▶ **MOLGROUP**

HSE Performance Target Setting & Reporting

HSE1.3_PD1_v5

HSE PERFORMANCE TARGET SETTING & REPORTING

(PROCESS DESCRIPTION)

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OBJECTIVE: According to Element 12 (Assurance, Monitoring & Improvement) of the MOL Group HSE Management System Group Process Description "HSE performance in Businesses and in affected Functional Unit(s) is monitored, evaluated and reported using Group Performance Indicators and additional locally defined indicators". This process description includes the list and the definition of the Group-level performance indicators which have to be reported by all entities regardless of local indicators or regulations.

SCOPE: MOL Group

DATE OF ISSUE: 2024.02.26

DATE OF EFFECT: 2024.04.06

The provisions of this Regulation are obligatory and binding for affected employees, and all the annulled regulation becomes invalid.

CLASSIFICATION: C2

VERSION: 5

APPROVAL ID: 90769

KEY PERFORMANCE INDICATORS AND KEY CONTROLS:

The key performance indicators to be measured are listed in Appendix 2a of this process description.

TRANSITIONAL PROVISIONS:
N/A

RELATED INTERNAL REGULATIONS

Identifier	Title	Description of Relationship
HSE	Health, Safety and Environment Area Book	Contains HSE process breakdown, main principles and rules regarding the planning, target setting and reporting.
HSE1.1_PD1	Health, Safety and Environment Management System	Contains rules related to planning, monitoring, controlling, reporting, analysing HSE indicators.

ANNULMENTS

Identifier	Title	Version Number	Date of Effect
HSE1.3_PD1	HSE Performance Target Setting & Reporting (Process description)	v4	23 January 2023

HSE Performance Target Setting & Reporting

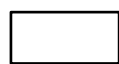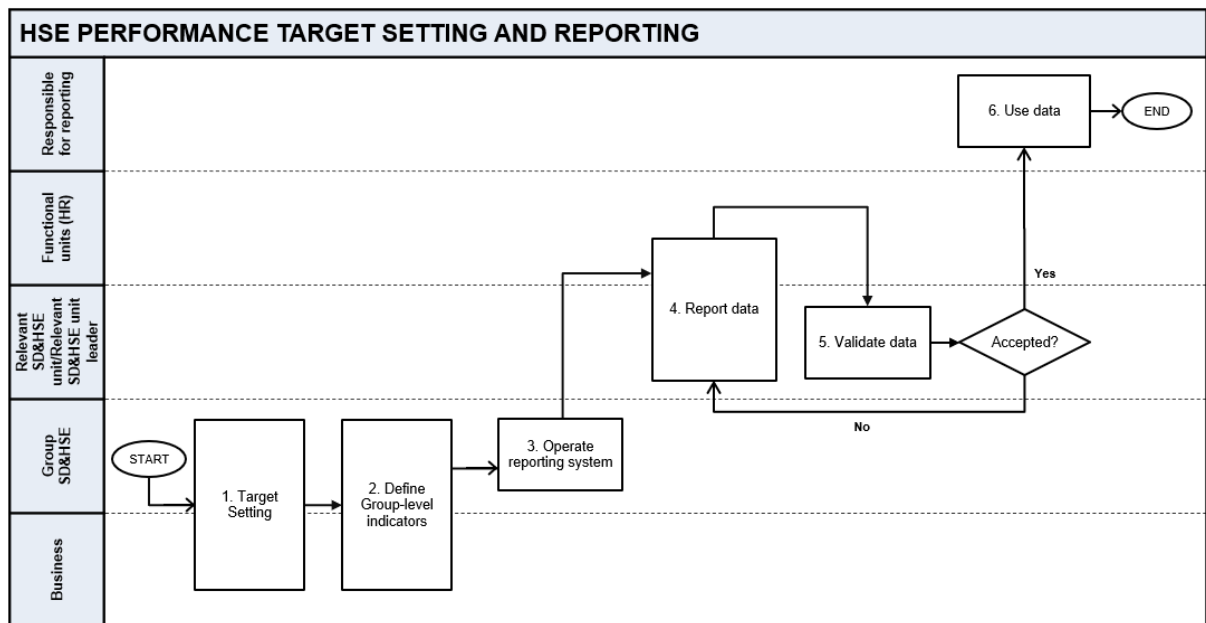# TABLE OF CONTENT

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1 DESCRIPTION OF OF THE HSE PERFORMANCE TARGET SETTING AND REPORTING PROCESS
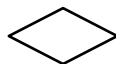
1.1 GENERAL RULES

Group-level HSE-related performance target setting and reporting requirements are defined to ensure a unified approach towards performance reporting and continuously improving HSE performance.

1.2 DETAILED DESCRIPTION of HSE Performance Target setting and Reporting process

Overview of the process

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HSE Performance Target Setting & Reporting

HSE1.3_PD1_v5

#	Process step	HSE Performance Target Setting andReporting	Responsibilities	Connected Documents and Templates
1	Target setting	HSE targets shall be set in a way that they drive the improvement of overall company and business level HSE performance. HSE targets are set on an annual basis : • Corporate target • The corporate target is separated into divisional targets for each division/business unit, but other lagging and leading divisional targets are also defined. • An HSE-related (leading) target is given to all managers to their individual annual targets .	A – Businesses R – Group HSE C – relevant HSE units	
2	Define Group-level indicators	HSE performance shall be monitored through the predefined targets and reported in line with MOL Group reporting requirements (indicators, definitions). Group reporting requirements are defined to have a unified approach towards performance reporting. Group requirements are based on industry best practices and can be different from local legal reporting requirements. Appendix 2a and 2b of this regulation contain all HSE-related Performance Indicators relevant on Group-level. Definition of indicators is the responsibility of the Businesses with involvement of Group HSE and other relevant HSE units (Country, Legal Entity Business Unit/OpCo HSE). Group HSE is accountable for the reporting processes.	A – Group HSE R – Businesses C – relevant HSE units	Appendix 2a,b of this regulation.
3	Operate reporting system	Group HSE is responsible for managing Group-level HSE Data Management System with the involvement of relevant HSE units (Country, Legal Entity Business Unit/OpCo HSE). The system is a unified IT system licenced from Enablon, businesses are informed about all major changes.	R – Group SD&HSE C – relevant SD&HSE units I – Businesses	Group HSE Data Management System
4	Report data	HSE KPI/PIs are reported by relevant HSE units (Country, Legal Entity Business Unit/OpCo HSE) and functional units (HR) via MOL Group HSE Data Management System based on the frequencies defined in this document's appendicies, while businesses are consulted. Relevant HSE units shall comply with MOL Group HSE performance, monitoring and measurement requirements and shall follow the requirements defined in this document (and its appendicies), see details in Appendix 2a and 2b. The data shall be converted in accordance with Annex 2c. Data reporters are responsible for data quality and reliability. This Process Description does not regulate Country, local, country level HSE reporting requirements; those shall be regulated and performed locally (if necessary) to fulfill all relevant external and internal HSE-related reporting (e.g. to authorities).	R – data reporters (relevant HSE units, Functional units (HR)) C – Businesses	Appendix 2a,2b and 2c Templates of MOL Group HSE Data Management System
5	Validate data	In the HSE Data Management System after the data is reported a one-level validation workflow is defined. Validator rights are predefined in the system and are given to the leaders of relevant HSE units (Country, Legal Entity Business Unit/OpCo HSE). In case of rejection data reporters shall correct data according to process step 3. Data reporters and validators have a common responsibility for data quality and realibility. Data is deemed to be reported when it is finally validated.	R – relevant HSE unit leaders	Validated data
6	Use data	HSE Data Management System is the only official source of information that shall be used by all responsibles for reporting in MOL Group processes including but not limited to: - internal and external reporting of HSE performance - target setting	R – responsible for reporting	Internal and external reports of MOL Group HSE Data Management System

Legend: **R** – Responsible; **A** – Accountable; **C** – to be Consulted; **I** – to be Informed.

2 RECORDS

N.A

3 APPENDICES

Appendix number	Appendix title
Appendix 1	List of modifications
Appendix 2a	Reporting Handbook – list of indicators
Appendix 2b	Reporting Handbook – detailed description
Appendix 2c	Reporting Handbook – conversion rates

LIST OF MODIFICATIONS

(i)

Version No.	Description of change	Date of effect
1	New version	25 May 2020
2	• Title change (to match Area Book process) • Target setting process step included (nr. 1) • Most important indicator and definition changes, updates: own staff, worked hours (own staff), material release, monthly EU ETS and non-EU ETS CO_2 emission collection, internal water transfer and intake, recovered spills, contractor supplier safety, contractor and supplier safety indicators. Minor clarifications with other indicators (e.g. GRI references, dimensions/units and explanatory notes about already existing indicators)	28 December 2020
3	• New appendix (conversion factors) • New waste reporting and biodiversity indicators	24 January 2022
4	• Alignment with HSE MS. 23 january 2023	1 Janurary 2023
5	Technical change due to audit compliance, HR signature was added to the cover page.	4 March 2024

LIST OF INDICATORS

List of indicators can be found by clicking on the link.

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DETAILED DESCRIPTION

Detailed description can be found by clicking on the link.

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CONVERSION RATES

Conversion rates can be found by clicking on the link.

LINK