Statement on Modern Slavery and Human Trafficking for the Financial Year 2018

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. OMV Upstream explores and produces oil and gas in Europe, the Middle East, Africa, Russia and Asia-Pacific. Downstream Oil (incl. Petrochemicals) operates three refineries in Austria, Germany and Romania, an international multibrand filling station retail network, and a high-quality commercial business. Downstream Gas is a fully integrated value-added gas sales and logistics business.

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 has implemented a Human Rights Policy Statement that sets out OMV’s understanding and responsibility for the respect and realization of human rights. 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 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.

b. OMV’s Code of Conduct

OMV is a signatory of the United Nations Global Compact (hereinafter referred to as “UNGC”) and fully committed itself to implementing the UNGC principles on human rights including the elimination of all forms of forced and compulsory labor. 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 and how OMV expects its employees, contractors and suppliers to act.⁴

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 Business Ethics Policy and Code of Conduct. OMV requires all of its supply chain partners to become co-signatories of the Business Ethics Policy or the Code of Conduct.

¹ Subsidiaries within OMV Group that met the turnover threshold applicable under section 54 of the Act for the financial year 2018 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 2018
³ For more detailed information, please refer to the OMV Human Rights Policy Statement
⁴ For more detailed information, please refer to the OMV Code of Conduct
Should OMV discover at any time a failure to comply with the conduct expected of its suppliers and counterparties, 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

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. We use these assessments to derive concrete measures to reduce the risk of direct and indirect involvement in any potential human rights violations. Our current operations are also subject to regular assessments of their exposure to the risk of human rights violations, such as modern slavery and human trafficking. In 2018, we conducted a total of 30 such risk assessments at country level – among others one for Malaysia before our decision to engage in the country. Internationally accepted 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 selection of suppliers comprises an assessment of potential risks with particular focus on countries where forms of modern slavery and human trafficking are prevalent.

Moreover, OMV uses tools, such as 360-degree feedback, supplier evaluations, and audits, to assess and monitor supplier compliance with the principles outlined in OMV’s Code of Conduct. In 2018, we updated the supplier relationship management system and introduced improvements in accordance with best practice in sustainability. As a result, we expanded the ESG (Environment, Social, and Governance) assessment of our suppliers. Our assessment of 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 engages regularly 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.

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:

► Promote awareness of ethical values and principles: conduct in-person or online business ethics trainings for all employees
► Assess community grievance mechanisms 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 (including human rights) to >20 per year by 2025

OMV maintains a grievance mechanism with respect to its business activities and supply chains to detect any incidents relating to human rights in all the countries where OMV operates.
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.

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 2018, we marked the 70th anniversary of the UN Declaration on Human Rights and the 10th anniversary of the OMV Human Rights Matrix by launching an internal awareness raising campaign and invited employees throughout the Group to complete the human rights e-learning program.5

For more information about OMV’s approach to human rights, please refer to the Sustainability Report 2018.

Vienna, June 2019

The Executive Board

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