



Sustainability Report  
2016

THE ENERGY  
OF OMV

OMV Aktiengesellschaft

Moving more. Moving the future.   
OMV

# Welcome to OMV Sustainability Report 2016

## About this report

**This report covers the operations of OMV Group, headquartered in Vienna, Austria, for the 2016 business year.**

### Who we are?

OMV is a company producing and marketing oil and gas, innovative energy and high-end petrochemical solutions – in a responsible way. The history of OMV began more than 60 years ago on July 3, 1956, when the company then known as “Österreichische Mineralölverwaltung Aktiengesellschaft” was officially entered into the commercial register. Over the past six decades, OMV has grown into Austria’s largest industrial company with an international focus. It has developed from a state-owned company into an international player with Group sales over EUR 19 bn and more than 22,000 people from 69 nations in 28 countries. More information about OMV can be found in the OMV Annual Report 2016 or on our website [www.omv.com](http://www.omv.com).

### Report scope and boundaries

OMV Sustainability Report 2016, an yearly published document, has been prepared in accordance with the Global Reporting Initiative’s (GRI) G4 Core guidelines and has been guided by GRI’s G4 Oil and Gas sector supplements. With this sustainability reporting framework in mind, the 2016 report describes how we manage and perform on our most material environmental, social and governance issues. We focus our disclosure on the issues that have been deemed most material to our business through a stakeholder consultation and materiality process (please see page 15), industry best practice and the ones highlighted in GRI’s G4 Oil and Gas sector disclosure document.

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

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Sustainability at OMV: CEO Rainer Seele explains Resourcefulness



Cover picture: OMV employees working at the Schwechat refinery, Austria

# 1

## OVERVIEW

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## Our Responsible Way – Rainer Seele, OMV CEO



**I am proud to share the latest OMV Sustainability Report with you. It highlights the progress we have made in 2016 in the areas of environmental safeguarding, social impact and governance, as well as our efforts to drive the sustainability agenda forward. The document also serves as our Communication on Progress for the UN Global Compact, to which we are fully committed.**

### Why is sustainability important to OMV?

We aim to provide energy for a better life. Being a responsible business is not simply an aspiration, but a crucial factor in ensuring that we remain competitive and successful in the long run. We focus on creating win-win situations for the environment, society and our business. Through this approach we aim to maintain our license to operate and secure the social acceptance of our operations, so that we can continue to operate in the future and gain access to new resources. We aim to work in partnership with all our major stakeholders to attract the best employees, partners and investors. OMV remains strongly committed to producing energy responsibly and sustainably to improve our customers' quality of life.

### What action did you take on climate change mitigation?

In 2016, we set a new target to reduce our carbon intensity by 10% by 2021, when compared to 2013. To reinforce our commitments, we have also endorsed the World Bank initiative "Zero routine flaring by 2030". We have reported to CDP Climate Change and Water and received an outstanding "A-" (Leadership) score. With this score, OMV is among the top companies in the global oil and gas sector and it demonstrates our high level of transparency.

### What are your highlights/lowlights on safety and social responsibility?

The safety of our people is our number one priority. Through our operations, we aim to cause no harm to our people or the community. Despite our strides, I was deeply saddened by the loss of one employee and one contractor this past year. We took immediate action and conducted full investigations into each incident. In addition, we stepped up our efforts across the business, performing audits and launching new safety alerts to prevent such tragedies in the future.

In order to ensure that our operations run smoothly, we place great importance on our community relations projects. In 2016, through 40 initiatives we helped over 3,700 members of different communities to develop the skills required to succeed in the job market. For instance, with OMV support 343 children in Pakistan now have access to primary and secondary school. Furthermore, through our day-to-day business projects and initiatives, we support the 17 Sustainable Development Goals of the United Nations.

### Where will your research on the future of energy focus?

The increasing demand for energy, together with environmental challenges and technological development, will determine the energy mix in the future. We understand these changes and we are already taking action. We have continued to invest in hydrogen projects (e.g. expanding our network of filling stations, hydrogen from renewable energy). In our Schwechat refinery in Austria, we have tested new feedstocks like plastic waste and biomass as part of our efforts to reduce the Company's carbon intensity.

### Looking forward, how do you see the sustainability agenda developing within OMV?

OMV's Executive Board is fully committed to sustainability. Looking ahead, we will continue our efforts to make sustainability an intrinsic part of our business. We want to remain a good neighbor and produce energy in a responsible way. We will continue to implement projects to reduce the Group's carbon intensity and will actively search for innovative energy solutions. This will contribute to our long-term economic success.

Rainer Seele  
Chief Executive Officer

"With all we do we want to contribute to making people's life better."

## OMV at a Glance

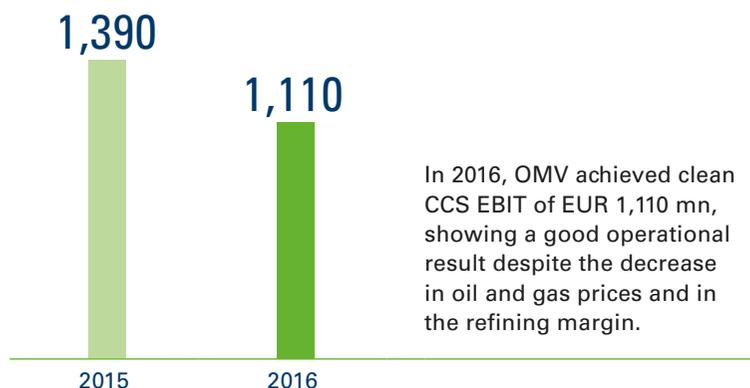
In 2016, OMV delivered a good operating result and increased its resilience in a volatile environment. Relying on higher profitability per barrel and significant cost reductions, OMV has responded with a strategy offensive that adjusts to a lower-oil-price environment. OMV generated strong positive cash flow performance both from operating activities as well as after investments and dividends. Ultimately, OMV stands on solid financial footing. A well-balanced investment strategy and target-oriented cost reductions lay the foundations for a sustainable performance.

More details about the financial and operational performance can be found in the OMV Annual Report 2016

### Economic Performance

#### Clean CCS EBIT

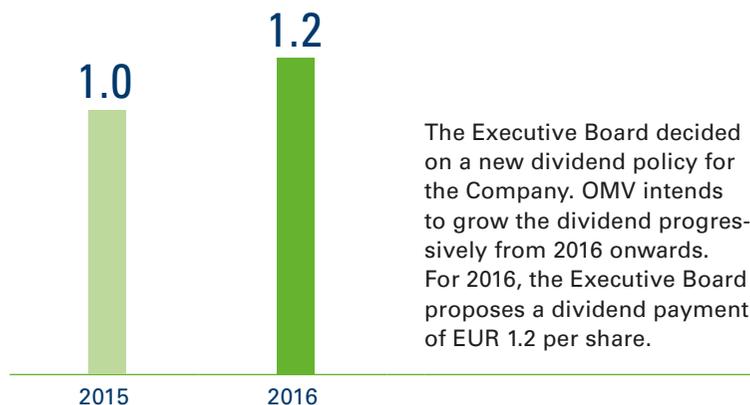
In EUR mn



In 2016, OMV achieved clean CCS EBIT of EUR 1,110 mn, showing a good operational result despite the decrease in oil and gas prices and in the refining margin.

#### Dividend per share

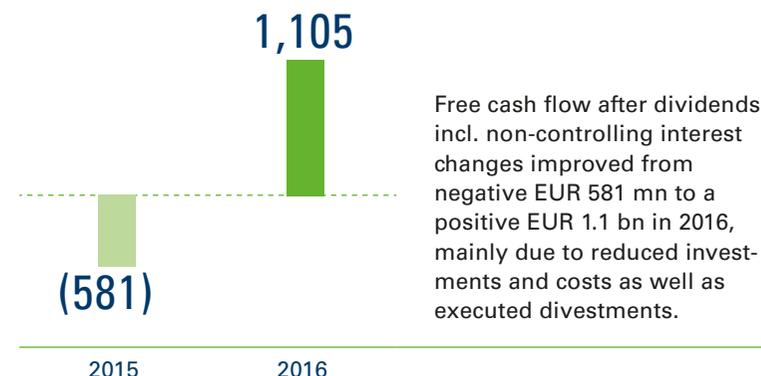
In EUR



The Executive Board decided on a new dividend policy for the Company. OMV intends to grow the dividend progressively from 2016 onwards. For 2016, the Executive Board proposes a dividend payment of EUR 1.2 per share.

#### Free cash flow after dividends incl. non-controlling interest changes<sup>1</sup>

In EUR mn

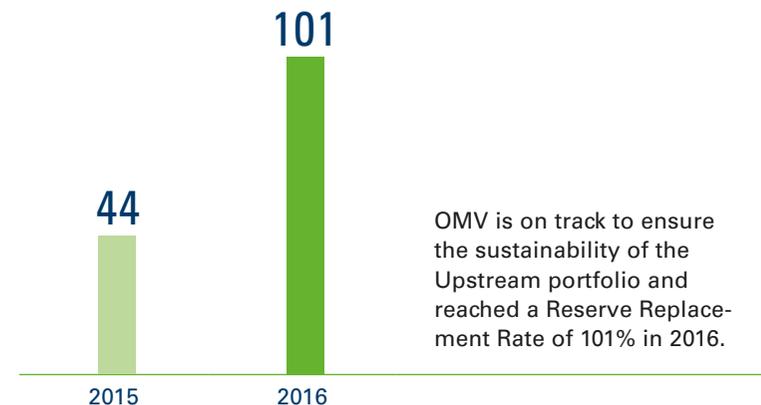


Free cash flow after dividends incl. non-controlling interest changes improved from negative EUR 581 mn to a positive EUR 1.1 bn in 2016, mainly due to reduced investments and costs as well as executed divestments.

<sup>1</sup> In 2016, non-controlling interest changes mainly include the proceeds from divesting the 49% minority stake in Gas Connect Austria

#### Reserve Replacement Rate

In %



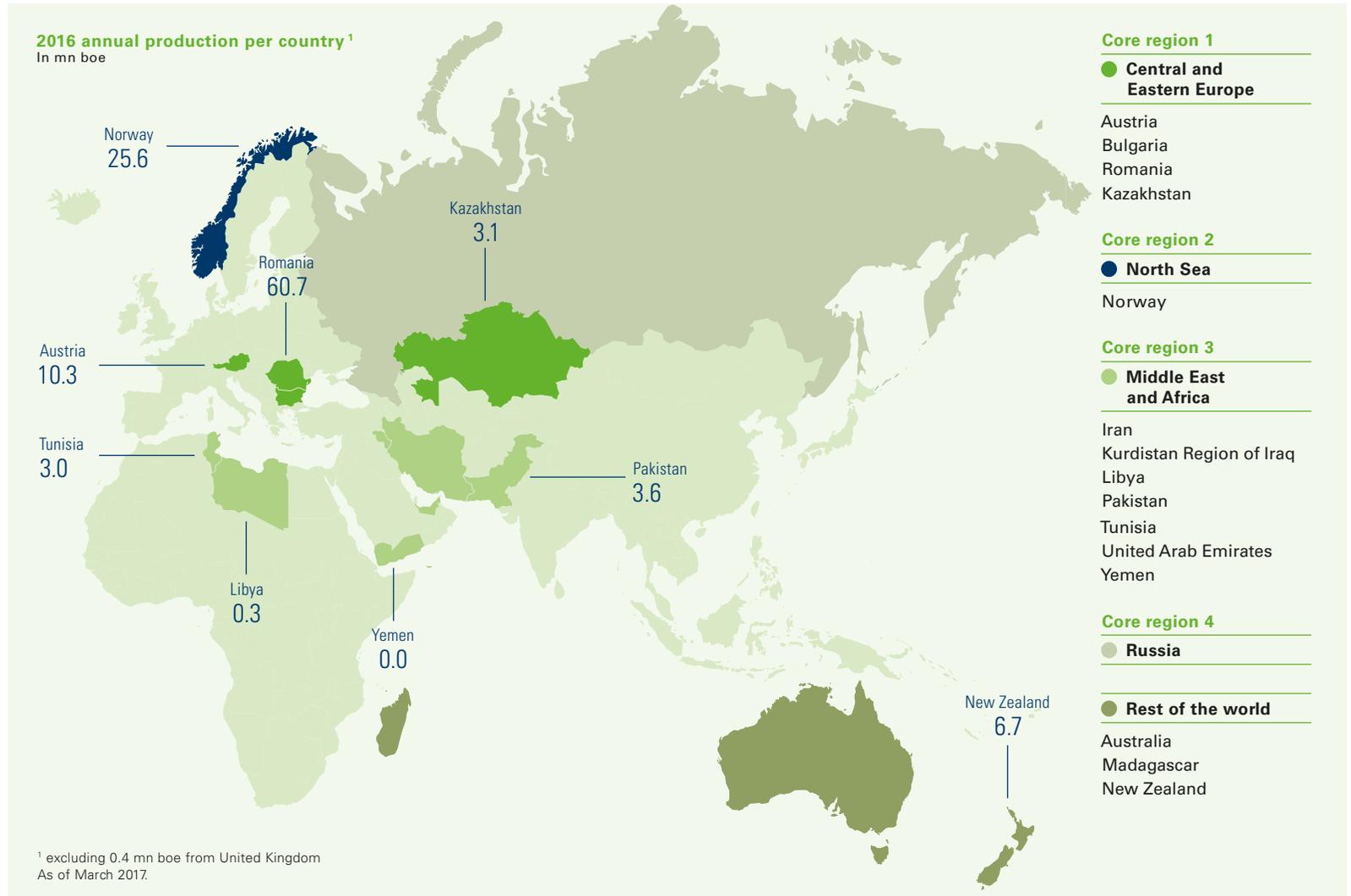
OMV is on track to ensure the sustainability of the Upstream portfolio and reached a Reserve Replacement Rate of 101% in 2016.

# OMV at a Glance

In the Upstream Business Segment, OMV is active as an operator or joint venture partner in 15 countries (end of 2016), the majority of which have both exploration and production assets. Our hydrocarbon mix is almost equally split between oil and gas. Approximately 90% of the production volumes of 311 kboe/d in 2016 came from EU/OECD countries and proved reserves amounted to 1,030 mn boe at the end of the year.

More information about the Upstream business can be found in the OMV Annual Report 2016

## Upstream Business Segment

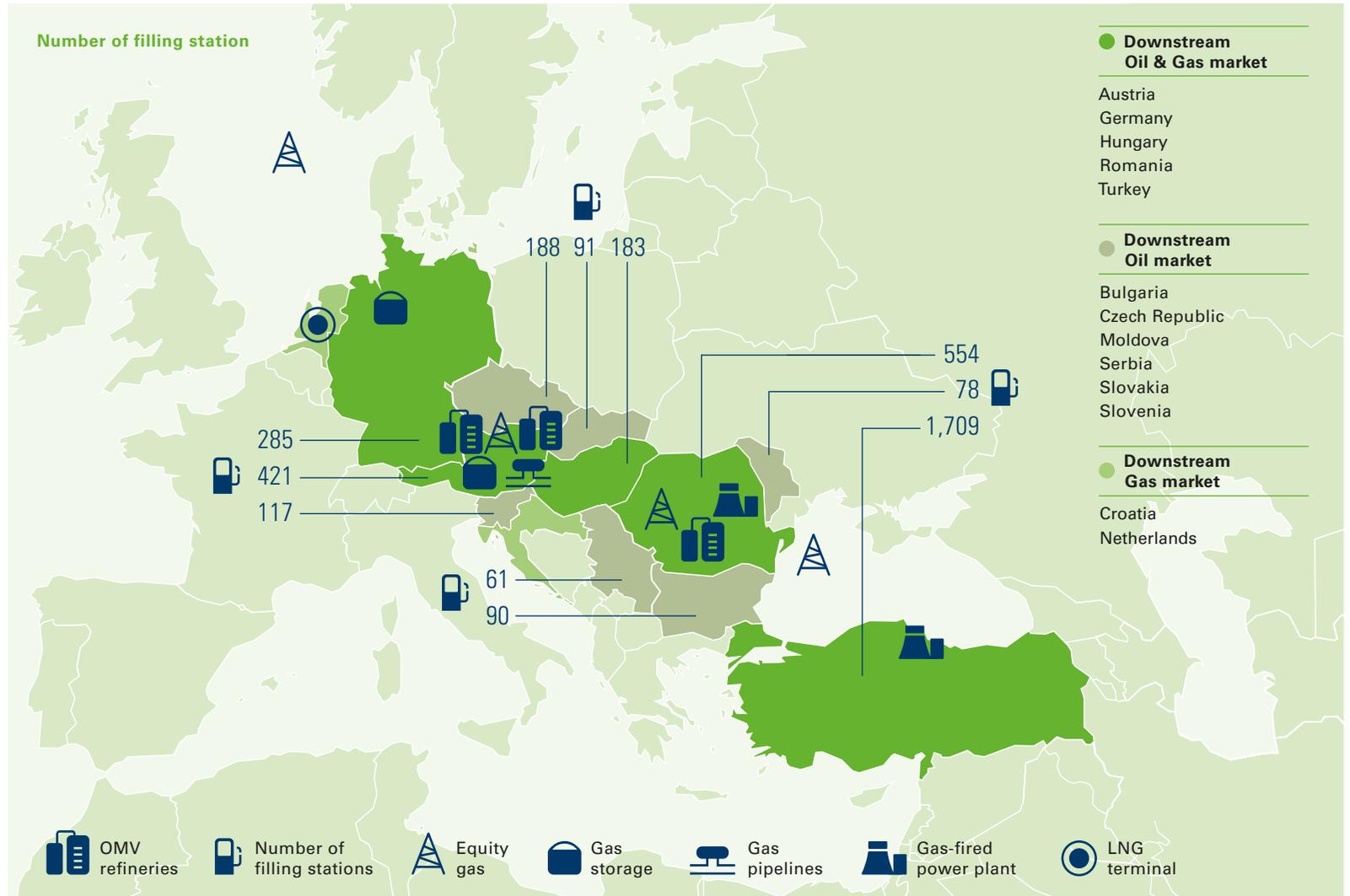


# OMV at a Glance

The Downstream Business Segment consists of Downstream Oil, including Petrochemicals, and Downstream Gas. OMV has an annual processing capacity of 17.8 mn t. The retail network consists of 3,777 filling stations in 11 countries with a strong multibrand portfolio. In Downstream Gas, the natural gas sales volume was 109 TWh in 2016. OMV operates a gas pipeline network in Austria and gas storage facilities with a capacity of 2.7 bcm (30 TWh).

More information about the Downstream business can be found in the OMV Annual Report 2016

## Downstream Business Segment



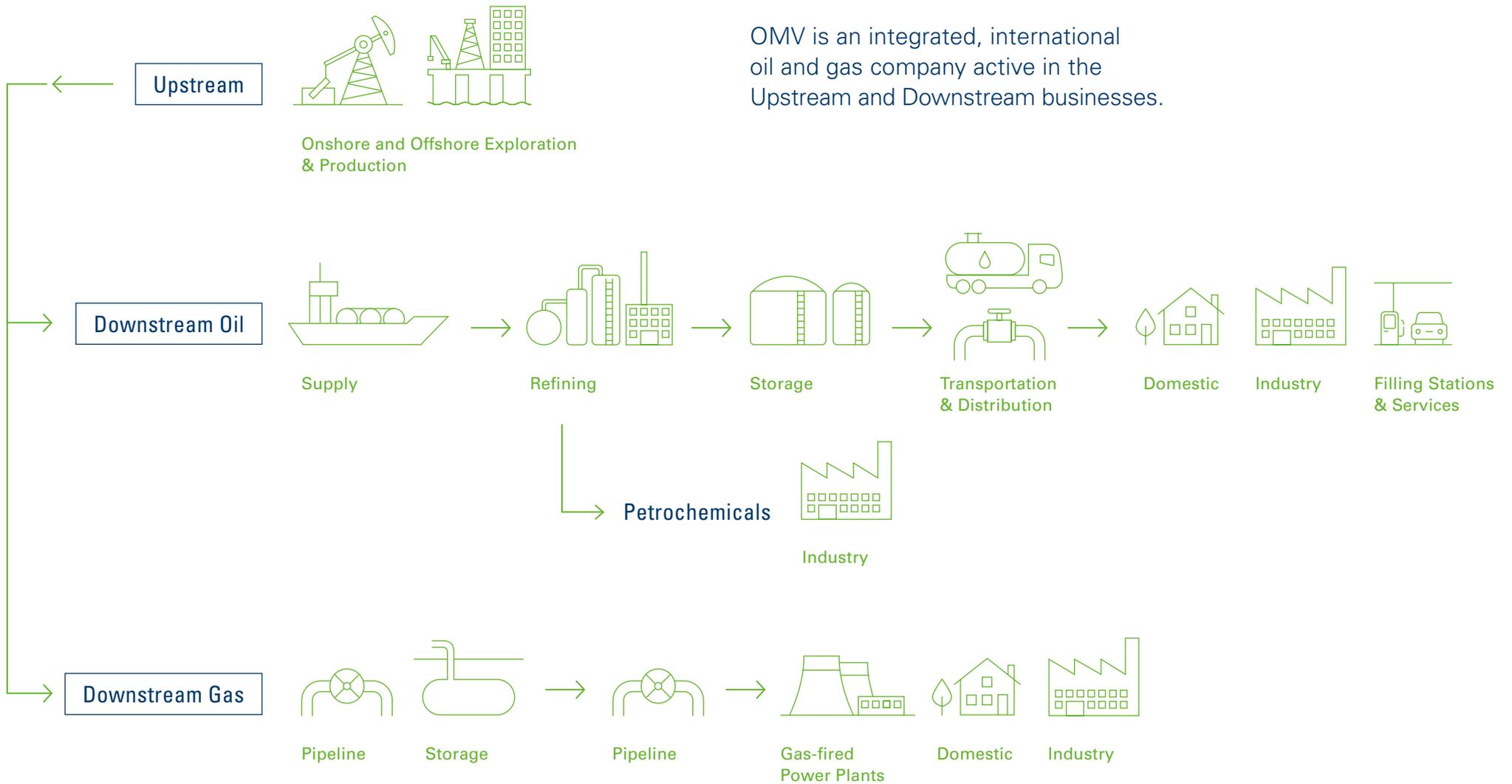
## We are the Energy – for a Better Life

With all that we do at OMV we want to contribute to making people’s lives better. OMV fuels enable mobility. They provide heat for living and working. OMV products form the basis for thousands of plastics and high-end petrochemical products we use every day. OMV technologies translate energy into quality of life – for many people in many regions of the world. This is why we are deeply committed to the responsible management of how we find and handle our resources and how we produce and convert them into energy. This responsibility is the backbone of the ongoing success of OMV and the foundation for the development of new exciting business fields along the energy value chain.



# Our Value Chain

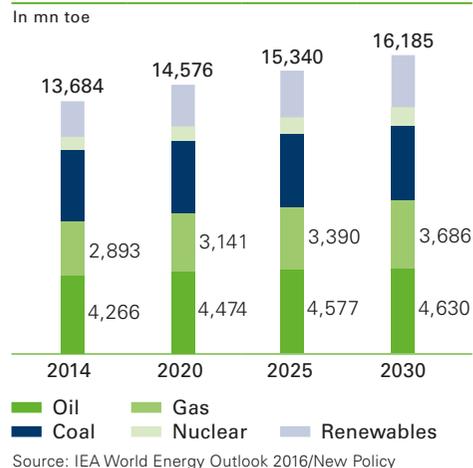
OMV is an integrated, international oil and gas company active in the Upstream and Downstream businesses.



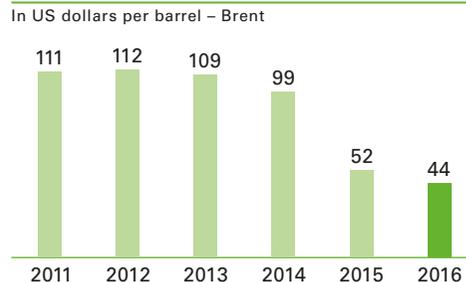
## The Wider Context in which We Operate

### Global oil context

#### World energy demand by primary energy sources



### Evolution of oil price



**The oil and gas industry is facing a number of challenges including sluggish demand, increased scrutiny and increasingly stringent environmental and social requirements.**

#### The wider context for the oil and gas sector

We acknowledge that OMV, in common with the other players within the oil and gas industry, faces challenges and opportunities in:

- ▶ Managing the consequences of the lower oil price and dealing with mid- and long-term implications
- ▶ Adapting to increasing supply and sluggish demand
- ▶ Facing increased competition and operational challenges in accessing and securing remaining conventional reserves
- ▶ Proactively managing and protecting the environment and adapting to climate change
- ▶ Proactively managing and improving health and safety, and our relationships with our key stakeholders, including governments, suppliers and local communities
- ▶ Addressing regulatory constraints and business opportunities in developing lower-carbon energy sources, and transforming the energy market
- ▶ Proactively monitoring and managing political uncertainties, and protecting asset integrity and process safety in specific countries of operation

We continuously carry out risk reviews in order to assess our current and future financial and non-financial risks, assess how these trends will impact OMV and then develop appropriate responses. We report key risks internally at least twice a year through a very clearly defined process.

The Executive Board drives the Company's commitment to the risk management program and sets the tone for a strong risk culture across the organization. The Executive Board also ensures a proper balance between risks and potential returns across the Group.

More information about our risk management approach can be found in the OMV Annual Report 2016

The key non-financial and financial risks identified in respect to our mid-term plan are commodity price risks (oil, gas, oil products, power, CO<sub>2</sub> etc.), political risks, regulatory and compliance risks, safety risks, business process risks, foreign exchange risks (particularly relating to the USD, RON and TRY) as well as hazard risks.

We have been impacted by lower oil prices in the last years, but the effect has been alleviated by the integrated nature of our business model as well as adequate capital allocations, optimization programs and by the financial hedging of certain production volumes. At the same time, we benefited from strong USD appreciation and continued to monitor our remaining exposure to transaction risk, particularly in RON, NOK and TRY.

Through a structured strategic risk management exercise, the uncertainties around strategy execution, as well as long-term risks and opportunities have been assessed. Due to the high level of unpredictability and there, where no reliable quantification techniques were available, the risks were prioritized using the OMV risk matrix (a tool used to rank and display risks by using predefined ranges with multiple consequence dimensions).

The strategic risk assessment revealed increased attention surrounding climate change or extreme events triggering active discussions on mitigation strategies. Therefore, different alternatives were brought to management attention for further evaluation in accordance with the Company strategy. For example:

- ▶ Future Downstream oil products – especially the evaluation of new business models (e.g. hydrogen mobility, feedstock recovery)
- ▶ Drive continuous innovation (products, services, business models)

More information about our innovative energy projects can be found on page 44

## UN Sustainable Development Goals

In 2015, the UN General Assembly formally accepted a new set of 17 measurable Sustainable Development Goals (SDGs). The SDGs form the foundation of the United Nation's 2030 Agenda for Sustainable Development. The aim of the goals is to meet all of the challenges that are getting in the way of true sustainable development by tackling a wide range of economic, social and environmental issues.

Responsibility for achieving the SDGs will be shared between states, the private sector, the scientific community and civil society. At OMV, we have made good progress on the journey towards a more sustainable future.

As an integrated oil and gas company with an international presence, we have a dedicated series of Key Performance Indicators (KPIs) that guide our approach to sustainability. Our sustainability KPIs defined for health, safety, environmental management, grievance mechanism,

human rights, business ethics, supply chain, diversity, research and development and community relations are aligned with our sustainability strategy, as well as with the SDGs.

Through our day-to-day business projects and initiatives we support all the SDGs and we have defined targets that support 14 out of the 17 SDGs.

More details about how we support the SDGs can be found in each section of the material focus areas



# OMV Sustainability Strategy

At OMV, we have a long tradition of responsible behavior towards the environment and society. We aim to provide energy for the sustainable development of society, environment and the economy. OMV is strongly committed to acting on climate change and has therefore set in 2016 new targets to manage and reduce the carbon footprint of our operations and products. Furthermore, OMV ran an efficient community engagement program in the operating countries.

## OMV's Strategy for responsible business behavior

A responsible business behavior is crucial for OMV to ...

... gain access to new resources



Hydrogen research at Cambridge Institute, United Kingdom

... creating a win-win situation for society, the environment and the Company



Gas2Power facility, OMV Petrom, Romania

... secure social acceptance of the business operations



Raising through education – Pakistan

... attract best employees, contractors and investors



International Petroleum Academy, OMV and Montan University Leoben, Austria

## OMV Sustainability Strategy Resourcefulness

It is based on the three pillars ...

**1**  
Eco-Efficiency

Efficient use of resources and reduction of environmental impact through energy efficient projects, carbon and water management

**2**  
Eco-Innovation

Investment in research and development of new feedstocks, new technologies and new products

**3**  
Skills to Succeed

Development of the local economy through vocational training, local employment and local procurement

... and brings together our commitments on

- **Health, Safety, Security and Environment (HSSE):** OMV vision is "ZERO Harm – NO Losses".
- **Business Ethics:** OMV strives to uphold equally high compliance standards in all locations. Code of Conduct applies to all employees and contractors.
- **Human Rights:** OMV is signatory of United Nations (UN) Global Compact and fully committed to UN Guiding Principles on Business and Human Rights.
- **Diversity:** OMV is committed to the Group Diversity strategy and its focus areas on gender diversity and internationality.

## How We Manage Sustainability

Two governance bodies manage and oversee our Sustainability strategy Resourcefulness: the Resourcefulness Executive Team and the Resourcefulness Advisory Board. OMV's governance bodies are chaired by the CEO of OMV Group as well as the CEO of OMV Petrom. Steering of the governance bodies and organization of the meetings is carried out by the Group's Sustainability department.

### Resourcefulness Executive Team (RET)

The Resourcefulness Executive Team is OMV's internal steering committee for sustainability and is accountable to the OMV Executive Board. The RET includes senior management, representing all businesses and business segments, as well as representatives of the Resourcefulness strategic areas. The RET meets four to six times every year (six times in 2016) and is responsible for developing OMV's sustainability strategy further, for reviewing and approving all sustainability-related projects and the progress of implementation.

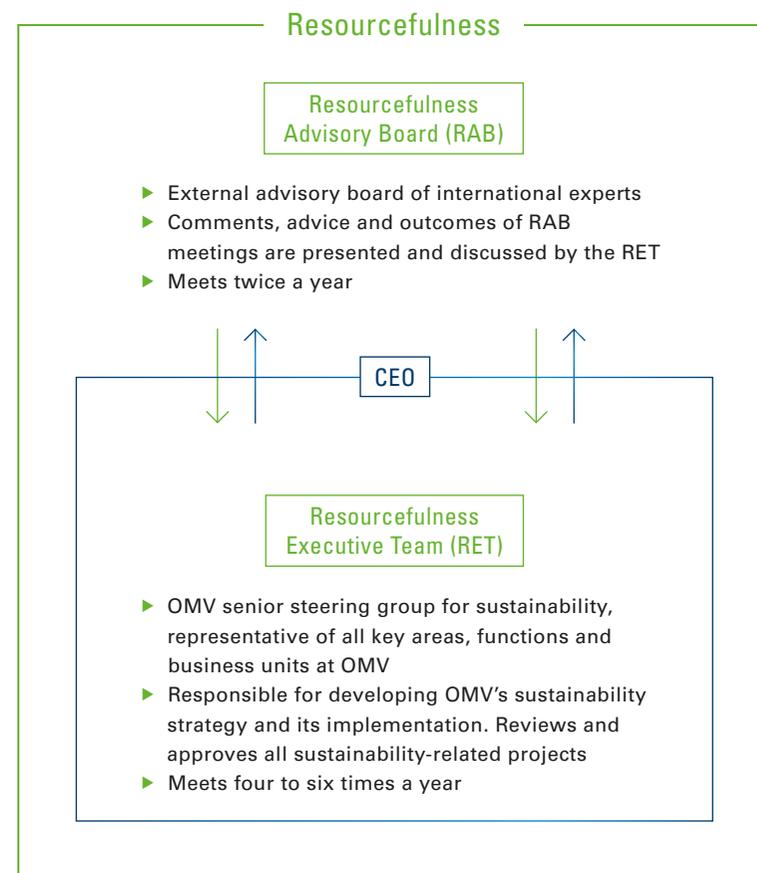
In 2016, the Resourcefulness Executive Team addressed topics, such as carbon emission reduction targets, diversity or the update of existing sustainability KPIs. Moreover, the RET engages with the Resourcefulness Advisory Board and translates its input and suggestions into OMV's strategy and activities.

### Resourcefulness Advisory Board (RAB)

The Resourcefulness Advisory Board was established in 2012 by appointing high ranking international experts with academic and partly policy-making background. The aim was to challenge the sustainability goals and activities, to provide subject matter expertise and "outside-in perspective" on the core topics. Each member covers at least one area of our sustainability strategy: Eco-Efficiency, Eco-Innovation, Skills to Succeed, Business Ethics, Human Rights and Diversity.

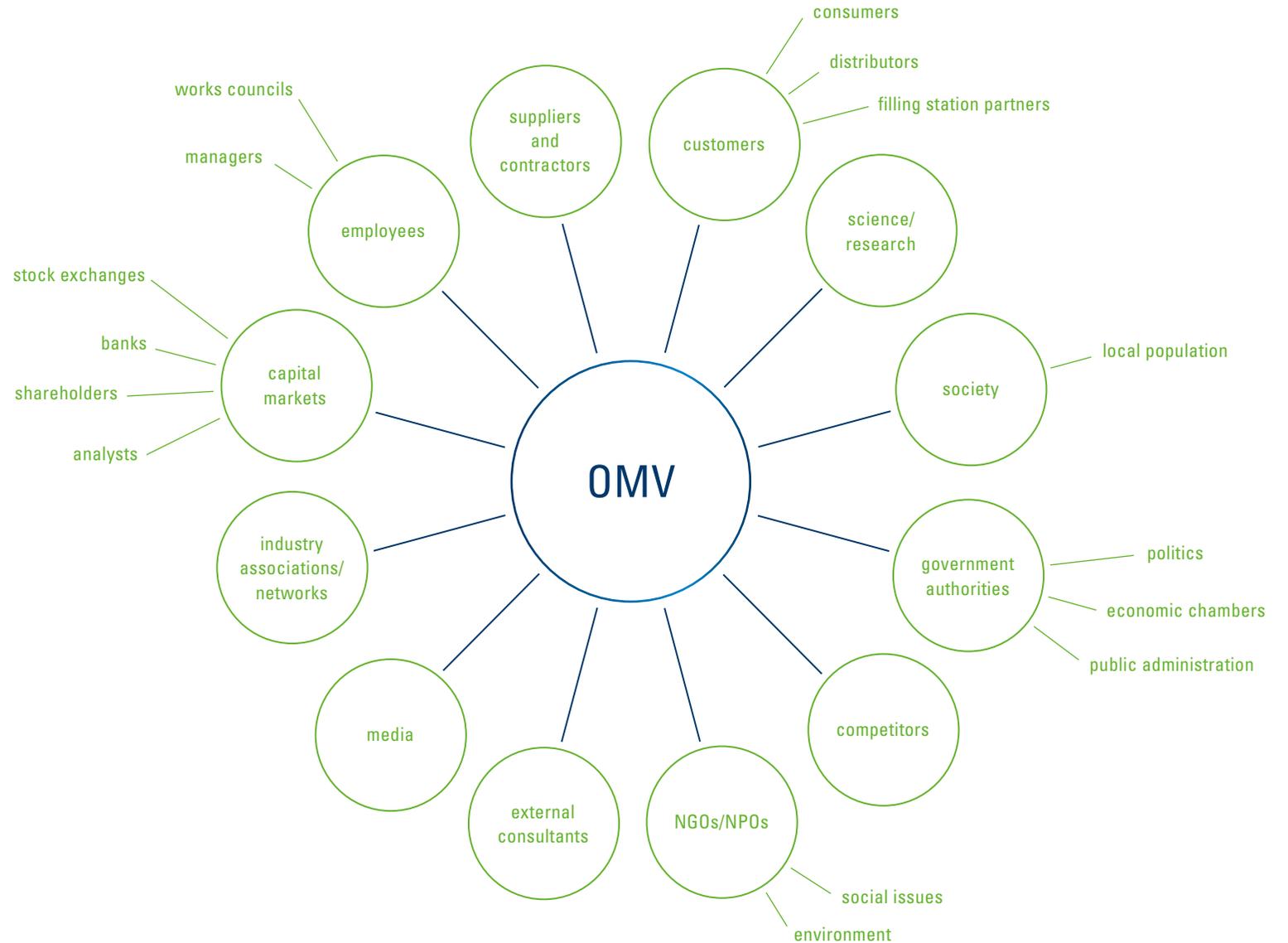
The members inform OMV on long-term trends, developments, best practice, as well as new research. These insights bring an important external perspective to our plans and progress. The RAB met twice in 2016 and the experts provided advice and recommendation on topics, such as priorities for sustainability in a low oil price environment, sustainability and the capital market and climate change. Some topics raised during the RAB meetings have been already implemented (e.g. the new GHG intensity target and the endorsement of the World Bank initiative "Zero routine flaring by 2030").

### Our sustainability governance structure



# Stakeholder Engagement

Effective stakeholder engagement is crucial for company success and involves the identification and management of those parties who are capable of influencing or being influenced by our activities. In our stakeholder map, we have identified the groups of our stakeholders. We engage in stakeholder interactions across all our business activities. We discuss the needs and perspectives of the various groups, and these are then checked against our own actions. A customized stakeholder database is available since 2010 and enables transparent management of our stakeholders and activities.



## Environmental, Social and Governance (ESG) Performance

### AWARDS

▶ OMV awarded at “International CSR Excellence Awards” for projects “Austria is looking for the Technikqueens” and “School Workshops”:



▶ OMV Petrom awarded at “SABRE Awards” with Gold for project “Romania Meseriasa” – campaign for supporting vocational education in Romania.



▶ OMV awarded at “The International Business Awards” for project “Women Empowerment” in Pakistan.



**At OMV, we place great importance in working with the ESG rating agencies. This helps us drive sustainability agenda forward and make continuous improvements in terms of sustainability.**



▶ In 2016, OMV reported to CDP Climate Change data, relating to its greenhouse gas emissions and for the first time to Water. OMV has achieved an outstanding score of “A-” (Leadership) both for Climate Change and Water, stating that the “company has taken steps that represent best practice in the field of environmental, carbon and water management”. OMV is rated as among the best companies in the global oil and gas sector, is the index/sector leader in Austria for climate change score and is the global water score leader in the energy sector.



▶ OMV is a constituent of FTSE4Good Global Index Series, demonstrating strong environmental, social and governance practices



▶ OMV is constituent of STOXX® Global ESG Leaders indices (an innovative series of ESG equity indices based on a transparent selection process)



▶ OMV is a constituent of MSCI Global Sustainability Index and reached AAA – best in class



▶ OMV is a constituent of Euronext-Vigeo Eurozone 120 index, the most advanced 120 companies in sustainability



▶ OMV is a constituent of Ethibel Sustainability Index (ESI) Excellence Europe



▶ Since 2013 OMV has been listed in the “United Nations Global Compact 100”



▶ OMV is a constituent of ECPI Indices and has been scored EE-, stating: “the company shows a clear long-term strategic attitude, sound operational management practices and positive actions to tackle social and environmental needs.”

### Assessing OMV’s sustainability performance

As part of the supply chain assessment, OMV’s sustainability performance has been evaluated by using external sustainability assessment platforms (EcoVadis and NQC-BMW). These platforms cover a wide range of criteria including: policies that OMV has in place for child and forced labor; OMV’s performance on social, environmental, health and safety issues and evidence that OMV manages risks and opportunities associated with climate change.

Following these assessments, OMV has been awarded by EcoVadis with silver recognition level and NQC BMW placed OMV in the top performers.

## Reporting on Materiality

### Our approach to materiality

In accordance with the GRI G4 Core guidelines and following the oil and gas sector supplements, OMV carried out in 2014 a materiality analysis.

This means that we disclose and report in detail, the issues that are viewed as being of high importance for OMV and its stakeholders: health and safety, oil spills, security, climate change, employees, business ethics, human rights and community relations. We continue to report on topics regarded as being of moderate or low importance, but without the same level of detail.

Most of the issues listed as key topics for our industry by GRI's G4 sector supplements and other independent research, such as the World Economic Forum's 2014 risk review, are in line with the outcomes of our materiality analysis.

In 2017, the analysis of materiality will be repeated.

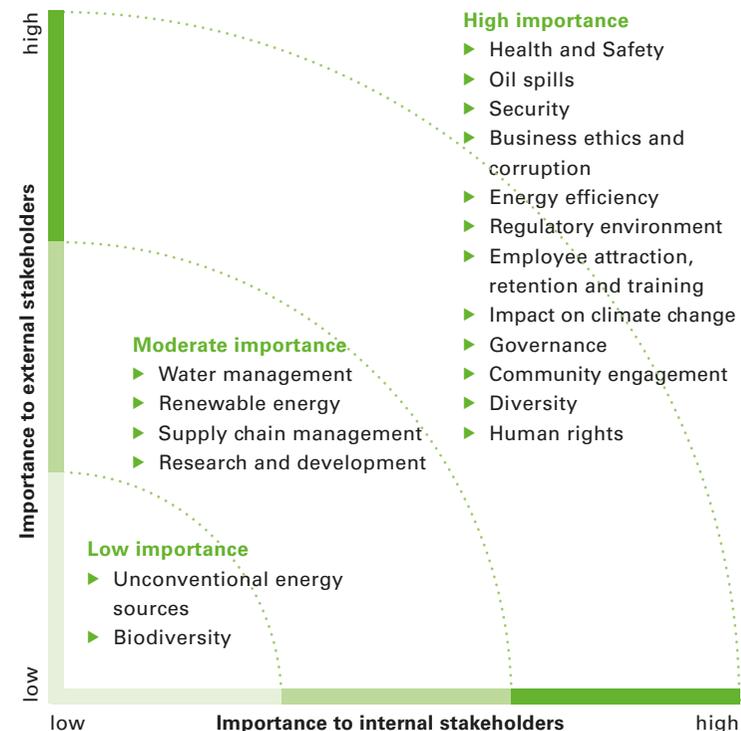
### Our process

We benchmarked against our peers and reviewed external research on global and specific risks and opportunities to our sector. We researched the latest sustainability trends and media coverage on relevant sustainability topics. During this initial phase of research, we also assessed existing, future and potential regulations, voluntary and mandatory agreements relevant to our sector, stakeholders and countries of operation.

We looked at the outcomes of this initial phase, as well as our latest materiality analysis, sustainability strategy and our business strategy. Based on this, we have drafted a list of relevant environmental, social and governance issues and we have started the consultation with our stakeholders for ranking the topics.

Following the consultation process we have identified a list of 18 distinct material issues that we have clustered for the purpose of reporting in six major categories: Health, Safety and Security; Environmental management; Employee development and Diversity;

### Our materiality matrix



Our business principles and approach; Community relations and development; Innovative energy.

We then prioritized the issues according to our "Power Interest Matrix". This prioritization is based on our wider business and specific project needs and requirements, as well as on specific socio-political context.

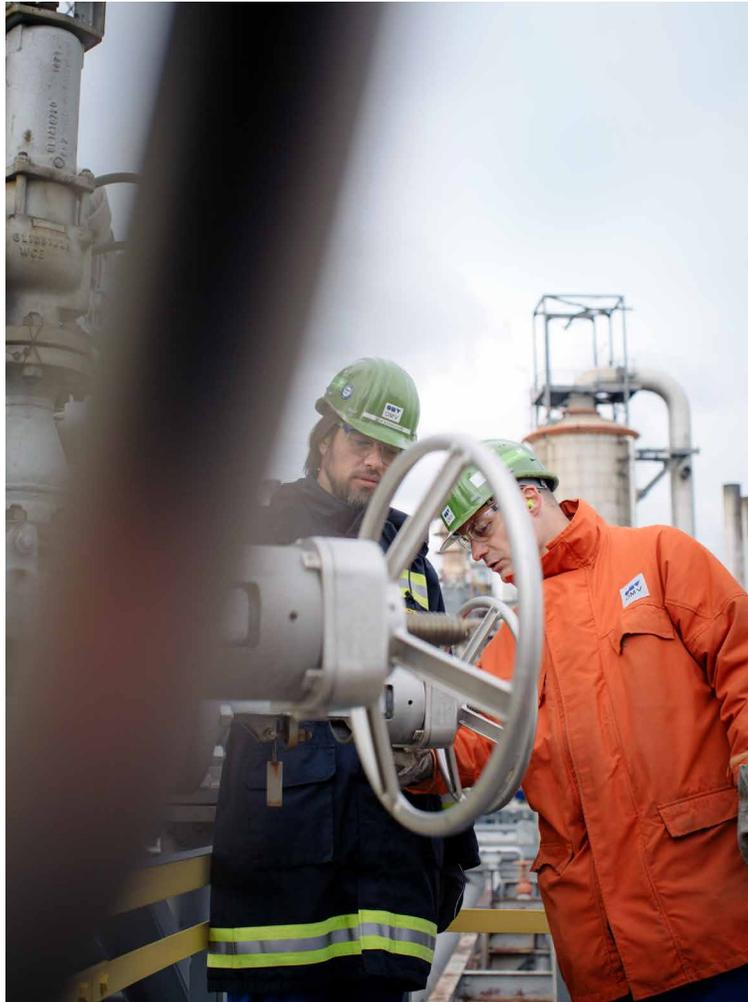
# 2

## MATERIAL FOCUS AREAS

- Health, Safety and Security – 17
- Environmental Management – 23
- Employee Development and Diversity – 30
- Our Business Principles and Approach – 33
- Our Approach to Human Rights – 37
- Supply Chain Management – 39
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## Health, Safety and Security

Health, Safety and Security are key values of OMV. The physical and mental health, well-being and safety of the people, as well as the integrity of OMV operating facilities are of essential importance. Loss prevention and proactive risk management are essential in maintaining OMV's social acceptance and to reach OMV's HSSE vision "ZERO harm – NO losses". Our approach to accident prevention is guided by stringent corporate regulations. We have hazard identification and risk management processes in place to help prevent incidents.



**0.70**

Total Recordable Injury Rate (TRIR) per mn hours worked (2015: 0.73) combined

**0.40**

Lost-Time Injury Rate (LTIR) per mn hours worked (2015: 0.27) combined

**~127,000**

Unsafe conditions and behavior reports collected

**>274,500**

Training hours on HSSE topics

"At OMV, we strive to continuously improve the way we run our operations, while protecting our people, our assets and applying best industry practice."

Johann Pleininger, OMV Executive Board Member Upstream

SDGs supported by our initiatives



# Health, Safety and Security

## PROGRESS ON LAST YEAR

What we planned for 2016	What we did in 2016	
Update the Corporate Health standard in line with the new ISO 45001	The Corporate Health standard was updated and ready to be sent out for internal consultation.	●
Develop new audit tools and undertake pilot projects. Continue to carry out health audits	50 clinics sent out self-audits and seven clinics were audited by the Corporate Health Management Department. Overall a compliance rate of more than 98% was achieved.	●
Develop employee information on "metabolic syndrome" and "back health"	Employee awareness materials were developed and published internally.	●

● Achieved ● Ongoing ● Not achieved

## Health

**Our HSSE Policy outlines OMV's commitment to our employees' physical and mental well-being. Group-wide, we are looking to roll-out and harmonize high standards of health care, implement health promotion campaigns and systematically assess and reduce health risks. The well-being and health of employees are the foundations for a successful company performance. Health issues can affect performance levels and therefore create financial burdens. To address these aspects, we provide a broad range of health care activities, from curative care to preventative initiatives.**

### Managing health at OMV

Our dedicated Health Management Department promotes and raises awareness of the importance of occupational health. The team has developed cardiovascular health promotion projects and carried out health audits to ensure adherence to Health standards and work procedures, such as preventative medicine and emergency care worldwide. Based on these materials, local medical staff are running their own health promotion campaigns, which are being audited to ensure a similar level of healthcare across OMV worldwide.

### Key health-related risks

On-site health risk assessments show that some of our employees are exposed to chemical and physical factors, such as heat, cold and vibrations as part of their work environment. Our health teams aim to assess these risks and mitigate them, while raising awareness among employees on how to protect themselves.

### Health promotion activities

The improvement of workability, as one of the main guiding principles of OMV's health strategy, influenced our health promotion activities in 2016. We managed to reach and even outperform our health target: run at least two health campaigns per year per country. Based on local or group-wide specific health problems – such as cardiovascular risks – OMV medical staff offered a broad variety of activities: cardiovascular, hepatic, cancer, spine, skin and dental screening programs, health hours on metabolic syndrome and stress coping strategies, back health and sport programs and vaccinations.

### Medical emergency resilience and curative care

We place strong emphasis on medical emergency resilience. Our focus is on first aid training in our facilities worldwide, working in collaboration with competent partners, such as medical schools and national emergency organizations. In many countries emergency medical exercises were carried out. All our employees have access to curative medical care – either in their workplaces or in nearby clinics. In 2016, more than 39,000 voluntary health screenings and 4,900 vaccinations were performed by OMV medical staff.

### Health circle

In Gänserndorf, OMV Austria, a health circle is running, where interested employees gather twice a year to address work-related health issues and co-create customized solutions in collaboration with the local health team.

### WHAT WE WILL DO IN 2017

- ▶ Finalize the update of the Health standard and related Health work procedures started in 2016
- ▶ Develop new format for health audits to assess the quality of the health programs and the alignment with the updated Health standard
- ▶ Continue to perform at least two health campaigns per year per country based on the health risks identified

First aid training in Kandawari Clinic, Pakistan



# Health, Safety and Security

## PROGRESS ON LAST YEAR

What we planned for 2016	What we did in 2016
Roll out the first phase of the Safety Culture Program: in Upstream (Austria, Kazakhstan, Pakistan and Tunisia) and in Downstream, at the Burghausen refinery, Germany	Rolled out the first phase of Safety Culture Program and started implementing the second. Around 920 employees and contractors involved in the safety culture evaluation. More than 50 employees have been trained in seven capacity building workshops. ●
Begin to implement the new Safety Key Performance Indicators concept across the business	First workshops in the Business Unit Refining were held to test the concept. Based on lessons learnt, the concept will be adjusted and implemented in other Business Segments. ●
Finalize the Process Safety (PS) Management Plan 2020 and begin implementation	The Process Safety Management plan will be part of the HSSE strategy which is under review. In 2016, we continued with activities, such as systematic risk assessments, PS performance monitoring and internal performance assessments. ●

● Achieved ● Ongoing ● Not achieved

## Safety

**Our approach to accident prevention is guided by stringent corporate regulations. We have hazard identification and risk management processes in place to prevent incidents.**

We train, empower and encourage people to work safely and invest in technology, programs and processes to ensure that our facilities and operations are safe for employees, external stakeholders and the environment.

### Management systems

In 2016, in the new group-wide HSSE directive we have defined the basic principles and rules for the management of safety-related risks and activities throughout the lifecycle of OMV's business and activities.

A new group-wide Personnel Transportation standard has been issued in order to provide guidance on how to implement best practice in road safety in each operational area according to international and national laws.

The Action Item Response Rate (AIRR) for 2016, which is incorporated in senior management targets, was 94% (2015: 94%). AIRR represents the action items completed in time, within the reporting period divided by the total number of actions items assigned to be completed during the reporting period.

In 2016, a call for HSSE improvement ideas was issued under the OMV Idea Management scheme. Employees were invited to submit ideas that could improve the current conditions and make OMV healthier, safer, free of hazards and more environmentally friendly. 89 ideas have been submitted and out of these, the top 10 ideas rewarded early 2017.

In Downstream, we had a strong focus on monitoring the implementation of the actions defined after the occurrence of severe incidents or incidents with high potential. In addition, in 2016 we also verified

the effectiveness of the actions recommended for similar incidents that occurred in previous years. The aim was to address any gap or deficiency identified.

In Upstream, we have implemented the concept "Mine the Diamond". By having a close look at minor incidents and near misses we learn important lessons to prevent similar incidents with potentially worse outcomes in future.

### Training

In 2016, OMV delivered more than 274,500 training hours in HSSE. We focused on delivering in-house training, in addition to the legal requirements. We put a special effort on train-the-trainer and multiplier concepts.

### Our approach to occupational safety

We are saddened to have lost one employee and one contractor in 2016. In Romania, the fatality of the employee was caused by rotating equipment, while in Pakistan the fatality of the contractor occurred during a heavy lift operation. These tragedies are clear reminders for everybody at OMV to integrate the "safety first" principle in all of our activities. We took immediate action and conducted full investigations into each incident. In addition, we stepped up our efforts across the business, performing audits and launching new safety alerts to prevent such tragedies in the future.

In 2016, the Lost-Time Injury Rate (LTIR) for our own employees and contractors (combined) per mn hours worked was 0.40 (2015: 0.27). Lost-time injuries are any occupational injuries resulting in fatalities, permanent total disabilities and lost workday cases, but excluding

### WHAT WE WILL DO IN 2017

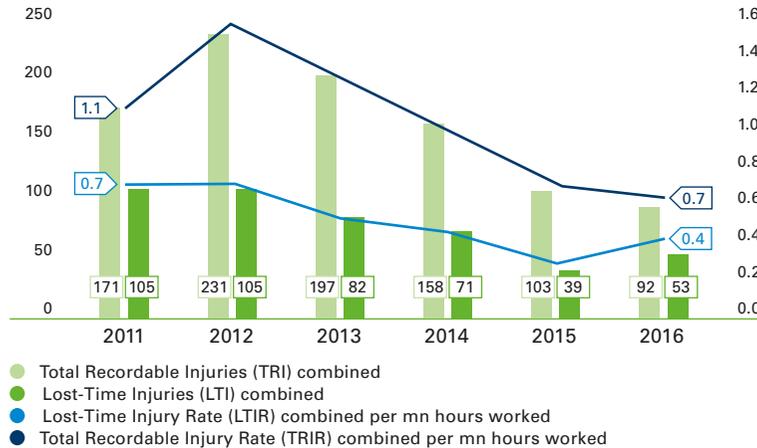
- ▶ Continue to roll out the Safety Culture Program across the Group
- ▶ Emphasize the focus on avoiding fatalities and the reduction of lost-time incidents within the target setting for senior management
- ▶ Reinforce assurance activities on the effective implementation of group-wide standards
- ▶ Review of major accident event risks

# Health, Safety and Security



Employee checking the pressure at a safety valve at the gas plant Matzen, Austria

## Evolution of LTIR and TRIR



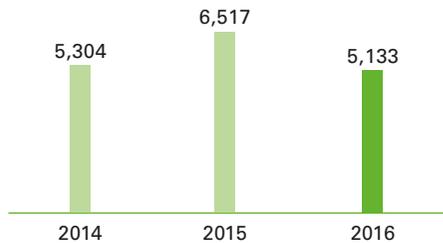
restricted work cases and medical treatment cases. Our combined Total Recordable Injury Rate (TRIR) was 0.70 (2015: 0.73). Total recordable injuries are any injuries resulting in fatalities, permanent total disabilities, lost workday cases, restricted work cases and medical treatment cases.

An external expert has audited our incident investigation process to find potential for improvement and to ensure that lessons are learnt, shared and that appropriate actions are implemented across the Group.

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 where all incidents, findings and defined actions are reported and tracked. Every entry is allocated to a responsible person who treats the issue adequately. In 2016, around 127,000 unsafe conditions and behavior reports were collected in our reporting system.

## Tier 3 Process Safety Events

In number of reports



In Upstream, we aim for quality over quantity in terms of reporting, management walk-arounds and action close-out. This year the focus was on management walk-arounds and follow-up actions to prevent incidents and lost-time injuries.

One of the main safety topics in Downstream was the implementation of a campaign about “positive intervention”. The aim was to encourage employees, as well as contractors, to “not look the other way” and to care for their colleagues by immediately intervening when observing unsafe behavior or situations. The campaign was supported by increased internal communication.

In Downstream (Business Unit Refining & Petrochemicals) a comprehensive Safety Program “7 Safety Actions” was launched. The program has included new approaches, such as leadership engagement, peer coaching in execution of safety walks, improving safety competence for the front-line managers and actively taking responsibility for the safety agenda across all management levels.

## Key actions in process safety

In 2016, the number of Tier 3 Process Safety Events (events that present challenges to the safety systems) reported decreased from 6,517 in 2015 to 5,133. (◀ see the graph in the left column for the evolution of Process Safety Events Tier 3 events over the last three years). The number of Tier 1 plus Tier 2 incidents (events with loss of primary content) increased from 14 to 25.

In Upstream, the process safety focus was on the execution of safety critical activities by a strict monitoring of the overdue work orders. This resulted in a strong increase of the completed work orders (>90%) compared to the years before.

In Downstream, a follow-up process of the recent major accident event assessments has been launched with an internal action review of a transportation scenario. The regular performance evaluations of process safety relevant regulations have continued in the three refineries. First workshops for using an alternative set of predictive leading process safety KPIs were held.

## Health, Safety and Security



Safety training for our employees and contractors before the turnaround in Schwechat refinery, Austria

### Contractor safety

We assume responsibility for safety in any outsourced or contracted activity and have established processes that require contractors to work according to our standards. Whenever possible, we use our partnership with contractors to encourage mutual learning and improve our safety performance as a team.

The contractors are also involved and addressed by our Safety Culture Program.

In Downstream, the enhanced activities in contractor management and the implementation of the actions defined after an internal peer review in the field of road transportation safety (focus on Turkey) has succeeded in a significant reduction of road accidents during product delivery.

### Safety Culture Program

With our group-wide Safety Culture Program “Be smart. Be safe. – Engage with your heart and mind for safety” we aim to achieve an incident-free environment wherever we operate.

The first phase was to perform safety culture evaluations in ventures where OMV is operating with a sizeable workforce: Austria, Tunisia, Pakistan and Kazakhstan. The Burghausen refinery (Germany) has been chosen as the pilot for Downstream. The objective was to understand “why we work the way we work”. Discussions with management and employees at all levels of the business provided us a current picture of our safety culture and helped us understand the origins of our daily decisions and behavior. Following the results of these discussions we have defined specific actions that have been implemented by the local management teams. The program has reached the second phase and we started to train selected employees in the chosen ventures. They will provide training to the local management and supervisors, perform practical on-site coaching and step-by-step extend the program to masters, supervisors and workers. This will bring the safety culture program to the field and initiate cultural change, will improve abilities to spot hazards, improve hazard perception and encourage safe behavior through open dialogue.

This initiative is designed to influence our decisions and actions in order to create a safer working environment. Striving to work safely requires commitment, team work and a strong belief in safety. It is a collaborative effort between our management, our employees, work council and our contractors, and it broadens our attention to our mindsets and values.

#### FOCUS

### Safety Culture Program (OMV Petrom, Romania)

The Program, which follows the principles of Behavior Based Safety, has included specific training packages for senior managers, middle managers and front-line staff.

In 2016, the project consisted of:

**23 selected local employees** attended train the trainer sessions.

**9 training sessions** delivered for all Upstream asset managers and their direct reports, in all onshore assets and one Downstream site

**38 training sessions** for middle managers and blue collars in all onshore assets delivered via local employees network

**133 operational managers and 223 supervisors** and 345 front-line staff trained

# Health, Safety and Security

## PROGRESS ON LAST YEAR

What we planned for 2016	What we did in 2016
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Refine and finalize the Security Risk Assessment & Management System and initiate a wider roll out to encompass all OMV ventures and deliver data directly to key managers via a new online dashboard	Delivered an Enterprise Wide Security Risk Assessment Tool (SRAT) able to provide real-time oversight of existing security risks. ●
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Implementation of all country/site security plans for remaining medium/low risk countries	Review and update of the country/site security plans have been implemented and will become a regular activity. ●
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Implementation of Protective Intelligence Module (PIM) into all OMV branch offices and completion of the implementation of the data into the Security Risk Assessment & Management System	PIM integrated with the Security Risk Assessment Tool, and provided oversight of risk and real-time recalibration of exposure levels. System available in all branch offices. ●
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Expansion of the OMV travel security system to encompass all bookings undertaken by OMV ventures for both domestic and international flights	The Travel Security Management System improved and can respond to geopolitical or security incidents affecting OMV travellers. ●
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● Achieved ● Ongoing ● Not achieved

## Security and Resilience

**OMV operates in certain parts of the world, which require the organization to take steps to ensure the safety and security of its employees and contractors. The reasons for this include geopolitical factors, terrorist action and higher local crime issues. OMV's established crisis management and security procedures provide the required risk mitigation measures. The unstable geopolitical landscape, with enduring regional conflicts resulted in the security emphasis for 2016 remaining primarily focused on the Middle East and North Africa. Notwithstanding the challenges of continuing to operate securely in the distressed regions of Libya, Pakistan, Tunisia, Turkey and Yemen, the threat and reality of terrorist attacks on mainland Europe and elsewhere increased significantly.**

### Managing and delivering security

The Company's approach to maintaining safety and security focuses on using information and intelligence as a pre-emptive incident prevention method. This enables us to anticipate or respond to a broad range of potential or actual events and minimize the risk. The in-house team maintains front-line operational support and intervention to ventures, in addition to ensuring that the employed mitigation measures are relevant, effective and applied throughout the business.

The Integrated Travel Security Platform now incorporates all OMV ventures and monitors all international and domestic business travels for security-related events. The mitigation procedures or evacuation contingencies are adjusted, or activated dependent on known or emerging threats. The Security Risk Assessment Platform also delivers tangible results, providing real-time oversight of risk exposure and can automatically recalibrate exposure levels in response to geopolitical or security events.

OMV's established Crisis Management procedures provided a reassuring degree of mitigation and control by delivering in 2016 a complex crisis exercise, involving Corporate, Upstream and Pakistan locations. A Business Continuity initiative for the Schwechat refinery (Austria) was also commenced in order to enhance resilience and protect cash flow, reputation and strategic positions.

OMV's Human Rights policies are an important aspect of our approach to this area. Effective community engagement is a powerful security mitigation measure in regions experiencing conflict or instability. Every effort made is to ensure that that OMV security personnel and contractors are familiar with Human Rights policies and procedures. In high-risk countries, OMV's local security and community relations teams work closely, promoting effective policies, mutual respect and transparency with all local stakeholders who, in turn, directly contribute to OMV's stable and secure operating environment.

OMV enforces in the operating countries compliance to the VPSHR (Voluntary Principles on Security and Human Rights) and IOGP (International Oil and Gas Producers) standards regarding the carriage and use of weapons.

It is likely that future security risks will be varied and unpredictable. To address this, OMV will maintain an agile, intelligent and appropriately equipped security resource.

### WHAT WE WILL DO IN 2017

- ▶ Improvement of risk management system that will allow the automatic transfer of the data from the Security Risk Assessment Tool into ARMs in order to ensure consistency and transparency to the Risk Committee report (a cross functional committee with senior management members of OMV)
- ▶ Improve the delivery of pre-employment security screening
- ▶ Enforce Human Rights standards for all security contractors across the Group
- ▶ Continue the operational support to ventures in high-risk security countries

## Environmental Management

Due to the nature of our operations, we have an impact on the environment. We strive to minimize that impact at all times, particularly in the areas of spills, energy efficiency, greenhouse gas (GHG) emissions, water and waste management. OMV is strongly committed to acting on climate change mitigation and has therefore set in 2016 new targets to manage and reduce the carbon footprint of our operations and products. The Water Strategy and Roadmap to 2021 is another example of how we are continuing to become a more environmentally sensitive business.



SDGs supported by our initiatives



### “A–” (Leadership)

CDP Climate Change score in 2016  
(98A– in 2015)

### “A–” (Leadership)

CDP Water score in 2016  
(first year of response)

### 50,000 t CO<sub>2</sub> emissions

Savings in the three OMV refineries in 2016

“We act on climate change mitigation and set a new target to reduce our GHG intensity by 10% until 2021”.

Reinhard Florey, OMV CFO

# Environmental Management

## PROGRESS ON LAST YEAR

What we planned for 2016	What we did in 2016	
Implement the revised OMV Carbon Strategy	Continue implementing the internal carbon price for all investment projects. CDP Climate Change "A-" score achieved. Defined a new Group carbon intensity reduction target: 10% until 2021 vs. 2013. Endorsed the World Bank initiative "Zero routine flaring by 2030".	●
Continue with flaring and venting reduction projects	Projects implemented: Gas to Power (G2P) Draganeasa in OMV Petrom Upstream (Romania) that utilizes previously flared/vented gas for on-site electricity production. South Tunisia gas valorization project.	●
Continue the strong focus on energy efficiency	Continued implementing energy efficiency measures in OMV refineries leading to CO <sub>2</sub> emission savings of more than 50,000 t CO <sub>2</sub> equivalent.	●
Implement new OMV Group Environmental Standard	OMV Group Environmental Standard approved and released.	●

● Achieved ● Ongoing ● Not achieved

## Risks and opportunities

Environmental risks and opportunities are an important management topic for every business in the oil and gas sector. They include regulatory, operational, reputational and financial drivers. Specific elements include climate change, availability and quality of water used for operations, and the impact of energy, climate and water policies.

The management of environmental related risks is part of OMV's Enterprise Wide Risk Management (EWRM). The control and mitigation of identified and assessed risks take place at all organizational levels by using 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, which defines how the risks are assessed over a longer time frame and how they are treated across the organization.

We have evaluated, planned or implemented countermeasures to reduce the potential impact of identified environmental, climate change and water risks. These include: the use of economic instruments, such as emissions trading and carbon portfolio management, the integration of climate change and water-related issues in our strategy and other key business processes, as well as operational and engineering measures.

The operational environmental aspects, impacts and risks are assessed on asset level in a bottom-up process using a standardized Environmental Risk Assessment Methodology, followed by the development of treatment plans at the affiliate or business unit level.

In 2016, 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 register includes information on existing controls of environmental risks, as well as further actions required.

To evaluate the potential environmental impacts of forthcoming Upstream activities and entry into new countries, we perform high-level environmental risk assessments, including evaluating local legislation and how our activities could interfere with sensitive and protected areas and endangered species.

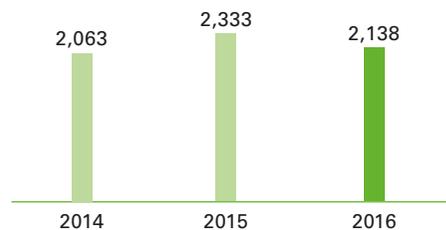
## WHAT WE WILL DO IN 2017

- ▶ Continue with energy efficiency, flaring and venting reduction projects
- ▶ Re-assess OMV's climate change related risks and opportunities
- ▶ Respond to CDP Climate Change and Water
- ▶ Review the effectiveness of the internal carbon price
- ▶ Report our progress on routine flaring phase out to World Bank

# Environmental Management

## Hydrocarbon spills

Number of spills



## Oil spills

We aim to prevent and reduce oil spills and leakages. In 2016, we recorded two major hydrocarbon spills (Level 3 according to OMV definition: limited discharge affecting the local environment), caused by corrosion and operational failure, respectively (2015: six major spills).

In OMV Petrom Upstream Asset IV (Romania) a crude oil pipeline cracked due to corrosion, so that 39,000 liters oil were spilled. They affected an area of around 2,000 m<sup>2</sup>. Oil spill response activities were started immediately so that around 38,000 liters could be recovered.

During a tank-to-tank transfer of base oil in Petrol Ofisi Lubes plant Derince base oil was released due to operational failure and as a consequence approx. 500 liters of base oil reached the sea. Emergency response and cleaning of sea and shore were immediately initiated and performed in close alignment with authorities.

Besides this, 2,136 minor releases occurred (2015: 2,327). Total hydrocarbon spillage was around 103,490 liters (2015: around 158,000 liters). Spills and leakages were mainly due to process safety incidents, primarily caused by corrosion of aging infrastructure, or security incidents. (◀ see the graph in the left column)

In 2016, OMV Petrom continually enhanced the Pipeline Integrity Software. 2,613 km of high volume/high consequence of failure pipelines now have high accuracy data within GIS (Geographic Information System) and PODS (Pipeline Open Data Standard). The repair program implemented for pipelines has shown a significant downward trend in the number of leaks during the second half of the year. The Process Safety HAZOP (Hazard and Operability) program will commence its penultimate year for high risk facilities with a total of 123 studies completed to date. 80 more will be completed during 2017 and 2018.



Offshore platform Petromar (Romanian Black Sea)

We continued to perform emergency drills, including pollution scenarios, in order to strengthen our response to, and reduce the environmental impact of, oil spills.

At our drilling operation in the Barents Sea, we follow best practice and go beyond the legal requirements. We have been present in Norwegian waters since 2013 and are committed to full compliance with what are the toughest safety regulations within the international oil and gas industry. The particular area of the Barents Sea where we operate is ice-free and was opened for drilling by the Norwegian authorities in 1980.

## Environmental Management

FOCUS



### South Tunisia Waha – gas valorisation project

In Tunisia, we have implemented the South Tunisia Waha gas valorisation project, which will prevent 113,000 tons of CO<sub>2</sub> equivalent annually when the facility becomes fully operational.

### Energy and carbon management

OMV is a reliable and resilient provider of energy, gaseous and liquid fuels. The Company believes that energy security can and will be part of the solution and will play its role in encouraging action to address climate change.

Our climate change agenda focuses on the one hand on process optimization, boosting energy efficiency and implementing projects that reduce our direct greenhouse gas emissions, energy consumption and costs. On the other hand, we strongly focus on natural gas as a bridging technology and the fossil fuel with the lowest carbon intensity as well as on new energy sources and technologies (hydrogen mobility, Gas2Power and advanced renewable fuels).

Climate change related risks and opportunities are considered and addressed across the Company as part of the Enterprise Wide Risk Management (EWRM) process and are also reported to CDP. Regulatory changes/shift of industry towards renewables are currently identified as key climate change related risks. We see limited uncertainty triggered by climate change challenges on our mid-term plan objectives, but there is strong management attention around climate change related risks and opportunities from a long-term strategic perspective.

### OMV Group Carbon Strategy

Managing and reducing the GHG emissions represent a key objective of OMV's Carbon Strategy. In 2016, we defined carbon intensity as a performance target and aim to reduce the carbon intensity by 10% until 2021, from a 2013 baseline.

To reinforce our clear commitment to responsible resource management and sustainable business we have endorsed the World Bank's "Zero flaring" initiative to end the routine flaring of associated gas during oil production by 2030.

To ensure a high level of transparency with regard to our efforts for combating climate change, we continued reporting to CDP Climate Change. In 2016, OMV achieved a very good CDP Climate Change score of "A-" (Leadership) and has the status of Index/Country Leader in Austria. OMV is among the top companies in the global oil and gas sector and is among the top four companies across all sectors in Austria.

We have also introduced an internal carbon shadow price, which is factored into the way we calculate project costs. This helps us improve our risk management and enhance efficiency, thereby reducing emissions and saving costs.

### Managing and reducing carbon intensity of our operations

In 2016, we continued implementing greenhouse gas reduction projects with an annual reduction of around 82,000 t CO<sub>2</sub> equivalent. All greenhouse gas reduction projects implemented between 2009 and 2016 delivered a total of 1.1 mn t CO<sub>2</sub> equivalent reduction.

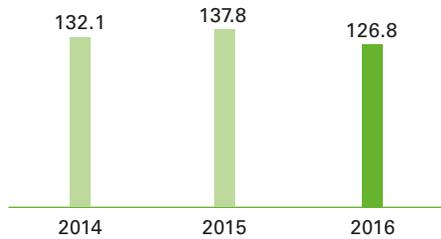
OMV Petrom Upstream continued to reduce its carbon intensity and put into function the Gas to Power (G2P) facility production park Draganeasa (OMV Petrom Asset VII, Romania), which uses previously flared/vented gas for on-site electricity production. In PEC Timis-Calacea (Production Enhancement Services Agreement) the old degasolination technology was replaced with a new low temperature separation technology that has lower gas consumption. The modernization and optimization of the old parks at PEC Timis and PEC Turnu also contributed to the reduction in carbon intensity.

In 2016, a specific Upstream Emission Inventory IT tool was developed in OMV Petrom to support the automatic calculation of relevant environmental data. The tool is fully integrated with the existing production database.

# Environmental Management

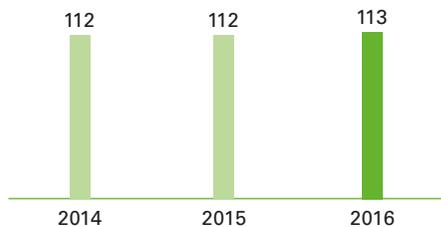
## Energy consumption

In PJ



## Scope 3 GHG emissions

In mn t CO<sub>2</sub> equivalent



### Improving energy efficiency

Our industry is energy-intensive, with energy accounting for a significant share of our operational costs. By improving the way we use energy, we can cut costs and also reduce GHG emissions. In 2016, our total energy consumption was 126.8 PJ (2015: 137.8 PJ), with purchased energy, such as electricity and heat, accounting for only 4% of that consumption. (◀ see the graph in the left column)

We continued to have a strong focus on process optimization and increasing energy efficiency to save costs and reduce CO<sub>2</sub> emissions. In all three refineries, energy efficiency measures led to more than 50,000 t CO<sub>2</sub> equivalent emissions reduction. At Petrobrazi refinery (Romania), the modernization works in 2016 led to an annual energy saving of around 140,000 GJ and over 8,600 t CO<sub>2</sub> equivalent.

### OMV direct GHG emissions (Scope 1)

In 2016, emission levels of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) directly related to our operations (Scope 1) were 11 mn t CO<sub>2</sub> equivalent (2015: 12.2 mn t CO<sub>2</sub> equivalent). The other GHGs are not relevant to our business and have therefore not been included in our figures. (□ see the table on page 51 for more information)

### Indirect GHG emissions (Scope 2)

In 2016, our Scope 2 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.

### Other indirect GHG emissions (Scope 3)

Scope 3 emissions from the use and processing of our products, as well as from purchased goods and services and capital goods are material to us and have therefore been reported. Not all Scope 3 emissions (such as emissions related to employee business travel and logistics) are material. Where this is the case we have excluded them from this report. (◀ see the graph in the left column)

In 2016, our Scope 3 emissions were around 113 mn t CO<sub>2</sub> equivalent (2015: 112 mn t CO<sub>2</sub> equivalent) and are related to the total product sales volumes, as well as purchased goods and services and capital goods of all our fully consolidated companies.

### CO<sub>2</sub> and the EU Emissions Trading Scheme

We are subject to the EU Emissions Trading Scheme (EU ETS). At the end of 2016, 16 of our operating installations were included in the scheme: six in Austria, one in Germany and nine in Romania. Around 57% of our direct GHG emissions (11 mn t) were CO<sub>2</sub> emissions from installations covered by the EU ETS.

FOCUS



### Stop venting by Gas to Power project

OMV Petrom Upstream implemented a new Gas to Power (G2P) project in one of the production parks from OMV Petrom Asset VII (Draganeasa Park), Romania. The project aims to exploit the energy of the associated gas that otherwise would have been vented due to lack of appropriate infrastructure. The G2P power plant at Park 448 Draganeasa consists of one genset (generator for electricity) of 1 MW installed capacity, one step-up transformer and one gas treatment skid. This G2P power plant enables approximately 16 mn Nm<sup>3</sup> of gas and around 64,000 MWh to be obtained by the end of 2025.

# Environmental Management

## PROGRESS ON LAST YEAR

What we planned for 2016	What we did in 2016
Implement Water Strategy and roadmap to 2021	Developed Water Management Plan in OMV Upstream Tunisia and in one OMV Downstream Oil Terminal. Reported for the first time to CDP Water and achieved an outstanding score of "A-" (Leadership).

● Achieved ● Ongoing ● Not achieved

## Water management

**Increasingly recognized as a critical sustainable development issue, water is an important resource for our industry and is used for multiple processes in our Upstream and Downstream operations. We have committed to reducing our water consumption as well as the impact of our operations, while also working hard to improve our water efficiency.**

### A strategic approach

We have established strategic targets based on our five pillars: Transparency; Risks and Opportunities; Water Efficiency and Treatment; Training and Awareness; and Engaging with Stakeholders. These are in line with our 2021 roadmap.

In 2016, we continued to implement the Group's Water Strategy, with a focus on Upstream. We have identified the water-related risks of priority sites (e.g. Tunisia) and developed the appropriate relevant water management plans. We will extend this project to other relevant sites in 2017.

### Water impact assessments

By using the IPIECA Global Water Tool and the Water Risk Filter for all our operations, we identified actual and/or potential water scarcity and water stress hotspots for our businesses in Pakistan, Tunisia, Yemen and parts of Turkey.

### Preventing water loss

In OMV Petrom Upstream, we continued to carry out preventative maintenance and repairs to reduce water losses, as well as to optimize fresh water supply systems and to modernize or downsize parks. The new water treatment plant at Suplacu de Barcău oil field (Romania) will be finalized in 2017. The construction works are completed and electrical, mechanical and civil works are in progress. This new plant replaces the existing one and incorporates the latest available technology. It is provided with physical, chemical and biological treatment units, and with an activated carbon filtration system for water polishing before discharging into Barcău River.

In OMV Petrom Downstream, the Petrobrazi refinery (Romania) maintained its lowest water intensity in the last years as a result of the projects previously implemented (e.g. recovering condensate, upgrading steam tracers' batteries, reducing purges and optimizing the drinking water network).

### WHAT WE WILL DO IN 2017

- ▶ Define quantitative target for Group KPI on freshwater withdrawal intensity
- ▶ Identify freshwater saving and discharge quality improvement projects and initiatives
- ▶ Develop Water Management Plans in all operations

Water treatment plant Suplacu de Barcău, Romania



## Environmental Management

### FOCUS



### Ngati Koata – Moawhitu lake and wetland regeneration project

Four employees of the New Zealand team traveled to D’Urville Island for four days to participate in the second year of planting at Moawhitu lake.

### Biodiversity – Helping to protect habitats

According to internal standards, all OMV activities shall be undertaken with minimized disturbance to local plant and wildlife communities. Observed or predicted direct and indirect impact on biodiversity and ecosystem services (BES) are described and analyzed within the environmental impact assessment. BES screenings are carried out for all relevant sites to identify as far as reasonably possible the potential for the presence of nationally or globally threatened species, threatened or fragile ecosystems that are legally protected or internationally recognized areas. In case of significant observed or predicted impact, action planning gives priority to avoidance and minimization over restoration and offsetting of the impact.

In 2016, OMV New Zealand (as one of the largest exploration permit holders in New Zealand) was invited to be a representative on the New Zealand Government’s review of the Code of Conduct for Minimising Acoustic Disturbance to Marine Mammals from Seismic Survey Operations. This review included representation from international and domestic stakeholders representing industry, observers and marine scientists.

OMV New Zealand also supported the following biodiversity-related projects in New Zealand in 2016:

- ▶ A partnership with the “Rotokare Scenic Reserve Trust” to reintroduce the endemic birds Tieke/Saddleback (*Philesturnus rufusater*) and Popokatea/Whitehead (*Mohoua albicilla*) 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 rejuvenation of Mana Island to provide a secure ecosystem for endangered species; in 2016, OMV New Zealand staff assisted with the release of a number of Fairy Prion (*Pachyptila turtur*) on Mana Island

### Waste management

Our activities generate solid and liquid wastes including oily sludge, waste chemicals, catalysts and construction debris.

The mud from drilling is reused whenever practical, in line with our waste minimization and management plans. In our Upstream operations, drilling mud and cuttings account for a major part of the total waste generated. Cuttings are treated and disposed of in accordance with applicable national regulations and best available technology.

For drilling operations, we use water-based fluids wherever technically feasible. 80% of the drilling mud and cuttings generated by Upstream operations is water-based (other 20%: non-aqueous drilling fluids, NADF). We no longer use any diesel-based drilling fluids anywhere in our operations.

### Certifications

OMV Refining and Petrochemicals business is covered by a Central Integrated Management System (C-IMS) that also meets the requirements of ISO 14001, ISO 9001, ISO 50001 and OHSAS 18001. In 2016, OMV Petrom power plants and Petrobrazili refinery were included in the C-IMS; 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.

All OMV Petrol Ofisi terminals and the lubricants plant are certified according to ISO 9001, ISO 14001 and OHSAS 18001. OMV Petrol Ofisi Aviation Management, including 19 aviation units, is certified according to ISO 14001 and ISO 14064.

OMV Upstream Pakistan, OMV Upstream Tunisia and OMV Upstream UK are externally certified according to ISO 14001.

OMV Petrom Group’s Energy Management System is certified according to ISO 50001, covering all Upstream and Downstream Business activities.

## Employee Development and Diversity

Our employees are key to OMV’s sustainable business performance and success. To unlock the potential of our people, we are striving to create an environment in which every employee can learn, grow, connect and collaborate, as well as lead a safe and healthy lifestyle. Through our activities, we also support the “four fundamental principles and rights at work” outlined in the ILO (International Labor Organization) Declaration. We focus not only on what we achieve, but also on how we work with each other, based on our Principles of Team spirit, Accountability, Passion, Pioneering spirit and Performance.



SDGs supported by our initiatives



### “THANK YOU” for our employees

In 2016, we continued our initiative to immediately recognize extraordinary commitment and outstanding results. Launched in 2014, the “On the Spot Reward” program rewards individual employees or entire teams with prepaid credit cards as a “thank you” from their supervisor. This way of saying “THANK YOU” to our employees will also continue in 2017.

**23%**

Of our employees at Senior Vice President level are women (2015: 17%)

**41%**

Of our employees at Senior Vice President level are internationals (2015: 44.7%)

**24.7%**

Of our employees are women (2015: 24.3%)

“We know we can achieve a lot on our own, but we can achieve more by working together. The employees are key drivers of our business and we strive to make OMV an employer of choice.”

Isabell Hametner, OMV SVP Human Resources

# Employee Development and Diversity

## PROGRESS ON LAST YEAR

What we planned for 2016	What we did in 2016	
Focus on internal re-allocation of resources	The “Matching Panel” initiative launched in 2015 continued to offer flexible and short notice opportunities for our employees. 56 positions internally filled.	●
Increase the number of female and international managers at all levels	At the end of 2016, women held 23% of the Senior Vice President positions (17% in 2015).	●
Implement a catalog of essential training programs and focus on internal knowledge transfer	Despite ongoing cost saving measures the number of training participants increased globally.	●
Skill Pool: implement industry standard technical competency maps and launch a standard competence assessment process for all Skill Pool members across OMV	Implemented in the Performance and Development System (PDS) the new technical competence maps according to industry standards.	●
Relaunch the OMV Leadership Program	Successfully completed two pilot programs for OMV “first time” managers and OMV department managers.	●

● Achieved ● Ongoing ● Not achieved

## Reward management

We want our employees to be part of OMV’s success. Our “3+1” stock ownership plan means that for every three shares an employee purchases, we provide an additional one free of charge. In OMV, there is no difference in entry salaries with regard to gender, nationality or other criteria, and we encourage salary equality at all career stages. Salaries for career starters are reviewed each year in line with the local market situation.

We believe that all employees should benefit from an annual performance review with their supervisor. In 2016, performance and development talks were conducted with 11,587 employees (3,560 with Management by Objective bonus, and 8,027 without bonus as part of their salary package). All outcomes were recorded in our global IT tool.

### Rights and obligations

The rights and obligations of our employees are set out in labor contracts. The vast majority of our employees, 98.7% (2015: 97.5%), have the right to exercise their freedom of association and collective bargaining. For 97.8% (2015: 99.1%) of our employees, minimum wages or salaries are fixed by law or agreed upon in collective bargaining agreements.

83.6% (2015: 81.9%) of our employees are represented by local trade unions or works councils, and our health and safety obligations are covered by formal agreements with trade unions.

### Workforce and local employment

96.9% (2015: 97.2%) of our employees are covered by mandatory periods of notice under national employment laws, or bargaining agreements in instances where restructuring the business is necessary.

## Skill Pool management

Skill Pool management is the clustering of people across the organization in a systematic way, based on their skills and experience. Our vision is to have the right skilled people, at the right time, in the right place.

Skill pool management sets the basis for strategic workforce planning by allocating, analyzing and managing the resources with similar skills and competencies.

The target for 2016 was to purchase and tailor the new Technical Competence Maps, based on PetroSkills (Industry Wide Alliance Standards), development of the training matrix and allocation of the skill pool members to the new skill pool technical structure. The first roll-out of the new technical competency maps was in January 2017 and the training matrix will be implemented in 2017.

## Recruiting

In 2015, we launched the “Matching Panel” initiative. In 2016, it continued to offer flexible and short-notice opportunities for our employees, to optimize the internal resource allocation and to meet the pressure of the evolving oil and gas market. The aim of the panel is to connect internal vacancies with the available internal workforce.

### WHAT WE WILL DO IN 2017

- ▶ Focus on placing positions with internal workforce to ensure a good internal resource allocation
- ▶ Develop training for first time managers and leaders in their new roles
- ▶ Roll out new competence maps in PDS for the evaluation process and development discussions with line managers
- ▶ Extend leadership development through implementing group-wide leadership upskilling initiative for OMV leaders at all levels

## Employee Development and Diversity



FOCUS

### International Petroleum Academy

As part of our mentoring program, we continued to support selected students with high potential from different universities and offered them scholarships. In 2016, we celebrated the graduation of our first student class from the International Petroleum Academy. Out of 41 students sponsored so far, 14 received their master's in Petroleum Engineering at the Montan University Leoben (Austria). Thereof, six have been hired in 2016.

In 2017, we will implement an extended onboarding program for new joiners. The aim is to give new employees an early insight into the world of OMV prior to their start, and to guide them from the first working day throughout the entire first six months of working within OMV.

### Operational effectiveness

Development of successors plays a key role in the People strategy of OMV. In 2016, the yearly succession planning process took place to define succession candidates for business critical positions. For 2017, the focus will be on sharpening the succession planning process. Thereby, necessary experiences for key positions will be reevaluated taking into account the current and future needs of the organization.

We also focus on building up a good talent pipeline through cooperation with key universities. Young people with the right professional and personal skills set should be attracted, assessed, upskilled already during study and bound to OMV.

Management and leadership development is a key cornerstone of our People strategy. In 2016, two new leadership development programs were launched to assure continuous development of our talents to great leaders. In the programs, the leaders are equipped with skills that underpin future activities. In addition, there will be a special focus on leadership in 2017. A group-wide initiative to enable leaders at all levels in driving the cultural evolution at OMV is going to be implemented.

In 2016, OMV's training portfolio was built up on essential and business critical training, whereby fresh graduate and group-wide leadership programs continued to be essential components of OMV's learning portfolio. Since the focus was still on further cost efficiency, we continued to foster the internal initiatives aimed to ensure knowledge transfer (e.g. OMV Petrom Upstream Peer Training). Furthermore, structural improvement measures were taken (insourcing of our training partner) in order to set the course for providing a cost effective and modern learning portfolio.

For 2017, we aim to manage a controlled growth of training activities by focusing on strategic key topics, like leadership capabilities and HSSE skills, as well as functional upskilling in various business areas. Further development of modern learning methods (i.e. e-learning) is planned in order to provide a broad range of flexible learning opportunities to all employees in OMV. To increase the graduation rate of female students in technical studies, we selected five high achieving women for an OMV technical scholarship. They will benefit from sponsorship funding of EUR 350 per month. The decision which student will be supported is based on an assessment and takes into consideration the social background of candidates. The students are also offered practical support. Since 2012, we have sponsored 64 women.

### Integrated Graduate Development Program

One of our core training programs is the Integrated Graduate Development (IGD), where technical fresh graduates are trained over the course of three years. Since 2011, we had 627 OMV employees trained. In 2016, we selected 45 fresh graduates to consistently develop from junior expert to expert level through IGD.

### Diversity

OMV is committed to the Group's Diversity Strategy and its focus on gender diversity and internationality. Regarding gender diversity, the target is to have 30% women in Senior Vice President positions by 2020. In the area of internationality, there are three KPIs defined to focus on an appropriate mix of local and non-local employees within the management boards of the major OMV entities and at the Senior Vice President level. On December 31, 2016, women held 23% of our Senior Vice President positions and international (non-Austrian) employees held 41%.

More information on employee development and diversity can be read in the Consolidated Corporate Governance Report and in the employees section of the OMV Annual Report 2016

## Our Business Principles and Approach

OMV is defined by the way our people behave. By respecting human rights and working with our suppliers, we are building a business that is sustainable in the long term, because it conducts business fairly and honestly. We comply with all relevant legislation and aim to ensure that our supply chain adheres to all relevant standards laid out in our Code of Conduct and follows our key policies and principles.



### Compliance Management System certification under IDW Standard

OMV is certified under IDW PS 980, which is the benchmark certification standard for DAX and ATX companies. The certification standard under IDW 980 assures that OMV is suitable for detection of business ethics risks and any possible violations.

**0**  
Fines or sanctions were imposed on OMV in connection with violation of anti-bribery or corruption regulations

**44**  
Compliance audits were carried out across the full range of business ethics issues

**42**  
Compliance experts ensure OMV standards are consistently met across the Group

**1,114**  
Employees were trained on business ethics

“Trust and integrity are one of the most important assets a company can possess. Therefore, we follow highest standards to maintain OMV a company we are proud to work for.”

Rainer Seele, OMV CEO

### SDGs supported by our initiatives



# Our Business Principles and Approach

## PROGRESS ON LAST YEAR

What we planned for 2016	What we did in 2016
Roll-out the Data Protection Project and start to set up processes and procedures group-wide	Roll-out of the Data Protection Project in Austria. Established a record of data processing activities for Austrian subsidiaries. Set up a group-wide model data processing agreement for internal and external data service providers. ●
Focus on fulfilling the MiFID II (Markets in Financial Instruments Directive) ancillary exemption requirements, set up MAR training program and complete REMIT (Regulation on Energy Market Integrity and Transparency) reporting phase 2	Fulfilled the provisions of REMIT reporting phase 2 obligations. Performed a REMIT reporting health-check project, together with an external audit firm. Completed an impact assessment of the new financial markets legislation: MAR, MiFID II on the commodity business of OMV. ●

● Achieved ● Ongoing ● Not achieved

## Anti-bribery and corruption

Our governance procedures are centered around our Code of Business Ethics. This guides our approach to ethical conduct, as do our dedicated principles and standards, including our Code of Conduct.

The Code of Business Ethics is signed off by the OMV Executive Board. The Code sets out a zero tolerance policy towards bribery, fraud, theft and other forms of corruption and covers:

- ▶ Conflicts of interest
- ▶ Bribes and facilitation payments
- ▶ Intermediaries and lobbyists
- ▶ Gifts and hospitality
- ▶ Donations
- ▶ Competition and anti-trust law
- ▶ Trade control and embargoes
- ▶ Data protection

The Code applies to all employees, without exception and was revised in 2016. Key improvements have been made in the area of gifts and invitations, intermediaries and donations. The Code of Business Ethics is designed to comply with the standards set by Austrian, as well as international anti-corruption legislation (mainly OECD Anti-Bribery Convention and UK Bribery Act).

Employees who violate the Code face disciplinary consequences, which could involve dismissal, and may expose OMV and themselves to criminal liability. In 2016, no fines or sanctions were imposed on OMV in connection with the violation of anti-bribery and corruption regulations. One case regarding anti-competitive behavior was pending and one case was settled.

### Code of Conduct

We have laid down the basic principles that govern all of our actions in our Code of Conduct, which applies to all employees in all Business Segments, as well as to contractors.

The implementation of the Code of Conduct covers all core areas of sustainability management, with particular emphasis on:

- ▶ Stakeholder relations
- ▶ Health, Safety, Security and Environment
- ▶ Human rights
- ▶ Employees
- ▶ Governance

📄 More information about our Code of Conduct on [www.omv.com/sustainability](http://www.omv.com/sustainability)

### Responsible governance

In 2016, our Internal Audit Department carried out 44 compliance audits across the full range of business ethics issues. Risk-related audits, including fraud and corruption issues, form an integral part of the Corporate Internal Audit.

### Encouraging our people to speak out

It is the responsibility of all employees who observe or become aware of an actual or potential violation of our Code of Business Ethics, or of any other form of corruption, whether committed by OMV employees or by a business partner, to speak up and report the circumstances to our Compliance Department. OMV employees can do so by contacting the web-based Ethics Helpline or by e-mailing the Compliance Department.

### WHAT WE WILL DO IN 2017

- ▶ Re-certification of OMV's Compliance Management system by KPMG in accordance with IDW Assurance Standard 980
- ▶ Finalization of the Data Protection Project and roll-out in the whole Group
- ▶ Implementation of MiFID II provisions for non-financial counterparties on execution of Derivatives
- ▶ Continue training at least 90% of the target group on business ethics

## Our Business Principles and Approach

Information about our payments to governments can be found in the “Consolidated Report on Payments made to Governments” of the OMV Annual Report 2016

### Compliance

#### Compliance management at OMV

Our compliance organization supports the implementation of our standards and monitors the compliance of all our operations with laws and regulations, together with all other matters that relate to our Code of Business Ethics.

It consists of a Compliance Department with group-wide responsibility and is assisted by a Corporate Affairs and Compliance Department at OMV Petrom and a Compliance Department at OMV Petrol Ofisi.

The dedicated cross-regional compliance organization comprises 42 compliance experts and ensures that OMV standards are consistently met across the Group.

#### OMV’s Compliance Management System

OMV was the first organization in Austria to conform to the comprehensive IDW Assurance Standard 980. The system’s certification was granted at OMV Group level following an evaluation by KPMG auditors in 2013.

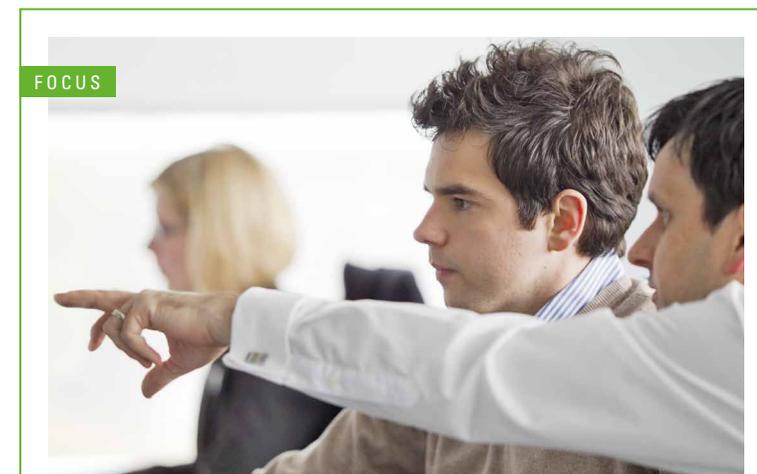
#### Compliance training

We regularly carry out training to ensure compliance with internal and external laws and regulations. Face-to-face training programs on capital markets law, business ethics and competition law are mandatory for certain employees. We have introduced an e-learning tool to support the Competition Law Program.

#### Risk analysis of compliance

We undertake risk analysis on an ongoing basis in order to ensure continuous improvement. We monitor external and internal risk factors, in particular changes in the regulatory framework, as well as recent developments or incidents to evaluate possible impacts on OMV’s risk exposure.

Bi-annual risk analysis is part of the Enterprise Wide Risk Management (EWRM) system and is conducted in cooperation with local compliance officers and the Risk and Insurance Management Department, with a focus on business ethics.



#### Compliance training

In 2016, a total of 1,114 employees were trained on business ethics, 520 on competition law, 402 on capital markets law and a further 82 on REMIT, with a focus on market integrity compliance in the gas and power whole sales markets.

## Our Business Principles and Approach

### Product responsibility

**Our objective is to provide products that meet our customers' quality and cost objectives. Environmental, health and safety issues are integral to the way in which we manage product quality throughout the manufacturing and sales process.**

This commitment is evidenced by the fact that all of the gasoline and diesel we sell is sulphur-free (sulphur content <10 mg/kg). In addition, we maintain a sharp focus on potential CO<sub>2</sub> emissions during the assessment process of all Research and Development projects.

### Product responsibility and safety

In addition to gasoline and diesel fuel, we produce a wide range of products such as jet fuel, bitumen, gases and heating oils, as well as petrochemicals. We manage product quality and safety in accordance with our internal policies as well as with international and national regulations and standards. We use standardized processes, quality testing across the supply chain and a highly developed traceability system to ensure the quality and safety of our products.

### REACH and CLP

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 of substances and mixtures (CLP). We are committed to maintaining and updating our mandatory registrations and participate in the Substance Information Exchange Forums (SIEFs) and REACH consortia (Concawe, Lower Olefins and Aromatics, Fuel Ethers etc.), as well as in working groups through trade associations for the oil and chemical industries. Safety data sheets are available on our website. These documents are regulated under REACH and include comprehensive information on potential health, safety and environmental hazards, as well as informing customers and employees about how to handle and use our products safely.

### Our products

Every product that we manufacture, market or distribute complies with relevant legislation. We also provide ongoing product training for our employees, suppliers, filling station partners and customers. In addition, our partners and customers are provided with detailed information about our products.

OMV filling station, Austria



## Our Approach to Human Rights

### PROGRESS ON LAST YEAR

What we planned for 2016	What we did in 2016	
Issue an updated Human Rights Policy reflecting the UNGP	The screening of the actual human rights regulation started in 2016 and it will be finalized in 2017.	●
Launch updated e-learning on human rights	The human rights e-learning tool has been successfully launched.	●
Further embed human rights in the governance structure of OMV countries' organizations	Due to organizational changes, this will be implemented in 2017 after the update of the human rights regulation.	●
Conduct human rights training for blue-collar workers at OMV Petrom	The training material has been developed and the training cycle will start in 2017.	●

● Achieved ● Ongoing ● Not achieved

**OMV is a signatory to the UN Global Compact and is fully committed to compliance with the UN Guiding Principles on Business and Human Rights. OMV regards human rights as universal values, which guide our conduct in all aspects of our activities. OMV respects, fulfills and supports the fulfillment of human rights as contained in the Universal Declaration of Human Rights and in internationally recognized treaties, including those of the International Labor Organization.**

### Policies and management

Our Human Rights management system is aligned with the UN Guiding Principles on Business and Human Rights and comprises three components:

- ▶ The Human Rights policy is a strong commitment that lays down a solid foundation.
- ▶ The Human Rights matrix categorizes our responsibilities into those that are considered essential, expected or desirable and guides our human rights activities; the matrix includes the particularly sensitive areas of security arrangements, child labor and forced labor, as well as interaction with indigenous people.
- ▶ The due diligence process and grievance mechanisms ensure the active management of risks.

### How we performed

In 2016, no incidents of human rights violation were reported (child labor, indigenous people, discrimination).

OMV started an initiative for a possible cooperation with the International Code of Conduct Association. The aim of this cooperation is to reach an increased level of awareness on the human rights topic in the private security companies that OMV collaborates with. The decision about this collaboration is to be taken in 2017.

OMV has also secured a Memorandum of Understanding with all the public security forces in the high risk countries that also include also human rights topics (e.g. OMV provides benefits in kind for soldiers). In addition, in the operating countries, OMV follows the International Association of oil and gas producers (IOGP) guidelines on the Principles of discharging "Duty of Care" in insecure environments.

The human rights KPIs on employees training and suppliers' Code of Conduct assessments, defined in 2014, were used in 2016 to steer our performance. We are well on track with the assessment of the "A" suppliers (those suppliers who in the reporting cycle have accounted for more than 80% of the total order volume). The training cycle for employees starts in 2017, through the e-learning tool and train-the-trainer sessions.

### Supplier audit on human rights

In 2016, OMV Petrom, with the involvement of Procurement and Sustainability Departments, started a pilot project on assessing the human rights performance of the suppliers and their compliance with the OMV Code of Conduct. Following this assessment, areas for further improvements have been recommended to the supplier. The aim is to replicate the project to other suppliers.

### WHAT WE WILL DO IN 2017

- ▶ Finalize the update of the human rights regulation
- ▶ Start training employees on human rights topic through the e-learning tool
- ▶ Conduct human rights training for blue collars in OMV Petrom (five OMV Petrom Upstream assets)
- ▶ Continue assessing the human rights performance of the "A" suppliers

## Our Approach to Human Rights

FOCUS



### e-learning tool

In December 2016, OMV launched a human rights e-learning tool. This is a mechanism that guides OMV employees through norms and situations relating to human rights. It is available in three languages (English, German and Romanian), is highly interactive and takes about 30 minutes. Different human rights cases (i.e. dilemmas) are presented and analyzed thoroughly by the user. The training cycle will start in 2017.

### UK Modern Slavery Act

The UK Modern Slavery Act requires companies carrying out business in the UK to prepare an annual statement detailing any action they have taken to ensure slavery and human trafficking is not taking place in their supply chains or own businesses. The statement presents the steps OMV has taken to ensure that modern slavery or human trafficking are not occurring within OMV's supply chain and associated businesses.

The statement can be found on [www.omv.com/sustainability](http://www.omv.com/sustainability)

### Country check Russia

OMV has performed a full internal country entry review that was triggered by its strategic intention to expand into Russia.

The aim of the review was to:

- ▶ Catalog and assess key HSSE and Sustainability elements, including human rights
- ▶ Describe and analyze ongoing HSSE impacts and any resulting potential legal, reputational, and operational risks associated with operations in the region
- ▶ Identify and project emerging HSSE-related concerns that could affect future operations in the country/region
- ▶ Assess whether HSSE and human rights impacts and related risks can be avoided or mitigated by the business operations

This desktop research paid specific attention to the oil and gas sector in general and, in particular, with regard to the nature of the opportunity and future engagement of OMV.

OMV will develop further due diligence steps and use its ongoing business interactions with its partner Gazprom to highlight the importance of HSSE and human rights for OMV.



Upstream position in Russia, as of March 2017, subject to closing of transactions

# Supply Chain Management

## PROGRESS ON LAST YEAR

What we planned for 2016	What we did in 2016	
Further develop partnerships with suppliers	Continued the development of our partnership with suppliers, through the implementation of quarterly and yearly review meetings.	●
Follow up on actions from the supplier events that took place in 2015	Continued the constructive dialog with suppliers to improve the general business operations and sustainability performance.	●
Organize two supplier events to identify and drive opportunities for improvement	Suppliers events organized in Austria and Romania (see case studies "Working with local suppliers" and "Encouraging the dialogue").	●

● Achieved ● Ongoing ● Not achieved

## Procurement and compliance

Our suppliers must comply with both legal requirements and our HSSE standards.

To ensure the suppliers' support of OMV principles and to mitigate the risk of forced labor, slavery and human trafficking, OMV's supply chain partners have to sign OMV's Code of Conduct. OMV reserves the right to terminate the relationships with suppliers, if issues of non-compliance with applicable policies are discovered, or non-compliance is not addressed in a timely manner.

In addition, suppliers of OMV Supply & Trading Ltd. are required to sign a business ethics clause, where they assure that all activities will be conducted in accordance with all applicable laws and governance regulations and the highest standard of business and ethics.

In 2016, 425 evaluated suppliers (98.2% of all evaluated suppliers) signed up to our Code of Conduct. Evaluated suppliers are all suppliers with a purchase order volume of more than EUR 1.5 mn from January 2015 until June 2016 and certain additional strategic suppliers. In addition, 285 of these suppliers (65.8% of all evaluated suppliers) provided us with their own Code of Conduct.

Moreover, OMV uses tools, such as 360-degree feedback, supplier evaluations and audits to assess and monitor a supplier's adherence to the principles outlined in OMV's Code of Conduct. For reviewing the main suppliers, OMV regularly engages external supply chain auditors. The selection of suppliers to be audited is based on a broad risk assessment which also includes social risks. Where a supplier does not act with integrity or does not have suitable controls in place, OMV will consider whether it can work with it to implement improvements or terminate the relations with the supplier.

As an example, with respect to the effectiveness of the obligations OMV Supply & Trading Ltd. imposes on its contractors regular audit vessels by conducting crew inspections and the completion of vessel inspection questionnaires. Additionally, OMV Supply & Trading screens the whole crewing process of its shipping companies includ-

ing their manning agencies in order to ensure compliance with our requirements.

OMV also has a process in place aimed at ensuring the sanctioned parties (by e.g. EU, United Nations) are not accepted as business partners for our procurement activities.

## Working with local suppliers

We encourage local procurement in order to create shared value in our local communities. Spending with local suppliers accounted for more than 85% of total expenditures in 2016 (2015: 84%).

Furthermore, we support local suppliers by improving their capabilities to meet higher technical, HSSE and business standards. In October 2016, we organized a Contractors' Forum in Austria, where a range of topics, such as general business operations, HSSE, legal issues and procurement have been discussed. Around 50 participants have attended the event.

## Encouraging the dialog

In 2016, OMV Petrom developed a supplier event with the aim of promoting and engaging them with the United Nations Global Compact (UNGC) values and objectives.

This event served as a platform for constructive dialog which enabled us to engage with suppliers and share experiences on common objectives. During the event we have prioritized together with our suppliers the UNGC objectives that shall shape future sustainability projects.

More than 110 representatives, both from OMV Petrom and from suppliers, have taken part in this initiative.

## WHAT WE WILL DO IN 2017

- ▶ Define and implement two supplier initiatives to identify and drive opportunities for improvement
- ▶ Continue our efforts to purchase services from local suppliers
- ▶ Perform five supplier risk audits

## Community Relations and Development

Community relations and development is a strategic aspect of business and fundamental to ensure smooth operations. Regular interaction with our communities is part of our day-to-day business, and we work hard to be a supportive neighbor by avoiding the negative impact and implementing projects for their socio-economic development. The community relations management enables OMV to secure the social acceptance of business operations, to ensure that social risks are considered, and to design and implement community projects according to the needs identified.



“Community relations management is a fundamental ingredient for smooth operations. At OMV, we place great importance on supporting our neighboring communities. Through our projects, we strive to create opportunities, boost local business and promote education.”

Magdalena Moll, OMV SVP Corporate Affairs

**2,000**

Girls participated in “Austria is looking for the Technikqueens”

**>3,700**

Members of local communities received significant education and training

**90**

Community relations and development initiatives in more than 16 countries

**79.5%**

Resolution rate of the grievances received in 2016

SDGs supported by our initiatives



# Community Relations and Development

## PROGRESS ON LAST YEAR

What we planned for 2016	What we did in 2016
Focus on the sustainability of community projects, in order to ensure long-term continuity	In Tunisia, OMV is involved in transforming the Skills to Succeed Tataouine project (which focuses on vocational training and entrepreneurship) into a local independent entity, which will continue to bring benefits to local economic development. One of the three micro-credit loans branches set up with OMV support operates now independently. ●
Ensure regular reporting and monitoring of the community grievance mechanism in all the countries where we operate	Community grievance mechanism fully operational in Upstream and rolled out in the three OMV refineries for standardization. ●

● Achieved ● Ongoing ● Not achieved

## Monitoring our impact

Our business operations impact the communities where we operate and also raise expectations among local people. These impacts can be positive (employment, growth of local suppliers of goods and services), but also negative (dust, emissions, land use, privacy and creation of a dependency culture).

In 2016, the community grievance mechanism was fully operational in Upstream. In addition, it was rolled out in the three OMV refineries (Burghausen, Schwechat and Petrobrazi) for standardization. With the new grievance mechanism system in place, OMV has a consistent approach in receiving, registering and solving the grievances and aims to be fully aligned with the requirements of the GRI and IPIECA. During the year, none of our operational sites was reported to have significant potential or actual negative impacts on local communities. However, we have received 1,594 grievances (812 grievances related to impact on society received and 583 solved; 782 grievances with impact on environment, 685 resolved), leading to a resolution rate of 79.5%. The outstanding cases will be addressed during 2017.

## Community relations projects

OMV contributes to the economic development of the communities where it has operations and continues to implement community relations projects. In 2016, we created opportunities, generated employment, boosted local business and promoted education and training. Our efforts focus on delivering sustainable community projects in order to ensure long term continuity.

Community projects are identified and planned through a consultative process with local stakeholders, including local government and local communities. The baseline studies and needs assessments are carried out to better understand the local conditions, the needs of the local communities and to design further the project execution strategy together with our implementation partners. We select our partners based on their expertise and knowledge of the area where

## WHAT WE WILL DO IN 2017

- ▶ Continue providing training to 2,300 beneficiaries to help them succeed in the job market
- ▶ 80% resolution rate for the grievances received in the operating countries

FOCUS



**Healthy Homes Project, New Zealand**

The Healthy Homes project, implemented in New Zealand, aimed to support low income families by providing insulation, water proofing and energy solutions to more than 200 homes in the Taranaki District. The project has also supported the creation of local jobs and helped the vulnerable people from the surrounding community and has been awarded with "Excellence in Community Partnership and Engagement" at the New Zealand Petroleum Conference.

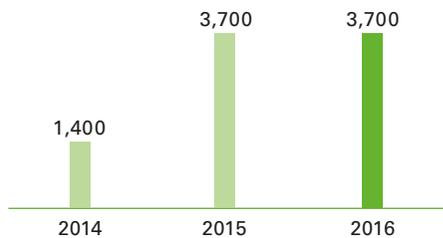
## Community Relations and Development



4<sup>th</sup> Generation of "Austria is looking for the Technikqueens": Rainer Seele, OMV CEO and two of the top 25 Technikqueens

### Trained for employment

Number of beneficiaries



we plan to implement the project. We focused on providing technical education and vocational training, and also on developing entrepreneurial skills (especially for women) in our neighboring communities. More than 3,700 members of local communities have received education and training to succeed in the job market. Furthermore, more than 23,000 people benefited from more than 90 community relations and community development initiatives in the operating countries.

Below are some examples of our community relations and development projects.

### Women's Empowerment Program (WEP) in Pakistan

Launched at the end of 2013, the program aims to empower women in the communities around our operational sites in Pakistan. Through this program, the women have been provided with access to quality education and equal economic opportunities, in order to improve their status in society and raise family income.

In 2016, we continued our support for the livelihood initiative implemented by Kashf Foundation. Kashf provided micro-credit and financial management training to around 1,900 women with OMV's operational support. We were also able to complete the establishment of a primary and a secondary school. Both schools are now operational and 343 girls and boys are enrolled. We continued our scholarships for eight girls to complete their secondary school education and for five females to complete the bachelor's program in the engineering discipline. The first two female trainee engineers continued their 18 months' training in production and maintenance at field sites of OMV Pakistan.

### 4<sup>th</sup> Generation of "Austria is looking for the Technikqueens"

Our initiative to encourage Austrian girls to choose a technical career continued for the fourth successive year. In 2016, more than 2,000 girls participated in the online competition "Austria is looking for the Technikqueens". The 300 best candidates were invited to create a short presentation and the top 50 qualified for the finals in Vienna. The 25 best participants received educational support and a mentoring program.

In addition to Siemens and Borealis, the program was also supported in 2016 by RHI, ÖBB and Microsoft, along with Wiener Stadtschulrat as media partner.



### Case study entrepreneurs (WEP in Pakistan)

27-year-old Fauzia, her husband and four children live in the suburbs of Chundiko town in Pakistan. Her husband works as a waiter in the nearby restaurant and couldn't meet his family's living needs. Fauzia wanted to support her family and took the loan from Kashf Foundation. She opened a small home-based confectionery shop and started contributing to her family's income. The earnings from the shop enabled her to send her children to school. Fauzia has now started investing some of her profit in buying livestock and also plans to expand her home-based shop in order to further increase her income.

## Community Relations and Development



Vocational Summer Camp (Andrei's Country) – an OMV Petrom project in Romania

### Support for Professionals – OMV Petrom (Romania)

Launched in 2015, the Oilmen's School project aims to create classes, whose graduates will become rig operators or oil and gas extraction operators. In 2016, OMV Petrom supported a second generation (84 students) with the creation of three new classes in partnership with high schools. The pupils selected will receive training and practice in their chosen field in OMV Petrom. In addition to the scholarship granted by the Romanian state, the Oilmen's School students will also receive a scholarship granted by OMV Petrom, in accordance with their school results.

### "Vocational Romania" – OMV Petrom

To accurately assess the environment in which new generations of qualified professionals could develop, OMV Petrom conducted a study to identify the companies' needs from the vocational sector, craftsmen's expectations on the labor market, and the expectations of pupils who want to develop a certain trade skill.

Based on the outcome of this project, OMV Petrom launched "Vocational Romania" in 2015. The project continued in 2016 and is now integrated into the national project "Educated Romania," supported by the President of Romania.

OMV Petrom continues to invest in concrete initiatives such as Vocational Summer Camp from Andrei's Country platform. This project focuses on technical and vocational education and helps students to be better prepared for the labor market. In 2016, the Vocational Summer Camp took the form of an educational project for high-school students. Starting from the needs of the local labor market, the project supported five specializations: auto mechanic, well operator, cook, barber and tailor. Over 200 students had the opportunity to deepen their theoretical and practical foundations in the area where they want to practice.



Oilmen's School project, initiated by OMV Petrom, Romania

## Innovative Energy

OMV believes that all forms of energy will be needed to meet growing global demand. We invest funds in research and development of new energy sources and technologies. The strategic road map of OMV focuses on value-added growth until 2020 and will deliver oil and gas, innovative energy and high-end petrochemical solutions to our customers in a responsible way. With our innovative energy projects we prepare our business sustainability in the long term.



“Fuel demand and the energy mix are about to change: while the upcoming years will continue to show robust demand for our current products, it is important to deeply understand and act on the changes now.”

Manfred Leitner, OMV Executive Board Member Downstream

**400**

Hydrogen stations to be opened by H2 MOBILITY in Germany by the end of 2023

**14%**

Eco-Innovation share of total research and development expenses

**EUR 28.4 mn**

Group expenses for innovation and new technologies (2015: EUR 27.7 mn)

### Value drivers in innovation

Increasing energy demand, together with environmental requirements, will change the energy mix in the future. OMV leverages three value drivers in the innovation approach: new feedstocks, new technologies and new products.

SDGs supported by our initiatives



## Innovative Energy

### Feedstock recovery

The feedstock recovery pilot project (Schwechat refinery, Austria) uses plastic waste to produce synthetic crude in a pyrolysis process. This recycled crude can be processed into any desired refinery product, while reducing the dependence on fossil resources and improving carbon intensity.

Circular economy and urban mining are two important topics at OMV. Recycling used plastics instead of burning it as waste is one important way to make better use of a valuable resource. However, the quality of recycled plastics is often not very high. Feedstock recovery is an innovative OMV research project which uses old plastics to produce synthetic refinery feedstock. This feedstock can be re-introduced into the refinery production process and processed into any desired refinery product, like normal crude oil. With this innovative approach, OMV closes a gap in plastics recycling technology and production by introducing a secondary raw material, called "recent crudes". This method reduces the amount of fossil resources needed in plastics production. Recycling of plastic waste improves carbon intensity by lowering CO<sub>2</sub> emissions per ton of post-consumer plastics, compared to standard crude oil processing. OMV sees a large potential for this new technology and its associated services in a society that is increasingly looking for alternative resources and value-added recycling. In 2016, OMV prepared the first scale up step from a bench scale unit to a pilot plant for the feedstock recovery project. The mechanical completion of the new pilot plant with a capacity of 100 kg/h is expected by end of 2017.



A researcher investigates producing synthetic refinery feedstock from post-consumer plastics in OMV's feedstock recovery project, Austria



Pilot plant for the wind2hydrogen research project. Transforming renewable energy into hydrogen for storage and transport using the natural gas network, Austria

### Hydrogen technology and mobility

Hydrogen technologies will play a key role in the future. As part of the wind2hydrogen research project OMV is working with partners on ways to produce "green hydrogen" from renewable electricity. OMV is also a pioneer of hydrogen filling stations in Austria and Germany, and with the Christian Doppler Laboratory in Cambridge we are preparing options for the long-term future.

The goal of the wind2hydrogen project in Austria is to establish the conditions necessary to produce renewable hydrogen. Electricity converted to hydrogen can be stored, transported or used, wherever and whenever it is convenient for customers. The development of a high-pressure PEM (Proton Exchange Membrane) electrolyzer (163 bar) also marks an innovative technological advance for incorporating the complex downstream compression of hydrogen into the process. The project – currently in the pilot stage – has received funding from the Climate and Energy Fund and is part of the "Energy Mission Austria" program. The pilot plant in Auersthal, Austria, continues to study the dynamic hydrogen production until the end of 2017. Hydrogen is an efficient and environmentally sound fuel for the future.

As part of its sustainability strategy, OMV has operated Austria's first public hydrogen filling station in Vienna since 2012. Further stations started operation in Innsbruck, Asten and Graz. Additional refueling station is planned in Wiener Neudorf.

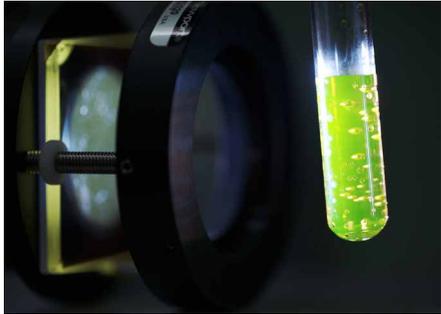
In Germany, there are already five OMV hydrogen filling stations in operation in Bavaria and Baden-Württemberg. Together with our five partners in H2 MOBILITY, by the end of December 2018, 53 hydrogen filling stations shall be implemented and operating. The network is planned to expand to around 400 hydrogen filling stations by 2023.

Over the last five years, the Christian Doppler Laboratory (CD-Lab) in Cambridge has made good progress in developing a more environmentally sound process for generating renewable and CO<sub>2</sub> neutral fuels. With the help of sunlight and catalysts, water and biomass

#### WHAT WE WILL DO IN 2017

- ▶ The mechanical completion of the new feedstock recovery pilot plant
- ▶ Further field testing on Co-Processing with a focus on increasing bio yield and volume
- ▶ Continue to study the dynamic hydrogen production at the pilot plant in Auersthal, Austria

## Innovative Energy



Christian Doppler laboratory for Sustainable SynGas Chemistry at the University of Cambridge: Chemist Dr Erwin Reisner and his team in Cambridge have made good progress in developing more environmentally sound processes for generating renewable and CO<sub>2</sub> neutral fuels

(such as wood) are transformed into hydrogen, without the use of any additional energy. Research is underway to produce Synthesis Gas (SynGas) from carbon dioxide and water. SynGas can be transformed into liquid fuel such as petrol or diesel and is widely used as a chemical feedstock. We fund around 50% of this research project in the laboratory stage. In addition, CD-Lab is subsidized by the Austrian Federal Ministry of Science, Research and Economy and Austria's National Foundation for Research, Technology and Development.

Hydrocarbons will continue to be the main energy source for the worldwide mobility sector for the next decade. Although the electric cars' market is at an early development stage, OMV supports electromobility for battery powered electrical vehicles.

In April 2017, OMV and Verbund (Austria's leading producer of electricity and one of the leading European producers of electricity from hydropower) closed a cooperation initiative in the operating business for the future of energy. The innovative partnership supports the transformation process on the energy market. OMV will take a 40% stake in SMATRICS (a provider for all services related to electromobility and the first to offer a complete, high-performance charging network throughout the whole Austria). As of April 2017, OMV offers 49 charging points near 15 OMV highway/motorway filling stations. In addition, OMV and Verbund will work together on evaluating concepts in green hydrogen and on strengthening security of supply.

### Biofuels

All biofuel volumes purchased by OMV in 2016 complied with the highest sustainability standards and met the requirements of the Renewable Energy Directive (2009/28/EC) of the European Union. (◀ see the graph in the left column)

The EU requirements focus on applying sufficient environmental and social principles along the entire supply chain of biofuels in order to prevent any sustainability-related issues. EU member states were required to implement the regulation into national law and also to accept International Certification schemes.

As a result, German and Austrian legislation require that all biofuels meet sustainability criteria. Romanian legislation has mandated compliance with sustainability criteria, while Turkish biofuel legislation does not currently include sustainability requirements.

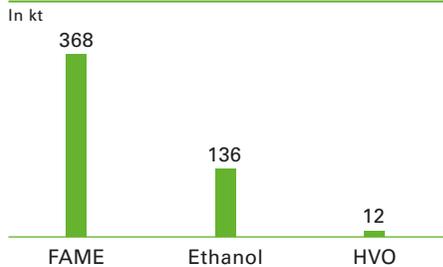
OMV (Refining & Marketing Unit) is the first organization in Austria to verifiably produce fuels with biogenic components in a sustainable way and market them countrywide through its own filling station network.

The sustainability of the applied biogenic components was rewarded with the ISCC-EU certificate for OMV (Refining & Marketing Unit), demonstrating our compliance with the highest legal sustainability standards. Furthermore, OMV Hungary, OMV Czech Republic and OMV Slovenia are also certified according to the ISCC-EU standard.

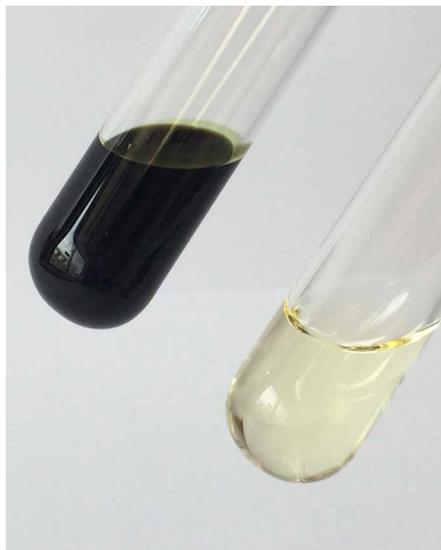
### Co-Processing

OMV continued its development efforts in the Co-Processing of renewable feedstocks. Adding a mixture of alternative and biogenic fuels to gasoline and diesel is an important issue at OMV. The legislation in many countries requires increasing percentages of biogenic fuels in gasoline and diesel. However, these admixtures can have an impact on engine and vehicle components. OMV is consequently investigating new Co-Processing technologies to increase the quality

#### Biofuel volumes 2016



## Innovative Energy



Algae oil extract (untreated) and algae oil extract (hydro-treated)

and stability of fuels with biogenic components. For traditional bio-fuel mixtures, the biogenic component is added to the fuel after production. Co-Processing introduces the biogenic additive already in the production process. Innovative refinery integrated biomass-to-liquid concepts to produce gasoline and diesel from biogenic feedstock are the basis on which OMV develops tomorrow's fuels. In March 2016, the first field test with rapeseed oil was successfully completed including a sustainability certification according to RED-cert standard. For 2017, further field testing is planned with a focus on increasing bio yield and volume in the current demonstration phase.

### Advanced renewable fuels

Advanced renewable fuels are fuels that are not in competition with food. The principal sources for such advanced fuels are sunlight (energy from the photons), water (the hydrogen supplier) and CO<sub>2</sub> (as carbon source), which was also the source of our current fossil crude, but developed over millions of years. We have to utilize our current sunlight, our current CO<sub>2</sub> and water to achieve advanced renewable fuels.

In Germany, we are part of a renewable fuels consortium, under the leadership of the Jülich research center. The consortium aims to demonstrate that microalgae can be cultivated in Germany for the economically viable production of alternative aviation fuel. Known as AUFWIND, this pilot project involves 12 partners from research and industry as well as Jülich researchers who are investigating the suitability of biomass made from microalgae as a basis for the production of kerosene or other fuels. This innovative undertaking will optimize the production of algae oil by assessing different photo bio-reactor technologies and adapting them to the climatic Central European conditions. The project was finalized with a technical success. For the first time the whole process chain was proofed and verified the technical concept.

The first promising tests were successfully finalized and demonstrated that we are able to transfer recent biomass to recent crude. This test was based on algae biomass, but further investigation will explore additional biomass feedstocks and/or anthropogenic resources.

Another innovation area is the direct conversion of CO<sub>2</sub> to hydrocarbons like alcohols. Together with the Technical University of Vienna, Austria, OMV started the investigation under laboratory conditions to convert CO<sub>2</sub> and biomass enzymatically to alcohols, which can be added to gasoline.

# 3

## PERFORMANCE IN DETAIL

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## Additional Performance Figures

### Value creation and distribution to stakeholders

#### Revenues generated

In EUR mn		
	2016	2015
Net sales + excise duty	29,489	33,064
Dividends and interest income	532	471
Proceeds from sale of assets	345	76
<b>Total</b>	<b>30,366</b>	<b>33,612</b>

#### Distribution to stakeholders

		2016	2015	2016	2015
		in EUR mn	in EUR mn	in %	in %
Suppliers	Operating expenses (-royalties; incl. depreciation)	18,889	23,312	62	69
Governments	Taxes (income + excise duty + royalties)	10,649	11,032	35	33
Employees	Employee wages and benefits	1,169	1,252	4	4
Capital providers	Interest expense	261	304	1	1
Shareholders (and hybrid capital holders)	Dividend distribution	466	530	2	2
Society	Social spending	13	19	0.04	0.06
<b>Total</b>		<b>31,446</b>	<b>36,430</b>		
Value retained		(1,080)	(2,108)		

#### Significant financial assistance received from governments or governmental organizations in 2016

Company name	in EUR 1,000	Details
Gas Connect Austria GmbH	65	EU grant for project Education bonus/premium AMS grant Grant for trainees/apprentices MA22 Grant for natural gas car (Operating Lease)
OMV Aktiengesellschaft	106	Education bonus/premium
OMV Refining & Marketing GmbH	2,052	Subsidy Disposal Site Zwölfaxing (Funding)
OMV PETROM SA	45,313	Reduction of the rate for green certificates. In 2016, OMV Petrom signed a financing contract with the Ministry of Energy for the first tranches of grant to be received for Brazi power plant investment, in accordance with European Directive 2003/87/CE and national legislation. The grant is booked as a deduction of fixed assets cost and as a receivable. The grant will be received in tranches until 2020.

#### Significant monetary fines in 2016<sup>1</sup>

In EUR 1,000	
Monetary value of fines for non-compliance concerning provision and use of products	0
Monetary value of fines for non-compliance with environmental laws and regulations	0
Monetary value of other fines for non-compliance with laws and regulations	3,141
<b>Total</b>	<b>3,141</b>

<sup>1</sup> Only fines above EUR 10,000 paid in 2016 are reported. The other fines, for which OMV started a lawsuit in court, are not reported

# Additional Performance Figures

## Safety

### OMV Group safety KPIs

	Unit	2016	2015	2014
<b>OMV employees</b>				
Fatalities	number	1	1	2
Lost workday injuries <sup>1</sup>	number	14	11	21
Fatal commuting accidents	number	0	0	0
Commuting accidents <sup>2</sup>	number	8	6	10
Lost-Time Injury Rate	per mn hours worked	0.37	0.26	0.46
Total Recordable Injury Rate <sup>3</sup>	per mn hours worked	0.66	0.59	0.98
Fatality Rate	per 100 mn hours worked	2.46	2.20	4.02
Lost-Time Injury Severity	per mn hours worked	16.92	15.20	18.44
<b>Contractors</b>				
Fatalities	number	1	1	1
Lost workday injuries <sup>1</sup>	number	37	26	47
Fatal commuting accidents	number	1	0	0
Commuting accidents <sup>2</sup>	number	8	4	7
Lost-Time Injury Rate	per mn hours worked	0.42	0.28	0.42
Total Recordable Injury Rate <sup>3</sup>	per mn hours worked	0.72	0.79	0.96
Fatality Rate	per 100 mn hours worked	1.10	1.03	0.88
Lost-Time Injury Severity	per mn hours worked	21.60	12.95	16.62
<b>Combined (OMV employees and contractors)</b>				
Lost-Time Injury Rate	per mn hours worked	0.40	0.27	0.44
Fatality Rate	per 100 mn hours worked	1.52	1.40	1.84
Total Recordable Injury Rate	per mn hours worked	0.70	0.73	0.97

<sup>1</sup> Lost workday: calendar day. Lost workday injuries: incidents with more than one lost workday  
<sup>2</sup> Accidents which occur on the usual, direct job-related route from the private home to the workplace or on the return journey, resulting in personal injury that leads to Lost Work Days (LWDI)  
<sup>3</sup> The Total Recordable Injury Rate includes lost-time injuries, any injuries resulting in fatalities, permanent total disabilities, lost workday cases, restricted work cases and medical treatment after cases

**THE GOLDEN RULES**



**Ask!**  
Ask when you are in doubt!



**Housekeeping**  
Maintain your/our workplace clean and tidy!



**Risk assessment**  
Know the hazards before you start!



**Stop work**  
Stop all unsafe work, acts and conditions!



**Permit to work**  
Make sure you have a permit to work or authorization for your job!



**Transportation road safety**  
Drive safely and comply with road transportation rules!



**Working at heights**  
Use fall protection whenever you could fall from heights!



**Lifting operations**  
Follow basic rules for every lift and plan all your lifts!

# Additional Performance Figures

## Environmental management

### Environmental figures at a glance

	Unit	2016	2015	2014
<b>Energy</b>				
Energy consumption <sup>1</sup>	PJ	126.8	137.8	132.1
<b>GHG emissions</b>				
GHG (direct, Scope 1) <sup>2</sup>	mn t CO <sub>2</sub> equivalent	11.0	12.2	13.1
CO <sub>2</sub>	mn t	9.7	10.4	10.8
CH <sub>4</sub> <sup>3</sup>	t	54,753	70,741	92,064
N <sub>2</sub> O	t	60	72	82
GHG (indirect, Scope 2)	mn t CO <sub>2</sub> equivalent	0.4	0.4	0.3
GHG (indirect, Scope 3) <sup>4</sup>	mn t CO <sub>2</sub> equivalent	113	112	112
<b>Other air emissions</b>				
SO <sub>2</sub>	t	3,105	2,918	3,017
NO <sub>x</sub>	t	12,050	12,951	15,069
NM-VOC <sup>5</sup>	t	10,229	11,585	15,726
Particulate emissions	t	139	155	244
Ozone-depleting substances	t	0.5	0.4	0.4
<b>Flaring and venting</b>				
Hydrocarbons flared <sup>6</sup>	t	180,452	299,825	636,942
Hydrocarbons vented <sup>7</sup>	t	50,173	61,443	79,362
<b>Water</b>				
Water withdrawn <sup>8</sup>	mn m <sup>3</sup>	38.2	39.0	39.4
Thereof groundwater	mn m <sup>3</sup>	23.9	24.0	25.7
Thereof surface water	mn m <sup>3</sup>	12.7	13.2	10.9
Thereof water from public supply systems	mn m <sup>3</sup>	1.6	1.8	2.8
Water withdrawn (other than Total water withdrawal by source) <sup>9</sup>	mn m <sup>3</sup>	397.9	466.1	362.6
Water recycled and reused	mn m <sup>3</sup>	6.7	6.7	6.0
<b>Waste water</b>				
Waste water	mn m <sup>3</sup>	20	20	21
Chemical oxygen demand	t	853	824	888
Hydrocarbons	t	15	18	34
Total nitrogen	t	91	80	98

### Environmental figures at a glance

	Unit	2016	2015	2014
<b>Waste <sup>10</sup></b>				
Total waste	t	923,709	832,017	683,051
Non-hazardous waste	t	662,153	493,285	452,041
Hazardous waste	t	261,556	338,731	231,010
Transboundary movement of hazardous waste (Basel convention)	t	0	0	0
<b>Spills</b>				
Spills	number	2,138	2,333	2,063
Spills volume	liters	103,490	158,000	150,000
<b>Environmental expenditures</b>				
Environmental protection expenditures, excluding depreciation	mn EUR	208	210	200
Environmental investments for assets put into operation	mn EUR	105	104	110

<sup>1</sup> Fluctuating energy demand over the years mainly in Schwechat refinery and Burghausen refinery

<sup>2</sup> Decrease mainly due to lower electricity production of CAPP Samsun and no production in Yemen in 2016 caused by the political situation. In 2016, OMV applied the Global Warming Potentials (GWP) of the IPCC Fourth Assessment Report (AR4 – 100 year). GWP Methane = 25, GWP Nitrous Oxide = 298. For 2015 and 2014, GHG emissions have been re-calculated accordingly

<sup>3</sup> Continuous decrease mainly due to venting reduction projects as well as an increase in reporting accuracy in 2015 in OMV Petrom

<sup>4</sup> Includes Scope 3 emissions from the use and processing of sold products. These include total sales amounts from companies, which are under operational or financial control by OMV (filling stations are included). Pure “trading margin” sales as well as inter-company sales are excluded. Since 2015, Scope 3 emissions from purchased goods and services and capital goods are included

<sup>5</sup> Decrease in 2016 due to no production in Yemen caused by the political situation. Decrease in 2015 due to already reduced production in Yemen as well as reporting accuracy and venting reduction projects in OMV Petrom

<sup>6</sup> Decrease from 2014 to 2016 due to reduced production 2015 and no production in 2016 in Yemen caused by the political situation

<sup>7</sup> Continuous decrease mainly due to venting reduction projects as well as an increase in reporting accuracy in 2015 in OMV Petrom

<sup>8</sup> Excluding water withdrawn for once-through-use (reported separately)

<sup>9</sup> Volume of water used for once-through cooling water returned unchanged (excluding thermal effects) to water source as well as groundwater extracted solely for remediation or to control the migration of contaminated groundwater (IPIECA 2010). Changes over the years due to fluctuating cooling water demand of CAPP Samsun

<sup>10</sup> Total waste amounts including those from one-time projects

## Additional Performance Figures

### Environmental management

#### GHG intensity of the OMV product portfolio

	Unit	2016	2015	2014
Oil to energy	mn t CO <sub>2</sub> equivalent	85.5	83.4	83.6
Oil for non-energy use	mn t CO <sub>2</sub> equivalent	5.1	5.3	4.6
Gas to energy	mn t CO <sub>2</sub> equivalent	20.3	21.2	22.7
Gas for non-energy use	mn t CO <sub>2</sub> equivalent	0.7	0.6	0.8
Chemicals	mn t CO <sub>2</sub> equivalent	0.01	0.01	0.01
Total GHG (indirect, Scope 3)	mn t CO <sub>2</sub> equivalent	111.5	110.5	112
GHG intensity	mn t GHG per mn t oil equivalent	2.7	2.7	2.6

#### GHG intensity of OMV's purchased goods and services and capital goods

	Unit	2016	2015	2014
Purchased goods and services	mn t CO <sub>2</sub> equivalent	1.08	1.29	not reported
Capital goods	mn t CO <sub>2</sub> equivalent	0.16	0.19	not reported
Total GHG (indirect, Scope 3)	mn t CO <sub>2</sub> equivalent	1.24	1.49	not reported
GHG intensity	mn t GHG per bn USD	0.63	0.63	not reported

# Additional Performance Figures

## Human resources

### Total headcount by employment type and region as per December 31, 2016

	Austria <sup>1</sup>	Romania/ Rest of Europe <sup>1</sup>	Middle East/ Africa	Rest of the World	Total
<b>Total</b>	<b>3,431</b>	<b>16,618</b>	<b>2,091</b>	<b>404</b>	<b>22,544</b>
<b>Status</b>					
White-collar workers	2,634	8,347	1,483	253	12,717
Blue-collar workers	677	8,271	608	151	9,707
Apprentices	120	0	0	0	120
<b>Employment type</b>					
Full-time	3,202	16,585	1,858	400	22,045
Part-time <sup>2</sup>	229	33	233	4	499
<b>Gender</b>					
Male	2,580	12,318	1,770	308	16,976
Female	851	4,300	321	96	5,568
<b>Employment type</b>					
Temporary <sup>3</sup>	91	37	170	4	302

<sup>1</sup> Including unbundled companies such as Gas Connect Austria GmbH, OMV Gas Marketing & Trading (formerly EconGas) and FE Trading GmbH

<sup>2</sup> In OMV Petrom, employees have the option to reduce the daily working time to raise a child up to the age of two, respectively three years. These employees are reported as full-time

<sup>3</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

### Net employment creation, average turnover and contract terminations segmented by region in 2016

	Austria <sup>1</sup>	Romania/ Rest of Europe <sup>1</sup>	Middle East/ Africa	Rest of the World	Total
<b>New recruitments</b>	<b>87</b>	<b>279</b>	<b>171</b>	<b>25</b>	<b>562</b>
Thereof new jobs created	22	77	88	1	188
Thereof replacements	65	202	83	24	374
<b>Contract terminations<sup>2</sup></b>	<b>215</b>	<b>1,629</b>	<b>288</b>	<b>101</b>	<b>2,233</b>

<sup>1</sup> Excluding unbundled companies such as Gas Connect Austria GmbH, OMV Gas Marketing & Trading (formerly EconGas) and FE Trading GmbH

<sup>2</sup> Including social plan terminations and retirements

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

In %

Percentage of employees who have the right to exercise freedom of association and collective bargaining	98.71
Percentage of employees represented by local trade unions or works council	83.62
Percentage of employees for whom minimum wages or salaries were fixed by law or agreed upon by way of collective bargaining	97.85
Percentage of employees covered by mandatory periods of notice under employment law or collective bargaining agreements for cases of restructuring	96.87

<sup>1</sup> Excluding unbundled companies such as Gas Connect Austria GmbH, OMV Gas Marketing & Trading (formerly EconGas) and FE Trading GmbH

### Details new recruitments by region and age in 2016

	Age						Total	
	<30		30–50		>50		Abs.	in %
	Abs.	in %	Abs.	in %	Abs.	in %		
<b>Austria<sup>1</sup></b>								
Male	35	81.40	23	58.97	5	100.00	63	72.41
Female	8	18.60	16	41.03	0	0.00	24	27.59
<b>Total</b>	<b>43</b>	<b>100.00</b>	<b>39</b>	<b>100.00</b>	<b>5</b>	<b>100.00</b>	<b>87</b>	<b>100.00</b>
<b>Romania/Rest of Europe<sup>1</sup></b>								
Male	53	49.53	91	57.59	11	78.57	155	55.56
Female	54	50.47	67	42.41	3	21.43	124	44.44
<b>Total</b>	<b>107</b>	<b>100.00</b>	<b>158</b>	<b>100.00</b>	<b>14</b>	<b>100.00</b>	<b>279</b>	<b>100.00</b>
<b>Middle East/Africa</b>								
Male	37	50.00	77	79.38	0	0.00	114	66.67
Female	37	50.00	20	20.62	0	0.00	57	33.33
<b>Total</b>	<b>74</b>	<b>100.00</b>	<b>97</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>171</b>	<b>100.00</b>
<b>Rest of the World</b>								
Male	4	50.00	10	66.67	2	100.00	16	64.00
Female	4	50.00	5	33.33	0	0.00	9	36.00
<b>Total</b>	<b>8</b>	<b>100.00</b>	<b>15</b>	<b>100.00</b>	<b>2</b>	<b>100.00</b>	<b>25</b>	<b>100.00</b>

<sup>1</sup> Excluding unbundled companies such as Gas Connect Austria GmbH, OMV Gas Marketing & Trading (formerly EconGas) and FE Trading GmbH

# Additional Performance Figures

## Human resources

### Details contract terminations by region and age in 2016

	Age						Total	
	<30		30–50		>50			
	Abs.	in %	Abs.	in %	Abs.	in %	Abs.	in %
<b>Austria<sup>1</sup></b>								
Male	9	90.00	35	66.04	108	90.76	152	83.52
Female	1	10.00	18	33.96	11	9.24	30	16.48
<b>Total</b>	<b>10</b>	<b>100.00</b>	<b>53</b>	<b>100.00</b>	<b>119</b>	<b>100.00</b>	<b>182</b>	<b>100.00</b>
<b>Romania/Rest of Europe<sup>1</sup></b>								
Male	57	52.78	603	77.61	562	76.15	1,222	75.29
Female	51	47.22	174	22.39	176	23.85	401	24.71
<b>Total</b>	<b>108</b>	<b>100.00</b>	<b>777</b>	<b>100.00</b>	<b>738</b>	<b>100.00</b>	<b>1,623</b>	<b>100.00</b>
<b>Middle East/Africa</b>								
Male	23	74.19	154	76.62	54	96.43	231	80.21
Female	8	25.81	47	23.38	2	3.57	57	19.79
<b>Total</b>	<b>31</b>	<b>100.00</b>	<b>201</b>	<b>100.00</b>	<b>56</b>	<b>100.00</b>	<b>288</b>	<b>100.00</b>
<b>Rest of the World</b>								
Male	5	50.00	44	75.86	27	81.82	76	75.25
Female	5	50.00	14	24.14	6	18.18	25	24.75
<b>Total</b>	<b>10</b>	<b>100.00</b>	<b>58</b>	<b>100.00</b>	<b>33</b>	<b>100.00</b>	<b>101</b>	<b>100.00</b>

<sup>1</sup> Excluding unbundled companies such as Gas Connect Austria GmbH, OMV Gas Marketing & Trading (formerly EconGas) and FE Trading GmbH

### Hours and spending on training and education by region and position in 2016

	Austria <sup>1</sup>	Romania/ Rest of Europe <sup>1</sup>	Middle East/ Africa	Rest of the World	Total
<b>Senior management</b>					
Number of training participants	3	25	2	2	<b>32</b>
Money spent on training (EUR)	3,000	49,900	1,300	3,200	<b>57,400</b>
Hours	44	595	23	55	<b>717</b>
<b>Management</b>					
Number of training participants	143	1,033	143	54	<b>1,373</b>
Money spent on training (EUR)	380,200	417,800	70,200	103,900	<b>972,100</b>
Hours	4,329	16,640	3,946	2,958	<b>27,873</b>
<b>Experts</b>					
Number of training participants	453	3,928	382	121	<b>4,884</b>
Money spent on training (EUR)	656,900	1,430,900	246,100	180,400	<b>2,514,300</b>
Hours	10,699	63,967	9,884	5,451	<b>90,001</b>
<b>Project managers</b>					
Number of training participants	22	246	2	1	<b>271</b>
Money spent on training (EUR)	20,600	58,800	200	100	<b>79,700</b>
Hours	241	3,046	16	5	<b>3,308</b>
<b>Technicians</b>					
Number of training participants	421	4,597	629	176	<b>5,823</b>
Money spent on training (EUR)	328,400	841,200	329,100	312,600	<b>1,811,300</b>
Hours	9,650	113,118	30,742	8,288	<b>161,798</b>
<b>Administrators</b>					
Number of training participants	12	150	72	9	<b>243</b>
Money spent on training (EUR)	7,100	13,600	9,300	4,300	<b>34,300</b>
Hours	94	750	1,681	141	<b>2,666</b>
<b>Grand Total</b>					
Number of training participants	1,054	9,979	1,230	363	<b>12,626</b>
Money spent on training (EUR)	1,362,700	2,652,900	656,300	604,600	<b>5,276,500</b>
Hours	25,058	198,116	46,291	16,899	<b>286,364</b>

<sup>1</sup> Excluding unbundled companies such as Gas Connect Austria GmbH, OMV Gas Marketing & Trading (formerly EconGas) and FE Trading GmbH

# Additional Performance Figures

## Human resources

### Diversity in 2016 (Headcount as per December 31, 2016)

	Gender				Age						Nationality		Total
	Women		Men		<30		30–50		>50		Non-Austrian		
	Abs.	in %	Abs.	in %	Abs.	in %	Abs.	in %	Abs.	in %	Abs.	in %	
Supervisory Board	2	20.00	8	80.00	0	0.00	3	30.00	7	70.00	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	10	22.73	34	77.27	0	0.00	21	47.73	23	52.27	18	40.91	44
Austria <sup>1</sup>	757	24.66	2,313	75.34	510	16.61	1,790	58.31	770	25.08	381	12.41	3,070
Romania	3,901	25.25	11,549	74.75	588	3.81	9,571	61.95	5,291	34.25	15,441	99.94	15,450

<sup>1</sup> Excluding unbundled companies such as Gas Connect Austria GmbH, OMV Gas Marketing & Trading (formerly EconGas) and FE Trading GmbH

### Parental leave during 2016

	Austria <sup>1</sup>	Romania/ Rest of Europe <sup>1</sup>	Middle East/Africa	Rest of the World	Total
<b>Entitled employees as per 31.12.2016</b>					
Male	2,313	12,280	1,010	306	15,909
Female	757	4,263	328	98	5,446
<b>Took parental leave during 2016</b>					
Male	13	47	74	1	135
Female	117	158	24	18	317

<sup>1</sup> Excluding unbundled companies such as Gas Connect Austria GmbH, OMV Gas Marketing & Trading (formerly EconGas) and FE Trading GmbH

### Percentage of female employees in 2016

In %	
<b>Austria</b>	
Austria <sup>1</sup>	24.8
<b>Rest of Europe</b>	
Romania	25.2
Bulgaria	46.3
Czech Republic	35.9
Germany <sup>1</sup>	14.3
Hungary	42.1
Norway	40.0
Republic of Moldova	53.4
Serbia	55.0
Slovakia	74.4
Slovenia	60.8
Switzerland <sup>2</sup>	8.9
United Kingdom	23.5
<b>Middle East/Africa</b>	
Iran	25.0
Libya	14.3
Madagascar	33.3
Pakistan	3.6
Tunisia	22.8
Turkey	20.4
Yemen	9.4
Abu Dhabi	0.0
<b>Rest of the World</b>	
Kazakhstan	21.4
New Zealand	33.3

<sup>1</sup> Excluding unbundled companies such as Gas Connect Austria GmbH, OMV Gas Marketing & Trading (formerly EconGas) and FE Trading GmbH

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

### Percentage of local employees in 2016

In %	
<b>Austria</b>	
Austria <sup>1</sup>	87.6
<b>Rest of Europe</b>	
Romania	99.3
Bulgaria	100.0
Czech Republic	94.9
Germany <sup>1</sup>	90.0
Hungary <sup>1</sup>	100.0
Norway	86.7
Republic of Moldova	100.0
Serbia	100.0
Slovakia	76.1
Slovenia	100.0
Switzerland <sup>2</sup>	1.8
United Kingdom	69.4
<b>Middle East/Africa</b>	
Iran	100.0
Libya	100.0
Madagascar	100.0
Pakistan	100.0
Tunisia	100.0
Turkey	100.0
Yemen	100.0
Abu Dhabi	100.0
<b>Rest of the World</b>	
Kazakhstan	100.0
New Zealand	100.0

# Assurance Statement

## To the Board of OMV Aktiengesellschaft

### Independent Assurance Report

Limited assurance over selected indicators in the Sustainability Report 2016 of OMV Aktiengesellschaft

### Engagement

We were requested to perform a limited assurance engagement related to selected indicators in the "Sustainability Report 2016" in accordance with the GRI G4 CORE Option of OMV Aktiengesellschaft (hereafter "OMV").

The assurance engagement covers the following subject matter (hereafter "Reporting"):

- ▶ "Sustainability Report 2016" in pdf-format
- ▶ "GRI Content Index 2016" in pdf-format

The selected indicators covered by our assurance engagement are marked with "X" in the "GRI Content Index 2016", which can be downloaded at [www.omv.com/sustainability-report](http://www.omv.com/sustainability-report).

Our assurance engagement solely covers references directly specified in the Reporting. It does not cover any further references.

Our assurance engagement covers the following selected indicators:

- ▶ Environmental indicators: Direct GHG emissions scope 1 (G4-EN15), Indirect GHG emissions scope 2 (G4-EN16), Indirect GHG emissions scope 3 (G4-EN17), Hydrocarbon spills volume (G4-EN24)
- ▶ Workplace safety indicators (employees and contractors): Fatalities, Lost workday injuries, Fatality rate, Lost time injury rate, Total recordable injury rate, Lost time injury severity, Fatal commuting accidents, Commuting accidents (G4-LA6)
- ▶ Community grievance indicators: Grievances registered, Grievances resolved (G4-SO11, G4-EN34, G4-HR12)

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.

### Limitations to our review

- ▶ The scope of our review procedures at operational level was limited to the following site visits: Petrom HQ, Asset VII, OMV Tunisia, Waha Field.
- ▶ Our assurance engagement is limited to the above selected indicators.
- ▶ We did not test data derived from external surveys. We only verified that relevant disclosures and data are correctly quoted in the Reporting.
- ▶ The objective of our engagement was neither a financial audit nor a financial audit review. We did not perform any further 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 Guidelines.
- ▶ Limited assurance over prospective information was not subject to our engagement.
- ▶ 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.

### Criteria

The information included in the Reporting was based on the criteria applicable in the year 2016 (hereafter "criteria"), consisting of:

- ▶ GRI Sustainability Reporting Guidelines G4<sup>1</sup>

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.

### 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.

<sup>1</sup> [www.globalreporting.org/information/g4/Pages/default.aspx](http://www.globalreporting.org/information/g4/Pages/default.aspx)

## Assurance Statement

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants' ISAE3000<sup>1</sup> 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 its purposes. 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 OMV headquarters in Vienna, as well as at the four sites. Our main procedures were:

- ▶ Reviewed OMV's Corporate Regulations (directives, standards and procedures) related to the selected indicators
- ▶ Reviewed corporate processes for defining material topics and indicators for sustainability reporting
- ▶ Reviewed stakeholder dialogue minutes, as well as a media and peer review to assess the adequate reporting on material topics
- ▶ Held structured, directional interviews with group and functional leadership in Austria and Romania to understand key expectations regarding the selected indicators and identify systems, processes and internal controls to support them
- ▶ Reviewed Group level, Board and Executive documents and progress reports to assess awareness and priority of the selected indicators and to understand how progress is tracked
- ▶ Understood risk management and governance processes underlying the selected indicators
- ▶ Understood the management and reporting processes related to the selected indicators at site and group level
- ▶ Visited two sites in Romania (Petrofina HQ, Asset VII) and two sites in Tunisia (OMV Tunisia, Waha Field) to review processes and progress to obtain evidence of performance across the selected indicators
- ▶ Reviewed the application of group guidance to scope 1 and scope 2 greenhouse gas emissions, workplace safety and environmental incidents, as well as community grievances data collection and reporting at site level by performing data walkthroughs at site level
- ▶ Reviewed data samples for scope 1 and scope 2 greenhouse gas emissions, workplace safety and environmental incidents, as well as community grievances at site level to test for accuracy and completeness
- ▶ Reviewed data samples for scope 1, scope 2 and scope 3 greenhouse gas emissions, workplace safety and environmental incidents, as well as community grievances at group level to test whether they have been collected, consolidated and reported appropriately at group level
- ▶ Performed a formal GRI Content Index check

### Our conclusion

Based on the scope of our review nothing has come to our attention that causes us to believe that the selected indicators in the Reporting were not prepared, in accordance with the criteria identified above.

Vienna, May 19, 2017

### ERNST & YOUNG

Wirtschaftsprüfungsgesellschaft m.b.H  
Gerhard Schwartz e.h.  
Brigitte Frey e.h.

<sup>1</sup> International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or reviews of Historical Financial Information (ISAE3000) Revised, effective for assurance statements dated on or after December 15, 2015.

<sup>2</sup> Version of February 21st 2011 (AAB 2011) issued by the Chamber of Public Accountants and Tax Advisors, section 8 [www.kwt.or.at/PortalData/1/Resources/aab/kwt\\_aab\\_2011\\_englische\\_fassung.pdf](http://www.kwt.or.at/PortalData/1/Resources/aab/kwt_aab_2011_englische_fassung.pdf)

# Abbreviations and Definitions

## A

**ATX** Austrian Traded Index

## B

**bcm** Billion cubic meters  
**bn** Billion  
**boe** Barrel oil equivalent

## C

**CDP** Carbon Disclosure Project  
**CEO** Chief Executive Officer  
**CFO** Chief Financial Officer  
**CH<sub>4</sub>** Methan  
**CO<sub>2</sub>** Carbon Dioxide

## D

**DAX** German Stock Index

## E

**EU** European Union  
**EU ETS** EU Emissions Trading Scheme  
**EWRM** Enterprise Wide Risk Management

## G

**GHG** Greenhouse Gas  
**GHG Scope 1** Direct emissions from operations that are owned or controlled by the organization  
**GHG Scope 2** Energy indirect emissions resulted 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

## H

**H<sub>2</sub>** Hydrogen  
**HSSE** Health, Safety, Security and Environment

## I

**IDW** Institute of Public Auditors in Germany  
**IPIECA** Oil and Gas Industry Association for Environment and Social Issues  
**ISO** International Organization for Standardization  
**IT** Information Technology

## K

**kboe/d** 1,000 barrel oil equivalent per day  
**kg/h** Kilogram per hour  
**KPI** Key Performance Indicator  
**kW** Kilowatt

## M

**m<sup>2</sup>** Square meter  
**m<sup>3</sup>** Cubic meter  
**mg/kg** Milligram per kilogram  
**MW** Megawatt  
**MWh** Megawatt hour

## N

**Nm<sup>3</sup>** Normal cubic meter  
**N<sub>2</sub>O** Nitrous oxide  
**NM-VOC** Non-Methane Volatile  
**NO<sub>x</sub>** Nitrogen oxide  
**NOK** Norwegian Krone

## O

**OECD** Organization for Economic Co-operation and Development  
**OHSA** Occupational Health and Safety Assessment

## P

**PEM** Polymer Electrolyte Membrane  
**PJ** Petajoule

## R

**REMIT** Regulation on wholesale Energy Market Integrity and Transparency  
**REACH** Registration, Evaluation, Authorisation and Restriction of Chemicals  
**RON** Romanian lei

## S

**SO<sub>2</sub>** Sulfur dioxide  
**SVP** Senior Vice President

## T

**t** Tonnes  
**TW** Terawatt  
**TWh** Terawatt hour  
**TRY** Turkish lira

## U

**UN** United Nations  
**USD** US Dollars

## Memberships

- OMV Group**
- ▶ Aktienforum
  - ▶ American Association of Cost Engineering
  - ▶ ARGE Biokraft
  - ▶ Association of the German Petroleum Industry
  - ▶ Austrian Agency for Alternative Propulsion Systems
  - ▶ Austrian Association for Research and Innovation
  - ▶ Austrian Association for Transport
  - ▶ Austrian Economic Chambers (WKO)
  - ▶ Austrian Energy Agency
  - ▶ Austrian Geological Society
  - ▶ Austrian Institute of Economic Research
  - ▶ Austrian Standard Institute
  - ▶ Aviation Initiative for Renewable Energy in Germany e.V.
  - ▶ BUSINESSEUROPE
  - ▶ CEDIGAZ
  - ▶ Cercle Investor Relations Austria
  - ▶ Christian Doppler Research Association
  - ▶ CONCAWE – European Oil Companies’ Organisation for Environment, Health and Safety in Refining and Distribution
  - ▶ Drilling engineering association
  - ▶ German Society for Petroleum and Coal Science and Technology
  - ▶ Energy Community
  - ▶ European Energy Forum
  - ▶ European Turbine Network
  - ▶ Federation of Austrian Industries (IV)
  - ▶ Forum “Technik und Gesellschaft” of the Technical University Graz
  - ▶ FuelsEurope
  - ▶ Gas Infrastructure Europe
  - ▶ Gas Naturally
  - ▶ Geological Society
  - ▶ Geopressure Management Network
  - ▶ Global Gas Centre
  - ▶ GPA Europe
  - ▶ GVS - Austrian Association for Transport and Infrastructure
  - ▶ IFP Energies Nouvelles
  - ▶ Independet Project Analysis
  - ▶ Inflow Control Technology Forum
  - ▶ Initiative natural gas storage Germany
  - ▶ International Association of Drilling Contractors
  - ▶ International Association of Oil & Gas Producers (IOGP)
  - ▶ International Gas Union
  - ▶ IPIECA-Oil and Gas Industry Association for Environment and Social Issues
  - ▶ IWÖ Österreich-Institut für Wärme und Öltechnik
  - ▶ NUMOV (Nah-und Mittelost-Verein e.V.)
  - ▶ Österreichische Gesellschaft für Erdölwissenschaften (Austrian Society of Petroleum Engineering)
  - ▶ Österreichische Vereinigung für das Gas- und Wasserfach
  - ▶ Production engineering association
  - ▶ Professional Petroleum Data Management Association
  - ▶ Public Relations Verband Austria
  - ▶ PWRI OPNet – Produced Water Re-Injection Operational Network
  - ▶ respACT – Austrian Business Council for Sustainable Development
  - ▶ Round Table on Sustainable Palm Oil
  - ▶ Society of Petroleum Engineers
  - ▶ Technology Management Network
  - ▶ TÜV Austria
  - ▶ United Nations Global Compact
  - ▶ VGB PowerTech e.V.
  - ▶ World Energy Council
  - ▶ Vienna Institute for International Economic Studies
  - ▶ Patent Office
  - ▶ Foreign Investors Council
  - ▶ Oil & Gas Employers’ Federation (through Petrogaz)
  - ▶ Romanian Association for international numbering of articles
  - ▶ Romanian Association for Promoting Energy Efficiency
  - ▶ Romanian Association of the Petroleum Exploration and Production Companies
  - ▶ Romanian Black Sea Titleholders Association
  - ▶ Romanian – German Chamber of Commerce & Industry
  - ▶ Romanian Association Chamber Pattern of Attorney
  - ▶ Romanian National Committee of the World Energy Council
  - ▶ Romanian Petroleum Association
  - ▶ Romanian South African Business Association
  - ▶ Romanian Standards Association
  - ▶ Society of Petroleum Engineers (SPE Rom)
  - ▶ The National Association of Energy Consumers in Romania
- OMV Petrom**
- ▶ Aspen Institute Romania
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  - ▶ Bucharest GeoScience Forum
  - ▶ Central and South East European Business Forum for Energy
  - ▶ Chambre de Commerce, d’Industrie et d’Agriculture Francaise en Roumanie
  - ▶ CONCAWE
  - ▶ Concordia Employers’ Confederation (through Oil & Gas Employers’ Federation)
  - ▶ Employers Organization “Gaz” (OPG)
  - ▶ EPI – Institute of Professional Representatives before the European

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