4
Water withdrawal by source	mn m^3	18.29	16.75	17.59	303-1, 303-3, DIR
thereof groundwater	mn m^3	5.19	7.08	6.6	
surface water	mn m^3	11.84	8.45	9.73	
from public supply systems	mn m^3	1.26	1.22	1.26	
Emissions					
Total direct GHG emissions - scope 1	mn t CO_2 eq	4.5	4	4.4	correlated with 305-1, DIR
Upstream	mn t CO_2 eq	2.11	2.02	2.32	
Downstream Oil, excludes Power plants	mn t CO_2 eq	0.99	1	0.99	
Downstream Gas, includes Power plants	mn t CO_2 eq	1.40	0.98	1.08	
GHG (direct, scope 1)	mn t CO_2 eq	4.5	4	4.4	305-1, DIR
CO_2	mn t	3.6	3.2	3.3	
CH_4	t	35,033	32,048	44,304	
N_2O	t	24	23	24	
GHG (indirect, scope 2)	mn t CO_2 eq	0.080	0.057	0.058	305-2, DIR
Other air emissions					305-7
SO_2	t	572	630	679	
NO_x	t	3,588	3,290	3,218	
Non-methane-volatile organic compounds (NM-VOC)	t	5,171	5,358	6,958	
Particulate emissions	t	59	62	63	

ENVIRONMENTAL INDICATORS

Environmental Indicators	Unit	2018*	2017*	2016	GRI indicator
GHG Intensity					305-4, DIR
GHG Intensity Petrobrazi refinery[1]	t CO_2 eq / t crude	0.254	0.240	0.251	
GHG Intensity CCPP[1]	t CO_2 eq / MWh	0.356	0.359	0.366	
GHG Intensity Upstream	t CO_2 eq / toe	0.259	0.237	0.263	
GHG Intensity Index OMV Petrom[2]	%	+5.4	-6.3	-5.9	
Waste water emissions					OG5 306-2
Chemical oxygen demand (COD)	t	1,096	665	598	
Hydrocarbons	t	7.84	13.5	13	
Total nitrogen	t	32	36	38	
Waste					
Total waste hazardous and non-hazardous waste	th. t	430.4	367.2	812.36	306-2
Spills	number	2,164	2,375	2,105	306-3
Spills Volume	Liters	35,442	51,490	97,590	
Flaring and Venting					OG6, DIR
Hydrocarbons flared	t	41,797	38,667	22,189	
Hydrocarbons vented	t	36,834	31,348	48,233	

* Data including Kazakhstan
Comments to GHG Intensity:
1 - CO_2 verified emissions
2 - Weighted average of GHG Intensity variations from Business Divisions

FRESHWATER WITHDRAWAL INTENSITY

Freshwater Withdrawal Intensity	Unit	2018*	2017*	2016	GRI Indicator
Freshwater Intensity Upstream	cbm/toe	0.66	0.71	0.71	303-1, 303-3, DIR
Freshwater Intensity Downstream Oil[1]	cbm/t throughput	2.26	1.74	1.82	
Freshwater Intensity Power Plants	cbm/MWh	0.97	1.04	1.12	
Freshwater Intensity Index Petrom[2]	%	+11.5	-3.3	-6.2	

WASTE MANAGEMENT BY TYPE

Waste management by type	Unit	2018*	2017*	2016	GRI Indicator
Total waste	thousand tons	430.43	367.2	812.36	306-2
Hazardous waste	thousand tons	243.79	217.72	243.94	
Non-hazardous waste	thousand tons	186.64	149.48	568.42	
Hazardous Landfill	thousand tons	51.97	37.65	39.77	
Hazardous recycling	thousand tons	64.54	51.56	97.86	
Hazardous incineration	thousand tons	2.39	4.38	11.05	
Other hazardous disposal	thousand tons	124.89	124.12	95.26	
Non - Hazardous landfill	thousand tons	36.66	18.5	99.09	
Non - Hazardous recycling	thousand tons	132.54	123.35	405.9	
Non - Hazardous incineration	thousand tons	0.68	0.09	0.17	
Non - Hazardous other	thousand tons	16.77	7.55	63.26	

Comments to Freshwater Withdrawal Intensity:
1 - Excludes Power Plants
2 - Weighted average of Freshwater Withdrawal Intensity variations from Business Divisions
*Data including Kazakhstan

ENVIRONMENTAL PROTECTION EXPENDITURE

Environmental protection expenditure**	Unit	2018	2017	2016	GRI Indicator
Environmental protection expenditure, excluding depreciation	mn EUR	96.87	103.69	105.43	103-3
Environmental investments for assets put into operation	mn EUR	59.43	29.39	43.09	

NUMBER OF GRIEVANCES ABOUT ENVIRONMENTAL IMPACTS

Number of grievances about environmental impacts	2018/2017	Total number of grievances	Number of grievances analyzed	Number of grievances solved	GRI Indicator
		949/1046	949/1046	732/725	103-2
Compensation for land contamination - Natural Persons	2018/2017	463/573	463/573	392/465	
Compensation for land contamination - Legal Persons	2018/2017	29/38	29/38	12/30	

HEALTH AND SAFETY PERFORMANCE

Health and Safety Performance	2018	2017	2016	GRI Indicator
OMV Petrom Employees				403-2
Fatalities	1	0	1	
Lost workday injuries	4	4	6	
Lost work days (Calendar days)	256	242	490	
LTIR per one million hours worked	0.20	0.15	0.25	
TRIR per one million hours worked	0.80	0.61	0.60	
Contractors				
Fatalities	2	0	0	
Lost workday injuries	12	8	10	
Lost work days (Calendar days)	967	410	400	
Lost-Time Injury Rate (LTIR) per one million hours worked	0.29	0.19	0.19	
Total Recordable Injury Rate (TRIR) per one million hours worked	0.47	0.39	0.33	
Combined (OMV Petrom employees and contractors)				
Lost-Time Injury Rate (LTIR), per mn hours worked	0.26	0.17	0.21	
Total Recordable Injury Rate (TRIR), per mn hours worked	0.58	0.48	0.43	

** When reporting Environmental protection expenditure, OMV Petrom uses the EMA (Environmental management accounting) methodology developed by International Federation Accountants (IFAC)

TOTAL NUMBER OF EMPLOYEES AT 31.12.2018

	2018	2017	2016	GRI Indicator
Total number of employees	13,201	13,790	14,769	102-7
of which women	2,997	3,108	2,951	102-8
With ILC, undetermined period, full time	13,044	13,565	13,689	
of which women	2,950	3,034	2,909	
With ILC, undetermined period, part time	15	7	3	
of which women	9	4	1	
With ILC, determined period, full time	140	225	161	
of which women	38	70	41	
With ILC, determined period, part time	2	0	0	
of which women	0	0	0	

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES, THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES[1]

Standard benefits for full-time employees			**GRI Indicator**
Benefit	Details Significant location of operation/Beneficiaries	Motivation	401-2, DIR
Kindergarten subsidy	All employees with kids under 6 years old	Attraction / parity committee	
Relocation / Commuting	Changing the current working point with another for over 60 Km farther without commuting possibilities	Attraction / safety / retention / standard	
Health insurance care	Private health insurance for employees and their family	Health protection	
Parental leave	All employees	Gender equality	
Reimbursement of home transport	Employees with domicile / residence over 10 Km farther than the working point without shuttle transportation possibilities	Attraction / CLA	
Subsidies for holiday and treatment	All employees	Attraction	

[1]These key benefits are the same for all locations of operation in the OMV Petrom S.A.

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

The percentage of total employees, by gender and by employee category, who received a regular performance and career development review	%	%	%	GRI Indicator
	2018	2017	2016	
% of members of the organization who received a performance review	43.47	41.61	36.34	404-3
% of women who received performance review	71.40	66.06	63.23	
% of employees with ILC, undetermined period, full time, who received a performance review	43.14	40.86	35,63	
% of women, with ILC, undetermined period, full time, who received performance review	71.19	65.72	62.84	
% of employees with ILC, determined period, full time, who received performance review	74.29	86.67	97.52	
% of women, with ILC, determined period, full time, who received a performance review	92.11	80	92.68	

PARENTAL LEAVE

Parental leave	2018		2017		2016		GRI indicator
	Women	Men	Women	Men	Women	Men	
Number of employees who returned to work after parental leave ended	69	16	48	13	20	4	401-3, DIR
Number of employees who returned to work after parental leave ended, who were still employed twelve months after their return to work	60	15	42	9	18	4	

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

The percentage of individuals within the Supervisory Board	%	%	%	GRI Indicator
	2018	2017	2016	
Percentage of women	11.1	11.1	0	405-1, DIR
Percentage of individuals under 30 years old	0	0	0	
Percentage of individuals between 30-50 years old	11.1	11.1	33.3	
Percentage of individuals over 50 years old	88.9	88.9	66.7	

The percentage of individuals within the Executive Board	%	%	%	GRI Indicator
	2018	2017	2016	
Percentage of women	20	40	40	405-1, DIR
Percentage of individuals under 30 years old	0	0	0	
Percentage of individuals between 30-50 years old	80	40	20	
Percentage of individuals over 50 years old	20	60	80	

THE PERCENTAGE OF WOMEN AND MEN EMPLOYEES PER EMPLOYEE CATEGORY

The percentage of women and men employees per employee category*

	Top Management		Middle Management		Lower Management		Operative Staff	
	2018	2017	2018	2017	2018	2017	2018	2017
Percentage of women in the organization	0.47%	0.45%	4.37%	4,41%	1.40%	1,54%	93,76%	93,60%
Percentage of men in the organization	0.21%	0.18%	2.48%	2.48%	2.51%	2,67%	94,81%	94,68%

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

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN

Ratio of remuneration of women to men by employment category**	%	%	%	GRI Indicator
	2018	**2017**	**2016**	405-2
Employees with ILC, undetermined period, full time	1.29	1.27	1.3	
Employees with ILC, determined period, full time	0.4	0.23	0.55	
Employees under 30 years old	1.18	1.16	1.54	
Employees between 30-50 years old	1.49	1.4	1.1	
Employees over 50 years old	1.06	0.93	0.99	

RATIO OF REMUNERATION OF WOMEN TO MEN BY EMPLOYMENT CATEGORY

Ratio of basic salary of women to men by employment category	%	%	%	GRI Indicator
	2018	**2017**	**2016**	405-2
Employees with ILC, undetermined period, full time	1.21	1.21	1.23	
Employees with ILC, determined period, full time	0.4	0.33	0.67	
Employees under 30 years old	1.18	1.15	1.4	
Employees between 30-50 years old	1.49	1.33	1.09	
Employees over 50 years old	1.06	0.93	0.98	

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

NEW EMPLOYEES HIRED BY AGE AND GENDER

New employees hired by age group and gender							GRI Indicator
Age Group	Number of employees			of which women			401-1
	2018	2017	2016	2018	2017	2016	
<30 years old	116	110	31	39	42	9	
30-50 years old	191	162	54	68	57	16	
>50 years old	22	30	6	7	2	0	

EMPLOYEE TURNOVER BY AGE GROUP AND GENDER

Employee turnover by age group and gender							GRI Indicator
Age Group	Number of employees			of which women			401-1
	2018	2017	2016	2018	2017	2016	
<30 years old	53	82	58	17	32	21	
30-50 years old	297	542	559	89	117	97	
>50 years old	568	657	655	119	170	152	

NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES

Products and Services	2018	2017	2016	GRI Indicator
Number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling		-	-	417-2, 417-3, 419-1
Number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications		-	-	
Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	145,950 RON	91,350 RON	125,050 RON	

FREQUENCY OF TRAINING SESSIONS ON CODE OF BUSINESS ETHICS

Frequency of training sessions on Code of Business Ethics		GRI Indicator
The category to whom document is applicable to	**Frequency of training sessions**	205-2
Employees on managerial levels	Every 3-year	
Employees working in sensitive areas	Tailored training sessions upon the case	
New employees	Once in the first year of employment	
Other employees	By request	

LEVEL OF AVAILABILITY/ACCESSIBILITY TO COUNSELING SERVICES ON ETHICAL AND LAWFUL BEHAVIOUR, AND MATTERS RELATED TO ORGANIZATIONAL INTEGRITY

Level of availability/accessibility to counseling services on ethical and lawful behaviour, and matters related to organizational integrity					GRI Indicator
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**	102-17
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	
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

Total number of requests for advice, including the percentage of requests that were answered during the reporting period					GRI Indicator
Type of counseling services	**Type of request**	**Description of the type of request**	**Number of requests**	**Number of requests that were answered**	102-17
Advice	Request for advice on business ethics-related topics	• Conflict of interests • Business ethics-related clauses in contracts with third parties • Gifts and invitations • Sanctions and embargo	87	87 (100%)	

APPENDIX

“To understand is more important than to know.”

Alexandru Ioan Cuza

LIST OF PARTICIPATIONS IN PROFESSIONAL AND EMPLOYERS' ASSOCIATIONS 2018 OMV PETROM

Membership

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

ABBREVIATIONS AND DEFINITIONS

A

API American Petroleum Institute

B

BES Biodiversity and ecosystem services
boe Barrel oil equivalent

C

CCPP Combined Cycle Power Plant
CEO Chief Executive Officer
CHP Cogeneration or Combined Heat & Power
CO_2 Carbon Dioxide
CO_2 eq Carbon dioxide equivalent
CPT – Internal technological consumption
CST – Central Southern Europe

E

EOR Enhanced Oil Recovery
EU European Union
EU ETS EU Emissions Trading Scheme
EWRM Enterprise Wide Risk Management

F

FIC Foreign Investors Council

G

G2P Gas to Power
GDRs Global Depositary Receipts
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
GIS Geographic Information System
GJ Gigajoule
GMS General Meeting of Shareholders
GRI Global Reporting Initiative
GWP Global warming potential

H

HSSE Health, Safety, Security, and Environment

I

ICPT Câmpina Institute of Research and Technological Design Câmpina
ILC Individual Labor Contract
IOR Improved Oil Recovery
IPIECA International Petroleum Industry Environmental Conservation Association
ISO International Organization for Standardization

K

KPI Key Performance Indicator

L

LTIR Lost-time injury rate
LSE London Stock Exchange

M

m^2 Square meter
m^3 Cubic meter
mn million
MW Megawatt
MWh Megawatt hour

N

Nm^3 normal meter cube
NM-VOC Non-Methane Volatile
NO_x Nitrogen oxide

O

OPCOM S.A. Romanian Gas and Electricity Market Operator
OPEX Operating expenses

P

PEC Production Enhance Contract
PIMMS Production Information Management and Monitoring System
PIMS Pipeline Integrity Management System
PJ Petajoule
PNPS National Multiannual Integrated Plan for Health Promotion
PODS Pipeline Open Data Standard
POS CCE Sectoral Operational Programme “INCREASE OF ECONOMIC COMPETITIVENESS”
ppm parts per million

R

RBI Risk Based Inspection
REACH Registration, Evaluation, Authorisation and Restriction of Chemicals
RP Recommended Practice

S

SCE Safety critical elements
SDGs Sustainable Development Goals
SO_2 Sulfur dioxide
Solomon Solomon – method of calculating performance indicators for refineries benchmarking
SRA Security Risk Assessment

T

t Tonnes
TAR Turn Around
t/y Tonne(s)/year
TPM Total Productive Maintenance
TRIRTotal recordable injury rate
TWh Terawatt hour

U

UN United Nations
UNGP United Nations Guiding Principles

W

WO&WI Work Over & Well Intervention

MATERIALITY TOPICS BOUNDARIES

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

GRI:
103-1
102-46

MATERIALITY TOPICS BOUNDARIES

Material Topic	GRI Indicators	Impact along OMV Petrom Value Chain		Stakeholders
		Inside OMV Petrom	Outside OMV Petrom	
Business principle and social responsibilities				
Risk Management	103-1,103-2, 103-3, 201-2, 102-29, 102-30, 102-15, 102-11, 102-31, 102-33	●	●	Suppliers, Banks, Government, Parliament, Representatives of employees, Professionals´associations, Local Administrations, Other community members, National media, Associations, Universities/Schools, Employees, Capital Markets
Local Communities	103-1,103-2, 103-3, 413-1, 203-1, 203-2, 413-2	●	●	Banks, The Presidency, Government, Parliament, Representatives of employees, Professionals´associations, Other community members, Local or territorial media, Associations, Foundations, Universities/Schools
Business ethics and compliance	103-1,103-2, 103-3, 102-17, 206-1, 102-16, 205-2, 102-25, 415-1, 419-1, 418-1	●	●	Suppliers, External Consultants, Clients, Banks, The Presidency, Government, Parliament, Employers´associations, Professionals´associations, Local Administrations, Other community members, Local or territorial media, Associations, Foundations, Universities/Schools, Employees, Capital Markets
Product responsibility	103-1,103-2, 103-3, 417-2, 417-3, 419-1, 417-1	●	●	Clients, Banks, Government, Parliament, Representatives of employees, Professionals´associations, Other community members, National media, Associations, Foundations, Universities/Schools
Human rights	103-1,103-2, 103-3, 412-3, 414-1, 412-2	●	●	Banks, The Presidency, Government, Employers´ associations, Professionals´associations, Other community members, Associations, Foundations, Research institutions
Supply chain Management	103-1,103-2, 103-3, 102-9, 204-1	●	●	Banks, Parliament, Professionals´associations, Other community members, Associations, Foundations, Employees
Innovation				
Technologies and Innovation	103-1,103-2, 103-3	●	●	Suppliers, Government, Parliament, Employers´associations, Professionals´associations, Local Administrations, Other community members, Associations, Capital Markets

GRI:
103-1
102-46

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GRI 102: General Disclosures	**Organizational profile**	
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	102-3 Location of headquarters	7, 97
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	102-10 Significant changes to the organization and its supply chain	OMV Petrom Annual Report 2018 pg. 8, 9
	102-11 Precautionary Principle or approach	14, 54, 24
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	102-20 Executive-level responsibility for economic, environmental, and social topics	16
	102-21 Consulting stakeholders on economic, environmental, and social topics	20
	102- 22 Composition of the highest governance body and its committees	OMV Petrom Annual Report 2018 pg. 48
	102-23 Chair of the highest governance body	OMV Petrom Annual Report 2018 pg. 48
	102-24 Nominating and selecting the highest governance body	OMV Petrom Annual Report 2018 pg. 48
	102-25 Conflicts of interest	63
	102-26 Role of highest governance body in setting purpose, values, and strategy	16
	102-27 Collective knowledge of highest governance body	16

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Energy		
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Water		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	20, 87-88
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GRI 403: Occupational Health and Safety	403-1 Workers representation in formal joint management–worker health and safety committees	26-33
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GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	60
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GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	20, 87-88
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GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	70
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GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	20, 87-88
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GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	20, 87-88
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GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	20, 87-88
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Note:

In this report, the terms “the Company”, “OMV Petrom”, “OMV Petrom Group” and “the Group” are used for convenience where references are made to OMV Petrom S.A. and its subsidiaries in general (see OMV Petrom Annual Report pg.170). The information presented in this report refers to consolidated results of OMV Petrom Group, except where specified otherwise.

Previous Sustainability Report was published in 2018, reporting the results of OMV Petrom Group, Sustainability performance of 2017.

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