



# Stepping on the gas toward our energy future

Sustainability Report 2018



The energy for a better life.

# Welcome to OMV's 2018 Sustainability Report

## About this Report

This report covers the operations of the OMV Group, headquartered in Vienna, Austria, for the 2018 business year.

## Report Scope and Boundaries, Material Topics

OMV's 2018 Sustainability Report, a document published annually (most recent Sustainability Report published on April 26, 2018), was prepared in accordance with the Global Reporting Initiative (GRI) Standards Core option, in line with the Austrian Nachhaltigkeits- und Diversitätsverbesserungsgesetz (Sustainability and Diversity Improvement Act), and guided by Oil and Gas Sector Disclosures presented following the launch of the GRI G4 Guidelines. The 2018 Report describes our management and performance of the material environmental, social, and governance issues for our Company. It also includes external assurance on key topics (for more information, see the

assurance statement on *pages 117-118*). Our disclosures focus on the topics that have been deemed most material to our business during the materiality analysis performed in 2017 and reviewed in 2018 (please see *page 21*).

The data presented in the Report is consolidated at Group level. All of the Health, Safety, Security, and Environment (HSSE) data is collected for activities where OMV is the operator, or where OMV has a stake of more than 50% and exerts a controlling influence. This approach follows industry best practice and is aligned with IPIECA oil and gas industry guidance on voluntary sustainability reporting.

This boundary applies to all material topics, unless clearly indicated otherwise for a particular material topic in the text of this Sustainability Report.

The document also serves as our Communication on Progress for the UN Global Compact.

 More information about OMV can be found in the OMV Annual Report 2018, in the OMV Factbook and on our website [www.omv.com](http://www.omv.com)

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# CEO Statement

In 2018, our achievements underlined our commitment to sustainability and “The energy for a better life.” Following the successful restructuring of our business in previous years and the implementation of our growth strategy, we are now perfectly positioned. We owe this to our first-class team of more than 20,000 employees, who every day devote their energy to making a better life for people in 23 countries.

The global energy landscape is shaped by growing energy demands. Only if we succeed in meeting this need without neglecting the protection of our environment can we ensure the sustainable development of the global economy. As a socially responsible company, we must strike the right balance between affordable energy, security of supply, and climate protection. We are firmly convinced that the responsible use of oil and the increased use of gas will contribute significantly to the transition toward a lower-carbon future.

Our Sustainability Strategy 2025 is an integral part of our Corporate Strategy. As a sustainable player in the oil and gas sector, we strive for delivering “oil & gas at its best.” We are a reliable supplier of affordable energy and petrochemical products, and demonstrate responsibility toward our stakeholders and the environment. The safety of our workforce and assets is always our top priority, and we contribute to the sustainable development of society. The 15 measurable targets of our Sustainability Strategy form

the foundation for responsibly ensuring the long-term success of our Company.

Safety is our top priority. We engage both our employees and our contractors through our Group-wide safety culture program. Our increased efforts to improve safety are reflected in a 12% reduction in the Lost-Time Injury Rate in 2018 relative to 2017. Despite this, we had a tragic accident in Kazakhstan, in which one of our colleagues and two of our contractors lost their lives. We took immediate action and conducted full investigations, establishing measures throughout the Company to prevent any serious accidents like this in the future.

OMV is committed to climate protection and to responsible resource management. Our strategic goal is to reduce the carbon intensity of our operations by 19% until 2025. The gradual elimination of routine flaring and venting of associated gas by 2030 will make a significant contribution here. Furthermore, in the future we will produce more gas than oil and process more oil into higher-value

products such as petrochemicals. This will help us achieve our 2025 goal of reducing the carbon intensity of our product portfolio by 4% compared to 2010.

We support the transition to lower-carbon energy sources and are continuously working on the introduction of innovative technologies and digital solutions to reduce the environmental impact of our activities. When it comes to innovation, we are committed to investing up to EUR 500 mn in the implementation of two new technologies by 2025. ReOil is an outstanding example of circular economy – this plant converts plastic waste into synthetic crude oil. Co-Processing integrates biogenic oil into our processes and improves the quality of such fuels.

By working with our communities in all countries where we do business, we are creating long-term value for society. More than 900,000 people in 17 countries benefit from our investment of EUR 9 mn in education, self-employment, and infrastructure.

In Libya, for example, OMV supported access to clean water by providing water pumps and supplying the laboratory equipment at a college for renewable energies.

We are proud that our environmental, social, and governance efforts are recognized by leading international rating agencies. We are the only Austrian company to be included in the Dow Jones Sustainability Index (DJSI World) in 2018. With a prime rating of ISS-oekom, we are one of the top four companies in the oil and gas sector out of 148 rated international entities.

In this 14th Sustainability Report, I would like to share with you the achievements of which we are proud, along with the challenges we are continuously working to overcome as we strive toward sustainability. At all times, the entire OMV team focuses on the goal of covering the increasing energy needs in a safe, responsible, and carbon-efficient manner.

Rainer Seele

Chief Executive Officer



# Report of the Supervisory Board

Dear Shareholders,

OMV is committed to implementing its growth strategy in a safe, responsible, and carbon-efficient manner. The Sustainability Strategy 2025 is firmly established in OMV's Corporate Strategy and addresses five focus areas with 15 measurable targets. These targets underscore the commitment OMV has made.

I am very pleased to report that OMV's comprehensive approach to sustainability has been recognized by independent rating agencies and that OMV was included in the internationally renowned Dow Jones Sustainability Index (DJSI World) in 2018.

OMV has opted to make use of the option to prepare its mandatory consolidated non-

financial disclosures as a separate consolidated non-financial report (sustainability report). The consolidated non-financial report that is presented pursuant to Section 96(1) of the Stock Corporation Act was subject to a comprehensive audit and discussion by the Audit Committee and the Supervisory Board. The Supervisory Board found no issues during the audit and approved this report.

Vienna, April 16, 2019

For the Supervisory Board

Peter Löscher m.p.  
Chairman of the Supervisory Board

# OMV at a Glance

OMV produces and markets oil and gas, innovative energy, and high-end petrochemical solutions – in a responsible way.

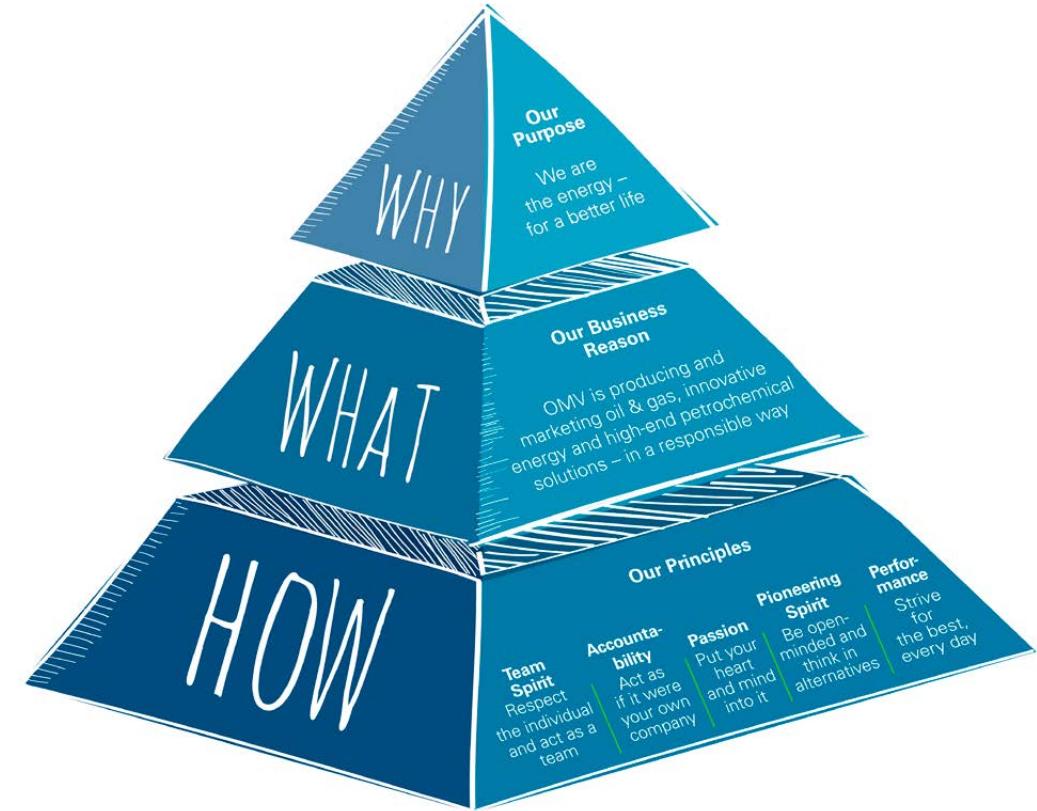
With Group sales of EUR 23 bn and a workforce of more than 20,000 employees in 2018, OMV Aktiengesellschaft is one of Austria's largest listed industrial companies. In Upstream, OMV has a strong base in Romania and Austria as part of the Central and Eastern Europe core region as well as a balanced international portfolio, with Russia, the North Sea, the Middle East and Africa as well as Asia-Pacific as further core regions. Daily production in 2018 stood at approximately 427,000 boe/d. In Downstream, OMV operates three refineries with a total annual processing capacity of 17.8 mn tons and more than 2,000 filling stations in ten countries. OMV runs gas storage facilities in Austria and Germany; its subsidiary Gas Connect Austria GmbH operates a gas pipeline network in Austria. In 2018, gas sales volumes amounted to 114 TWh.

## Our Foundation

To support OMV's business strategy and evolve our culture, we clearly articulated our OMV Foundation, which answers the questions: Why does OMV exist? What are we doing? How are we working together?

**Our Purpose: The energy for a better life.** Energy is part of our lives: Conventional and alternative fuels enable mobility. Natural gas heats homes. Petrochemical products form the basis for plastics we use everywhere – from everyday products (e.g., cables and package material) to high-tech applications (e.g., medical consumables and materials for the automotive industry).

Behind all of these products is OMV energy: energy bringing more convenience and more comfort to life. Along the entire value chain, OMV contributes expertise, technological know-how, and innovations to improve the quality of people's lives. Safe. Secure. Responsible. And Profitable. Today and tomorrow.



**Our Business Reason:** OMV produces and markets oil and gas, innovative energy, and high-end petrochemical solutions – in a responsible way.

Oil and gas have been – and will continue to be – the backbone of the global energy supply. This is why OMV has been investing in modern technologies for greater plant effi-

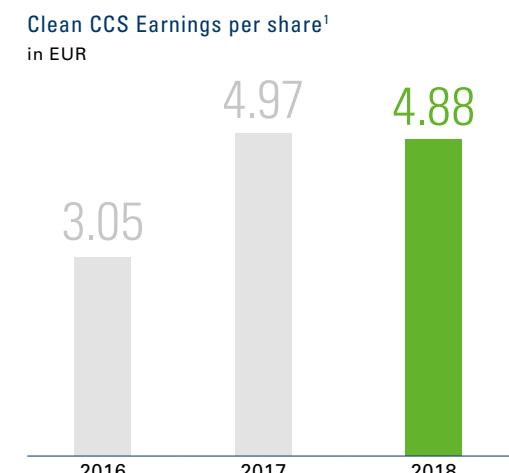
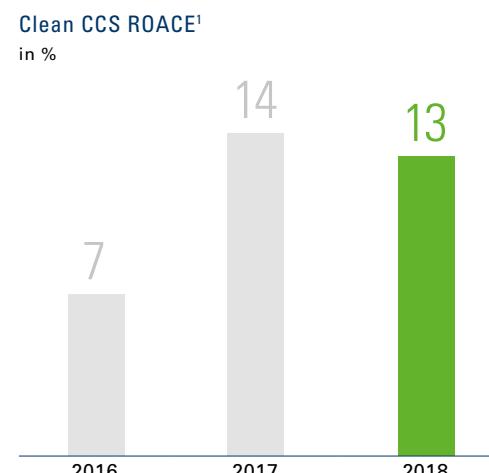
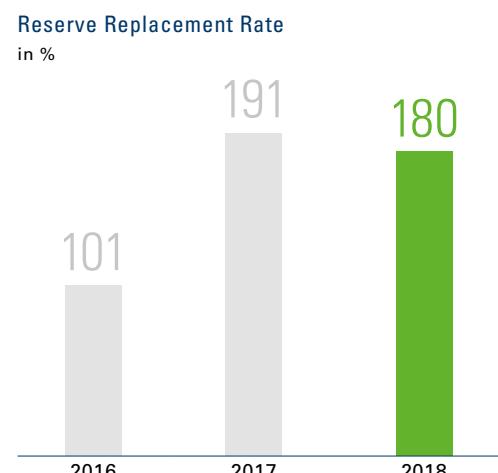
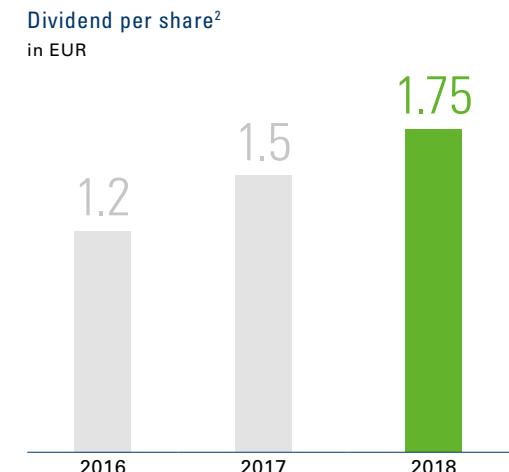
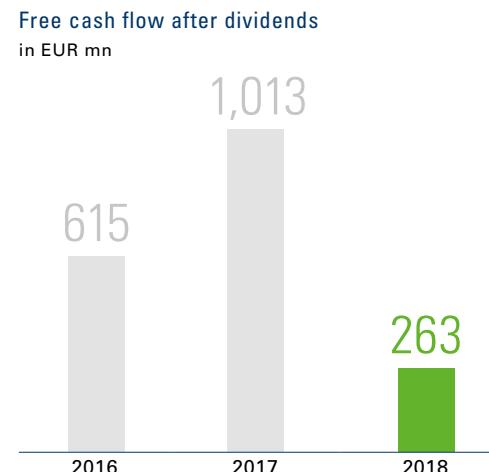
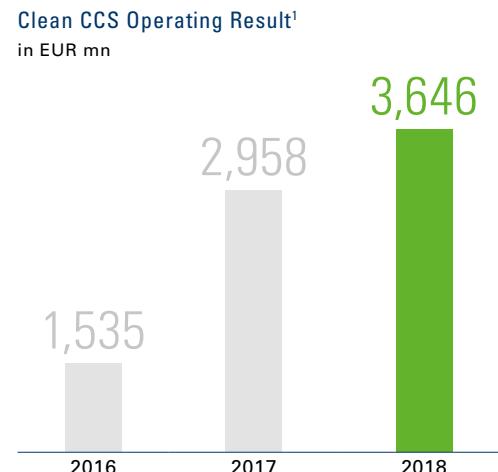
ciency, process sustainability, and product value. OMV's innovative capacity and technological expertise safeguard energy for a better life.

**Our Principles – Team Spirit, Accountability, Passion, Pioneering Spirit, and Performance – describe what we can expect from each other and how we want to work together.**

Information on OMV Strategy can be found in the Annual Report 2018

## Economic Performance

In the year 2018, OMV was able to improve the clean CCS Operating Result significantly to EUR 3.6 bn. Driven by strong results in both Upstream and Downstream business segments and the successful implementation of the cost reduction program, this remarkable result and an operating cash flow of EUR 4.4 bn was achieved. Free cash flow after dividends amounted to EUR 0.3 bn after major acquisitions and a record dividend.



More information about OMV's economic performance can be found in Annual Report 2018.

<sup>1</sup> Adjusted for special items. Clean CCS figures exclude inventory holding gains/losses (CCS effects) resulting from the fuels refineries and OMV Petrol Ofisi.

<sup>2</sup> 2018: As proposed by the Executive Board and confirmed by the Supervisory Board, subject to confirmation by the Annual General Meeting 2019.

## Our Value Chain

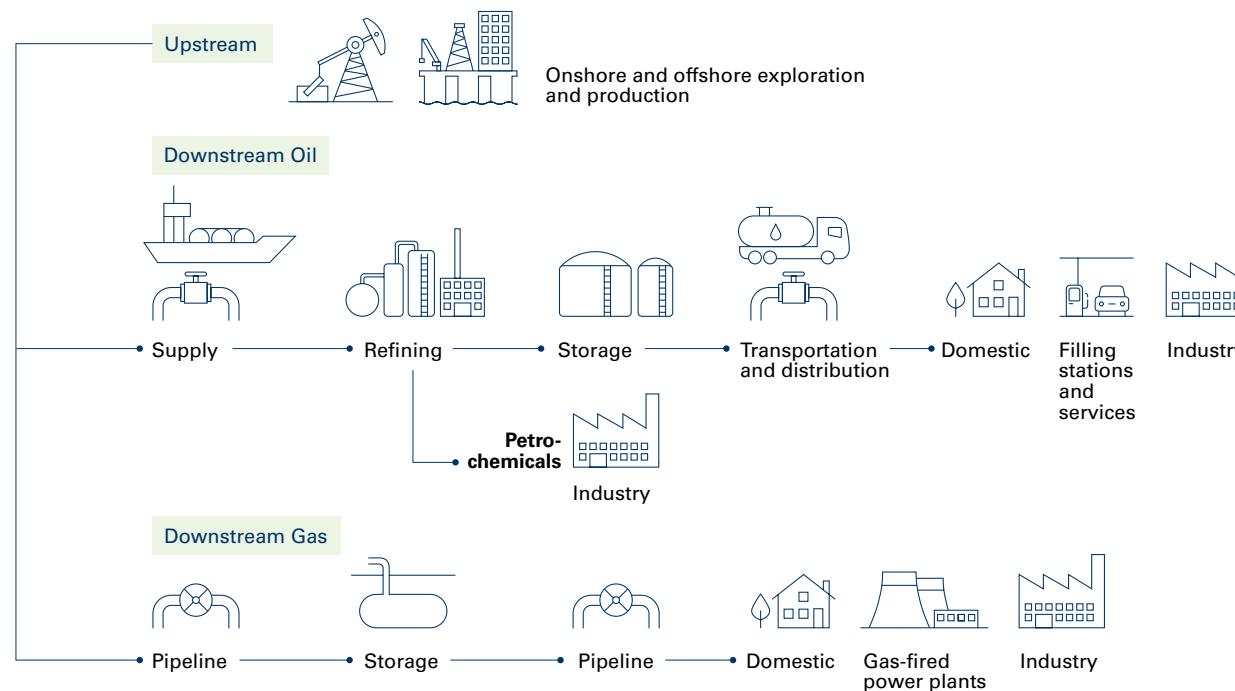
In the Upstream business segment, OMV focuses on the exploration, development, and production of oil and gas in its five core regions of Central and Eastern Europe, Russia, the North Sea, Middle East and Africa, and Asia-Pacific. At the end of 2018, OMV had proven reserves (1P) of 1.27 bn boe and proven and probable reserves (2P) of 2.16 bn boe. The Reserve Replacement Rate (RRR) was 180% in 2018. Daily production was 427 kboe/d in 2018 (2017: 348 kboe/d), which equals a total production of 156 mn boe. While gas production accounted for 57% of production, oil amounted to 43%.

The Downstream business segment consists of the Downstream Oil and the Downstream Gas businesses. Downstream Oil operates three refineries: Schwechat (Austria) and Burghausen (Germany), both of which feature integrated petrochemical production, and the Petrobrazi refinery (Romania), which mainly processes Romanian crude. OMV has an annual processing capacity of 17.8 mn t. The total refined product sales were 20.26 mn t in 2018 (2017: 23.82 mn t). The retail network consists of 2,064 filling stations in ten countries with a strong multi-brand portfolio.

In Downstream Gas, the natural gas sales volume was 113.8 TWh in 2018 (2017: 113.4 TWh). OMV owns gas storage facilities with a capacity of 30 TWh and a 51% share in Gas Connect Austria, operating a

900 km natural gas pipeline network. The Central European Gas Hub (CEGH) is a well-established gas-trading platform. The node in Baumgarten (Austria) is Central Europe's largest entry and distribution point for Russian gas. OMV operates a gas-fired power plant in Romania.

Downstream together with Upstream finished an Oil Business Continuity Plan for Austria, which ensures the supply to the Austrian market customers in case of downtime of the refinery.



## Upstream Business Segment

Annual production per country 2018 (in mn boe)

### Central and Eastern Europe

Austria  
Bulgaria  
Kazakhstan  
Romania

### Russia

### North Sea

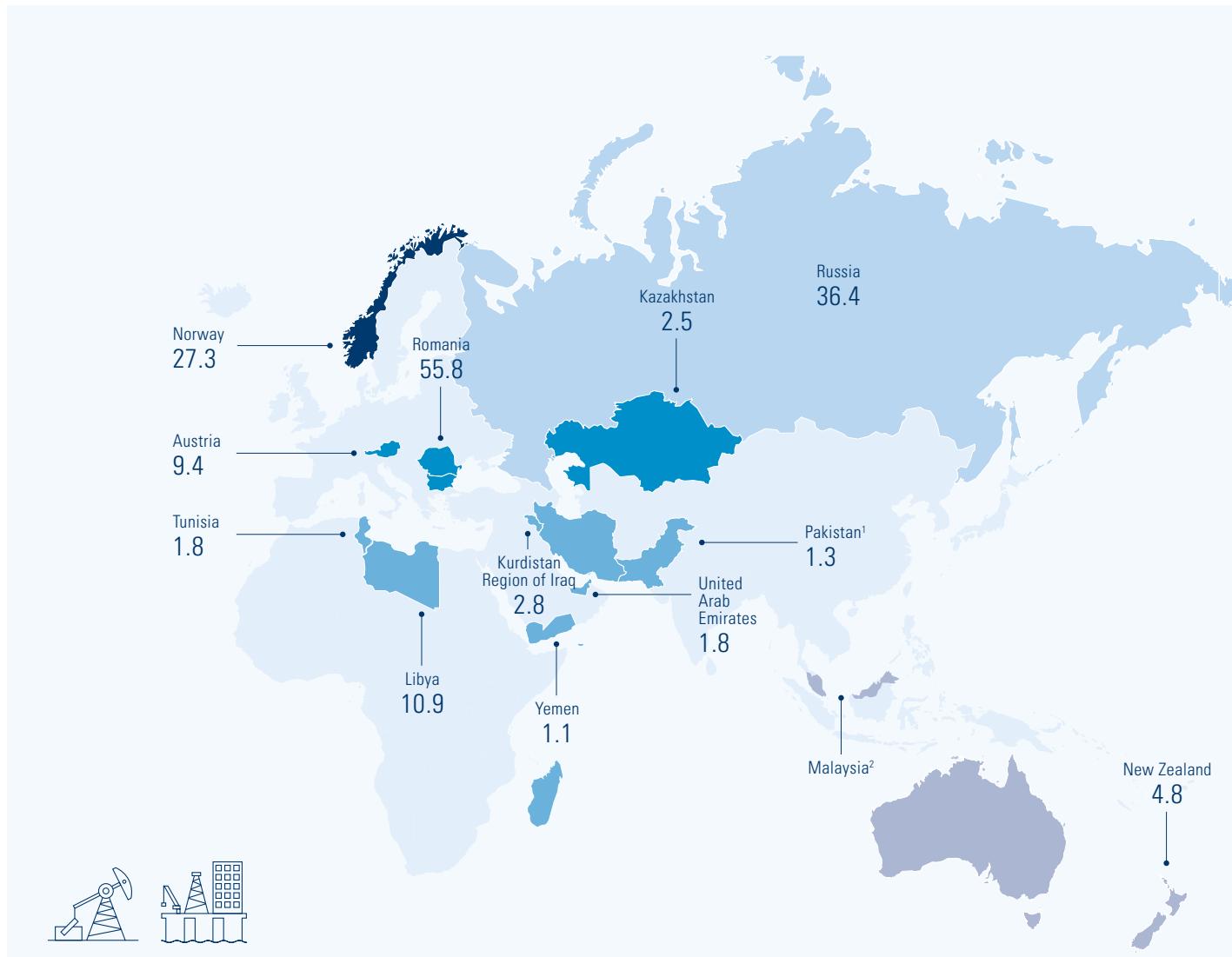
Norway

### Middle East and Africa

Kurdistan Region of Iraq  
Libya  
Madagascar  
Pakistan<sup>1</sup>  
Tunisia  
United Arab Emirates  
Yemen

### Asia-Pacific

Australia  
Malaysia<sup>2</sup>  
New Zealand



<sup>1</sup> The Upstream business in Pakistan was divested on June 28, 2018.

<sup>2</sup> On January 31, 2019, OMV acquired a 50% interest in SapuraOMV Upstream Sdn. Bhd. In addition to the Malaysian footprint, SapuraOMV Upstream has exploration assets in New Zealand, Australia and Mexico.

## Downstream Business Segment

### Downstream Oil & Gas market

Austria  
Germany  
Hungary  
Romania  
Slovenia

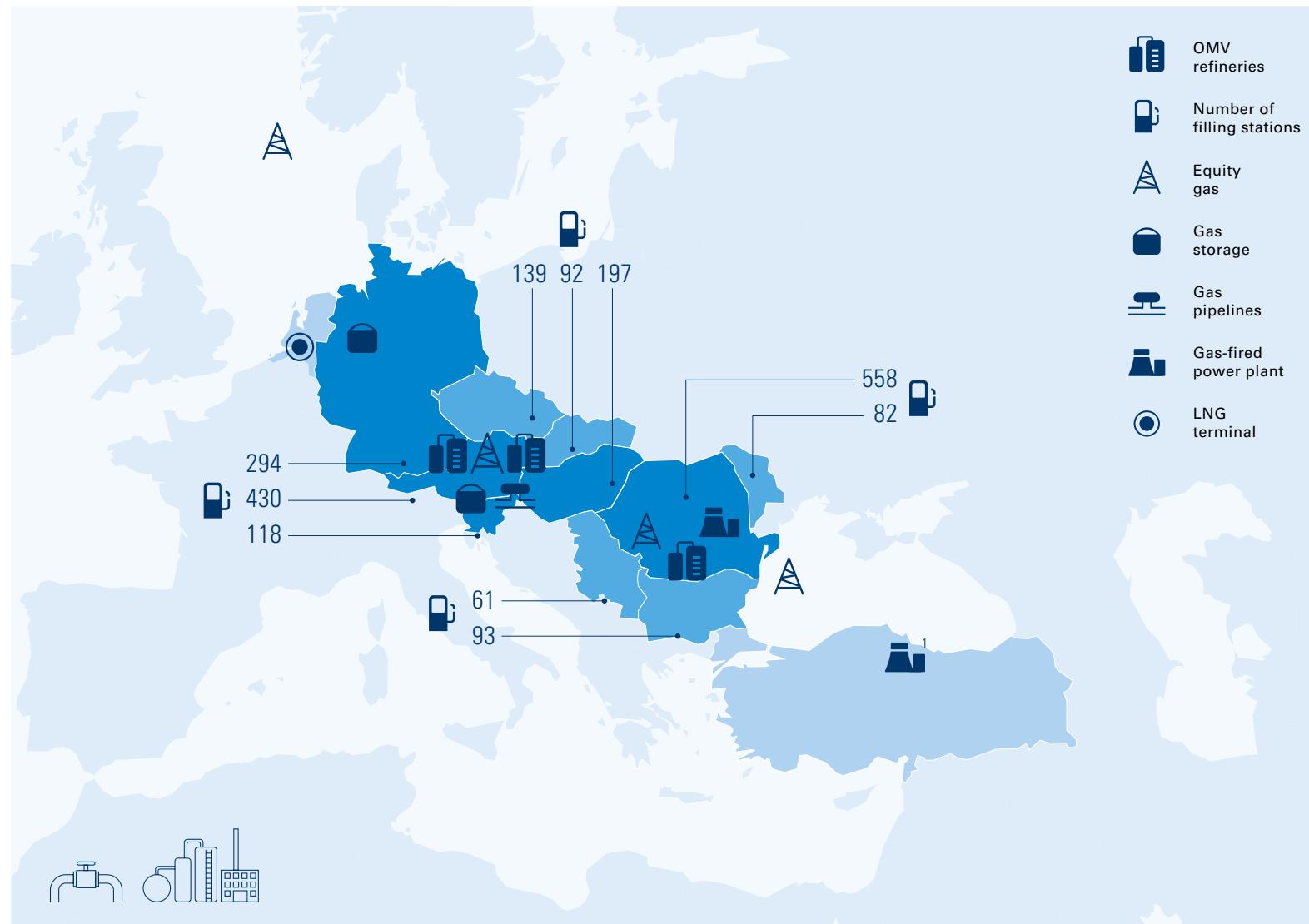
### Downstream Oil market

Bulgaria  
Czech Republic  
Moldova  
Serbia  
Slovakia

### Downstream Gas market

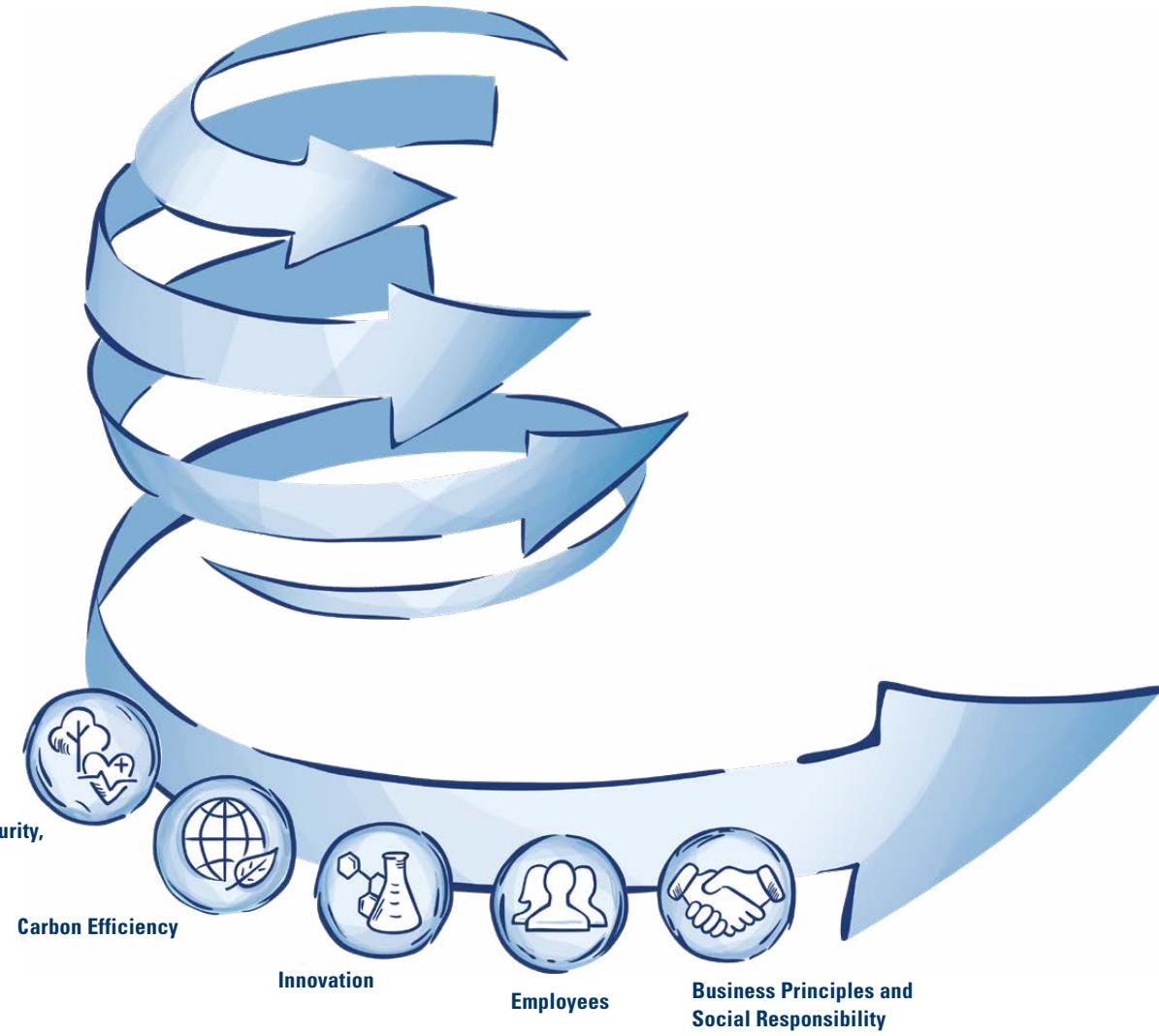
Netherlands  
Turkey

## Downstream presence in 2018



# Sustainability at OMV

OMV aims to provide secure supply of affordable energy for the sustainable development of society and the economy while respecting the environment. Conducting business sustainably is crucial for OMV in creating and protecting value in the long term, in building trusting partnerships, and in attracting customers as well as the best suppliers, investors, and employees.



**OMV delivers energy responsibly to improve people's lives. Sustainability for OMV means creating long-term value for our customers and shareholders by being innovative and an employer of choice. We conduct our business in a responsible way, respecting the environment and adding value to the societies in which we operate.**

## Sustainability Strategy

Growing demand for energy and accelerating climate change pose immense challenges for the energy sector. The key lies in finding the balance between climate protection efforts, affordable energy, and reliable supply. The economy needs alternative energy systems as well as economically viable and scalable technologies to satisfy the growing demand for energy. Here, OMV will make a significant contribution to the sustainable energy supply for future generations. To realize its mission of providing energy for a better life, OMV is committed to exploring the full potential of oil and gas at its best by following a responsible approach in producing, processing, and marketing oil and gas and petrochemical products. OMV's responsible approach to business addresses 15 measurable targets of the Sustainability Strategy 2025. The targets are set in the five focus areas: Health, Safety, Security, and Environment (HSSE); Carbon Efficiency; Innovation; Employees; Business Principles



and Social Responsibility. The Sustainability Strategy 2025 constitutes an integral part of the Corporate Strategy 2025, and is the sustainable component of OMV's business development ambitions. The targets of the Sustainability Strategy relating to OMV's operations and products are aligned with the production, sales, and product portfolio plans set by the Corporate Strategy. Thus, for example, reducing the carbon intensity of the product portfolio is based on the planned increase in the share of natural gas

and the increased weight of petrochemicals, where oil is used as a raw material rather than fuel. The reduction of the carbon intensity of operations is based on the plan to optimize production through innovative technical measures, to further enhance the energy efficiency of operations, and to eliminate routine flaring and venting. The targets related to focus areas that are linked to the social dimension of sustainability – HSSE, Employees, Business Principles and Social Responsibility – round out OMV's mission as

a responsible business player. In line with our approach to shaping the future of energy in a sustainable way, OMV intends to allocate significant resources to the implementation of the Sustainability Strategy 2025. For example, up to EUR 500 mn will be invested in innovative energy solutions such as ReOil and Co-Processing. (For more information on ReOil and Co-Processing, see *Innovation*.)

FOCUS AREA	COMMITMENTS	TARGETS 2025	SUSTAINABLE DEVELOPMENT GOALS (SDGs) SUPPORTED
<b>Health, Safety, Security, and Environment (HSSE)</b>  	<ul style="list-style-type: none"> <li>▶ Health, safety, security, and protection of the environment have the highest priority in all activities.</li> <li>▶ Proactive risk management is essential for realizing OMV's HSSE Vision of "ZERO harm – NO losses."</li> </ul>	<p>Achieve zero work-related fatalities</p> <p>Stabilize Lost-Time Injury Rate at below 0.30 (per 1 million hours worked)</p> <p>Keep leading position in Process Safety Event Rate</p>	<p>SDG 3 – Good health and well-being</p> <p>SDG 6 – Clean water and sanitation</p> <p>SDG 8 – Decent work and economic growth</p> 
<b>Carbon Efficiency</b>  	<ul style="list-style-type: none"> <li>▶ OMV focuses on improving the carbon efficiency of its operations and product portfolio.</li> <li>▶ OMV is fully committed to acting on climate change mitigation and responsible resource management.</li> </ul>	<p>Reduce the carbon intensity of OMV's operations<sup>3</sup> by 19% by 2025 (vs. 2010)</p> <p>Reduce the carbon intensity of OMV's product portfolio<sup>4</sup> by 4% by 2025 (vs. 2010)</p> <p>Achieve zero routine flaring and venting of associated gas by 2030</p>	<p>SDG 7 – Affordable and clean energy</p> <p>SDG 13 – Climate action</p> 
<b>Innovation</b>  	<ul style="list-style-type: none"> <li>▶ OMV's innovation efforts focus on optimizing production, exploring high-end petrochemical solutions, developing innovative energy solutions, and embracing digital technologies.</li> <li>▶ Innovation is supported by investment and partnerships in research and development.</li> </ul>	<p>Develop ReOil into a commercially viable, industrial-scale process (unit size of ~200,000 t per year)</p> <p>Raise the share of sustainable feedstock co-processed in the refineries to ~200,000 t per year by 2025</p> <p>Increase the recovery factor in the CEE region in selected fields by 5-15 percentage points by 2025 through innovative Enhanced Oil Recovery methods</p>	<p>SDG 7 – Affordable and clean energy</p> <p>SDG 8 – Decent work and economic growth</p> <p>SDG 9 – Industry, innovation, and infrastructure</p> <p>SDG 12 – Responsible consumption and production</p> <p>SDG 13 – Climate action</p> 

<sup>3</sup> CO<sub>2</sub> equivalent emissions produced to generate a certain business output using the following business-specific metric – Upstream: t CO<sub>2</sub> equivalent/toe produced, refineries: t CO<sub>2</sub> equivalent/t throughput, power: t CO<sub>2</sub> equivalent/MWh produced – consolidated into an OMV Group Carbon Intensity Operations Index, based on weighted average of the business segments' carbon intensity

<sup>4</sup> The carbon intensity of OMV's product portfolio measures the CO<sub>2</sub> equivalent emissions generated by the use of OMV's products sold to third parties in t CO<sub>2</sub> equivalent/toe sold.

FOCUS AREA	COMMITMENTS	TARGETS 2025	SUSTAINABLE DEVELOPMENT GOALS (SDGs) SUPPORTED
<b>Employees</b> 	<ul style="list-style-type: none"> <li>▶ OMV is committed to building and retaining a talented expert team for international and integrated growth.</li> <li>▶ OMV is committed to its diversity strategy with a focus on gender equality and internationality.</li> </ul>	<p>Increase share of women at management level<sup>5</sup> to 25% by 2025</p> <p>Keep high share of executives with international experience<sup>6</sup> at 75%</p>	<b>SDG 5 – Gender equality</b> <b>SDG 10 – Reduced inequalities</b> 
<b>Business Principles and Social Responsibility</b> 	<ul style="list-style-type: none"> <li>▶ OMV strives to uphold equally high ethical standards at all locations.</li> <li>▶ OMV is a signatory to the United Nations (UN) Global Compact, is 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.</li> </ul>	<p>Promote awareness of ethical values and principles: conduct in-person or online business ethics trainings for all employees</p> <p>Assess Community Grievance Mechanisms of all sites against UN Effectiveness Criteria<sup>7</sup> by 2025</p> <p>Conduct human rights trainings for all employees exposed to human rights risks<sup>8</sup> by 2025</p> <p>Increase the number of supplier audits covering sustainability elements to &gt;20 per year by 2025</p>	<b>SDG 4 – Quality education</b> <b>SDG 8 – Decent work and economic growth</b> <b>SDG 10 - Reduced Inequalities</b> <b>SDG 16 – Peace, justice, and strong institutions</b> 

<sup>5</sup> Management level: executives and advanced career level

<sup>6</sup> Equal to or greater than three years of living and working abroad

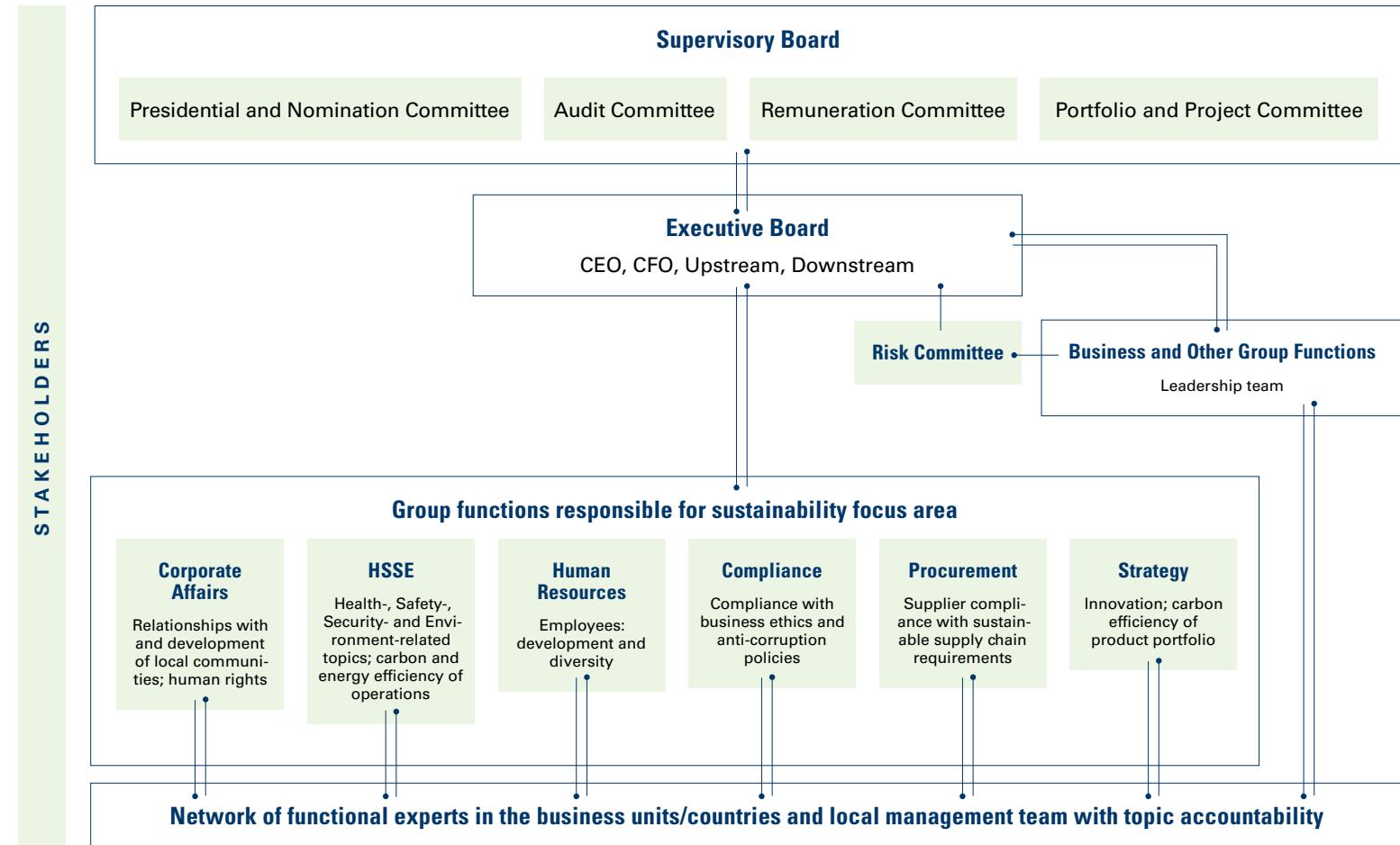
<sup>7</sup> Legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, based on engagement and dialogue

<sup>8</sup> 1,059 employees in corporate functions managing human rights risks and in the corresponding functions in countries with elevated human rights risks

## Sustainability Governance

Sustainability-related topics (including issues relating to climate change mitigation) are fully integrated into the overall governance structure of the Company. These topics have the same weight as any other business consideration and, following the Company's responsible approach to business, are integrated into the daily operation and management processes of the Company.

In the diagram, we map the coverage of the five OMV Sustainability Strategy focus areas (HSSE, Carbon Efficiency, Innovation, Employees, Business Principles and Social Responsibility) by corresponding Group functions. Group functions continuously develop and steer the processes relevant to the implementation of activities relating to social and environmental performance, and propose an action plan to functional experts in related business units on the ground. The functional experts remain in continuous communication regarding progress on the planned implementation. Each Group function reports directly to the Executive Board on the relevant social and environmental issues. They include reporting on progress in the implementation of sustainability strategy targets, presenting important events with regard to the material topics, and submitting for approval the implementation of sustainability initiatives.



The Business and Other Group Functions leadership team has a general overview and control over the implementation of all Company functions on the ground, and ensures that environmental and social aspects are integrated into the business activities. The Executive Board reports to the Supervisory Board on a regular and ad-hoc basis. Members of the leadership team also comprise the Risk Committee, chaired by the CFO, which ensures that material financial and non-financial risks are properly identified and managed. (For more information on the risk management process, see the Annual Report under Risk Management.)

The Executive Board is the highest managing body of the Company. The Supervisory Board appoints members of the Executive Board, monitors and supervises its decisions, and advises the Executive Board on strategy development. The Executive Board approves the Sustainability Strategy as part of the Corporate Strategy 2025 and is accountable to the Supervisory Board for its implementation. (For more information on the functions and composition of the Executive Board and Supervisory Board, see the Annual Report under Consolidated Corporate Governance Report.)

The Supervisory Board appoints among its members qualified expert committees that support the decision making of the Supervisory Board. The Remuneration Committee is authorized to determine the Executive Board's remuneration, including the structure of the remuneration system and the actual target achievement. The Executive Board remuneration consists of fixed and variable remuneration elements. The vari-

able remuneration – the Long Term Incentive Plan (LTIP) and the annual bonus – includes performance criteria related to the Company's sustainability performance. The sustainability multiplier as part of the annual bonus is determined at the discretion of the Supervisory Board based on a predefined set of criteria that are selected due to their importance for OMV's sustainability performance. These criteria include, but are not limited to, the Lost-Time Injury Rate, the number of work-related fatalities of employees and contractors, the number and volume of oil spills, and the Reserve Replacement Rate. The LTIP includes a Health, Safety, Security, or Environmental (HSSE) malus that may be applied to the overall target achievement. In situations where a severe health, safety, security, or environmental breach has occurred, the Supervisory Board can reexamine the level of the LTIP payout and, depending on the extent of the infraction, reduce it at its reasonable discretion, if necessary to zero. An external audit of the actual target achievement is performed by the Company's Group Auditor, and the results are communicated to the Remuneration Committee and Supervisory Board. More details on the remuneration structure and the complete list of performance criteria are provided in the Annual Report.

The Sustainability & Reporting department is part of Corporate Affairs and has a Group-wide coordination function. It is responsible for steering, providing advice on, and reporting on sustainability-related topics to internal and external stakeholders. Sustainability & Reporting steers and coordinates the development and the implementation of the Sustainability Strategy.

With the support of external sustainability experts, OMV has developed a perspective on the further development of the OMV sustainability approach in line with international best practices in the sector. This process raised the awareness of OMV's management about sustainability risks and opportunities.

The process of consultation with internal and external stakeholders is implemented via various engagement channels across different levels of the governance structure. Additional information on the engagement channels is provided in the *Stakeholders' Engagement Details*.

In 2018, the Executive Board and senior management developed the Sustainability Strategy and targets during several workshops and meetings. The Executive Board and Supervisory Board approved the Company's Sustainability Report.

The Investor Relations department coordinates the communication of OMV's sustainable performance and strategy at the request of socially responsible investors with the Sustainability & Reporting department.



### Our commitment to international sustainable development standards

OMV is a signatory to the United Nations (UN) Global Compact and is fully committed to the UN Guiding Principles on Business and Human Rights. OMV adheres to the recommendations of the OECD Guidelines for Multinational Enterprises – the only government-supported international instrument for responsible business conduct with an integrated grievance mechanism. The recommendations relate mainly to information disclosure, human rights, employment, environment, and anti-corruption.

We continue to support the UN Sustainable Development Goals (SDGs) through our projects and initiatives. The key SDGs supported by OMV through its activities are: SDG 7 – Affordable and clean energy; SDG 13 – Climate action; SDG 8 – Decent work and economic growth; and SDG 16 – Peace, justice, and strong institutions.



OMV recognizes that climate change is one of the most important global challenges and acknowledges the goals set forth by the Paris Climate Change Agreement and the EU climate targets for 2030. As part of our carbon strategy, we have endorsed the international World Bank initiative “Zero routine flaring by 2030” to end the routine flaring and venting of associated gas during oil production by 2030. In line with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we disclose, where possible, climate-change-related considerations in the operational elements of governance, strategy, risk management, and metrics and targets. The TCFD Index, published at [www.omv.com/sustainability](http://www.omv.com/sustainability), outlines disclosures throughout this report that illustrate our compliance with TCFD Recommendations.

# Risk and Opportunities Management

The risks that have long prevailed in the oil and gas industry, such as volatile oil prices, geopolitical risks threatening the security of supply, as well as access to oil and gas reserves, and regulatory risks are now joined by an emerging set of risk factors in the medium to long term. Among these are risks related to climate change. Their profile is growing in light of the need to reduce greenhouse gas emissions to which the entire oil and gas industry is a significant contributor. At OMV, we focus on assessing the potential impact of issues related to climate change (e.g., water deficiency, droughts, etc.) and climate change mitigation activities (e.g., carbon tax, emission regulations, etc.) on our business. We introduce measures in line with the global action against climate change. (For more information on climate change risk management, see Carbon Efficiency. Additional information on major financial and non-financial risks is included in the Annual Report [Directors Report, Risk Management section]).

Our risk management process is based on a precautionary, systematic approach, aimed at timely identification and management of risks in order to avoid a possible negative impact on our business or reputation. We believe that creating a risk-aware culture throughout the organization, where every-

one is aware of the risks related to their jobs and implements risk management practices on a daily basis, is the most effective way to avoid a negative impact. To this end, our comprehensive Enterprise-Wide Risk Management (EWRM) program is driven by senior management and cascades to every employee of the Company. It ensures greater awareness and focus on risks that might affect the Company's objectives.

Risk prevention is deeply integrated into the decision-making processes of everyday business activities at every level of our organization. The Executive Board sets, communicates, and implements our risk management culture throughout the Group. The risk management process, implemented through OMV's EWRM framework, combines bottom-up and top-down processes, with every single employee responsible for managing the risks within their sphere of responsibilities. Paying attention to every risk makes risk management a holistic process. We use common risk terminology and language across OMV in order to facilitate effective risk communication and management.

The risks identified in the bottom-up risk process by operational staff during day-to-day business management are assessed against a mid-term time horizon of three years.

Senior management evaluates top-down risks against a long-term time horizon of three to seven years. Together, they provide a strategic perspective of risks across a longer time horizon.

The full spectrum of risks relating to OMV's business, including economic, environmental, and social issues, are analyzed by quantifying and prioritizing them using a special risk-ranking tool – the OMV Risk Matrix. The resulting corporate risk profile provides a holistic view of topics that could affect Company performance in the medium and long term, and it is therefore integrated into the strategic decision-making process. The business strategy is tested in a hypothetical scenario of its implementation against risks inherent to the business (e.g., oil prices and FX rates, operational complexity and technical risks, climate change and carbon intensity, the political, legal, and regulatory environment).

The identified risks are aggregated and ranked depending on their impact and then presented to the Risk Committee for review. The OMV Chief Financial Officer is Chair of the Committee and joins other senior management members in addressing a structured risk agenda.

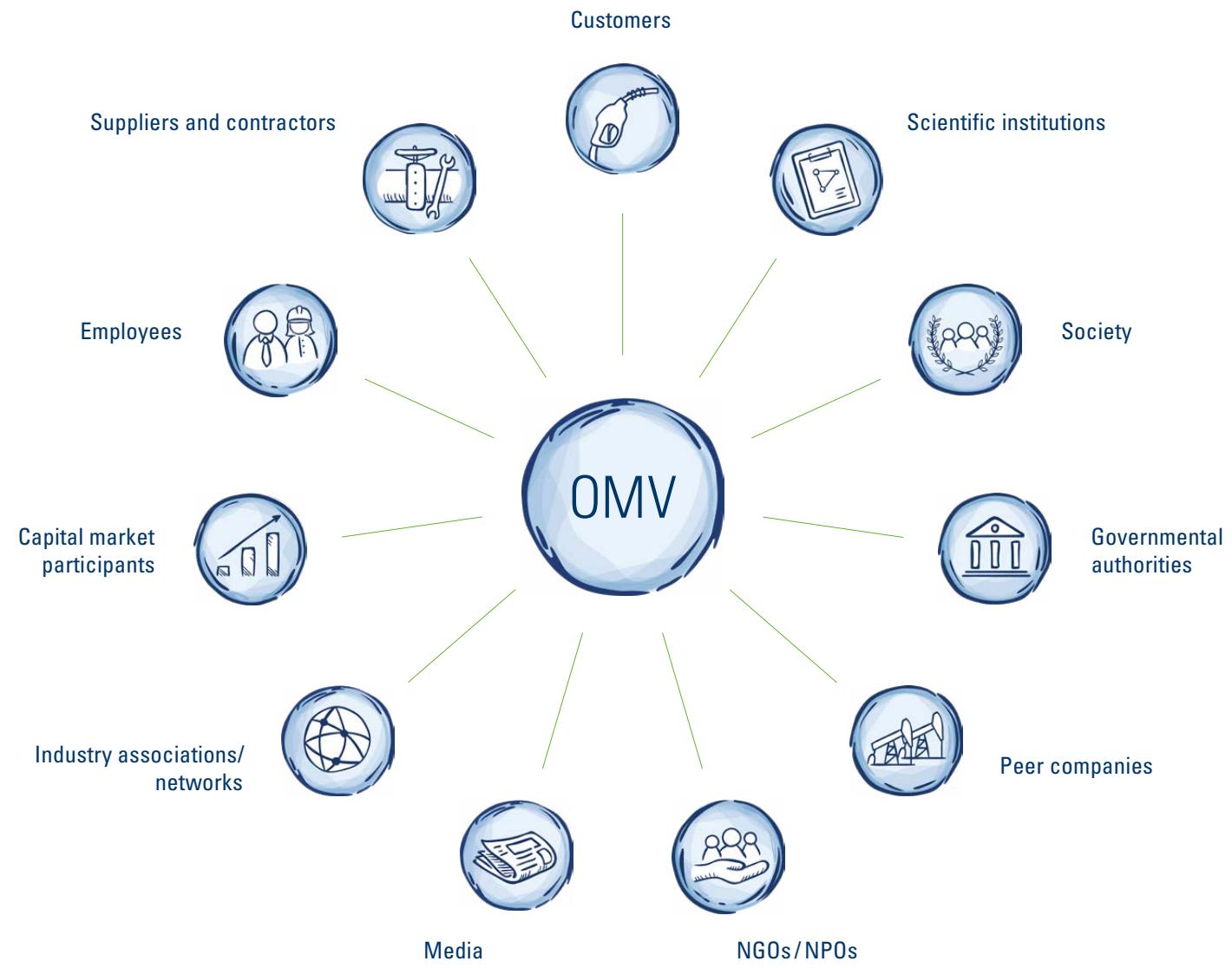
## **The role of the Risk Committee is to:**

- ▶ oversee the alignment of the governance framework with best risk management practice and regulatory requirements;
- ▶ support the continuous update of the Company's risk appetite in the context of implementing the Corporate Strategy;
- ▶ ensure that appropriate risk policies, procedures, and tools are firmly embedded in the organization by reviewing compliance with OMV's financial risk limit structure and the respective management response in the event of compliance breaches.

The OMV Risk Committee supports the Executive Board in performing risk oversight and determining whether management is following a rigorous process for assessing, managing, monitoring, and reporting the relevant risks within the OMV Group. The Operational Risk Committee meets at least twice a year, or may be convened by any member of the Risk Committee when necessary.

# Stakeholder Map

OMV is committed to stakeholder engagement and convinced that mutual respect, transparent behavior, and open dialogue are the best foundations for a good relationship with the various stakeholders we interact with. In our stakeholder engagement approach, we identify and manage relationships with persons, groups, or organizations who might be impacted by our activities or who may have an impact on our business.



Please see *Stakeholders' Engagement Details* for more detailed information on stakeholders and the mechanisms for dialogue and inclusion of their views in OMV's approach.

# Environmental, Social, and Governance Ratings

OMV actively engages with Environmental, Social, and Governance (ESG) rating agencies and socially responsible investors to ensure that we disclose the information investors need to evaluate sustainability risks and opportunities related to our performance. The continuous evolution of our business toward sustainability and an increase in the transparency of information we provide on our activities resulted in a year-over-year increase in our ESG ranking. These rankings are important for the decision-making of investors.

## Recognition of OMV performance reflected in ESG ratings

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

OMV was added to the Dow Jones Sustainability Index (DJSI World), the only Austrian company included. The DJSI World represents the gold standard for corporate sustainability and is the first global index to track the leading sustainability-driven companies. OMV is thus ranked among the top 10% of the largest 2,500 companies in the S&P Global Broad Market Index<sup>9</sup> in terms of sustainability leadership, based on an assessment of long-term economic, environmental, and social criteria.



OMV was recognized as an Industry Mover in the RobecoSAM<sup>10</sup> Sustainability Yearbook 2019, demonstrating the largest proportional improvement in its sustainability performance compared to the previous year within the top 15% of the integrated oil and gas industry.



OMV was reconfirmed as a member of ECPI® Indices.



OMV attained Prime Status according to the ISS-oekom rating with a score of B-, which positions the Company among the top 5% oil and gas companies with the best ESG performance.



OMV is listed in two MSCI ESG Indexes: MSCI ACWI ESG Leaders Index and MSCI ACWI SRI Index. The Company received the highest score (AAA) from MSCI for the sixth year in a row. This score places OMV among the best 11% oil and gas companies in terms of ESG performance.<sup>11</sup>



FTSE4Good

OMV has been reconfirmed as a participant in the FTSE4Good Index Series for the fourth consecutive year. The FTSE4Good indexes are used by a wide variety of capital market participants to structure responsible investment funds.



OMV has achieved a Climate Change score of A- (Leadership) based on its reporting to CDP. This positions OMV among the top 11 companies in the global oil and gas sector.



Based on the assessment by Sustainalytics, OMV maintained its inclusion in the STOXX® Global ESG Leaders index.

## Sustainability performance of OMV as a supplier



OMV's sustainability performance has been evaluated by using external sustainability assessment platforms (EcoVadis and NQC-BMW) as part of a supply chain assessment. These platforms cover a wide range of criteria, including policies for child and forced labor as well as social, environmental, health, and safety performance. OMV was assessed by EcoVadis and received Silver CSR status as a supplier.

<sup>9</sup> S&P Dow Jones Indices – the largest global resource for essential index-based concepts

<sup>10</sup> RobecoSAM is the investment specialist in sustainability investment, proving analysis of financially material Environmental, Social, and Governance (ESG) factors for Dow Jones Sustainability Indices.

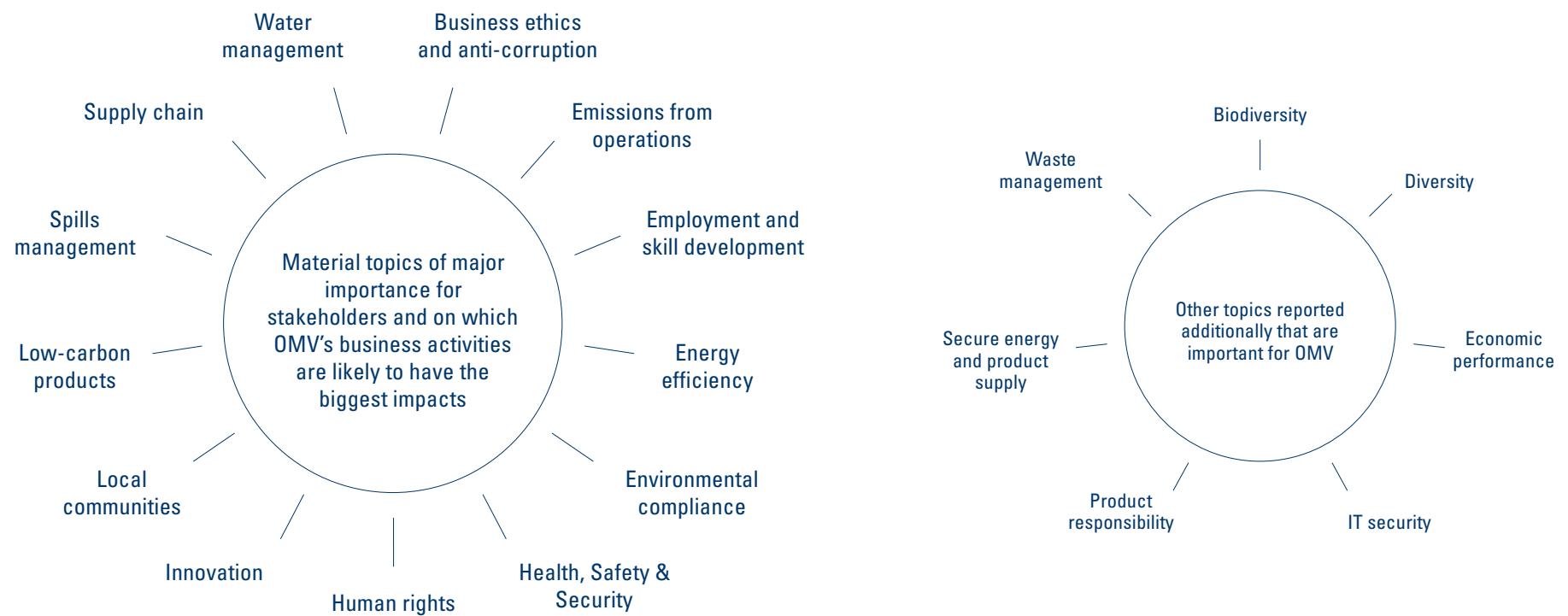
<sup>11</sup> The inclusion of OMV in any MSCI index, and the use of MSCI logos, trademarks, service marks, or index names herein do not constitute a sponsorship, endorsement, or promotion of OMV by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

# Reporting on Materiality

OMV identifies material content for the Sustainability Report in an extensive and structured process of consultation with the Company's external and internal stakeholders.

The full-scale process of consultation and analysis is repeated every three years, with the most recent one taking place in 2017. A detailed description of the materiality identification process is published separately on OMV's website. In 2018, we reviewed highly

material topics identified previously against best industry practices, and also in light of the Environmental, Social, and Governance (ESG) performance issues of interest to ESG rating agencies and socially responsible investors.



- [24]  
Health, Safety, Security,  
and Environment
- [46]  
Carbon Efficiency
- [56]  
Innovation
- [65]  
Employees
- [74]  
Business Principles  
and Social Responsibility

A photograph showing two industrial workers in a facility. One worker in the foreground is wearing a green hard hat with an OMV logo, safety glasses, and a blue high-visibility jacket with reflective stripes. He is smiling and looking towards the right. Another worker's back is visible on the right, also wearing a hard hat. The background shows industrial structures and equipment.

# Material Focus Areas

## Highlights 2018



# Health, Safety, Security, and Environment

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

The essence of prioritizing HSSE is expressed in OMV's HSSE Vision of "ZERO harm – NO losses." The Vision establishes the dependence of OMV's long-term business success on our ability to continually improve the quality of our business activities while protecting people, the environment, assets, and our reputation. The integrity of OMV operating facilities, loss prevention, and proactive risk management are essential for achieving OMV's HSSE Vision.



0.30 Lost-Time Injury Rate  
per mn hours worked

0.78 Total Recordable Injury Rate  
per mn hours worked

127.4 PJ energy consumption



- ▶ Achieve Group-wide **ZERO Harm – NO Losses**
- ▶ Protect People, Assets, the **Environment**

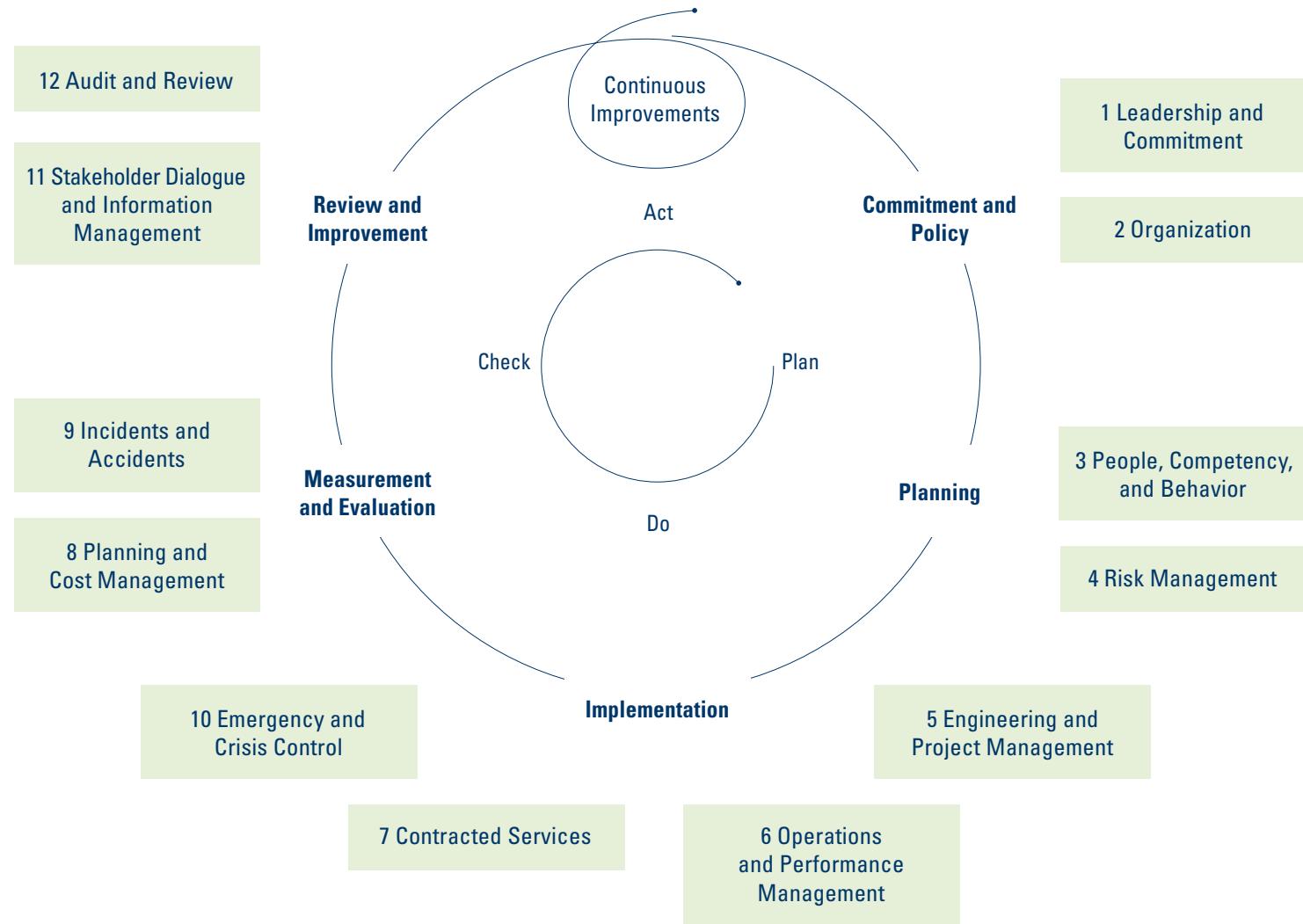
The Vision is embedded in the HSSE Policy. The full text of the HSSE Policy is available on OMV's website.

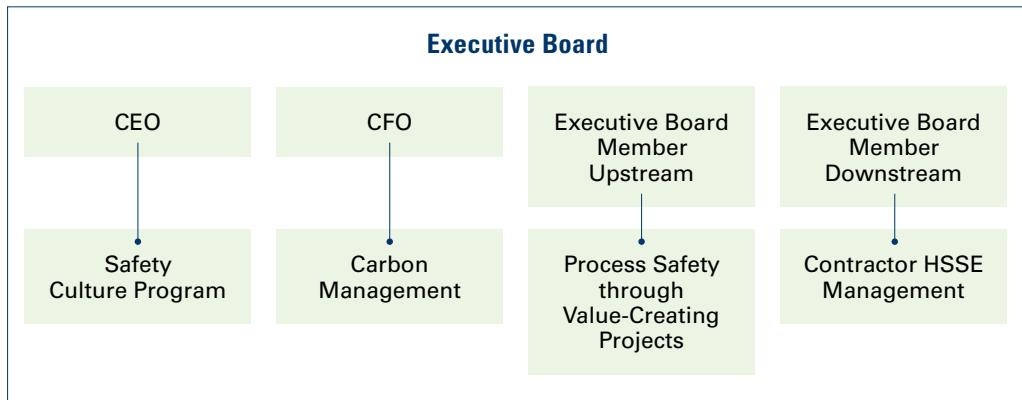
Due to a high degree of interdependence between health, safety, security, and the environment, these concepts are grouped into one single management focus: HSSE. HSSE management is governed by the HSSE Directive, which defines key expectations in compliance with internal HSSE regulations at various levels of the organizational structure, as well as across Group and local functions. The Directive sets out the principles and rules for the management of HSSE-related risks and activities throughout the life cycle of Group business and activities, including capital projects, mergers, and acquisitions. The Directive also defines key HSSE responsibilities for all OMV Group employees, partners, and contractors. Besides, it outlines the Major Accident Prevention Policy and stipulates the continuous improvement of HSSE performance.

The HSSE Directive defines core aspects of HSSE management, grouped into twelve elements revolving around the “Plan-Do-Check-Act” cycle. For each element, the HSSE Directive defines the approach to follow for effective HSSE management.

The HSSE Strategy and its implementation are aligned and fully embedded into the Corporate Strategy and the corporate governance structure. Its goals were updated in 2018 to reflect the focus on business growth.

### Core aspects of HSSE management





Based on the HSSE Strategy, a business-specific HSSE Plan was developed for 2019 based on cross-functional and subject-matter goals. Leadership responsibility is assigned to the members of the Executive Board.

OMV's HSSE management system includes interaction with employees or their repre-

sentsatives (trade unions) as a channel of engagement regarding issues that are particularly important and necessary for improvement. Health, Safety, Security, and Environment (HSSE) Days are organized by the HSSE department for OMV's various units to inform employees about HSSE topics.

## Health

### Health management

The well-being and physical and mental health of our employees are the foundations for a successful company, since they affect the performance levels of our Company's core asset – human capital. We have established a Group-wide health care standard to ensure a high level of care for our employees' health across the Company. The standard includes preventive initiatives such as targeted health promotion campaigns, a systematic assessment of health risk mitigation, and curative care.

Health management at OMV is both a strategic and an operational system. Its success depends on leadership, commitment, and participation at all levels and functions in the organization, and on the part of medical specialists and partners as well as employees. The OMV Group Standard for Health describes the main principles, roles and responsibilities, and lines of communication within the OMV Group. The Standard provides a framework for managing preventive health measures and curative health care, as well as collaboration among HSSE specialists.

#### **The Standard regulates the work of Operational Medical Service Providers in relation to providers in the following areas:**

- ▶ planning of human resources, medical facilities and services, and local health plans;
- ▶ implementation of operational health risk assessment and management, emergency

preparedness, health programs and trainings;

- ▶ checks and audits of medical suppliers (laboratories, partner clinics, pharmacies), hygiene in food facilities, customer satisfaction;
- ▶ reporting;
- ▶ collaboration with contractors and subcontractors on health and safety.

For example, in the health care standard we have defined the minimum equipment and materials for our clinics – both on land and offshore – like ECG, defibrillators, suction units, rescue devices, and emergency medication. It also supplements local legal requirements, allowing us to establish a harmonized level of health care services and access to medical facilities at all OMV sites.

OMV applies its own risk management standard including a thorough assessment of possible risks, including health-related risks. We have therefore developed guidelines – based on international guidelines from IOGP/IPIECA – for health risk assessment that cover such health risks as harm from chemical agents, psychological strain, physical injuries, and others.

A special health audit program developed by the Corporate Health Management department serves as evaluation tool to ensure that our common corporate health care standard is implemented and followed throughout the Group. The program stipulates that

all clinics and medical partners be audited every three years, and clinics also report on a self-conducted audit every year. In 2018, 17 clinics in 8 countries were audited, and 41 clinics in 13 countries reported on self-performed audit results. Audit results serve as the basis for identifying areas for further improvement and analyzing the effectiveness of our health management approach.

### Health promotion activities

Health promotion activities must take into account local needs. Every year, local health care providers organize health hours on

specific medical topics, such as healthy life-style, cardiovascular awareness promotion, cancer prevention, etc. In 2018, OMV organized a breast cancer awareness session for its employees in partnership with the NOURANE association in Tunisia, which specializes in the prevention of cancer. Around 40 participants attended the event, which aimed to inform employees about prevention and the danger of disregarding it. We believe that raising awareness among employees will have a multiplier effect on their families and friends, and therefore spread knowledge of health-related issues throughout the community.





OMV runs or works with a total of 43 medical units at all locations where we have operating facilities.



Another example of employee interaction with the health management system is the Health Circle organized in Gänserndorf, Austria. Twice a year employees gather to address work-related health issues and create customized solutions in collaboration with the local health team. In 2018, the topics included action needed to improve preventive care, collaboration on HSSE Days, training and refresher courses on resuscitation and defibrillator use, and other health-related concerns.

To prevent occupational health risks, our medical staff carries out specific preventive examinations in accordance with the legal regulations of the countries in which we operate. These exams include blood tests for employees working with specific hazardous substances and hearing tests for employees exposed to noise.

We offer also general health screenings for our employees. We run seasonal campaigns to provide free vaccinations against flu and tick-borne encephalitis in affected areas. In 2018, 41,236 voluntary health screenings, 4,895 vaccinations, 119,800 curative medical consultations, and 132,469 occupational health examinations were performed and/or organized by OMV medical staff.

### Medical facilities

OMV runs or works with a total of 43 medical units at all locations where we have operating facilities. The presence of OMV first aid facilities benefits the local population, as it often provides necessary medical help in remote areas where medical services might not be easily accessible quickly (particularly in Yemen and Kazakhstan). In 2018, OMV first aid facilities assisted around 1,000 individuals in need of urgent care among the local population. From this perspective, our assistance to the local population provides a positive impact outside OMV's operational boundaries, thereby contributing to building a good relationship with our neighbors.

In 2018, we developed a training program under the guidance of Prof. Guy Ahonen, an internationally recognized specialist, on "training the trainer".

## Safety of People and Processes

### Occupational safety management

OMV aims to adhere to the highest standards to provide its employees and contractors a safe workplace. Our Safety Management System is based on the OMV Group's HSSE Policy, the HSSE Directive, and corporate regulations such as HSSE Risk Management, Contractor HSSE Management, Management of Hazardous Substances, Personnel Transportation, and Reporting, Investigation, and Classification of Incidents, which provide the framework for safety management. OMV sites employing 29% of OMV's workforce have been certified to OHSAS 18001.

We establish feasible and viable mitigation measures to prevent accidents and to minimize the negative impact on people and the environment when incidents occur. Our regulations stipulate mandatory risk assessments for non-routine work, any changes, and projects as well as regular reviews of the risk assessments of existing installations, and Last-Minute Risk Analysis (e.g., in the course of toolbox meetings) prior to every job.

The Major Accident<sup>12</sup> Prevention Policy, which is part of the HSSE Directive, sets out the overall aims and guidelines for controlling the risk of a major accident as part of OMV Group operations and activities for achieving those aims. Acknowledging that the risks of major accidents in onshore or offshore operations related to oil and gas extraction, transportation, refining, and distribution activities are significant, and recog-

nizing that such major accidents can have severe consequences for the environment and affected persons, OMV firmly believes that a strong safety culture is the foundation for all of its operations and relationships with contractors.

Major risks and the respective mitigation measures are documented, evaluated, and monitored in a Group-wide database (Active Risk Manager System; ARMS), which is updated biannually. Senior management is directly involved in the review of risks identified as a top priority.

Currently, our special focus is ensuring the completeness of the information on sites with the potential for Major Accident Events (MAEs) in this central database. Among such sites are OMV facilities operating under Safety Case Regime in non-EU countries, facilities that are regulated by (or meet the criteria of) the Seveso-III-Directive of the European Union – the Directive on the control of major accident hazards involving dangerous chemical substances –, high-risk pipelines and flowlines, high-integrity risk wells, and offshore facilities. The goal is to prevent major accidents and limit the consequences of any accidents that may occur. The scenarios for MAEs, including the risk control barriers for these facilities, will be completed in ARMS in 2019.

In line with the HSSE Directive, clear roles and responsibilities are defined for all staff, line management, and senior management. Line management is responsible for ensuring that HSSE issues are integrated into all

business decisions and activities. They are required to demonstrate commitment and leadership by acting as role models and undertaking appropriate measures to control and manage all HSSE risks in their spheres of responsibility.

All staff is required to be familiar with the HSSE Policy, internal HSSE regulations, and the relevant legislation. They actively contribute to and further develop HSSE awareness as part of the corporate culture, stop and report unsafe or irresponsible acts and conditions, and report any incidents and non-compliance. OMV employees at all levels are regularly trained on their roles and responsibilities. Moreover, Golden Rules, including Stop Work, are presented and discussed during awareness programs, workshops, management walk-arounds, and safety walks, and even at the start of various meetings.

All employees and contractors are encouraged to report unsafe conditions and behaviors in order to identify and resolve potential issues that might otherwise lead to future accidents.

We have a central reporting tool in place (CARE) where all incidents, findings, and defined actions are reported and tracked. In 2018, we improved the usability of the reporting tool and cleaned up data entry fields and reports. Bundle reports regarding Incidents and Near Misses, Findings and Hazards, CARE Express, Action Items, and Assessments were set up and made available to all users throughout the Group.

Our aim here was to increase awareness regarding CARE entries to boost their quality and transparency and to improve data owner accountability.

During 2018, 101,889 (2017: 108,025) unsafe conditions and behavior reports were collected in our reporting system.

Last year, we also kicked off implementation of the new Reporting, Investigation, and Classification of Incidents standard that was issued in 2017. We organized training sessions with the Investigation Team Leaders, involving a third-party company specializing in this field to provide the necessary training. This ensures that our Company has skilled and knowledgeable people available to find root causes and establish suitable and necessary measures to prevent the occurrence of severe incidents or incidents with a high potential for loss.

We continued integrating technical experts into the investigation teams to better understand and address the root causes of technically complex incidents. At the same time, we remained focused on verifying the effectiveness of actions implemented after severe incidents and High-Potential Incidents (HiPos) in previous years, including process safety incidents.

A common platform was set up to ensure knowledge and takeaways from incidents are shared Company-wide. A complete collection of case studies and information on incidents from Upstream and Downstream (2013-2018 data) was made available at

<sup>12</sup> Major Accident refers to an incident involving an explosion, fire, loss of well control, release of oil, gas, or dangerous substances, serious damage to the installation or connected infrastructure, involving or with a significant potential to cause fatalities or serious personal injury or environmental damage within a large area outside the boundaries, as well as any other incident leading to fatalities or serious injury to five or more persons.

Group level for use and communication during safety moments, in toolbox talks, or at HSSE trainings.

We believe that promoting open dialogue and establishing a culture in which health and safety are integrated into every employee's role are effective ways to empower people to work safely. Workers are engaged in launching, operating, evaluating, and improving health and safety programs. They work closely with their managers to find joint solutions to common problems, which helps managers pinpoint issues, while workers are motivated and encouraged to improve their own safety. In 2018, 173 formal joint health and safety committees comprising management and worker representatives were organized at OMV Group sites.

Education and training are important tools for informing workers and managers about workplace hazards and controls so they can work more safely and be more productive. Training topics are defined in part based on analyses of incident root causes and contributing factors, and findings from various HSSE assessments. During 2018, we organized awareness trainings as well as trainings on HSSE roles and responsibilities, hazard identification, and controls. The trainings were related to the hazards of slip, trip, fall, fall from heights, and explosion. Also, hazards which are creating risks with high consequences (such as work at height, excavations, transportations) were covered during the rollout of the Golden Rules and life-saving rules.



## The health and safety of the people who work for us are key priorities at OMV.

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 Komsomolskoye, Kazakhstan. On May 19, 2018, there was an explosion followed by a fire during a routine workover operation. The accident also injured another person.

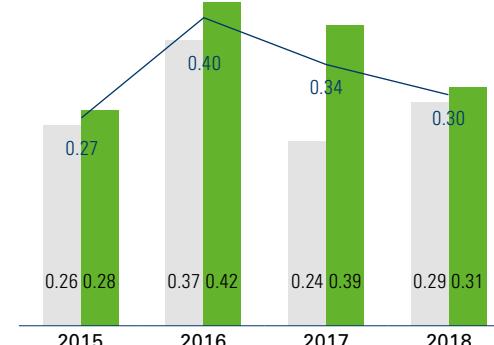
We took immediate action and implemented measures to prevent such an incident from occurring again. Following this accident, OMV Petrom established a Safety Committee with the participation of the Executive Board and management. The Safety Committee will meet on a quarterly basis to discuss issues of major safety importance. For example, among the issues discussed at the first meeting were promoting a safety culture and transparent reporting. In the future, operational experts will be included in committee meetings to ensure a hands-on approach in looking into critical HSSE issues.



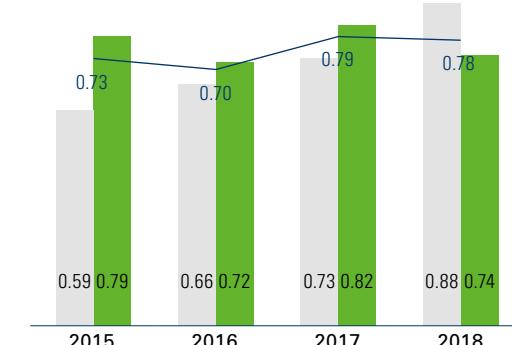
In 2018, the Lost-Time Injury Rate (LTIR)<sup>13</sup> for our own employees and contractors (combined) per million hours worked was 0.30 (2017: 0.34). Our combined Total Recordable Injury Rate (TRIR)<sup>14</sup> was 0.78 (2017: 0.79).

Employees  
Contractors  
Total

Lost-Time Injury Rate



Total Recordable Injury Rate



<sup>13</sup> See Definitions for details

<sup>14</sup> See Definitions for details

## SUSTAINABILITY STRATEGY 2025 TARGETS

- Achieve zero work-related fatalities
- Stabilize Lost-Time Injury Rate at below 0.30 (per 1 million hours worked)

## PERFORMANCE TO DATE

2018:

Work-related fatalities: 3  
Lost-Time Injury Rate: 0.30

## ACTION PLAN TO ACHIEVE THE TARGETS



### WITH A FOCUS ON CONTRACTOR MANAGEMENT

- Issue a comprehensive Group Standard on Contractor HSSE Management
- Improve oversight of contractor activities by reviewing HSSE performance of key contractors, organizing quarterly service quality meetings with HSSE as its integral part
- Perform contractor HSSE audits with a focus on subcontractors

### WITH A FOCUS ON THE SAFETY CULTURE PROGRAM

- Enhance dialogue in HSSE walk-arounds/safety walks
- Develop hazard-awareness activities linked to the HSSE Golden Rules, life-saving rules, and Last-Minute Risk Analysis (LMRA)

- Recognize good performance in HSSE reporting by business units
- Organize HSSE trainings for employees and managers with a focus on safety leadership, Golden Rules and life-saving rules

### WITH A FOCUS ON INCIDENT INVESTIGATION

- Continue incident investigator training
- Continue sharing experience at Group level through the central platform
- Follow up on actions derived from incident investigations through audits

We continued to concentrate on quality over quantity in terms of reporting, management walk-arounds, safety walks, and action close-out as well as putting our efforts toward bringing safety closer to the hearts and minds of our colleagues. We are focusing more attention on conduct and dialogue, and improving our management walk-arounds and safety walks, which promotes understanding of the challenges in the operating fields and further increases trust between the workforce and management.

Upstream continued to emphasize audits and spot checks of high-risk activities, especially activities that caused severe incidents in the past. This year the focus was on electrical safety, process safety, risk assessment, and permits to work. Strengths and weaknesses were identified and addressed in solid action programs. Furthermore, we expanded computer-based training on process safety with seven new modules and have trained the personnel for whom this content is relevant.

In 2018, Downstream continually focused on verifying the effectiveness of actions implemented after severe incidents and HiPos in previous years. Most of the activities involved in the comprehensive "7 Safety Actions" safety improvement program launched in 2017 were pursued as part of the regular HSSE plan throughout 2018.

## Focus on contractor safety

The safety of our contractors is just as important as the safety of our own employees. For this reason, we have established processes that require contractors to work according to our standards.

Our Contractor HSSE Management Process begins when we issue the scope of work with information about HSSE requirements and the HSSE Key Performance Indicators (KPIs). The process continues through the tender stage with HSSE prequalification and capability assessment. During the contract, we monitor our contractors by way of audits, inspections, joint management walk-arounds and safety walks, service quality meetings, forums, and workshops, using the outcomes to share experience and encourage improvement of our HSSE performance as a team.

In 2018, we continued to integrate contractor organizations into our HSSE audit program and also conducted a gap analysis between the requirements of the Contractor HSSE Management Standard and the way the Standard is applied. In parallel, a working group was created to review and simplify the entire package of HSSE regulations applicable to contractors.

## Safety promotion activities

In 2018, we continued to run the Group-wide Safety Culture Program in all three of the Group's business divisions: Corporate, Upstream, and Downstream. The goal was to

initiate change and strive for the best in an environment where safe behavior is a prerequisite for good safety performance. Program coordinators from all the divisions attended the same workshop, sharing knowledge and experience, with one common goal – implementing an effective safety culture.

At our headquarters in Vienna, we held four open dialogue sessions that were dedicated to hazard awareness. Our colleagues in the office there committed to contributing to an effective safety culture through their personal actions. We also launched a campaign on promoting the use of handrails to encourage safety on stairs.

Under the auspices of the Safety Culture Program, OMV's Golden Rules were expanded to include supplementary life-saving rules for activities that carry the greatest potential for serious injury and death. Simple rules that guide our employees and contractors to protect their lives and the lives of their coworkers were and continue to be rolled out across the entire Group through trainings and workshops worldwide.

A pilot project at the Upstream Asset IX site in Romania aimed to move forward in updating the Safety Culture Program. The management team spearheaded this drive. Local employees from various disciplines were organized into a working group assigned to improve implementation of a defined life-saving rules and to ensure safe behaviors related to it. The local coordinator of the Program and multipliers<sup>15</sup> continued training and coaching other

coworkers and contractors in the field on recognizing hazards and assessing risks on the job. Based on the takeaways from this pilot, the same activities will be conducted at other operating facilities during 2019.

Under the umbrella of the Safety Culture Program, Downstream introduced the Hazard Awareness Campaign aimed at adequately addressing and managing specific risks. The campaign will continue in all Downstream business units in 2019.

**For 2019, we cascaded the following actions and targets related to the implementation of the Safety Culture Program into all local HSSE plans:**

- ▶ HSSE walk-arounds, safety walks, and dialogues on site
- ▶ Coaching and feedback on performing HSSE walk-arounds
- ▶ Hazard awareness activities, such as informative sessions in working groups, workshops, or trainings linked to the HSSE Golden Rules, supplementary life-saving rules, and Last-Minute Risk Analysis
- ▶ Target on achieving a close-out rate of actions coming from (or related to) level 3+ incidents and HiPos >80%<sup>16</sup>

All of these activities and related indicators will be monitored and evaluated on a quarterly basis.



The energy for a better life. OMV

<sup>15</sup> See the Health section for an explanation of the concept of a "multiplier."

<sup>16</sup> AIRR represents the action items resulting from investigations of incidents with the severity level of 3+ (out of a total of six levels of severity to humans and environment, where level 0 incidents bear no impact, up to level 5 incident with a massive impact) and incidents with potential severity 4 and 5 (HiPos), completed in time, within the reporting period divided by the total number of action items assigned to be completed during the reporting period above 80%. The purpose is to ensure timely closure of actions resulting from severe and potentially severe incidents.

## Process safety management

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 is applicable to the management of hazards associated with the chemical and physical properties of the substances we handle in our oil, gas, and energy activities.

Tier 1 and Tier 2 Key Performance Indicators are providing baseline performance information and they are retained year by year to have a consistent overview of the Company performance. In addition to those for a bet-

ter assessment of the critical barriers at facilities level we are reporting and monitoring Tier 3 events.

The monitoring and reporting of Tier 3 events give us an overview of the weaknesses in critical barriers at facility level. In 2018, the number of Tier 3 Process Safety Events reported was 5,329 (2017: 5,612). The number of Tier 1 events remained the same in 2018 as in 2017 – 4 events.

The number of Tier 2 events increased in 2018 relatively to 2017, from 6 to 12.<sup>17</sup> This increase is attributed to more thorough and stricter monitoring of initial classification of the degree of Process Safety Event severity. Thus, some Tier 3 events were reclassified into Tier 2 events. A stricter approach to

event classification allows more detailed investigation and continuous learning. In Upstream, we continue to focus our process safety efforts on monitoring the maintenance of safety-critical elements, the ratio of preventive to corrective maintenance, and completing regulatory inspections. Our operations achieved significant improvements in 2018: We completed almost 100% of work orders, the ratio of preventive to corrective maintenance increased by over 60%, and we completed all regulatory inspections.

In Downstream, we are developing our process safety management activities in the operating units based primarily on process safety information and awareness, employee

qualifications, and constant monitoring of process safety performance using a comprehensive set of leading and lagging process safety performance indicators. This also includes an assessment of the effectiveness of process-safety-relevant regulations in the field and an internal process safety assessment performed by an interdisciplinary cross-refinery team at the Burghausen refinery, which showed remarkable improvements in several areas compared to the last assessment.

## Product safety management

We have established adequate processes and workflows to secure our compliance with the EU regulations on Registration, Evaluation, and Authorization of Chemicals (REACH) and on Classification, Labeling, and Packaging (CLP) of substances and mixtures. Within this continuously evolving regulatory environment, we are committed to maintaining and updating our mandatory registrations so as to keep up with relevant regulatory developments. To this end, we closely follow the guidance published by the European Chemicals Agency and participate in the REACH consortia (Concawe, Lower Olefins and Aromatics, Fuel Ethers, Renewable Fuels, etc.), as well as in working groups through oil and chemical industry trade associations. Safety data sheets are available on [www.omv.com/en/products/online-tools/product-information](http://www.omv.com/en/products/online-tools/product-information). These documents are regulated under REACH and include comprehensive information on potential health, safety, and environmental. In addition, they inform customers and employees about how to handle and use our products safely.

## SUSTAINABILITY STRATEGY 2025 TARGET

### Keep leading position in Process Safety Event Rate

#### PERFORMANCE TO DATE

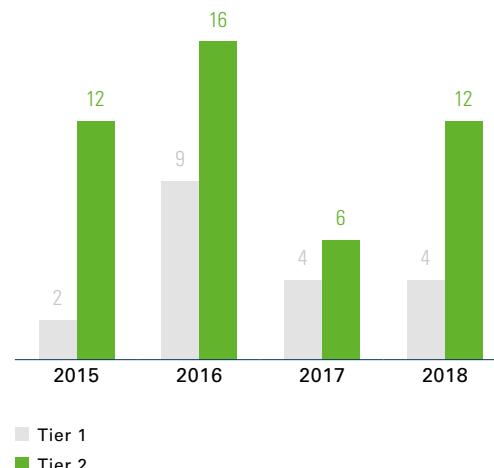
0.29<sup>18</sup>

#### ACTION PLAN TO ACHIEVE THE TARGET



Consolidating Major Accident Event (MAE) scenarios for Seveso/offshore facilities, high-risk pipelines/flowlines, and high-integrity risk wells in Active Risk Manager System (ARMS) tool; identifying and consolidating key risk control barriers in ARMS; identifying and including MAE scenarios for facilities other than Seveso in ARMS

### Process safety events, Tier 1 and Tier 2 in number of events



<sup>17</sup> A Tier 1 Process Safety Event (PSE) is a Loss of Primary Containment (LOPC) with the greatest consequence. A Tier 2 PSE is an LOPC with lesser consequence. A Tier 3 PSE is a so-called "near miss" not leading to actual consequences, or is not classified as Tier 1 or Tier 2. For a more detailed definition of Tier 1, Tier 2, and Tier 3 PSEs, see [Definitions](#).

<sup>18</sup> The scope of the Process Safety Event Rate performance is limited to events and working hours from entities in the Upstream segment: Austria, Kazakhstan, New Zealand, Norway, Pakistan, Romania, Tunisia, and Yemen; in the Downstream segment: Refining and Petrochemicals, Gas Connect Austria, Samsun CCP.

## Security

### Security management

The role of OMV's Security function is to protect the OMV Group's personnel, assets, information, operations, value, and reputation against any intentional and malicious threats. A volatile geopolitical environment combined with enduring regional conflicts resulted in the 2018 Security and Resilience emphasis remaining on the OMV assets located the Middle East and North Africa. Notwithstanding the challenges of operating securely in Yemen, Tunisia, and Libya, the threat and reality of terrorist attacks in Europe and elsewhere increased significantly. In addition to this emerging phenomenon, political extremism, criminality, and cyber threats have required the Security & Resilience department to adapt a robust, but flexible security strategy to enable OMV to continue operating in such dynamic environments.

The philosophy of using information and Protective Intelligence as a preventive security instrument remains a key principle of our strategy. It affords the ability to anticipate or instantly respond to a broad spectrum of geopolitical events, regional conflicts, or isolated incidents. Interacting effectively with government agencies also augments this approach through valid corroboration of facts.

The Security Risk Assessment Platform continues to deliver tangible results, providing real-time oversight of OMV asset risk exposure levels, and can be quickly readjusted in response to geopolitical or security events.

The Integrated Travel Security Platform incorporates all OMV ventures and is used to monitor all international and domestic business travel for security-related events. Mitigation procedures and evacuation contingencies are adapted or activated depending on known or emerging threats.

OMV also utilizes a comprehensive range of security regulations, plans, procedures, measures, and systems as part of a Security Management Standard. This document utilizes IOGP best practice guidelines and other industry best practice (ASIS and UK Security Institute) to enable OMV to more effectively detect, deter, protect, prevent, record, and investigate threats.

All of the above platforms and components form a unique, agile, and proven Security Management System (SMS) that is regularly reviewed, changed, or enhanced as the situation requires.

In 2018, operational support continued to be delivered to OMV ventures and, where applicable, regional and venture security capability was encouraged in order to assume a more locally delivered model. As the business continues to evolve in the Middle East and Africa region, this will remain a permanent commitment for 2019.

OMV's human rights policies remain crucial in terms of security. Effective community engagement is a powerful security mitigation measure in regions experiencing conflict or instability. In high-risk countries, OMV's local security and community

engagement strategies are tightly integrated, promoting effective policies, mutual respect, and transparency with all local stakeholders. They, in turn, directly contribute to OMV's stable and secure operating environment. This cooperation encourages a precautionary approach in early detection and resolution of local grievances.

### Security initiatives

In 2018, the OMV Security function actively helped enable several business initiatives in high-risk or semipermissible environments.

In the first quarter 2018, OMV Security led the first "expat" field visit into Block S2, in Yemen, since its evacuation in 2015. A security risk assessment and review were successfully conducted along with a technical evaluation of the operational status of the facility prior to resumption following the recommissioning of the Block 4 export pipeline.

A dedicated Joint Project Team (JPT) was formed at the end of last year at the Vienna headquarters to work on special projects with the aim of rehabilitating processing facilities in OMV's Eastern Libya assets in



Nafoora and Zueitina. In November, OMV was finally able to deploy an eight-person technical inspection team to the Nafoora and Zueitina sites via Benghazi. A robust security and emergency response plan provided the necessary assurance and mitigation measures required so that this critical six-day technical review could be completed for Upstream. The goal in 2019 is to further improve this security concept to enable longer visits in the future.

OMV's resilience and crisis management capability during low-probability/high-impact events was tested in the fourth quarter 2018. The Upstream Crisis Management exercise/workshop was centered around a complex security event in Libya, while the Downstream exercise involved a challenging product supply chain situation triggered by an incident in Trieste harbor. All of the lessons learned from these exercises are captured and incorporated into relevant procedures.



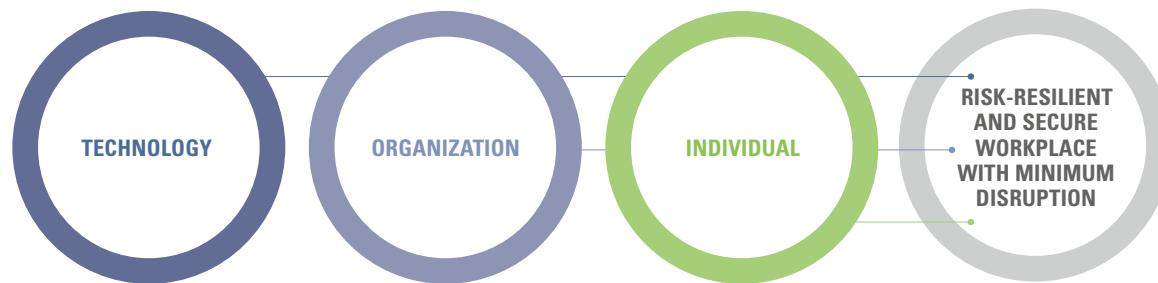
### Information security management

With the rapid increase of digitalization, there are also risks to the non-physical security of operations that can threaten business continuity. OMV invests in information security to minimize disruptions, to secure our critical assets, and to avoid monetary loss resulting from unauthorized access to our systems or data.

The Information Security 4.0 Program has been set up to embed information security as an integral part of the OMV Group (including Upstream, Downstream, and Group functions). The Program covers both information (IT) and operational technologies (OT). It also features multiple subprojects directed at developing the capabilities of our technology, of our organization, and of our employees so that we can resist cyber security threats.

These projects will help OMV adopt new technologies in the future while still managing the risks posed by malicious actors. We regularly assess the maturity of our information security system using standards and directives based on ISO/IEC standards, and the COBIT, NIST, and NIS frameworks, as well as industry best practices.

**OMV implements projects and establishes initiatives aimed at enhancing information security in three main focus areas:**



► **OUR ORGANIZATION:**  
We build the foundation for a secure environment on clear and actionable standards and processes, supported by well-defined organizational responsibilities. This includes defining and implementing organizational and governance structures for an integrated IT and OT Security Framework across both Upstream and Downstream activities. The Security Framework provides a foundation for revising, further defining, and establishing processes for information security. As part of the Security Frame-

work, we are aligning security management, developing security standards, detailing security requirements, executing methodologies and tools for security risk assessment, and setting up contract and incident management.

► **OUR EMPLOYEES:**  
We equip the workforce, including contractors, with the appropriate level of risk awareness and expectations with regard to promoting information security in our everyday business. Our learning channels promote regular two-way

communication and help employees adapt and use the tools and processes introduced as part of the Information Security 4.0 Program. Such learning channels include our intranet and a combination of mandatory and optional trainings. One level of learning activities is targeted at all employees to help them tackle common problems such as phishing or ransomware attempts, while the second is directed at employees who need to use specific advanced information security solutions and processes. Employees are encouraged to

provide feedback, which is then implemented on a regular basis.

► **OUR TECHNOLOGY:**  
We provide technology and solutions in order to prevent and mitigate security risks. An example of an activity targeted at mitigating security risks is imposing secure Identity and Access Management (IAM) governance and architecture for identity management, authentication, and authorization.

## Environment

In striving to minimize the impact of our operations, we particularly emphasize issues of material importance to both OMV and our stakeholders: spills, energy efficiency, greenhouse gas (GHG) emissions, water and waste management.

All topics of material importance related to our environmental impact are managed through a single management approach, governed by general and topic-specific Group regulations, and reported to management accordingly. Specifics regarding the definition of the scope and management of each environmental topic are provided in the corresponding sections: *Energy efficiency*, *Spills management*, *Water management*. Reporting on the management of GHG emissions can be found in the *Carbon Efficiency* section, since this is a separate focus area of our Sustainability Strategy. As mentioned in the *Reporting on Materiality* section, we also cover the topics of biodiversity and waste management, as these are also important to OMV.

OMV tracks environmental performance in all relevant areas through an annual campaign using suitable IT tools for collecting, validating, and analyzing environmental data. Based on the results of the reporting, OMV can evaluate where our operations have the greatest potential for improvement. Detailed information on the performance of selected environmental indicators is presented under *Performance in Detail*.

Minimizing environmental impacts by way of water and soil pollution prevention,

reduction of emissions, efficient use of energy and natural resources, and avoiding biodiversity disruption is an integral part of the OMV HSSE Policy. In particular, our focus on climate change mitigation as part of our environmental policy led to the inclusion of three related targets in the Sustainability Strategy 2025. (For more information on targets related to reducing GHG emissions, see *Carbon Efficiency*.)

The principles and rules for environmental management are set out in the OMV Group's HSSE Directive and the OMV Group Environmental Management Standard. The HSSE Directive defines the "environment" as "an organization's natural and human surroundings. An organization's environment extends from within the organization itself to the global system and includes air, water, land, flora, fauna, and human beings."

The OMV Group Environmental Management Standard requires that all relevant OMV businesses and activities (including investment, acquisitions, and divestment) implement an Environmental Management System (EMS) consistent with ISO 14001 and adhering to the minimum requirements listed. All relevant OMV businesses are required to review and update the EMS at least once per year, while a full EMS audit must be carried out either by an external independent auditor or OMV corporate environmental experts every three years for sites not certified to ISO 14001. Internal EMS audits are performed at the local level at least once a year to identify improvement measures.

By 2020, OMV aims to achieve 100% compliance by all operational sites with the OMV Group Environmental Management Standard as well as the requirements of ISO 14001 and ISO 50001. To reach the intermediary step of 70% compliance by the end of 2019, we have developed and rolled out a self-assessment tool and have defined the units that will undergo the assessment to determine where there are gaps with respect to the system and standards. Following the analysis, the units undergoing the assessment will be required to implement compliance plans defining how they will close the identified gaps.

The Central Integrated Management System (C-IMS) of OMV's Downstream business is certified according to ISO 14001, ISO 9001, ISO 50001, and OHSAS 18001. The OMV Refining and Petrochemicals business, including OMV Petrom power plants and the Petrobrazi refinery, are covered by the C-IMS.

### **EMSs of other OMV business units are externally certified according to the following international EMS standards:**

- ▶ OMV Deutschland GmbH holds certification according to EMAS III (Eco Management and Audit Scheme).
- ▶ Gas Connect Austria is certified according to ISO 14001, ISO 9001, ISO 50001, and OHSAS 18001.
- ▶ OMV Upstream Pakistan is certified according to ISO 14001.

- ▶ OMV Tunisia is certified according to ISO 14001 and ISO 50001.
- ▶ OMV Petrom Upstream Romania is certified according to ISO 14001, ISO 9001, and OHSAS 18001 for its Maintenance and Gas Pipeline Management System.
- ▶ The OMV Petrom Group's Energy Management System is certified according to ISO 50001, and the certification covers all Upstream and Downstream business activities.
- ▶ Samsun CCPP is certified according to ISO 9001, ISO 14001, ISO 50001, and OHSAS 18001.
- ▶ OMV Petrom Marketing S.R.L.'s OMV branded filling stations; OMV Petrom S.A.'s supply, marketing, and trading activity; and OMV Petrom Gas S.R.L.'s gas delivery activity are certified according to ISO 14001.

The Executive Board members are informed regularly, at least quarterly, about present and upcoming environmental, climate, and energy-related policies and regulations; related developments in the fuels and gas market; the financial implications of CO<sub>2</sub> emissions trading obligations; the status of innovation project implementation; and progress on achieving sustainability-related targets. (For more detailed description of sustainability governance, see *Sustainability Governance*.) Overall responsibility for environmental management in the business

segments lies with the Executive Board members responsible for the Upstream and Downstream business, respectively.

### Management of environmental compliance

OMV is liable for the impact that our activities have on the environment. Breaching environmental regulations on a national and international level results in both monetary losses and harm to our reputation. Our license to operate depends on compliance with regulations relating to environmental protection, which is also of particular importance to governmental authorities, shareholders, and stakeholders such as the public and environmental NGOs and NPOs.

The OMV Group Environmental Management Standard requires compliance with all applicable environmental laws and regulations, identification of legal and other requirements, development and maintenance of appropriate legal compliance databases, and alignment with internationally accepted best practices as part of our EMS. According to the Standard, we must also establish programs to prevent non-compliance to avoid monetary losses. The OMV Group Environmental Management Standard stipulates an assessment of environmental impacts and risks, and adherence to environmental performance requirements in terms of energy use, emissions into the atmosphere, water use and discharge, the use of raw materials, waste management, hazardous substance handling, and biodiversity and ecosystem protection.

Environmental risks and opportunities include regulatory, operational, reputational, and financial drivers and specifically relate to issues such as climate change, availability and quality of water used for operations, and the impact of energy, climate, and water policies. The management of environment-related risks is part of OMV's Enterprise-Wide Risk Management (EWRM) activities as described in the *Risk and Opportunities Management* section.

Digital technologies are used in monitoring and managing environmental risks through a special risk management IT tool – the Active Risk Manager System (ARMS). We continued to roll out ARMS in 2018. This tool allows us to better integrate environmental risk scenarios with other HSSE and business risks. Identified and assessed risks are controlled and mitigated at all organizational levels thanks to clearly defined risk policies and responsibilities. Strategic risks and opportunities (e.g., related to climate change or water stress) are assessed in a top-down process, while a bottom-up process with a standardized methodology is used to assess environmental aspects, impacts, and risks, including legal compliance risks, in our operations.

In 2018, we continued to roll out the framework and methodology for our coordinated Group-Wide Environmental Risk Assessment. The framework is based on best practice standards, meets ISO 14001 requirements, and ensures the consistent qualitative assessment of operational risks and impacts related to the environment. The resulting environmental risk database includes information on existing controls for environmental risks as well as future actions required.

Before undertaking new operational activities or entering new countries, we perform environmental risk assessments, including evaluations of local legislation, the potential impact of our activities on sensitive and protected areas, and the effects on endangered species. Each subsequent phase of project implementation is accompanied by a detailed assessment of environmental risks.

### Energy efficiency

As an integrated oil and gas company, OMV operates large facilities and is also a major energy consumer. The amount of energy we use creates a significant impact on the environment. Effective management of energy consumption reduces the environmental cost of our operations, increases financial savings thanks to energy efficiency, prevents non-compliance with regulatory requirements on energy use, and mitigates the climate effects of GHG emissions.

#### **Energy efficiency measures therefore have a considerable effect on issues relating to energy consumption of interest to stakeholders:**

- ▶ Governmental authorities: compliance with EU Emissions Trading System (EU ETS) regulations relating to the submission of emissions allowances within EU ETS, compliance with the EU Energy Efficiency Directive requiring greater energy efficiency in all stages of the energy value chain
- ▶ Shareholders and other stakeholders with a direct financial interest in OMV: financial

savings resulting from reduced energy consumption and lower production costs

- ▶ NGOs/NPOs: reduced impact of our operations on the environment

The OMV Group Environmental Management Standard requires that all OMV businesses and activities use energy responsibly, conserve primary energy resources, and implement energy management plans in accordance with ISO 50001. The potential for reducing energy use is identified in annual campaigns encouraging improved environmental performance, including energy consumption. For example, we have set targets for refineries to reach certain energy index ratings through annual monitoring campaigns. Based on their energy index rating, we identify and assess areas for improvement in energy efficiency. Subsequently, we decide which measures to implement to improve energy consumption as part of our environmental governance process. (For more information on activities aimed at enhancing environmental performance as part of sustainability governance, see *Sustainability Governance*.)

## Energy efficiency activities

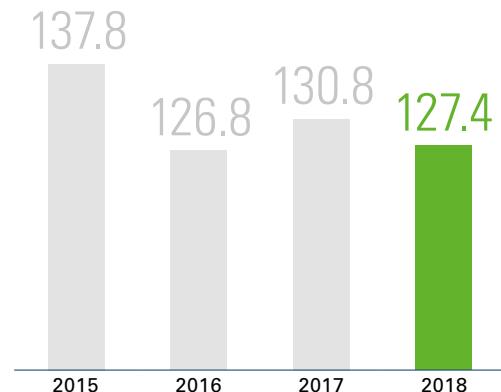
Energy efficiency measures in OMV operations are closely linked with technical improvements directed at reducing energy use while achieving the same operational output. Process optimization and increasing energy efficiency to save costs and reduce CO<sub>2</sub> emissions is a strong focus of our refineries. Energy efficiency measures implemented in our three refineries in 2018 led to an annual decrease of more than 34,621 t in CO<sub>2</sub> equivalent and energy savings of 470 TJ. GHG reduction projects implemented in our refineries between 2009 and 2018 have so

far delivered a total reduction of 0.7 mn t in CO<sub>2</sub> equivalent.

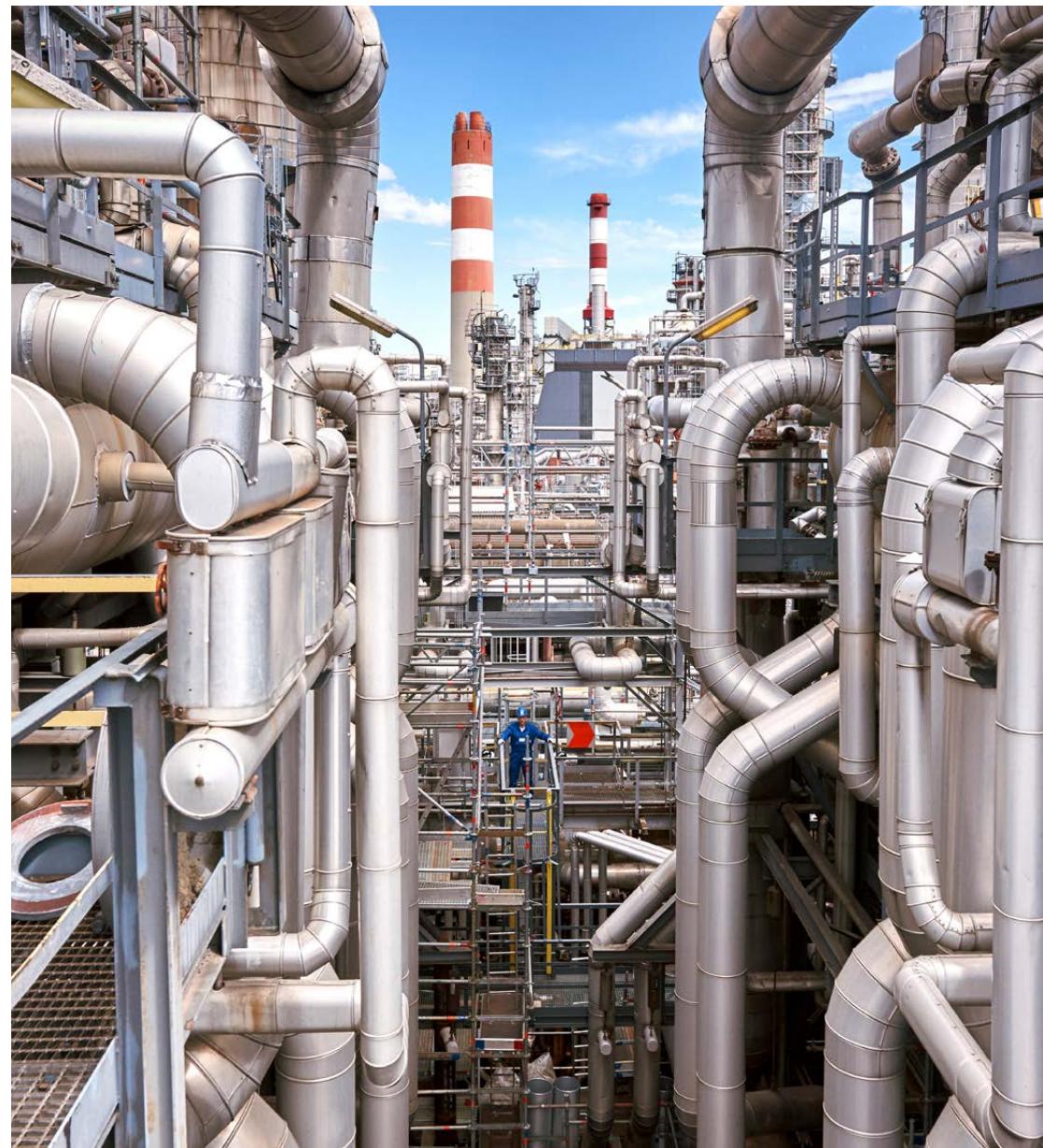
In 2018, projects to measure and decrease energy use in operations at the Petrobrazi refinery produced annual energy savings of around 77,000 GJ and decreased emissions by over 13,000 t CO<sub>2</sub> equivalent.<sup>19</sup>

In 2018, our total energy consumption was 127.4 PJ (2017: 130.8 PJ). Of this figure, 3% was energy consumed from purchased electricity and heat.

Energy consumption  
in PJ



<sup>19</sup> Savings are based on site calculations with specific data and methodology.



**In Austria and Romania, we have implemented the following projects resulting in reduced energy consumption:**

- ▶ Gas production in Thann (Austria): The old gas-powered compressors in the gas storage facility were replaced with new electrical wellhead compressors. The resulting energy savings are expected to be as high as 60%. Simultaneously, CO<sub>2</sub> emissions were reduced by almost 90%.
- ▶ Gas processing plant in Aderklaa (Austria): Due to the ONE Aderklaa mode of operation and the decrease in sales gas pressure, we were able to decrease combustion gas by approximately 20%, leading to the reduction of approximately 10,000 t CO<sub>2</sub> per year.
- ▶ OMV Petrom Energy Efficiency Program (Romania): In 2018, two new gas-to-power (G2P) plants have been initiated in Asset I with implementation planned for 2019. Within the framework of the Energy Efficiency Program, a total of 36 G2P/CHP power plants were built by the end of 2018 with a total capacity of 77 MW.

### **Spills management**

Oil spills<sup>20</sup> are a critical environmental issue for our industry. Spills management is defined as the prevention of spills in operations and other spills (e.g., caused by sabotage or natural hazards), and the management and remediation of spills resulting from an incident.

#### **Stakeholders with major concerns relating to potential impacts stemming from spills are as follows:**

- ▶ Government authorities: potential breaches of environmental regulations
- ▶ Employees and contractors: potential health and safety issues arising from accidents and damage to the environment and society
- ▶ NGOs/NPOs: potential damage to the environment and society
- ▶ Society: damage to the surrounding environment
- ▶ Shareholders: direct financial losses due to the costs of remediation measures and reputational risks

### **Spill prevention**

#### **Spill prevention and control measures include:**

- ▶ Hazard identification and risk assessment
- ▶ Preventive measures and maintenance to avoid leaks

- ▶ Emergency response and contingency plans including materials and equipment for spill intervention
- ▶ Cleanup and remediation procedures

The majority of our oil spills involve OMV Petrom Upstream, where we concentrate our efforts to safeguard our infrastructure in the interest of reducing the number of spills occurring on a yearly basis.

The remuneration of the Company's executive management is linked to OMV's oil spill performance. The number and volume of oil spills constitute a part of the sustainability multiplier that impacts their annual bonus as decided by the Supervisory Board. Hydrocarbon spills are documented and reported using OMV's incident reporting tool. The data input for the sustainability multiplier, including the number of spills and their volume, is audited externally as part of the scope of the sustainability report audit. (More information is provided in the *Sustainability Governance* section.)

### **Spill remediation**

Hydrocarbon spills are assessed and cleaned up immediately after their occurrence in accordance with internal procedures governing spill remediation. Leaks are repaired immediately or within defined time frames in accordance with the site's maintenance processes and based on the risk assessment outcome and other factors, such as feasibility of repair during operation.

In order to strengthen our response to and reduce the environmental impact of oil

spills, we continued to perform emergency drills, including pollution scenarios.

In 2018, we recorded two major hydrocarbon spills in Romania (2017: one major spill).

At OMV Petrom Asset II, an oil pipeline connecting the Brădești production sector and the Ghercești tank farm leaked near the Amaradia River due to external corrosion. Approximately 720 liters of oil and 80 liters of salt water flowed onto the ground and partly down the Amaradia River toward the Jiu River. Pipeline operations were stopped immediately, and the isolation valves were closed. A number of barriers were erected along both the Amaradia and Jiu Rivers, including absorbent pads, floating booms, and dams. Oil was recovered by vacuum trucks, and contaminated soil was removed and transported to a bioremediation plant. The authorities were informed immediately and decontamination efforts have been coordinated with them.

At OMV Petrom Asset VIII, an oil pipeline connecting the Tazlău production sector and the Albotești tank farm leaked due to external corrosion. Approximately 450 liters of oil and 50 liters of salt water leaked onto the ground on private property. Pipeline operations were stopped immediately, and the isolation valves were closed. The authorities were informed immediately. Absorbent barriers were installed so that the affected surface area could be limited to approximately 200 square meters. Liquid oil was collected by vacuum trucks; contaminated soil was excavated and transported to a bioremediation plant.

<sup>20</sup> Oil spills are defined as hydrocarbon liquid spills that reach the environment.

In addition, 2,182 minor releases occurred in 2018 (2017: 2,402). Total hydrocarbon spillage was around 36.9 m<sup>3</sup> (2017: around 173.9 m<sup>3</sup>). Spills and leaks were mainly due to the corrosion of aging infrastructure.

OMV has developed a Corrosion Management Framework (CMF) to provide a proactive and consistent approach to corrosion monitoring and management across the entire OMV Group and the OMV Petrom Upstream business. Covering the full life cycle of the equipment exposed to the risk of corrosion in both oil and gas facilities from the well to the sales point, this framework encompasses the entire value chain of our business. A team of 30 in-house experts with multidisciplinary and multicultural backgrounds will work to embed CMF principles into everyday operations.

In 2018, we continued to implement the OMV Petrom Pipeline Integrity Management Program, which demonstrated significant results from multi-year data collection and software implementation. Risks are prioritized using the software, thereby ensuring that our pipeline integrity efforts focus on the locations with the greatest need. As a result of the Pipeline Integrity Management Program, OMV Petrom also increased the use of non-metallic pipeline materials in new projects to prevent corrosion and the risk of pipeline-related spills.

The Hazard and Operability (HAZOP) Program at OMV Petrom also continued in 2018, resulting in completion of 40 studies reviewing and updating all of the required technical documentation in order to identify operational risks carrying potential hazards for

personnel, equipment, or the environment. So far, 200 facilities have participated, and 40 more facilities are scheduled to be included in the HAZOP study in 2019.

### Water management

OMV Upstream and Downstream operations both affect water resources. OMV uses significant amounts of water for its operations in Upstream as well as in Downstream activities. Freshwater is used, for example, for drilling, steam generation, and cooling, among other processes. Smaller amounts of water are also used for non-industrial purposes. Some water used in operations is recycled back for reinjection to pressurize hydrocarbon reservoirs in order to optimize the extraction rate.

Desalinated water is used in some offshore operations. Refineries and various other operating facilities also use brackish and/or recycled water for various operational purposes. The Samsun power plant uses sea water directly for cooling purposes. Some of OMV's operating facilities are located in water stress areas.<sup>21</sup>

#### Our impact on water resources is material to stakeholders as follows:

- ▶ Government authorities (regulatory and river basin management authorities): compliance with water use rules and environmental parameters relating to wastewater generated
- ▶ Local communities: sharing of local water resources and the quality of discharged wastewater



The key targets of our water management activities are to reduce water consumption, to utilize water resources efficiently, and to treat wastewater appropriately.

<sup>21</sup> Water stress areas are areas where the demand for water exceeds the available amount during a certain period or when poor quality restricts its use. In such areas, water stress causes deterioration of freshwater resources in terms of quantity (aquifer over-exploitation, dry rivers, etc.) and quality (eutrophication, organic matter pollution, saline intrusion, etc.). Source: European Environmental Agency [www.eea.europa.eu/themes/water/glossary](http://www.eea.europa.eu/themes/water/glossary)

## Water Ambition Statement

- ▶ We respect water as a precious limited resource and focus on its sustainable use.
- ▶ We are committed to meeting all applicable legislative requirements or our OMV regulations – whichever is more stringent.
- ▶ Water management is a key component of our social license to operate. We cooperate with local communities and prove to be responsible partners.
- ▶ We are committed to transparency when it comes to our impact on water resources.
- ▶ Every OMV employee is responsible for minimizing the impact of our activities on water resources.

The Company's commitment to water management is based on OMV's Water Ambition Statement.<sup>22</sup>

**OMV's Group-wide Water Strategy was implemented in 2014 and is based on five strategic pillars:**

- ▶ Transparency
- ▶ Risks and opportunities
- ▶ Water efficiency and treatment
- ▶ Training and awareness
- ▶ Stakeholder engagement

In line with the high importance of the water management material topic, we keep our plan to establish targets related to the enhancement of water consumption efficiency. For the Sustainability Strategy 2025, however, we have prioritized safety-related targets in the focus area of HSSE. Environment-related targets were incorporated as part of the Carbon Efficiency focus area. Water management targets will make part of the Water Strategy that we plan to review in 2019.

High-level water-related risk screening is performed at Group level every five years, with the next one planned for 2019. OMV uses international tools such as the IPIECA Global Water Tool (GWT) to identify operations in areas affected by water scarcity and water stress. The GWT provides information on the Annual Renewable Water Supply at country level, the Annual Relative Water Stress Index at watershed level, and the Mean Annual Rel-

ative Water Stress Index. The Water Risk Filter (WRF) supplement to the GWT provides OMV with a clearer picture of current or potential future water constraints, and creates facility-specific heat maps that also contain information on physical risks like water scarcity and pollution. Operating facilities located in places that are affected or are likely to be affected by water scarcity issues, and operations utilizing significant water resources (i.e., Tunisia), are prioritized when developing and implementing water management plans. These plans aim to allow sustainable long-term production with minimal effects on the environment. Since OMV's Water Strategy was implemented, 75% of priority sites have completed water management plans, with the development of plans in progress at the remaining sites.

A bottom-up approach in the assessment of water-related risks is taken in accordance with the OMV's Group-wide Environmental Risk Assessment (ERA) guideline to ensure consistent qualitative assessments of operational risks and impacts related to the environment, including water. Significant risks are integrated into OMV's Enterprise-Wide Risk Management (EWRM) system.

When entering a new country or considering new operational activities, OMV primarily uses the World Resources Institute's (WRI) Aqueduct and Verisk Maplecroft indexes to identify future potential water-related constraints such as baseline water stress, groundwater stress, and seasonal variability.

Water-management-related risks are closely linked with the material topic of spill prevention. Offshore operations may lead to oil

spills with significant impact on marine water resources and ecosystems. The response strategy aims to minimize the probability of such risks and maximize readiness so that we can provide timely remediation



### Rehabilitation of industrial water distribution system at Suplac in Upstream, Asset I

In 2018, the industrial water distribution system was rehabilitated in four parks (16, 24, 31, and 49) at Suplac in Upstream, Asset I. The old hydrant networks were replaced, and around 730 meters of new pipe were installed at a cost of around EUR 1.24 mn. Project benefits include avoiding water losses from old water hydrant networks and pipelines, as well as improved safety in operations.



<sup>22</sup> Available on OMV website: [www.omv.com/sustainability](http://www.omv.com/sustainability)

measures in the unlikely event of an oil spill. OMV allocates significant resources to prevention and mitigation measures. Any new or existing offshore drilling activity is accompanied by a third-party analysis evaluating the magnitude of a major event and its possible consequences. As part of the biannual Group-wide EWRM process, water-related risks and mitigation measures are assessed in a larger strategic context, while a systematic approach is taken in day-to-day operations to monitoring and managing high-impact/low-probability risks such as blow-outs during offshore drilling.

OMV adheres to the requirements laid down in local legislation when setting standards for effluent discharge quality. The OMV Group Environmental Management Standard requires all OMV businesses and activities to minimize the impact of effluents on the environment and local communities, and outlines specific requirements for wastewater discharge onshore and offshore. The direct discharge of wastewater on land, in wetlands, or in other bodies of water without prior treatment is not permitted. The Standard furthermore stipulates that no discharge may alter or diminish the value of the receiving environment. All discharge must be systematically monitored, and any environmental impacts must be managed appropriately.

In areas where OMV operations require large amounts of water, it is particularly important to include local stakeholders in water management activities in order to secure a “social license to operate.” Among the most important stakeholders OMV includes in defining socially equitable, environmentally sustainable, and economically beneficial

water management practices are local communities, neighboring industrial facilities, NGOs, regulators, and river basin management authorities.

OMV water management activities pursue socially equitable water use. One of the essential rights defined in OMV’s Human Rights Matrix is “Support access to water and food in the immediate surroundings of our operations.” This applies not only to our own operations but also to those of our suppliers that sign and commit to following the OMV Code of Conduct. As indicated in the *Supply Chain* section, OMV regularly carries out supplier audits to ensure compliance with our human rights requirements.

To ensure that the interests of local communities are known and taken into account during the project life cycle, OMV conducts social baseline studies and community needs assessments as part of Social Impact Assessments (SIAs). (For more information on SIAs, see *Community Relations and Development*.)

Following these assessments, OMV launches community projects aimed at increasing access to clean water for local communities. This partnership with local communities allows them to benefit from OMV’s presence in the region and provide consent for the use of natural water resources in their area. Examples of OMV support for local communities in Libya to water use related projects can be found under *Community Relations and Development*.

Community development projects, including those expanding access to water, are often

implemented in cooperation with international NGOs or agencies. The latter help initiate dialogue with local communities so that OMV can identify and plan community development activities in accordance with local needs. On a larger scale, OMV regularly holds stakeholder dialogue meetings with NGOs to seek their opinions and views on sustainability and environmental topics.

Local regulatory and river basin authorities are involved whenever needed to ensure that OMV is in compliance with local environmental regulations and has obtained all of the required permits for freshwater usage and wastewater discharge.

#### Water efficiency activities

In 2018, a study to evaluate water risks was conducted at the Petrobrazi refinery, taking into account physical criteria such as water scarcity (determined by considering access to water resources, competing needs, and supply patterns in the region) and water stress (defined by the physical availability of the water resources). The WRF tool was used to further analyze the outcomes of the study in view of compliance and reputational risks. The study found decreased availability of water resources, mainly due to climate change, with an expected further decline in water availability. Given that the region is already experiencing water stress, we determined the need to implement climate change adaptation measures. Among these is recycling treated wastewater in our industry. The risk evaluation study supports a pilot project at Petrobrazi focusing on treated wastewater recycling.



#### Commissioning of new gas separation station at Madulari in Upstream, Asset II

In 2018, a new gas separation station was commissioned at Madulari in Upstream, Asset II, by way of an investment amounting to EUR 66.8 mn. The new facility replaced an old tank farm, a gas-drying facility, and a compressor station. Water use decreased substantially (from 5 m<sup>3</sup>/day to 1 m<sup>3</sup>/day), and energy consumption was cut in half (1,644 MWh compared with 3,272 MWh previously) during a six-month period.

The new facility pursues best water management practices by using air cooling (instead of the previous cooling towers, which used considerable amounts of water) and electric heating for buildings (instead of steam heating).



## Biodiversity protection

According to the OMV Group Environmental Management Standard and Environmental and Social Impact Assessment Procedure, all OMV activities must be conducted in such a way as to cause minimal disturbance to protected areas and local flora and fauna. Observed or predicted direct and indirect impacts on biodiversity and ecosystem services (BES) are described and analyzed in the environmental impact assessment. BES screenings are carried out at all relevant sites to identify as far as reasonably possible the potential for the presence of nationally or globally threatened species, legally protected threatened or fragile ecosystems, and internationally recognized areas with sensitive biodiversity. In case of significant observed or predicted impact, action planning gives priority to avoidance and minimization over restoration and offsetting of the impact.

### In 2018, we supported the following biodiversity-related projects in New Zealand:

- ▶ A partnership with Ngāti Koata and the Department of Conservation for the Moawhiti lake and wetland regeneration project
  - ▶ A partnership with the Rotokare Scenic Reserve Trust to reintroduce the endemic hihi bird (stitchbird) back into this reserve located just outside of New Plymouth
  - ▶ A partnership with the National Institute for Water and Atmospheric Research to undertake passive acoustic monitoring to assess cetacean distribution and movement through New Zealand's Cook Strait
- ▶ A partnership with the Friends of Mana Island to assist with the regeneration of Mana Island to provide a secure ecosystem for endangered species
  - ▶ A partnership with Montfort Trimble Foundation (MTF) for a period of three years to fund a project for the regeneration of threatened native mistletoe (*Tuveia antarctica*) at Rewanui Forest Park, near Masterton

In one of our community relations projects in New Zealand, OMV provided financial support for a large-scale wetland and streamsideside regeneration project around Lake Moawhiti, D'Urville Island. The project involves planting large numbers of locally sourced native plants, thus helping restore the lake and freshwater habitat. The long-term objective is to improve the quality of the lake water, restore the surrounding wetlands, and improve the migratory routes for the longfin eel (tuna) between the lake and the ocean. Over the past four years, OMV New Zealand staff assisted, on a voluntary basis, in the overall restoration planning and physical planting of over 12,000 plants.

Prior to seismic data acquisition in the course of the largest seismic campaign in Austria, OMV commissioned nature conservation experts at a technical office for biology and ecology (*Büro für Biologie und Ökologie*) to conduct a biodiversity assessment. In addition, independent official experts of the competent nature conservation authorities carried out related reports. All reports

certify that there are no significant impacts on wildlife. The seismic campaign caused very short-term disturbance on a local level, which was not above the base-level disturbance of agricultural, forestry, or recreational activities. In accordance with the stringent regulation applicable to conducting activity in biologically sensitive areas, such as Natura 2000 protected areas, the campaign was carried out outside the bird nesting season and out of intensive vegetation. The campaign also involved ecological supervision during the seismic data acquisition to ensure meeting ecological requirements.

In 2018, OMV Petrom conducted biodiversity conservation studies with external support on two natural reserves where Upstream operates, called "Pădurea cu Pini" and "Mlaștina Satchinez." The results indicate that the status of biodiversity conservation in these natural protected areas is good. We also performed integrity risk assessments on high-volume pipelines that cross a natural protected area, which overlap with OMV Petrom's operations. These assessments define and prioritize measures for continuously reducing exposure.



## **Waste management**

Our activities generate solid and liquid waste, including hazardous waste such as oily sludge, waste chemicals, catalysts, and construction debris. Examples of non-hazardous waste include concrete not containing dangerous substances, welding waste, drilling wastes, mud without oil content, other dangerous substances as well as mixed municipal waste, paper, and metal.

In 2018, activities operated or majority-owned by OMV generated 583,603 t of waste, 268,611 t of which was hazardous waste and 314,992 t of which was non-hazardous waste. We recovered or recycled 223,246 t and safely disposed of 360,357 t of waste, for an overall waste recovery and recycling rate of 38%.

## **Decommissioning activities**

OMV Petrom Downstream Oil finalized demolition projects that included three old fuel terminals (Reșița Terminal & ANRS, Zalău, and Zalău ANRS). This activity generated around 42,000 t of waste in 21 waste categories. The largest share (90%) was clean concrete, which was crushed at the demolition sites and prepared for further use. Scrapped metals were recycled by authorized companies, and the other 19 waste types were brought to specialized waste facilities for either recovery or disposal. We achieved an overall waste recycling rate of 95% for the demolition project, thus maintaining the excellent recycling rate of over 90% of previous years, by following best practices in waste management.

# Carbon Efficiency

OMV is fully committed to climate change mitigation and responsible resource management, and has consequently set targets to manage and reduce the carbon footprint of our operations and product portfolio. Reducing greenhouse gases will decrease our environmental impact and have a positive financial impact by improving compliance with climate-related regulatory requirements and ensuring the efficient use of resources. We strive to be regarded as one of the low-carbon leaders in the oil and gas industry.



A- (Leadership) score  
from CDP Climate Change

371 kt CO<sub>2</sub> equivalent  
emissions savings from implemented projects

57% natural gas share  
in Upstream portfolio

## Climate Change Risk Management

### Climate-related risks and opportunities

Climate-change-related risks and opportunities are integrated into OMV's Enterprise-Wide Risk Management (EWRM) process aimed at identifying, assessing, and managing business-related risks. The short- and medium-term risks are analyzed for their impact on the Company's three-year financial plan. The effects of long-term risks are evaluated based on a semiquantitative analysis, taking into account a wider range of uncertainty. We see climate change to have a limited impact on our business plans and objectives in the medium term. However, management pays close attention to climate-change-related long-term risks and opportunities and takes these into account in strategic decision-making.

Risks are identified in a bottom-up approach by the employees responsible for our day-to-day business, and in a top-down approach by the corporate units responsible for monitoring regulatory, market, and reputational risks in line with the latest national and international developments. These risks are assessed in terms of their potential impact on the medium-term financial performance plan.

In the bottom-up approach, climate-change-related risks are identified using the standardized methodology of the EWRM process. (For more details on EWRM, see *Risk and Opportunities Management*.)

#### The following risks are taken into account on this basis:

- ▶ Compliance with EU ETS in terms of our ability to submit the necessary EU allowances for allocated emission rights for all relevant assets in Europe
- ▶ Acute physical risks related to the impact of extreme weather conditions and other climate-change-related events on the business performance and continuity of OMV's operational assets
- ▶ Chronic physical risks related to the availability of operational resources, such as water, following changes in precipitation patterns and extreme variability in weather patterns, rising mean temperatures, or rising sea levels

#### In the top-down approach, the relevant central corporate units identify the following risks and opportunities, and analyze their potential impact on OMV's business:

##### Risks:

- ▶ Current and emerging regulations in line with international public-sector initiatives such as the Paris Agreement and their subsequent transposition into national law in the countries in which OMV operates, resulting in limits on GHG emissions by the energy industry
- ▶ Reputation risks stemming from the increasing number of investors who

include a company's environmental and social responsibility as a high-weight criterion in their investment decision-making process, whether for reasons of internal policy or due to regulatory pressure for public investment transparency regarding sustainability issues

##### Opportunities:

- ▶ Development of innovative technologies that represent a commercially viable and environmentally friendly alternative to fossil fuels (see *Focus on future mobility* and *Innovation*), and subsequent evaluation of the opportunities for increasing OMV's capacity to produce high-value non-fuel products, such as petrochemicals (see *Focus on petrochemicals*)
- ▶ Increasing demand for natural gas as the cleanest fossil fuel in terms of GHG emissions and the subsequent opportunity to leverage OMV's strong presence in the natural gas sector by increasing its share in the Company's portfolio relative to oil-based products (see *Focus on gas products*)

Climate-change-related risks and an analysis of their impacts were part of the process of developing the Carbon Strategy and evaluating supply and demand trajectories, which in turn served as the basis for the Corporate Strategy 2025.

## Climate-related business resilience

OMV aligns the boundaries and time horizons of its business strategy with the foreseen short-, medium-, and long-term risks and impacts of climate-related policies and energy sector developments. Scenarios consistent with the goal of limiting the global temperature increase to no more than 2°C by reducing greenhouse gas emissions are of utmost importance for our strategic considerations as they imply fundamental changes to the current energy market. During the strategy review and planning processes, OMV has taken into account scenarios reflecting various aspects of potential economic, technological, and social developments and their implications for the energy market and, consequently, for our business. The results of our analysis have shown what impact different national and international emissions targets will have on the passenger and freight fleet in Europe and OMV core markets. This influenced OMV's business objectives and strategy.

OMV uses the International Energy Agency (IEA) New Policies (NP) Scenario as a reference for the future market framework, given that it incorporates current and announced (not yet fully realized) policies, targets, and plans. Based on the IEA NP Scenario, we forecasted the development of the oil and gas demand in Europe and in the OMV core markets until 2025. The results of the analysis show an expected increase in petrochemical and jet fuel production volumes and a decrease in gasoline, diesel, and heating and fuel oil volumes. In general, according to the IEA NP Scenario, the changing

demand will lead to a less carbon-intensive fuel mix.

The IEA 450 Scenario<sup>23</sup> was used by OMV as a downside sensitivity option to determine how the existing and future OMV business portfolio would perform in such a business scenario. We continue to perform sensitivity analyses based on the IEA Sustainable Development Scenario<sup>24</sup>, which incorporates the 450 Scenario, to determine OMV's position relative to global and regional primary energy demands. The targets of our Corporate Strategy 2025 are developed in accordance with the forecasted market developments up to 2025. As a result, the Corporate Strategy 2025 foresees an increase in the share of natural gas relative to oil in Upstream and a shift to higher-value-added products for industrial use, such as petrochemicals. The targets for the Sustainability Strategy are aligned with the production and operational targets of the Corporate Strategy (for more details, see Sustainability at OMV). In addition, we plan to invest up to EUR 500 mn in innovation projects, including research and development in the defined areas, leading to reduced GHG emissions (See chapter *Innovation* for further detail).

In line with national and international climate change mitigation commitments, OMV will step back from activities such as, for example, the promotional campaign "Heating with Oil" (more on *page 55*), and focus increasingly on low-carbon fuels such as gas, hydrogen, or electricity produced from renewable energy sources for mobility (more on *pages 52, 54*).

Already in 2015, we also introduced an internal carbon price to test our investment decisions. Using the carbon price we run sensitivity analyses of project financials with increased operating expenses (OPEX) from carbon costs. The internal carbon price allows us to factor in the hypothetical carbon costs into investment estimates and the engineering designs of the projects. Such analyses protect the value of our new investments under future scenarios with increased carbon costs and increase business resilience to potential changes in climate-related taxes or trading schemes. It also increases the transparency of additional economic incentives for carbon emissions reduction initiatives.

## Carbon Efficiency of Operations<sup>25</sup>

We recognize climate change as one of the most important global challenges today and acknowledge the goals set forth by the Paris Climate Change Agreement. We aim to find the right industrial-scale solutions for a lower-carbon world. Reducing emissions from operations is an important strategic target for OMV, demonstrating our commitment to this material sustainability topic. Our carbon efficiency agenda focuses on process optimization, energy efficiency, and delivering projects that reduce our direct GHG emissions.

### Management of carbon efficiency of operations

Management of carbon efficiency topics in operations is incorporated into the sustainability governance process, as described on

*pages 15-16*. The Executive Board approves carbon-related goals as part of the Sustainability Strategy. It also approves the Health, Safety, Security, and Environment (HSSE) Strategy, which reflects climate change targets such as zero routine flaring by 2030. The current Sustainability Strategy and HSSE Strategy are defined for the period up to 2025.

We continued reporting to CDP to ensure a high level of transparency with regard to our efforts to combat climate change. In 2018, OMV achieved CDP Climate Change score of A- (Leadership) for the third consecutive time. This places OMV among the eleven companies in the global oil and gas sector that achieved the CDP Leadership score and among the top four companies across all sectors in Austria. A CDP Leadership score recognizes that OMV has taken specific steps that represent best practice in the field of environmental management.

<sup>23</sup> The 450 Scenario takes into account policies which put the world on a path consistent with having around a 50% chance of limiting the global increase in average temperature to 2°C in the long term, compared with pre-industrial levels. ([www.iea.org](http://www.iea.org))

<sup>24</sup> The Sustainable Development Scenario – introduced by IEA for the first time in the World Energy Outlook (WEO) 2017 and derived from the UN Sustainable Development Goals – outlines an integrated approach to achieving internationally agreed objectives on climate change, air quality, and universal access to modern energy. ([www.iea.org](http://www.iea.org))

<sup>25</sup> Corresponds to the material topic "Emissions from operations"

## SUSTAINABILITY STRATEGY 2025 TARGET

Reduce the carbon intensity of OMV's operations<sup>26</sup> by 19% by 2025 (vs. 2010)

## PERFORMANCE TO DATE

Reduction of 12% achieved by 2018 (vs. 2010)

## ACTION PLAN TO ACHIEVE THE TARGET



### Upstream business segment phasing out routine flaring and venting

Target progress depends on the realization of investment projects related to "zero flaring and venting," so target will be achieved in steps and not in a linear manner over several years. The main projects contributing to this target will not be effective until 2020.

#### The action plan includes the following activities:

- ▶ Flaring and venting reduction projects
- ▶ Energy efficiency improvements in OMV Upstream and in Refineries
- ▶ Fugitive methane emissions reduction through field modernization and integrity improvement measures in OMV Petrom Upstream

### GHG emissions reduction in operations

In 2018, carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O) emissions levels directly related to our operations (Scope 1) totaled 11.1 mn t CO<sub>2</sub> equivalent (2017: 11.1 mn t CO<sub>2</sub> equivalent). The other GHGs are not relevant to our business and therefore have not been included in our figures.

In 2018, we continued implementing greenhouse gas reduction projects with an annual reduction of around 371 kt CO<sub>2</sub> equivalent. All GHG reduction projects implemented in our operating countries between 2009 and 2018 have delivered a total reduction of 1.7 mn t CO<sub>2</sub> equivalent to date. Reduction of carbon intensity in operations is mainly due to the implementation of projects directed at the reduction of flaring and venting.

### Routine flaring reduction efforts

Phasing out routine flaring is one of the essential steps toward combining resource efficiency with long-term economic success, and a way to strongly support our efforts to reduce the carbon footprint of our operations. New OMV oil and gas fields are developed and operated according to plans that incorporate sustainable utilization or conservation of the field's associated gas without routine flaring. Existing sites where routine flaring of associated and free gas still takes place are required to develop a phase-out plan to eliminate legacy routine flaring as soon as possible, but no later than 2030. In 2017, to reinforce our clear commitment to responsible resource management and sustainable business, we also endorsed the World Bank's "Zero routine flaring by 2030" initiative to

end the routine flaring of associated gas during oil production by 2030. We report annually to the World Bank on our progress in adherence to this initiative.

Many activities and projects to stop or reduce routine flaring have already been implemented or are ongoing, such as the Energy Efficiency Program in OMV Petrom Upstream and the Waha Gas Valorization Project at OMV Tunisia (for more information, see the Sustainability Report 2017). All OMV operations are required to minimize methane emissions from point sources, as well as fugitive emissions and technically unavoidable emissions (such as well testing and well workover, among others). The main sources of methane emissions are routine/non-routine venting of gas during oil and gas production and processing, and gas leaks.

Methane emissions are monitored or estimated and controlled systematically by leak detection and repair programs. The identification of methane emissions sources serves as the basis for developing methane reduction projects in accordance with best practice in the industry and the best available technologies. Knowing the main potential sources of methane emissions also allows us to implement precautionary measures for preventing such emissions in new production assets.

The minimum requirement for identifying leaks is conducting routine audio, visual, and olfactory inspections as part of daily operator rounds at all relevant OMV operating facilities. Leak detection also entails soap-bubble testing and optical gas imaging with defined scopes and intervals (annually

<sup>26</sup> CO<sub>2</sub> equivalent emissions produced to generate a certain business output using the following business-specific metric (Upstream: t CO<sub>2</sub> equivalent/toe produced, refineries: t CO<sub>2</sub> equivalent/t throughput, power: t CO<sub>2</sub> equivalent/ MWh produced) consolidated into an OMV Group Carbon Intensity Operations Index, based on weighted average of the business segments' carbon intensity

or more frequently, as required in accordance with a related risk assessment). At some facilities, infrared cameras are also used for leak detection. In 2018, new detectors were installed at the Aderklaa gas processing plant in Austria, ensuring enhanced reliability and quality of leak detection. Leaks are repaired immediately or, if more appropriate from the site maintenance point of view, within defined time frames.

#### **GHG emissions reduction in Upstream and in refineries**

We implemented various activities in our Upstream and Downstream business segments directed at reducing GHG emissions. For example, significant reduction of venting and fugitive methane emissions is achieved in the OMV Petrom Upstream business thanks to modernization of transportation infrastructure, replacement, and optimization which led to a significant reduction of accidental venting and also to the reduction of gas consumption (e.g. Merișani and Vâlcele compressor stations in Asset III - Muntenia Vest, gas networks monitoring in Asset IV - Moesia, new production facilities at Mădułari in Asset II - Oltenia, improved gas pipelines infrastructure in Asset I - Crisana Banat and Asset III - Muntenia Vest).

In refineries, optimal plant design is implemented in order to minimize flaring events by balancing the fuel gas system. Such advanced process control includes sufficient capacity of the flare gas recovery system, the use of high-integrity relief valves, and other economically viable organizational and control measures. As a result of such measures, it is planned to use flaring as a safety

system for other than normal operations such as start-up, shutdown, emergency, process upsets, and others.



**Reduction of natural gas consumption by the flare pilot burner at the Petrobrazi refinery**

The project amounting to an investment of EUR 1.5 mn comprised installing high energy efficiency pilot burners at Petrobrazi refinery's flares in order to reduce natural gas consumption. This resulted in lower natural gas consumption totaling the energy equivalent value of 61,500 GJ, which helps reduce GHG emissions by 3,600 t CO<sub>2</sub> per year. In addition, the project contributes to improved reliability and safety of flare stack operation.



#### **SUSTAINABILITY STRATEGY 2025 TARGET**

#### **PERFORMANCE TO DATE**

#### **ACTION PLAN TO ACHIEVE THE TARGET**



Achieve zero routine flaring and venting of associated gas by 2030

The amount of hydrocarbons flared or vented has been reduced by 55% vs. 2010.

- ▶ Prepare and approve routine flaring phase-out plans
- ▶ Continue with ongoing flaring and venting reduction projects
- ▶ Systematically monitor and report on GHG performance
- ▶ Report our progress on routine flaring phase-out in conjunction with OMV's commitment to the World Bank
- ▶ Main projects contributing to this target will be effective 2020 onwards.

## Indirect GHG emissions from electricity and heat

In 2018, our indirect (Scope 2) GHG emissions, which relate to purchased electricity and heat, accounted for only 0.3% of our total GHG emissions. Our Scope 2 emissions are primarily caused by the Upstream and Downstream divisions, both of which are energy intensive.

## Carbon Efficiency of the Product Portfolio<sup>27</sup>

About 90% of OMV's products are directly used for combustion. Scope 3 emissions from the use and processing of our products, as well as from purchased goods and services and capital goods, therefore constitute around 90% of our impact in terms of GHG emissions.<sup>28</sup> The development of low-carbon products to reduce this large impact therefore is a topic material for stakeholders and for OMV. In this regard, we have developed strategic targets to reduce the carbon footprint of our product portfolio.

## Management of carbon efficiency of the product portfolio

The OMV Strategy department and subject-matter experts analyzed decarbonization policy developments and stricter emissions standards across the globe and determined that this will lead to the flattening of demand for oil products in the long term. OMV aligns the product portfolio business strategy with such forecasted developments. For example, European demand for natural gas will likely overtake demand for oil in relative and absolute terms by 2030, while regional hydrocarbon extraction is expected to decline. This caused us to focus on preparing the required infrastructure for natural gas delivery and capturing a greater share of natural gas supply. We launched the production of the mainly gas-based assets of Aasta Hansteen in Norway and continued negotiations for a direct interest in the Russian gas extraction business of the Achimov 4A/5A gas formation. Additionally, OMV extended the Russian natural gas supply contracts until 2040.

At the same time, another trend – road transportation decarbonization – led OMV to increase its focus on fuels that function as an alternative to oil and gas. OMV's Future Mobility department continuously analyzes developments in the alternative transportation sector and develops risk mitigation measures to prepare the Company for a transition to non-hydrocarbon fuels by exploring further development of electromobility and hydrogen.

## SUSTAINABILITY STRATEGY 2025 TARGET

Reduce the carbon intensity of OMV's product portfolio<sup>29</sup> by 4% by 2025 (vs. 2010)

## PERFORMANCE TO DATE

On track. Status 2018: -4% reduction vs. 2010. Main drivers in 2018 were lower fuel sales in Downstream due to divestment of Petrol Ofisi during 2017 and increase of Russian gas sales in Upstream

## ACTION PLAN TO ACHIEVE THE TARGET

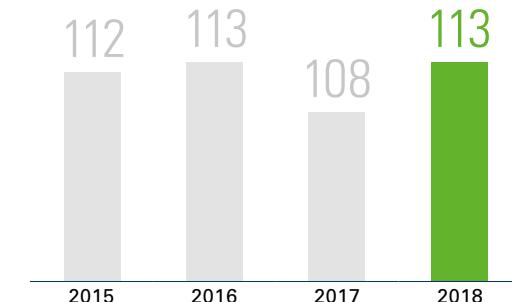


Reduce the carbon footprint of OMV's product portfolio by increasing the gas-to-oil ratio in Upstream production, increasing gas sales in Europe, and shifting to higher-value-added petrochemical products, which in combination with recycling of the used plastics will increase resource efficiency

## Indirect GHG emissions from the product portfolio

In 2018, our Scope 3 emissions were around 113 mn t CO<sub>2</sub> equivalent (2017: 108 mn t CO<sub>2</sub> equivalent) and are related to total product sales volumes, as well as purchased goods and services and capital goods of all our fully consolidated companies.

## GHG Emissions Scope 3 in mn t CO<sub>2</sub> equivalent



<sup>27</sup> Corresponds to the material topic "Low-carbon products"

<sup>28</sup> We take into account the impact of the products sold by OMV to external customers and on the market. Intracompany sales between OMV subsidiaries are not taken into account in order to avoid double-counting GHG emissions from products and services.

<sup>29</sup> The carbon intensity of OMV's product portfolio measures the CO<sub>2</sub> equivalent emissions generated by the use of OMV's products sold to third parties in t CO<sub>2</sub> equivalent/toe sold.

## Focus on gas products

Worldwide demand for gas is anticipated to continue to grow beyond 2030. The phase-out of coal and nuclear power in the electricity sector will increase demand for safer and more climate-friendly gas in the European market. OMV therefore aims for gas to account for >50% of the production portfolio and for increased natural gas sales in Europe. Through this emphasis on natural

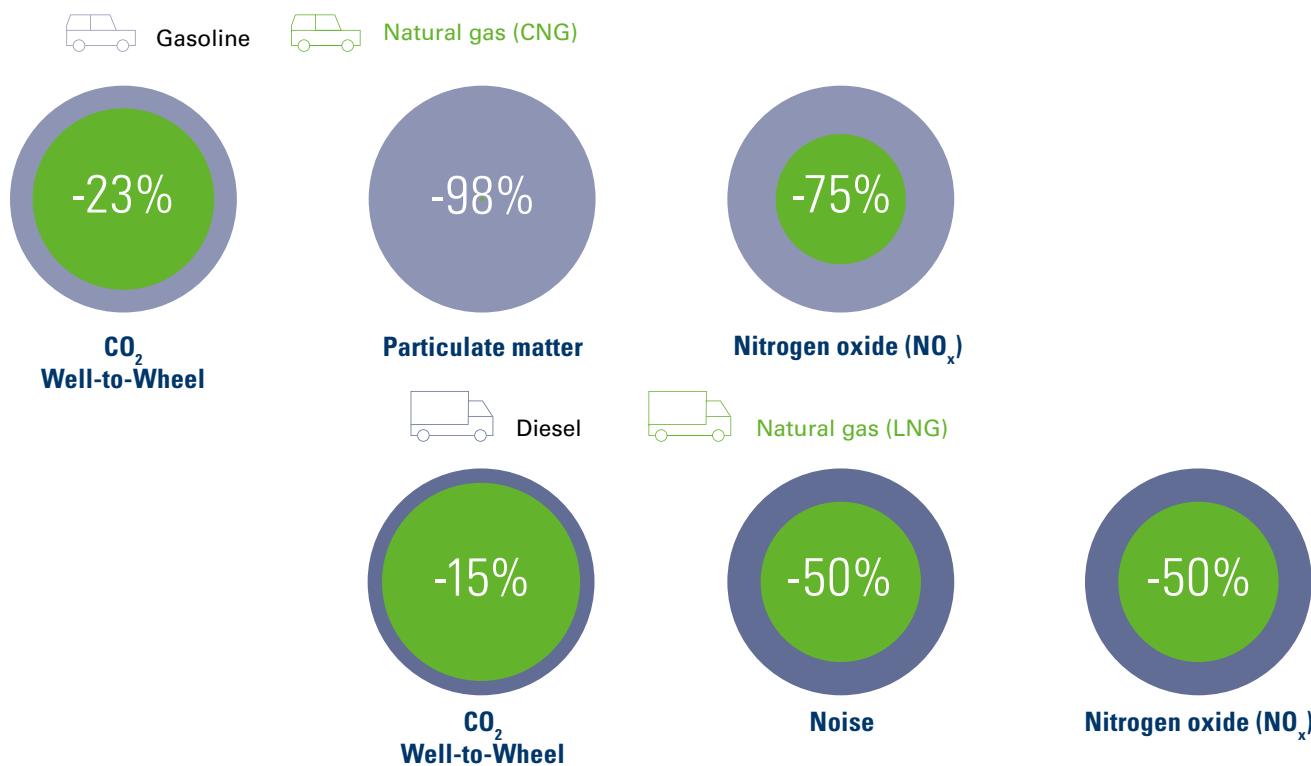
gas, the fossil fuel with the lowest carbon intensity, OMV can reduce the carbon intensity of our energy system today and enhance the viability of operations in the long term.

In 2018 gas production accounted for 57% of the total Upstream production compared to 48% in 2017 (2018: 89.5 mn boe; 2017: 61.3 mn boe). Total gas sales in Downstream Gas amounted to 113.8 TWh (2017: 113.4 TWh).

OMV actively advocates for the increased use of gas in power generation and mobility. Replacing coal-fired power plants with gas reduces CO<sub>2</sub> emissions by 50%, and Liquefied Natural Gas (LNG) is currently the only alternative fuel for long-distance trucks, buses, and ships. Natural gas vehicles (NGVs) provide a cleaner mobility alternative with up to 23% less CO<sub>2</sub>, 75% less nitrogen oxide and 98% fewer particulate emissions.

Gas (natural gas, biomethane, hydrogen, and synthetic methane) supports the integration of renewable energies. That is why OMV is actively exploring options with partners for taking the key power-to-gas technology to an industrial scale. With power-to-gas, wind and solar energy can be stored as hydrogen, and sector coupling becomes a reality. Separate gas and electrical grids have the potential to become one energy cloud with fluid transitions.

## Emission savings with natural gas (CNG and LNG) vs. gasoline and diesel (Euro 6)



## Focus on petrochemicals

Responsible use of natural resources means not only producing and processing them efficiently but also maximizing their value for society. For crude oil, this translates into finding long-lasting high-tech applications for hydrocarbons rather than burning them as a fuel. It is OMV's ambition to strengthen its European downstream position through a shift to higher-value-added products such as petrochemical products. This move, in com-

bination with recycling of post-consumer plastics, is an important way to make better use of valuable natural resources.

Products that are made on the basis of petrochemical products such as ethylene, propylene, and butadiene are largely used in our daily life.

Economic development will drive the significant increase in the demand for petrochemical products. In Asia alone, it is set to see a

70% rise by 2030.<sup>30</sup> OMV's Downstream refining segment can maximize on this opportunity by providing the feedstock for high-quality petrochemical products. OMV refineries in Europe can already produce approximately 2.5 mn t of petrochemicals per year – more than 10% of OMV's total refined product sales. OMV produces mainly ethylene and propylene, which are further converted into polyethylene and polypropylene at Borealis, a company in which OMV is a shareholder. (For more information on the

activities of Borealis, see *Innovative Petrochemicals*.) By 2025, OMV plans to increase the production of petrochemicals in Europe by 12%, bringing it to 2.8 mn t. Increasing the share of petrochemicals in our product portfolio will reduce its carbon intensity, as the use of petrochemical products does not produce CO<sub>2</sub> emissions in contrast to the use of combusted fuel products. In 2018 petrochemicals sales volumes amounted to 2.41 mn t (2017: 2.15 mn t).



## Focus on future mobility

OMV provides various solutions suitable for different types of transportation, including successfully reducing CO<sub>2</sub> emissions for short-distance passenger transportation as well as for long-haul heavy-duty transportation. Whereas battery-powered electric vehicles present a suitable option in the first case, natural gas and hydrogen would present a more efficient option for the latter. Directly and through its partnerships, OMV offers a wide coverage of lower-carbon transportation options, including electricity, compressed natural gas (CNG), and hydrogen.

Currently, 125 e-charging points are available at 39 OMV filling stations in Austria, Germany, Hungary, Romania, and Slovenia. We further develop our charging network via numerous partnerships and joint ventures. Through our 40% interest in SMATRICS, Austria's leading e-mobility infrastructure provider, OMV is part of a SMATRICS-operated network of more than 450 e-charging points, powered 100% by renewable energy. By way of our strategic partnership with IONITY – a joint venture of car manufacturers – we support the construction of a network of 350 kW ultra-fast charging stations throughout Europe, with the first four already opened in Austria. In May 2018, OMV signed an agreement with EnBW Energie Baden-Württemberg AG, one of the leading energy providers in Germany, to install 150 kW electric vehicle chargers at 100 OMV filling stations in Southern Germany.

OMV intends to take its commitment to electric vehicles to the next level by continuing to develop its e-mobility offerings. International roaming will be activated on the OMV ROUTEX E-Mobility Card, and customer-focused development of additional products will continue.

OMV will promote CNG and LNG to ensure a base for sustainable business growth. Both demand- and supply-side measures will be taken in order to reduce emissions through the use of gas mobility. The OMV gas station network in the countries in which OMV operates will be expanded in active collaboration with industry partners and country-specific Original Equipment Manufacturers (OEMs)<sup>31</sup>.

Today, with the operation of five hydrogen fuel stations in Austria, OMV is the first company to offer nationwide coverage. We are also a shareholder in H2 MOBILITY Deutschland GmbH & Co. KG, which intends to build a filling station network enabling travel with hydrogen-fueled vehicles throughout Germany. OMV will continue to conduct pilot projects with industry partners in order to develop a business model for cross-sector use of hydrogen gas (H<sub>2</sub>), with the aim of establishing it as a pathway for carbon-neutral mobility, in particular in freight and public sectors. We will also advocate for the use of H<sub>2</sub> for balancing the electricity grid under increasing strain from intermittent renewable electricity sources.

- ▶ Five hydrogen filling stations in **Austria**
- ▶ In 2018, OMV and IONITY opened **Austria's** first four 350 kW charging stations. The aim is to build a network of 350 kW ultra-fast charging stations throughout Europe
- ▶ 50 CNG filling stations in **Austria**
- ▶ 125 e-charging points available at 39 OMV filling stations in **Austria, Germany, Hungary, Romania, and Slovenia**



<sup>31</sup> OEMs are manufacturers that resell OMV products under a different name and branding.

## Focus on product responsibility

OMV assumes responsibility for delivering safe high-quality products. At the same time, we continuously work on exploring ways to reduce our environmental impact during our product life cycle. We take a comprehensive approach to product stewardship, with technologically advanced solutions used to deliver safe top-quality products, while taking action to ensure responsible use of our products.

OMV works in close collaboration with leading automobile manufacturers, research institutes, and universities to stay at the forefront of fuel technology. Our MaxxMotion permium fuels provide maximum power to vehicles, prolong engine life, and contribute to lowering emissions. Our new MaxxMotion 100-octane gasoline fulfills the highest fuel quality requirements in accordance with the Worldwide Fuel Charter, the guideline issued by major automobile and engine manufacturers' associations. MaxxMotion diesel ensures reliable engine operation even at extremely cold temperatures down to  $-40^{\circ}\text{C}$ .<sup>32</sup>

All biofuel volumes purchased by OMV in 2018 and used for blending meet the requirements of the EU's Renewable Energy Directive (2009/28/EC). Since 2013, the ISCC-EU certificate issued for OMV Refining & Marketing GmbH has been renewed on an annual basis. OMV Petrom, OMV Hungary, OMV Czech Republic, and OMV Slovenia are also certified according to the ISCC-EU standard. OMV purchases biodiesel (FAME) mainly to add to fuels from European producers that

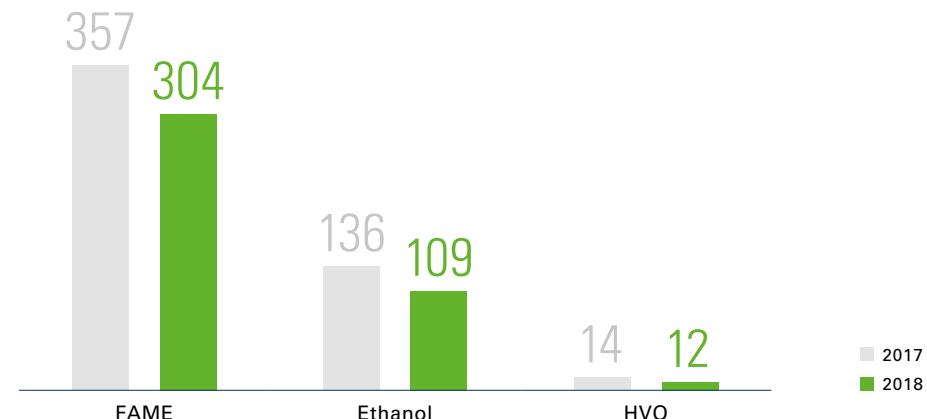
use very little palm oil. In 2018, biofuels contained around 8% palm oil, as certain biofuels are almost exclusively available with palm oil as feedstock. However, we plan to increase the use of regional rapeseed oil and used cooking oil, which is made possible by the use of our Co-Processing technology. (For more details, see *Innovation in Refining Processes*.)

The safety standards applied by OMV to guarantee the safety of our products are discussed in the *Product safety management* section.

OMV aims to market its products in a responsible manner by engaging consumers in lowering greenhouse gas emissions. We therefore partnered with a large transportation company, Scania Romania, with the goal of raising awareness about the most-efficient methods for reducing the consumption of fossil fuels. During ten events held throughout Romania in September 2018, OMV advised around 2,000 attendees from transportation companies on how to drive responsibly and intelligently, thus reducing fuel consumption, costs, and emissions.

Furthermore, in order to align the product portfolio with international and national environmental commitments, OMV will not prolong the current contract with Heizen mit Öl GmbH, the initiative supporting the replacement of old oil-burning heaters with new energy-efficient burners. Since its start in 2009, this initiative generated 1.4 GWh in energy savings and a reduction of over 1 mn t of CO<sub>2</sub>.

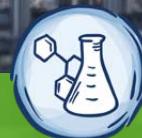
Biofuel volumes  
in kt



<sup>32</sup> CFPP value according to EN 590

# Innovation

For OMV, innovation is the development of new technologies and products with the aim of reducing our impact on the environment and achieving our main goal of reducing the carbon intensity of our operations and product portfolio.



Up to EUR 500 mn investments  
in innovative energy solutions for a lower-carbon future by 2025

EUR 40 mn  
research and development expenses in 2018

ReOil pilot plant  
began operating with up to 100 up to kg/h processing capacity

Recovery rate of 55%  
reached in the Matzen oil field in Austria

## Innovation Management

In fulfilling our purpose of providing "The energy for a better life," OMV actively explores new solutions and technologies for delivering affordable and carbon-efficient products in a responsible way. At the same time, introducing innovative solutions to our business means seizing the opportunity for more efficient production and expansion to new market areas. This strengthens our economic resilience in line with developments in the energy sector.

The purpose of innovation at OMV is to make operations more efficient, to minimize environmental impacts, and to provide cost-efficient solutions to our customers and society. OMV has clustered its innovation activities in the following areas: Future Mobility, Circular Plastics Economy, Sustainable Refinery, Innovative Petrochemicals, Digitalization, and Optimized Drilling, Production, and Reserves. Each innovation area is described below, along with information on how it is managed in the related business divisions and on various related initiatives and projects. OMV collaborates globally with universities,<sup>33</sup> research institutes,<sup>34</sup> as well as with industry partners and relevant initiatives. The Group's research and development (R&D) expenses increased from EUR 33 mn in 2017 to EUR 40 mn in 2018. Out of total R&D expenses in 2018, EUR 7.9 mn (or 20%) were directed to the areas of Co-Processing, ReOil, advanced fuels, hydrogen mobility, and other activities in the Downstream business segment.

## Innovation in Refining Processes

OMV uses new technologies to increase the quality and stability of fuels with biogenic components through what is known as Co-Processing. Co-Processing involves introducing biogenic feedstock during the fuel refining process, instead of the conventional method of blending biogenic components into fuel after production. This concept allows OMV's existing refineries to produce transportation fuels from various types of biogenic feedstock, such as domestic rapeseed oil, waste cooking oil, or algae oil. The high degree of integration within OMV refineries reduces greenhouse gas emissions from Co-Processing by up to 85% compared with the EU standard for similar finishing steps for biofuels.

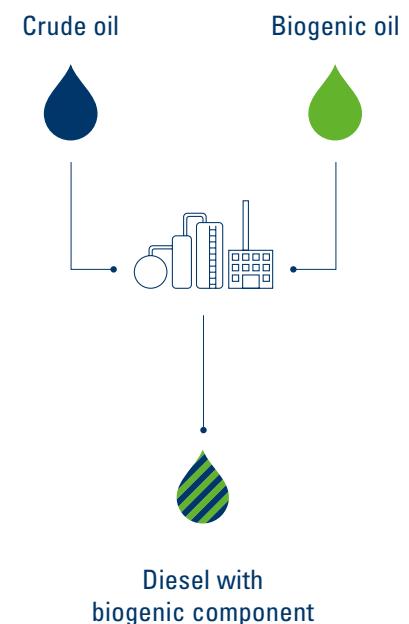
In 2016, OMV successfully conducted the first field trial of Co-Processing using rapeseed oil and obtained certification in accordance with the REDcert standard, an EU-recognized system for the certification of sustainable biomass. OMV continues to implement the Co-Processing technology, and by 2025, the Company aims to co-process approximately 200,000 t of sustainable feedstock per year, depending on future legislation.

Unlike conventional biofuels, advanced fuels do not compete with food production. OMV also researches various advanced fuel technologies that are mostly in a research and development stage with the aim of future scale-up.

To this end, OMV cooperates with various research institutions in the following areas:

- ▶ Producing synthesis gas from CO<sub>2</sub> and water with the help of sunlight and catalysts (cooperation with Christian Doppler Laboratory at the University of Cambridge)
- ▶ Converting CO<sub>2</sub> and biowaste to alcohols (cooperation with TU Wien – Vienna University of Technology)
- ▶ Liquefying biowaste to bio-based crude oil (cooperation with Montanuniversität Leoben)
- ▶ Storing and utilizing sustainable electric energy via synthetic e-fuels or chemical products (through a partnership within the German-funded "Copernicus" project)

### Co-Processing scheme



<sup>33</sup> e.g., University of Cambridge, Stanford University, TU Wien – Vienna University of Technology, Montanuniversität Leoben, Johannes Kepler University Linz, University of Natural Resources and Life Sciences (BOKU) Vienna, Sofia University, University of Mining and Geology Bulgaria

<sup>34</sup> e.g., Forschungszentrum Jülich, Austrian Institute of Technology, Joanneum Graz

## SUSTAINABILITY STRATEGY 2025 TARGET

Raise the share of sustainable feedstock co-processed in the refineries to ~200,000 t per year by 2025

## PERFORMANCE TO DATE

Several test runs in the field were carried out on existing hydrotreatment plants at the Schwechat refinery. An experienced engineering partner is currently assisting with the development accompanied by tests in the pilot facility.

## ACTION PLAN TO ACHIEVE THE TARGET



To gain further experience and also to roll out Co-Processing at OMV Petrom, additional test runs are planned at the Petrobrazi refinery in Romania, to be accompanied by final product quality assurance tests in the laboratory.



## Innovative Petrochemicals

As the global population grows, the demand for plastics is increasing rapidly. That makes it increasingly critical to avoid plastic waste entering the environment. In recent years, public awareness of plastics recycling as an important way to protect the environment and better use valuable resources has significantly increased. At the beginning of 2018, the European Commission introduced the new Circular Economy Package aiming to increase plastics recycling rates and mini-

mize plastic leakage into the environment. OMV itself is exploring innovative ways to make petrochemical production more sustainable (see below ReOil – circular economy project). Borealis, 36% of which is owned by OMV, is fully committed to the circularity of plastics in a circular economy and plastics recycling. Borealis' vision is value creation through innovation and it provides high-value plastics solutions to reduce carbon emissions from transportation, cables for

reliable renewable energy transmission, pipes for safe water, gas, and sewerage transportation, and advanced packaging to protect food and avoid spoilage. Integrated with OMV at two locations, the companies are able to ensure efficient and sustainable operations for plastics production.

Since 2016, Borealis acquired two recycling plants in Germany and Austria, and launched Project STOP in Indonesia to bring tangible

change to the way plastics are handled in one of the most populated and polluted areas of the world. In 2018, Borealis launched its EverMinds® platform<sup>35</sup> for its circular-economy-related activities to encourage interaction and exchange between the company and its stakeholders, including OMV.

More information on Borealis is at [www.borealisgroup.com/polyolefins](http://www.borealisgroup.com/polyolefins)

<sup>35</sup> [www.borealiseverminds.com](http://www.borealiseverminds.com)

## ReOil – circular economy project

OMV has been exploring the potential for utilizing post-consumer plastics – polyethylene, polypropylene, and polystyrene – since 2011. The Austrian Research Promotion Agency has also contributed with subsidies directed at covering part of the project investment. The first test facility was launched in 2013 in the pilot plant facility at the Schwechat refinery. It has a processing capacity of around 5 kg of used plastics per hour. The next-level test facility – the ReOil pilot plant – started the already fully refinery-integrated operation in 2018 with a processing capacity of up to 100 kg per hour and a related production of up to 100 liters of synthetic crude per hour.

The crude is then further processed at the Schwechat refinery into fuel products or base materials for the plastics industry. This process creates a closed loop (“the circular economy”), where post-consumer plastics are used to create value-added products, thereby reducing dependence on natural resources and lowering carbon intensity as compared to standard oil processing.

In the next step, OMV aims to develop a ReOil demo plant with a post-consumer plastic feedstock capacity of 16,000 to 20,000 t per year. The final capacity is currently not fixed and depends on the results obtained from the ReOil pilot plant.

OMV aims to develop ReOil into a commercially viable, industrial-scale recycling technology with a processing capacity of approximately 200,000 t of used plastics per year until 2025. OMV holds the patent for this recycling process in Europe, the US, Russia, Australia, Japan, India, China, and other countries.

### SUSTAINABILITY STRATEGY 2025 TARGET

Develop ReOil into a commercially viable, industrial-scale process (unit size of ~200,000 t per year)

### PERFORMANCE TO DATE

2013: ReOil pilot plant started operating with a 5 kg per hour post-consumer plastic processing capacity

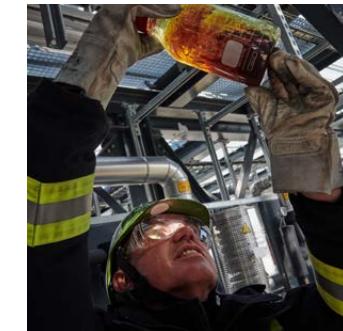
2018: pilot plant with up to 100 kg per hour processing capacity began operating at the Schwechat refinery with the aim of optimizing the ReOil process and gaining insights for the next up-scaling step

### ACTION PLAN TO ACHIEVE THE TARGET



Constantly improve operability and reliability based on a defined test run program, and utilize results achieved to improve process modeling and design basis for the ReOil demo plant

2022: demo plant with a post-consumer plastic feedstock capacity of 16,000 to 20,000 tons per year



## Innovation in Drilling, Production and Reserves

Optimizing drilling and production processes prolongs the lifetime of hydrocarbon reserves, thus increasing production efficiency and reducing the impact on the environment. OMV continuously works on optimizing the amount of hydrocarbons that can be extracted from an oil reservoir (recovery rate) and on extending the reliability of facilities and materials.

While the international average recovery rate for crude oil is about 40%, OMV succeeded in pushing recovery rates above 55% in the super-mature Matzen field in Austria

by using water injection. OMV is among the global front-runners in terms of achieving high recovery rates in mature fields. By 2025, OMV aims to increase the amount of oil that can be extracted from selected fields in Central and Eastern Europe by 5 to 15 percentage points, making our Company a leader in efficient production in the region.

In 2012, OMV started injecting viscosified water in a pilot project. This launched our Enhanced Oil Recovery (EOR) activities and paved the way to attaining the strategic goal of further increasing the recovery rate. In total, 250,000 boe of incremental oil were produced by the end of 2018. In 2018, OMV started rolling out EOR projects at various

fields in Austria and Romania. The results of a pilot project in Austria, which tested the treatment of the water extracted together with hydrocarbons from an oil reservoir, indicated that the produced water can be successfully treated for reuse and reinjection for EOR purposes.

Extending the lifetime and reliability of facilities and materials ensures safe and efficient hydrocarbon production. Over the past 20 years, OMV has implemented extensive materials selection and corrosion management programs to ensure asset integrity, reduce safety risks, and minimize environmental impact. Equipping nearly 6,500 wells with artificial lift systems resulted in measurable reductions in power consumption and downtime of sucker rod pumps. Consequently, the number of well interventions decreased by 22% in Austria, reducing associated HSSE risks accordingly. In the interest of further reducing well interventions, OMV has started investigating new technologies, such as advanced coatings, to extend material resistance and chemicals to inhibit paraffin deposits. OMV started its cooperation with third-party research institutes on these technologies in 2018.

OMV works on extending the lifetime of operational facilities by mitigating abrasion and corrosion. To this end, cross-linked polyethylene pipes are inserted in tubing with a special polymer lining that was developed by OMV and patented in 16 countries.

## Innovation through Digitalization

OMV's Digital Journey is driven by synergistic and orchestrated initiatives across the entire Company. The Internet of Things (IoT) and Industry 4.0 will change the way we run our business, unlocking opportunities along our entire value chain – in oil and gas exploration, refining, sales, and in administrative processes like finance and human resource management.



### SUSTAINABILITY STRATEGY 2025 TARGET

Increase the recovery factor in the CEE region in selected fields by 5-15 percentage points by 2025 through innovative Enhanced Oil Recovery methods

### PERFORMANCE TO DATE

Recovery rate of 55% reached in the pilot project to implement EOR at Matzen field in Austria

### ACTION PLAN TO ACHIEVE THE TARGET

Starting in 2019, OMV plans to roll out a pilot EOR project in Romania and expand the scale of EOR at OMV Austria with an initial increase in the recovery rate in production expected in 2020.



## Three signposts guide the OMV Digital Journey:

### DIGITALIZE!

Creating business agility through smart investment choices that focus on 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 digitalization

### ENABLE!

Common digital platforms forming the backbone of our digital core that enables us to break down data silos and use data across the Group



### Digitalized operations

Today, digitalization already enhances business for OMV. Emerging technologies ensure optimal evaluation and use of digital and analog data in machine controls for increased efficiency and availability. Technologies such as block chain, robotics, advanced analytics, and IoT (Internet of Things) will shape OMV's future business development in both the Upstream and Downstream divisions.

### Digitalization in Upstream

Upstream is focusing its digitalization efforts on the global DigitUP program, which consists of five programs comprising 74 projects. Modernizing exploration and production will unlock new opportunities for OMV in terms of geography and types of activities. Implementing the program will make it possible, for example, to open a new, ready-to-start branch office for operations in just a few days by establishing the same office set-up through cloud-based technology. This effectively harmonizes these activities throughout our Company. The development of a document management system has already started – our goal is to create a digital storage solution for a total of 30 million documents. Worldwide digital access to knowledge, technology, and people will help OMV maximize reserves and production, minimize costs, and evaluate and mitigate risk.



### Real-Time Digital Oil Field

The Real-Time Digital Oil Field project aims to digitalize all processes, expand sensor technology, and ultimately use artificial intelligence in the field. This effort will support decision-making processes for optimum management of production and maintenance. The history of the digital oil field philosophy dates back to 2007. The advantages so far have been impressive – including reduced damage to

equipment thanks to monitoring systems. Now, the digital oil field project is being gradually expanded. Alvaro Guerrero Morras, Head of Production Optimization, has a clear goal in mind: "Every barrel that OMV produces needs to make maximum profit, and safety needs to be further improved. This know-how is a decisive advantage in strategic partnerships."



## Digital Rig Of The Future

The “Digital Rig of the Future” DigitUP program is already being implemented, and its Drilling Cockpit project (see photo) is already delivering initial verifiable successes in the change process. The latest digital technology is significantly accelerating drilling planning, and important steps in the drilling process are set to be automated at the end of the project. This saves time, which OMV is using to direct more attention to corporate learning, teach agile work methods, and integrate these into the Group’s culture.

This approach shows that the Company does not view technology and processes separately, but that it has chosen a holistic approach in which people are at the center. OMV Well Engineering’s goal is to rise to become a front-runner in the successful application of digital technology. “I want to show that by using the latest digital technology, we can significantly improve efficiency at OMV Well Engineering,” says Richard Kucs, Expert for Drilling Data & Performance.

## GeoCloud: all of Upstream with just one click

The benefits of GeoCloud are collaboration, greater flexibility, fast access to geoscience data, and high computing power with strong data security – all without having to use PowerPC equipment. This cloud solution was developed specifically for the oil and gas industry, and OMV is using a customized version of it – so that OMV can comply with all regional and international laws.

Thanks to GeoCloud, local PowerPC applications can be replaced: The program is provided by high-security data centers. In the past, data accessibility and availability were often a problem. The deployment of GeoCloud is changing that in Upstream. Geoscience data can now be accessed from anywhere using standard IT equipment. Other benefits include cost reduction, improvements in data security, and less noise and heat in the workplace.

GeoCloud has already been rolled out in Norway, Libya, and Russia. Projects for practical implementation have started in Tunisia, Abu Dhabi, and Yemen, as well as in Austria at the OMV Head Office in Vienna, and in Gänserndorf. New Zealand and OMV Petrom are set to follow in 2019.



## Digitalization in Downstream

Leveraging digitalization is also a business imperative for OMV's Downstream division. The Downstream digitalization program underscores the priority given to digitalization. Today, state-of-the-art algorithms and pattern analysis are already increasing the efficiency of refinery operations and helping ensure business continuity.

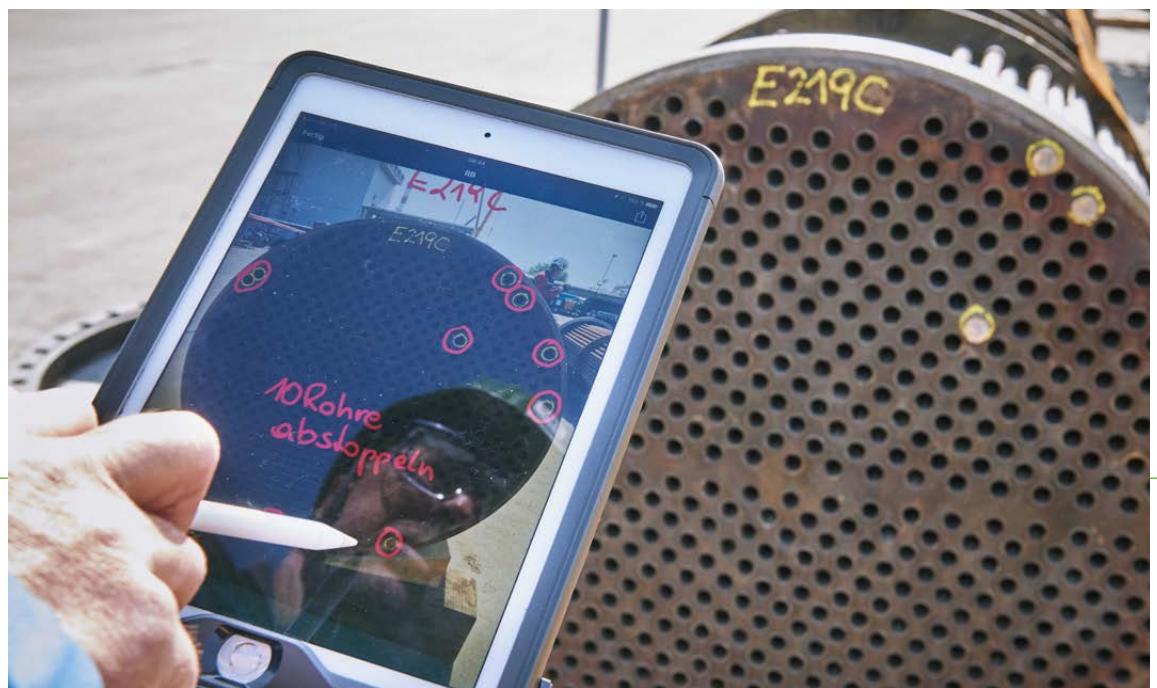
We believe that digitalization will lead to process optimization, work simplification, lower costs, readiness to adopt new business opportunities in the future, and therefore greater resilience to changes in the sector.

## eTOP

Until recently, Turnaround Management used paper documentation to coordinate plant shutdowns. Since this approach entailed a number of disadvantages, time came to develop a digital format with the goal of making required SAP information retrievable making all activities user-friendly and ensuring confirmation in SAP. With eTOP, OMV is already able to gauge turnaround complexity in all of its refineries – both generically and intuitively. This makes information transparent and process responsibilities clear and understandable while

enabling integration of the needs of every specialist department. "It was always important to the team to develop a tool that simplified work and communication for people," says René Leitner, Turnaround Manager. "Driven by a desire to optimize, the Turnaround team is still at the beginning of its journey, but a number of other ideas to increase added value are already on the table." Martin Reiter, Expert in Inspection and Integrity of Downstream Asset Management, shares his experience of digitalization impact on the turnaround pro-

cess: "eTop has changed an approach to conducting turnarounds – all of that 'paperwork' is now done via iPad. The iPads are equipped with the SAP software eTop. A turnaround still involves inspecting equipment outdoors – but now each component can be identified via a QR code. This enables us to quickly see what was recently checked or repaired. We immediately record any signs of wear on the iPad, and the data is forwarded straight to the field engineer for an appropriate action. Our photo documentation has never been better."



### **The agile approach and collaboration with start-ups**

Innovative, situation-based methods are indispensable for advancing new technologies today. For advancing digitalization, OMV works in smaller work steps when approaching large projects using a number of agile approaches such as agile project management – a process that works with project units. Agile project management allows flexible reaction and regular updates. We also use design thinking, with the aim to find solutions that make sense to users. Finally, we utilize lean start-up concepts with

build-measure-learn feedback loops as their core components. OMV is using these innovative methods today to look for tomorrow's ideas.

Innovation, and digitalization in particular, can often greatly benefit from fresh ideas of young companies. To learn from them, OMV engages in dialogue and cooperation with young and aspiring technology companies. One such example is an initiative organized by the Vienna Economic Chamber that focused on the search for innovative solutions in cyber security. The winning start-up was awarded an innovation cash prize.

# Employees

Building and retaining a talented and competent team for international and integrated growth is a key factor in the success of the Group's strategy. We strive to create an environment in which every employee can learn, grow, connect, and collaborate, as well as live a safe and healthy life. This is the purpose of our approach in managing the material topic "Employment and skill development," which successfully enables us to be an employer of choice.



437,233 hours  
of training provided

19%  
Share of women at management level

86%  
Executives with international experience

**Through our activities, we support the “four fundamental principles and rights at work” outlined in the ILO (International Labour Organization) Declaration:**

- ▶ “freedom of association and the effective recognition of the right to collective bargaining,
- ▶ the elimination of all forms of forced or compulsory labor,
- ▶ the effective abolition of child labor, and
- ▶ the elimination of discrimination in respect of employment and occupation.”<sup>36</sup>

Our Company’s Principles – Team Spirit, Accountability, Passion, Pioneering Spirit, and Performance – foster the culture OMV aspires to and supports OMV’s sustainable growth.

## Management of Employment and Skill Development

In 2018, OMV reached new heights on its growth journey. We focused on significantly internationalizing our business portfolio in both Upstream and Downstream within a disciplined financial framework. Powered by our people, we translate energy into quality of life.

We know that it is the experience, skills, attitude, and commitment of our people at OMV that turn our strategy into reality. To unlock our organization’s full potential we have embedded OMV’s Foundation Principles into our day-to-day work.

**The OMV People Strategy supports the implementation of the following priorities through planned initiatives directed at supporting OMV’s growth:**

- ▶ **Strengthening leadership capability**  
Strong leadership is needed to ensure that our growth is fast, profitable, and sustainable. Since 2017, we have put significant effort into strengthening the capabilities of our managers through leadership development initiatives. These include 360° feedback and cross-functional leadership sessions. In 2018, we expanded our portfolio of leadership development programs.

- ▶ **Focusing on culture and performance**  
Our Principles have been further embedded into our HR processes of candidate assessment and selection; employee performance management; learning and development; and recognition. In addition, our employees were engaged in shaping the Company culture by continuing to take part in the communication campaign of all five Principles in 2018.

### ▶ **Increasing organizational agility**

Growth is based on consistency, transparency, and standardization of our processes for managing our human capital. That is why we continue integrating and bringing our processes together in a central Group-wide IT platform (“My Success Factors”) as part of our HR Digital Journey.

### ▶ **Ensuring OMV remains a great place to work**

Every day we strive to create an environment in which every employee can learn, grow, connect, and collaborate, as well as live a safe and healthy life. In 2018, we provided structured career planning guidance to employees by implementing career paths in all business areas. We have considerably expanded the training options we offer by adding new courses and online content for professional, business, personal, and leadership skills development.

<sup>36</sup> [www.ilo.org/declaration/thedclaration/textdeclaration/lang--en/index.htm](http://www.ilo.org/declaration/thedclaration/textdeclaration/lang--en/index.htm)



## PetrOmbudsman 2018

OMV Petrom has a dedicated organizational unit that functions as a place where employees and management can have confidential, off-the-record, informal discussions of issues – the PetrOmbudsman department. The department is independent and reports directly to the CEO of OMV Petrom. The department acts as an informal counselor to whom employees can address issues relating to workplace conflict, and with whom they can also share ideas on improving business processes or their own career paths. This mechanism serves as an informal channel for resolving the concerns in a preventive way, before they turn into a formal grievance.

Employees can present their issue anonymously or not, submit it digitally, or meet in person. In either case, however, the counseling process is completely confidential.

In 2018, PetrOmbudsman department representatives communicated with about 6,000 individuals during scheduled annual site visits, around 1,650 of whom benefitted

from workshops dedicated to the implementation of the OMV Principles of Team Spirit and Accountability. The PetrOmbudsman department also conducted a video campaign dedicated to Winning Behaviors, which are aligned with the Company's Principles and necessary for creating a pleasant working environment. The topics covered were basic values derived from the Company's Code of Conduct and Human Rights Policy.

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

- ▶ updating the Ombudsman "Sensitivity Map" – a document which outlines the most important risks, from an ombudsman perspective, in the main areas of the Company;
- ▶ a campaign dedicated to "Appropriate Language," to remind employees of the importance of respectful communication;
- ▶ extending its services to other parts of the Company, such as Petrom Aviation, OMV Petrom's research and technological design unit located in Campina (ICPT), and some of the filling stations.



## Rights and obligations

The rights and obligations of our employees are set out in employment contracts. The vast majority of our employees, 98.2% (2017: 98.2%), have the right to exercise their freedom of association and collective bargaining. For 97.0% (2017: 97.0%) of our employees, minimum wages or salaries are fixed by law or agreed through collective bargaining agreements. Local trade unions or works councils represent 86.7% (2017: 86.7%) of our employees. In addition, 96.5% (2017: 96.5%) are covered by mandatory periods of notice under national employment laws or bargaining agreements in case restructuring of the business is necessary.

## Encouraging diversity

OMV is committed to our diversity strategy focusing on gender equality and internationality. Diversity is an enormous strength that we are actively leveraging by creating diversity-based business value. That is why it became a strategically important goal with two measurable targets in our Sustainability Strategy 2025 (gender equality and internationality). We are monitoring gender, age, employee background, seniority, and salary equality to ensure fair treatment and equal opportunity at all career stages. At the same time, we strive to continuously develop new initiatives and measures that promote diversity and equal opportunity at OMV. The diagram below summarizes the elements of our commitment to diversity.

**OMV is committed to its Group Diversity Strategy with focus on gender equality and internationality.**



Considering the fact that we are active in an industry with a strong technical focus, it is particularly challenging for OMV to achieve gender balance in all fields of business activity. The proportion of women in the Group as a whole is about 25%, an increase of 9% since 2010. To encourage gender diversity, our recruitment policy reflects our commitment to promoting equal opportunity: At least one female candidate is included in every shortlist for each position. Internationality, being another focus of our diversity strategy, is incorporated into the recruitment process by highlighting the advantage of candidates with professional international experience. Our diversity targets are embedded also in succession planning, with female candidates receiving the preference in identified top talent. (For more details, see *Succession planning*.)

We are supporting women in receiving technical training at the early pre-professional stage. The proportion of women in OMV's Upstream graduate development program<sup>37</sup> for technical skill pools was 25% in 2018

(22% in 2017). In order to interest youth in technical careers, we organized activities in kindergartens and schools such as Girls' Day (for more details, see *Community Relations and Development*).

OMV is committed to supporting the advancement of women toward managerial positions. The strategic objective is to achieve the best diversity mix at senior management level. We aim to increase our female representation in senior leadership roles from 18% to 25% by 2025. To achieve this goal, we anchored diversity in leadership expectations and in all leadership initiatives. In OMV's leadership development programs, the proportion of women was 28% in 2018 (22% in 2017). Our development activities include, for example, mentoring for female leaders and specific trainings on unconscious bias<sup>38</sup> and decision-making. Gender is one of the diversity criteria we use when selecting the members of the Supervisory Board. (For additional information, see the Annual Report, page 97.)

<sup>37</sup> Integrated Graduate Development (IGD) in Upstream is designed to train technical graduates in the field of petroleum engineering over the course of three years.

<sup>38</sup> Unconscious bias training explains the role of stereotypes and how they can influence behavior in employment and careers.

## SUSTAINABILITY STRATEGY 2025 TARGET

Increase share of women at management level<sup>39</sup> to 25%<sup>40</sup> by 2025

Keep high share of executives with international experience<sup>41</sup> at 75%

## PERFORMANCE TO DATE

Share of women at management level:  
19%

Executives with international experience:  
86%

## ACTION PLAN TO ACHIEVE THE TARGET



Our Diversity Strategy is embedded in our People as well as Sustainability Strategy. Building diverse teams is one of our leadership expectations.

In addition, we support the increase of our female representation in senior leadership roles through a number of initiatives, such as mentoring, succession planning, specific trainings, and recruiting policy. Initiatives to increase work-life flexibility and country-specific offers like company kindergartens and summer camps for school kids facilitate a career in combination with family planning.

## Digitalization initiatives

Digitalization is all about people and culture. That is why creating a digital mindset and reshaping the talent landscape are an integral part of OMV's Digital Journey along with the integration of technology partners, universities, and start-ups into our activities.

Our human resources processes have been simplified and automated further in the course of digitalization. One initiative in this field was the installation of My Success Factors – a state-of-the-art SAP-based tool that helps us improve our performance and build a digitally-oriented corporate culture. As of 2018, the following processes are supported by My Success Factors: goal setting, goal evaluation and feedback, development planning, succession planning, recognition, and personal HR administration. For example, employees can use the Feedback function in the tool to request and receive feedback from their colleagues on their performance. This feedback is directly linked to their record of achievements in the goal plan.

Furthermore, a user-friendly and state-of-the-art Recognition tool allows in just a few clicks to nominate a colleague or a team for an award to show appreciation.

Another SAP-based application "My Self Service," launched in October 2018, serves as a platform for employees to manage their personal employment-related information, such as time management and payment tracking, in a fast and easy way.

Both platforms enable us to foster flexibility in the workplace: Various organizational tasks can now be accomplished anytime, anywhere, using mobile devices.

Continuing our digitalization, we plan to launch our recently developed Digital Academy in early 2019. This will help learners across OMV understand core digitalization possibilities and how they can apply them in their work.

<sup>39</sup> Management level: executives and advanced career level

<sup>40</sup> The value excludes legal entities of Gas Connect Austria GmbH, Avanti GmbH, and DUNATÁR Kölajtermék Tároló és Kereskedelmi Kft.

<sup>41</sup> Equal to or greater than three years of living and working abroad

## Activities in the Area of Employment

### Recruitment process management

In 2018, the new Group-wide recruiting standard was implemented to ensure a high-quality recruitment process in order to attract top professionals. It ensures that all recruitment processes are standardized Group-wide. The standard is currently applicable to OMV and its subsidiaries, and will be extended to OMV Petrom and its subsidiaries in 2019. We also enhanced the content of our communication channels for recruitment, such as the *Jobs & Careers* section on OMV's external website and the OMV Career brochure. In the interest of identifying potential areas for improvement in the recruitment process and determining appropriate action items, we introduced an online satisfaction survey, which is conducted quarterly among our business managers participating in the hiring process.

In 2018, we clearly articulated why OMV is an employer of choice for top talents both in local markets and internationally. We asked more than 170 of our employees across seven countries what makes them proud to work here.

**Their feedback we received during various employee workshops and from a survey of new hires was summarized as the "Five Reasons to Join OMV":**

1. Our international journey
2. Being at the forefront of technology
3. How we work together (our Principles)
4. Personal and career development internationally within the OMV family
5. Being part of a diverse team



## Succession planning

In 2018, OMV successfully rolled out a career and succession planning system based on the “Personal Impact x Potential” criteria to the next organizational level. Effective succession planning contributes to managing business continuity risk by ensuring preservation of human capital – the most valuable asset of OMV. “Personal Impact x Potential” is an evaluation tool used for providing structural feedback during the development review and succession planning. It is based on employee performance (Personal Impact) and Potential in the organization. Approximately 1,800 managers identified successors, evaluated their Personal Impact and Potential, and made employee succession plans. Candidates identified as top talent receive a personal development plan for improving the skills that are necessary for the role they will assume in the future. Additionally, we work with business leaders to develop career paths and indicate the necessary corresponding experience and skills. In this way, we support proactive and target-oriented career planning of our employees.

We also focus on building a robust talent pipeline through cooperation with key universities. In addition to offering internships, we operate a sponsored program and long-term partnership with Montanuniversität Leoben (“MUL”), where 16 students from Austria, Romania, Russia, Libya, and Iran joined our master’s degree course in Petroleum Engineering in 2018.

## Rewards and performance management

OMV aims to ensure competitive compensation and benefits packages. We continuously monitor market trends and international best practices in order to attract, motivate, and retain the best-qualified talent around the world. Long-lasting employment relationships are what we strive for. Furthermore, we encourage salary equality at all career stages, for example by setting up standardized salaries for entry-level employees that are reviewed each year in line with the local market situation.

We also offer our employees the chance to participate in our “3+1” employee stock purchase plan. For every three shares an employee purchases, we provide an additional one free of charge. This enables our employees to be part of OMV’s long-term success and reinforces employee loyalty. At OMV, we aim to optimize employee performance through our Principles-led culture. To unlock an employee’s full potential, we look at what we do and how we do it. Both aspects are important when we set our performance and development goals, review our progress, evaluate our achievements, and ultimately get rewarded and recognized for them on an annual basis. The purpose of our annual review process is to support our employees and our managers through a structured, systematic planning of performance and personal development in the Company. In 2018, performance and development reviews were conducted with 11,596 employees.

The Executive Board remuneration is fully disclosed as part of the OMV Annual Report. (Detailed information is provided in the Consolidated Corporate Governance Report, which is part of the 2018 Annual Report. Additional information about compensation and benefits for OMV employees can be found on OMV’s website at [www.omv.com](http://www.omv.com)).

## Recognition program

Our new Group-wide recognition program fosters employee engagement by providing an opportunity for employees to receive appreciation for outstanding results on the job and for being role models.

**Employees can give and receive three types of awards as a token of appreciation for their accomplishments:**

- ▶ OMV Excellence Award: provides recognition of outstanding results and significant impact relating to strategic projects or business deals
- ▶ Job Excellence Award: recognizes employees for extraordinary contributions beyond the usual job requirements
- ▶ Principle in Action Award: provides instant recognition to an individual for being a role model and living by our Foundation Principles

Employees recognize each other's work by sending "thank you" messages, which are accumulated as points on the IT platform. Each point is worth one vote which the employee receiving the award can give to their preferred social initiative(s).

**Based on the distribution of votes in 2018, OMV will make donations on behalf of the awarded employees to the following three social initiatives:**

1. Austria: Lebenshilfe Niederösterreich
2. Tunisia: Skills to Succeed
3. Romania: community-based organizations near assets

Since the program was launched in June of 2018, 35 employees have been recognized with an OMV Excellence Award, 427 employees received a Job Excellence Award, and 879 employees were appreciated with a Principle in Action Award. Around 25% of awardees used their right to vote on allocating the total available budget of EUR 50,000 to the three social community projects below:



**ROMANIA**

## TUNISIA

- ▶ Implemented by Hilfswerk Austria, the program aims to improve employability and income generation in the local community through vocational training, self-employment, and entrepreneurship.
- ▶ For more information on the project, see *Community Relations and Development*.



## AUSTRIA

- ▶ The Matzen workshop facility, opened in March 2005, is a place designed to provide support services to people in Lower Austria. The aim is to promote the abilities of people with intellectual impairment and multiple disabilities by providing them with a suitable space for creativity and social interaction. The workshop facility provides participants with the opportunity to work and produce handmade goods such as pottery, soaps, and pictures.



## Community-based organizations near assets

- ▶ Support for twelve community-based organizations (NGOs) in 14 communities located near OMV Petrom sites. The aim is to achieve transparent dialogue between local communities and local authorities to encourage thinking about long-term development, capacity-building of people skills, and economic growth opportunities.
- ▶ Furthermore, Roma communities are supported through a one-year program preparing students to enter the labor market.

## Activities in the Area of Skill Development

### Learning and development

We highly encourage employees to pursue continuing education to further enhance their various skills. Employees identify their learning needs through a mixture of localized training matrices. These assist them in building development-oriented action plans linked to career paths, competencies, and professional goals.

The four key competencies in which we encourage our employees to further their development are functional/technical skills, business skills relating to effectively working in the OMV Group, personal skills, and leadership skills. Our functional and technical

training is focused on maintaining a skilled and capable workforce. This training is planned and delivered annually in line with our workforce requirements.

We encourage the use of online resources for training. The expansion of our online learning content enables employees to have more consistent training content and enhances its accessibility on a global level. We witnessed that the use of online courses and online materials doubled without a decrease in the use of face-to-face training channels.

An important element in employee development and training, however, remains learning on the job. We encourage employees to learn on the job, where they can apply their professional or educational skills to the specifics of OMV business and culture.

Our 70:20:10 approach gives the importance of learning on the job a weighting of 70.

### Leadership development

One of the People Strategy priorities is to strengthen leadership capabilities. We aim to ensure that our leaders continually grow and develop. In 2018, 154 leaders took part in the First Time Leaders program intended to support employees taking on a personnel management role for the first time. 17 participated in the Leading Leaders pilot program designed to support transitioning leaders in taking on their new roles. These programs were rolled out on a Group-wide basis.

At OMV, we ran cross-divisional leadership workshops as part of the LEAD initiative – a Group-wide leadership upskilling initiative.

They aimed at supporting a shared understanding of leadership and the role of leaders at OMV, fostering cross-divisional learning and introducing our new leadership tools for employee development and succession planning. The cross-divisional workshops for all middle managers were attended by 783 leaders.

We also allow our employees to provide anonymous feedback to senior leaders and middle managers on their performance, leadership capabilities, and how they encourage the OMV Principles. As part of this 360° feedback program, 274 of our senior leaders and middle managers received insights from employees.



# Business Principles and Social Responsibility

We maintain to act in accordance with the highest ethical standards on an international level everywhere we operate. OMV is a signatory to the United Nations (UN) Global Compact and is fully committed to the UN Guiding Principles on Business and Human Rights. With our global activities, we aim to contribute to the UN's 2030 Agenda for Sustainable Development.



1,384 employees  
participated in business ethics trainings

9 supplier audits  
covering sustainability elements performed

>900,000 beneficiaries  
from community development initiatives

**The focus area of Business Principles and Social Responsibility encompasses for us the following topics, further presented in this chapter:**

- ▶ Business principles and anti-corruption management
- ▶ Human rights
- ▶ Supply chain
- ▶ Community relations and development

## Business Principles and Anti-Corruption

OMV is a signatory to the UN Global Compact. Although we are headquartered in Austria – a country with high business ethics standards – we operate in several countries in the Middle East, North Africa, and Central and Eastern Europe, that are defined as high-risk by the Transparency International Corruption Perception Index. We strive to avoid the risks of bribery and corruption that are specific to our sector. We also highly value our reputation. Therefore, we attribute ultimate importance to ensuring uniform compliance with our business ethics standards wherever we operate.

Compliance with ethical standards is a non-negotiable value that supersedes any

business interest. Absolute commitment to this objective is embedded at all levels at OMV from top management to every employee. Our business partners are also expected to share the same understanding of and commitment to ethical standards. The compliance of every company activity, from planning business strategy to daily operations, is assessed against ethical standards, such as Code of Conduct and Code of Business Ethics.

### Business principles and anti-corruption management

#### Business ethics regulatory framework

The OMV Group follows a zero-tolerance policy with regard to bribery, fraud, theft, and other forms of corruption. Based on this policy, the OMV Group is committed to detecting any potential policy violations at the earliest stage, thoroughly investigating any such incidents of non-compliance, and determining appropriate organizational measures or sanctions for the individuals involved. The integrity of our employees is the foundation for the trust placed in our Company by our customers, suppliers, and other stakeholders.

The regulatory instruments at OMV that establish ethics principles and standards and guide our approach to ethical conduct are our Code of Business Ethics, an internal policy applicable to OMV employees, and our Code of Conduct<sup>42</sup>, an external policy gov-

erning the work with our business partners and stakeholders. The procedures established by these documents are implemented at every fully consolidated subsidiary of OMV and apply to everyone who works for OMV or in the name of OMV. We require compliance with international business principles from all parties with whom we enter into partnership agreements, such as joint ventures. Companies performing services for OMV (i.e., suppliers) must follow anti-bribery procedures that are consistent with the principles of OMV's Code of Business Ethics and with OMV's business ethics standards, as defined in the Code of Conduct. (For more information, see Supply Chain: *Supplier sustainability compliance*.)

OMV strives to earn stakeholders' confidence by implementing a high standard of corporate governance, transparency, and predictability. OMV has therefore committed itself to compliance with the Austrian Code of Corporate Governance, and, in this context, through its Code of Business Ethics forbids any support of political parties, including donations. We follow political and regulatory initiatives (both at EU and national levels) in our areas of interest, including energy, environment, climate change, trade, and others. OMV has a dedicated department for Public Affairs activities. We are fully in line with all reporting obligations on national and EU level and we are fully compliant with all transparency requirements.

<sup>42</sup> Our Code of Conduct and a brochure with the key elements of our Code of Business Ethics are available at: [www.OMV.com/en/business-ethics-and-anti-corruption](http://www.OMV.com/en/business-ethics-and-anti-corruption)

## **OMV compliance management system**

OMV has set up a comprehensive compliance management system including policies, audits, and trainings. The system aims to anchor OMV's business ethics policies throughout the organization and to ensure their correct implementation. We monitor the compliance of all of our operations with laws and regulations concerning business ethics, capital markets law, competition law, as well as international trade sanctions and embargoes that are applicable to OMV. Face-to-face or online training in the areas listed above was conducted with 2,239 employees in 2018.

OMV employees are encouraged to regularly participate in compliance training covering topics that are relevant to various types of jobs. The compliance management system is implemented Group-wide through collaboration between centrally based management units and local compliance officers in all

countries in which OMV operates. This international compliance organization, which is dedicated to ensuring Group-wide implementation of OMV's ethical standards, comprises 29 compliance experts.

In 2013, OMV became the first organization in Austria to comply with the comprehensive IDW Assurance Standard 980. The IDW Assurance Standard 980 is the benchmark certification standard for DAX and ATX companies.

The OMV compliance management system is regularly reevaluated and recertified under IDW PS 980<sup>43</sup> by external auditors. Both external and internal risk factors, in particular changes in the regulatory framework, as well as recent developments or incidents, are monitored on an ongoing basis to evaluate their possible impact on OMV's current risk exposure. This ongoing risk analysis also includes an institutionalized semiannual risk analysis, which is part of OMV's Enterprise-Wide Risk Management (EWRM).

<sup>43</sup> IDW PS stands for Grundsätze ordnungsmäßiger Prüfung von Compliance Management Systemen. The corresponding English version is IDW Assurance Standard- Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems.

## Preventing corruption risk in operations

Before we launch activities in a new country, we perform a thorough analysis of business ethics and sanction law issues in that country. The Business Ethics Entry Assessment includes an analysis of the Corruption Perception Index assigned by Transparency International to a given country. Based on the outcome of the assessment, corporate governance in local operations is adapted to assure compliance with OMV's ethical standards.

In 2018, our Internal Audit department carried out 25 internal compliance audits across the full range of business ethics issues (thereof 13 at OMV and 12 at OMV Petrom). Risk-related audits covering fraud and corruption issues form an integral part of the Corporate Internal Audit. Additional preventive measures were set up for OMV Petrom such as third-party background checks of OMV Petrom's business partners.



### ZERO

- ▶ incidents of corruption
- ▶ incidents when contracts with business partners or employees were terminated or not renewed due to violations related to corruption
- ▶ public legal cases regarding corruption brought against the organization or its employees during the reporting period

**ZERO legal actions pending or completed during the reporting period regarding anti-corruption behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.**

Company management is committed to establishing and maintaining an ethical standard of trust and integrity in our day-to-day business. Our senior management signs a Compliance Declaration to confirm that their conduct is in line with the Code of Business Ethics. New senior management also receives onboarding to introduce OMV integrity standards. It is of strategic importance for us to make sure that every single employee is fully aware of our ethical values and principles. This mission is one of the targets of our Sustainability Strategy 2025.

### SUSTAINABILITY STRATEGY 2025 TARGET

Promote awareness of ethical values and principles: conduct in-person or online business ethics trainings for all employees

### PERFORMANCE TO DATE

In 2018, face-to-face training conducted with 528 employees and e-learning training with 856 employees

### ACTION PLAN TO ACHIEVE THE TARGET



By 2020: e-learning training system for business ethics accessible as mandatory training to all employees

## Communication with stakeholders

Besides raising employee awareness through training, we have established channels to help identify ethical misconduct at an early stage. Timely notification is crucial in taking precautionary measures directed at avoiding or mitigating major financial loss or reputational harm. If an employee observes or becomes aware of potential or actual misconduct, or violation of internal rules or statutory regulations, whether committed by other employees or by a business partner, that employee is encouraged to speak up and report the incident.

Besides employees, other stakeholders also represent a valuable source of information which can help identify breaches of ethical standards. To this end, the OMV Group has introduced a whistleblower mechanism – the Integrity Platform. Anyone can access it online ([omv-group.integrityplatform.org](http://omv-group.integrityplatform.org)) and report an issue relating to corruption, bribes, conflicts of interest, anti-trust law, or capital markets law. The report can be filed anonymously, if desired. It will be analyzed and the answer provided within ten days through the same platform. Identified violations of ethical standards will be handled further by the Whistleblowing Committee, which includes members of senior management.

## Tax transparency

Our business activities generate a substantial amount and variety of taxes. We pay corporate income taxes, royalties, production

taxes, stamp duties, employment and other taxes. In addition, we collect and remit payroll taxes as well as indirect taxes such as excise duties and VAT. The taxes we collect and pay represent a significant part of our economic contribution to the countries in which we operate. At OMV, we are committed to complying with tax laws in a responsible manner and to having open and constructive relationships with tax authorities.

Group companies are established in jurisdictions suitable for holding our investments, with consideration to our business activities and the prevailing regulatory environment. Except where necessary due to justified operational requirements, OMV does not establish its subsidiaries in countries that do not follow international standards of transparency and exchange of information on tax matters, nor in low-tax countries.

Since 2016, OMV has been providing mandatory disclosures under the Payment-to-Government Directive (according to Section 267c of the Austrian Commercial Code) and publishes its payments made to governments in connection with exploration and extraction activities, such as production entitlements, taxes, or royalties, in the consolidated financial statements.

In addition, OMV reports payments made to public authorities, such as taxes or royalties in connection with exploration and extraction activities in countries that are members of the Extractive Industries Transparency Initiative (EITI).



## Human Rights

Human rights are universal values that guide our conduct in every aspect of our activities. We are a signatory to the UN Global Compact since 2003 and are fully committed to the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Universal Declaration of Human Rights. We continuously work on improving our human rights management systems, due diligence process, and performance by learning from international experience and good practice. We are part of the UN Global Compact Network Austria and a member of IPIECA, and benefit from professional support of internationally recognized third-party experts.

We are active in countries where human rights are not always respected and protected in accordance with internationally accepted human rights standards. The primary responsibility for the protection of human rights lies with governments. However, OMV has accepted that it is our responsibility to respect, fulfil and support the realization of human rights in relation to all our business activities and to ensure that we do not become complicit in any human rights abuses as defined under

current international law. In 2018, 892 of our colleagues worked and lived in countries with an elevated human rights risk. As a company, we must therefore be aware of any human rights impact we may have. We must ensure that we do not violate human rights while conducting our business activities. In meeting our human rights responsibilities, OMV acts in strict compliance with applicable national law. In order to ensure that the national legal framework is in line with OMV's human rights standards, we conduct a Human Rights Country Entry Check before launching operations in a country. Where national law falls short of OMV standards, which are based on international human rights law, OMV is guided by its higher standards unless this is in contradiction with applicable law.

Our employees, contractors, public authorities, legislators, investors, shareholders, communities, customers, and NGOs all expect us to respect and uphold human rights. The demand by our stakeholders that we respect human rights defines the drivers of our related policies listed in the diagram.

### Drivers of OMV Human Rights Management



## **Human rights management**

The OMV Human Rights Policy Statement sets out our understanding of and responsibility for respecting and upholding human rights in our business environment. It has been approved by the Executive Board and serves as our guiding principle for dealing with human rights issues in all aspects of our daily business.

Since 2008, we have mapped our human rights responsibilities in a comprehensive Human Rights Matrix designed to serve as the foundation for our activities in this area. We use this tool to assess our human rights activities and prioritize our actions as essential, expected, or desirable in defense of human rights. We regularly review the priorities in our Matrix and redefine them in accordance with international best practice and the latest developments in the human rights field.

### **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, the grievance mechanism, and organizational structures
- ▶ Equality and non-discrimination
- ▶ Security
- ▶ Health and safety
- ▶ Labor rights, including decent wages, working hours, employee representation, and provisions against forced labor, child labor, and human trafficking
- ▶ The right to education
- ▶ Property and standard of living, including land rights and poverty reduction
- ▶ Local communities and indigenous peoples, including free, prior, and informed consultation
- ▶ Privacy and family life, including personal data protection

We specifically concentrate on the impact of our activities on the human rights of vulnerable groups, such as indigenous people, women, and children.

OMV holds itself responsible to protect the human rights of our employees (issues such as non-discrimination, decent wages, working hours, employee representation) as well as of the outside world, for example our suppliers, communities, indigenous people, and society as a whole. Our external responsibilities in the area of human rights include, but are not limited to, equality and non-discrimination, security, primary health care, labor rights in the supply chain (such as fair wages and working hours), education, poverty reduction, land rights, and free, prior, and informed consultation.

Locally based human rights officers conduct due diligence at the operating facilities with the support of two human rights managers at corporate level (at OMV and OMV Petrom). Internationally recognized external experts support OMV in conducting this due diligence on our human rights risks exposure.

According to the UN Guiding Principles, an effective grievance mechanism is a crucial instrument for ensuring compliance with our human rights commitment. Human rights grievances are submitted through the community grievance mechanism, and then analyzed locally and at the corporate level (for more on the community grievance mechanism, see the chapter on *Community relations and development*). One human-rights-related grievance concerning working hours was filed by a subcontractor in 2018. Although there was no violation of national law or human rights standards, the local management team solved the grievance by introducing more flexible work rotations. This solution was accepted by the subcontractor. No incidents related to child labor, forced labor, violation of indigenous peoples' rights, or other human rights violations were reported in 2018.

OMV employees also have other channels for bringing forward issues and grievances related to human rights. For instance, the Integrity Platform is available to anyone in the Group (for more information, see *Communication with stakeholders*), and OMV Petrom has installed a PetrOmbudsman (for more information, see *Employees*).

## Human rights due diligence

OMV has developed due diligence tools and techniques to assess the risk of human rights violations related to our business, even before we launch or acquire business in a new country. Human rights are one 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 potential human rights violations. In 2018, prior to OMV's decision to do business in Malaysia, we commissioned a Human Rights Country Entry Check by an external human rights expert. This check provided an analysis of ongoing human rights issues and the resulting potential legal, reputational, and operational risks associated with our planned engagement in the country. We identified concerns related to labor rights, land issues, and indigenous peoples' rights, and assessed the potential for their mitigation. We plan to cooperate closely with our business partners and other stakeholders in Malaysia in order to ensure compliance with our human rights commitment locally.

Our current operations are also subject to regular assessments of their exposure to the risk of human rights violations. Due diligence starts with an Initial Risk Ranking at country level: Every country we operate in (or plan to operate in) is assessed based on comprehensive human-rights-related data and on consultation with internal and external experts. The countries are ranked by low, medium, and high risk, countries with highest manageable risk and "no-go" with

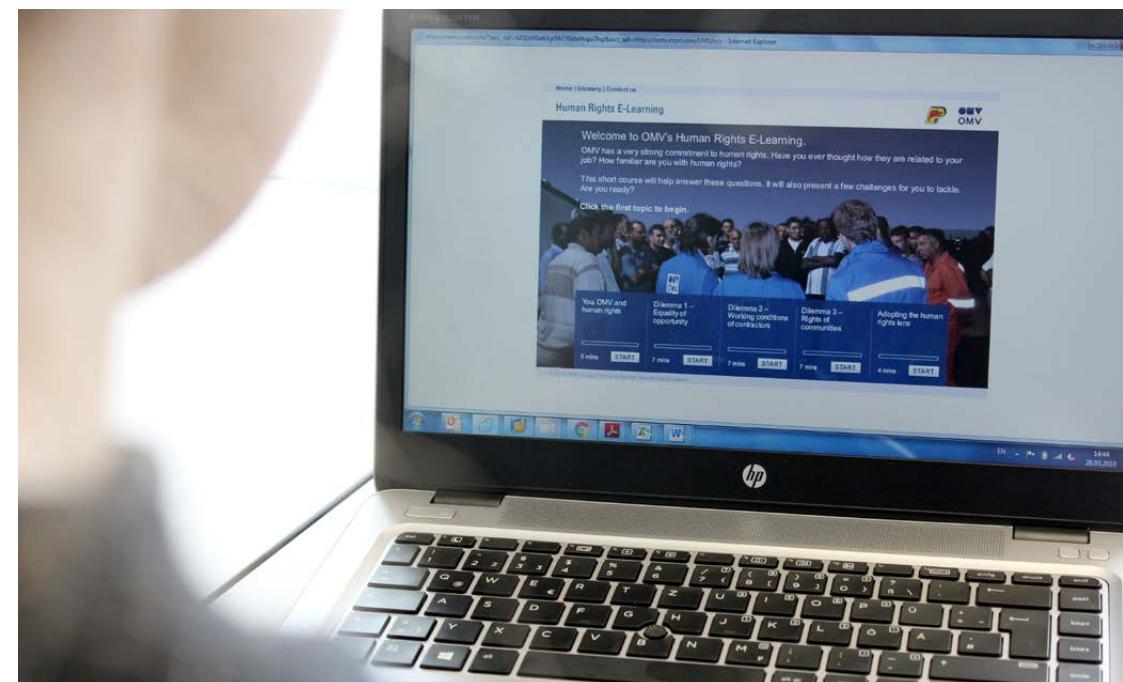
unmanageable risk. Based on this ranking, we develop our yearly work plan, defining further due diligence actions and human rights training. In 2018, we conducted our annual Country Risk Ranking (in all of our countries of operations) and a total of additional 30 risk assessments at country level.

The Human Rights Self-Assessment is one of the tools we use to assess the effectiveness of our human rights due diligence approach. Such assessments create internal awareness, capture our self-perception of our human rights performance, and facilitate the definition of gaps and further actions. In 2018, a Human Rights self-Assessment was conducted at OMV Petrom, Romania, where managers of departments dealing with human-rights-related topics – Human Resources, HSSE, Procurement, Community Relations, and others – were asked to fill out a questionnaire. It captured the self-perception of OMV Petrom in regards to compliance with the OMV Human Rights Policy Statement and Matrix in Romania. An independent external expert assessed the plausibility of responses in light of available human rights country data. Based on the expert's recommendations, OMV Petrom developed an action plan covering the areas of safety, security, the grievance mechanism, supply chain management, working conditions, and equality and non-discrimination.

OMV strongly opposes forced labor, slavery, child labor, and human trafficking. We therefore fully support the aims of the UK Modern Slavery Act 2015 and are committed to

operating our business and supply chain free from forced labor, slavery, and human trafficking. The OMV Statement against Modern Slavery and Human Trafficking explains in detail the measures taken against modern slavery and human trafficking in all parts of the business and supply chain. The statement is signed annually by the Executive Board in accordance with the requirements of the UK Modern Slavery Act 2015 and is available on our website:

[www.omv.com/en/human-rights](http://www.omv.com/en/human-rights)



## Human rights training

We conduct classroom trainings on human rights, which equip our employees with an understanding of our Human Rights Management System and give them a space to work on concrete operational issues and local challenges. Additionally, all employees are strongly encouraged to complete an interactive e-learning training, which guides them through norms and situations with regard to human rights. In 2018, 243 individuals participated in human rights trainings. Out of these, 16 persons belonged to an identified target group of "employees exposed to human rights risks" as defined by our target in the Sustainability Strategy 2025. This target group consists of employees responsible or accountable for the implementation of our human rights responsibilities (Human Resources, Security, Site Management, HSSE Auditing, Community Relations/Community Development, Procurement). These employees are located in countries with elevated human rights risks

(based on an annual assessment) and work in the corresponding corporate functions. So far, 114 employees from the target group were trained, which constitutes 11% of the entire target group.

In 2019, we plan to further roll out human rights (e-learning and classroom) trainings in countries with an elevated human rights risk level: Libya, Russia, United Arab Emirates and Yemen.

We also implement internal awareness raising campaigns throughout the Group. We conducted a human rights awareness campaign informing all employees Group-wide about our commitment. We marked the 70th anniversary of the UN Declaration on Human Rights and the 10th anniversary of the OMV Human Rights Matrix by inviting employees to complete a human rights e-learning program.

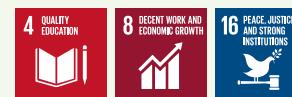
## SUSTAINABILITY STRATEGY 2025 TARGET

Conduct human rights trainings for all employees exposed to human rights risks<sup>44</sup> by 2025

## PERFORMANCE TO DATE

11% of target group trained

## ACTION PLAN TO ACHIEVE THE TARGET



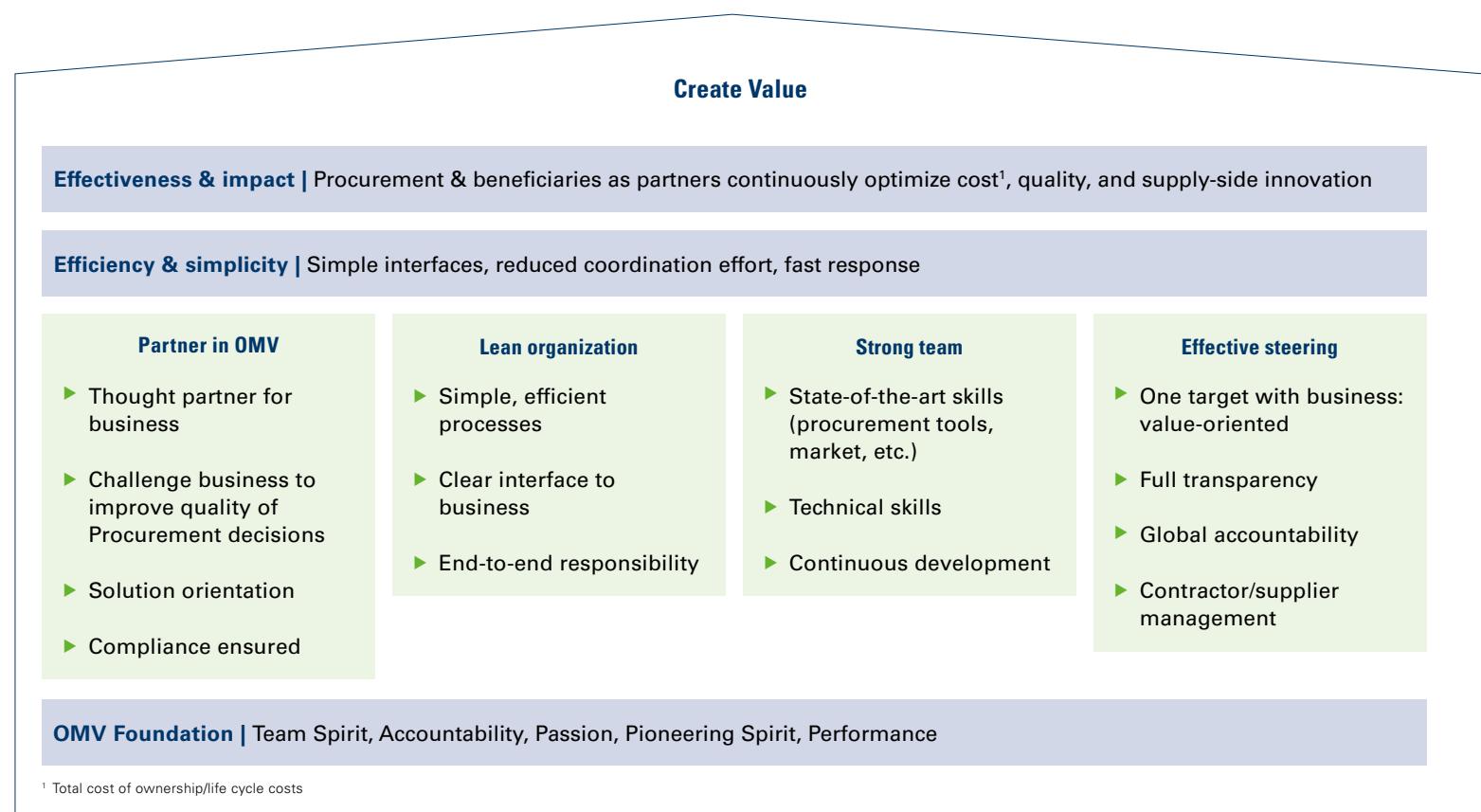
- ▶ Annual internal awareness campaign on Human Rights Day
- ▶ Classroom training sessions according to the yearly human rights work plan, which is based on the annual initial Country Risk Ranking; in 2019, trainings for Libya, Russia, United Arab Emirates, Yemen
- ▶ Training sessions for corporate functions in Vienna and Bucharest in 2019
- ▶ Further rollout of human rights e-learning

<sup>44</sup> 1,059 employees in corporate functions managing human rights risks and in the corresponding functions in countries with elevated human rights risks

## Supply Chain

OMV applies its sourcing and logistics expertise to ensure that the highest-quality materials and services are provided by our supply chain. Within the supply chain, Corporate Procurement plays an important part, acting as a valuable business partner. It aims to foster innovation, to maximize our 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 such as health, safety, environmental protection, and human rights.

OMV manages the supply chain in accordance with internal principles and values, as demonstrated in the diagram. This serves as a basis for implementing the "Create Value" Vision. This Vision focuses on creating effective and impactful procurement operations, while improving the efficiency and simplicity of supply chain management.



<sup>1</sup> Total cost of ownership/life cycle costs

## Supplier sustainability compliance

Our suppliers must follow the legal requirements and internal rules and standards applicable to OMV.<sup>45</sup> OMV's Code of Conduct stipulates that suppliers must support OMV's principles and therefore mitigates supply chain risks such as forced labor, slavery, human trafficking, and corruption. Suppliers are obligated to fully comply with the content of the Code of Conduct, and all supply chain partners are required to become cosignatories of the the Code of Conduct. Tools like 360° feedback, supplier evaluations, and audits assess and monitor supplier compliance with the principles outlined in OMV's Code of Conduct.

OMV has a process in place aimed at ensuring that parties sanctioned by the EU or international organizations such as the United Nations are not accepted as procurement partners.

Additionally, 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. The assessment is conducted through a questionnaire submitted to suppliers from a target group.

We also provide a reverse engagement channel to our suppliers, where suppliers can use our community grievance mechanism to communicate any concerns related to

OMV activities in their local area. (For more information on the community grievance mechanism, see *Community Relations and Development*.)

We developed a consolidated yearly supplier audit plan covering sustainability-related aspects of HSSE, business ethics, human rights, etc. In 2018, we took a step forward in our supplier performance management road map and defined our targets: performing more than ten audits per year on sustainability topics by 2020 and more than 20 per year by 2025. By the end of 2018, nine supplier audits covering the entire range of sustainability issues were conducted.

In addition to this, each year we perform subject-specific audits on topics such as process safety, financial management, and performance efficiency. In 2018, we completed 83% of the targeted audit plan, with 86% of the audits resulting in follow-up measures. By the end of 2018, follow-up measures of 60% of the audits were implemented, and the others will be closed according to an agreed plan in 2019.

In 2018, we reached the target for ESG assessments and supplier audits in full, as defined in the road map. All of 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 an early stage in accordance with the "Corporate HSSE

Recommendation on Pre-qualification for Contractors." Corporate and legal HSSE requirements are provided to potential suppliers at the tender stage. We assess the HSSE qualifications of potential suppliers and rank them in the OMV Risk Matrix. For suppliers who present a potential risk to OMV's supply chain sustainability management, we conduct a more in-depth investigation of compliance with OMV's Contractor HSSE Management Standards. Crude transportation partners are subject to an additional assessment against the TMSA (Tanker Management and Self-Assessment) Standard, as OMV is a member of the OCIMF (Oil Companies International Marine Forum).

Where suppliers represent a contract value over EUR 300,000, we conduct supplier risk assessments on an annual basis, where we verify their HSSE performance based on inspections and audits of monitored KPIs. Final contractor evaluation, including HSSE and social responsibility performance, is communicated to Procurement for further contractual management actions, as necessary. OMV reserves the right to terminate relationships with suppliers, if non-compliance with applicable policies is discovered, or non-compliance is not addressed in a timely manner.

## SUSTAINABILITY STRATEGY 2025 TARGET

Increase the number of supplier audits covering sustainability elements to >20 per year by 2025

## PERFORMANCE TO DATE

9 audits in 2018

## ACTION PLAN TO ACHIEVE THE TARGET

Perform more than ten audits per year by 2020 also covering sustainability topics



<sup>45</sup> A "supplier" is defined as a company providing or delivering goods or services, including consulting services, providing temporary or leased personnel, works and service contracts (e.g., contractors, subcontractors, etc.).

## **Local procurement**

Local procurement, which we encourage, creates added value in our local communities. Spending with local suppliers accounted for 88% of total expenditures in 2018.

In line with our aim to always consider the impact of our actions on the local environment, our intention is to continuously improve our local content approach. We support local suppliers to improve their capabilities, which will help them meet higher technical, HSSE, and business standards. Our newly introduced ESG assessments and various audits help suppliers understand critical issues in sustainability management and performance, and foster their further development in this area based on the gaps resulting from the assessment.

We also promote direct communication with suppliers to explain the sustainability performance OMV expects from its suppliers and the risks for OMV in cases of non-compliance. As an example, we held the Contractor Forum in Austria in November 2018. Such events also strengthen our partnerships with suppliers.

## **Role of digitalization in supply chain management**

OMV made progress on its journey toward digitalization of the procurement process. Inspired by our “Create Value” Vision and in line with developments in procurement markets, OMV made the decision in 2018 to implement SAP Ariba for all source-to-contract and commerce automation processes.

Introducing a single platform for managing the procurement process will help us ensure effectiveness and efficiency. This comprises integration of various systems and processes used to date for detailed supplier assessment and management. Digitizing all procurement-related documentation will also improve our track record of 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 by all suppliers.



## Community Relations and Development

For OMV, transparency, trust, and partnership-based relations with local communities are key to ensuring we are a responsible and welcomed neighbor wherever we operate. Adding value to the communities in which we operate is key to securing our operations for the future.

We acknowledge that the presence of OMV's business has direct and indirect impact on local communities. We aim to steer the impacts of our business activities in a positive direction by maintaining community relations and investing in local development, adhering to our commitment to respect human rights and ensure that local suppliers who work with OMV follow sustainable practices. (For more information on OMV's involvement in these areas, see *Human Rights and Supply Chain*.) Community development initiatives are always steered by local needs and in consultation with local stakeholders as well as Sustainable Development Goals (SDGs) country priorities.

Our community relations and development management process is based on centralized policies and targets, as well as local responsibilities and resources. We start by conducting Environmental and Social Impact Assessments (SIAs), which include free and prior

informed consultation and consent of local stakeholders. The purpose of a SIA is to ensure that consideration for indigenous and human rights, as well as the views of the local communities, are incorporated and addressed throughout all phases of the project life cycle: commencement, operational phase, and decommissioning or abandonment. Based on the internal regulation for conducting Environmental and Social Impact Assessments, we include a baseline study, community needs assessments, a stakeholder analysis, and a study of associated social risks. Based on the outcome, site-specific strategies for community relations and development as well as community grievance mechanisms are developed and implemented. The selection of social investments is based on the local needs identified as part of the SIA and their potential for impactful contribution to the Sustainable Development Goals (SDGs).

Group function receives regular reporting and feedback from local social responsibility managers and ensures that the guidelines for community relations and development are adhered to. Local managers regularly share their best-practice experience in order to supplement provided guidance and to shape our site-specific global community relations

and development commitments. In the summer of 2018, we held a two-day event, where representatives from almost all of the countries in which OMV operates came together at our headquarters in Vienna for a peer-learning workshop. The topics of the workshop included discussions of best practice, sharing experiences, and training on new requirements in community relations management. In light of our Sustainability

Strategy 2025, the participants were also familiarized with the UN Effectiveness Criteria for Non-Judicial Grievance Mechanisms. Our employees are also actively participating in existing social initiatives through corporate volunteering. This is how we create added value for society and for OMV as an employer of choice, business partner, and good neighbor.



## Community grievance management

With our stringent approach to receiving, registering, addressing, and resolving grievances in all of the countries where we operate, OMV lays the foundation for its social license to operate. It follows the precautionary principle in ensuring local approval for its operations by identifying and resolving the issues of concern to the local community. A grievance is an expression of dissatisfaction stemming from a real or perceived impact of the Company's business activities. In 2018, the community grievance mechanism was fully operational in Upstream, in the three OMV refineries (Schwechat in Austria, Burghausen in Germany, and Petrobrazi in Romania), and at two power plants (Samsun in Turkey and Brazi in Romania).

During the year, none of our operating facilities reported having significant potential or actual negative impacts on local communities. However, we received 1,058 grievances (561 grievances relating to our impact on society received/419 resolved;

496 grievances concerning an impact on the environment received/408 resolved, one human rights grievance – resolved). The open cases will be handled during 2019. Aiming to be fully aligned with the requirements of GRI and IPIECA, OMV has further set a target to assess the Community Grievance Mechanisms (CGMs) at all of its sites against the UN Effectiveness Criteria for Non-Judicial Grievance Mechanisms by 2025. The UN Effectiveness Criteria require the grievance mechanism to be legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue. En route to this target, one pilot project was successfully implemented in Romania in 2018. The recommendations identified as a result of the audit will be analyzed and implemented at OMV Petrom to enhance the effectiveness of the CGM. With 965 registered grievances, the grievances in Romania account for 91% of all OMV grievances received in 2018. We will conduct assessments of CGMs at further OMV sites according to the UN Effectiveness Criteria in 2019.

## SUSTAINABILITY STRATEGY 2025 TARGET

Assess Community Grievance Mechanisms of all sites against UN Effectiveness Criteria<sup>46</sup> by 2025

## PERFORMANCE TO DATE

En route to this target, one pilot project was successfully implemented in Romania in 2018.

## ACTION PLAN TO ACHIEVE THE TARGET



2019: assess community grievance mechanism of Upstream assets in Austria and the Schwechat refinery, Austria

<sup>46</sup> Legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, based on engagement and dialogue

## Community development projects



In 2018, over 900,000 people benefitted from 191 community development initiatives in 17 countries. Depending on the local conditions, the focus of the projects was either on improving access to basic needs like health care, water, and electricity, or investing in education and economic development.

OMV community development projects mostly supported the following Sustainable Development Goals in 2018: SDG 1: No poverty, SDG 3: Good health and well-being, SDG 4: Quality education, SDG 5: Gender equality, SDG 6: Clean water and sanitation, SDG 7: Affordable and clean energy, SDG 8: Decent work and economic growth, SDG 10: Reduced inequalities.

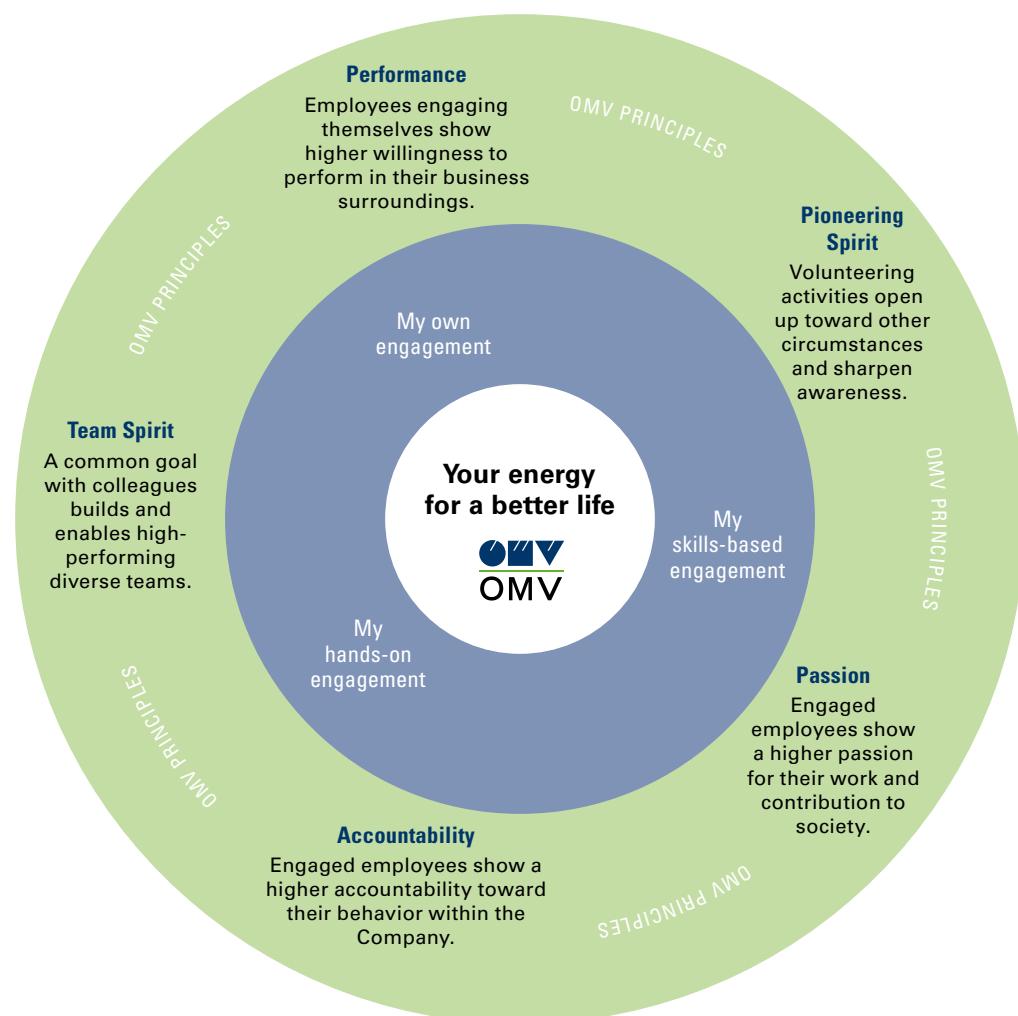
One of the key areas of focus for OMV community development is education. OMV believes that education is crucial to the

economic development and empowerment of the communities in which we operate. Building on this principle, since 2012, OMV has been initiating projects to equip local communities with professional education, entrepreneurship, and vocational skills with the objective to enable people to succeed in the job market or set up their own businesses. During the last seven years, over 50 OMV education initiatives were launched and already benefitted more than 17,900 people, 2,800 of which in 2018 alone.

Through volunteering, OMV employees also strengthen their connection to society. Our employees personally engage in community development initiatives through hands-on or skills-based volunteering, or personally contributing to individual projects. Across the Group, 4,465 employees participated in our community development projects as volunteers in 2018. We recognize that employee volunteering activates the practical implementation of the OMV Principles (demonstrated in the diagram) across the Company. The voluntary engagement of our employees is highlighted throughout the projects in this report.

In addition to community development, we also support sports and culture. In sports sponsoring, OMV is involved in ski jumping, soccer, and running events at regionally important locations in Central and Eastern Europe. In the field of culture, OMV focuses on cultural exchanges between its core markets and supports selected cultural institutions in Austria. More information is available at: [www.omv.com/en/about-us/sponsoring](http://www.omv.com/en/about-us/sponsoring)

## Living the OMV Principles through volunteering



## Community development projects across countries

In **Austria**, OMV supports projects in areas of major local need such as health and well-being, education and social inclusion, and poverty alleviation. By supporting community projects in Austria through project implementation or by providing volunteers, OMV contributes to SDG 1, SDG 2, SDG 3, SDG 4, SDG 5, SDG 9, SDG 10, and SDG 12. Our community projects focus on social infrastructure, education, and cultural development in accordance with the needs of the local communities. Our key contributions in 2018 are showcased on the following pages.



Every year, OMV contributes to the Association of Lower Austrian Petroleum and Natural Gas Municipalities. Funds allocated by the Association on an annual basis are intended for financing infrastructure development projects in line with the regional agenda.

To promote education of future generations, OMV sponsored 30 scholarships for Petroleum Engineering students at Montanuniversität Leoben (for more information, see *Employees*). To support diversity among the next generation of scientists, we also sponsored 21 scholarships for female students in technical fields of study such as engineering or earth sciences. OMV also sponsors two post-doctoral academic positions for young female scientists at Vienna University of Economics and Business (WU Wien). We support young entrepreneurs and their start-ups by sponsoring the WU Gründerzentrum initiative dedicated to this activity. To aid the social inclusion of disadvantaged populations, we offered three refugees work as interns at WU Wien.



## "Suppe mit Sinn"

In 2018, we established a social partnership with Wiener Tafel – a charity organization focused on helping people affected by poverty in Vienna – which creates many volunteer opportunities for our employees in the various initiatives supported by the partnership.

We raised EUR 9,772 as part of the Wiener Tafel's "Suppe mit Sinn" campaign. Our employees donated part of their meal value at several of OMV's cafeterias to help provide 100,000 meals to people experiencing poverty in Vienna.

## "CAPE 10"

OMV is a major contributor to an innovative social project called "CAPE 10," which encourages social inclusion and provides care for people affected by poverty in Vienna. The financial assistance we provide enables the construction of and provides equipment for an accessible medical and social services facility serving uninsured women and children.





### "Max & Lara"

As part of the "Max & Lara" initiative, where OMV participates as a cultural sponsor, we engage OMV employees in accompanying disadvantaged children to sports and cultural events.



### "kleine herzen"

Employees helped the association "kleine herzen" renovate orphanage facilities in Russia by providing a financial contribution through the purchase of small chocolate hearts at the head office.



### "Girls' Day"

We welcomed more than 70 girls to our premises in different locations on Girls' Day. With the help of 20 employee volunteers, the girls explored new education and training opportunities, particularly in technical fields.

We bring the oil and gas business closer to kindergarten and school-children, teachers, and parents by explaining the business with hands-on examples presented by OMV employees. OMV also provides illustrative material, and employees volunteer as experts in schools and kindergartens in OMV's neighborhoods.



In 2018, two OMV employees held one of two interactive workshops with 15 children from the OMV kindergarten. They discussed the world of OMV and human rights. This was a preparation for a second workshop in 2019, which focused on the human right to education, using examples from OMV's community development work.



## "ASSIST"

We also cooperated with the non-profit organization ASSIST that helps people with disabilities adapt their needs, abilities, and skills in education and work life. Fifteen people with physical disabilities who are enrolled in management apprenticeships were able to gain insight into OMV's daily business. We presented the information about apprenticeships for becoming industrial management assistants.



As a hands-on volunteering activity, employees from the Vienna office helped to remove bushes in the Natura 2000 protected area in order to make it suitable for grazing by reintroduced animals to preserve species-rich dry grasslands.

In Romania, OMV pursues broad-based community engagement with more than 90 projects and initiatives overall. The majority of the projects in 2018 focused on personal and vocational education, community development, and employee volunteering, as well as supporting environmental topics such as forestation and raising awareness.



RO SMART in Andrei's Country is a national competition organized jointly by OMV Petrom and Andrei's Country. Andrei's Country is a social responsibility platform we have used to implement community projects for ten years now. As part of this national competition, OMV finances the best projects selected among the proposed initiatives benefitting local communities in the areas of smart mobility, energy, health, education, environment, infrastructure, agriculture, and safety. In 2018, ten projects in the fields of education, health, and infrastructure were declared winners and received a total of EUR 400,000 in grants. In addition, during project implementation, OMV Petrom's employees provide mentoring as necessary, while our partners provide free IT consulting. The winning projects leverage technology to solve the problems faced by communities in Romanian villages and cities aimed at

increasing quality of life and comfort, improving public services, and streamlining resource consumption.

Employee volunteering at OMV Petrom aims to strengthen relationships with local communities by involving employees in solving social problems and community issues. In 2018, over 1,600 OMV Petrom employees volunteered in more than 60 projects, of which 12 projects were initiated by employees. The projects focused on greening communities, education, health, renovating playgrounds and parks, and donations.

We also support local community-based organizations by funding community-led development projects through an annual EUR 150,000 grant competition. As a result, in 2018, 570 people benefitted from eight funded projects producing economic, educational, cultural, and civic engagement impact. Among the beneficiaries were:

- ▶ 22 persons trained as commercial workers
- ▶ Over 300 children attending educational programs with the aim of increasing graduation rates
- ▶ Over 60 teachers and parents attending counseling sessions aimed at understanding student mindsets
- ▶ Over 50 community volunteers involved in supporting the local activities of community-based organizations



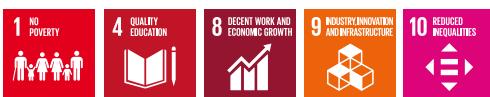
Launched in 2015, Vocational Romania is OMV Petrom's long-term commitment to supporting and improving the technical and vocational education system in Romania. Through this program, we want to raise awareness of the importance of vocational education in the development of the national economy and to implement education solutions for future oil and gas professionals. Vocational Romania includes the following initiatives: the Oilmen's School, the Vocational Summer Camp, and the Vocational Students' League.

The Oilmen's School program offers students monthly scholarships, practical experience on site in our Company as well as teacher development, updates to educational curriculum, and upgrades to school laboratories. The Oilmen's School works with three high schools in Romania to offer well operator and park operator qualifications for the oil and gas industry. From the first generation of graduates in 2018, 26 young oilmen were employed by OMV Petrom.

The Vocational Summer Camp is an intensive vocational development program for high school students aimed at improving the personal and professional skills required to secure employment. In 2018, 235 students from 23 technical schools received training for developing "soft skills" (such as communication and teamwork) and mentoring in the area of practical skills while working on a graduation project. During the project, 40 students also received scholarships. Four teacher-led projects for improving vocational education included project management mentorship and financial grants.

The Vocational Students' League is a vocational education project that aims to develop a group of leaders to improve the vocational education system in Romania at the policy level.

In **Tunisia**, the management of the Skills to Succeed project was successfully transferred to the community under a newly formed local NGO. A key deliverable of the project was to ensure that a sustainable project organization remained in place with a team of eight locally engaged professionals. The Skills to Succeed NGO obtained full funding for its first program from the Open Society Foundations securing its future work in Tunisia.



Additionally, OMV implemented the Nawara Project CSR Program for the central processing facility and pipeline areas of Gabès, Kebili, Medenine, and Tataouine to address these communities' concerns on unemployment, weak infrastructure, and local contractors' inability to compete with foreign contractors. OMV invests in targeted programs focusing on employability and self-employment, capacity-building for local suppliers, and support for regional development and civil society. With these investments, OMV aims to improve these communities' quality of life and is helping unlock the region's human and socio-economic potential.



In 2018, for the tenth year OMV organized and fully financed the OMV youth camp for children from disadvantaged backgrounds from different parts of **Slovenia**. The objective was to take children on a study vacation, where they can have a unique experience away from the everyday difficulties to which they are exposed. More than 60 children benefitted from the camp that was held from October to November 2018.



The projects in **Yemen** focused on local community access to health services, electricity, and education. For example, AIMafood Hospital was provided with essential medical equipment, instruments, and furniture for the newly built emergency ward.



In Libya, OMV supported access to electricity, water, and health care in local communities through 15 projects benefitting around half a million people. The objective of social investments in Libya is to help local authorities and institutions improve delivery of their services to the local communities around OMV field operations. The related activities are carried out in collaboration with the National Oil Corporation (NOC).

In 2018, OMV has supported access to clean water by supplying and repairing water wells, water tanks, and a pipe water network in Ubari, Ghrifa, Bent Baya, and Wadi al-Ajal. Besides, the Company provided ten deep-water pumps to improve local community's access to safe water and promote a multiple-use water system.

OMV has also supplied four portable classrooms with furniture and equipped an integrated laboratory and workshop at the Higher Institute for Renewable Energy in the town of Jikharra. Due to investment in higher education, a greater number of students will be able to contribute to the next generation of energy development.



In New Zealand, the majority of the 9 local projects focused on environmental topics, but they also contributed to poverty alleviation. In the Biodiversity protection section, we showcase a project at Lake Moawhiti, D'Urville, Island, that OMV supports. OMV employees from our New Zealand team won the World Environment Day Tree Planting Challenge in 2018 by planting 228 trees on some really tough and steep terrain. The planting is part of a commitment by conservation volunteers to plant 100,000 native trees on Mount Victoria in Central Wellington by 2021, with the final objective of growing a "Forest in the Heart of Wellington."



We continued to support the Healthy Homes project in the Taranaki area, New Zealand. The objective is to support low-income families by providing insulation to over 10,000 homes in order to create healthy homes and improve their energy efficiency.



In Bulgaria, the Czech Republic, Germany, Hungary, Kazakhstan, Norway, Serbia, Slovakia, Pakistan<sup>47</sup>, and Turkey, we focus our efforts on building and maintaining successful relationships with neighboring communities. Based on local needs, donations are provided to local NGOs to improve the health and well-being of disadvantaged families. OMV implemented dozens of other community development projects in these countries, providing support in the form of

vocational training, access to education, and the provision of food and equipment to local institutions and other beneficiaries.



More details on these and other projects can be found at:  
[www.omv.com/sustainability](http://www.omv.com/sustainability)

<sup>47</sup> Activities up to June 2018 before divestment

A photograph of a large offshore oil or gas platform at sunset. The sky is filled with dramatic, colorful clouds ranging from deep blues to bright orange and yellow. The platform itself is mostly dark, with its structural framework and various levels visible. Numerous lights are illuminated on the platform, particularly along the walkways and on the central processing unit. The horizon line is low, and the water in the foreground is dark.

# Performance in Detail

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# Stakeholders' Engagement Details

We engage with our stakeholders in a broad range of ways. For all of them, our website, social media activities, Annual Report, Sustainability Report, materiality analysis survey and other things provide transpar-

ent information sharing and opportunities to engage. Our ways of engagement with stakeholders are mapped in the following table and reflected in correspondent chapters of this Report.

Stakeholder groups	Type of OMV engagement	Key topics and concerns raised by stakeholders	Engagement channel and approach to tackle the topics
Customers	<ul style="list-style-type: none"><li>▶ Advertising</li><li>▶ Contracts</li><li>▶ Events</li><li>▶ Point of sale</li></ul>	<ul style="list-style-type: none"><li>▶ Price and quality of products and services</li><li>▶ Customer service</li></ul>	<ul style="list-style-type: none"><li>▶ See chapter <i>Focus on product responsibility</i></li><li>▶ See chapter <i>Carbon efficiency of the product portfolio</i></li></ul>
Scientific institutions	<ul style="list-style-type: none"><li>▶ Project cooperations with industry partners, scientific organizations and universities</li><li>▶ Conferences</li><li>▶ Lectures</li><li>▶ Sponsorings</li><li>▶ Targeted internships and recruitment</li></ul>	<ul style="list-style-type: none"><li>▶ Information and best practice on new technologies</li></ul>	<ul style="list-style-type: none"><li>▶ See chapter <i>Innovation</i></li></ul>
Society	<ul style="list-style-type: none"><li>▶ Sustainability projects such as educational/vocational programs</li><li>▶ Stakeholder dialogue</li><li>▶ Sponsorings and donations</li><li>▶ Grievance mechanism</li><li>▶ Integrity Platform</li></ul>	<ul style="list-style-type: none"><li>▶ Social and environmental standards and impacts</li><li>▶ Responsible business practice</li><li>▶ Engagement with local community</li></ul>	<ul style="list-style-type: none"><li>▶ See chapter <i>Environment</i></li><li>▶ See chapter <i>Business Principles and Social Responsibility</i></li></ul>
Governmental authorities	<ul style="list-style-type: none"><li>▶ Information exchange</li><li>▶ Relationship management</li><li>▶ Regular reporting (as required per legislation)</li></ul>	<ul style="list-style-type: none"><li>▶ Regulatory framework</li><li>▶ Business environment</li><li>▶ Security of (energy) supply</li></ul>	<ul style="list-style-type: none"><li>▶ See section <i>Distribution to stakeholders</i></li><li>▶ See section <i>Significant financial assistance received from governments or governmental organizations in 2018</i></li><li>▶ Transparent and active communication and information exchange in compliance with laws and regulations</li></ul>

# Stakeholders' Engagement Details

Stakeholder groups	Type of OMV engagement	Key topics and concerns raised by stakeholders	Engagement channel and approach to tackle the topics
Peer companies	<ul style="list-style-type: none"> <li>▶ Industry meetings</li> <li>▶ Contracts</li> <li>▶ Consortium meetings</li> </ul>	<ul style="list-style-type: none"> <li>▶ Industry-wide standards for sustainability topics</li> <li>▶ Good practice in exploration, development and production activities</li> <li>▶ Compliance with relevant standards, principles and contracts</li> </ul>	<ul style="list-style-type: none"> <li>▶ Participation in working groups such as IPIECA, IOGP</li> <li>▶ Participation in international conferences, workshops, meetings, events</li> </ul>
NGOs/NPOs	<ul style="list-style-type: none"> <li>▶ Social projects, sponsorships and donations</li> <li>▶ Stakeholder dialogue</li> <li>▶ Grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>▶ Environmental risks</li> <li>▶ Social performance and risks</li> <li>▶ Human rights risks</li> <li>▶ Long-term OMV strategy</li> <li>▶ Responsiveness</li> <li>▶ Compliance with international and national social and environmental standards</li> <li>▶ Implementation of outcomes of Social and Environmental Impact Assessments</li> </ul>	<ul style="list-style-type: none"> <li>▶ See chapter <i>Health, Safety, Security, and Environment</i></li> <li>▶ See chapter <i>Carbon Efficiency</i></li> <li>▶ See chapter <i>Business Principles and Social Responsibility</i></li> </ul>
Media	<ul style="list-style-type: none"> <li>▶ Press releases and conferences</li> <li>▶ Interviews</li> <li>▶ Media database</li> <li>▶ Company glossary</li> <li>▶ Press kit</li> </ul>	<ul style="list-style-type: none"> <li>▶ Overall company performance and results</li> <li>▶ Company strategy</li> <li>▶ Timely access to company information</li> <li>▶ Regular engagement with the spokespersons and senior representatives</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regular contact through authorized company spokespersons</li> <li>▶ Transparent communication policy according to the stock market regulations</li> </ul>
Industry associations/networks	<ul style="list-style-type: none"> <li>▶ Information exchange</li> <li>▶ Relationship management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regulatory framework</li> <li>▶ Business environment</li> </ul>	<ul style="list-style-type: none"> <li>▶ Information exchange and regular contact with industry associations</li> <li>▶ See section <i>Memberships</i></li> </ul>

# Stakeholders' Engagement Details

Stakeholder groups	Type of OMV engagement	Key topics and concerns raised by stakeholders	Engagement channel and approach to tackle the topics
Capital market participants	<ul style="list-style-type: none"> <li>▶ Regular reports and presentations</li> <li>▶ Roadshows, Annual General Meetings, conferences, investor meetings and other events</li> </ul>	<ul style="list-style-type: none"> <li>▶ Share price and overall company performance</li> <li>▶ Creditworthiness</li> <li>▶ External credit ratings</li> <li>▶ Financial returns</li> <li>▶ Management credibility</li> <li>▶ Valuation compared to peers</li> <li>▶ Competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>▶ Regular reporting about performance</li> <li>▶ Regular investor relations activities</li> <li>▶ Targeted investor approach</li> <li>▶ Regular contact through Investor Relations managers regarding results and press releases</li> <li>▶ Transparent communication policy according to the stock market regulations</li> <li>▶ Communication strategy with overarching targeted messages</li> </ul>
Employees	<ul style="list-style-type: none"> <li>▶ Events for employees such as townhall events for information, small update events with an Executive Board member, loyalty ceremony</li> <li>▶ Internal communication channels such as employee magazine, internal newsletters, infoscreens, Intranet, internal blog</li> <li>▶ New Employee Orientation introduction for new employees</li> <li>▶ Foundation engagement initiatives</li> <li>▶ Employment contracts</li> <li>▶ Integrity Platform</li> </ul>	<ul style="list-style-type: none"> <li>▶ Legal framework</li> <li>▶ Adequate working conditions</li> <li>▶ Career opportunities</li> <li>▶ Development possibilities</li> <li>▶ Competitive salaries</li> <li>▶ Transparent communication and information</li> <li>▶ Supportive management</li> </ul>	<ul style="list-style-type: none"> <li>▶ See chapter <i>Employees</i></li> <li>▶ See chapter <i>Business Principles and Social Responsibility</i></li> </ul>
Suppliers and contractors	<ul style="list-style-type: none"> <li>▶ Negotiations and contracts</li> <li>▶ Supplier audits and assessments</li> <li>▶ Field visits and management walk arounds</li> <li>▶ Suppliers' events</li> <li>▶ Contractors management meetings</li> <li>▶ Conferences</li> </ul>	<ul style="list-style-type: none"> <li>▶ Procurement regulations</li> <li>▶ Stipulations of Code of Conduct</li> <li>▶ Fair contract</li> <li>▶ On time payment</li> <li>▶ Adequate working conditions</li> </ul>	<ul style="list-style-type: none"> <li>▶ See chapter <i>Supply Chain</i></li> </ul>

# Additional Performance Figures

## Value Creation and Distribution to Stakeholders

### Revenues generated (in EUR mn)

	2018	2017
Net sales	22,930	20,222
Dividends, income from at-equity accounted investments, and interest income	528	589
Other income	250	201
Gains from sale of assets	14	15
<b>Total</b>	<b>23,722</b>	<b>21,028</b>

### Distribution to stakeholders

Stakeholders	Category of distributed value	2018 (in EUR mn)	2018 (in %)	2017 (in EUR mn)	2017 (in %)
Suppliers	Operating expenses (excl. royalties; incl. depreciation, impairment & write-up; FX result)	18,547	78.18%	17,777	84.54%
Governments	Taxes (income & royalties)	1,399	5.90%	804	3.82%
Employees	Employee wages and benefits	1,108	4.67%	1,116	5.31%
Capital providers	Interest expense and other financial result	362	1.53%	326	1.55%
Shareholders (and hybrid capital holders)	Dividend distribution	779	3.29%	668	3.18%
Society	Social spending	14	0.06%	11	0.05%
<b>Total</b>		<b>22,221</b>	<b>93.63%</b>	<b>20,702</b>	<b>98.45%</b>
Value retained		1,512	6.37%	326	1.55%

# Additional Performance Figures

## Value Creation and Distribution to Stakeholders

Significant financial assistance received from governments or governmental organizations in 2018

Company name	EUR mn	Details 2018
OMV Refining & Marketing GmbH	1.9	EUR 0.5 mn – grant for ReOil project EUR 0.9 mn – research premium EUR 0.4 mn – grant for cleanup of the disposal site Zwölfaxing EUR 0.1 mn – grant for UpHy project
OMV PETROM S.A.	1.3	EUR 1.3 mn – reduction of quota for green certificates

Significant monetary fines in 2018<sup>1</sup>

	Unit
Number of fines for non-compliance concerning provision and use of products	number 0
thereof number of cases brought before court and resolved	number 0
Monetary value of fines for non-compliance concerning provision and use of products	in EUR 0
Number of fines for non-compliance with environmental laws and regulations <sup>2</sup>	number 15
thereof number of cases brought before court and resolved	number 0
Monetary value of fines for non-compliance with environmental laws and regulations	in EUR 52,600
Number of fines for non-compliance with laws and regulations in the social and economic areas <sup>2</sup>	number 11
thereof number of cases brought before court and resolved	number 2
Monetary value of other fines for non-compliance with laws and regulations in the social and economic areas	in EUR 148,078
<b>Total number of fines</b>	<b>number 26</b>
<b>Total number of cases brought before court</b>	<b>number 2</b>
<b>Total monetary value of other fines for non-compliance</b>	<b>in EUR 200,678</b>

<sup>1</sup> Only fines above EUR 10,000 and paid in 2018 reported. Other fines for which OMV filed lawsuits in court that have not yet been settled are not reported.

<sup>2</sup> Brief description of the context against which significant fines and non-monetary sanctions were incurred:

- fines of EUR 52,600 for non-compliance with environmental laws and regulations: imposed for environmental non-compliance with regulations in Romania, and damage to soil, water, geological environment as a result of minor oil spills (100-400 m2), and damage from oil collector;

- fines of EUR 35,706 in Romania for non-compliance with laws and regulations: breach of regulation in relation to the Convention on the Stability of Technological Parameters of Points, construction permitting regulation, fire safety authorization, balancing commercial quantities of gas, obligation to offer the entire quantity of electricity, accurate reporting on the online platform, reporting on the rehabilitation works;

- fines of EUR 95,478 in Kazakhstan for non-compliance with laws and regulations relate to tax regulation on VAT and non-compliance with the payments due into the local public budget in Kazakhstan.

# Additional Performance Figures

## Safety

### OMV Group safety KPIs

	Unit	2018	2017	2016	2015
<b>Occupational safety, employees</b>					
Fatalities	number	1	0	1	1
Fatal Accident Rate	per 100 mn hours worked	2.85	0.00	2.46	2.20
Number of hours worked	in hours (thousand)	35,079.9	37,187.5	40,665.0	45,656.0
Lost-Time Injury Rate (LTIR)	per 1 mn hours worked	0.29	0.24	0.37	0.26
High-consequence work-related injuries <sup>1</sup>	number	1	0	1	n.r.
High-consequence work-related injuries <sup>1</sup>	per 1 mn hours worked	0.03	0.00	0.02	n.r.
Lost-time injury severity	per 1 mn hours worked	9.86	9.95	16.92	15.20
Total recordable injuries <sup>2</sup> (GRI 403:2018: Recordable work-related injuries)	number	31	27	27	27
Total Recordable Injury Rate (TRIR) <sup>2</sup> (GRI 403:2018: Recordable work-related injuries rate)	per 1 mn hours worked	0.88	0.73	0.66	0.59
<b>Occupational safety, contractors</b>					
Fatalities	number	2	2	1	1
Fatal Accident Rate	per 100 mn hours worked	2.47	2.52	1.10	1.03
Number of hours worked	in hours (thousand)	81,059.2	79,457.5	90,792.7	97,264.9
Lost-Time Injury Rate (LTIR)	per 1 mn hours worked	0.31	0.39	0.42	0.28
High-consequence work-related injuries <sup>1</sup>	number	3	3	3	n.r.
High-consequence work-related injuries <sup>1</sup>	per 1 mn hours worked	0.04	0.04	0.03	n.r.
Lost-time injury severity	per 1 mn hours worked	20.73	19.37	21.60	12.95
Total recordable injuries <sup>2</sup> (GRI 403:2018: Recordable work-related injuries)	number	60	65	65	76
Total recordable injury rate (TRIR) <sup>2</sup> (GRI 403:2018: Recordable work-related injuries rate)	per 1 mn hours worked	0.74	0.82	0.72	0.79

<sup>1</sup> Lost-time injuries that resulted in 180 (or more) lost-workdays or permanent total disabilities

<sup>2</sup> Corresponds to GRI 403:2018-a-iii: Recordable work-related injuries

# Additional Performance Figures

## Safety

### OMV Group safety KPIs

	Unit	2018	2017	2016	2015
<b>Occupational safety, employees and contractors</b>					
Fatalities	number	3	2	2	2
Fatal Accident Rate	per 100 mn hours worked	2.58	1.71	1.52	1.40
Number of hours worked	in hours (thousand)	116,139.1	116,645.0	131,457.8	142,920.9
Lost-Time Injury Rate (LTIR)	per 1 mn hours worked	0.30	0.34	0.40	0.27
High-consequence work-related injuries <sup>1</sup>	number	4	3	4	n.r.
High-consequence work-related injuries <sup>1</sup>	per 1 mn hours worked	0.03	0.03	0.03	n.r.
Lost-time injury severity	per 1 mn hours worked	17.44	16.37	20.15	13.61
Total recordable injuries <sup>2</sup> (GRI 403:2018: Recordable work-related injuries)	number	91	92	92	103
Total Recordable Injury Rate (TRIR) <sup>2</sup> (GRI 403:2018: Recordable work-related injuries rate)	per 1 mn hours worked	0.78	0.79	0.70	0.73
<b>Process safety</b>					
Tier 1	number	4	4	9	2
Tier 2	number	12	6	16	12
Process Safety Event Rate <sup>3</sup>	per 1 mn hours worked	0.14	0.09	0.19	0.10

<sup>1</sup> Lost-time injuries that resulted in 180 (or more) lost workdays or permanent total disabilities

<sup>2</sup> Corresponds to GRI 403:2018-a-iii: Recordable work-related injuries

<sup>3</sup> Process Safety Event Rate is related to Tier 1 and Tier 2 process safety events

# Additional Performance Figures

## Environmental Management

### OMV Group environmental KPIs

	Unit	2018	2017	2016	2015
<b>Energy</b>					
Energy consumption <sup>1</sup>	PJ	127.4	130.8	126.8	137.8
Fuel consumption within the organization	PJ	152.5	157.5	143.8	n.r.
Electricity consumption <sup>2</sup>	PJ	3.5	2.9	4.3	n.r.
Heating, cooling, and steam consumption <sup>3</sup>	TJ	96	14.8	32.3	n.r.
Electricity sold	PJ	25.1	26.2	19.4	n.r.
Heating, cooling, and steam sold <sup>4</sup>	PJ	2.7	3.3	3.2	n.r.
<b>GHG emissions</b>					
GHG (direct, Scope 1) <sup>5</sup>	mn t CO <sub>2</sub> equivalent	11.1	11.1	11.0	12.2
thereof from Upstream activities	mn t CO <sub>2</sub> equivalent	3.6	3.5	4.0	4.7
thereof from Downstream activities	mn t CO <sub>2</sub> equivalent	7.6	7.7	7.0	7.2
CO <sub>2</sub>	mn t	10.0	10.2	9.7	10.4
CH <sub>4</sub> <sup>6</sup>	t	44,782	38,807	54,753	70,741
N <sub>2</sub> O	t	57	52	60	72
GHG (indirect, Scope 2) <sup>7</sup>	mn t CO <sub>2</sub> equivalent	0.4	0.3	0.4	0.4
GHG (indirect, Scope 3) <sup>8</sup>	mn t CO <sub>2</sub> equivalent	112.5	108	113	112
<b>Other air emissions</b>					
SO <sub>2</sub>	t	3,090	2,995	3,105	2,918
NOx	t	11,275	12,730	12,050	12,951
NM-VOC <sub>4</sub>	t	9,401	8,689	10,229	11,585
Particulate emissions	t	138	145	139	155
Ozone-depleting substances	t	0.4	0.5	0.5	0.4

<sup>1</sup> Refers to the total energy used for operations based on site calculations with specific data and methodology

<sup>2</sup> Includes only electricity purchased and consumed; electricity consumed from own generation is included in fuel consumption. Increase in 2018 due to higher purchase volumes in Romania and Austria.

<sup>3</sup> Increase due to higher purchase of external steam for Romanian refinery

<sup>4</sup> Decrease due to less heat sold to public grid in Austria

<sup>5</sup> Since 2016, OMV is applying global warming potentials of the IPCC Fourth Assessment Report (AR4 – 100 year) CH<sub>4</sub>:25 and N<sub>2</sub>O:298. 2015 GHG emissions have been re-calculated accordingly.

Methodology basis for calculation of Scope 1: GHG Protocol, IPCC 2006, API Compendium.

<sup>6</sup> Decrease in previous years mainly due to venting reduction projects as well as an increase in reporting accuracy at OMV Petrom; Increase in 2018 is due to accidental release and maintenance work in Romanian Upstream business

<sup>7</sup> Market based Scope 2 emissions calculated with specific emission factors and energy mix for 96% of electricity purchase. Increase due to higher purchase volumes in Romania and Austria as well as higher market based emission factors in Austria. (Location based Scope 2 emissions 2018: 286,079 t CO<sub>2</sub> equivalent.) Methodology basis for calculation of Scope 2: GHG Protocol, IEA statistics, information from suppliers and national agencies, scientific publications.

<sup>8</sup> Includes Scope 3 emissions from the use of sold processed products. These include total sales amounts from companies which are under operational or financial control by OMV. Pure "trading margin" sales as well as intercompany sales are excluded. Since 2015, Scope 3 emissions from purchased goods & services and capital goods are included. From 2018 on net import of refinery raw material is included. Methodology basis for calculation of Scope 3: GHG Protocol, Quantis Scope 3 Evaluator, IPCC 2006, information from industry associations, scientific publications, own estimations based on chemical and physical characteristics of materials.

# Additional Performance Figures

## Environmental Management

### OMV Group environmental KPIs

	Unit	2018	2017	2016	2015
<b>Flaring and venting</b>					
Hydrocarbons flared <sup>1</sup>	t	233,770	185,832	180,452	299,825
Hydrocarbons vented <sup>2</sup>	t	37,420	32,834	50,173	61,443
<b>Water</b>					
Water withdrawn <sup>3</sup>	megaliters	100,381	98,523	99,592	102,114
thereof groundwater	megaliters	23,964	24,530	23,915	24,016
thereof freshwater ( $\leq$ 1,000 mg/l total dissolved solids)	megaliters	23,716	24,144	23,614	23,828
thereof other water ( $>$ 1,000 mg/l total dissolved solids)	megaliters	247	386	301	188
thereof surface water	megaliters	14,955	11,526	12,370	12,757
thereof freshwater ( $\leq$ 1,000 mg/l total dissolved solids)	megaliters	14,955	11,526	12,370	12,757
thereof other water ( $>$ 1,000 mg/l total dissolved solids)	megaliters	0	0	0	0
thereof water from public supply systems	megaliters	1,477	1,509	1,606	1,807
thereof freshwater ( $\leq$ 1,000 mg/l total dissolved solids)	megaliters	1,477	1,509	1,606	1,807
thereof other water ( $>$ 1,000 mg/l total dissolved solids)	megaliters	0	0	0	0
thereof seawater <sup>4</sup>	megaliters	586	577	382	396
thereof produced water <sup>5</sup>	megaliters	59,400	60,382	61,319	63,137
Water withdrawn (other than total water withdrawal by source) <sup>6</sup>	megaliters	280,963	411,854	397,860	466,137

<sup>1</sup> Increase in flaring amounts due to restart of operation in Yemen

<sup>2</sup> Decrease in previous years mainly due to venting reduction projects as well as an increase in reporting accuracy at OMV Petrom; Increase in 2018 is due to accidental release and maintenance work in Romanian Upstream business

<sup>3</sup> Excluding water withdrawn for once-through use (reported separately); includes produced water from 2018 on. Values for 2015, 2016 and 2017 have been recalculated. From 2018 on, water figures are shown in megalitres; values for 2015, 2016 and 2017 have been converted accordingly.

<sup>4</sup> Seawater is shown separately in the water withdrawal breakdown from 2018 on. Values for previous years have been recalculated.

<sup>5</sup> Produced water is included in the breakdown for water withdrawal from 2018 on. Values for previous years have been recalculated.

<sup>6</sup> Volume of water used for once-through cooling returned unchanged (excluding thermal effects) to water source as well as groundwater extracted solely for remediation or to control the migration of contaminated ground-water (IPIECA 2010); decrease due to divestment of Samsun CCP during 2018

# Additional Performance Figures

## Environmental Management

### OMV Group environmental KPIs

	Unit	2018	2017	2016	2015
<b>Water</b>					
Water withdrawn from all areas with water stress <sup>1</sup>	megaliters	1,775	2,524	2,367	2,300
thereof groundwater	megaliters	645	1,144	1,119	1,255
thereof freshwater ( $\leq$ 1,000 mg/l total dissolved solids)	megaliters	398	758	819	1,067
thereof other water ( $>$ 1,000 mg/l total dissolved solids)	megaliters	247	386	301	188
thereof surface water	megaliters	0	0	0	0
thereof freshwater ( $\leq$ 1,000 mg/l total dissolved solids)	megaliters	0	0	0	0
thereof other water ( $>$ 1,000 mg/L mg/l total dissolved solids)	megaliters	0	0	0	0
thereof water from public supply systems	megaliters	82	84	86	70
thereof freshwater ( $\leq$ 1,000 mg/l total dissolved solids)	megaliters	82	84	86	70
thereof other water ( $>$ 1,000 mg/l total dissolved solids)	megaliters	0	0	0	0
thereof seawater	megaliters	0	0	0	0
thereof produced water	megaliters	1,048	1,297	1,162	975
Water consumed <sup>1</sup>	megaliters	75,135	76,152	78,103	80,731
Water consumed in all areas with water stress <sup>1</sup>	megaliters	1,691	2,428	2,267	2,086
Water recycled and reused	mn m <sup>3</sup>	7,041	6,859	6,733	6,675
<b>Wastewater discharged</b>					
Wastewater	mn m <sup>3</sup>	22	19	20	20
Chemical Oxygen Demand	t	1,374	936	853	824
Hydrocarbons	t	9	15	15	18
Total nitrogen	t	114	104	91	80

<sup>1</sup> Excluding water withdrawn for once-through use (reported separately). Water storage does not have a significant impact.

# Additional Performance Figures

## Environmental Management

### OMV Group environmental KPIs

	Unit	2018	2017	2016	2015
<b>Waste<sup>1</sup></b>					
Total waste	t	583,603	460,247	923,709	832,017
thereof non-hazardous waste <sup>2</sup>	t	314,992	224,008	662,153	493,285
thereof hazardous waste	t	268,611	236,239	261,556	338,731
Transboundary movement of hazardous waste (Basel convention)	t	0	0	0	0
Waste recovered or recycled	t	223,246	202,161	533,040	288,036
Waste recovery or recycling rate	%	38%	44%	58%	35%
Waste safely disposed of	t	360,357	258,086	390,669	543,980
<b>Spills</b>					
Spills	number	2,184	2,403	2,138	2,333
thereof major (i.e., severity level 3 to 5)	number	2	1	2	6
thereof minor (i.e., severity level below 3)	number	2,182	2,402	2,136	2,327
Spills volume	liters	36,874	173,909	103,490	158,000
<b>Environmental expenditures</b>					
Environmental protection expenditures, excluding depreciation	EUR mn	196	197	208	210
Environmental investments for assets put into operation	EUR mn	134	57	105	104

<sup>1</sup> Total waste amounts including those from one-time projects

<sup>2</sup> Increase due to more demolition activities at OMV Petrom

# Additional Performance Figures

## Environmental Management

### GHG intensity of OMV operations<sup>1</sup>

		2018
GHG intensity of operations	OMV Group Carbon Intensity Index	88

<sup>1</sup>CO<sub>2</sub> equivalent emissions produced to generate a certain business output using the following business-specific metric (Upstream: t CO<sub>2</sub> equivalent/toe produced, refineries: t CO<sub>2</sub> equivalent/t throughput, power: t CO<sub>2</sub> equivalent/MWh produced) consolidated into an OMV Group Carbon Intensity Operations Index, based on weighted average of the business segments' carbon intensity

### GHG intensity of OMV product portfolio<sup>1</sup> (Scope 3)

	Unit	2018	2017	2016	2015
Oil to energy <sup>1</sup>	mn t CO <sub>2</sub> equivalent	62.7	73.8	85.5	83.4
Oil for non-energy use <sup>2</sup>	mn t CO <sub>2</sub> equivalent	7.1	6.6	5.1	5.3
Gas to energy <sup>2, 3</sup>	mn t CO <sub>2</sub> equivalent	34.6	25.9	20.3	21.2
Gas for non-energy use	mn t CO <sub>2</sub> equivalent	1.5	0.9	0.7	0.6
Chemicals	mn t CO <sub>2</sub> equivalent	0.01	0.01	0.01	0.01
Total GHGs (indirect, Scope 3)	mn t CO <sub>2</sub> equivalent	105.9	107.2	111.5	110.5
GHG intensity of product portfolio	mn t GHG per mn t oil equivalent	2.5	2.6	2.7	2.7

<sup>1</sup>Decrease mainly due to the divestment of Petrol Ofisi in mid 2017.

<sup>2</sup>Increase in Upstream direct sales and related GHG emissions due to corrected application of boundaries

<sup>3</sup>Increase in 2018 mainly due to increased gas sale volumes in Russia.

### GHG intensity of OMV purchased goods & services and capital goods (Scope 3)

	Unit	2018	2017	2016	2015
Purchased goods and services <sup>1</sup>	mn t CO <sub>2</sub> equivalent	6.3	1.1	1.1	1.3
Capital goods	mn t CO <sub>2</sub> equivalent	0.2	0.1	0.2	0.2
Total GHGs (indirect, Scope 3) <sup>1</sup>	mn t CO <sub>2</sub> equivalent	6.5	1.3	1.2	1.5
GHG intensity of purchases <sup>1</sup>	mn t GHGs per USD bn	0.8	0.7	0.6	0.6

<sup>1</sup>Increase in 2018 due to inclusion of net import of Refinery raw material (crude and intermediates).

# Additional Performance Figures

## Human Resources

### Total headcount by employment type and region

Employees	Austria	Romania/ Rest of Europe	Middle East/ Africa	Rest of the World	Total 2018	Total 2017	Total 2016	Total 2015
<b>Total</b>	3,632	15,232	683	684	20,231	20,721	22,544	24,124
<b>Status</b>								
White-collar workers	2,845	7,867	595	450	11,757	11,832	12,717	13,500
Blue-collar workers	685	7,365	88	234	8,372	8,780	9,707	10,504
Apprentices	102	0	0	0	102	109	120	120
<b>Employment type</b>								
Full-time	3,363	15,139	641	681	19,824	20,211	22,045	23,888
thereof male	2,662	11,127	557	528	14,874	15,279	n.r.	n.r.
thereof female	701	4,012	84	153	4,950	4,932	n.r.	n.r.
Part-time <sup>1</sup>	269	93	42	3	407	510	499	236
thereof male	57	57	33	0	147	247	n.r.	n.r.
thereof female	212	36	9	3	260	263	n.r.	n.r.
<b>Gender</b>								
Male	2,719	11,184	590	528	15,021	15,526	16,976	18,270
Female	913	4,048	93	156	5,210	5,195	5,568	5,854
<b>Employment type</b>								
Temporary <sup>2</sup>	62	64	44	1	171	150	302	422
thereof male	34	42	34	1	111	86	n.r.	n.r.
thereof female	28	22	10	0	60	64	n.r.	n.r.
Permanent	3,632	15,232	683	684	20,231	20,721	22,544	24,124
thereof male	2,719	11,184	590	528	15,021	15,526	16,976	18,270
thereof female	913	4,048	93	156	5,210	5,195	5,568	5,854

<sup>1</sup> At OMV Petrom, employees have the option to reduce the daily hours worked to raise a child up to the age of two or three years. These employees are reported as full-time.

<sup>2</sup> A temporary contract of employment is of limited duration and terminated by a specific event, such as the end of a project or work phase, the return of replaced personnel, etc.; not included in total number of employees, only shown separately.

# Additional Performance Figures

## Human Resources

### Additional information<sup>1</sup>

	2018	2017	2016	2015
Percentage of employees who have the right to exercise freedom of association and collective bargaining	98.49%	98.17%	98.71%	97.51%
Percentage of employees represented by local trade unions or works councils	88.57%	86.69%	83.62%	81.92%
Percentage of employees for whom minimum wages or salaries were fixed by law or agreed upon by way of collective bargaining	99.57%	97.04%	97.85%	99.07%
Percentage of employees covered by mandatory periods of notice under employment law or collective bargaining agreements for cases of restructuring	97.82%	96.45%	96.87%	97.19%

<sup>1</sup> Excluding Gas Connect Austria GmbH, Avanti GmbH, and DUNATÁR Kölajtermék Tároló és Kereskedelmi Kft.

# Additional Performance Figures

## Human Resources

Details on new recruitments by region, gender, and age 2018

	Age						Total 2018		Total 2017		Total 2016		Total 2015	
	<30		30-50		>50									
	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%
<b>Austria<sup>1</sup></b>														
Male	78	25.16%	128	41.29%	17	0.63%	223	67.08%	127	72.99%	63	72.41%	72	70.59%
Female	37	11.94%	50	16.13%	0	0%	87	28.07%	47	27.01%	24	27.59%	30	29.41%
Total	115	37.10%	178	57.42%	17	5.48%	310	100.00%	174	100.00%	87	100.00%	102	100.00%
<b>Romania/Rest of Europe<sup>1</sup></b>														
Male	101	16.58%	204	33.50%	36	5.91%	341	55.99%	281	58.54%	155	55.56%	456	66.67%
Female	94	15.43%	148	24.30%	26	4.28%	268	44.01%	199	41.46%	124	44.44%	228	33.33%
Total	195	32.01%	352	57.80%	62	10.19%	609	100.00%	480	100.00%	279	100.00%	684	100.00%
<b>Middle East/Africa</b>														
Male	6	10.53%	41	71.93%	3	5.26%	50	87.72%	71	86.59%	114	66.67%	76	73.08%
Female	2	3.50%	5	8.78%	0	0.00%	7	12.28%	11	13.41%	57	33.33%	28	26.92%
Total	8	14.03%	46	80.71%	3	5.26%	57	100.00%	82	100.00%	171	100.00%	104	100.00%
<b>Rest of the World</b>														
Male	11	17.19%	32	50.00%	1	1.56%	44	68.75%	54	61.36%	16	64.00%	18	60.00%
Female	11	17.19%	8	12.50%	1	1.56%	20	31.25%	34	38.64%	9	36.00%	12	40.00%
Total	22	34.38%	40	62.50%	2	3.12%	64	100.00%	88	100.00%	25	100.00%	30	100.00%
<b>Total</b>	<b>340</b>		<b>616</b>		<b>84</b>		<b>1,040</b>		<b>824</b>		<b>824</b>		<b>824</b>	

<sup>1</sup> Excluding Gas Connect Austria GmbH, Avanti GmbH, and DUNATÄR Kölajtermék Tároló és Kereskedelmi Kft.

# Additional Performance Figures

## Human Resources

Details on contract terminations by region, gender, and age 2018

	Age						Total 2018		Total 2017		Total 2016		Total 2015	
	<30		30-50		>50									
	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%
<b>Austria<sup>1</sup></b>														
Male	10	6.41%	38	24.35%	67	42.95%	115	73.71%	129	72.88%	169	78.60%	131	79.88%
Female	8	5.13%	18	11.54%	15	9.62%	41	26.29%	48	27.12%	46	21.40%	33	20.12%
Total	18	11.54%	56	35.89%	82	52.57%	156	100.00%	177	100.00%	215	100.00%	164	100.00%
<b>Romania/Rest of Europe<sup>1</sup></b>														
Male	49	4.31%	286	25.13%	468	41.12%	803	70.56%	1,048	71.98%	1,222	75.29%	1,339	81.60%
Female	43	3.78%	146	12.83%	146	12.83%	335	29.44%	408	28.02%	401	24.71%	302	18.40%
Total	92	8.09%	432	37.96%	614	53.95%	1,138	100.00%	1,456	100.00%	1,623	100.00%	1,641	100.00%
<b>Middle East/Africa</b>														
Male	39	8.37%	332	71.24%	72	15.45%	443	95.06%	33	89.19%	231	80.21%	250	80.65%
Female	6	1.29%	15	3.22%	2	0.43%	23	4.94%	4	10.81%	57	19.79%	60	19.35%
Total	45	9.66%	347	74.46%	74	15.88%	466	100.00%	37	100.00%	288	100.00%	310	100.00%
<b>Rest of the World</b>														
Male	4	9.76%	26	63.41%	3	7.32%	33	80.49%	43	61.43%	76	75.25%	33	63.46%
Female	2	4.87%	5	12.20%	1	2.44%	8	19.51%	27	38.57%	25	24.75%	19	36.54%
Total	6	14.63%	31	75.61%	4	9.76%	41	100.00%	70	100.00%	101	100.00%	52	100.00%
<b>Total</b>	<b>161</b>		<b>866</b>		<b>774</b>		<b>1,801</b>							

<sup>1</sup> Excluding Gas Connect Austria GmbH, Avanti GmbH, and DUNATÄR Kölajtermék Tároló és Kereskedelmi Kft.

# Additional Performance Figures

## Human Resources

### Fluctuation rate by region and gender 2018

Fluctuation rate <sup>1</sup>	Austria <sup>2</sup>	Romania/ Rest of Europe	Middle East/Africa	Rest of the World	Total 2018	Total 2017
Fluctuation rate – male	4.82%	6.91%	45.16%	10.28%	8.98%	7.86%
Fluctuation rate – female	5.07%	8.15%	20.54%	7.77%	7.83%	9.26%
<b>Total</b>	<b>4.89%</b>	<b>7.24%</b>	<b>42.63%</b>	<b>9.67%</b>	<b>8.69%</b>	<b>8.21%</b>
<30	0.56%	0.59%	4.12%	1.42%	0.78%	n.r.
30-50	1.75%	2.75%	31.75%	7.31%	4.18%	n.r.
>50	2.57%	3.91%	6.77%	0.94%	3.74%	n.r.

<sup>1</sup> Including all exits in reporting period 2018 compared to headcount of December 31, 2017

<sup>2</sup> Excluding Gas Connect Austria GmbH, Avanti GmbH

### Average hours of training and education by region and position (incl. costs) in 2018<sup>1</sup>

	2018	2017	2016	2015
<b>Senior management</b>				
Average training hours for senior management	33	33	n.r.	n.r.
<b>Management</b>				
Average training hours for management	26	23	n.r.	n.r.
<b>Experts</b>				
Average training hours for experts	15	19	n.r.	n.r.
<b>Project managers</b>				
Average training hours for project managers	27	18	n.r.	n.r.
<b>Technicians</b>				
Average training hours for technicians	28	36	n.r.	n.r.
<b>Administrators</b>				
Average training hours for administrators	9	11	n.r.	n.r.
<b>Grand total</b>				
Average training hours for all employees <sup>2</sup>	22	21	13	14
Average training hours for female employees <sup>2</sup>	17	14	n.r.	n.r.
Average training hours for male employees <sup>2</sup>	24	23	n.r.	n.r.
<b>Total training hours for female employees</b>	<b>85,287</b>	<b>70,053</b>	<b>n.r.</b>	<b>n.r.</b>
<b>Total training hours for male employees</b>	<b>351,946</b>	<b>356,642</b>	<b>n.r.</b>	<b>n.r.</b>
<b>Total training hours for all employees</b>	<b>437,233</b>	<b>426,695</b>	<b>286,364</b>	<b>340,737</b>
<b>Money spent on training (EUR)</b>	<b>7,068,641</b>	<b>4,906,900</b>	<b>5,276,500</b>	<b>7,910,720</b>

<sup>1</sup> Excluding conferences and trainings for external employees

<sup>2</sup> Data restatement: In 2017, the grand total of average training hours for all employees, female employees, and male employees were reported in relation to participants and not to number of employees.

# Additional Performance Figures

## Human Resources

### Diversity in 2018 (headcount as per December 31, 2018)

	Gender						Age			Nationality			
	Women		Men		<30		30-50		>50		Non-Austrian		
	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	
Supervisory Board	3	30.00%	7	70.00%	0	0.00%	2	20.00%	8	80.00%	3	30.00%	10
Executive Board	0	0.00%	4	100.00%	0	0.00%	0	0.00%	4	100.00%	1	25.00%	4
Senior management <sup>1</sup>	8	15.69%	43	84.31%	0	0.00%	27	52.94%	24	47.06%	20	39.22%	51
Austria <sup>2</sup>	850	25.48%	2,486	74.52%	512	15.35%	2,049	61.42%	775	23.23%	518	15.53%	3,336
Romania	3,594	25.86%	10,304	74.14%	470	3.38%	8,187	58.91%	5,241	37.71%	13,896	99.99%	13,898

<sup>1</sup> Senior Vice President & Vice President

<sup>2</sup> Excluding Gas Connect Austria GmbH, Avanti GmbH

### Diversity by age and employee category<sup>1</sup> (%)

	<30	30-50	>50
	%	%	%
<b>Senior management</b>			
Male	0.00%	0.11%	0.11%
Female	0.00%	0.03%	0.01%
Total	0.00%	0.14%	0.12%
<b>Management</b>			
Male	0.03%	3.60%	2.49%
Female	0.02%	1.49%	0.51%
Total	0.05%	5.09%	3.00%
<b>Experts</b>			
Male	1.43%	10.57%	6.49%
Female	1.26%	7.33%	3.26%
Total	2.69%	17.90%	9.75%

<sup>1</sup> Excluding Gas Connect Austria GmbH, Avanti GmbH, and DUNATÁR Kölajtermék Tároló és Kereskedelmi Kft.

### Diversity by age and employee category<sup>1</sup> (%)

	<30	30-50	>50
	%	%	%
<b>Project management</b>			
Male	0.02%	0.59%	0.43%
Female	0.04%	0.53%	0.23%
Total	0.06%	1.12%	0.66%
<b>Technicians</b>			
Male	2.55%	25.83%	19.73%
Female	0.78%	4.30%	4.88%
Total	3.32%	30.14%	24.61%
<b>Administrators</b>			
Male	0.00%	0.12%	0.06%
Female	0.08%	0.63%	0.46%
Total	0.08%	0.75%	0.52%

<sup>1</sup> Excluding Gas Connect Austria GmbH, AVANTI GmbH and DUNATÁR Kölajtermék Tároló és Kereskedelmi Kft.

# Additional Performance Figures

## Human Resources

### Parental leave during 2018

Employees	2018	2017	2016	2015
<b>Entitled employees as per December 31, 2018</b>				
Male	14,489	14,509	15,909	17,090
Female	5,122	4,936	5,446	5,698
<b>Took parental leave during 2018</b>				
Male	111	112	135	112
Female	136	344	317	312
<b>Returned from parental leave during 2018</b>				
Male	114	87	n.r.	n.r.
Female	179	138	n.r.	n.r.

### Percentage of local employees

Country	2018	2017	2016	2015
<b>Austria</b>				
Austria <sup>1</sup>	84.47%	86.2%	87.6%	87.6%
<b>Romania/Rest of Europe</b>				
Romania	99.50%	99.4%	99.3%	98.9%
Bulgaria	100.00%	100.0%	100.0%	100.0%
Czech Republic	94.87%	94.9%	94.9%	94.3%
Germany	89.60%	88.2%	90.0%	90.3%
Hungary	100.00%	94.3%	100.0%	100.0%
Netherlands	100.00%	100.0%	n.r.	n.r.
Norway	87.18%	85.0%	86.7%	82.9%
Republic of Moldova	98.41%	100.0%	100.0%	100.0%
Russia	96.67%	93.8%	n.r.	n.r.
Serbia	100.00%	100.0%	100.0%	100.0%
Slovakia	80.98%	96.5%	76.1%	72.9%
Slovenia	100.00%	100.0%	100.0%	100.0%
Switzerland <sup>2</sup>	1.83%	2.9%	1.8%	1.1%
Turkey	100.00%	98.9%	100.0%	100.0%
United Kingdom	61.11%	56.3%	69.4%	72.6%
<b>Middle East/Africa</b>				
Abu Dhabi	0%	0.0%	100.0%	0.0%
Libya	100.00%	100.0%	100.0%	100.0%
Pakistan	-	100.0%	100.0%	100.0%
Tunisia	100.00%	100.0%	100.0%	100.0%
Yemen	99.67%	100.0%	100.0%	100.0%
<b>Middle East/Africa</b>				
Kazakhstan	97.33%	100.0%	100.0%	84.4%
Madagascar	100.00%	100.0%	100.0%	100.0%
New Zealand	77.0%	66.7%	100.0%	62.8%

<sup>1</sup> Excluding Gas Connect Austria GmbH, Avanti GmbH, and DUNATÁR Kölajtermék Tároló és Kereskedelmi Kft.

<sup>2</sup> OMV International Oil & Gas GmbH

# Additional Performance Figures

## Human Resources

### Percentage of female employees

Country	2018	2017	2016
<b>Austria</b>			
Austria <sup>1</sup>	25.5%	25.3%	24.8%
<b>Romania/Rest of Europe</b>			
Romania	25.9%	25.5%	25.2%
Bulgaria	48.1%	49.1%	46.3%
Czech Republic	46.1%	35.9%	35.9%
Germany	14.4%	13.5%	14.3%
Hungary <sup>1</sup>	45.8%	44.8%	42.1%
Netherlands	16.7%	0.0%	n.r.
Norway	35.9%	36.3%	40.0%
Republic of Moldova	47.6%	50.9%	53.4%
Russia	56.7%	56.3%	n.r.
Serbia	61.9%	61.9%	55.0%
Slovakia	73.6%	74.3%	74.4%
Slovenia	60.3%	61.3%	60.8%
Switzerland <sup>2</sup>	10.1%	10.1%	8.9%
Turkey	34.7%	22.8%	20.4%
United Kingdom	27.8%	31.3%	23.5%
<b>Middle East/Africa</b>			
Abu Dhabi	25.0%	0.0%	0.0%
Libya	17.2%	15.4%	14.3%
Pakistan	-	4.3%	3.6%
Tunisia	18.6%	20.9%	22.8%
Yemen	7.6%	7.3%	9.4%
<b>Rest of the World</b>			
Kazakhstan	22.3%	22.3%	21.4%
Madagascar	33.3%	33.3%	33.3%
New Zealand	23.3%	32.1%	33.3%

<sup>1</sup>Excluding Gas Connect Austria GmbH, Avanti GmbH, and DUNATÁR Kölajtermék Tároló és Kereskedelmi Kft.

<sup>2</sup>OMV International Oil & Gas GmbH

Vienna, April 11, 2019

The Executive Board

Rainer Seele m.p.

Reinhard Florey m.p.

Johann Pleininger m.p.

Manfred Leitner m.p.

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Assurance Statement

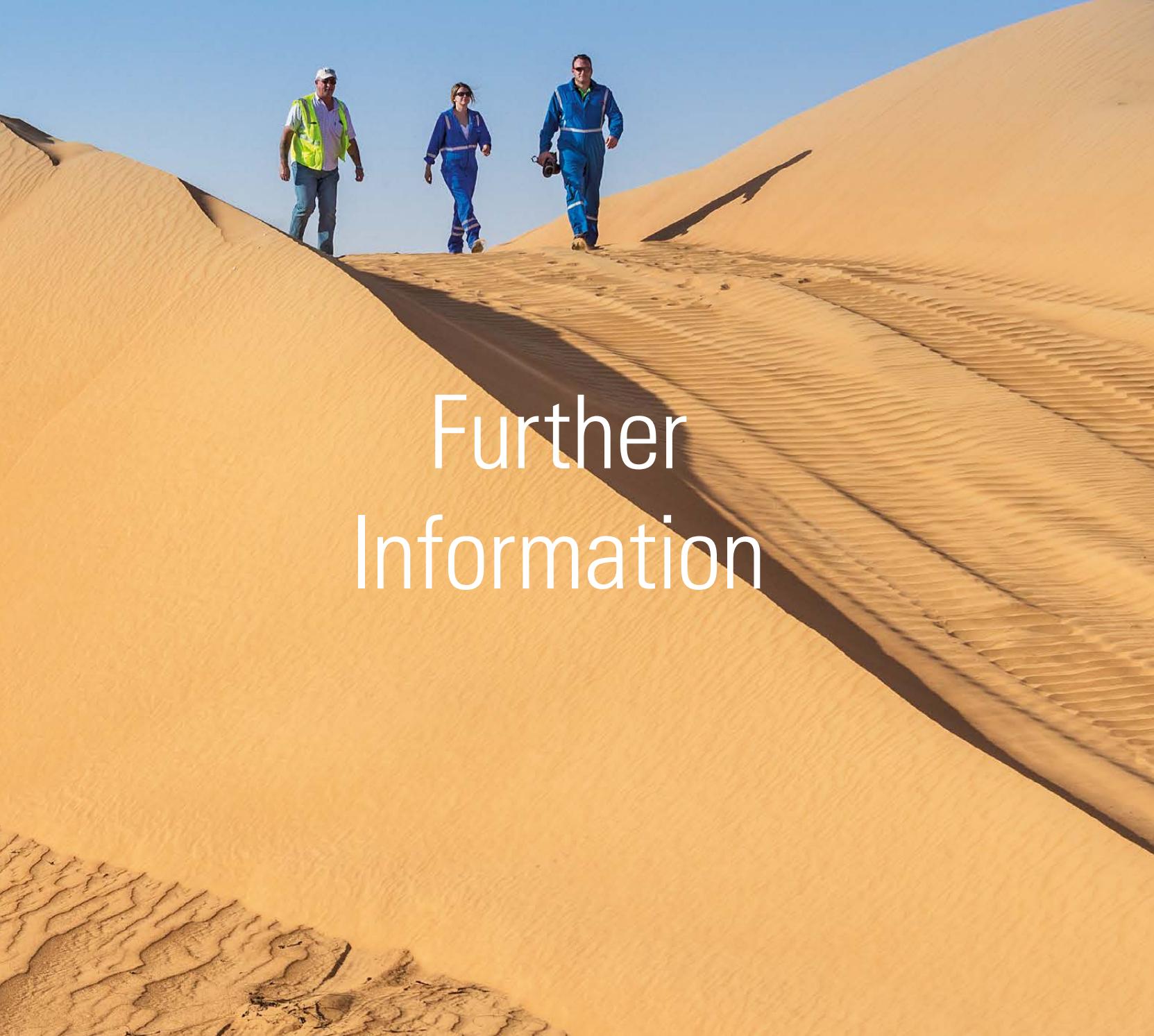
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Abbreviations

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GRI Content Index

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A photograph showing three people walking across a vast, golden-yellow sand dune under a clear blue sky. The person on the left wears a white shirt and a yellow safety vest. The person in the center wears a blue jumpsuit. The person on the right wears a blue jumpsuit and holds a camera. The sand has distinct ripples and shadows.

# Further Information

# Assurance Statement

To the Board of OMV Aktiengesellschaft

## Report about the Independent Assurance of the non-financial report

Independent assurance regarding selected non-financial disclosures in the Sustainability Report 2018 of OMV Aktiengesellschaft.

### Engagement

We were requested to perform a limited assurance engagement regarding the selected non-financial disclosures of OMV Aktiengesellschaft (hereafter "OMV") in the non-financial report 2018 (hereafter "Reporting") in accordance with the requirements of the GRI Standards CORE Option.

The assurance engagement covers the Reporting as follows:

"Sustainability Report 2018" concerning information in and references linked from the GRI-Index to sustainability disclosures and data.

Our assurance engagement solely covers references directly specified in the GRI Content Index. It does not cover any further web references. The selected indicators covered by our assurance engagement are marked with "X" in the "GRI Content Index 2018".

### The assurance engagement covers the following performance indicators according to the GRI Content Index:

- ▶ Environmental indicators: Direct GHG emissions scope 1 (GRI 305-1), Indirect GHG emissions scope 2 (GRI 305-2), Indirect GHG emissions scope 3 (GRI 305-3), Hydrocarbon spills volume (GRI 306-3)
- ▶ Workplace safety indicators (employees and contractors): Fatalities, Fatality rate, Lost workday injuries, Lost time injury rate, Lost time injury severity, Total recordable injury rate (GRI 403-9)

Our procedures have been designed to obtain a limited level of assurance on which to base our conclusions. The extent of evidence gathering procedures performed is less than for that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

### Clarifications to our Engagement

- ▶ The objective of our engagement was neither a financial audit nor a financial audit review. We did not perform any assurance procedures on data, which were subject of the annual financial audit, the corporate governance report or the risk reporting. We merely checked that data was presented in accordance with the GRI Standards.
- ▶ Neither the detection and investigation of criminal offenses, such as embezzlement or other fraudulent actions, nor the assessment of effectiveness and efficiency of management were subject to our engagement.
- ▶ Limited assurance over prospective information was not subject to our engagement.
- ▶ We did not test data derived from external surveys, we only verified that relevant disclosures and data are correctly quoted in the Reporting.

### Criteria

The information included in the Reporting was based on the criteria applicable in the year 2018 ("The Criteria"), consisting of:

GRI Standards<sup>1</sup> "GRI 305: Emissions 2016", "GRI 306: Effluents and Waste 2016" and "GRI 403: Occupational Health and Safety 2018" in connection with § 267a UGB (NaDiVeG).

We believe that these criteria are suitable for our assurance engagement.

### Management responsibilities

OMV's management is responsible for the Reporting and that the information therein is in accordance with the criteria mentioned above. This responsibility includes designing, implementing and maintaining internal controls. These are essential for the elimination of material misstatements in the Reporting.

<sup>1</sup> <https://www.globalreporting.org/standards>

# Assurance Statement

## Our responsibilities

It is our responsibility to express a conclusion on the information included in the Reporting on the basis of the limited assurance engagement.

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants' ISAE 3000 (Revised) and the Code of Ethics for Professional Accountants, issued by the International Federation of Accountants (IFAC), which includes requirements in relation to our independence.

The objective of our engagement is not to account for the interests of any third parties. Our work solely serves the client and his purpose. Our engagement is thus not destined to be used as a basis of decision-making for third parties.

The "General Conditions of Contract for the Public Accounting Professions"<sup>2</sup>, are binding for this engagement. According to that, our liability is limited and an accountant is only liable for violating intentionally or by gross negligence the contractual duties and obligations entered into. In cases of gross negligence the maximum liability towards OMV and any third party together is EUR 726,730 in the aggregate.

## What we did to form our conclusion

We have performed all the procedures deemed necessary to obtain the evidence that is sufficient and appropriate to provide a basis for our conclusions. The assurance engagement was conducted at the company's headquarter in Vienna, as well as OMV Petrom S.A. sites in Romania. **Our main procedures were:**

- ▶ Obtained an overview over the industry as well as the characteristics and governance of the organisation;
- ▶ Reviewed OMV's Corporate Regulations (directives, standards and procedures) related to the selected indicators;
- ▶ Interviewed a selection of Group and functional senior managers and executives to understand key expectations related to the selected indicators and identify systems, processes and internal control processes to support them;
- ▶ Reviewed Group level, Board and Executive documents to assess awareness and priority of the selected indicators and to understand how progress is tracked;
- ▶ Examined risk management and governance processes related to the selected indicators;
- ▶ Performed analytical procedures at Group level;
- ▶ Performed site visits in Romania (OMV Petrom Headquarter, Refinery Petrobrazi, Asset II, Asset III, Asset IV) to review progress and obtain evidence of performance. In addition we reviewed data samples at site level for completeness, reliability, accuracy and timeliness;
- ▶ Reviewed data and processes on a sample basis to test whether they had been collected, consolidated and reported appropriately at Group level. This included reviewing data samples to test whether the data had been reported in an accurate, reliable and complete manner;
- ▶ Assessment whether the requirements according to the identified criteria have been adequately addressed;
- ▶ Reviewed whether the GRI Standards were consistently applied for the CORE Option.

## Our Conclusion

Based on the scope of our review nothing has come to our attention that causes us to believe that the disclosures and data relating to the focal areas in the Reporting were not prepared in accordance with the criteria identified above.

Vienna, April 11<sup>th</sup> 2019

Ernst & Young Wirtschaftsprüfungs-gesellschaft m.b.H.

**Gerhard Schwartz m.p. Stefan Uher m.p.**

<sup>2</sup> Version of April 18<sup>th</sup> 2018 (AAB 2018) issued by the Chamber of Public Accountants and Tax Advisors, section 7 [http://www.kwt.or.at/PortalData/1/Resources/aab/AAB\\_2018\\_de.pdf](http://www.kwt.or.at/PortalData/1/Resources/aab/AAB_2018_de.pdf)

# Abbreviations

## A

**Abs.** Absolute  
**ACWI** All Country World Index  
**AIRR** Action Item Response Rate  
**ARMS** Active Risk Manager System  
**ATX** Austrian Traded Index

## B

**BES** biodiversity and ecosystem services  
**bn** billion  
**boe** barrel oil equivalent  
**boe/d** barrel oil equivalent per day

## C

**°C** degree Celsius  
**CCPP** combined cycle power plant  
**CDP** Carbon Disclosure Project  
**CEE** Central and Eastern Europe  
**CEO** Chief Executive Officer  
**CFO** Chief Financial Officer  
**CFPP** cold filter plugging point  
**CGM** Community Grievance Mechanism  
**CH<sub>4</sub>** methane  
**CHP** combined heat and power/cogeneration  
**C-IMS** Central Integrated Management System  
**CLP** Classification, Labeling, and Packaging of substances and mixtures  
**CMF** Corrosion Management Framework  
**CNG** compressed natural gas  
**COBIT** Control Objectives for Information and Related Technology  
**CO<sub>2</sub>** carbon dioxide  
**CSR** Corporate Social Responsibility

## D

**DAX** German Stock Index  
**DJSI** Dow Jones Sustainability Index

## E

**EITI** Extractive Industries Transparency Initiative  
**EMAS** Eco Management and Audit Scheme  
**EMS** Environmental Management System  
**EOR** Enhanced Oil Recovery  
**EO/MEG** ethylene oxide/monoethylene glycol  
**EU** European Union  
**EU ETS** EU Emissions Trading System  
**EUR** euro  
**ERA** Environmental Risk Assessment  
**ESG** Environmental, Social, and Governance  
**EWRM** Enterprise-Wide Risk Management

## F

**FAME** fatty acid methyl ester  
**FX** foreign exchange

## G

**G2P** gas to power  
**GHG** greenhouse gas  
**GmbH** Gesellschaft mit beschränkter Haftung  
**GJ** gigajoule  
**GRI** Global Reporting Initiative  
**GWh** gigawatt hour  
**GWT** Global Water Tool

## H

**H<sub>2</sub>** hydrogen  
**HAZOP** Hazard and Operability  
**HiPos** High-Potential Incidents  
**HR** Human Resources  
**HSSE** Health, Safety, Security, and Environment  
**HVO** hydrotreated vegetable oil

## I

**IAM** Identity and Access Management  
**ICPT** Institute for Research and Technological Design  
**IDW** Institute of Public Auditors in Germany  
**IEA** International Energy Agency  
**IEC** International Electrotechnical Commission  
**IGD** Integrated Graduate Development  
**ILO** International Labour Organization  
**IMS** Integrated Management System  
**IOGP** International Association of Oil & Gas Producers  
**IoT** Internet of Things  
**IPIECA** Oil and Gas Industry Association for Environment and Social Issues  
**ISCC** International Sustainability & Carbon Certification  
**ISO** International Organization for Standardization  
**IT** information technology

## J

**JPT** Joint Project Team

## K

**kboe/d** 1,000 barrel oil equivalent per day  
**kg** kilogram  
**kg/h** kilogram per hour  
**KPI** Key Performance Indicator  
**kt** kilotonnes  
**kW** kilowatt

## L

**LMRA** Last-Minute Risk Analysis  
**LNG** liquefied natural gas  
**LOPC** loss of primary containment  
**LTIP** Long-Term Incentive Plan  
**LTIR** Lost-Time Injury Rate

## M

**m<sup>2</sup>** square meter  
**m<sup>3</sup>** cubic meter  
**MAE** Major Accident Event  
**mg/kg** milligram per kilogram  
**mn** million  
**MTF** Montfort Trimble Foundation  
**MUL** Montanuniversität Leoben  
**MW** megawatt  
**MWh** megawatt hour

## N

**NaDiVeg** Austrian Sustainability and Diversity Improvement Act  
**NGO** non-governmental organization  
**NIS** network and information security  
**NIST** National Institute of Standards and Technology  
**N<sub>2</sub>O** nitrous oxide  
**NM-VOC** non-methane volatile organic compound  
**NOC** National Oil Corporation  
**NOx** nitrogen oxide  
**NP** New Policies  
**NPO** non-profit organization  
**n.r.** not reported

## O

**OCIMF** Oil Companies International Marine Forum  
**OECD** Organization for Economic Co-operation and Development  
**OEM** Original Equipment Manufacturer  
**OHSAS** Occupational Health and Safety Assessment Standard  
**OPEX** operating expenses  
**OT** operational technology

# Abbreviations

## P

**PC** personal computer  
**PEC** Production enhancement contracts  
**PJ** petajoule  
**PVC** polyvinyl chloride

## Q

**QR** quick response

## R

**R&D** Research and Development  
**REACH** Registration, Evaluation, and Authorisation of Chemicals  
**ROACE** return on average capital employed

## S

**S.A.** Societate pe Acțiuni  
**SAP** Systems, Applications, and Products in Data Processing  
**SDG** Sustainable Development Goal  
**SIA** Social Impact Assessment  
**SMS** Security Management System  
**SO<sub>2</sub>** sulfur dioxide  
**SRI** Socially Responsible Investment  
**S.R.L.** Societate cu răspundere limitată  
**S&P** Standard & Poor's

## T

**toe** ton of oil equivalent  
**t** ton  
**TCFD** Task Force on Climate-related Financial Disclosures  
**TMSA** Tanker Management and Self-Assessment  
**TJ** terajoule  
**TRIR** Total Recordable Injury Rate  
**TW** terawatt  
**TWh** terawatt hour

## U

**UK** United Kingdom  
**UN** United Nations

## V

**VAM** vinyl acetate monomer  
**VAT** value added tax

## W

**WEO** World Energy Outlook  
**WRF** Water Risk Filter  
**WRI** World Resources Institute

# Definitions

**GHG Scope 1** Direct emissions from operations that are owned or controlled by the organization

**GHG Scope 2** Energy indirect emissions resulting from the generation of purchased or acquired electricity, heating, cooling or steam

**GHG Scope 3** Other indirect emissions that occur outside the organization, including both Upstream and Downstream emissions

**Tier 1 Process Safety Event (PSE)** is a loss of primary containment (LOPC) with the greatest consequence. A Tier 1 PSE is an unplanned or uncontrolled release of any material, including non-toxic and non-flammable materials (e.g.: steam, hot condensate, nitrogen, compressed CO<sub>2</sub> or compressed air), from a process that results in one or more of the consequences listed below:

- ▶ An employee, contractor or subcontractor days away from work injury and/or fatality;
- ▶ A hospital admission and/or fatality of a third-party
- ▶ An officially declared community evacuation or community shelter-in-place
- ▶ A fire or explosion resulting in a greater than or equal to 25,000 \$ of direct cost to the Company

- ▶ A pressure relief device (PRD) discharge to atmosphere whether directly or via a downstream destructive device that results in one or more of the following four consequences:
  - ▶ Liquid carryover
  - ▶ Discharge to a potentially unsafe location
  - ▶ An onsite shelter-in-place
  - ▶ Public protective measures (e.g. road closure) and a PRD discharge quantity greater than the established threshold quantities in any one hour
- ▶ A release of material greater than the established threshold quantities in any one hour.

**Tier 2 Process Safety Event (PSE)** is a loss of primary containment (LOPC) with lesser consequence. A Tier 2 PSE is an unplanned or uncontrolled release of any material, including non-toxic and non-flammable materials (e.g.: steam, hot condensate, nitrogen, compressed CO<sub>2</sub> or compressed air), from a process that results in one or more of the consequences listed below and is not reported in Tier 1:

- ▶ An employee, contractor or subcontractor recordable injury;
- ▶ A fire or explosion resulting in a greater than or equal to 2,500 \$ of direct cost to the Company

- ▶ A pressure relief device (PRD) discharge to atmosphere whether directly or via a downstream destructive device that results in one or more of the following four consequences:
  - ▶ Liquid carryover
  - ▶ Discharge to a potentially unsafe location
  - ▶ An onsite shelter-in-place
  - ▶ Public protective measures (e.g.: road closure) and a PRD discharge quantity greater than the established threshold quantities in any one hour
- ▶ A release of material greater than the established threshold quantities in any one hour.

**Tier 3 Process Safety Event (PSE)** indicator records an operational situation, typically considered a "near miss" which has challenged the safety system by progressing through one or more barrier weaknesses to result in an event or condition with:

- ▶ Consequence that do not meet the criteria for a reportable Tier 1 or Tier 2 event; or
- ▶ No actual consequences, but the recognition that in other circumstances further barriers could have been breached and a Tier 1 or Tier 2 event could have happened.

**Lost-time injuries** are any occupational injuries resulting in fatalities, permanent total disabilities and lost workday cases, but excluding restricted work cases and medical treatment cases.

**Total recordable injuries** are any injuries resulting in fatalities, permanent total disabilities, lost workday cases, restricted work cases and medical treatment cases.

# Memberships

## OMV Group

- A3PS – Austrian Association for Advanced Propulsion Systems
- AACE – American Association of Cost Engineers
- ADVANTAGE AUSTRIA (WKÖ)
- AEA – Austrian Energy Agency
- AEB – Association of European Businesses
- AHK – Chambre Tuniso-Allemande de l'Industrie et du Commerce
- AIPN – Association of International Petroleum Negotiators
- aireg – Aviation Initiative for Renewable Energy in Germany
- Aktienforum
- AmCham Moldova – American Chamber of Commerce in Moldova
- AmCham Russia – American Chamber of Commerce in Russia
- APPAM – Association Professionnelle des Pétroliers Amont de Madagascar
- APPEA – Australian Petroleum Production and Exploration Association
- ARCEEx – Research Centre for Arctic Petroleum Exploration
- ARERA – Autorità di Regolazione per Energia Reti e Ambiente (obligatory membership)
- ARGE E-CERT
- ASI – Austrian Standards International
- Asociația Furnizorilor de Energie Electrică din România
- ATTC – Austrian Traffic Telematics Cluster
- Austrian Association for Research and Innovation
- Austrian Business Council Dubai & The Northern Emirates
- Austrian WPC National Committee
- Austro-Hungarian Business Council
- Autorità dell'Energia Elettrica e Gas (obligatory membership)
- BaSEC – Barents Sea Exploration Collaboration
- BaSMIN – Barents Sea Metocean and Ice Network
- BBS – Bundesverband Behälterschutz / Gütegemeinschaft Tankschutz & Tanktechnik
- BDEW – German Association of Energy and Water Industries
- BTG – Bundesverband Tankstellen und Gewerbliche Autowäsche Deutschland e.V.
- Business Leaders' Health and Safety Forum
- BVEG – German Association of Natural Gas, Crude Oil, and Geothermal Energy
- BVÖ – Miners' Association Austria
- ČAPPO – Czech Association of Petroleum Industry and Trade
- CDG – Christian Doppler Research Association
- CEDIGAZ – International Association for Natural Gas
- CEP – Clean Energy Partnership
- CertifHy – Guarantee of Origin scheme for Green Hydrogen
- Chamber of Commerce of Slovenia
- ChemDelta Bavaria
- Chemie-Cluster Bayern
- CIFRA – Centre for Integrated Remote Sensing and Forecasting for Arctic Operations
- CIRA – Cercle Investor Relations Austria
- COHRS – Connecting Hydrogen Refuelling Stations
- CONCAWE – Conservation of Clean Air and Water in Europe
- DEAe – European Drilling Engineering Association
- CTNCl – Chambre Tuniso-Néerlandaise pour le Commerce et l'Industrie
- Deutscher Franchiseverband e.V.
- DGMK – German Society for Petroleum and Coal Science and Technology
- Drilling Technical College Celle
- EAP – Oil & Gas Industry Energy Access Platform
- EASEE-gas
- EBIS – European Barge Inspection Scheme
- EBV – German National Petroleum Stockpiling Agency
- EEF – European Energy Forum
- EFET – European Federation of Energy Traders (EFET)
- ENTSO-G – European Network of Transmission System Operators for Gas
- EPL – European Petrochemical Luncheon International Association
- ESANZ – Energy Skills Association of New Zealand
- ETN – European Turbine Network
- Euroilstock
- European Petroleum Refiners Association
- FGW – Austrian Association of Gas and District Heating Supply Companies
- Forum "Technology and Society" of the Technical University Graz
- FuelsEurope – European Petroleum Industry Association
- FVMI – Austrian Association of the Petroleum Industry
- Gas Shipper Committee Italy
- Geological Society
- GIE – Gas Infrastructure Europe
- GMN – Geopressure Management Network
- GPA – Gas Processors Association Europe
- GSV – Austrian Association for Transport and Infrastructure
- GTUsers.com

# Memberships

- H2 MOBILITY
- HR Innovation Roundtable
- Hungarian Chamber of Commerce and Industry (obligatory membership)
- Hungarian Energy Traders' Association
- HyCentA
- Hydrogen Mobility Europe
- IADC – International Association of Drilling Contractors
- IATA – International Air Transport Association
- IBC – International Business Congress
- IFP – Énergies nouvelles
- IFSF – International Forecast Standards Forum
- IGU - International Gas Union
- IHK Düsseldorf
- INES – Association of natural gas storage operators in German IOGP – International Association of Oil & Gas Producers
- IPA – Independent Project Analysis
- IPIECA – International Petroleum Industry Environmental Conservation Association
- IV – Federation of Austrian Industries
- IWO – Austrian Institute of Heat and Oil Technology
- KWS – Powertech Training Center Essen
- MÁSZ – Hungarian Petroleum Association
- MCG – BusinessNZ's Major Companies Group, New Zealand
- MHVÖ – Association to maintain cultural assets of the Austrian mining industry
- MSZKSZ – Hungarian Hydrocarbon Stockpiling Association
- MWV – Association of the German Petroleum Industry
- NAMUR – User Association of Automation Technology in Process Industries
- Norwegian Oil and Gas Association
- NUMOV – German Near and Middle East Association
- OCIMF – Oil Companies International Marine Forum
- ÖGEW – Austrian Society of Petroleum Sciences
- ÖGG – Austrian Society for Geomechanics
- ÖGOR – Institute for Stochastics and Mathematical Economics
- Oil and Gas Industry Council
- Oil Companies Association SRB
- OSRL – Oil Spill Response Limited
- ÖVGW – Austrian Association for Gas and Water
- PAF – Petroleum Advisory Forum
- PEA – Production Engineering Association
- PEPANZ – Petroleum Exploration & Production Association New Zealand
- Petro Arctic
- PPDM – Professional Petroleum Data Management Association
- PRVA – Public Relations Association Austria
- PWRI OPNet – Produced Water Re-Injection Operational Network
- Russian Gas Society
- Russian-German Chamber of Commerce
- SAPPO – Slovak Association of Petroleum Industry and Trade
- SNNK-WPC – Slovenian National Committee of the World Petroleum Council
- Society of Petroleum Engineers
- Solomon Associates
- Task Force Bio-Diesel of the Austrian Association of the Chemical Industry
- Technology Management Network
- The Hugo Group
- TÜV AUSTRIA
- TÜV SÜD
- United Nations Global Compact
- United Nations Global Compact Network Austria
- UNITI – Federal Association of Medium-Sized Mineral Oil Companies
- VCI – German Association of the Chemical Industry
- VGB PowerTech
- wiiw – The Vienna Institute for International Economic Studies (wiiw)
- Vienna Airport Region Association
- VNL – Association for Network Logistics
- VPI – Austrian Association of Private Wagon Keepers
- WIFO – Austrian Institute of Economic Research
- WIVA P&G – Hydrogen Initiative Model Region Austria Power & Gas
- WKÖ – Austrian Federal Economic Chamber (obligatory membership)
- World Energy Council Austria
- Zukunft ERDGAS e.V. (member via CEGH)
- World Energy Council Germany
- ZDS – Association of Employers of Slovenia

# GRI Content Index

## Reporting boundaries

**HSSE data from operations under management control have been fully taken into account, i.e. data from all OMV Group activities with a stake of more than 50%, in particular:**

- ▶ OMV Petrom S.A. where OMV holds 51% of the shares
- ▶ OMV Petrol Ofisi A.S. (data coverage until the divestment on June 13, 2017)
- ▶ Retail Business (all retail brands of OMV, OMV Petrom and OMV Petrol Ofisi)
- ▶ Upstream OMV operated countries: Austria, Kazakhstan, Tunisia, Yemen, New Zealand, Norway, United Arab Emirates, Pakistan<sup>1</sup>, Romania (OMV Petrom)
- ▶ Refineries Schwechat, Burghausen and Petrobrazi; including transport and storage facilities
- ▶ Gas logistics (transit and storage in Austria and Romania)
- ▶ Downstream Gas – power plants in Romania (Brazi & Petrom City) and Turkey (Samsun)<sup>2</sup>
- ▶ Production enhancement contracts (PECs) for small fields with partners in Romania

▶ Joint ventures, including minority shareholdings, where OMV exerts controlling influence as operator, for example, Upstream operations in Pakistan

Occupational workplace incident data for all contractors (including subcontractors and all lower tier subcontractors) under management control (i.e., data from all OMV Group activities with a stake of more than 50%) have been fully taken into account.

Contractor and subcontractor workplace incident data at joint ventures, including minority shareholdings, where OMV exerts controlling influence as an operator is reported.

**The following data has not been taken into account for environmental data in this report:**

- ▶ Figures from holdings of 50% or less if there is no significant operational influence
- ▶ Office buildings in European countries of OMV Downstream's Marketing Divisions (except Austria, Romania, and Turkey) as well as of non-operative Upstream countries

▶ Filling stations, due to the fact that the vast majority of them are operated by partners functioning as independent companies, except filling stations under the control of OMV Petrom Marketing that meet the above-mentioned boundary criteria

**Greenhouse Gas Scope 3 emissions include the following categories:**

- ▶ GHG emissions from processing and use of sold products: These include total sales amounts from companies that are under operational or financial control by OMV and include oil product sales at filling stations undertaken in the name of OMV.
- ▶ Only sales to the market/customer are included. Pure "trading margin" sales as well as intercompany sales are excluded.
- ▶ Since 2015, Scope 3 emissions from purchased goods and services and capital goods are included.
- ▶ Since 2018 feedstock for refineries is included in Scope 3

All grievances disclosed in the OMV Sustainability Report 2018 were received in the OMV Upstream-operated countries and in the three OMV refineries (Burghausen in Germany, Schwechat in Austria, and Petrobrazi in Romania).

The data is consolidated at Group level.

Indicators marked with (X) were assured by independent assurance company.

Indicators of material topics marked with (F) are fully reported, whereas indicators not marked with (F) are partially reported.

For more details, see the Assurance Statement on pages 117-118 of this OMV Sustainability Report.

<sup>1</sup> The Upstream business in Pakistan was divested on June 28, 2018.  
<sup>2</sup> OMV divested the Samsun power plant in Turkey on September 6, 2018.

# GRI Content Index

GRI Standard	Disclosure	Page number(s), URL(s), or direct answer	Omission				
			Part omitted	Reason	Explanation	UNGC	
<b>GRI 101: Foundation 2016</b>							
<b>GRI 102: General Disclosures 2016</b>							
	<b>Organizational profile</b>						
(F) 102-1 Name of the organization		1					
(F) 102-2 Activities, brands, products, and services		8, 9, 10					
(F) 102-3 Location of headquarters		1, 132					
(F) 102-4 Location of operations		9, 10					
(F) 102-5 Ownership and legal form		6, Annual Report p. 38					
(F) 102-6 Markets served		9, 10					
(F) 102-7 Scale of the organization		7, 9, 10, 99, 107, 108, Annual Report pp. 57-65					
(F) 102-8 Information on employees and other workers		108, Annual Report pp. 55-200. A substantial part of our work is performed by contractors.			6		
(F) 102-9 Supply chain		8, 83, 84, 85					
(F) 102-10 Significant changes to the organization and its supply chain		8-10					
(F) 102-11 Precautionary Principle or approach		12-14, 15, 18, 24, 33, 38, 40, 41					
(F) 102-12 External initiatives		1, 17, 27, 29, 33, 34, 35, 37, 42, 43, 44, 47, 48, 49, 54, 57, 66, 74, 75, 76, 78, 79, 82, 86, 87, 88					
(F) 102-13 Membership of associations		122-123					
	<b>Strategy</b>						
(F) 102-14 Statement from senior decision-maker		3-4, 5					
(F) 102-15 Key impacts, risks, and opportunities		18, 38, 47, Annual Report: Risk Management					
	<b>Ethics and integrity</b>						
(F) 102-16 Values, principles, standards, and norms of behavior		6, 11, 66, 67, 74, 75, OMV Code of Business Ethics states "OMV does not support political parties. Donations to political parties are not allowed." <a href="http://www.omv.com/Sustainability">www.omv.com/Sustainability</a>			10		
(F) 102-17 Mechanisms for advice and concerns about ethics		75, 76			10		
	<b>Governance</b>						
(F) 102-18 Governance structure		15-16, 48, 51					
(F) 102-19 Delegating authority		15-16					
(F) 102-20 Executive-level responsibility for economic, environmental, and social topics		15-16, 4, Annual Report p. 77, 79, 85-86					
(F) 102-21 Consulting stakeholders on economic, environmental, and social topics		96-98					
(F) 102-22 Composition of the highest governance body and its committees		Annual Report pp. 83-102					
(F) 102-23 Chair of the highest governance body		Annual Report pp. 83-102					
(F) 102-24 Nominating and selecting the highest governance body		Annual Report pp. 83-102					
(F) 102-25 Conflicts of interest		Annual Report pp. 83-102					

# GRI Content Index

GRI Standard	Disclosure	Page number(s), URL(s), or direct answer	Omission			
			Part omitted	Reason	Explanation	UNGC
<b>GRI 102: General Disclosures 2016</b>	(F) 102-26 Role of highest governance body in setting purpose, values, and strategy	15-16				
	(F) 102-27 Collective knowledge of highest governance body	15-16				
	(F) 102-28 Evaluating the highest governance body's performance	16				
	(F) 102-29 Identifying and managing economic, environmental, and social impacts	15-16, 18, 20, 96-98				
	(F) 102-30 Effectiveness of risk management processes	15-16, 18, Annual Report pp. 77-79				
	(F) 102-31 Review of economic, environmental, and social topics	15-16, Annual Report pp. 49-52				
	(F) 102-32 Highest governance body's role in sustainability reporting	15-16				
	(F) 102-33 Communicating critical concerns	15-16				
	(F) 102-35 Remuneration policies	16, Annual Report pp. 87-100				
	(F) 102-36 Process for determining remuneration	16, Annual Report pp. 87-100				
	<b>Stakeholder engagement</b>					
	(F) 102-40 List of stakeholder groups	19, 96-98				
	(F) 102-41 Collective bargaining agreements	67, 109				3
	(F) 102-42 Identifying and selecting stakeholders	Materiality Identification Process, <a href="http://www.omv.com/sustainability">www.omv.com/sustainability</a>				
	(F) 102-43 Approach to stakeholder engagement	96-98				
	(F) 102-44 Key topics and concerns raised	96-98				
	<b>Reporting practice</b>					
	(F) 102-45 Entities included in the consolidated financial statements	Annual Report pp. 205-213				
	(F) 102-46 Defining report content and topic Boundaries	1, 75, 87, 124				
	(F) 102-47 List of material topics	21				
	(F) 102-48 Restatements of information	All changes relative to previous years' reported data or information have been indicated where relevant, with appropriate explanations provided.				
	(F) 102-49 Changes in reporting	There are no significant changes in material topics or topic Boundaries				
	(F) 102-50 Reporting period	1				
	(F) 102-51 Date of most recent report	2017				
	(F) 102-52 Reporting cycle	annual				
	(F) 102-53 Contact point for questions regarding the report	132				
	(F) 102-54 Claims of reporting in accordance with the GRI Standards	1				
	(F) 102-55 GRI content index	125-131				
	(F) 102-56 External assurance	117-118				

# GRI Content Index

GRI Standard	Disclosure	Page number(s), URL(s), or direct answer	Omission		
			Part omitted	Reason	Explanation
UNGCI					
<b>Material Topics and Other Topics</b>					
<b>GRI 200 Economic Standard Series</b>					
<b>Supply Chain (Procurement Practices)</b>					
<b>GRI 103: Management Approach 2016</b>	(F) 103-1 Explanation of the material topic and its Boundary (F) 103-2 The management approach and its components (F) 103-3 Evaluation of the management approach	84 83, 84 83, 84			
<b>OG1 Sector Supplement</b>	Volume and type of estimated proved reserves and production	8			
<b>GRI 204: Procurement Practices 2016</b>	(F) 204-1 Proportion of spending on local suppliers	85, 204-1-b: Local suppliers are defined as national suppliers, active in the countries where OMV has operations; 204-1-c: Significant locations of operation are all the locations where OMV is the main operator			
<b>GRI 308: Supplier Environmental Assessment 2016</b>	(F) 308-1 New suppliers that were screened using environmental criteria  308-2 Negative environmental impacts in the supply chain and actions taken	84 84			8
<b>GRI 414: Supplier Social Assessment 2016</b>	(F) 414-1 New suppliers that were screened using social criteria  414-2 Negative social impacts in the supply chain and actions taken	84 84			2
<b>Business Ethics and Anti-Corruption (Anti-Corruption)</b>					
<b>GRI 103: Management Approach 2016</b>	(F) 103-1 Explanation of the material topic and its Boundary (F) 103-2 The management approach and its components (F) 103-3 Evaluation of the management approach	75, 76 75, 76 76			
<b>GRI 205: Anti-Corruption 2016</b>	205-1 Operations assessed for risks related to corruption (F) 205-2 Communication and training about anti-corruption policies and procedures (F) 205-3 Confirmed incidents of corruption and actions taken	76, 77 77 77			10
<b>GRI 206: Anti-Competitive Behavior 2016</b>	(F) 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	77			10
<b>GRI 300 Environmental Standards Series</b>					
<b>Energy Efficiency (Energy)</b>					
<b>GRI 103: Management Approach 2016</b>	(F) 103-1 Explanation of the material topic and its Boundary (F) 103-2 The management approach and its components (F) 103-3 Evaluation of the management approach	38, 39 37, 38, 39 37, 38, 39			
<b>GRI 302: Energy 2016</b>	(F) 302-1 Energy consumption within the organization (F) 302-4 Reduction of energy consumption	39 39, 103			7, 8 8, 9

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GRI Standard	Disclosure	Page number(s), URL(s), or direct answer	Omission		
			Part omitted	Reason	Explanation
UNGCI					
<b>Water Management (Water)</b>					
<b>GRI 103: Management Approach 2016</b>	(F) 103-1 Explanation of the material topic and its Boundary (F) 103-2 The management approach and its components (F) 103-3 Evaluation of the management approach	41 37, 41, 42 37, 42			
<b>GRI 303: Water 2018</b>	(F) 303-1 Interactions with water as a shared resource (F) 303-2 Management of water-discharge-related impacts (F) 303-3 Water withdrawal 303-4 Water discharge (F) 303-5 Water consumption	41, 43, 103 43 48, 104, 105 105 105			7, 8 8 8
<b>OG5 Sector Supplement</b>	Volume and disposal of formation or produced water	48, 105			
<b>Emissions from Operations (Emissions)</b>					
<b>GRI 103: Management Approach 2016</b>	(F) 103-1 Explanation of the material topic and its Boundary (F) 103-2 The management approach and its components (F) 103-3 Evaluation of the management approach	48 37, 48, 49 37, 49			
<b>GRI 305: Emissions 2016</b>	(F) 305-1 (X) Direct (Scope 1) GHG emissions (F) 305-2 (X) Energy indirect (Scope 2) GHG emissions (F) 305-3 (X) Other indirect (Scope 3) GHG emissions (F) 305-4 GHG emissions intensity (F) 305-5 Reduction of GHG emissions (F) 305-6 Emissions of ozone-depleting substances (ODS) (F) 305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	49, 103 51, 103 51, 103 51, 107 50, 51, 103 103 103			7, 8 7, 8 7, 8 8 8, 9 7, 8 7, 8
<b>OG6 Sector Supplement</b>	(F) Volume of flared and vented hydrocarbon	104			
<b>Spills Management (Effluents)</b>					
<b>GRI 103: Management Approach 2016</b>	(F) 103-1 Explanation of the material topic and its Boundary (F) 103-2 The management approach and its components (F) 103-3 Evaluation of the management approach	40 37, 40, 41 37, 40, 41			
<b>GRI 306: Effluents and Waste 2016</b>	(F) 306-3 (X) Significant spills	41			8

# GRI Content Index

GRI Standard	Disclosure	Page number(s), URL(s), or direct answer	Omission		
			Part omitted	Reason	Explanation
<b>Environmental Compliance (Environmental Compliance)</b>					
<b>GRI 103: Management Approach 2016</b>	(F) 103-1 Explanation of the material topic and its Boundary (F) 103-2 The management approach and its components (F) 103-3 Evaluation of the management approach	38 37, 38 37, 38			
<b>GRI 307: Environmental Compliance 2016</b>	(F) 307-1 Non-compliance with environmental laws and regulations	100			8
<b>GRI 400 Social Standards Series</b>					
<b>Employment and Skills Development (Employment; Labor/Management Relations; Training and Education)</b>					
<b>GRI 103: Management Approach 2016</b>	(F) 103-1 Explanation of the material topic and its Boundary (F) 103-2 The management approach and its components (F) 103-3 Evaluation of the management approach	66, 68, 70, 71, 73 66, 68, 70, 71, 73 66, 67, 68, 70-73			
<b>GRI 401: Employment 2016</b>	(F) 401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3 Parental leave	110-112 71, 401-2-b: Significant locations of operation are all the locations where OMV is the main operator. 114			6
<b>GRI 404: Training and Education 2016</b>	(F) 404-1 Average hours of training per year per employee (F) 404-2 Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews	112 73 71			6
<b>Health, Safety, and Security (Occupational Health and Safety)</b>					
<b>GRI 103: Management Approach 2016</b>	(F) 103-1 Explanation of the material topic and its Boundary (F) 103-2 The management approach and its components (F) 103-3 Evaluation of the management approach	25, 34, 35 25, 26, 34, 36 26, 31, 34, 36			
<b>GRI 403: Occupational Health and Safety 2018</b>	(F) 403-1 Occupational health and safety management system (F) 403-2 Hazard identification, risk assessment, and incident investigation (F) 403-3 Occupational health services (F) 403-4 Worker participation, consultation, and communication on occupational health and safety (F) 403-5 Worker training on occupational health and safety (F) 403-6 Promotion of worker health (F) 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships (F) 403-9 (X) Work-related injuries	27, 29, 32 29 28, 30 28, 30 30 27, 28 30 31, 101, 102, 403-9-c-ii: major hazards as causes of injuries are: slip, trip, fall; extreme temperature; explosion fire; fall from height;			
<b>OG13 Sector Supplement</b>	Number of process safety events, by business activity	33, 102			

# GRI Content Index

GRI Standard	Disclosure	Page number(s), URL(s), or direct answer	Omission		
			Part omitted	Reason	Explanation
<b>Human Rights (Freedom of Association and Collective Bargaining; Child Labor; Forced or Compulsory Labor; Rights of Indigenous Peoples; Human Rights Assessment)</b>					
<b>GRI 103: Management Approach 2016</b>	(F) 103-1 Explanation of the material topic and its Boundary (F) 103-2 The management approach and its components (F) 103-3 Evaluation of the management approach	79, 80 80, 81 81			
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	80			5
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	80			4
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	(F) 411-1 Incidents of violations involving rights of indigenous peoples	80, 81			1
<b>GRI 412: Human Rights Assessment 2016</b>	(F) 412-1 Operations that have been subject to human rights reviews or impact assessments 412-2 Employee training on human rights policies or procedures	81 82			1 1
<b>Local Communities (Local Communities)</b>					
<b>GRI 103: Management Approach 2016</b>	(F) 103-1 Explanation of the material topic and its Boundary (F) 103-2 The management approach and its components (F) 103-3 Evaluation of the management approach	86 86, 87 87			
<b>GRI 413: Local Communities 2016</b>	(F) 413-1 Operations with local community engagement, impact assessments, and development programs 413-2 Operations with significant actual and potential negative impacts on local communities	86, 89-94 86			1 1
<b>OG10 Sector Supplement</b>	Number and description of significant disputes with local communities and indigenous peoples	87			
<b>OG11 Sector Supplement</b>	Number of sites that have been decommissioned and sites that are in the process of being decommissioned	45			
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	OMV Code of Business Ethics states "OMV does not support political parties. Donations to political parties are not allowed." <a href="http://www.omv.com/Sustainability">www.omv.com/Sustainability</a> ; Compliance with Principles of Business Ethics	10		
<b>GRI 419: Socioeconomic Compliance 2016</b>	(F) 419-1 Non-compliance with laws and regulations in the social and economic area				
<b>Low-Carbon Products</b>					
<b>GRI 103: Management Approach 2016</b>	(F) 103-1 Explanation of the material topic and its Boundary (F) 103-2 The management approach and its components (F) 103-3 Evaluation of the management approach	51 51, 52, 53, 54 51			
<b>GRI 201: Economic Performance 2016</b>	(F) 201-2 Financial implications and other risks and opportunities due to climate change	47			7
<b>OG14 Sector Supplement</b>	(F) Volume of biofuels produced and purchased meeting sustainability criteria	55			

# GRI Content Index

GRI Standard	Disclosure	Page number(s), URL(s), or direct answer	Omission		
			Part omitted	Reason	Explanation
<b>Innovation</b>					
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<b>OG3 Sector Supplement</b>	Total amount of renewable energy generated by source	54			
<b>Other GRI Indicators</b>					
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed 201-4 Financial assistance received from government	99, 100 100			
<b>GRI 306: Effluents and Waste 2016</b>	306-2 Waste by type and disposal method	45, 106			8
<b>OG11 Sector Supplement</b>	Number of sites that have been decommissioned and sites that are in the process of being decommissioned	45			
<b>GRI 304: Biodiversity 2016</b>	304-3 Habitats protected or restored	44			8
<b>OG4 Sector Supplement</b>	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	44			
<b>GRI 405: Diversity 2016</b>	(F) 405-1 Diversity of governance bodies and employees	68-69, 108, 113, 115			6

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## OMV Social Media Channels

Please find here a list with the official OMV social media presences. We look forward to welcoming you onto these pages.

### Blog

[blog.omv.com](http://blog.omv.com)

### Twitter

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### YouTube

[www.youtube.com/omv](http://www.youtube.com/omv)

### LinkedIn

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### XING

[www.xing.com/companies/omv](http://www.xing.com/companies/omv)

### Whatchado

[www.whatchado.com/en/omv](http://www.whatchado.com/en/omv)

### Facebook

[www.facebook.com/OMV](http://www.facebook.com/OMV)

### Instagram

[www.instagram.com/omv](http://www.instagram.com/omv)

## Mobile Applications

### OMV Station Finder App

[www.omv.com/products/omv-stationfinderapp](http://www.omv.com/products/omv-stationfinderapp)

### OMV Investor Relations App

[www.omv.com/investors/app](http://www.omv.com/investors/app)

## Further Publications

### OMV Factbook

[www.omv.com/factbook](http://www.omv.com/factbook)

### OMV Annual Report

[www.omv.com/annual-report](http://www.omv.com/annual-report)

## Disclaimer regarding forward-looking statements

This report contains forward-looking statements.

Forward-looking statements usually may be identified by the use of terms such as "outlook," "believe," "expect," "anticipate," "intend," "plan," "target," "objective," "estimate," "goal," "may," "will," and similar terms, or by their context. These forward-looking statements are based on beliefs, estimates, and assumptions currently held by and information currently available to OMV. By their nature, forward-looking statements are subject to risks and uncertainties, both known and unknown, because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of OMV. Consequently, the actual results may differ materially from those expressed or implied by the forward-looking statements. Therefore, recipients of this report are cautioned not to place undue reliance on these forward-looking statements. Neither OMV nor any other person assumes responsibility for the accuracy and completeness of any of the forward-looking statements contained in this report. OMV disclaims any obligation and does not intend to update these forward-looking statements to reflect actual results, revised assumptions and expectations, and future developments and events. This report does not contain any recommendation or invitation to buy or sell securities in OMV.