

Statement on Modern Slavery and Human Trafficking for the Financial Year 2019

This statement is made pursuant to section 54 of the UK Modern Slavery Act 2015 (hereinafter referred to as “Act”) and explains the steps OMV Aktiengesellschaft and its group companies (hereinafter referred to jointly as “OMV”) have taken, and are continuing to take, to ensure that modern slavery or human trafficking is not taking place within OMV’s supply chain and associated businesses.¹

1. Business Structure

OMV produces and markets oil and gas, innovative energy and high-end petrochemical solutions – in a responsible way. With Group sales of EUR 23 bn and a workforce of around 20,000 employees in 2019, OMV Aktiengesellschaft is one of Austria’s largest listed industrial companies. In Upstream, OMV has a strong base in Central and Eastern Europe as well as a balanced international portfolio, with Middle East & Africa, the North Sea, Russia and Asia-Pacific as further core regions. Daily average production was 487,000 boe/d in 2019. In Downstream, OMV operates three refineries in Europe and owns a 15% share in ADNOC Refining and Trading JV, with a total annual processing capacity of 24.9 mn tons. Furthermore, OMV has a 36% participation in Borealis, one of the world’s leading producers of polyolefin. The Company operates about 2,100 filling stations in ten European countries. OMV runs gas storage facilities in Austria and Germany; its subsidiary Gas Connect Austria GmbH operates a gas pipeline network in Austria. In 2019, gas sales volumes amounted to around 137 TWh. Sustainability is an integral part of OMV’s corporate strategy. OMV supports the transition to a lower-carbon economy and has set measurable targets for reducing carbon intensity and introducing new energy and petrochemical solutions.

2. OMV’s relevant Policies regarding Human Rights

OMV strongly opposes forced labor, slavery, child labor, and human trafficking. The focus on forced labor and human trafficking prevention is part of OMV’s larger effort to respect and realize human rights. The respect for and realization of human rights has been fundamental to OMV’s activities for many years and is an essential part of the OMV Sustainability Strategy 2025, which constitutes an integral part of the Corporate Strategy 2025.²

a. Humans Rights Policy and Matrix

OMV’s human rights policy commits us to respect, fulfil, and support internationally recognized human rights as set out in the Universal Declaration of Human Rights and in internationally recognized standards, including those of the International Labor Organization (ILO) and OECD Guidelines for Multinational Enterprises. It is the guiding principle for dealing with human rights issues in all aspects of the daily business life.³

To implement its human rights policy, OMV has mapped its responsibilities in a comprehensive Human Rights Matrix. This matrix includes the particularly sensitive areas of modern slavery, child labor, human trafficking and forced labor and ensures active management of risks with respect to human rights related to OMV’s business activities.

¹ Subsidiaries within OMV Group that met the turnover threshold applicable under section 54 of the Act for the financial year 2019 will publish separate statements with additional details on their activity, on their supply chain and on their controls they have in place to prevent modern slavery and human trafficking.

² For more detailed information, please refer to the [OMV Sustainability Report 2019](#)

³ For more detailed information, please refer to the [OMV Human Rights Policy Statement](#)

b. OMV's Code of Conduct

OMV is a signatory of the United Nations Global Compact (hereinafter referred to as "UNGC") and is fully committed itself to implementing the UNGC principles on human rights including the elimination of all forms of forced and compulsory labor (principles 4 and 5). The UNGC principles on human rights are reflected in OMV's Code of Conduct. It explains the manner in which OMV behaves as an organization. Our Code of Conduct stipulates that suppliers must support OMV's principles. This mitigates supply chain risks such as forced labor, slavery and human trafficking. Suppliers are obliged to comply fully with the content of the Code of Conduct.

To ensure adherence to OMV's human rights values by the business and its suppliers, and to ensure that forced labor, slavery and human trafficking are not taking place in its own business nor its supply chain, OMV has incorporated a Code of Conduct in its General Conditions of Purchase of OMV Group.⁴ OMV requires all of its supply chain partners to become co-signatories of the Business Ethics Policy or the Code of Conduct.

Should OMV discover at any time a failure to comply with the conduct expected of its suppliers, business partners and other third parties, it commits to work proactively with them to redress any failing. OMV has a zero tolerance approach and in any circumstance where it believes such a collaborative approach is inappropriate or ineffective, it will strongly consider ceasing all business with that supplier or counterparty.

3. Due Diligence Processes and Risk Assessment

We recognize our responsibility to avoid complicity in human rights abuses – including modern slavery – as described in the UN Guiding Principles on Business and Human Rights (UNGPs) and continue to incorporate these principles into our business processes. OMV maintains a grievance mechanism as per UNGP's effectiveness criteria with respect to its business activities and supply chains to detect any incidents relating to human rights in all the countries where OMV operates.

The Code of Business Ethics applies to everyone who works for OMV and our Whistleblowing Platform enables our employees and external stakeholders, like our suppliers, to report any instances of non-compliance with the Code of Business Ethics. Employees may also report matters of concern to their immediate manager, a human resources manager or any other manager.

Among other human rights risks, the risks of becoming complicit in modern slavery and human trafficking are part of the decision-making components determining OMV's engagement in a given country. Before we launch operations in a country, we conduct a Human Rights Country Entry Check. Where national law falls short of OMV human rights standards, which are based on international human rights law, OMV is guided by its higher standards unless this is in contradiction with applicable mandatory law. We use these assessments to derive concrete measures to reduce the risk of direct and indirect involvement in any potential human rights violations. Our existing operations are also subject to regular assessments of their exposure to the risk of human rights violations, such as modern slavery and human trafficking. Internationally recognized human rights professionals support our human rights risk due diligence and provide an impartial and external view on our human rights risks and responsibilities.

The Human Rights Self-Assessment is one of the tools we use to assess the effectiveness of our human rights due diligence approach. In 2019, a Human Rights Self-Assessment in Yemen raised internal awareness, captured our self-perception of our human rights performance and facilitated the definition of gaps and further actions. OMV Yemen developed an action plan in order to mitigate the risk of any negative impact

⁴ General Conditions of Purchase of OMV Group

and increase positive impact of our engagement in the challenging environment of Yemen. Among other actions, this plan also includes actions in the area of supply chain management, security, community development and labor rights'. We are aware of a general rise in child labor and forced labor in the country, and therefore pay particular attention to using all our professional contractor relations and monitoring tools to identify and manage any related problems. When selecting suppliers, OMV assesses potential risks with particular focus on countries where forms of modern slavery and human trafficking are prevalent. Tools such as evaluations and audits assess and monitor supplier compliance with the principles outlined in OMV's Code of Conduct. Our assessment of suppliers' ESG management and performance covers human rights, occupational health and safety, social responsibility, business ethics, compliance, and environmental performance.

For the reviewing of its main suppliers, OMV regularly engages external supply chain auditors. The selection of the suppliers to be audited is based on a broad risk assessment, including forced labor risks. Where a supplier does not act with integrity or does not have suitable controls in place, OMV will consider whether it can work with the supplier to implement improvements or needs to terminate the relations with the supplier.

In 2019, we performed 6 ESG assessments and 11 audits with sustainability topics covered with selected suppliers.

Moreover, we strengthened the role of human rights aspects in the pre-qualification and audit phase in the course of a review of the OMV Contractor HSSE Management Standard in 2019.

4. Key Performance Indicators and Assurance Structures

With the OMV Sustainability Strategy 2025 we have defined *Business Principles and Social Responsibilities* as one of our focus areas. We have committed ourselves publicly to four targets supporting human rights and the elimination of modern slavery and human trafficking in our business relations:

| Target 2025 | Status 2019 |
|--|---|
| ▶ Promote awareness of ethical values and principles: conduct in-person or online business ethics training for all employees | ▶ 514 employees trained in person ▶ 11,144 employees completed the online training |
| ▶ Assess Community Grievance Mechanism of all sites against UN Effectiveness Criteria ⁵ by 2025 | ▶ 5 out of 10 sites in scope assessed |
| ▶ Conduct human rights trainings for all employees exposed to human rights risks (target group) ⁶ by 2025 | ▶ 9,241 employees trained |
| ▶ Increase the number of supplier audits including sustainability issues to >20 per year by 2025 | ▶ 11 supplier audits conducted |

⁵ Legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, based on engagement and dialogue.

⁶ 654 employees in corporate functions managing human rights risks as well as the corresponding functions (human resource, procurement, asset/operations, HSE, social responsibility, security, logistics, etc.) in countries with elevated human rights risks.



OMV actively engages with Environmental, Social, and Governance (ESG) rating agencies and socially responsible investors, who cover a wide range of criteria, including policies for child and forced labor and other human rights related topics. OMV is listed – among others – in the Dow Jones Sustainability Index, in two MSCI ESG Indexes, and in the FTSE4Good Index Series. As part of a supply chain assessment, OMV's sustainability performance has been evaluated by using external sustainability assessment platforms (EcoVadis and NQC-BMW) and received silver CSR status by EcoVadis. In 2019, OMV has been included in the Corporate Human Rights Benchmark for the first time and reached a score of 30.7/100 which is above the extractive industry's average of 2019.

OMV undergoes a yearly, external assurance process for its sustainability reporting, which includes an audit of human rights and supply chain management structures and reporting on KPIs.

5. Training and Awareness Raising

OMV offers a group wide training program, comprising classroom trainings and an e-learning tool, with the aim of increasing human rights awareness. The classroom training program focuses on employees active in high risk countries. In 2019, we conducted classroom trainings in Austria, Romania, Tunisia, Libya, the United Arab Emirates and Yemen. With internal awareness raising measures, we encouraged employees throughout the Group to complete the human rights e-learning program.⁷ 9,241 employees completed a human rights training in 2019, and by the end of the year, 47% of all employees and 82% of the key target group were trained in human rights.

For more information about OMV's approach to human rights, please refer to the [OMV Sustainability Report 2019](#).

Vienna, June 2020



⁷ For more detailed information, please refer to www.omv.com/humanrights