

Stepping on the gas toward a secure, lower-carbon energy future

Sustainability at OMV

The energy for a better life.





Efficiently and responsibly processed oil is a key component of our modern lives, found in everything from tablets and cables to medical products.

Oil, Gas, and Sustainability

The energy for a better life.

How often do you consider the consequences of a decision on you, others, or the environment? Companies ask themselves these questions daily. For OMV, the most important issues are: How can we provide people with a secure and sustainable supply of affordable energy? How can we ensure prosperity without causing climate damage? How can we guarantee that our employees return home safely every day? How can we balance the short-term and long-term interests of consumers, industry, society, the environment, and our company with all of its employees?

We analyzed and assessed these questions while developing our Sustainability Strategy, and defined 15 measurable targets in five focus areas that we want to achieve by 2025. They cover health, safety, security, and optimal environmental management, climate protection, advancing innovation for continually improved energy solutions, personnel development, and assuming social responsibility – not just in word, but in deed.



Numerous international studies and research projects indicate that without oil and gas, we as a society can neither ensure economic and social stability nor achieve a sustainable energy transition in the near future. The world will need both. And that is why we strive for “oil & gas at its best.” Both natural resources must be used as prudently, efficiently, and responsibly as possible. For OMV and our business model, that means:

Oil is a valuable feedstock for high-quality materials and components for reliable everyday products (petrochemicals), a synthetic circular economy product (plastics recycling), and an energy source when renewable energies are unavailable or unaffordable.

Gas supports the energy transition and is a major factor for a lower-carbon future in electricity generation, the transportation sector, heating and cooling systems, and as an energy storage. The range spans from low-carbon (natural gas, CNG, and LNG) to carbon-neutral (synthetic gas, biogas, hydrogen) products.

Sustainability is an integral part of OMV Strategy, and our focus areas and targets are aligned with the United Nations Sustainable Development Goals (SDGs). It goes without saying that we expect strict compliance with national and international guidelines, transparent reporting, and regular external reviews of our performance by auditors, environmental organizations, analysts, and third parties.



OMV at a Glance

Securing a sustainable energy future



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. We focus on the exploration, development, and production of oil and gas in 15 countries in our core regions of Central and Eastern Europe, Russia, the North Sea, Middle East and Africa as well as Asia-Pacific.

We also process oil and downstream products in three refineries – two of which feature integrated petrochemical production. By agreeing the purchase of 15% of Abu Dhabi Oil Refining Company, OMV also took a stake in one of the largest operators of refineries with integrated petrochemical production in the Middle East. In addition, more than 2,000 OMV filling stations in ten countries provide 1.3 million people a variety of products and services for gas-, diesel-, electric-, and natural-gas-powered vehicles every day.

Our goal is to become the leading integrated supplier of natural gas from Northwestern to Southeastern Europe by 2025. We are already very well positioned thanks to our tightly integrated distribution network, gas storage, and pipeline assets. Our aims are therefore to increase the share of the production portfolio accounted for by gas and to boost 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 secure the viability of operations in the long term.

We project worldwide demand for gas 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.



Healthy and Safe in an Intact Environment

Systematically managing binding targets

The issues of Health, Safety, Security, and Environment (HSSE) are closely interrelated. The paramount principle behind OMV's policies and activities is that every employee returns home healthy every day. Accordingly, OMV has integrated the most stringent industry standards into its management system and has set ambitious goals. Our vision is "ZERO harm – NO losses."

At OMV, health management employs internal and external professionals to provide comprehensive medical services to all employees, including training,

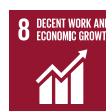
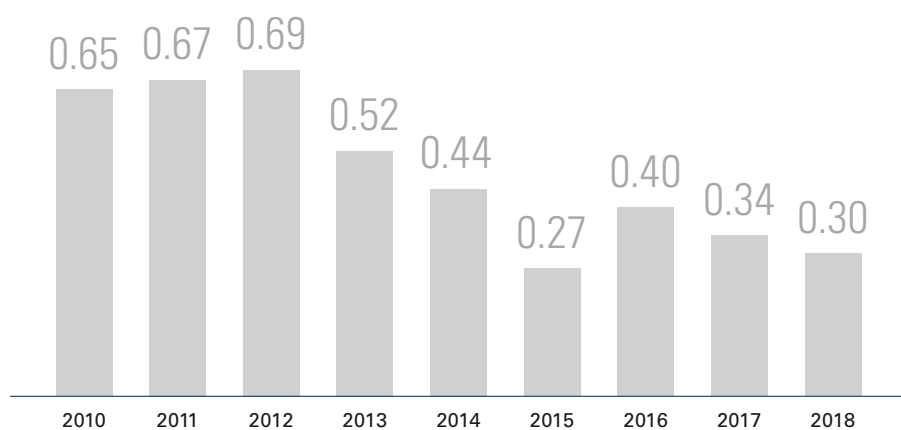
preventive check-ups, and treatments that often also benefit the local population at the relevant OMV sites.

We set three core goals to protect both people and nature: zero work-related fatalities, fewer than 0.3 accidents per one million hours worked, and maintaining the top position internationally in process safety. We are already one of the world's leading companies in our industry in these areas due to our very low Lost-Time Injury Rate.



Accident frequency since 2010

Lost-Time Injury Rate (per 1 million hours worked)



Highlights 2018

Reduction in
Lost-Time Injury Rate

12%

...

Occupational health
examinations

132,469

...

Total energy savings at all
three OMV refineries

470 TJ*



*This is the equivalent of the annual electricity consumption of around 65,000 Austrians, which costs EUR 25 mn. Source: Statistik Austria, Energy use – electricity in GJ per person: 7.202 (2017/2018)

Our Contribution to a Lower-Carbon World

Improving the carbon efficiency of oil and gas production and processing, and of the product portfolio



We strive to be a role model for a low-carbon oil and gas industry. By 2025, we aim to reduce the carbon intensity of our business activities by 19% from the 2010 level by avoiding the flaring and venting of associated gas from crude oil production and improving the energy efficiency of OMV refineries and production and transportation facilities. From 2010 to 2018, we succeeded in reducing our carbon intensity by 12%.

In parallel, we aim to reduce the carbon intensity of our product portfolio by 4% from the 2010 level by 2025. This will be achieved mainly by increasing the share of upstream production attributable to natural gas and by boosting natural gas sales. At the end of 2018, gas already accounted for 57% of OMV's production portfolio. On the market side, our goal is to become the leading integrated supplier of natural gas from Northwestern to South-eastern Europe by 2025. Replacing coal with gas and expanding natural gas filling stations alone can contribute substantially to reducing CO₂ emissions and improving air quality. We will also increasingly use crude oil as feedstock for manufacturing petrochemical products. This means that crude will be used by our customers for purposes other than generating energy and therefore will not be burned.

Highlights 2018

Emissions savings from implemented projects in t CO₂ equivalent

371,000*

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Natural gas sales volume

114 TWh**

...

50 CNG, 5 hydrogen

filling stations in Austria

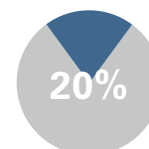
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560 e-charging points

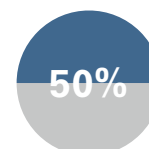
(of which 125 at 39 OMV filling stations and 435 SMATRICS charging points) and launch of a network of ultra-fast 350 kW charging stations with IONITY throughout Europe



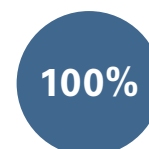
Environmental advantages of natural gas



less CO₂
while driving –
natural gas vs. gasoline



less CO₂
in electricity generation –
natural gas vs. coal



less particulate matter
from heating –
natural gas vs. pellets

*This is equivalent to the CO₂ emissions attributable to the consumption of 26,500 Austrians.

** This could cover all of the heating used by Austrian households for two years.

New Solutions to Benefit All

Using new technologies to make products and operations safer, more efficient, and more environmentally friendly

How can innovation help us become more environmentally and climate-friendly? OMV will invest up to EUR 500 mn by 2025 in new energy solutions and research projects for a lower-carbon future to find answers to this question.

For instance, a pilot plant at the Schwechat refinery processes up to 100 kg of used plastics into 100 liters of high-quality synthetic crude hourly as part of the ReOil® project. This in turn is processed further into feedstock for the plastics industry to conserve resources in a circular economy. Further scale-up of the plant up to an industrial level of around 200,000 t of annual capacity is planned in the coming years.

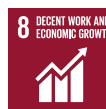
Our Co-Processing project aims to process 200,000 t of biogenic oil together with crude oil into partially biogenic diesel in our refineries by 2025. In addition, we work with research institutions on developing synthetic gas and e-fuels.

One of OMV's core strengths is efficiently recovering oil from mature fields. Thanks to optimized drilling

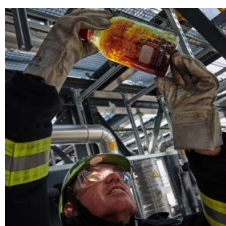
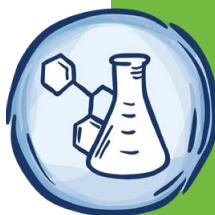
techniques and production processes, we achieve recovery rates of up to 55% – the international average is about 40%. This enables us to extract more oil from fewer reservoirs and make a major contribution to protecting the environment.

OMV's success in the future will also depend on its digital capability. For this reason, we are pursuing digital transformation throughout the Group – from intelligent drill heads thousands of meters underground to automated gas-trading programs. OMV can already manage production activities worldwide from a central location in Austria.

Digitally mapping our regular refinery overhauls reduces complexity, saves time, and increases workplace safety. As in our other areas of focus, our employees are at the heart of our digitalization projects. Trainings and continuing education are intended to not only improve the quality and results of our work, but also to make our employees' day-to-day jobs easier and safer.



Circular Economy – ReOil®



Highlights 2018

OMV ReOil® pilot plant yield from 100 kg of used plastics
100 liters crude oil

...

Investment in R&D
EUR 40 mn

...

Digitalization
of rigs, digital mapping of oil fields
and refinery processes

20,000 Employees for a Better Life

Motivated and safe work is better work



The knowledge, quality, and motivation of our employees are the keys to OMV's success. This requires an environment in which employees can learn, grow, cooperate, and lead a safe and healthy life. Comprehensive training and continuing education programs, structured career and succession planning, and the work underway on our corporate culture are only some of the ways to accomplish this. In the interest of continual growth, we rely in particular on building leadership skills, strengthening our company's agility, and improving our positioning as an employer of choice.

In terms of diversity, a key issue, we have also set ambitious goals: by 2025, at least 25% of OMV's executives must be women. Our programs to this end range from pre-professional technical training and career promotion, training, and mentoring to company kindergartens. At 86%, we already far exceeded the goal of having at least 75% of executives with international professional experience in 2018.



Highlights 2018

Hours of training provided

437,233

...

Share of women at management level

19%

Target by 2025

25%

...

Executives with at least three years of international professional experience

86%





Highlights 2018

Social investments

EUR 14 mn

...

Implementation of
community development initiatives
to benefit more than

900,000 people

...

Supplier audits performed

9



Values, Human Rights, Transparency

Accountability as a tradition

OMV has a long history of doing business in a socially responsible way and creating value for society. Our goal is to act in accordance with the highest international ethical standards everywhere we operate based on the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the UN Sustainable Development Goals. Regularly reviewed by an external body, our comprehensive compliance management system is OMV's foundation for legal and ethical conduct worldwide. In 2018 alone, 2,239 employees participated in the relevant training. By 2025, OMV will review its stakeholder dialogue at all sites

according to UN Effectiveness Criteria and will further train employees on human rights and business ethics issues. Moreover, we will increasingly verify compliance with business principles by our partners and suppliers.

To OMV, taking responsibility also means establishing good relationships with our neighbors at all OMV sites. Depending on local conditions, we invest in the following areas: education, medical services, access to clean water and energy, and economic development.



In all countries where we operate, we take responsibility for the local communities. The projects we support include training for procurement partners, promoting health, running neighborhood programs, and more. Pictured here are a biodiversity project in New Zealand and safety training for children in Tunisia.

Successes in 2018

New Sustainability Strategy 2025
with 15 targets was developed

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OMV was added to the Dow Jones Sustainability
Index (DJSI World)

Health, Safety, Security, and Environment

Occupational health examinations

132,469

• • •

Decrease in Lost-Time Injury Rate

12%

• • •

Energy savings from implemented
projects in refineries

470 TJ

Carbon Efficiency

CDP Climate Change

Leadership A-

• • •

Emission savings from implemented
projects in t CO₂ equivalent

371,000

• • •

Share of natural gas in the Upstream portfolio

57%

Sustainability Ratings Underscore OMV's Best-in-Class Performance

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

MSCI

2018 Constituent
MSCI ESG
Leaders Indexes

Corporate
Responsibility
Prime
rated by
ISS-oekom

CDP
DISCLOSURE INSIGHT ACTION

FTSE4Good

Business Principles and Social Responsibility

Employees participating in
business ethics trainings

1,384

• • •

Supplier audits covering sustainability elements

9

• • •

Human rights risks assessments
at country level

30

• • •

People that benefitted from 191 community
development initiatives in 17 countries

> 900,000

Innovation

Spent on R&D

EUR 40 mn

• • •

ReOil® pilot plant began operating
100 kg/h processing capacity

• • •

Recovery rate reached
in Matzen field, Austria

55%

Employees

Training hours

437,233

• • •

Share of women at management level

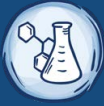

19%

• • •

Executives with international experience

86%

Targets 2025

FOCUS AREA		TARGETS 2025
Health, Safety, Security, and Environment (HSSE)		<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>
Carbon Efficiency		<p>Reduce the carbon intensity of OMV's operations¹ by 19% by 2025 (vs. 2010)</p> <p>Reduce the carbon intensity of OMV's product portfolio² by 4% by 2025 (vs. 2010)</p> <p>Achieve zero routine flaring and venting of associated gas by 2030</p>
Innovation		<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>
Employees		<p>Increase share of women at management level³ to 25% by 2025</p> <p>Keep high share of executives with international experience⁴ at 75%</p>
Business Principles and Social Responsibility		<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 Criteria⁵ by 2025</p> <p>Conduct human rights trainings for all employees exposed to human rights risks⁶ by 2025</p> <p>Increase the number of supplier audits covering sustainability elements to >20 per year by 2025</p>

¹ CO₂ equivalent emissions produced to generate a certain business output using the following business-specific metric – Upstream: t CO₂ equivalent/toe produced, refineries: t CO₂ equivalent/t throughput, power: t CO₂ equivalent/ MWh produced – consolidated into an OMV Group Carbon Intensity Operations Index, based on weighted average of the business segments' carbon intensity.

² The carbon intensity of OMV's product portfolio measures the CO₂ equivalent emissions generated by the use of OMV's products sold to third parties in t CO₂ equivalent/toe sold.

³ Management level: executives and advanced career level

⁴ Equal to or greater than three years of living and working abroad

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

⁶ 1,059 employees in corporate functions managing human rights risks and in the corresponding functions in countries with elevated human rights risks

„We strive to deliver energy for a better life in a safe, responsible, and carbon-efficient manner.“

Rainer Seele, OMV Chairman of the Executive Board and CEO