Sustainability
Report 2014

OMV Resourcefulness

Moving more. Moving the future. OMV

About this report

OMV Sustainability Report 2014

This report covers the operations of OMV Group, headquartered in Vienna, Austria, for the 2014 business year.

OMV is an integrated, international oil and gas company active in the Upstream (Exploration and Production) and Downstream (Refining and Marketing including petrochemicals; Gas and Power) businesses.

For more about OMV Group, please see this year's **Annual Report**.

We have been reporting regularly on sustainability (or corporate social responsibility) since 2001 (financial year). This describes how we manage and perform on our most material environmental, social and governance issues.

OMV Group's 2014 Sustainability Report 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 disclosures document. This shows the evolution from our 2013 report that followed GRI's 3.1 Oil and Gas sector supplement guidelines.

With this new sustainability reporting framework in mind, the 2014 report focuses our disclosure on the issues that have been deemed most material to our business through a stakeholder consultation and materiality process (please see page 17) and the ones highlighted in GRI's G4 Oil and Gas sector disclosures document.

Global Reporting Initiative™

THE GLOBAL COMPACT
COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

The picture on the cover page shows students at University of Cambridge.

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Our CEO, Gerhard Roiss, introduces the report and discusses sustainability at OMV. We outline our sustainability highlights of the year and provide a broad overview of our business and strategy.

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Q&A with Gerhard Roiss, CEO

I am proud to share our latest Sustainability Report.

This document outlines our approach and progress in further embedding our sustainability strategy "Resourcefulness" across our operations. It reflects the key topics that we focus on and transparently discloses our successes and challenges. This report also acts as our Communication on Progress for the UN Global Compact, to which we are fully committed.

OMV has a long history of environmental and social management and a track record that reflects our deep sense of responsibility towards our stakeholders, society and the environment. As an integrated, international oil and gas company, we believe that we can only achieve sustainable growth by understanding and responding to the ways in which our activities impact our stakeholders, our people and the environment.

Why is sustainability important for OMV?
Our sustainability strategy "Resourcefulness" aims to create long-term win-win situations that benefit society, the environment and OMV.

Our clear focus on Eco-Innovation, Eco-Efficiency and Skills to Succeed enables us to protect our license to operate, retain and grow our customer base and markets, drive efficiency and manage costs. It also means we can anticipate and manage risk, offer innovative products that open new markets for the business, attract and retain the best talents. Ultimately, sustainability guides our entire approach and provides the solid foundations on which we are building a resilient business for the future.

What are OMV's strategic priorities regarding sustainability?
Our three strategic focus areas of Eco-Innovation, Eco-Efficiency and Skills to Succeed are the main drivers of our sustainability agenda and support our business strategy and ambitions.

In addition, sustainability affects many of our day-to-day business topics and demands the proactive management of a huge range of material environmental, social and governance topics. For example, Health, Safety, Security and Environment (HSSE) has always been a top priority for OMV, and our focus on sustainability ensures that it remains this way. Similarly, diversity, stakeholder engagement, human rights, business ethics and governance are also all material topics that we manage closely.

What is the broader context that influences OMV's sustainability priorities?
The sustainability priorities for our industry are driven by regulatory, operational, reputational and financial drivers. Within the oil and gas industry we face sluggish demand, increased scrutiny and more stringent environmental and social requirements. During the last year, these pressures were exacerbated by market price volatility.

Q&A with Gerhard Roiss, CEO (continued)

What were the sustainability highlights of 2014?
We do not compromise the safety and security of our people, our contractors or the communities neighboring our operations. We have stringent policies and accident prevention systems and training programs in place. Last year, we delivered more than 281,000 HSSE training hours and recorded a 0.44 lost-time injury rate.

Despite our best efforts, we are deeply saddened to have lost two employees in work-related accidents during 2014. These incidents are tragic reminders for everyone at OMV to put safety first in everything we do.

We invest in active environmental and energy management, which ensures that the production and processing of our products are sustainable and resource-efficient. In 2014, we invested EUR 108 mn in environmental protection and carried out 1,250 actions in our top 43 facilities.

We invest significant sums to ensure that we attract and retain talented people at all levels. For example, in 2014 we provided more than 700,000 hours of training to our employees and are taking particular care to identify tomorrow's senior managers and experts. Regarding our gender and international diversity we aim that by 2020, 30% of Senior Vice Presidents will be female and 50% will be internationals (non-Austrian).

We support local economies through local employment and by developing local suppliers. We also support educational initiatives, with a particular focus on technical education for women and entrepreneurship. In 2014, through our projects we benefited more than 82,000 people. For example, we launched the Women´s Empowerment Program in Pakistan. This initiative provides education and economic opportunities to women in the communities neighboring our operational sites.

During 2014, we also reviewed our sustainability materiality matrix, consulting over 400 internal and external stakeholders in the process. The topics raised by stakeholders as most material to us are those that already feature on our agenda, and which are reported in this document.

What are OMV's sustainability commitments for the future?
Operating in a challenging and competitive environment, we remain committed to the core sustainability principles expressed in our "Resourcefulness" strategy. We will proactively manage and improve the safety and security of our people, limit our environmental impacts, protect our assets' integrity and invest in innovation and efficiency, as well as in talent attraction and development.

Our priorities for 2015, therefore, include finalizing and implementing our Carbon and Water strategies and rolling-out an Environmental Risk Assessment. In addition, we will continue to improve our energy efficiency and reduce our greenhouse gas emissions, water consumption and waste.

Employees throughout the Group are committed to our sustainability strategy and ambitions. It is also an essential part of our commitment to establish an environment of trust and respect and to create the optimal setting for those long-term win-win situations that result in real, measurable and lasting benefits.

I am convinced that a sustainable engagement will bring us closer to our ultimate goal – to secure a sustainable energy supply for today and for the future.

Gerhard Roiss

Sustainability Highlights

Ratings

OMV has been listed in the "**United Nations Global Compact 100**" since 2013.

OMV is added in the **Euronext-Vigeo Eurozone 120 index** (the most advanced 120 companies in sustainability).

oekom research evaluated the social and environmental performance of 26 major oil and gas companies worldwide. OMV achieved "Prime Status" with a rating of B- on a scale from A+ to D-.

OMV's **Carbon Disclosure Project** (CDP) score improved significantly from 81B to 99B, OMV is now among the top five companies in the energy and materials sector in the DACH region and is included in the Climate Disclosure Leadership Index.

OMV is included in the **Ethibel EXCELLENCE** Investment Register.

OMV is a constituent of **MSCI Global Sustainability Index** and reached AAA (best in class).

OMV remains for the third consecutive year a component in the **STOXX® Global ESG Leaders** indices.

Awards

OMV awarded at "Oliver Kinross Africa Oil & Gas Award 2014" for project **Libya Youth Centre.**

OMV awarded at "European Excellence Award 2014" for **OMV Petrom Community Involvement Report 2013.**

OMV awarded at "PR Daily's 2013 Corporate Social Responsibility Awards" for **OMV Petrom Volunteering Championship.**

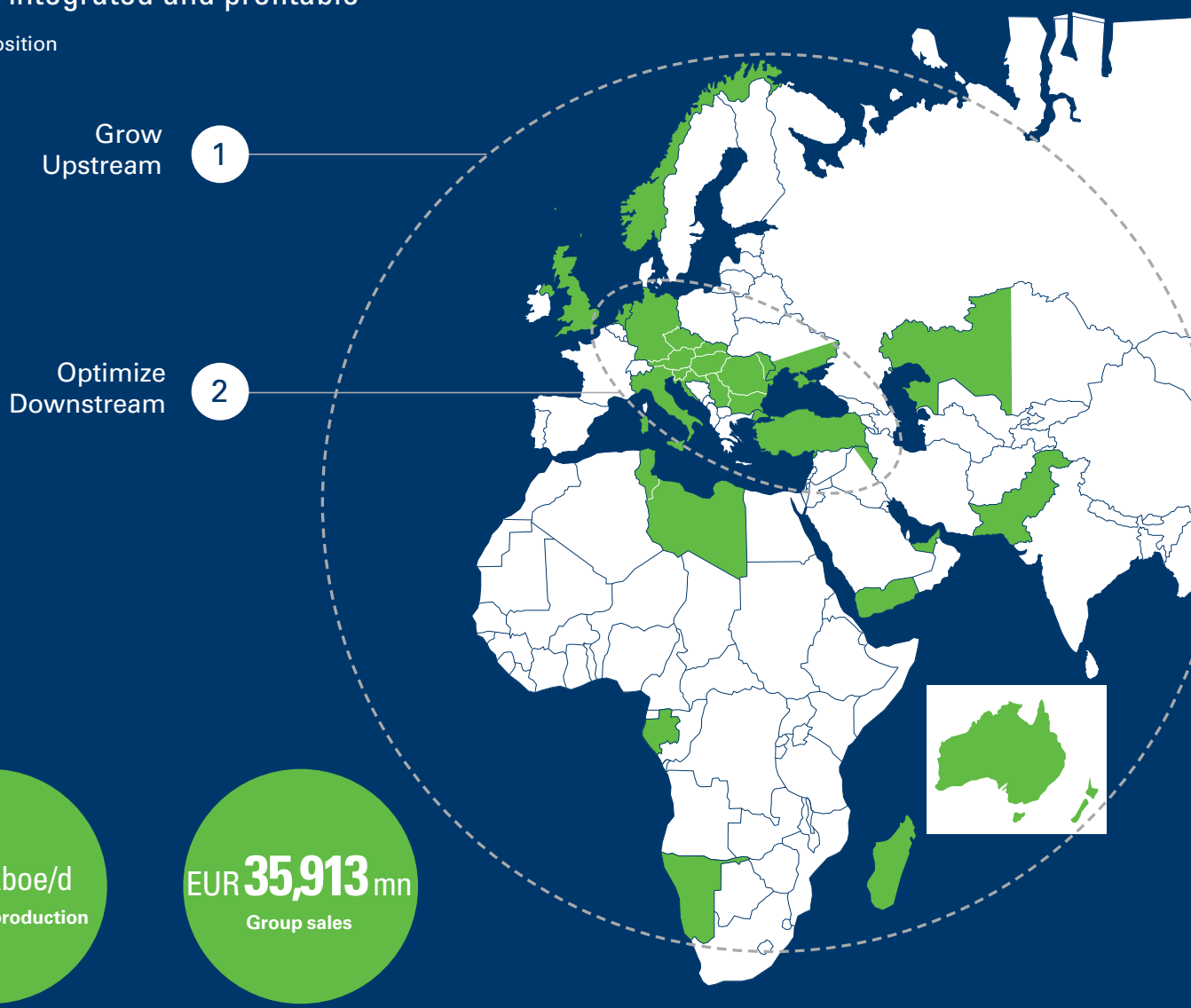
OMV awarded at "Oil Field Magazine Award" for project **Skills to Succeed Tataouine.**

OMV awarded at "IPRA Golden World Awards" for project **Made in Andrei's Country** (OMV Petrom).

About OMV Group

Focused, integrated and profitable

Current position



309 kboe/d
Oil and gas production

EUR **35,913** mn
Group sales

With Group sales of EUR 35,913 mn, a workforce of 25,501 employees and a market capitalization of EUR 7 bn at year end 2014, OMV Aktiengesellschaft is one of Austria's largest listed industrial companies.

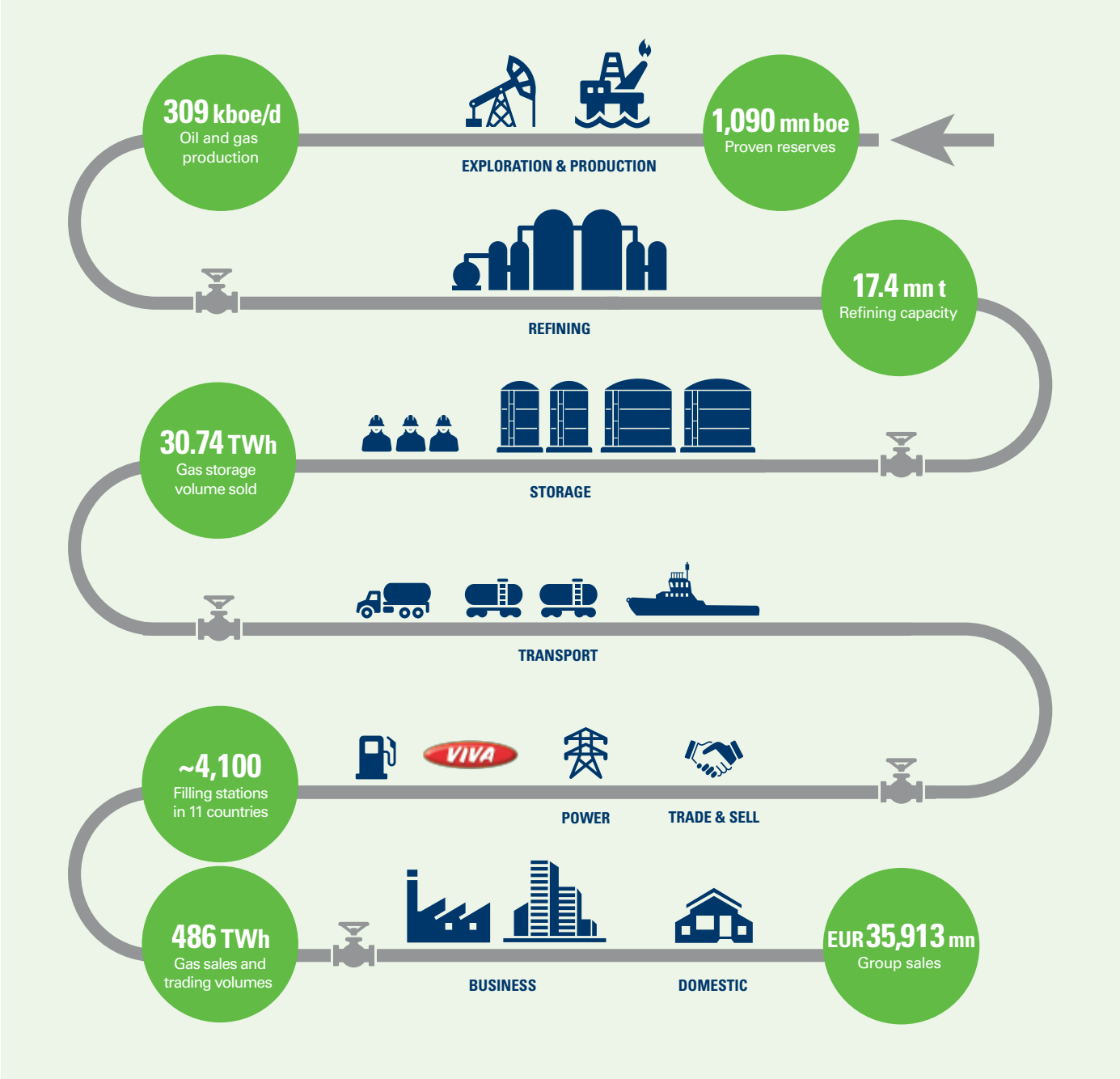
OMV is an integrated, international oil and gas company active in the Upstream (Exploration and Production) and Downstream (Gas and Power; Refining and Marketing including petrochemicals) businesses, present in around 30 countries.

The Supervisory Board of OMV reconfirmed our strategy in October, which continues to focus on growth in Upstream; furthermore, the decision was taken to combine the Gas and Power (G&P) and Refining and Marketing (R&M) business segments into a new business segment Downstream.

For more about OMV Group, please see this year's **Annual Report**.

Our business

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



The wider context in which we operate

Within the oil and gas industry, we face a sluggish demand, increased scrutiny and more stringent environmental and social requirements.

The wider context for the oil and gas sector

There are several independent sources of research and guidance that we reviewed as part of our reporting and materiality process (see more about our methodology on page 16).

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

We acknowledge that OMV, as well as the other players within the oil and gas industry, face challenges and opportunities in:

- Adapting to a growing supply and sluggish demand
- Managing the recent volatility in oil prices
- Facing increased competition and operational challenges in accessing and securing remaining conventional reserves
- Addressing regulatory constraints and business opportunities in developing lower-carbon energy sources, and transforming the energy market
- 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
- Proactively monitoring and managing political uncertainties and protect asset integrity and process safety in specific countries of operation

A focus on climate change and environmental risks

As an oil and gas company, environmental risks and opportunities cover regulatory, operational, reputational and financial drivers.

The main risks associated with climate change include: the impact of energy and climate policies; tighter rules on emissions trading; market price risk assessment concerning unknown future costs of CO_2; higher insurance premiums and related risks.

Managing environmental risks

Countermeasures to reduce the potential impact of all identified climate change risks have been evaluated and either planned or implemented. They include the following: the use of economic instruments such as emissions trading and carbon portfolio management; integrating the consideration of GHG emissions and climate change related issues in strategy and other key business processes; and operational and engineering measures (read more on page 25).

Specific risks relating to the EU Emission Trading Scheme

Our industry is facing stricter environmental regulatory requirements, notably in Europe in relation to the European Union's 2020 emissions reduction targets and the EU Emission Trading Scheme (EU ETS).

Risks related to the EU ETS are separately recorded and aggregated for the Group as a whole. Optimal compliance of our business with the requirements of the third phase of the EU ETS legislation remained in focus. We follow an integrated approach to improve the effectiveness of the monitoring and reporting process on EU ETS installations and have prepared business unit specific trading strategies. We will continue to actively monitor legal developments as well as any amendments to Emissions Trading Schemes with potential impact on our business.

Our sustainability strategy: Resourcefulness

Resourcefulness brings together all our responsibility commitments under one overarching strategy. Resourcefulness embraces health, safety, security, environment, diversity, business ethics, human rights and stakeholder engagement – and it is expressed in the three key focus areas illustrated below.

Supporting the business strategy

Resourcefulness is our way of achieving profitable growth in a sustainable and responsible way. It enhances our strategy "Profitable Growth", and creates long-term win-win situations for the society, the environment and OMV.

The structure of Resourcefulness encompasses all of our areas of focus

How we manage sustainability

Sustainability is effectively managed and overseen by two governance bodies: the Resourcefulness Executive Team and the Resourcefulness Advisory Board.

Resourcefulness Executive Team (RET) – The internal implementation
Chaired by the CEO and steered by the Corporate Sustainability department, the Resourcefulness Executive Team includes Senior Vice Presidents, Vice Presidents and Head of Departments, representing all businesses and representatives of each of the Resourcefulness strategic areas (Eco-Efficiency, Eco-Innovation, Skills to Succeed, Stakeholder Engagement, HSSE, Business Ethics, Human Rights, Diversity). RET meets in general four to six times every year (four times in 2014) and is responsible for developing OMV's sustainability strategy and its implementation into our operations.

The RET reviews and approves all sustainability-related projects and progress of implementation; is also the body that engages with the external Resourcefulness Advisory Board and translates their input and suggestions into OMV's strategy and activities.

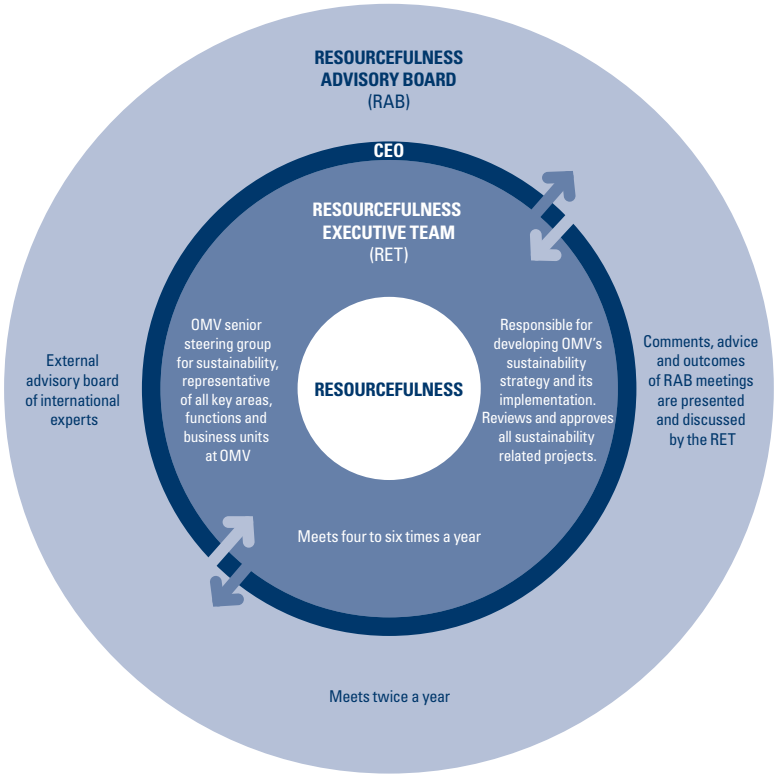
Resourcefulness Advisory Board (RAB) – The external perspective
The Resourcefulness Advisory Board is chaired by the CEO, as well and comprises ten high ranking international experts with academic and partly policy-making background and expertise in the area of Governance, Business Ethics, Human Rights, Diversity, Eco-Efficiency, Eco-Innovation and Skills to Succeed.

The RAB meets twice a year and provides expert advice on how to take OMV's sustainability strategy and performance forward. The members comment and suggest areas of improvement based on our sustainability performance. The outcomes from RAB meetings are always presented during the RET meetings and there are discussions on how to deal with the proposals and how to further design sustainability initiatives in order to take into account RAB recommendations.

The external Advisory Board plays a key role in challenging our activities and brings a crucial external perspective to our plans and progress. In addition, the RAB keeps OMV informed about challenges on long- term trends, developments, best practice and new research.

In addition, all management levels are involved in the implementation of the sustainability projects and Resourcefulness is integral part of our Management by Objective Programs.

Methods and tools to make the effects of Resourcefulness measureable enables us to take the best decisions for OMV, environment and our stakeholders. Therefore, OMV developed a set of KPIs for all Resourcefulness strategic areas (Eco-Innovation, Eco-Efficiency, Skills to Succeed, Stakeholder Engagement, HSSE, Business Ethics, Human Rights, Diversity) that helps us steering sustainability throughout the organization.



Our overarching approach to sustainability
Eco-Innovation

EUR **25** mn
Research and development expenses in 2014

EUR **46** mn
Demonstration expenses in 2014

What's it all about?

In order to meet the challenges of the future, we invest in the research and development of new energy sources and technologies. The attention of our activities is directed towards improving the efficiency and use of future sources of energy.

In doing so, we focus on building the required fuelling infrastructure for hydrogen mobility, the indirect conversion of electricity into hydrogen and the direct conversion of solar energy into hydrogen, on the production of advanced biofuels for diesel and kerosene substitutes, as well as the chemical recycling of plastic waste at the end of its life span.

Our overarching approach to sustainability Eco-Innovation (continued)

Hydrogen Technology

On October 17, 2012 we opened the first public filling station in Austria. Hydrogen technologies will play a key role in the future. Together with our five partners in the H2 Mobility initiative, we have founded a common company, which will construct a nationwide hydrogen-refueling network for fuel cell powered electric vehicles in Germany. By the year 2023, the current network is expected to be expanded to about 400 hydrogen filling stations.

The Christian-Doppler Laboratory (CD-Lab) in Cambridge made good progress over the last two years in developing a more environmentally sound process for generating Synthesis Gas (SynGas) from carbon dioxide and water, a process which would be both renewable and CO_2 neutral. SynGas can be transformed into liquid fuel such as petrol or diesel and is widely used as a chemical feedstock. OMV funds around 50% of this research project at the CD-Lab. In addition CD-Labs are subsidized by the Austrian Federal Ministry of Science, Research and Economy and Austria's National Foundation for Research, Technology and Development.

The goal of the wind2hydrogen project is to establish the conditions needed to produce renewable hydrogen. Electric energy converted to hydrogen can be stored, transported or used, whenever it is convenient for customers. A 100 kW pilot plant will be installed at an OMV site mid-2015. The new development of a high-pressure PEM electrolyser (163 bar) also marks an innovative technological advance for incorporating the complex downstream compression of hydrogen into the process. The project has received funding from the Climate and Energy Fund and is part of the "Energy Mission Austria" program.

Advanced renewable biofuels

Our highly innovative second-generation BioCRACK™ plant at the Schwechat refinery has been operated successfully on a non-commercial scale in 2014. All tests also with alternative feedstocks, like straw, are now finished and the technology is functional, however commercially is not yet economical.

In Germany, we are part of a consortium, under the leadership of the research center Jülich, which aims to demonstrate that microalgae for the economically viable production of alternative aviation fuel can be cultivated in Germany. The AUFWIND project involves twelve partners from research and industry, with Jülich researchers investigating the suitability of biomass made from microalgae as a basis for the production of kerosene. This innovative undertaking will optimize the production of algae oil by assessing different photo bioreactor technologies and adapting them to Central European conditions. The project is evaluating whether the process is technologically, economically and ecologically feasible.

July 2014
Signing of Shareholder agreement to found H2 Mobility Germany

72%
Eco-Innovation share of total research expenditures in 2014

Our overarching approach to sustainability
Eco-Efficiency

25%
Improvement in energy efficiency at Petrobrazi refinery against 2009

683,000
t CO_2 eq.
Reduction, due to GHG projects since 2007

What's it all about?

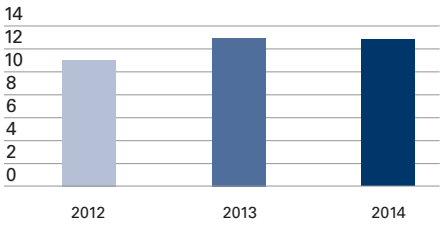
In order to secure the supply of energy, we produce and process oil and gas. We do this as efficiently and safely as possible. As the cleanest fossil fuel, we will focus on gas as the most important raw material for generating electricity and heat in Europe. A particular focus of our endeavors in the field of Eco-Efficiency is on carbon and water management.

Our overarching approach to sustainability
Eco-Efficiency (continued)

Carbon management

The oil and gas industry is an energy-intensive business, with energy accounting for a significant share of our operational costs. Improved energy efficiency is therefore a priority for OMV, not least because it also helps reduce GHG emissions. For this reason, our carbon strategy and GHG emissions reduction are key elements of our energy management. In 2008 we made a clear commitment to decrease the carbon intensity of activities where OMV is the operator by 2015, and we defined tangible targets. The carbon strategy is currently being reviewed and will be updated in line with the business strategy "Profitable Growth".

Greenhouse gas emissions (direct, Scope 1)
(mn t CO_2 equivalent)

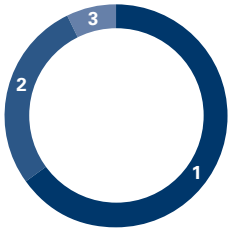


All OMV Group refineries have implemented certified energy management systems according to ISO 50001:2011. Systems and processes have been installed to establish energy objectives, monitor energy performance and continuously improve energy efficiency.

Water management

At OMV, efficient water use forms an integral part of all environmental and social impact assessments. The minimization of impact on water resources is taken into account both in the design of facilities and in environmental management plans.

Water withdrawal by source



	mn m³
1. Groundwater	25.7
2. Surface water	10.9
3. Water from public supply systems	2.8
Total water withdrawn	39.4

Scarcity of water resources is a specific environmental challenge at several of our sites, especially in our block S2 in the Yemeni desert. We installed a new wastewater treatment unit that enables us to use the treated water for irrigation and dust control.

In Austria, Pakistan, Libya and Kazakhstan, OMV re-injects 100% of all produced water after appropriate treatment and in Romania over 95%. The remaining quantities are treated and discharged. In New Zealand, produced water is discharged to the marine environment after having undergone treatment to meet the required discharge quality standards.

Focus on natural gas

Natural gas is the cleanest of all fossil fuels, therefore an appropriate positioning of natural gas is of high importance for OMV. We work to promote the use of gas in the energy sector.

Our overarching approach to sustainability
Skills to Succeed

4 KPIs
For local economic development

>82,000
Beneficiaries from Skills to Succeed projects

What's it all about?

In 2014, several new projects were initiated worldwide on technical education and vocational training with a focus on girls and entrepreneurial skills among men and women. In addition, key education and skill development projects that were contributing towards economic development of local community were continued from previous years.

Our overarching approach to sustainability
Skills to Succeed (continued)

Austria:
Technikqueens

By now 90% of industrial companies in Austria have problems finding enough qualified technical staff. On the other hand, women in technical jobs are still an exception. In Austria, the percentage of females in technical jobs is about 15% – OMV being at average. "Austria is looking for Technikqueens" is an initiative led by OMV to encourage girls to choose a technical career. Girls engage in an online and offline competition. The best participants receive scholarships, trainings, mentoring and have the opportunity to take part in internships at OMV. After the successful first round, the second generation was done in 2014 with more than 1,400 participants. For this round OMV was able to attract a new industrial partner and to expand the initiative even further.

Austria:
Technical Museum

In 2014, the Technical Museum Vienna opened a new "Oil and Natural Gas" exhibition area with technical and financial support from OMV in cooperation with the team of the Technical Museum. The exhibition area was built with the aim of getting kids, young people and adults informed and fascinated with the oil and gas industry. In total, 250 m² of exhibition space shows, from Austria's perspective, the interplay between oil, natural gas, human beings, the environment and technology.

Pakistan:
Women´s Empowerment Program

This program aims to empower women in the communities around the operational sites of OMV in Pakistan by providing them with access to quality education and equal economic opportunities. In 2014, OMV supported the first secondary school facility for 180 girls and 180 boys at Kathore. OMV also provided scholarships to eight girls to attend higher secondary school and engineering university scholarships to five girls in order to create female role models in these communities. OMV has initiated microfinance services as well as business development and management training programs with the aim to encourage 2,000 women to become entrepreneurs. Appointment of women engineers for the first time at field locations of OMV Pakistan and increasing the ratio of women in professional and management positions is another milestone achieved through this program.

Engaging with our stakeholders

OMV identifies its stakeholders (both individuals and institutions) based on those who might be affected by OMV's services, operations and products and who have an influence and interest in successful or unsuccessful outcomes.

Our key stakeholders

The following groups have been identified as key stakeholders. These are essential to our operations and our ability to grow business.

Our key stakeholders are (alphabetic order):

- Academic and research institutions
- Authorities
- Business partners
- Competitors
- Customers
- Industry associations/networks
- Local communities
- Media
- NGOs/NPOs
- OMV employees
- Shareholders/Capital markets
- Society
- Suppliers and contractors

Once identified, stakeholders have been prioritized 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 sociopolitical context.

How we engage with our stakeholders

Because sustainability requires effective engagement with internal and external stakeholders, it enables us to better anticipate and take advantage of fast-changing operating conditions and societal expectations, such as those relating to civil society, communities and academia.

Stakeholder dialogue at OMV is about regular interactions and building mutually beneficial, long-term relationships.

Our stakeholder management process centers around identification, prioritization, interactions with stakeholders (definition and execution) as well as monitoring.

As stipulated in internal regulations, we create stakeholder engagement plans for business projects. This typically comprises a description of the project's stakeholders, together with an assessment of their expectations and how we can manage best the situation. We measure and monitor our stakeholder engagement plans on a regular basis. The frequency of our engagement depends on the specific project requirements and on the involvement of our stakeholders. This may vary from several times per month to once a year.

To address GRI G4 requirements for this report, we led a stakeholder consultation and materiality process. See page 16 for more detail.

What we achieved in 2014

In 2014, OMV Petrom held a major dialog event with stakeholders in Bucharest, with 132 internal and external participants selected from key stakeholder groups including employees, business partners, clients, suppliers, associations and consultants, NGOs, universities, banks and authorities.

8
Stakeholder analysis workshops conducted in 2014

8,166
Stakeholders listed in our stakeholder database on December 31, 2014

Prioritizing our material issues

Following the Global Reporting Initiative (GRI) G4 guidelines, we put materiality at the heart of our sustainability reporting.

We led a stakeholder consultation and materiality analysis in 2014 that looked to identify and prioritize what matters most to us and to our most important stakeholders.

This process was a great opportunity for us to identify, prioritize, consult and engage with key internal and external stakeholders.

Leading a wide consultation with them (see detail on page 17) on sustainability-related topics helped us to rank and detail our material issues into 18 distinctive issues.

This gave us greater clarity on the environmental, social and governance issues we needed to be focusing on – in our sustainability reporting and beyond.

What it means for our sustainability reporting

This means that, in this report, we disclose with more prominence and detail the issues that were surfaced as being most material to us, which results in a more strategic and streamlined Sustainability Report. We still do report on selected issues that were ranked as moderate or of lower importance, but without the same level of detail and prominence as those prioritized as being of high importance.

Our materiality matrix

High importance

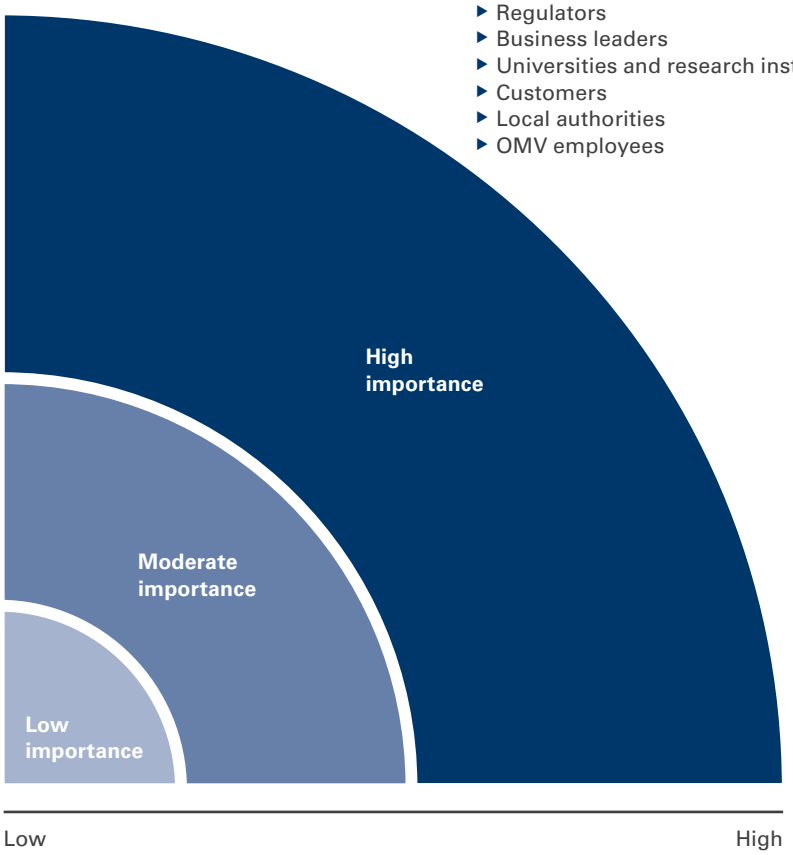
- Health and Safety
- Oil spills
- Security
- Business ethics and corruption
- Energy efficiency
- Regulatory environment
- Employee attraction, retention and training
- Impacts of climate change
- Governance
- Community engagement
- Diversity
- Human rights

Moderate importance

- Water management
- Renewable energy
- Supply chain management
- Research and development

Low importance

- Unconventional energy sources
- Biodiversity



Stakeholders consulted

- Financial and SRI analysts
- NGOs
- Suppliers and contractors
- Regulators
- Business leaders
- Universities and research institutes
- Customers
- Local authorities
- OMV employees

Our materiality process in details

The stakeholder consultation and materiality analysis we led in 2014 is detailed below.

Scope of work

The boundaries of our 2014 Sustainability Report differ slightly from the scope of work of our materiality analysis. To make this materiality process relevant and representative, as well as practical and efficient, we consulted key internal and external stakeholders in our main countries of operation, namely Austria, Romania and Turkey.

We consider that the outcomes of our materiality process are relevant for all OMV Group's entities covered in this report.

Research and benchmark

First, we benchmarked against our peers and reviewed independent research on sustainability-related risks and opportunities – both at global and sector levels. We also led desk research on latest sustainability trends and media coverage on sector specific sustainability topics.

During this initial phase, we also assessed existing, future and potential regulations, as well as voluntary and mandatory agreements relevant to our sector, stakeholders and countries of operation.

Prioritizing stakeholders to consult

OMV interacts with a wide range of stakeholder groups (see page 16). For the purpose of this materiality analysis, we prioritized the stakeholder groups and individuals to be consulted based on the following criteria: whether they were readers and key audiences of our sustainability reporting; their contribution to the reporting process; and their interest and influence on its outcomes.

As a result, and following consultation with key functions at OMV, we identified key stakeholder groups (and specific subgroups) for our materiality process and sustainability reporting (see page 15).

Prioritize the issues for the consultation

To select the issues we have asked stakeholders to rank in order of importance, we took into account the following sources of information: the outcomes of the research, benchmark and media review; the issues recognized as material to our sector by independent organizations and publications; our latest materiality analysis; the pillars of our Sustainability strategy Resourcefulness; and our business strategy "Profitable Growth".

We followed the guidance of GRI G4 to ensure we made a clear distinction between risks, opportunities and material issues.

>400
Stakeholders consulted for our materiality analysis

Stakeholder consultation and ranking of material issues

We invited more than 400 internal and external stakeholders to engage with us – through face-to-face and phone interviews and an online survey. We asked them all to rank the issues as being of no, low, moderate or high importance.

We also asked them to specify or add any other issues they saw as being of high importance to us. This is how, for example, Diversity became a separate material issue which has now been added to the final matrix.

The internal stakeholders we consulted cover a representative sample of all key Group functions (e.g. HSSE, Legal, Controlling, Finance, Human Resources, Business Ethics, and Strategy) and our business divisions. The level of seniority of those consulted internally includes Senior Vice Presidents, Vice Presidents and senior executives, as well as other employees.

The external stakeholders (see list on page 16) we consulted represented international, national and local organizations and institutions.

What's next?

We will update, refresh and review our research (benchmark, media review and independent research papers) every year. We intend to run a comprehensive materiality analysis every three years, from 2014.

Areas of focus

Health, Safety and Security
How we create a safe and healthy work environment for our employees and our contractors through dedicated training, risk and process management

Page 19

Environmental Management
How we take a precautionary and proactive approach to environmental, energy and GHG management in order to minimize our impacts

Page 25

Employee Development and Diversity
How we strive to make OMV an employer of choice by offering people the right opportunities for growth, rewarding excellence and promoting dialog

Page 34

Business Ethics
How we promote a proactive commitment to honesty and integrity throughout the business through clear policies and a zero tolerance approach

Page 40

Human Rights
How we support the respect of human rights through an approach that focuses on awareness-raising, due diligence and grievance mechanisms

Page 45

Community Relations
How we establish and maintain good relationships with local communities

Page 49

Supply Chain Management
How we encourage sustainability throughout the supply chain by monitoring and assessing the performance of our suppliers

Page 53

Risk Management and Public Affairs
How we control and mitigate risk at all organizational levels

Page 56

Health, Safety and Security

Our focus areas

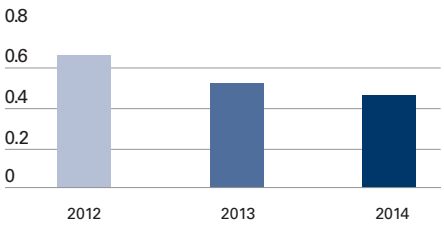
Health
Keeping high standards of occupational health and carrying out health promotion programs

Safety
Guaranteeing the well-being and safety of our employees through robust risk management, safe working places and training

Security and Resilience
Continue to improve our intelligence led security strategy to support our business

Performance

Lost-time injury rate (own employees)
(LTIR)



>281,000
HSSE training hours

135,106
Medical consultations provided

>1,700
Emergency drills

Health

Our HSSE Policy outlines also 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.

Key health-related risks

The results of the Health Risk Assessment for OMV employees on-site showed that employees on the ground are exposed to chemical and physical factors, such as heat, cold and vibrations. Besides those factors that are standard to people working on-site in the oil and gas industry, we also acknowledge that psychological strains should be observed. The work of OMV Health teams aims at assessing these risks and working together with HSSE and line managers to mitigate them and to raise awareness amongst employees on how to protect themselves.

Managing health at OMV

We have a dedicated Health Management Department (HMD) to promote and raise awareness of the importance of occupational health.

During 2014, the HMD focused on carrying out health audits to ensure the adherence to Health Standards and work procedures, such as preventive medicine and emergency care worldwide. HMD updated and expanded its existing knowledge management database of risk factors that can influence the health of employees. For example, local clinics gather scientific information relating to hazardous working substance.

International Medical Services

In autumn 2014, we established a new International Medical Services department to support our existing health initiatives worldwide and to help set up an appropriate medical infrastructure in both new ventures and major projects.

Medical emergency resilience

We placed strong emphasis on medical emergency resilience during the year. The first link in the chain of survival is First Aid, and we therefore focus on First Aid training in our facilities worldwide, working in collaboration with competent partners such as medical schools and national emergency organizations.

Preventive programs, training and vaccinations

As in previous years, in 2014 we continued to focus on preventative projects to raise health awareness among our workforce. For example, in Romania we carried out cardiovascular and a liver disease screening program, attended by 9,400 employees. We also supported employee vaccinations for flu, hepatitis and tick-borne encephalitis, tailoring the vaccination program to meet specific local needs.

OMV Austria, in Gänserndorf is running a health circle, where interested employees gather four times a year to address work-related health issues to co-create tailor-made solutions in collaboration with the local health team. In the last year they worked together on issues such as skin protection, muscular-skeletal prevention and workplace health promotion.

Awareness campaigns in OMV Petrom

- "Act now. Save a life! Heart attack can't wait". The campaign focused on cardiovascular emergencies and included 36 sessions with cardiologists, with over 1,600 employees participating in 23 different locations.
- "Health:On!" campaign in October 2014. This interactive communication platform aims to change employee attitudes to health, while encouraging take-up of our various health programs. The benefits of "Health:On!" were communicated via a roadshow in 16 OMV Petrom sites, reaching over 1,300 participants.

Safety

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

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

Our commitment to safety is expressed in the Golden Rules (see page 61), the product of an industry-wide study of the causes of incidents and fatalities.

HSSE Management System

In 2014, we rolled-out a new Hazardous Substance Management Standard, as well as a Pre-Start-up Safety Requirements Standard, Group-wide.

Additionally, we released a set of standards which defined our Safe System of Work requirements across the E&P organization. Audits and assessments assure implementation of our standards and are used to identify the appropriate actions and track progress, ensuring a sustainable improvement in safety throughout the business. The Action Item Response Rate (AIRR) is incorporated in senior management targets. In 2014, we achieved an AIRR of 82%.

Training

We have developed and commenced the roll-out of specific training initiatives to raise awareness of the most frequent causes of injuries.

Seven computer-based training modules relating to basic process safety knowledge are now available to all staff, in a range of different languages. More than 1,800 of these trainings were completed.

Key actions in process safety

According to our Process Safety Management Roadmap 2012–2016, we have targeted and achieved a significant increase in reporting of Process Safety Indicators. In 2014, the reporting of Tier 3 process safety events rose from 1,317 in 2013 to 5,304.

We have maintained momentum in implementing actions indicated by risk assessments as well as internal and external audits, especially related to Major Accidents Events.

Our approach to occupational safety

Our current Lost-Time Injury Rate (LTIR) for our own employees and contractors improved to 0.44 in 2014 (2013: 0.52). Active involvement of senior management in the investigation and analysis of serious and high potential incidents is essential to ensure that lessons learned are shared and actions implemented throughout 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. In 2014, around 200,000 unsafe conditions and behavior reports were collected in our reporting system.

Road safety

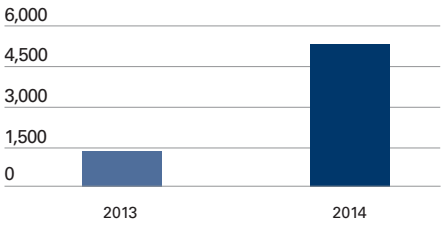
We have developed a Group-wide Personal Transportation Standard, which includes vehicle specifications, and this is currently in consultation with the business divisions. Defensive driving improves road safety and in 2014 we completed more than 2,600 training modules to enhance this skill Group-wide.

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.

We are saddened to have lost two employees and one contractor in work-related accidents during 2014, two by electrocution and one by falling from height. These tragedies are unambiguous reminders for everybody in the Company to integrate the "safety first principle" in all of our activities.

Reporting of Tier 3 events
(Number of reports)



~200,000
Unsafe conditions and behavior reports collected

Security and Resilience

By its nature and the countries it operates within, the oil and gas industry is subject to political and security risks.

We mitigate these risks via an intelligence-led security strategy which generates accurate and timely information on the current situation in the countries and regions where we operate.

International and industry-led cooperation on security

We maintain close contact with authorities and information providers. Through OMV's experts we are member of ASIS International and the International Association of Oil and Gas Producers' (IOGP) International Security Committee. We also participate in critical infrastructure initiatives driven by the European Union, Austria and NATO.

Managing security at OMV

Working in conjunction with other internal functions, the Security and Resilience Department provides and implements standards and training programs that secure our people, our critical assets and our production. The department also defines a transparent, standardized process that includes how we manage private and public security contractors at our operating sites.

Every country where we consider establishing operations is subject to a rigorous security and resilience assessment by the team. This is particularly relevant in parts of the world where widespread political upheaval and social unrest can quickly become a part of everyday life.

For example, the Arab Spring has created a diverse set of security challenges across North Africa, ranging from the failed state that is Libya to the fledgling democracy in Tunisia.

The Security and Resilience Department enables our operations to succeed in challenging environments such as these. We monitored very closely the security situation and performed orderly evacuations in Libya, as well as in the Kurdistan Region of Iraq and we managed to ensure security of our employees and business continuity.

It is a sad reality that the current security landscapes in several countries where we operate include the threat of kidnapping. We are proactively addressing this issue by providing a Kidnap and Response (K&R) training package aimed at educating our people about the threat they face and how best to avoid it.

Ensuring the security of our people

With regards to our operations in high-risk countries, we maintain a close working relationship with our security intelligence providers. This enables proactive decisions regarding security protection (e.g. in Tunisia we detected an increased threat facing our operations in the southern dessert and we were quickly able to make appropriate enhancements to our protective measures).

To ensure the security of our colleagues while they travel, OMV Security has pioneered the introduction of an integrated Travel Security Platform which provides advice, approval and support while travelling.

We ensure our readiness for emergencies by carrying out regular drills, establishing key processes and making sure that all staff and external parties are appropriately trained.

Achievements and targets – Health and Safety

What we planned
for 2014

What we did
in 2014

What we will do
in 2015 (and after)

Health

What we planned

- Update the Health Risk Assessments (HRA)
- Carry out further audits to ensure that by 2015 all our clinics will be visited by the Corporate Health Management team at least once every three years
- Develop new health awareness programs
- Organize a meeting of international doctors to facilitate the exchange of know-how within the international medical workforce

What we did

- HRA info was developed, sent out to international staff and carried out
- 19 clinics were audited by Corporate Health Management
- Staff and self-audits were received from 51 clinics
- Developed health promotion programs on "healthy living", "healthy skin", "computer work and eye" and "dental care"

What we will do

- Develop first material for health promotion and awareness campaigns on "fatigue and travel related strain"
- Develop material for medical staff on new guidelines for First Aid and Resuscitation
- Carry out health audits, according to audit plan
- Raise awareness on "Health as an asset"
- Develop material for medical staff on "Health & Environment"

Safety

What we planned

- Implement HSSE risk management approach into routine operational activities
- Improve hazard awareness and management of safety competencies
- Strengthen OMV HSSE regulations system by analyzing process landscape and filling gaps
- Continue to improve: transportation and road safety; contractor safety management; and our analysis of high potential incidents to ensure learning from events

What we did

- Rolled-out the HSSE Risk Management Package Group-wide
- Provided computer-based training on process safety management
- Started awareness training on 'Caught between/Struck by' and transportation risk
- Rolled-out standards on Pre-Start-up Safety Requirements and Hazardous Substance Management Group-wide. Achieved a further increase in participation by top management in incident investigations, with renewed focus on high potential incidents

What we will do

- Provide and roll-out additional training and awareness material supporting our Vision "ZERO Harm – NO Losses"
- Develop composite safety performance indicators to further improve safety performance
- Consolidate Major Accident Prevention by extending the Process Safety Management Plan to 2020

Achievements and targets – Security and Resilience

What we planned
for 2014

- Identify existing and future sources of security risks by establishing security management systems and developing threat assessment systems
- Integrate security measures into business and investment decisions
- Ensure business resilience in the event of emergencies

What we did
in 2014

- Introduced a Capital Project Management process which has defined security deliverables per project phase and includes nominated discipline authorities
- Carried out a crisis exercise in E&P through a scenario based on the In Amenas (Algeria) attack
- Rolled-out the new harmonized Security Risk Assessment process
- Implemented Travel Security Platform within OMV to ensure duty of care
- Provided Kidnap and Response (K&R) training sessions in high-risk countries

What we will do
in 2015 (and after)

- Ensure efficient implementation of security standards across the Group via the implementation of an auditable process to support corporate governance and duty of care
- Strengthen the integration of the intelligence information platform
- Further enhance our OMV traveler security via our Travel Security Management System and related training initiatives

Environmental Management

Our focus areas

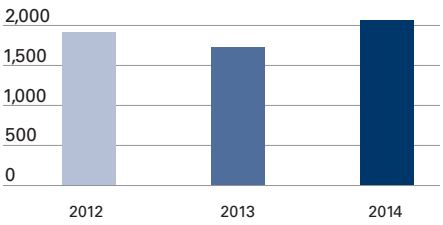
Environmental Risk Management
Continue roll-out to further identify, assess and manage environmental risks

Carbon management
Revise the OMV Group carbon strategy and develop operating procedures for GHG accounting and reporting in all E&P ventures

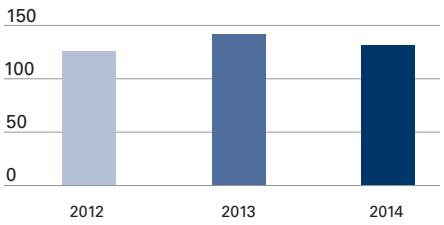
Water management
Develop a Water Strategy and establish a roadmap to 2021

Performance

Hydrocarbon Spills
(number of spills)



Energy Consumption
(in PJ)



EUR 67 mn
Spent on integrated pollution prevention

EUR 36 mn
Direct measures to reduce environmental impact

99B
CDP score increased from 81B in 2013

Environmental management (continued)

Certifications
OMV Refining and Petrochemicals business is covered by a Central Integrated Management System (C-IMS) which also meets the requirements of ISO 14001, ISO 9001, ISO 50001 and OHSAS 18001. In the future, OMV Petrom's Petrobrazi refinery will also be included in the C-IMS.

All OMV Petrol Ofisi terminals and the lubricants plant are certified according to ISO 9001, ISO 14001 and OHSAS 18001.

OMV Deutschland GmbH holds a certification according to EMAS III (Eco Management and Audit Scheme).

OMV E&P Pakistan and OMV E&P UK are both externally certified according to ISO 14001.

Standards and targets
Annual targets are set and deployed within all business segments. At the corporate level, the monitoring of environmental KPIs is embedded in our standardized, regular reporting processes.

Group-wide environmental regulations, management tools and reporting enable us to improve the environmental performance. All OMV operations are required to set up and maintain an environmental management system in accordance with ISO 14001. At the same time, ongoing training and internal communication programs ensure that we share the best environmental management practices.

Internal communication
In 2014, the focus of our Group-wide communication was on topics such as managing biodiversity, flaring and venting, energy and water.

We have established a Group-wide environmental network composed of environmental experts from all our divisions.

Through this network, we are working to improve the way we manage environmental impacts and engage with environmental protection issues.

Risks
In 2014, we continued the roll-out of the framework and methodology for the coordinated Group-wide environmental risk assessment. This framework is based on best practice standards and meets the requirements of ISO 14001. It ensures the consistent qualitative assessment of operational risks and impacts related to the environment.

The resulting environmental risk register also includes information on existing controls of environmental risks, as well as further actions required. The significant risks will be integrated into the Enterprise Wide Risk Management (EWRM).

The evaluation of possible impact on the environment of our upcoming upstream activities was improved by the performance of high-level environmental risk assessments for new country entries. These include the evaluation of local legislation and the probable interference of the activity with sensitive and protected areas and endangered species.

Oil spills and leakages
The Group's objective is to prevent and reduce oil spills and leakages. In 2014, we recorded seven major hydrocarbon spills, L3–L5 according to our internal definition (five in OMV Petrom and two in OMV Petrol Ofisi) and 2,056 minor releases (2013: zero and 1,715 respectively).

Hydrocarbon spillage was around 150,000 liters (2013: around 52,000 liters). In 2014, spills and leakages were the result of process safety incidents, primarily caused by corrosion of aging infrastructure or security incidents.

In 2014, in Norway, OMV successfully tested its ability to handle a serious offshore spill by organizing a desktop exercise with the involvement of external parties (e.g. authorities, media). The exercise was executed as a preparation for the upcoming drilling operations in the Barents Sea.

OMV follows best practice in the industry and goes beyond the legal requirements. For example, in the Wisting wells drilled, OMV installed the latest technology for oil spill detection and a monitoring system on the supply boat which can detect spills 24/7 and are more efficient than traditional infrared cameras and oil spill radars.

Environmental management (continued)

Waste management

OMV activities generate solid and liquid wastes, including oily sludges, waste chemicals, spent catalysts and construction debris.

OMV Petrom has a detailed program underway to create an appropriate waste infrastructure for the cleaning up of contaminated soil, as well as the abandonment of around 26,000 oil wells and 1,100 production facilities. Under this program, OMV Petrom E&P has now created a total of eleven bioremediation plants and four landfill sites.

The mud from drilling is reused whenever practical, in line with waste minimization and management plans. In OMV E&P 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 the drilling operations, OMV uses water-based drilling fluids wherever technically feasible. 90% of the drilling mud and cuttings generated by OMV E&P operations is water-based (other 10%: non-aqueous drilling fluids, NADF). We no longer use any diesel-based drilling fluids anywhere in our operations.

Biodiversity and land use

We undertake environmental impact assessments and evaluate biodiversity impacts before launching new projects or establishing new operations. If our activities are close to vulnerable populations or ecosystems, we monitor them carefully to ensure that our operations cause no adverse impact.

Biodiversity screenings

We have conducted our first detailed biodiversity screenings to identify overlaps between operational areas, protected areas and habitats of endangered species. This data is important because it helps us to identify high-risk areas and to define next steps for managing potential biodiversity issues.

23%
Reduction in total waste generated (2014 compared to 2013)

Energy and carbon management

Our industry is energy-intensive, with energy costs accounting for a significant share of our operational costs. By improving the way we use energy, we can cut costs as well as reduce GHG emissions.

In 2014, our total energy consumption was 130.5 PJ (2013: 141.5 PJ), with purchased energy such as electricity and heat accounting for only 4.2% of that consumption.

In 2014, OMV Petrom Group's Energy Management System was certified according to ISO 50001. This certification covers all Upstream and Downstream business activities in OMV Petrom. Besides OMV Petrom, Schwechat refinery, Burghausen refinery and Gas Connect Austria are also certified according to ISO 50001.

Reducing our greenhouse gas emissions

Our carbon strategy is currently under review. We continue to focus on complete and accurate accounting of our Upstream GHG emissions, as well as flaring and venting reduction projects.

We have implemented a new E&P Environmental Standard, which incorporates a zero flaring and venting policy for new projects (except for safety purposes).

We have adopted GHG intensity (tons of CO_2 equivalent/toe) as a KPI for E&P, and this is now being reported quarterly by each venture.

Carbon Strategy

We have defined our carbon strategy in 2007 and have set ourselves the following key targets to be achieved in 2015:

- We will use efficiency improvements to reduce direct GHG emissions (Scope 1) from E&P and R&M by 1 mn t CO_2 equivalent or by at least 10% compared to a 2007 baseline.
- We will deploy state-of-the-art technology to limit the power generation portfolio to no more than 0.37 t CO_2 per MWh.

Direct GHG emissions (Scope 1)

In 2014, emission levels of carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O) directly related to our operations (Scope 1) were 12.8 mn t CO_2 equivalent (2013: 12.9 mn t CO_2 equivalent). The other GHGs are not at all relevant to our business and have therefore not been included in our figures.

Since 2007 (Carbon Strategy baseline) around 683,000 t CO_2 equivalent (Scope 1) have been reduced in OMV Group as a direct result of initiatives to reduce emissions. The strongest contributor to these savings since 2007 has been our R&M business.

R&M

Since 2007, initiatives introduced by our R&M business have generated total annual savings of more than 580,000 t CO_2 equivalent, with the restructuring of the Petrobrazi refinery contributing savings of around 424,000 t CO_2 equivalent. R&M has identified opportunities for a further reduction of around 100,000 t CO_2 equivalent in 2015.

E&P

Since 2007, GHG emissions and energy reduction projects at E&P have saved around 103,000 t CO_2 emissions. E&P has identified opportunities for a further reduction of around 335,000 t CO_2 equivalent in 2015.

Improving energy efficiency at the Petrobrazi refinery, Romania

In 2014, OMV Petrom successfully completed the modernization of the Petrobrazi refinery, a process that began in 2010. This will improve total energy efficiency by 25% against 2009. The key actions in 2014 were: improving the performance of Atmospheric and Vacuum Distillation's (DAV) furnaces (we expect a reduction of around 30,000 t/year in CO_2 emissions), improving heat integration in Fluid Catalytic Cracking (FCC) and optimizing fuel gas consumption.

25%
Improvement in energy efficiency at the Petrobrazi refinery against 2009

Energy and carbon management (continued)

Indirect GHG emissions (Scope 2)

Scope 2 emissions, which relate to purchased electricity and heat, account for only 0.24% of our total GHG emissions.

Our Scope 2 emissions are primarily caused by the E&P and R&M divisions, both energy-intensive.

Other indirect GHG emissions (Scope 3)

Scope 3 emissions that derive from the use and processing of sold products are material to OMV and have therefore been reported. However, not all Scope 3 emissions (such as emissions related to employee business travel and logistics) are material and have therefore been excluded from this report.

In 2014, our Scope 3 emissions decreased to around 112 mn t CO_2 equivalent (2013: 174 mn t CO_2 equivalent). This figure relates to the total product sales volumes of all our fully consolidated companies.

Direct CO_2 emissions subject to the EU Emissions Trading Scheme

OMV is subject to the EU ETS (EU Emissions Trading Scheme). At the end of 2014, 17 of our operating installations were included in the scheme: six in Austria, one in Germany and ten in Romania. Around 43% of the direct GHG emissions of OMV (5.5 mn t) were CO_2 emissions from installations covered by the EU ETS.

~43%
Of OMV's direct GHG emissions are covered by the EU ETS

130.5 PJ
Total energy consumption

683,000 t CO_2 eq.
Reduction, due to GHG projects since 2007

Flare gas reduction in Tunisia

As the operator of the Cherouq concession, we have started a flare gas reduction project at the Waha Central Processing Facility (CPF), leading to GHG savings of around 113,000 t CO_2 equivalent p.a..

E&P energy efficiency program

OMV Petrom E&P has implemented projects to co-generate heat and electricity (CHP) or electricity only (Gas to Power – G2P). These projects supplied approximately 50% of the annual electricity consumption of OMV Petrom E&P's onshore assets and reduced the indirect CO_2 emissions by around 95,000 t in 2014.

Water management

We use water from various sources for steam generation, cooling and industrial processing. We base the way in which we manage water resources and effluents on corporate standards that include optimizing processes for efficient water consumption and identifying alternative water supplies.

However, water scarcity and the demand on limited fresh water supplies are likely to intensify, and this means that an effective water management is essential for us. In 2014, we therefore developed a water management framework that includes a Water Ambition Statement and a Water Strategy 2021.

Our five high-level objectives outlined in our Water Ambition Statement are:

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

The three-staged implementation phase of the water strategy: short, mid and long-term is defined in our strategic roadmap 2021 based on five strategy pillars:

- Transparency – Improve water data availability and quality and demonstrate continuous improvement in Water Disclosure as an integrated Oil and Gas company.
- Risks and Opportunities – Understand and manage water-related risks for all current sites and future operations and ensure legal compliance.
- Water Efficiency and Treatment – Reduce freshwater withdrawal intensity and improve water discharge quality of activities where OMV is the operator and utilize current and future water supplies sustainably.
- Training and Awareness – Create water awareness and capabilities throughout the organization.
- Engaging with stakeholders – Build trustful relationships on water issues with external stakeholders and uphold the human right for water in relation to our business activities.

In addition, we carried out Group-wide water-related risk assessments to identify water scarcity and water stress hotspots, and to create water risk profiles in all operations. Actual and/or potential water scarcity and water stress hotspots were identified for Kazakhstan, Pakistan, Tunisia, Yemen and parts of Turkey.

We led these assessments by using the IPIECA Global Water Tool and the Water Risk Filter. In one pilot site we also used, in addition, the Local Water Tool for Oil and Gas provided by the Global Environmental Management Initiative (GEMI) and IPIECA. Further detailed local water risk assessments will be carried out in future, starting in 2015 with an identified high priority site.

39.5 mn m³
Total water withdrawal

Biofuels

All biofuel volumes purchased by OMV in 2014 complied with the highest sustainability standards in accordance with the Renewable Energy Directive (2009/28/EC) of the European Union.

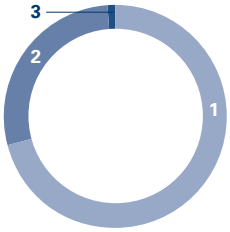
The requirements are focused on applying sufficient environmental and social principles along the entire supply chain of biofuels in order to prevent any sustainability-related issues. EU Member states had to implement the regulation into national law and also to accept International Certification schemes over the last years.

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 currently does not include sustainability requirements.

OMV R&M is the first 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 R&M, demonstrating our compliance with the highest legal sustainability standards. Beside, that, OMV Hungary, OMV Czech Republic and OMV Slovenia are also certified according to the ISCC-EU standard.

2014 Biofuel volumes
(in kt)



1. FAME	**391**
2. Ethanol	**154**
3. HVO	**5**

Product responsibility

Our objective is to provide products that meet our customers' quality and cost objectives, with environmental, health and safety issues integral aspects of managing product quality throughout the manufacturing and sales process.

For example, all of the gasoline and diesel sold by OMV is sulfur-free (sulfur content <10 mg/kg). When we assess our Research and Development projects, we focus on potential CO_2 emissions.

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 the 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, Labelling 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.

Achievements and targets – Environmental Management

What we planned
for 2014

- Revise Carbon Strategy and develop operating procedures for GHG accounting and reporting in all E&P ventures
- Develop Water Strategy and established roadmap to 2021
- Continue roll out of Environmental Risk Assessment methodology

What we did
in 2014

- Implemented a new E&P Environmental Standard with a zero continuous flaring and venting policy (except for safety purposes)
- Established GHG intensity and energy intensity as KPIs in the Upstream business
- Implemented numerous GHG and energy reduction projects
- Developed flaring and venting reduction action plans across OMV Petrom E&P
- Implementation of Gas Valorization Project in Waha facilities allowed OMV to significantly reduce gas flaring in South Tunisia.
- Carried out a flaring reduction opportunity study in Yemen
- Identified high-level water-related impacts and commenced the development of a water ambition statement
- Implemented Energy Management Systems in Austria, Gas Connect Austria and OMV Petrom
- Continued roll-out of Environmental Risk Assessment methodology

What we will do
in 2015 (and after)

- Finalize the review of the OMV Carbon Strategy
- Further improve efficiency to reduce direct GHG emissions from E&P and R&M to contribute to the Scope 1 Carbon Strategy reduction target (1 mn t CO_2 equivalent or by at least 10% compared to a 2007 baseline)
- Continue with flaring and venting reduction projects
- Following further upgrades of Waha facilities as well as construction of Anaguid Trunkline OMV plans to stop routine flaring in operated concessions in South Tunisia
- Continue the strong focus on energy efficiency
- Implement Water Strategy and roadmap to 2021
- Continue roll-out of Environmental Risk Assessment methodology

Employee Development and Diversity

Our focus areas

Diversity
Continue to improve both our international and gender diversity, targeting a situation where employees at Senior Vice Presidents level comprise 30% women and 50% internationals by 2020

Employee engagement
Encourage our people to take responsibility for individual Resourcefulness projects

Development and training
Invest in training and development opportunities for our people, ensuring that we attract and retain talented people at all levels

Performance

14.6%
Of employees at Senior Vice President level are women

723,445
Hours of training delivered in 2014

47.9%
Of employees at Senior Vice President level are internationals

Employee development

We have a solid framework of guidelines, principles and tools for skill pool management. This includes a wide range of proven processes, including those relating to recruitment, on-boarding, career mapping, development and succession planning.

In total, our E&P technical skill pool comprises 4,000 people (20% of the E&P employees), with a 30% increase since 2011.

Managing our skill pool

We have a team in place to manage our skill pool. And we work under the Company Agreement we signed with the Works Council. The team is also responsible for HR policies, transparency and reporting on those issues.

Managing our skill pool means being proactive in:

- Recruitment
- Inductions
- Career mapping
- Salary equality
- Mobility
- Health
- Evaluation
- Development and coaching
- Succession planning

Over the next two years, we continue to further align our Human Resources strategy with our business strategy. This will require our competency map to be 90% complete, with all employees filling in a competency evaluation.

Talent development

Talent development remains a key priority and in 2014 we launched three programs for a total of 85 high and executive potentials. In addition, 45 managers attended a management development program and 130 graduates commenced the integrated graduate development program.

Performance assessments

We believe that all employees should benefit from an annual performance review or an interview with their supervisor. In 2014, we reached 48.3% (bearing in mind performance reviews are not compulsory for all employee categories), thereof 33.4% females. 70% of the outcomes were recorded on our global IT tool.

Sponsoring Energy MBAs for our employees

Since 2012, we have sponsored 18 employees to study part time for an MBA, gaining managerial skills in the field of energy transition.

OMV Petrom Training Center

Our training program aims to meet both the current and future developmental needs of employees working in operational areas. By the end of 2014, around 3,900 OMV Petrom employees had received training.

Collaboration between OMV and TÜV Austria

We also have a vocational training center based at our site in Gänserndorf, OMV Austria. The training was delivered to more than 100 apprentices every year, with 35 apprentices commencing training in September 2014.

68
Employees in talent and leadership development programs actively implemented Resourcefulness projects

4,000
Employees in our skill pool

Talent attraction

Attracting the best talent

To attract the best talent, we focus on:

- Close cooperation with universities
- Participation on national and international fairs
- Clear communication in our channels in terms of diversity and career opportunities
- Providing top internship opportunities for graduates
- Clear communication of employer value proposition on our target markets and showing us as employer of choice

New hires

Recruiting the right mix of experienced and entry level people increases our diversity and gives us a balanced mix of experience and fresh ideas.

In 2013 and 2014 we hired 980 E&P technical skill pool experts.

Identifying future high potential talent

Group-wide Talent Development remained key priority during the year, in addition to strengthening the talent pipeline through a robust talent identification and review process. Three talent development programs were launched in 2014 for 85 high and executive potentials. Furthermore, a management development program in collaboration with IMD started with 45 managers. To meet future demand for the upstream experts, 130 newly hired university graduates started the integrated graduate development program.

Attracting talent through social media

Social media enables us to engage with a large number of employees and potential employees. We have around 30,000 followers on LinkedIn, primarily oil and gas experts. We are also active participants in the eFellows.net high potential student network, which has over 40,000 members.

We also use our "Whatchado" online platform to showcase videos and employee testimonials. "Whatchado" helps position OMV as a modern and attractive employer.

Scholarships

In partnership with Montan University Leoben (MUL), our International Petroleum Academy (IPA) aims to broaden our recruitment base. Last year, 16 students from five countries received scholarships through this partnership.

Attracting women

Our scholarship for women in technology initiative encourages women to purse technical studies. Each year, we award 15 scholarships to young women and during 2014 internships were also provided.

We also sponsor a Petroleum Engineering Bachelor degree program, with 26 students benefiting since 2012.

Building interest in science and technology

We are supporting the IMBA (Institute of Molecular Biotechnology GmbH) in the Vienna Open Lab, a molecular-biological and wet chemical laboratory. Our objective is to provide hands-on experience and generate more interest in science and technology among children and young people.

Initiatives at the lab include workshops on technologies similar to those we use in our operations. In 2014, we inspired around 7,500 participants.

980
E&P technical skill pool experts hired in 2014

Employee rewards, benefits and retention

Rights and obligations
The rights and obligations of our employees are set out in labor contracts. The vast majority of our employees (99.49%) have the right to exercise their freedom of association and collective bargaining. For 98.29% of our employees, minimum wages or salaries are fixed by law or agreed upon in collective bargaining agreements.

81.26% of our employees are represented by local trade unions or works councils.

Workforce and local employment
96.67% of our employees are covered by mandatory periods of notice under national employment laws, or bargaining agreements in cases of necessary restructuring.

Flexible and home working
We allow flexible and home working. For example, we have created a work-at-home option during periods of parental part-time work, in collaboration with the Works Council. A Home Office Agreement enables male and female employees to work half of their weekly working days at home and half at their OMV locations.

Employee stock ownership plan
We want employees to share in our success. Our "3+1" stock ownership plan means that for every three shares an employee purchases, OMV gives an additional one free of charge.

Worldwide, 1,145 people joined the scheme in 2014, with 238,580 shares purchased.

Pensions and health insurance
We provide Company pension plans for our employees. We also provide enhanced insurance protection for expatriates and their accompanying family members worldwide, as well as health insurance.

Benefits for commuters
We pay partial (50% gross) reimbursement of public transportation costs incurred by commuting employees.

Engaging employees with Resourcefulness
We encourage employees to fully embrace and take ownership of Resourcefulness, thereby embedding sustainability throughout OMV.

We focus on:
- In-house training programs to help employees understand what Resourcefulness means to them
- Integrating Resourcefulness targets into individual Management by Objectives plans; they now account for 10% of individual targets
- Promoting the ownership of Resourcefulness projects in our talent and executive development programs, to increase support for sustainability and create leaders able to deliver both profitability and sustainability

In 2014, participants on our Executive Challenge and Talent Challenge programs carried out 11 Resourcefulness projects, focusing on different areas of the strategy such as Skills to Succeed, Eco-Efficiency and Employees Engagement.

3,404
Resourcefulness targets built into individual Management by Objectives plans

81%
Employees represented by local trade unions or work councils

Diversity

OMV is committed to the Group's Diversity Strategy, which outlines two areas of focus from now until 2020: gender diversity and internationality.

Being active in an industry with a strong technical focus, it is particularly challenging for OMV to achieve a satisfactory gender balance across the business. Therefore, OMV is committed to supporting women's advancement to managerial positions. The strategic objective is to achieve the best diversity mix at senior management level, with a target of 30% female Senior Vice Presidents by 2020.

In the area of internationality, we have three KPIs in place that focus on a sound mix of local and non-local nationalities within the management boards of major OMV entities, and on Senior Vice President level overall.

On December 31, 2014, women held 14.6% of our Senior Vice Presidents positions, with international (non-Austrian) employees holding 47.9%.

Improvements have also been achieved with regard to the proportion of women within OMV's development programs: within the Integrated Graduate Development Program (IGD), from 29% in 2013 to 34% in 2014; and within OMV's talent development programs from 36% to 42%.

Initiatives supporting women's advancement and work-life balance

So far, a range of measures to foster diversity at OMV has been initiated and implemented successfully. In particular, OMV supports the recruitment and development of women in technical positions. Gender diversity measures include, for instance, scholarships for female students in technical fields. Further, OMV offers a mentoring program for female talents, which helps women grow personally and achieve professional goals.

Through new flexible working time models such as job-sharing, flexi-time and home office options, OMV is helping to improve the individual work-life balance and is supporting parents who would like to continue building their careers while working part time.

Salary equality

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 and revised each year in line with the local market situation.

30%
Target share of women at Senior Vice President level by 2020

>60
Different nationalities are employed by OMV today

Achievements and targets – Employee development and diversity

What we planned
for 2014

- Develop a structured and transparent framework for career discussions in regards to timelines for employees' careers moves and development
- Further increase internal job movements
- Continue engagement in sustainability activities
- Carry out more training on 200 days per year for around 3,600 employees
- Focus on key disciplines of electrical engineering instrumentation, mechanical operations, welding/ fabrication, well services and HSSE
- Build a more open and transparent communication culture around career development

What we did
in 2014

- HR transparency project implemented
- Maintained the level of job rotations in the range of 110.
- Continued to engage employees on sustainability topics
- Delivered more than 720,000 training hours and successfully set up of OMV Petrom technical training center
- Strengthened university collaborations with MUL and WU
- Agreement on new flexible time model and home office

What we will do
in 2015 (and after)

- Improve our performance culture
- Continue to strengthen university collaborations
- Implement the new working time and home office project
- Increase the number of female and international managers at all levels
- Skill Pool Management:
  - Carry out further implementation of technical Skill Pools in E&P
  - Improve planning of resources within Skill Pools

Business Ethics

Our focus areas

External certification
OMV is the first listed company in Austria to hold a certified Compliance Management System in line with the IDW Assurance Standard 980

Organization
The compliance organization supports the implementation of OMV's standards and monitors Group operations' compliance with laws

Training
We continue to deliver training on compliance issues Group-wide

Performance

1,376
Employees participated in business ethics training in 2014

38
Internal compliance audits completed in 2014

41
Employees in the compliance organization

Anti-bribery and corruption

Anti-bribery and corruption in our Code of Business Ethics

Our governance procedures are centered on the Code of Business Ethics (see page 42). The code clearly prohibits bribes and facilitation payments, as well as donations to political parties. It also includes clear rules on conflicts of interest, gifts, hospitality, donations, lobbying and intermediaries.

The code sets out a zero tolerance policy towards bribery, fraud, theft and other forms of corruption and is supported by the Compliance Management System.

Read more about our Compliance Management System, which covers anti-bribery and corruption, on page 43.

In 2014, no fines and sanctions were imposed on OMV in connection with violation of anti-bribery and corruption regulations.

Two cases were pending regarding anti-competitive behavior.

Responsible Governance

In 2014, our Internal Audit Department carried out 38 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. During 2014, the audit team investigated several cases of suspected misconduct that were either detected through these audits or reported to us directly.

In addition, we conducted 16 supplier audits in six different countries in order to ensure that suppliers are conforming to the compliance policies set by OMV and have an adequate compliance organization in place. (Read more about supply chain management on page 53).

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 Ethics Helpline, web-based or an e-mail to the Compliance Department.

PetrOmbudsman

PetrOmbudsman was launched in 2014 and is the place where OMV Petrom employees can discuss openly any ideas and concerns related to their workplace. Here they have the chance to be listened to and guided by professionals who know the Company and the values of OMV Petrom.

Together with the experts, the employees are able to identify the best solution to each situation. The principles PetrOmbudsman is guided by are: independence, neutrality, confidentiality and informality.

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Fines and sanctions relating to bribery and corruption

Principles and standards

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 code is based on our values and is the key Group document that outlines how we need to complete our tasks, implement our strategy and achieve our operational and economic goals.

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

Code of Business Ethics

Our Code of Business Ethics 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. Employees who violate the code face disciplinary consequences, which could involve dismissal, and may expose OMV and themselves to criminal liability.

OMV operates in numerous countries with a variety of different cultures and laws. We uphold equally high compliance standards across the Group and ensure that our operations comply with the laws in every country.

Our Code of Business Ethics forbids us to make any donations to political parties.

UN Global Compact

By signing up to the UN Global Compact (UNGC), we have committed to implementing the ten UNGC principles, and the OMV Code of Conduct sets out clear rules of behavior in accordance with the UNGC.

Ten principles from UNGC

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labor standards, the environment and anti-corruption:

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labor

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

6
Languages in which our Code of Business Ethics is translated

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.

The Compliance organization 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.

In addition, in 2014, 17 local compliance officers were nominated in the various OMV countries in order to support the compliance organization at a local level. In total, the compliance organization consists of 41 employees who are fully or partly dedicated to compliance tasks.

The Chief Compliance Officer reports directly to the Executive Board and to the Supervisory Board.

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, which included on-site visits in Austria, Romania, Bulgaria and Kazakhstan.

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.

In 2014, a total of 1,376 employees were trained on business ethics, 516 on competition law and a further 547 on capital markets law.

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 forms 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.

1st

Austrian company with a certified compliance management system based on IDW PS 980 standard

Achievements and targets – Business Ethics

What we planned
for 2014

- Further development of compliance organization at OMV Petrol Ofisi
- Preparation plan for the certification of OMV Petrol Ofisi Compliance Management System
- Strong focus on energy market regulation (REMIT) and financial market regulation (EMIR)

What we did
in 2014

- Further developed the compliance organization at OMV Petrol Ofisi:
  - Changed the organization in order to separate the Internal Audit Department and Compliance Department
  - Recruited a new Head of the Compliance Department at Petrol Ofisi
- Preparation plan for the certification of OMV Petrol Ofisi Compliance Management Systems :
  - Established and carried out EMRA project
- Strong focus on energy market regulation (REMIT) and financial market regulation (EMIR)
- EMIR:
  - Set up of derivative transaction reporting to REGIS TR
  - Implementation of internal regulation
- REMIT:
  - Set up of market integrity process

What we will do
in 2015 (and after)

- Further develop the compliance organization at OMV Petrol Ofisi
- Continue to develop the OMV Petrol Ofisi Compliance Management System certification
- Establish REMIT reporting throughout OMV
- Focus on future MiFiD II directive (Markets in Financial Instruments Directive II)

Human Rights

Our focus areas

Due diligence process
Systematically assessing risks and implementing actions to prevent human rights-related harm

Access to remedy
Ensuring effective operational-level grievance mechanisms as a basic requirement of human rights risk management

Awareness
Extending awareness and integration of human rights in our business processes

Performance

324
Human rights training participants in 2014

3
Key Performance Indicators developed and introduced in 2014

A
Rating in the human rights category by oekom

Our approach to Human Rights

For many years, the issue of human rights has played an important role in our business, and our respect and support of them is a core element in our Resourcefulness strategy.

Human Rights Policy

As a signatory to the UN Global Compact and fully committed to 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 Labour Organization (ILO).

Human Rights Management System

In order to meet our concrete responsibilities to respect human rights and not to become complicit, we attach special importance to a well-structured process of Human Rights Due Diligence as well as the establishment of effective operational-level grievance mechanisms. But we also see our responsibility to positively contribute to the fulfillment of human rights through our activities.

Human Rights Matrix

OMV has mapped its human rights responsibilities in a comprehensive Human Rights Matrix, which constitutes the basis for our activities in the field of human rights and a fundamental tool for its implementation. This includes the particularly sensitive areas of security arrangements and supply chain management, as well as interaction with indigenous people.

Categorized into essential, expected and desirable, our responsibilities cover the relations with relevant stakeholders, such as employees, communities, contractors, business partners, customers and the like.

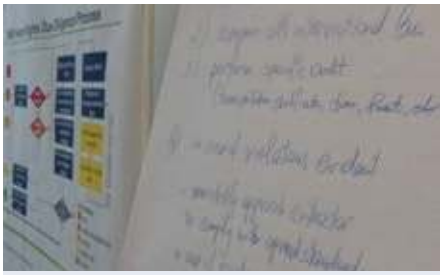
Human Rights Due Diligence Process

The Human Rights Due Diligence Process includes assessing the human rights risk associated with our current and future business activities and taking risk management actions. It is an ongoing process, with regular updates, and it makes use of external resources and expertise, including external stakeholders, in particular impacted groups.

The complexity varies with the general human rights situation in the country, the nature, context and size of business operations, as well as the severity of the impact on human rights. Our tool box includes: Country Entry Check, Pre-Stakeholder Engagement, Human Rights Impact Assessment, Self-Assessment, On-Site Audits and Supplier Audits.

Grievance mechanisms and incidents

In 2014, we developed a tool box for implementing and standardizing our effective operational-level Community Grievance Mechanisms in all operated E&P sites. We were notified of no grievances/incidents relating to human rights during the year.



Training and Awareness Measures

In 2014, OMV defined new KPIs covering the increase of human rights awareness among OMV employees and A-suppliers. We conducted human rights training sessions for 324 employees dealing with our businesses in Algeria, Austria, Gabon, Kurdistan Region of Iraq, Madagascar, Namibia, New Zealand, Romania, Pakistan and Tunisia. In addition, we provided human rights training for all external supply chain auditors for our A-suppliers, as well as for 14 employees of potential suppliers in Romania.

At OMV Petrom, around 30 employees took part in a training program that identified the impacts of human rights violations within an organizational culture, as well as strategies and structures to prevent discrimination.

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Incidents involving indigenous people in our areas of operations reported in 2014

Continuous development of Human Rights at OMV

Starting point
The deteriorating human rights situation in Sudan in 2002 was one of the determining factors that led OMV to look at the issue of human rights and to join the UN Global Compact in 2003 – marking the starting point of the "1st Decade of professional Human Rights Risk Management at OMV".

We faced significant criticism from human rights advocates, parliaments and the media for our presence in Sudan. After internal discussions, we developed a clear exit strategy on a commercially viable basis and opted to sell our stakes in Sudan.

We took a clear stand on the boundaries between our commercial interests and the human rights risks and impacts. We acknowledged the importance of analyzing the operating environment before acquiring stakes in a new country and that such analysis should in future be part of a thorough country entry study.

Where we are today
Today, human rights is an integral part of our business conduct at all levels, including risk management, and makes a key contribution to the successful implementation of our ambitious business strategy.

2003
- Joined the UN Global Compact and developed Code of Conduct
- Carried out first human rights training for employees

2004
- Cooperated for the first time with external human rights experts

2005
- Inserted human rights clause in supplier contracts

2007
- Finalized our Human Rights Policy and tested our Human Rights Matrix

2008
- Launched the Human Rights Policy and Matrix in OMV Petrom

2009
- OMV self-check tools tested by external human rights experts in E&P countries
- First meeting of the OMV CSR Committee (today's RET) to support the Executive Board on human rights matters

2010
- Launched e-learning on human rights
- Carried out human rights training for employees and staff members of security contractors in eight different countries
- Commenced human rights audits of suppliers

2012
- Integrated human rights as a core element of Resourcefulness strategy

2012
- Developed Human Rights Due Diligence Process and applied it on the Sub-Sahara expansion of E&P

2013
- Over 20 different country entry options supported with human rights risk assessments
- Developed human rights KPIs
- OMV Petrom joined UNGC and Women's Empowerment Principles

2014
- Defined targets for human rights KPIs
- Completed Group-wide screening for indigenous peoples
- Commenced roll-out and harmonization of effective Community Grievance Mechanisms

Achievements and targets – Human Rights

What we planned
for 2014

- Ensure awareness and provide expertise throughout the full business cycle (from entry to exit)
- Provide further training with a focus on high risk countries
- Conduct impact assessments focusing on new country entries
- Develop Group-wide grievance process
- Further implement Community Grievance Mechanisms

What we did
in 2014

- New country entries supported by Human Rights Due Diligence Process
- Delivered training, with a focus on high risk countries
- Screened our operations to identify any indigenous peoples' area overlapping with OMV sites
- Developed Community Grievance Toolkit
- Commenced roll-out and harmonization of effective operational-level Community Grievance Mechanisms
- We were frequently engaged and consulted by other organizations seeking to share best practice, especially by our peers in the oil and gas sector

What we will do
in 2015 (and after)

- Ensure awareness and provide expertise throughout the full business cycle (from entry to exit)
- Provide further training with a focus on high-risk countries
- Complete roll-out of effective operational-level Community Grievance Mechanisms in operated E&P ventures

Community Relations

Our focus areas

Community relations
Establish and maintain good relations with local communities

Tools and process
Develop new tools and review internal processes to help OMV maintain its social license to operate

Community projects
Empower local communities through community projects, with a focus on local economic development

Performance

20
Countries with community relations projects

>1,400
People trained for employment in seven different countries

50
Employees involved in four community relations training sessions

Community Relations (continued)

Regular interaction with local communities is part of OMV's daily business.

Transparent and instant communication with local communities in order to ensure that their voices and concerns are heard and addressed help OMV in establishing good relations with communities impacted by our business operations and support us in creating a conducive operating environment for the business.

Community relations at OMV comprises dedicated teams of experts working both at corporate and business level and managing community relations activities at all our operational sites. These teams meet annually and review OMV's community relations activities, its strategies, share experiences, best practices and design better programs for the coming years. We further improve the efficiency and effectiveness of our community relations activities through in-house training sessions for our community relations experts and line managers. In 2014, 50 employees from nine different countries were provided training by organizing four in-house training sessions on community relations.

We develop community projects that promote self-sufficiency, job growth and economic development in the communities impacted by our business operations.

We achieve this by assessing the economic needs of local communities and designing projects accordingly. Our community relations processes and projects help us to develop mutual trust and respect between OMV and nearby communities, thus helping us to maintain our social license to operate and to create win-win situations for all.

OMV Petrom conducted in-depth studies in 85 local communities assessing their needs and the overall perception about OMV Petrom's business activities and community involvement. The results of the study will be used to shape and develop future community projects.

In cooperation with the Austrian Development Agency (ADA), we also carried out a baseline and needs assessment study in Yemen with the aim to understand local conditions concerning vocational skills and design vocational training projects accordingly.

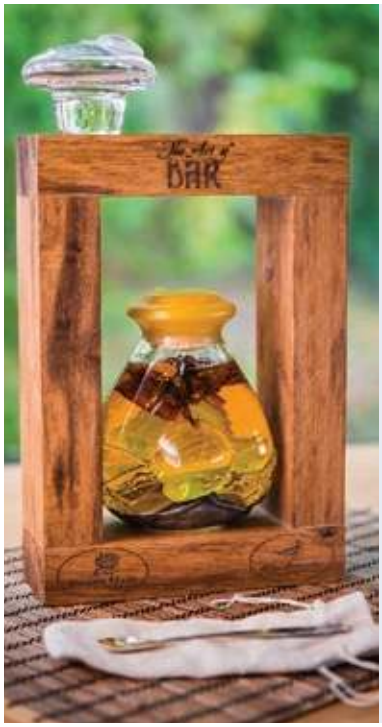
Our impact on local communities
As an organization working in the oil and gas industry, our operations can significantly impact local communities.

Our experience at Sawan North in Pakistan, together with experience gained through similar relocation projects, emphasized the importance of allocating sufficient time for negotiations with landowners. Having community relations experts full time at site is also valuable, supported as necessary by arbitrators such as government representatives or notable local people who can help resolve day-to-day issues. A proactive approach facilitates a mutually beneficial outcome, as do clear communications and realistic timelines.

Community Grievance Mechanism
In the countries where we have a Community Grievance Mechanism in place (Romania, Pakistan and Yemen), the grievances are solved by the operating business sites involved. Mainly, the community grievances notify issues affecting the local communities in OMV's operating sites.

In 2014, we registered 857 societal grievances in Romania, with 660 resolved. In Yemen, five societal grievances were registered, with four resolved and no grievances registered in Pakistan. The remaining unsolved ones are under analysis.

Community Relations (continued)



Romania:
Made in Andrei's Country
This social enterprise initiative aims to improve the economic strength of local communities. During 2014, we supported the development of ten social enterprises which created 35 new workplaces in eight OMV Petrom communities, with 182 persons trained and employed in various professions. In addition, 127 local producers and suppliers received additional revenue from the economic activity generated by the new social enterprises.

Pakistan:
Relocating residents in Sawan North
Community engagement plays a key role in relocation projects, which are challenging yet essential to our business. In 2014, around 40 families – some 400 people in total – were relocated in order to prepare the well site at Sawan North for drilling activities. Landowners were fully compensated, based on agreed claims for their land, houses, crops and trees.

Tunisia:
Skills to Succeed program at Tataouine
The program improves employability through vocational training and income generation in South Tunisia. In 2014, 68 people from the Governorate Tataouine were trained and certified in vocational skills. We also supported 473 community members with capacity building, equipment and financial support to realize their business plans. In addition, 77 members of local NGOs were trained in technical and soft skills to foster the emerging civil society in Tataouine.

Turkey:
Tree of Heart
Women from low income families have been learning how to add value to their existing hand-made products and selling this hand-made work at the selected OMV Petrol Ofisi filling stations. During 2014, about 3,000 products made by 200 women were sold at 55 filling stations, with the support of KEDV (Foundation for the Support of Women's work).

Achievements and targets – Community Relations

What we planned
for 2014

- Conduct community relations training in order to enhance the knowledge and skills of the community relations teams and line managers, across the Group
- Further develop community relations projects with a focus on "Skills to Succeed"

What we did
in 2014

- Conducted stakeholder engagement, community relations and community development training, with 50 participants from nine countries
- Implemented more than 80 initiatives with a focus on "Skills to Succeed" projects
- Developed and implemented initiatives aimed at empowering women in local communities

What we will do
in 2015 (and after)

- Multiply projects based learning in a more systhematic approach in OMV operating countries
- Further strengthen our capabilities and knowledge through community relations and development training programs
- Continue to develop community relations projects, with a focus on strengthening vocational skills and promote local economic development

Supply Chain Management

Our focus areas

Supplier performance

Encourage sustainability throughout the supply chain by monitoring and assessing the performance of our suppliers

Supplier relationships

Bring the relation with suppliers to the next level by following up on actions arising from Suppliers' Day in Romania

Suppliers´ awareness

Increase suppliers´ awareness on human rights and business ethics

Performance

16
Comprehensive contractor audits in 2014

98.4%
"A" suppliers that have signed up to OMV's Code of Conduct

229
"A" suppliers apply their own Code of Conduct

Supply Chain Management (continued)

Procurement and compliance

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

Furthermore, we expect all suppliers to adhere to the standards laid out in our Code of Conduct.

In 2014, 437 "A" suppliers (98.4% of all "A" suppliers) of OMV signed up to OMV's Code of Conduct. 229 of these suppliers (51.6% of all "A" suppliers) also provided us with their own Code of Conduct.

We classify "A" suppliers as those which in 2014 accounted for 80% of the total purchases made by our procurement departments across OMV. We use audits to evaluate and monitor the overall performance of our suppliers, including their adherence to the principles outlined in our Code of Conduct, as well as the HSSE standards.

In 2014, we conducted 16 comprehensive contractor audits and provided feedback to suppliers in order to improve their performance.

Working with local suppliers

There are no corporate directives in place that explicitly stipulate or promote the use of local suppliers. However, in line with our Resourcefulness strategy, we encourage local procurement which further creates value in our local communities. Spending with local suppliers accounted for 80% of total expenditures in 2014. In line with our strategy to always consider the impact of our actions on the local environment, we aim to continuously improve our local content approach.

We support local suppliers in actions to improve their capabilities, which will help them meet higher technical, HSSE and business standards. For example, in Romania the Suppliers' Day took place in September 2014. This event was an enabler for further development of our partnership with suppliers.

OMV Petrom Suppliers' Day event

In 2014, OMV Petrom organized an event to celebrate the successful story of the partnership with the suppliers called "Suppliers' Day". The event was held in September 2014 and 245 participants (suppliers, Romanian authorities, OMV Petrom management and employees) attended.

245

Participants at OMV Petrom Suppliers' Day event

Achievements and targets – Supply Chain Management

What we planned
for 2014

- Continue monitoring and auditing supplier performance
- Follow-up on actions from Supplier Fair at OMV Petrom Romania
- Foster partnerships with suppliers for sustainable development (Suppliers' Day in Romania)
- Increase suppliers' awareness of compliance topics (business ethics, Code of Conduct and human rights)

What we did
in 2014

- Monitored and audited supplier performance (16 comprehensive supplier audits in 2014)
- Followed-up on actions from Supplier Fair at OMV Petrom in Romania
- Organized Suppliers' Day in OMV Petrom, attended by more than 240 participants
- Increased suppliers' awareness of compliance topics (business ethics, Code of Conduct and human rights)

What we will do
in 2015 (and after)

- Continue monitoring and auditing supplier performance
- Follow-up on actions from Suppliers' Day at OMV Petrom in Romania
- Implement two initiatives aimed at supporting local suppliers' development (inclusive E&P Ventures)
- Continue increasing suppliers' awareness of compliance topics (business ethics, Code of Conduct and human rights)

Risk Management and Public Affairs

Our focus areas

Public Affairs
Interact with decision-makers in politics and public administration and keep stakeholders informed about our business

Data systems
Invest in efficient, safe and reliable IT tools and infrastructure to support risk management and our sustainability ambitions

Risk management
Control and mitigation of risk at all organizational levels

Performance

>20
Risk and opportunity categories to consolidate risk profile

>30
Countries with risk coordinators facilitating the process

Risk Management and Public Affairs (continued)

Risk management

We apply a series of management systems and policies to manage risk and ensure that we can continue to operate safely and within legal boundaries.

Defining risk at OMV

We define a risk as an event or development, either internal or external to OMV, that has a potentially negative or positive effect on our ability to achieve our aims and objectives.

A logical and consistent definition of risk categories has been defined in order to provide the necessary foundation for risk aggregation in order to determine the Group risk profile.

On asset level, the risk assessment process has two main streams:

- Bottom up process, with the purpose to assess the impact of risks to the mid-term plan, followed by development of treatment plans at the affiliate or business unit level.
- Top down process, which defines how the strategic risks are assessed over a longer time frame and treated across the organization.

The resulting list of risks is aggregated across the Company and is analyzed to understand the integration and correlation across risk types and business units to provide a comprehensive view of the key Group risks.

Both processes have similar or combined our Enterprise Wide Risk Management (EWRM) sub-processes that involve significant stakeholder interaction and use of common data inputs. In addition, an intensive reassessment of already identified risks is carried out by EWRM stakeholders.

Risk assessment

We continuously carry out risk reviews in order to assess our current and future financial and non-financial risks (including sustainability-related risks), assess how these trends will impact OMV and then to develop appropriate responses. We report on our assessments of key risks twice a year.

The key non-financial and financial risks identified in respect of OMV's mid-term plan are market price risks, political risks, regulatory and compliance risks, business process risks, foreign exchange risks (particularly relating to the USD, RON and TRY) and personnel risks, as well as hazard risks.

The risk culture is supported by an IT application following the risk management processes established within OMV: risk identification, risk analysis, risk evaluation, risk treatment, reporting and reviewing through continuous surveillance of changes to the risk profile.

Risk Treatment

It is the Group's policy to maintain at all times a structured, systematic Group-wide overview of all risks to ensure that they are monitored and controlled at every management level. The key Group risks are monitored centrally. A cross-functional committee with senior management members of OMV Group – the Risk Committee – ensures that an Enterprise Wide Risk Management is in place to effectively manage the integrated risks across OMV.

Public Affairs

Through our Public Affairs team, we interact with decision-makers in politics and in public administration, provide stakeholders with the necessary information about our business and make them aware of our views and concerns surrounding relevant issues. The annual budget for our representative office in Brussels is between EUR 250,000–300,000.

Performance in detail

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Additional Performance Figures

Value creation and distribution to stakeholders

Revenues generated in 2014	EUR mn
Net sales + excise duty	46,357
Dividends and interest income	229
Proceeds from sale of assets	127
	46,713

Distribution to stakeholders in 2014		EUR mn	%
Suppliers	Operating expenses (royalties; incl. depreciation)	33,369	71.43
Governments	Taxes (income + excise duty + royalties)	11,198	23.97
Employees	Employee wages and benefits	1,290	2.76
Capital providers	Interest expense	362	0.78
Shareholders (and hybrid capital holders)	Dividend distribution	650	1.39
Society	Social spending	23.57	0.05
		46,892	**100.38**
Value retained		**-179**	**-0.38**

Significant financial assistance received from governments or governmental organizations in 2014		
Company name	EUR	Details
Adria-Wien Pipeline GmbH	1,000	Training Credit
Gas Connect Austria GmbH	52,000	Apprentices subsidy for Training Programs under AMS

Significant monetary fines in 2014 [1]	EUR
Monetary value of fines for non-compliance concerning provision and use of products	61,747
Monetary value of fines for non-compliance with environmental laws and regulations	259,563
Monetary value of other fines for non-compliance with laws and regulations	214,286
Total	**535,596**

1 Reported only the fines above EUR 10,000, paid in 2014. The other fines, for which OMV started a lawsuit in the Court, are not reported.

Health

Number of medical consultations or medical exams

	2014 OMV Petrom	2014 OMV[1]	2014 Total	2013 OMV Petrom	2013 OMV[1]	2013 Total	2012 OMV Petrom	2012 OMV[1]	2012 Total
Medical consultations	**80,850**	**54,256**	**135,106**	84,641	63,146	147,787	61,372	47,525	108,897
Paramedic interventions	**107,877**	**46,641**	**154,508**	114,308	44,980	159,288	79,297	39,156	118,453
Physiotherapeutical treatments	**10,470**	**4,832**	**15,302**	11,779	4,284	16,063	10,930	4,313	15,243
Exams required by law	**17,360**	**1,895**	**19,255**	18,001	3,120	21,121	19,057	1,644	20,701
Voluntary medical check-up	**17,950**	**2,194**	**20,144**	16,245	1,939	18,184	16,973	1,144	18,117
Vaccinations	**4,177**	**2,873**	**7,050**	5,739	3,179	8,918	7,745	2,644	10,389

1 Excluding OMV Petrom.

Safety

Group safety OMV Group				
OMV employees		2014	2013	2012
Fatalities	number	**2**	3	1
Lost workday injuries[1]	number	**21**	23	34
Fatal commuting accidents	number	**0**	0	1
Commuting accidents[2]	number	**10**	15	19
Lost-time injury rate (LTIR)	per mn hours worked	**0.46**	0.52	0.66
Total recordable injury rate (TRIR)[3]	per mn hours worked	**0.98**	1.11	1.15
Fatality rate (FAR)	per 100 mn hours worked	**4.02**	5.95	1.88
Lost-time injury severity (LTIS)	per mn hours worked	**18.44**	14.85	20.34
Contractors				
Fatalities	number	**1**	1	2
Lost workday injuries[1]	number	**47**	55	68
Fatal commuting accidents	number	**0**	1	0
Commuting accidents[2]	number	**7**	10	1
Lost-time injury rate (LTIR)	per mn hours worked	**0.42**	0.52	0.71
Total recordable injury rate (TRIR)[3]	per mn hours worked	**0.96**	1.30	1.72
Fatality rate (FAR)	per 100 mn hours worked	**0.88**	0.92	2.02
Lost-time injury severity (LTIS)	per mn hours worked	**16.62**	15.53	23.49
Total (OMV employees and contractors)				
Lost-time injury rate (LTIR)	per mn hours worked	**0.44**	0.52	0.69
Fatality Rate (FAR)	per 100 mn hours worked	**1.84**	2.52	1.97
Total recordable injury rate (TRIR)	per mn hours worked	**0.97**	1.24	1.52

1 Lost workday: calendar day. Lost workday injuries: incidents with more than one lost workday.
2 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 which leads to Lost Work Days (LWDI).
3 The TRIR includes lost-time injuries, injuries which require medical treatment of the injured person (MTI), as well as restricted work injuries (RWI).

The Golden Rules

Ask!
Ask when you are in doubt!

Risk assessment
Know the hazards before you start!

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

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!

Housekeeping
Maintain your/our workplace clean and tidy!

Stop work
Stop all unsafe work, acts and conditions!

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

Environmental management

Environmental figures at a glance

	Environmental figures[1]	Unit	2014	2013	2012
Energy					
	Energy consumption[2]	PJ	**130.5**	141.5	125.2
GHG Emissions					
	GHG (direct, Scope 1)[3]	mn t CO_2 equivalent	**12.8**	12.9	11.0
	CO_2	mn t	**10.8**	10.9	9.1
	CH_4	t	**92,064**	93,258	87,577
	N_2O	t	**82**	89	77
	GHG (indirect, Scope 2)[4]	mn t CO_2 equivalent	**0.3**	0.7	0.6
	GHG (indirect, Scope 3)[5]	mn t CO_2 equivalent	**112**	174	172
Other air emissions					
	SO_2	t	**3,017**	3,350	3,422
	NOx	t	**15,069**	11,544	12,351
	NM-VOC[6]	t	**15,726**	12,932	13,480
	Particulate emissions	t	**244**	256	238
	Ozone-depleting substances	t	**0.4**	0.2	0.4
Flaring and Venting					
	Hydrocarbons flared[7]	t	**636,942**	322,984	215,165
	Hydrocarbons vented[8]	t	**79,362**	79,411	104,681
Water					
	Water withdrawn[9]	mn m^3	**39.4**	45.7	46.5
	Thereof groundwater	mn m^3	**25.7**	25.8	25.2
	Thereof surface water	mn m^3	**10.9**	13.6	15.4
	Thereof water from public supply systems	mn m^3	**2.8**	6.4	5.9
	Water withdrawn (other than Total water withdrawal by source)[10]	mn m^3	**362.6**	61.3	0.8
	Water recycled and reused[11]	mn m^3	**6.0**	3.5	5.4
Waste Water					
	Waste water	mn m^3	**21**	24	26
	Chemical Oxygen Demand	t	**888**	1,043	1,065
	Hydrocarbons	t	**34**	42	41
	Total nitrogen	t	**98**	131	162
Waste[12]					
	Total waste	t	**683,051**	882,772	887,611
	Non-hazardous waste	t	**452,041**	665,677	595,543
	Hazardous waste	t	**231,010**	217,094	292,068
	Transboundary movement of hazardous waste (Basel convention)	t	**0**	0	0
Spills					
	Spills	number	**2,063**	1,715	1,905
Environmental expenditures					
	Environmental protection expenditures, excluding depreciation	mn EUR	**200**	189	210
	Environmental investments for assets put into operation	mn EUR	**108**	92	98

1 OMV Petrol Ofisi and CCGT Samsun included as of 2013. Data may not be comparable over the years due to: changes in operations, adapted estimation and calculation methodologies.

2 Decrease 2014 due to lower electricity production of CCPP Brazi and divestment of Trans-Austria pipeline (TAG).

3 Increase 2013 due to uptake in operation in CCGT Samsun and full-year production in CCPP Brazi and Yemen.

4 The decrease in 2014 is due to the increase of electricity aquired from OMV Petrom´s own production and due to increase in reporting accuracy.

5 Includes Scope 3 emissions from the use of sold processed products. These include total sales amounts from companies, which are under operational or financial control by OMV; pure "trading margin" sales as well as intercompany sales are excluded; decrease in 2014 mainly due to split of "other petrochemicals" in more sub-product groups and therefore more accurate emission factors (around 65% decrease attributed to new emissions factors and 35% due to decreased sales volumes).

6 Increase 2014 due to increased production in Yemen.

7 Increase 2014 due to increased production and thereof increased associated gas flaring in Yemen.

8 Decrease 2014 mainly due to venting reduction projects in OMV Petrom.

9 Excluding water withdrawn for once-through-use (reported separately).

10 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). Increase in 2014 due to full year production in CCGT Samsun.

11 Increase due to improved accounting methodologies.

12 Total waste amounts including those from one-time projects.

Environmental management (continued)

GHG intensity of the OMV product portfolio[1]

	Unit	2014	2013	2012
Oil to energy	mn t CO_2 equivalent	**83.6**	89.3	88.4
Oil for non-energy use[1]	mn t CO_2 equivalent	**4.6**	53.4	54.2
Gas to energy	mn t CO_2 equivalent	**22.7**	29.9	28.4
Gas for non-energy use	mn t CO_2 equivalent	**0.8**	1.0	0.9
Chemicals	mn t CO_2 equivalent	**0.01**	0.01	0.01
Total GHG (indirect, Scope 3)[1]	mn t CO_2 equivalent	**112**	174	172
GHG intensity	mn t GHG per mn t oil equivalent	**2.6**	3.7	3.7

1 Decrease in 2014 mainly due to split of "other petrochemicals" in more sub-product groups and therefore more accurate emission factors (around 65% decrease attributed to new emissions factors and 35% due to decreased sales volumes).

Human resources

Total headcount by employment type and region per 31.12.2014

Employees	Austria[1]	Romania/ Rest of Europe	Middle East/Africa	Rest of the World	Total
Total	3,603	19,025	2,352	521	25,501
Status					
White-collar workers	2,761	9,113	1,697	315	13,886
Blue-collar workers	721	9,912	655	206	11,494
Apprentices	121	–	–	–	121
Employment type					
Full-time	3,407	19,003	2,350	521	25,281
Part-time[2]	196	22	2	–	220
Gender					
Male	2,743	14,350	2,010	394	19,497
Female	860	4,675	342	127	6,004
Employment type					
Temporary[3]	134	323	449	–	906

1 Including Gas Connect Austria GmbH, Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H., EconGas GmbH and Adria Wien Pipeline GmbH.

2 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.

3 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 2014

Employees	Austria[1]	Romania/ Rest of Europe	Middle East/Africa	Rest of the World	Total
New recruitments	191	755	304	50	1,300
Thereof new jobs created	139	485	127	14	765
Thereof replacements	52	270	177	36	535
Contract terminations[2]	150	3,255	261	53	3,719

1 Austria: Data covers only companies that use the Austrian SAP payroll accounting system. Other companies, such as EconGas GmbH, Gas Connect Austria GmbH, Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H and Adria Wien Pipeline GmbH are excluded.

2 Including Social Plan terminations and retirements.

Additional information

Percentage of employees who have the right to exercise freedom of association and collective bargaining	99.49%
Percentage of employees represented by local trade unions or works council	81.26%
Percentage of employees for whom minimum wages or salaries were fixed by law or agreed upon by way of collective bargaining	98.29%
Percentage of employees covered by mandatory periods of notice under employment law or collective bargaining agreements for cases of restructuring	96.67%

Human resources (continued)

Details new recruitments by region and age 2014

	Age <30		Age 30–50		Age >50		Total	
Austria[1]	Abs.	%	Abs.	%	Abs.	%	Abs.	%
Male	64	71.11%	57	61.96%	9	100.00%	130	68.06%
Female	26	28.89%	35	38.04%	–	0.00%	61	31.94%
Total	90	100.00%	92	100.00%	9	100.00%	191	100.00%
Romania/Rest of Europe								
Male	188	57.67%	235	63.86%	50	81.97%	473	62.65%
Female	138	42.33%	133	36.14%	11	18.03%	282	37.35%
Total	326	100.00%	368	100.00%	61	100.00%	755	100.00%
Middle East/Africa								
Male	80	72.73%	163	86.24%	5	100.00%	248	81.58%
Female	30	27.27%	26	13.76%	–	0.00%	56	18.42%
Total	110	100.00%	189	100.00%	5	100.00%	304	100.00%
Rest of the World								
Male	15	68.18%	11	61.11%	10	100.00%	36	72.00%
Female	7	31.82%	7	38.89%	–	0.00%	14	28.00%
Total	22	100.00%	18	100.00%	10	100.00%	50	100.00%

1 Austria: Data covers only companies that use the Austrian SAP payroll accounting system. Other companies, such as EconGas GmbH, Gas Connect Austria GmbH, Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H and Adria Wien Pipeline GmbH are excluded.

Details contract terminations by region and age 2014

	Age <30		Age 30–50		Age >50		Total	
Austria[1]	Abs.	%	Abs.	%	Abs.	%	Abs.	%
Male	1	20.00%	28	63.64%	89	88.12%	118	78.67%
Female	4	80.00%	16	36.36%	12	11.88%	32	21.33%
Total	5	100.00%	44	100.00%	101	100.00%	150	100.00%
Romania/Rest of Europe								
Male	100	50.76%	1,253	66.19%	855	73.39%	2,208	67.83%
Female	97	49.24%	640	33.81%	310	26.61%	1,047	32.17%
Total	197	100.00%	1,893	100.00%	1,165	100.00%	3,255	100.00%
Middle East/Africa								
Male	32	60.38%	154	86.52%	27	90.00%	213	81.61%
Female	21	39.62%	24	13.48%	3	10.00%	48	18.39%
Total	53	100.00%	178	100.00%	30	100.00%	261	100.00%
Rest of the World								
Male	15	65.22%	15	65.22%	6	85.71%	36	67.92%
Female	8	34.78%	8	34.78%	1	14.29%	17	32.08%
Total	23	100.00%	23	100.00%	7	100.00%	53	100.00%

1 Austria: Data covers only companies that use the Austrian SAP payroll accounting system. Other companies, such as EconGas GmbH, Gas Connect Austria GmbH, Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H and Adria Wien Pipeline GmbH are excluded.

Human resources (continued)

Average hours and spending on training and education by region and position in 2014

	Austria[1]	Romania/ Rest of Europe	Middle East/ Africa	Rest of the World	Total
Senior management					
Number of training participants	38	16	5	0	59
Money spent on training per region	EUR 190,000	EUR 57,000	EUR 6,000	EUR 0	EUR 253,000
Hours per category	2,453	954	132	0	3,539
Management					
Number of training participants	426	1,238	268	10	1,942
Money spent on training per region	EUR 1,120,000	EUR 2,118,000	EUR 483,000	EUR 32,000	EUR 3,753,000
Hours per category	18,919	66,101	12,548	345	97,913
Experts					
Number of training participants	882	2,026	788	55	3,751
Money spent on training per region	EUR 2,958,000	EUR 2,811,000	EUR 1,516,000	EUR 197,000	EUR 7,482,000
Hours per category	55,856	112,400	46,972	7,875	223,103
Project managers					
Number of training participants	66	301	22	2	391
Money spent on training per region	EUR 226,000	EUR 417,000	EUR 47,000	EUR 7,000	EUR 697,000
Hours per category	3,543	13,820	791	151	18,305
Technicians					
Number of training participants	759	7,447	916	8	9,130
Money spent on training per region	EUR 737,000	EUR 5,449,000	EUR 578,000	EUR 13,000	EUR 6,777,000
Hours per category	22,591	299,824	41,320	198	363,933
Administrators					
Number of training participants	53	227	152	4	436
Money spent on training per region	EUR 54,000	EUR 137,000	EUR 112,000	EUR 10,000	EUR 312,000
Hours per category	1,866	10,225	4,428	133	16,652
Grand Total					
Number of training participants	2,224	11,255	2,151	79	15,709
Money spent on training per region	EUR 5,284,000	EUR 10,988,000	EUR 2,743,000	EUR 259,000	EUR 19,273,000
Hours per category	105,228	503,324	106,191	8,702	723,445

1 Austria: Data covers only companies that use the Austrian SAP payroll accounting system. Other companies, such as EconGas GmbH, Gas Connect Austria GmbH, Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H and Adria Wien Pipeline GmbH are excluded.

Human resources (continued)

Diversity in 2014 (Headcount as per 31.12.2014)

	Gender				Age						Nationality		
	Women		Men		<30		30–50		>50		Non-Austrian		
	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Abs.	%	Total
Supervisory Board	3	20.0%	12	80.0%	0	0.0%	6	40.0%	9	60.0%	4	26.7%	15
Executive Board	0	0.0%	5	100.0%	0	0.0%	1	20.0%	4	80.0%	3	60.0%	5
Senior Management	7	14.6%	41	85.4%	0	0.0%	22	45.8%	26	54.2%	23	47.9%	48
Austria[1]	753	23.6%	2,433	76.4%	511	16.0%	1,872	58.8%	803	25.2%	385	12.1%	3,186
Romania	4,247	24.2%	13,338	75.8%	796	4.5%	5,383	30.6%	11,406	64.9%	57	0.3%	17,585

1 Austria: Data covers only companies that use the Austrian SAP payroll accounting system. Other companies, such as EconGas GmbH, Gas Connect Austria GmbH, Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H and Adria Wien Pipeline GmbH are excluded.

Parental leave during 2014

Employees	Austria[1]	Romania/ Rest of Europe	Middle East/ Africa	Rest of the World	Total
Entitled employees as per 31.12.2014					
Male	2,431	14,342	1,090	393	18,256
Female	754	4,657	336	129	5,876
Took parental leave during 2014					
Male	24	42	54	1	121
Female	82	163	14	10	269

1 Austria: Data covers only companies that use the Austrian SAP payroll accounting system. Other companies, such as EconGas GmbH, Gas Connect Austria GmbH, Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H and Adria Wien Pipeline GmbH are excluded.

Human resources (continued)

Percentage of female employees 2014	
Austria	
Austria[1]	23.6%
Rest of Europe	
Romania	24.2%
Bulgaria	51.9%
Czech Republic	36.1%
Germany	11.9%
Hungary	34.8%
Norway	47.4%
Republic of Moldova	41.9%
Serbia	54.3%
Slovakia	72.7%
Slovenia	60.6%
Switzerland[2]	11.6%
United Kingdom	56.1%
Middle East/Africa	
Iran	40.0%
Libya	21.9%
Madagascar	25.0%
Pakistan	6.4%
Tunisia	22.9%
Turkey	18.3%
Kurdistan (Iraq)	12.0%
Yemen	9.4%
Rest of the World	
Kazakhstan	19.8%
New Zealand	41.6%
Singapore	100.0%

Percentage of local employees 2014	
Austria	
Austria[1]	87.9%
Rest of Europe	
Romania	99.9%
Bulgaria	100.0%
Czech Republic	97.2%
Germany	90.8%
Hungary	100.0%
Norway	81.1%
Republic of Moldova	100.0%
Serbia	100.0%
Slovakia	72.7%
Slovenia	100.0%
Switzerland[2]	1.9%
United Kingdom	78.6%
Middle East/Africa	
Iran	100.0%
Libya	93.8%
Madagascar	100.0%
Pakistan	99.8%
Tunisia	98.3%
Turkey	100.0%
Kurdistan (Iraq)	96.0%
Yemen	100%
Rest of the World	
Kazakhstan	99.3%
New Zealand	67.3%
Singapore	100.0%

1 Austria: Data covers only companies that use the Austrian SAP payroll accounting system. Other companies, such as EconGas GmbH, Gas Connect Austria GmbH, Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H and Adria Wien Pipeline GmbH are excluded.

2 Including OEPL/OMV International Oil & Gas GmbH.

Assurance Statement

To the Board of OMV Aktiengesellschaft

Independent Assurance Report
Limited assurance over disclosures and data in the Sustainability Report 2014 of OMV Aktiengesellschaft.

Engagement
We were requested to perform a limited assurance engagement related to disclosures and data of agreed-upon focal areas in the "Sustainability Report 2014" including the separately published "GRI Content Index 2014" (hereafter "Report") according to the GRI G4 CORE Option of OMV Aktiengesellschaft (hereafter "OMV").

The disclosures and data covered by our assurance engagement are marked with "X" in the "GRI Content Index 2014", which can be downloaded **here**, and include the following focal areas:

- Environmental Indicators: direct GHG emissions Scope 1, indirect GHG emissions Scope 2, indirect GHG emissions Scope 3, Hydrocarbon spills volume
- 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

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.

The "General Conditions of Contract for the Public Accounting Professions"[1] 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.

Limitations to our Review

- Our assurance engagement is limited to the defined focal areas and the specified key performance indicators.
- We did not test data derived from external surveys, we only verified that relevant disclosures and data are correctly quoted in the Report.
- We did not perform any assurance procedures on data which were subject of the annual financial audit. We merely checked that data was presented in accordance with the GRI Guidelines.
- The scope of our review procedures at operational level was limited to a sample of one site visit in Turkey, one in Romania and a remote site visit in Pakistan.
- Limited assurance over prospective information was not subject to our engagement.

Criteria
The information included in the Report was based on the criteria applicable in the year 2014 ("The Criteria"), consisting of:

- GRI Sustainability Reporting Guidelines G4.[2]

We assessed the information in the Report against these criteria. We believe that these criteria are suitable for our assurance engagement.

1 Version of February 21, 2011 (AAB 2011) issued by the Chamber of Public Accountants and Tax Advisors, section 8 http://www.kwt.or.at/de/PortalData/2/Resources/downloads/downloadcenter/AAB_2011_englische_Fassung.pdf

2 https://www.globalreporting.org/reporting/g4/Pages/default.aspx

Assurance Statement (continued)

Management responsibilities

OMV's management is responsible for the preparation of the Report and the information therein in accordance with the criteria mentioned above. This responsibility includes designing, implementing and maintaining internal control.

Our responsibilities

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

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants' ISAE3000[1] and the Code of Ethics for Professional Accountants, issued by the International Federation of Accountants (IFAC), which includes requirements in relation to our independence.

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 head quarter in Vienna, OMV Petrom head quarter in Bucharest, as well as at the three sites. Our main procedures were:

- Reviewed OMV's Corporate Regulations (directives, standards and procedures) related to the focal areas
- Held structured, directional interviews with Group and functional leadership in Austria and Romania to understand key expectations in the focal areas 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 these issues and to understand how progress is tracked
- Understood risk management and governance processes supporting the selected focal areas
- Understood the management and reporting processes relating to the focal areas at site and Group level
- Visited one reporting site in Romania (Asset VIII) and one reporting site in Turkey and conduct one remote "site visit" in Pakistan to review processes and progress to obtain evidence of performance across the focal areas
- Reviewed the application of Group guidance to Scope 1 and Scope 2 greenhouse gas emissions as well as workplace safety and environmental incident 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, as well as occupational safety and environmental incidents at site level to test for accuracy and completeness
- Reviewed data samples for Scope 1, Scope 2 and Scope 3 greenhouse gas emissions, as well as workplace safety and environmental incidents 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 disclosures and data relating to the focal areas in the Report were not prepared in accordance with the criteria identified above.

Vienna, May 27, 2015

ERNST & YOUNG Wirtschaftsprüfungsgesellschaft m.b.H

Gerhard Schwartz e.h.

Georg Rogl e.h.

Douglas Johnston e.h.

1 International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or reviews of Historical Financial Information (ISAE3000), effective for assurance statements dated after January 1, 2005.

Memberships

OMV Group

- A3PS – Austrian Agency for Alternative Propulsion Systems
- Aktienforum
- Aireg – Aviation Initiative for Renewable Energy in Germany e.V.
- ARGE Biokraft
- Association of the German Petroleum Industry
- Austrian Economic Chambers (WKO)
- Austrian Geological Society
- BUSINESSEUROPE
- CEDIGAZ
- CIRA – Cercle Investor Relations Austria
- Christian Doppler Research Association
- CONCAWE – European Oil Companies' Organisation for Environment, Health and Safety in Refining and Distribution
- DEA – Drilling engineering association
- DGMK – German Society for Petroleum and Coal Science and Technology
- Energy Community
- ERT – European Round Table of Industrialists
- Eurogas – The European Union of the Natural Gas Industry
- European Energy Forum
- European Turbine Network
- Federation of Austrian Industries (IV)
- Forum "Technik und Gesellschaft" of the Technical University Graz
- FuelsEurope
- Gas Infrastructure Europe (GIE)
- Gas Naturally
- Geological Society
- Global Gas Centre
- GMN – Geopressure Management Network
- GPA Europe
- IADC – International Association of Drilling Contractors
- IFP Energies Nouvelles
- IGU – International Gas Union
- INES – Initiative Erdgasspeicher Deutschland (Initiative natural gas storage Germany)
- Inflow Control Technology Forum
- IOGP – International Association of Oil & Gas Producers
- IPIECA – International Petroleum Industry Environmental Conservation Association
- NUMOV (Nah- und Mittelost-Verein e.V.)
- ÖGEW – Österreichische Gesellschaft für Erdölwissenschaften (Austrian Society of Petroleum Engineering)
- OVGW – Österreichische Vereinigung für das Gas- und Wasserfach
- PEA – Production engineering association
- PPDM – Professional Petroleum Data Management Association
- PRVA – Public Relations Verband Austria
- PWRI OPNet – Produced Water Re-Injection Operational Network
- respACT – Austrian Business Council for Sustainable Development
- RSPO – Round Table on Sustainable Palm Oil
- SPE – Society of Petroleum Engineers
- TMN – Technology Management Network
- UNGC – United Nations Global Compact
- VGB PowerTech e.V.
- WEC – World Energy Council

Memberships (continued)

OMV Petrom

- American Productivity & Quality Center
- Association of Electricity Suppliers in Romania (AFEER)
- Aspen Institute Romania
- Austrian Business Club Bucharest
- British Romanian Chamber of Commerce
- Bucharest GeoScience Forum
- Chamber of Industry and Commerce Prahova
- Chambre de Commerce, d'Industrie et d'Agriculture Francaise en Roumanie
- Club CO_2 Romania
- Concordia Employers' Confederation (through Oil & Gas Employers' Federation)
- Corporate Governance Institute – Bucharest Stock Exchange
- Employers Organization "Gaz"
- Employers Organization "Petrogaz"
- Foreign Investors Council (FIC)
- HR Club
- Oil & Gas Employers' Federation (through Petrogaz)
- Institute of Professional Representatives before the European Patent Office (EPI)
- Private Investors Association
- Romanian Association for Electronic and Software Industry
- Romanian Association for Promoting Energy Efficiency
- Romanian Association for the Club of Rome
- Romanian Association of the Petroleum Exploration and Production Companies
- Romanian Black Sea Titleholders Association
- Romanian – German Chamber of Commerce & Industry
- Romanian National Chamber of Industrial Property Attorneys
- Romanian National Committee – CIGRE Conseil International des Grands Reseaux Electriques
- Romanian National Committee of the World Energy Council
- Romanian of Precursors Operators Association
- Romanian Petroleum Association (ARP)
- Romanian South African Business Association (ROSABA)
- Romanian Standards Association (ASRO)
- Sectoral Committee Power, Oil & Gas (through Oil & Gas Employers' Federation)
- Society of Petroleum and Gas Engineers
- Society of Petroleum Engineers (SPE Rom)
- The Investor Relations Society
- The National Association of Energy Consumers in Romania (ANCER)

Abbreviations and Glossary

- bcm – Billion cubic meters
- Bn – Billion
- Boe, boe/d – Barrel oil equivalent, boe per day
- CCPP – Combined Cycle Power Plant
- CCGT – Combined Cycle Gas Turbine
- CEO – Chief Executive Officer
- CH_4 – Methane
- CHP – Combined Heat and Power
- CLP – Regulation on Classification Labelling and Packaging of Substances and Mixtures
- CO_2 – Carbon dioxide
- DACH – Germany, Austria and Switzerland
- EC – European Commission
- E&P – Exploration and Production
- FAME – Fatty Acid Methyl Ester (bio fuel)
- G&P – Gas and Power
- GHG – Greenhouse Gases
- GJ – Gigajoule
- H_2 – Hydrogen
- HVO – Hydrogenated Vegetable Oils (bio fuel)
- IDW – Institute of Public Auditors in Germany
- ISCC– International Sustainability and Carbon Certification
- ISO – International Organization for Standardization
- kboe/d – 1,000 barrel oil equivalent per day
- km – Kilometer
- KPI – Key Performance Indicator
- kW – Kilowatt
- kt – Kilotons
- m^2 – Square meter
- m^3 – Cubic meter
- mg/kg – Milligram per kilogram
- MiFiD II – Markets in Financial Instruments Directive II
- mn – Million
- MUL – Montan University Leoben
- MW, MWh – Megawatt, megawatt hour
- NATO – North Atlantic Treaty Organization
- N_2O – Nitrous oxide
- NGO – Non-Governmental Organization
- NM-VOC – Non-Methane Volatile Organic Compounds
- NOx – Nitrogen oxides
- NPO – Non-profit Organization
- OHSAS – Occupational Health and Safety Assessment Series
- PEM – Polymer Electrolyte Membrane
- PJ – Petajoule
- POAS – OMV Petrol Ofisi A.Ş.
- Q&A – Questions and Answers
- R&D – Research and Development
- R&M – Refining and Marketing
- REMIT – Regulation on wholesale Energy Market Integrity and Transparency
- SO_2 – Sulfur dioxide
- SVP – Senior Vice President
- t – Metric ton
- Tier 3 event – record of accidental event and situation "near miss" (minor to no actual consequence)
- toe – Ton oil equivalent
- TÜV – Technical Inspection Association
- TW, TWh – Terawatt, terawatt hour
- UNGC – United Nations Global Compact
- WU – Vienna University of Economics Business

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