



# The OMV Compliance Management System

Compliance



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“For OMV compliance is much more than simply adhering to the law. Our aspiration is to apply the highest ethical standards to the decisions we make every day”.

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Alfred Stern

## Foreword

### For OMV, compliance is more than just adherence to law

It is one of the legal obligations of every company to conduct its business activities in compliance with the law. For OMV, however, compliance is much more than simply adhering to the law. Our aspiration is to apply the highest ethical standards to the decisions we make every day. This is the only way to win the trust of customers, business partners and the public in the long term. Trust and integrity are the basis for economic success.

The key element of our commitment to integrity is a set of binding rules for ethically correct behaviour throughout the Group, flanked by organisational measures designed to timely identify risks of rule violations and to prevent them (“Compliance Management System”).

The management and further development of our Compliance Management System at OMV is the responsibility of the Compliance Organisation. This requires a demand-oriented organisation with a clear allocation of tasks and a high level of expertise, which structurally corresponds to the needs of OMV Group. On this basis, the comprehensive and coordinated advice to the operative business as well as the consistent implementation of the compliance regulation in the business processes is guaranteed.

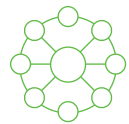
An open communication culture is an essential component of a well-functioning Compliance System. Employees must be able to raise concerns openly and, above all, at an early stage. The Compliance Organisation is available to employees as a point of contact for their concerns and guarantees consistent clarification. In this way, we can remedy misconduct and ensure that we act in accordance with the highest ethical standards.

With this brochure, we would like to provide an insight into OMV’s Compliance Management System: How it was developed, what elements it consists of and what we are doing to develop it further.

Alfred Stern  
Chairman of the Executive Board

# 1 – Introduction

The Compliance function in the OMV Group was established as a separate department in 2011 as part of the organisational restructuring of the Group. The purpose of the centralisation of compliance activities was to anchor a group-wide coordination of compliance topics, to establish clear reporting lines and to create uniform compliance regulations as well as associated compliance processes and controls.



The Compliance Organisation was set up along the lines of the requirements of IDW PS 980

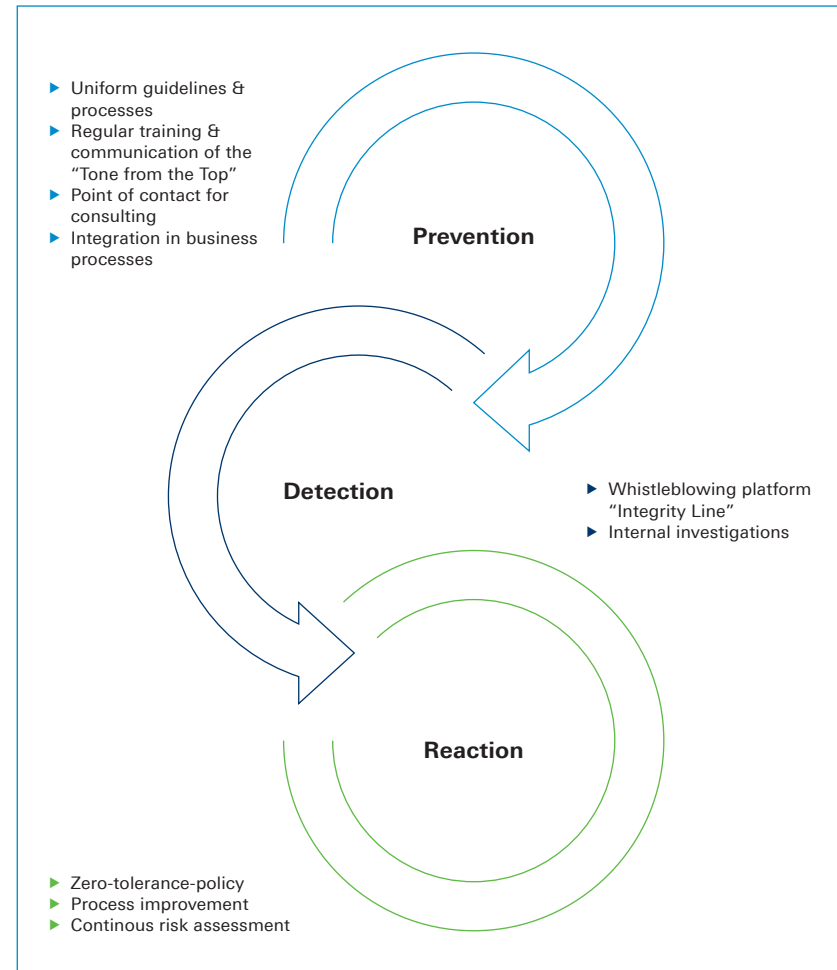
In addition to the growing size of the OMV Group, the core factors for centralizing the Compliance function back then were the increasing internationalisation of business activities and the generally growing public awareness for compliance topics. Also, changes in the legal framework made it necessary to identify areas of risk arising from entrepreneurial activities and to take appropriate measures to avoid systematic misconduct and resulting risks of liability and fines for the company. Examples for changing legal frameworks were the entry into force of the Austrian Act of Corporate Criminal Liability (Verbandsverantwortlichkeitsgesetz) or the UK Bribery Act.

The latter is an important anti-corruption law for all European companies, as its scope of application extends beyond the borders of Great Britain. In this context, it is important to note that the UK Bribery Act as well as the Act of Corporate Criminal Liability stipulate the existence of an effective compliance programme as a means of limiting liability for companies.

The Compliance Organisation was set up along the lines of the requirements of IDW PS 980. IDW PDS 980 is an (auditing) standard published by the Institute of Public Auditors in Germany (IDW) in 2011 that contains specific requirements for the content and structural requirements of a Compliance System in a company. In accordance with these requirements, the organisation, objectives and measures as well as the processes of the Compliance System for defined compliance areas were described in an internal manual, thereby defining the operating model for OMV's Compliance Organization.

OMV's compliance program is based on three pillars: Prevention, Detection and Reaction.

## Cornerstones of OMV's Compliance Systems



# 2 – Compliance organisation

The Compliance function at OMV is responsible for the establishment and operation of the Compliance System in the areas of business ethics/anti-corruption, capital markets law, competition law and trade sanctions (“Compliance Areas”).



The Compliance Organisation of the OMV Group consists of 12 Compliance Officers. In addition, the Group's Compliance Organisation is supported by 23 local Compliance Officers.

The Compliance function is performed by the Vice President Compliance. He reports disciplinarily and functionally to the Senior Vice President Internal Audit & Compliance. The latter reports to the Executive Board and the Supervisory Board on compliance and audit topics.

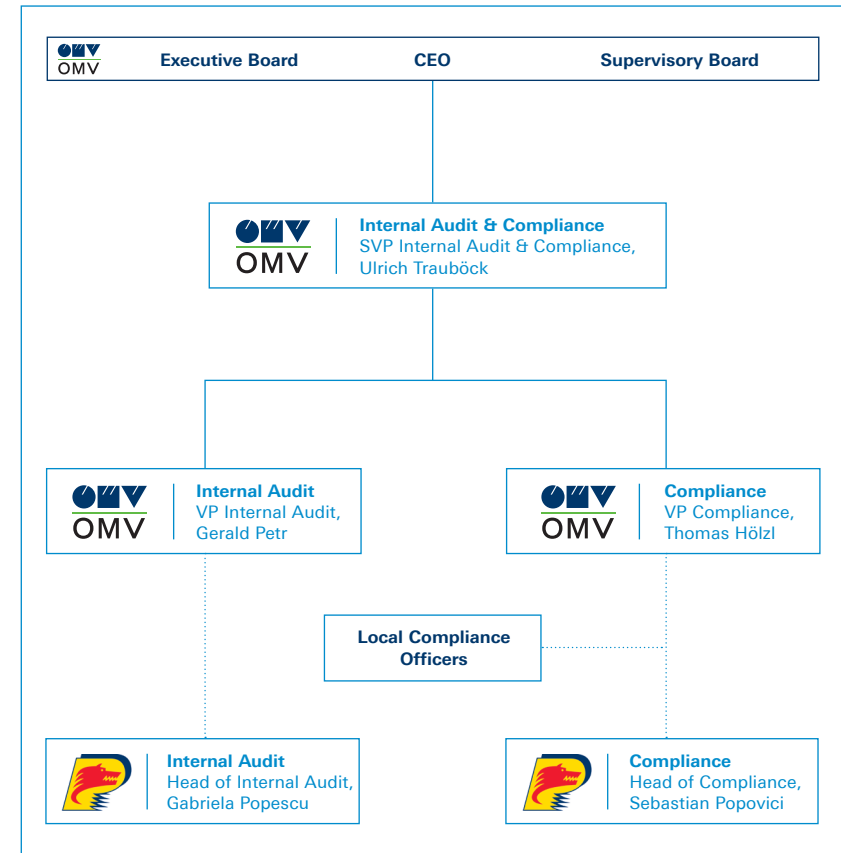
The Vice President Compliance is supported in the fulfilment of his tasks by the Compliance Organisation assigned to him. The central task of the compliance officers is to advise employees on compliance topics and to support the management in dealing with compliance risks. This task is performed by the compliance officers in their role as subject matter experts. Other tasks include communicating the “tone from the top” at all organisational levels through training and informing about legal developments in the Compliance Areas as well as the investigation of compliance violations.

In the various countries in which OMV operates, the Compliance Organisation is supported by local Compliance Officers. The local Compliance Officers act as on-site partner for employees. They answer questions about business ethics, support communication on compli-

ance topics and identify potential risk areas where compliance training is needed.

A significant organisational development took place in 2016 when the Compliance function was consolidated with the Internal Audit function to report jointly to the Senior Vice President Internal Audit & Compliance. Both the Internal Audit und Compliance functions are part of the internal control system with the task of minimising risks and examining compliance with internal and external regulations. The aim of the organizational consolidation was to pursue a more integrated approach to risk management within the OMV Group, without compromising, however, the organizational independence of the Internal Audit and Compliance functions. Both functions therefore continue to be performed by two separate departments. In terms of daily work processes, however, the consolidation of the two functions led to an intensification of the professional exchange and the bundling of know-how and expertise.

## Compliance organisation



## Digital Toolbox

The local Compliance Officers are supported in the fulfilment of their function by a specially set-up, web-

based compliance portal with relevant information and practical tools.

# 3 – Prevention

The first pillar in OMV’s three-pillar Compliance System includes information and advice based on a set of binding rules with the aim of avoiding compliance violations.

## Rules and processes

The group-wide regulations concerning the Compliance Areas are stipulated in the Code of Business Ethics. The Code of Business Ethics is a set of binding rules which set out specific rules of conduct, process requirements and the governance of the Compliance Organization. The Code of Business Ethics applies in all countries in which OMV is active.

The Code of Business Ethics prohibits all forms of corruption and contains rules and processes for accepting and giving gifts and invitations, for conflicts of interest, for sponsorships and donations, and for engaging intermediaries and lobbyists. Furthermore, it contains rules for the Compliance Areas competition law and trade sanctions. The Code of Business Ethics does not contain rules for compliance with capital market laws. The rules for this Compliance Area are stipulated in a separate internal regulation. Also, the rules and principles concerning the submission of reports on compliance violations and the subsequent investigation of reported misconduct are stipulated in a separate internal regulation (Whistleblowing Directive).

The rules in the Code of Business Ethics are supplemented by a series of organizational measures. For example, managers are required to disclose conflicts of interest in an annually recurring process or to confirm that there are no such conflicts. In addition, managers and employees in particularly exposed positions need to confirm compliance with the rules of the Code of Business Ethics” (Compliance Declaration). Furthermore, upon joining the company, new employees acknowledge the rules of the Code of Business Ethics and expressly confirm to adhere to these rules.



1,090 employees in management sales or procurement functions signed the annual conflict of interest declaration in 2022.

## Trainings

Training is an essential element in informing employees about the rules of the Code of Business Ethics. Training courses do not only serve to inform employees. Rather, they also serve the purpose of raising awareness for ethical issues. In-person trainings play a particularly important role. They offer employees a platform for questions and the possibility of an active exchange. The target group for classroom trainings includes managers and staff in particularly exposed positions. At OMV, classroom trainings are conducted for all Compliance Areas in a three-year training cycle by experts of the Compliance Organization.

The classroom trainings are supplemented by e-learning programs. Their purpose is to “refresh” the knowledge of the compliance rules within the training cycle. The e-learning programs are rolled out group-wide in a two-year interval.

Another awareness-raising measure are “onboarding meetings” for new managers, in which they are made aware of and familiarised with all relevant regulations in the Compliance Areas.

## Consulting

Another central component of the preventive pillar is the opportunity for all employees of the Group to receive advice on compliance topics. Consultations complement the trainings. The aim of the training is to raise awareness with employees so that they are in the position to identify potential risks and seek further advice. The task of counselling is to assess compliance-critical situations and to offer legally compliant solutions. For advice, employees can either contact the local compliance officers on site or directly contact the staff of the Compliance department at the Group headquarters.



In 2022, 1,343 employees across the Group were personally trained in business ethics, competition law, capital market law and trade sanctions.

## Facts

In 2022, all members of the Executive Board and all managers reporting to the Executive Board expressly confirmed their adherence to the

regulations of the Code of Business Ethics with their signature (Compliance Declaration).

## Facts

In 2021, the second round of the e-learning programs on business ethics was launched on a group-

wide basis. 9,020 employees completed the web-based business ethics training.

## Integration in business processes

Another preventive measure is the implementation of compliance checks in business processes. The design and degree of automation of these compliance checks vary depending on the Compliance Area. For example, in the area of trade sanctions, a fully automated screening of all data contained in the master data systems against sanctions lists is carried out on a daily basis. In certain countries where OMV operates, an automated integrity check of business partners is carried out.

In other areas, the compliance check is carried out by explicitly involving the Compliance Organization due to process requirements defined in the Code of Business Ethics.

Examples in this context are checks and approvals of gifts and invitations as well as of sponsoring and donation activities or the performance of background investigations before engaging sensitive business partners (e.g. intermediaries) or "new country entry" checks.

In addition to the processes stipulated in the Code of Business Ethics, the Compliance Organization is involved on an ad hoc basis, for instance, in the development of new business strategies, business models or the implementation of (major) projects. Thereby, projects are subjected to a compliance check at an early stage.



# 4 – Detection

The second pillar of the compliance program is the detection of misconduct. This includes the creation of secure reporting channels and the consistent clarification of reported misconduct.

## Identifying compliance violations

Whistleblowing plays an important role in detecting misconduct. Special processes have been put in place to encourage staff or third parties to come forward with information on misconduct. To this end, the protection of the identity of whistleblowers through the possibility of submitting anonymous reports or the assurance of confidentiality, if whistleblowers disclose their identity, have been stipulated in an internal regulation (Whistleblowing Directive). In addition, employees in their capacity as whistleblowers are guaranteed special protection against disadvantages as long as the information is provided in good faith. On this basis, the “speak-up culture” in the company shall be enhanced.

For the secure submission of confidential and anonymous reports, a separate whistleblowing channel (the “Integrity Platform”) has been set up, which is operated in the form of a web-based system by an independent provider. In this way, it is not only possible to submit reports in anonymous form but also to have an anonymous dialogue with the whistleblower. The aforementioned protection principles for whistleblowers apply both to reports submitted via the Integrity Platform and to those submit-

ted directly and personally to the Compliance Organisation.

In specific cases, anonymous whistleblowers are offered to use an external ombudsman (named by Compliance) in order to further substantiate their reports in a secure and confidential manner.

## Whistleblowing system: Integrity Platform

The assistance of every employee is an important element in protecting OMV from damage and disadvantages caused by unethical or illegal behaviour.

OMV employees are therefore encouraged to report incidents within the OMV Group that do not comply with the law or the Code of Business Ethics.

Violations in various important legal areas can be reported confidentially and, if desired, anonymously through the Integrity Platform:

- ▶ Corruption and bribery
- ▶ Conflict of interest
- ▶ Competition law
- ▶ Capital markets law
- ▶ Public procurement
- ▶ Environmental protection
- ▶ Product / Food Safety and Consumer Protection
- ▶ Corporate tax regulations
- ▶ Data protection

Every report is treated strictly confidential and carefully verified in all directions. The Integrity Platform can be accessed on the global OMV website or internally via the OMV internal intranet.

## Investigation of compliance violations

Indications of possible misconduct are consistently followed up. In this

context, internal responsibilities and the process for conducting investigations to clarify misconduct have been defined. In summary, the investigation process consists of the following steps:

First, the indications are examined to clarify whether there is an initial suspicion. If there is an initial suspicion, the internal investigation is conducted and investigative work is started on the basis of a developed investigation plan. Should the allegations made be corroborated during the course of the investigation, the principle applies that affected employees are given the opportunity to be heard on the allegations. After the investigation is completed, a final report is written, management is informed of the findings and potential labour law measures or measures to improve processes are discussed.

The following overview depicts the described process of an internal investigation, starting from the first suspicion up to possible consequences.

### Internal investigation





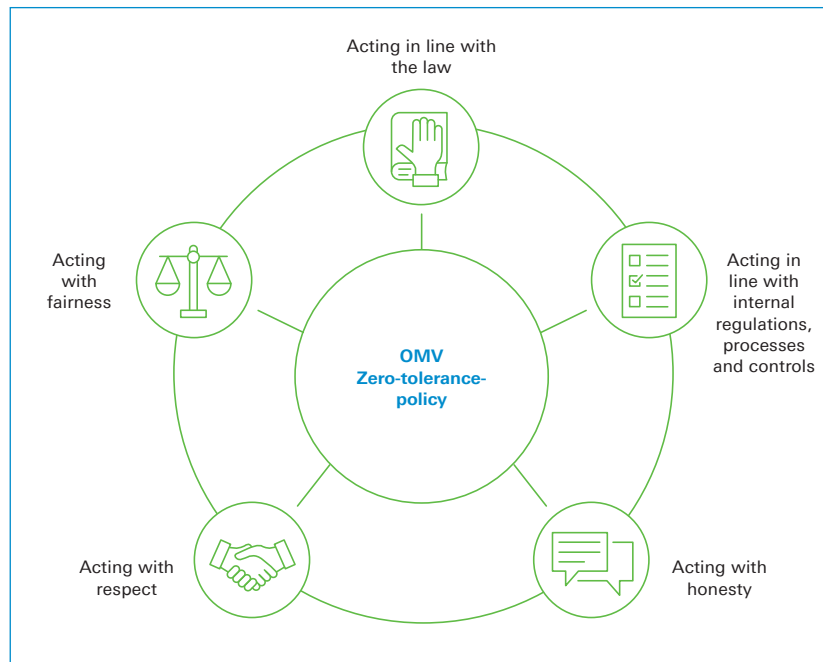
## 5 – Reaction

OMV has established a strict zero-tolerance policy for violations of the rules stipulated in the Code of Business Ethics. Results of compliance investigations are assessed along the lines of this principle.

Should an investigation reveal that an employee has actually engaged in misconduct, potential labour law measures will be discussed with management and Human Resources. Depend-

ing on the nature and severity of the offence and taking into account all circumstances of the individual cases, potential consequence will be drawn.

### Acting with integrity



## 6 – Further development of the Compliance System

### External audit according to IDW PS 980

The development of OMV's Compliance System did not end with its establishment in 2011. Rather, it was continuously developed. The main drivers for adjustments were, for example, changes in the corporate organisation or in the areas of business activities, findings from the implementation of the Compliance System and internal investigations as well as findings from trainings, risk questionnaires or feedback from the local compliance officers.

Changes in the legal framework also led to adjustments in the Compliance System. The design and implementation of OMV's Compliance System have been externally audited for adequacy and effectiveness in the past. The audits were carried out by a renowned, internationally active auditing company on the basis of the auditing standard IDW PS 980. The outcome of the audits was in each case that OMV's Compliance System is appropriately designed and effectively implemented in order to prevent, detect and respond to systematic misconduct in the legal areas of business ethics/anti-corruption, capital market law, competition law and trade sanctions.

### Benchmarking with other compliance organisations and orientation towards best practices

To improve OMV's Compliance Organisation, annual workshops are held with the Compliance departments of other European and internationally active industrial companies. The aim is to exchange best practices with peers, identify current trends and priorities in the area of compliance and address issues that are receiving particular attention within the industry. Special importance is given to the exchange with peers from key stakeholders such as Mubadala or ADNOC.

2021/2022 OMV Compliance conducted a compliance study together with an international acting auditing company. The aim of the study was to survey and compare the maturity of compliance organisations of internationally active companies based in Austria. To this end, OMV Compliance developed a comprehensive questionnaire with around 30 questions. The results of the survey were evaluated by the auditing company. The survey covered topics such as the structure of the compliance organisation, compliance priorities, digitisation, compliance reporting and whistleblowing. 25 companies participated in the study.



The Compliance survey covered topics such as the structure of the compliance organisation, compliance priorities, digitisation, compliance reporting and whistleblowing.

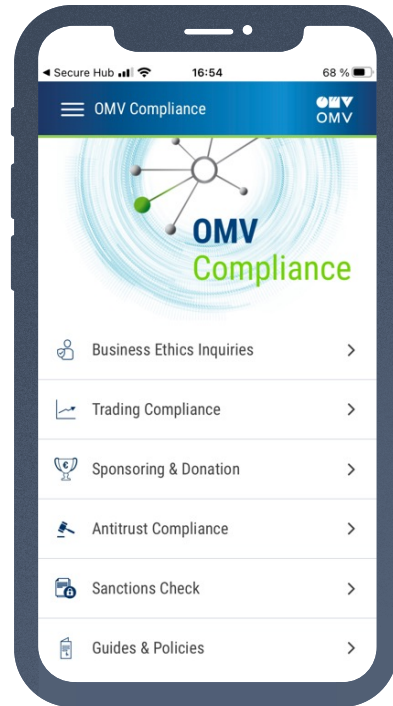
## Digitisation



The compliance app was launched in 2020, providing staff with a modern communication channel to Compliance

For some time now, the further development of the OMV Compliance System has focused on the digitisation and automation of compliance measures. The goal is to make existing IT applications in the Group usable for compliance measures and to develop new IT applications for compliance processes. For example, existing HR systems were made usable for the group-wide roll-out of the e-learning programs and of Compliance Declarations. Also, an automated check of notified sponsorship and donation activities was introduced.

The OMV Compliance app, which was developed by the Compliance department and can be accessed on all OMV mobile phones, is of particular importance in the context of the digitisation efforts. With the OMV Compliance app, a “state of the art” communication channel has been set up for employees. By means of the app, employees can access all compliance portals via their mobile device and obtain information on compliance topics at any time or submit requests in accordance with the process specifications of the Code of Business Ethics.



## 7 – Team

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