

OMV in Dialogue

Corporate Social Responsibility
Performance Report 2005/06





Contents

None of the information provided in this Performance Report constitutes an invitation to purchase or trade in stocks, securities of any kind or American Depository Receipts (ADR) issued by OMV Aktiengesellschaft or is supposed to constitute an invitation of this kind.

In the interests of a fluid style, which is easy to read, non-gender specific terms have been used throughout: the identifiers customers, employees, associates, contracting parties, stockholders etc. relate to both men and women in every case.

Statistical data relate to the reporting period 2005 and 2006 or, to make it easier to compare the data provided, to the reporting period 2002 to 2006.

We report on investments and joint ventures over which OMV exercises a controlling influence or over consortia in which we are the operator.

Please find a detailed version of this CSR Performance Report as well as additional information on OMV social responsibility at OMV Aktiengesellschaft > Our commitment > Corporate Social Responsibility (www.omv.com).



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Introduction

Welcome to the OMV CSR Performance Report 2005/06.

In this report we provide an overview of the current status in the sustainability process at OMV and to further improve the information provided to our readers. This is why we have built on our previous reports in not only continuing existing CSR activities but have also introduced new subject areas which were, in our opinion, vital to discuss.

For OMV, corporate social responsibility is a key component of profitable and sustainable corporate management. We do not view profitable growth and added value as contrary to social responsibility but as an essential precondition for satisfying the requirements on a 21st century company aspiring to operate sustainably. Both approaches, namely steps towards sustainable economic success and the commitment to as well as

the implementation of CSR, are based on long-term decisions and processes.

We believe that our long-term business success is intimately connected with the confidence of all our stakeholders. Our stakeholders' expectations are increasing and an upsurge in interest in CSR is discernible in our environment and on the capital market. Accordingly, we have not only intensified our collaboration with the rating agencies but also set up a regular stakeholder forum to encourage people to share their views.

To continue OMV's growth policy successfully, timely development programmes for our staff and long-term succession planning are central elements of our personnel policy. OMV sees itself as an employer of first choice and involves its employees in the company's success through performance-related bonuses and a staff stock option programme supported by the company.

Given OMV's international focus, compliance with human rights is a vital objective of our corporate culture. This is why OMV has adopted a human rights policy and has also undergone a comprehensive human rights analysis in which standards were defined for the human rights of relevance to our business environment. This process is to be continued in 2007/08 through, in particular, the consistent implementation of this policy. We have also expanded measures to prevent illegal child and forced labour in our supply chain.

The installation of a carbon management system, the drive to promote biogas and natural gas use, and a large-scale emission reduction investment programme represent important steps in implementing our sustainability strategy at an environmental level. Significant investment in Petrom is helping to improve energy efficiency.

We are anxious to improve our report from time to time, with the aim of focusing even

more closely on the interests of our stakeholders, on the one hand, and, on the other, addressing our priorities even more clearly. With the printed form of the Performance Report, we can, as mentioned at the beginning, only attempt to provide an overview of the various issues. Information on our commitment to CSR, in particular, to health, safety, the environment and social responsibility can be found on our website www.omv.com.

We are guided by the reporting standards of the Global Reporting Initiative (G3). The economic indicators were reviewed by Deloitte Wirtschaftsprüfungs GmbH (see Annual Reports 2005 and 2006). The indicators for HSE presented in this report were taken from the OMV HSE Report 2005/06. These were reviewed by Deloitte Statsautoriseret Revisionsaktieselskab. The processes for integrating human rights and business ethics in our company were supported by external experts whose comments are included in the OMV CSR Performance Report. According to our own assessment, this report achieves an A+ level of application of the Global Reporting Initiative's guidelines.

The last CSR Performance Report appeared in December 2005 (reporting period 2003/04) and the last HSE report in June 2007 (reporting period (2005/06).



Foreword by the CEO

Ladies and Gentlemen,

In its Code of Conduct OMV has committed itself to a sustainable corporate policy. Our membership of the UN Global Compact underlines our willingness to observe the basic principles of sustainability. Within the company, we understand sustainability as growth built on three pillars. The economic pillar of profitable growth, the environmental pillar of preserving the basis of life on earth and a social pillar, namely a just and peaceful co-existence and ensuring that people's lives are worth living. OMV therefore commits itself to the so-called Triple Bottom Line in the conviction that a company will only act sustainably if it takes account of all three aspects in its decisions and activities. CSR is no substitute for the undisputed obligation to comply with national and international legislation. For us, CSR means accepting responsibility for the environment and society above and beyond our statutory obligations.

It is also a matter of great importance to me to convey this understanding to our readers when reporting on sustainability. This report concentrates on 2005 and 2006 and, in parts, includes the rump year 2007. In future, we intend to produce a comprehensive report every two years. Detailed data on the environment, safety and health will be published annually on OMV's website. You can also find projects and interesting current news relating to corporate social responsibility on the website. We have opted to produce the performance report every two years because a reporting period of only one year is too short to analyse and develop CSR standards and we wish to avoid acting simply for the sake of it.

External evaluations have been obtained for the HSE (Health, Safety, Security and Environment) and Governance section. For the purpose of assessing other parts of the report, we have asked those internationally recognised experts that play a lead role in assisting us on major projects to give us their opinions.

In our sustainability reports, we provide information on those companies within the OMV Group over which we exercise a controlling influence and on Exploration & Production joint ventures where we are the operator. The majority holding in AMI (Agrolinz Melamine GmbH) was sold in the first half of 2005, while Econ Gas GmbH was consolidated from the 4th quarter 2006 – neither company is included in this report for reasons of convenience. Looking back at the two year period since the appearance of the last Performance Report, I would like to highlight the following important developments in which sustainability can be clearly discerned:



- ▶ in economic terms, these are the ongoing integration of Petrom, the market entry in Turkey (through the acquisition of 34% of Petrol Ofisi) and the international expansion of our gas business;
- ▶ in ecological terms, the establishment and development of the Future Energy Fund, the sale of our assets in Ecuador, environmental investment in Petrom and in product development; and
- ▶ in social terms, the systematic, structured implementation of CSR and the Code of Conduct throughout the company focusing on safety and health, human rights and stakeholder dialogue.

The motto of this report "OMV in Dialogue" aims to underline the innovativeness and cultural change that emanate from curiosity, openness, respect and cooperation. I am convinced that major problems cannot be solved by companies alone because of their complexity and degree of internationalisation. They must network and form platforms to devise solutions with NGOs and governments.

The challenges of the next few years for OMV are also the challenges of incorporating CSR in everything we do:

- ▶ complete integration of Petrom as a company whose standards reflect international standards;
- ▶ adherence to our corporate and social responsibility, particularly in the field of human rights, while simultaneously diversifying our energy supply and expanding into countries that are problematic in terms of social and environmental policy or cooperating with associates whose standards deviate from internationally accepted standards;
- ▶ continuous integration of climate protection issues in OMV's strategic focus.

Of course, when dealing with these challenges, we are faced with dilemmas between economic necessities and sustainable objectives. With corporate social responsibility as a management tool, we will endeavour to find a balance because sustainable business success can only be achieved by heeding the environment, health and safety, consumers, employees and our neighbours.

Wolfgang Ruppenstorfer
Chief Executive Officer and Chairman of the
Executive Board of OMV Aktiengesellschaft

A photograph of three men in business suits shaking hands. The man on the left is wearing glasses and holding a white document. The man in the middle is wearing a name tag. The man on the right is wearing a red patterned tie. They are sitting on chairs in a room with a wooden floor and a poster on the wall in the background.

Organisation and Corporate Profile

Corporate governance

OMV has committed itself to observing the Austrian Code of Corporate Governance. This commitment is evaluated every year by a lawyer and by Deloitte using the official questionnaire of the working group for corporate governance. The result is published on the website. OMV complies with all the Code's C and R regulations; only the financial calendar was published 29 days too late in 2005 because of measures to coordinate Petrom.

OMV governance follows the "two tier principle": an independent Executive Board, which runs the business, and the Supervisory Board, which acts as a supervisory body. The assignment of business within the Executive Board, the role of the Supervisory Board and its committees, the criteria of independence and the statements regarding this are published on the OMV website. The independence criteria are developed on the basis of recommendations by the EU and the Austrian Code Commission. According to these criteria all members of the Supervisory Board are independent and the majority of them are also independent of the core shareholders. No member of the Supervisory Board is or was a member of the Executive Board. There are no interdependencies within the Group either.

The remuneration of the Executive Board and the senior management is geared to market rates combined with a substantial performance-related component. Remuneration consists of a fixed component and additional variable components. Short-term incentives are provided by bonus agreements that depend on clear targets. Long-term incentives are covered by stock option plans, which are published and approved at the Annual General Meeting. Details of the Executive Board members' remuneration are also published in the Annual Report and on the website. The respective internal rules of procedure include regulations for the Executive Board and members of the Supervisory Board on dealing with conflicts of interest. In addition, there are rules in place for the Executive Board, which follow the principle of acting with openness and transparency and avoiding misunderstandings through the dual control principle.

Executive Board members are proposed by the Nomination Committee and appointed by the Supervisory Board in accordance with a specified appointment procedure, centred on an assessment of the candidate's skills and experience including a report from an international recruitment agency.

The consolidated financial statements, six-monthly and quarterly reports are compiled in accordance with IFRS (IAS 34). The annual financial statements of Petrom S.A. have also been compiled in accordance with IFRS since 2005. An Executive Risk Committee makes suggestions for the risk strategy as well as measures to manage risk to the Executive Board based on the results of the risk monitoring system introduced across the Group. The effectiveness of the risk management system is evaluated every year by the auditors in a separate examination. The report is presented to the Audit Committee and the Supervisory Board for discussion. Budget, financial ratios and performance targets are regularly reviewed by the Supervisory Board with use being made of benchmarks, which are based on OMV's peers. Strategy is discussed in detail with the Supervisory Board each year. Strategic targets are made quantifiable in a Balanced Score Card and are regularly evaluated with the Executive Board and senior management. Medium-term and annual plans are approved by the Executive Board and implemented in the business segments. Annual review processes are provided for in the management system. The regular reports by the Executive Board to the Supervisory Board also contain information of relevance to the environment, safety and health.



OMV Executive Board
left to right:
Helmut Langanger
Werner Auli
Wolfgang Ruttenstorfer
Gerhard Roiss
David C. Davies

Executive Board and Supervisory Board

Executive Board

Since 1.1.2007, the Executive Board has consisted of 5 members.

Wolfgang Ruttenstorfer, Chairman of the Executive Board

Gerhard Roiss, Deputy Chairman of the Executive Board and responsible for Refining and Marketing including Petrochemicals as well as Chemicals

Werner Auli, responsible for Gas

David C. Davies, Chief Financial Officer

Helmut Langanger, responsible for Exploration and Production

Supervisory Board

The Supervisory Board consists of ten shareholder representatives elected by the Annual General Meeting and five members delegated by the Works Council.

In accordance with the Austrian Corporate Governance Code (ACGC), all shareholder representatives have declared their independence from the Company and its Executive Board. In accordance with rule 54 of the ACGC, the shareholder representatives on the Supervisory Board have declared their independence from major shareholders. The independence criteria are published on the website. Under the articles of incorporation, the Annual General Meeting resolves the remuneration of the elected members of the Supervisory Board for the past financial year every year.

The Supervisory Board has established four committees.

Presidential and Nomination Committee
Audit Committee
Project Committee
Remuneration Committee

The following remuneration was resolved for financial years 2005/06:

EUR 29,200 for the Chairman
EUR 21,900 for the Deputy Chairman
EUR 14,600 for members
EUR 12,000 for the committee chairmen
EUR 10,000 for the deputy committee chairmen
EUR 8,000 for committee members
The attendance fee amounts to EUR 365.

All shareholder representatives on the Supervisory Board are appointed until the Annual General Meeting (AGM) in 2009.

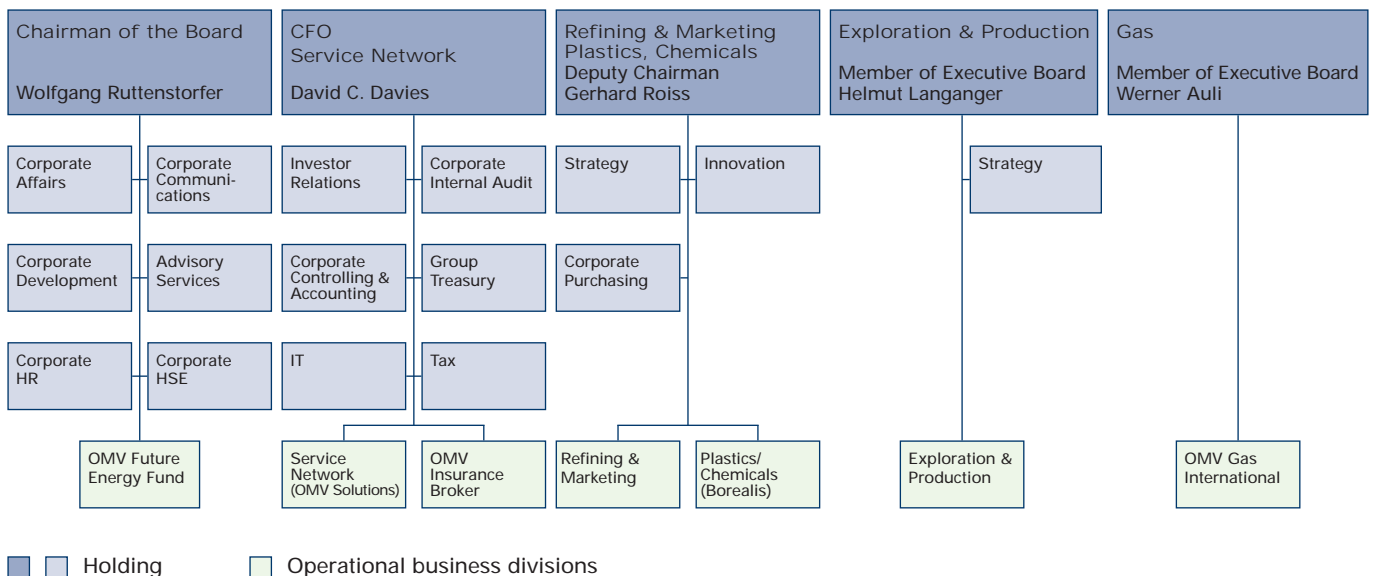
Group structure

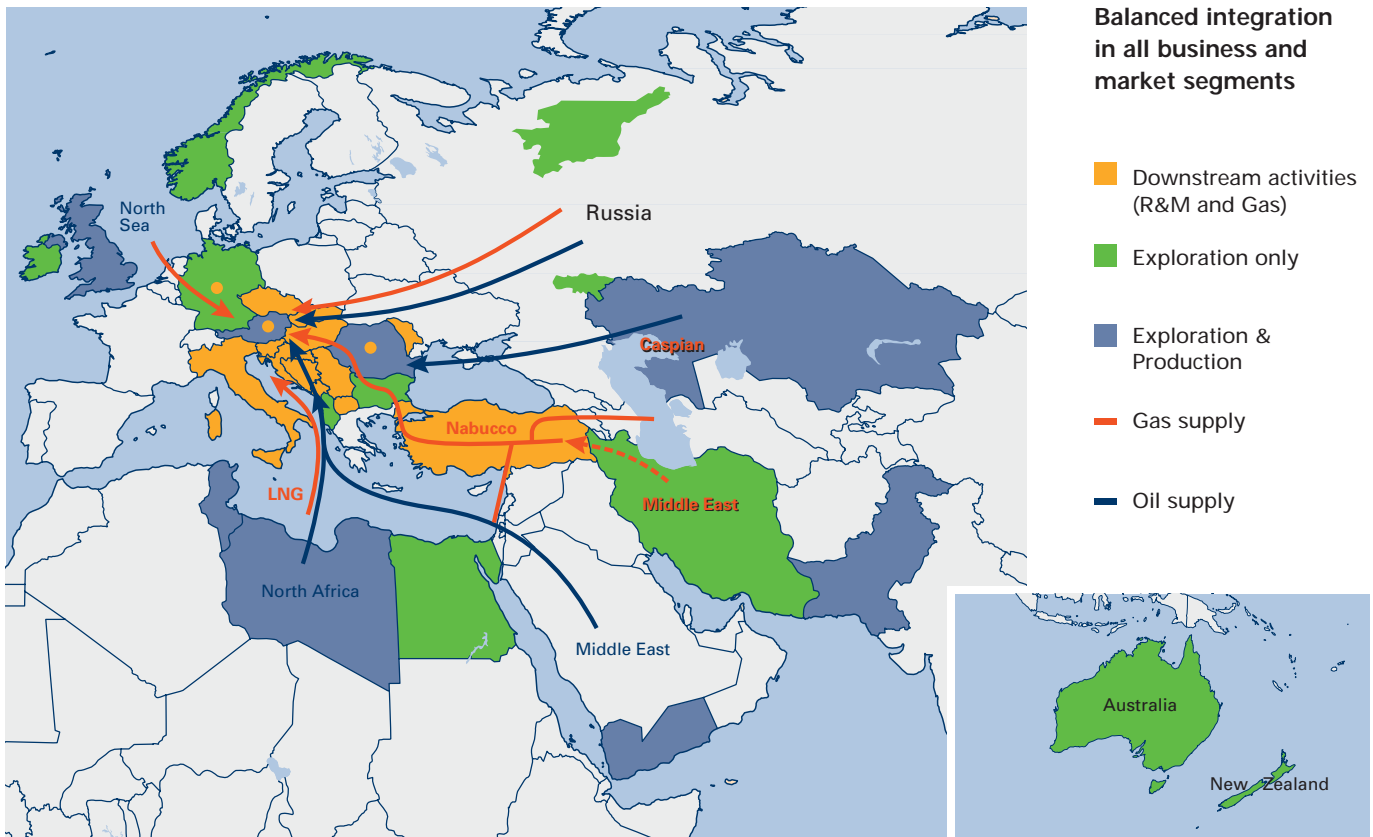
Organisational structure

The Group's organisational structure is a management holding company with three operating, legally independent business segments. All commercial, administrative and IT services are combined in OMV Solutions for the purpose of optimising services within the Group. Group management functions support the Executive Management in its management and report directly to it. The responsibilities of the management holding company far exceed those of a financial holding company and also take responsibility in the business segments via the dotted line principle. All areas that are crucial to corporate social responsibility are run by Group management functions. Line management is supported by

corresponding departments in the business ventures. Petrom is a joint stock company in which the OMV Executive Board is a member of the Supervisory Board and the OMV Group management provides a great deal of advice. The OMV CSR officer is represented in Petrom's CSR Committee.

OMV Group organigram





Ownership structure

OMV Aktiengesellschaft has been a listed company since 1987. The OMV shareholder structure comprises 50.9% free float, 31.5% Österreichische Industrieholding Aktiengesellschaft (ÖIAG) and 17.6% International Petroleum Investment Company (IPIC), Abu Dhabi. The capital stock consists of 300,000,000 common shares in bearer form. The one-share, one-vote principle is applied, meaning that there are no classes of shares that carry special rights. There is a consortium agreement between the core shareholders IPIC and ÖIAG, which provides for block voting and certain limitations on transfers of shareholdings.

This stable shareholder structure also makes a significant contribution to formulating and implementing a business policy that focuses on sustainability rather than maximising short-term profits.



Positioning

OMV is Central Europe's leading oil and natural gas corporation

In recent years, OMV has evolved into the leading oil and natural gas company in Central Europe by consistently implementing its growth strategy. The OMV Group is distinguished by the extent of its integration, i.e. our business segments are linked along supply chains: we produce, we transport, we process petroleum products and natural gas and supply our customers with them.

Our core business operations encompass Exploration and Production, Refining and Marketing, Natural Gas and Chemicals. Every day, we produce 324,000 boe/d and have proved reserves of approximately 1.3 bn boe. Our refining capacity is 26.4 mn t, and we operate a network of 2,540 filling stations in 13 countries. OMV transports approximately 47 bcm gas to Western Europe per year and operates gas storage facilities. Our gas sales volume is 14.1 bcm. Apart from our wholly owned subsidiaries OMV Exploration & Production, OMV Refining & Marketing and OMV Gas, we own a 51% stake in Petrom, a 50% stake in the gas marketing company EconGas, 45% of the refinery network Bayernoil and an 18.9% stake in the Hungarian oil company MOL (as 30.06.2007). The service portfolio of the Group's wholly owned subsidiary OMV Solutions spans seven service lines, namely IT, Financial Services, HR Management & Consulting, HR Administration, Facility Management, Center for Occupational Health and Procurement (as at 31.12.2006).

In 2005, OMV repositioned its Chemicals business by selling a 50% stake in AMI

Agrolinz Melamine International to the core shareholder International Petroleum Investment Company (IPIC), Abu Dhabi. We also increased our stake in Borealis by 10 percentage points, which means that the OMV stake now stands at 35%. IPIC holds the remaining 65%. To bundle our Chemicals segment, our 50% stake in AMI Agrolinz Melamine International was incorporated into Borealis. Both AMI and Borealis are among the world's leading producers of melamine and polyolefins. In mid-2006, Borealis moved its head office from Copenhagen to Vienna. We sold the previously wholly owned subsidiary Polyfelt in 2005 as part of the policy of focusing on the Group's core business. In 2006, we acquired a 34% interest in Petrol Ofisi, the leading marketing company in Turkey. In June 2006, we founded the OMV Future Energy Fund, which aims to support sustainable energy projects. The acquisition of a 74.9% interest in Ringoil Holding & Trading Ltd has allowed the Exploration & Production segment access to the Russian market.

The OMV Aktiengesellschaft Group markets its products and services under approximately 140 brands, of which the most important are the following: OMV as a corporate brand and logo and as a component of many specific brands, in particular, those of the filling stations, VIVA for filling station shops and filling station restaurants and the products sold there, Bixxol for lubricants as well as OMV Future Energy Fund in the renewable energies sector. A number of filling stations are operated under the brand avanti or Stroh. Products and services are marketed under the brands Petrom and PetromV predominantly in Romania.

Our understanding of CSR

By corporate social responsibility (CSR) OMV means an umbrella term to describe patterns of behaviour and processes that take account of both environmental and corporate/social aspects in corporate management.

This begins with the strategy that contains a commitment to sustainability and sets targets for CSR. The Balanced Score Card (BSC) is used as a tool in pursuing these targets. It formulates quantifiable indicators and is reported to the Executive Board several times a year.

Sustainability is a vital component of our strategic decisions, as shown in these examples:

We wish to position ourselves in the 1st quartile vis-à-vis our competitors with regard to HSE.

OMV is aiming for a position in the 1st quartile among the mid-sized, integrated oil and gas companies by 2010. A comparison of

key indicators in the HSE sector should make progress towards this goal evident over the short term.

We are beefing up the Gas segment, which will now have a member of the Executive Board specifically responsible for it. This step reflects the increasing importance of OMV's gas business, to cover increasing demand for an energy source, which produces less CO₂. In addition to Exploration & Production and Refining & Marketing, Gas is being developed as the company's third core business.

We have introduced a carbon management programme.

As an integrated oil and gas company, OMV supplies fossil fuels. In our decisions we endeavour to reduce impact on the climate as much as possible.

- ▶ We promote energy efficiency in the use and manufacture of our products
- ▶ We are pushing ahead with the use of products containing low levels of carbon (such as natural gas)
- ▶ We are supporting projects that produce energy using CO₂ neutral methods

We have set up the OMV Future Energy Fund, about which we report on page 16.

With regard to social responsibility, the decision to look into human rights more closely and to seek more stakeholder dialogue exemplifies our sustainable corporate policy.

Integration of CSR in corporate policy





Code of Conduct and UN Global Compact

OMV is a member of the UN Global Compact and has therefore committed itself to implementing its ten principles.

In its Code of Conduct, OMV has produced a list of values and behaviours based on our values, the UN Global Compact and universal ethical standards. Essentially, it contains commitments on the five main issues:

- ▶ Employees
- ▶ Human rights
- ▶ HSE
- ▶ Relations with our environment, and
- ▶ Governance

The Code of Conduct (CoC) constitutes the central document in our system of values and our behavioural norms and provides the absolute basis for our actions. It provides us with guidance on how we achieve our objectives. Building upon it, we have devised particular basic principles/policies for certain areas. These are defined in more detail via binding Group directives or standards. These also regulate the management systems via the implementation of the Code of Conduct in the Group.

The UN Global Compact (UNGC) is a global initiative supported by the UN, a cooperation between companies and civil society that aims to cope with the challenges of globalisation according to universal principles.

OMV is committed to the ten principles of the UN Global Compact. The ten principles are based on the UN Declaration of Human Rights, relevant declarations by the International Labour Organisation (ILO) and the Rio Declaration on Environment and Development. We view them as principles and objectives that are substantiated in our Code of Conduct.



OMV views this global cooperation within the UNGC as a platform for learning and is actively involved in the communication network "Communication on Progress". OMV is managed as an active member of the UN Global Compact and reports regularly on its progress regarding this commitment. In the period under review, particular attention was paid to dealing with the issue of human rights and anti-corruption (in line with the ten principles of the UNGC). In summer 2007, OMV affirmed its commitment to climate protection by signing the UN Global Compact Statement "Caring for Climate: The Business Leadership Platform".

You can find detailed information on the ten principles of the UN Global Compact, to which OMV is committed here:
www.unglobalcompact.org

For more information on climate change issues, please see page 42.



In the Spotlight

"CSR forms an integral part of our strategy at Petrom. We therefore ensure that we can live up to our responsibility to society by generating programmes that not only deliver sustainable results but in fact promote an attitude.

Primarily we aim at raising the awareness of each employee with regard to socially responsible behaviour and enhance our business practice by strengthening corporate governance. At the same time, as the largest Romanian company, we are committed by making efforts towards actively contributing to Romanian society...

Mariana Gheorghe, CEO, Petrom



„Responsabilitatea socială corporatistă este parte integrantă a strategiei Petrom. Vrem să ne asigurăm că ne îndeplinim responsabilitatea față de societate, prin programe care generează nu doar rezultate pe termen lung, ci și o atitudine.

În principal, vrem ca fiecare angajat al companiei să aibă un comportament social responsabil și să ne îmbunătățim practicile de business prin întărirea politicii de Guvernare Corporatistă. În același timp, fiind cea mai mare companie din România, Petrom este angajată activ pentru a-și aduce contribuția în beneficiul societății românești ...

Mariana Gheorghe, CEO, Petrom



OMV Future Energy Fund

The OMV Future Energy Fund is a subsidiary of OMV Aktiengesellschaft, which was set up in 2006 in order to bundle and fund projects relating to future energies. The foundation of the company demonstrates the Group's commitment to renewables. The first projects were launched at the end of 2006.

As an energy company, OMV must respond to the challenges presented by rising energy demand, finite fossil fuel reserves and climate change. OMV is therefore committed to identifying opportunities in the renewable energy field which can be integrated into the Group's core business activities. The target is to establish a profitable, high-growth renewable energy business over the next few decades. Therefore, OMV Future Energy Fund was founded in June 2006. It has the task of identifying, supporting and financing projects involving renewables and emission reduction within the OMV Group. OMV Future Energy Fund has a start-up capital of EUR 100 mn. This amount constitutes that portion of investments that is necessary for the economic efficiency of projects. This contribution is meant as a "kick off" for research or pilot projects to help them become economically viable. The percentage share of this support to the total investment costs of a project of this kind varies case-by-case. The aim is to generate an overall volume of more than EUR 500 mn within the three OMV business segments (E&P, R&M and Gas). With the OMV Future Energy Fund, it is OMV's intention to promote the transition from a pure oil and natural gas group into an energy group whose portfolio includes renewable energies.

Mariana Gheorghe, CEO Petrom, talking to Attila Korodi, Romanian Minister for the Environment and Sustainable Development, at the start of the "Verde la puterea Petrom" project.



OMV **future energy** fund

The OMV Future Energy Fund backs technologies and applications designed to:

- ▶ Produce energy from renewable sources, e.g. production of biofuels and biogas and support research projects on hydrogen.
- ▶ Reduce greenhouse gas emissions arising from energy generation from fossil fuels, e.g. through carbon capture and storage and emission-free power plants.
- ▶ Conserve resources through increased energy efficiency, e.g. utilisation of waste heat from industrial processes.
- ▶ Reduce greenhouse gas emissions from industrial processes, e.g. by installing catalytic converters.

In 2006, an independent advisory board, which consists of four internationally recognised scientists and three OMV representatives, chose six projects, which were affirmed by the OMV Executive Board. The total amount invested is EUR 20.4 mn, with the OMV Future Energy Fund contributing EUR 3.4 mn in these projects while the three OMV business segments are investing EUR 6.8 mn and a further EUR 10.2 mn will come from external project partners. These are specific projects regarding second generation biodiesel, biogas, a hydrogen filling station in Stuttgart, another hydrogen filling

station as well as a research facility in the Hydrogen Centre Austria in Graz, injection of CO₂ during natural gas production and injection of CO₂ during oil production.

More information on OMV Future Energy Fund is available from:
www.omvfutureenergyfund.com



Business Ethics

Anybody who works for OMV or on its behalf must carry out his business with honesty and integrity. Each of us is obliged to deal fairly with our employees, colleagues, customers, suppliers, contractors, business associates, competing companies, authorities and other stakeholders. We have therefore introduced precise rules detailing ethical behaviour with regard to accepting gifts or invitations or granting them to third parties. There are also clear rules governing the approach to be adopted in cases where there is a conflict of interests. We have recently made these rules more stringent, paying particular attention to combating corruption and combined them under "Business Ethics". The more stringent approach is reflected, in particular, in a careful evaluation of contracts to ensure that we act honestly even in a critical environment. This is also part of our commitment resulting from membership of the UN Global Compact. Standards, help-lines and training sessions, in other words, the entire new programme, will be rolled out throughout the Group in 2007/08.

In this process we are guided by the principles developed by the Partnering Against Corruption Initiative (PACI). This multi-industry, international initiative aims to counter bribery and corruption throughout the

world. We were advised by the internationally recognised Basel Institute on Governance in this internal process.

There have been no analyses focusing specifically on the risk of corruption. However, whenever Internal Audit carries out an audit of the Group's companies or departments, it is part of their remit to observe whether staff are acting with integrity and complying with all the associated rules of business ethics. Individual investigations are also carried out if there are grounds for doing so. At OMV, three members of staff were dismissed for breaching internal provisions of this kind in 2005 and another staff member was dismissed for the same reason in 2006.

The programmes to integrate Petrom also include communicating the values and behaviour patterns laid down in the Code of Conduct. Loyalty and integrity featured as part of the "Developing Petrom" training sessions.

"I welcome OMV's strong commitment to business integrity. In recent months, I have provided the company with substantial support in the process of developing and implementing an anti-bribery compliance system that complies with international standards."

Mark Pieth, President, Basel Institute on Governance



Petrom

Petrom is the leading oil and gas company in South-eastern Europe. The core business segments are Exploration and Production, Refining and Marketing, and Gas.

Production is about 204,000 boe/d and proved reserves are 940 mn boe. Petrom has a refining capacity of 8 mn t and operates a network of 804 filling stations. Petrom has been integrated in the OMV Group's E&P, R&M and Gas segments, since 2006.

Rollout of the Code of Conduct

In 2006, a management training programme focusing on corporate culture, risk management, communication, human resources, strategy, human rights and corporate governance was carried out under the title "Developing Petrom". The role of the Code of Conduct in day-to-day business was discussed in workshops and challenges identified.

Human Resources

A new training department has been established at Petrom with the aim of developing training programmes for employees because we view development as a prerequisite for growth and as a basic principle of our HR policy. In 2006, EUR 4 mn was invested in training measures at Petrom plus expenditure of EUR 1.5 mn on international exchange programmes and the costs

of the Refinery Exchange programme (a training programme for Romanian graduates at the Schwechat refinery, who are contributing their expertise to Petrom) amounting to EUR 300,000.

All the targets with regard to the reorganisation process set for 2006 were met. They are to be seen as the result of an open and continuing dialogue with both the unions and workforce, which aims to find the optimal solutions while complying with the provisions of employment law.

Unfortunately, in the course of the measures needed to restructure Petrom with the aim of gradually bringing its productivity up to international levels and making it profitable in the long term we had to make approximately 10,000 employees redundant. This took place under redundancy schemes agreed with the trade unions.

In addition, at the same time we also started an outplacement programme with the aim of giving former employees the opportunity of a new start in their professional lives – either by providing support in re-orientating themselves professionally or by helping them to set up their own companies. Across the country 15 transition centers have been established for this purpose. These programmes, which were implemented in the



course of the period under review and that were unknown in Romania at that time have ensured that roughly 20% of the former workforce have received adequate support up to 2006. Particular importance was attached to internal communication via newsletters, the staff magazine and various events in the restructuring phase.

HSE

An extensive HSE integration programme was started at Petrom in 2005 with the aim of bringing HSE standards up to those of OMV and international best practice models. The following milestones were gradually achieved:

- ▶ Implementation of the HSE management system and the HSE reporting system: safety data have been reliably recorded since 2005; following a great deal of preparatory work, Petrom's environmental data for 2006 were collected and subjected to a successful external audit. The HSE management system was implemented within the Petrom business management system. Of 26 guidelines issued in 2006, eight alone related to HSE. In addition, certification of the integrated management system (ISO 9001 and ISO 14001) in Petrom's Refining segment was achieved in 2006.
- ▶ Systematic reinforcement of HSE awareness and the creation of an HSE culture: comprehensive training measures were carried out in the field of safety, in particular, and these were accompanied by a concerted communication campaign entitled "Think:ahead and choose safety". The commitment of the top management team played a crucial role here. In 2006, more than 222,800 training hours were devoted to HSE in Petrom alone. Priority was also given to developing a new health programme at Petrom, which focuses on providing a modern, comprehensive service for employees.

Investment in infrastructure modernisation is making a direct contribution to improving safety and environmental standards at Petrom.

Social Sponsoring / Community Investment

Petrom's Move & Help campaign

Petrom works with the Romanian Red Cross and with UNICEF on long-term social programmes. As part of this campaign, Petrom provided more than EUR 1.3 mn for aid programmes, disseminating information on disaster control to the population and training parents with pre-school age children. Petrom also supported the victims of the floods that devastated parts of Romania at the beginning of 2006 by building houses.

Disaster control campaign

The pilot project was continued in the regions most heavily exposed to the risk of natural disasters, namely the districts of Prahova, Dambovita and Arges. The campaign started by holding information sessions for citizens and informal opinion-makers in a caravan in the chosen municipalities. The campaign also included the "Volunteers Day" directed at all the region's inhabitants. As part of the programme volunteers in the target regions were offered training in disaster control measures by the Red Cross. The costs of this programme amounting to EUR 120,000 were shared by Petrom.

Training parents with pre-school age children

Together with UNICEF Romania, Petrom continued the project entitled "Training parents in Romanian kindergartens", which was developed over a period of 18 months in Bucharest and in 15 other districts throughout the country, in 2006. The project aims to offer parents improved access to modern methods of education and, at the same time, to promote the active participation of children in the school process.



Reintroduction of sport in schools

In September 2006, Petrom together with the Fundatia Casa Campionilor developed a campaign costing EUR 150,000 to revive competitive sport among young people. The campaign was aimed at young people aged between 7 and 18. As part of this programme, Petrom financed one-year training camps starting on 1 October 2006 in Constanta for a group of 12 pupils. These activities aim to promote a healthy lifestyle.

CSR projects at Petrom initiated by E&P

In 2006, four pilot projects were started for the communities in Balc, Valcani, Cosmesti and Schela. Two projects involved the modernisation of schools and kindergartens, while one project improved a sewage plant and a further project focused on modernising fire brigade equipment.

Environmental clean-up project "Verde la puterea Petrom"

Petrom is supporting the environmental clean-up campaign "Verde la puterea Petrom", in the course of which 200,000 m² of soil will be cleaned up and returned to the city of Bucharest. The three-year project, which is the first of its kind in Romania, started in 2007.

... It is a two-way endeavour. This is why along with several important social programmes that address the local communities' needs and engage a genuine stakeholder's dialogue, we also developed a sound internal programme that integrates the Code of Conduct, our values and CSR projects implementation across our own organisation.

This is how we understand to endorse our long-term commitment to a better world for both present and future generations. We show "Respect for the future" which is also the name of our CSR platform."

Mariana Gheorghe, CEO, Petrom

... Este un demers cu două directii. Pe de o parte angajăm un veritabil dialog al tuturor părților societății prin programe sociale importante care se adresează nevoilor comunității locale, și pe de altă parte dezvoltăm un program intern solid care integrează, la nivelul întregii organizații, Codul de Conduită, Valorile companiei și proiectele de responsabilitate socială.

Astfel înțelegem să ne aducem contribuția pe termen lung, pentru crearea unei lumi mai bune, atât pentru generațiile prezente, cât și pentru cele viitoare. Arătăm, astfel, 'Respect pentru Viitor'! Și acesta este motivul pentru care ne-am ales chiar acest nume pentru programele noastre de CSR."

Mariana Gheorghe, CEO, Petrom

From stakeholder dialogue to stakeholder involvement

Stakeholder dialogue is crucial to our understanding of CSR; whether in a formal context or frequently spontaneously – particularly when it is a matter of dealing with critical comments. Once a year, OMV organises a formal dialogue with its stakeholders. The dialogue initiated in 2005 (see Performance Report 2003/04) in the form of round table discussions with the Executive Board was expanded in 2006. In the forum, the majority of the Executive Board members held wide-ranging discussions with 50 delegates from politics, business, human rights and environmental organisations. (More information is available from www.omv.com).

In the run-up to the present report, stakeholders were asked about their expectations regarding OMV's commitment to CSR and its reporting. The results clearly indicated that open dialogue is much appreciated by stakeholders. The overwhelming majority of

those questioned would like to continue exchanging information with OMV representatives on a regular basis in order to discuss developments in CSR and address those areas where improvements are still needed.

Our stakeholders are a driving force in refining our CSR activities, in particular, in terms of issue management and the implementation of local projects such as community development. Stakeholders such as abutting owners, local authorities and NGOs are actively involved in developing projects there using a bottom-up approach.

We are guided by the definition in the GRI in identifying the Group's stakeholders: "Stakeholders are defined as those groups or individuals that can reasonably be expected to be significantly affected by the organisations' activities, products and/or services." Please refer also to: www.globalreporting.org

In essence, our stakeholders are composed of the following groups: investors/analysts, employees, socially responsible investment (SRI) agencies, suppliers, competitors, business partners/contractors, universities, governments, NGOs, media, communities/opinion formers, customers.

You will find the range of our memberships and those whom we work with to establish international networks and concrete solutions to problems on page 78. You will find an example of local stakeholder management on page 67f.



"I see sustainable development as an essential precondition for maintaining OMV's long-term competitiveness and as a tool to strengthen the identification and differentiation of our company. Dialogue with our stakeholders is particularly helpful here. This is why the motto of this report "OMV in Dialogue" aims to emphasise the innovativeness and cultural change that emanate from curiosity, openness, respect and cooperation."

Wolfgang Ruttenstorfer, CEO and Chairman of the Board

„Nachhaltige Entwicklung ist für mich eine Voraussetzung, Unternehmen langfristig wettbewerbsfähig zu halten und ein Tool zur Stärkung der Identifikation und Differenzierung unseres Unternehmens. Dazu dient insbesondere der Dialog mit unseren Stakeholdern. Daher soll das Motto dieses Berichts "OMV im Dialog" die Innovationskraft und kulturelle Veränderung, die von Neugier, Offenheit, Respekt und Kooperation ausgeht, unterstreichen."

Wolfgang Ruttenstorfer, Generaldirektor

04



OMV Vision and Strategy





Vision, mission and strategy

Vision

As Central Europe's leading oil and gas corporation headquartered in Vienna, we get people on the move.

Mission

We seek, find and produce oil and gas on four continents. We supply millions of people with energy, heating, mobility as well as products and services that are essential to daily life.

We carry out this task and achieve these objectives with values that motivate us to face future challenges, reinforce our sense of identity and distinguish us from our competitors.

Strategy

We are aiming to achieve profitable, high quality growth, substantiated through ratios and targets and are committed to sustainable corporate management.

It is likely that our company will be dependent on a mix of energies for several decades before renewable energies are available in sufficient quantity and quality at affordable prices. This is why OMV is pursuing a tripartite strategy:

1. We operate our core business, namely the provision of fossil fuels in the most environmentally friendly, energy efficient and climate friendly manner.

2. We are developing carbon sequestration technologies (CCS) and projects as an interim stage en route to renewable technologies and offer natural gas as a lower carbon energy source.

3. We are backing innovative technologies and expanding our activities in the field of renewable energies with the aim of developing a profitable business segment here over the next few decades.

You can find more information on these issues on the website of our OMV Future Energy Fund at www.omvfutureenergy-fund.com.

David C. Davies and
Wolfgang Ruttenstorfer
with employees at the
Next Generation Forum.



Objectives

Our objectives for 2010

We wish to be the oil and gas company that makes the best job capitalising on the opportunities offered by the European growth belt, namely the countries that have recently joined the EU, and secures its future supply through a strong position in exploration and production.

We are therefore aiming:

To increase our oil and gas production to 500,000 boe/d. To raise our refining capacity to up to 50 mn t by taking opportunities for acquisitions. To capitalise on our position in Marketing with a market share of 20% in Central Europe. To reach gas sales of 20 bcm per year. To achieve a ROACE of 13%, given mid-cycle market conditions. To stand out from our regional peer group in terms of our market capitalisation.

Undisputed number one in Central Europe

We plan to grow further, thereby maintaining our leadership and at the same time improving our profitability. This means driving ahead with our expansion and consolidating our lead over our regional competitors. Our commitment to organic growth, supported by acquisitions, remains in place. In our Exploration and Production segment, we will focus on the six core regions. In our Refining and Marketing segment, we plan to further strengthen our leadership in the European growth belt.

Realisation of synergies by integration

We intend to become the best integrated mid-sized oil and gas company in international comparison. Our business segments will be distinguished by their strong integra-

tion along the supply chain. We aim to have oil and gas production amounting to at least 50% of our refining capacity. In the Gas business, more than one third of the gas we sell should come from our own production. In this way, we will reduce our dependence on commodity markets and benefit from the high value added to be gained from internal primary production.

Values process reinforces corporate culture

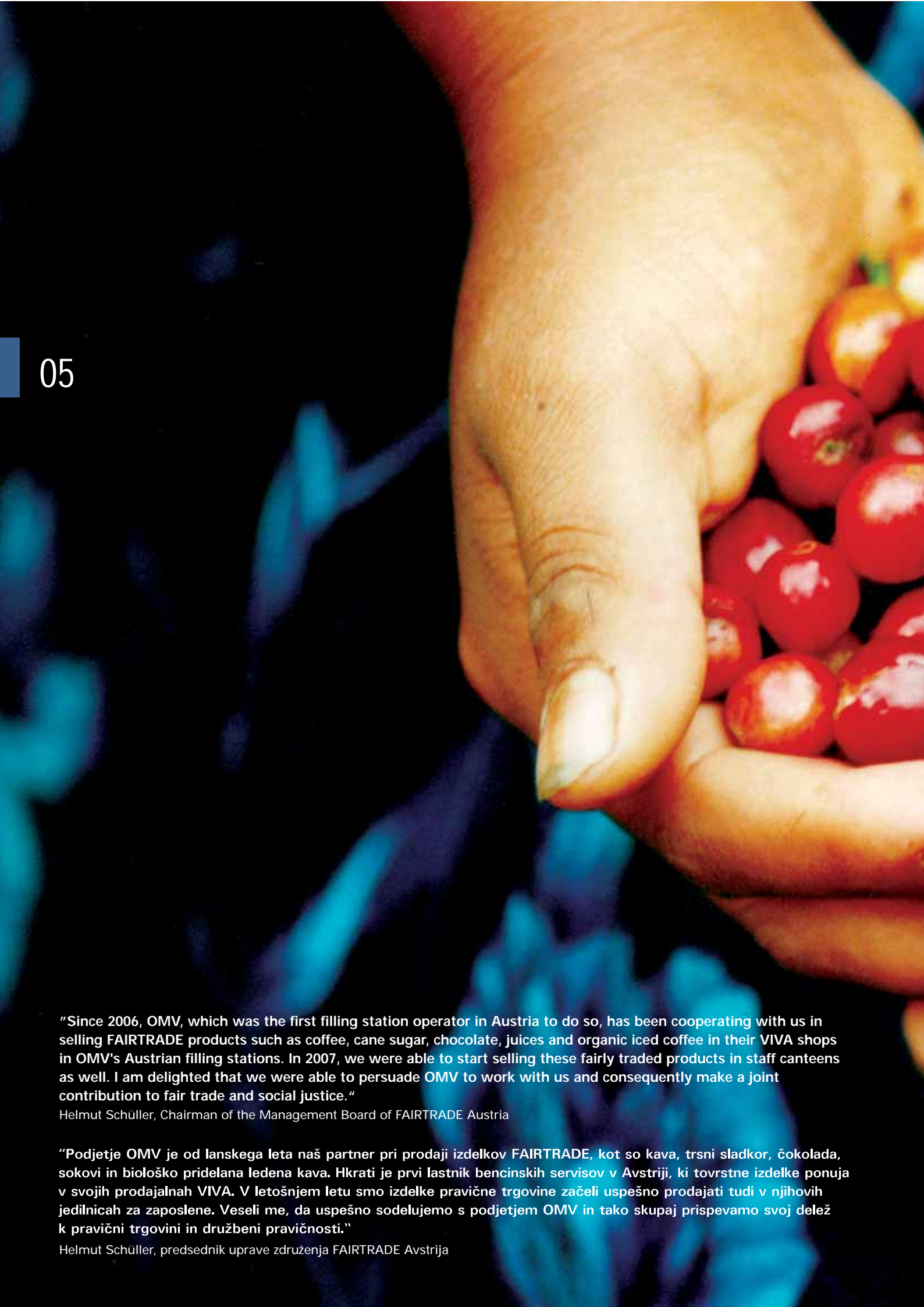
A comprehensive values process was initiated in the company at the internal 2006 annual meeting. The aim of the process is to define clearly and faithfully what OMV stands for, what motivates, differentiates and guides us. This values process should be finally completed in 2008 following in-depth discussion and consultation within OMV.

Our goal is sustainability across the Triple Bottom Line

OMV sees Corporate Social Responsibility (CSR) as the route to sustainability, which – in line with the Triple Bottom Line – is based on three pillars, namely economic, environmental and social aspects.

This means

- ▶ continuing our profitable growth strategy
- ▶ a commitment to profitable sources of renewable energy
- ▶ an excellent HSE performance (health, safety, the environment)
- ▶ social responsibility



"Since 2006, OMV, which was the first filling station operator in Austria to do so, has been cooperating with us in selling FAIRTRADE products such as coffee, cane sugar, chocolate, juices and organic iced coffee in their VIVA shops in OMV's Austrian filling stations. In 2007, we were able to start selling these fairly traded products in staff canteens as well. I am delighted that we were able to persuade OMV to work with us and consequently make a joint contribution to fair trade and social justice."

Helmut Schüller, Chairman of the Management Board of FAIRTRADE Austria

"Podjetje OMV je od lanskega leta naš partner pri prodaji izdelkov FAIRTRADE, kot so kava, trsni sladkor, čokolada, sokovi in biološko pridelana ledena kava. Hkrati je prvi lastnik bencinskih servisov v Avstriji, ki tovrstne izdelke ponuja v svojih prodajalnah VIVA. V letošnjem letu smo izdelke pravične trgovine začeli uspešno prodajati tudi v njihovih jedilnicah za zaposlene. Veseli me, da uspešno sodelujemo s podjetjem OMV in tako skupaj prispevamo svoj delež k pravični trgovini in družbeni pravičnosti."

Helmut Schüller, predsednik uprave združenja FAIRTRADE Avstrija



Economy



Our policy

Objectives 2005/06

	Imple- mented	Ongoing
Integration of Petrom/ restructuring of expenditure		On schedule
Access to new capital markets	●	
Implementation of risk management system and extension to acquisitions	●	
Investor relations communication Petrom	●	

Assessing investment decisions on the basis of profitability benchmarks is crucial for the long-term maximisation of enterprise value. Value management is therefore a key feature of the OMV Group's management system and great importance is attached to it at the highest levels. The high priority given to value management is reflected in our planning and decision-making processes, and in the measurement and control mechanisms configured into our management information system. The main targets of the OMV Group are to steer the strategic and operations management of its businesses towards:

- ▶ Growth in the market and strategic business value of the Group's equity
- ▶ Competitive returns for shareholders
- ▶ Competitive operating performance

Consistent adherence to this approach results in different target systems, depending on the perspective taken. Some short-term discrepancies between these target systems are acceptable, nevertheless it is crucial, that over the long term all three of the above mentioned targets are fulfilled.

Economic performance

At EUR 2,061 mn, consolidated EBIT was 5% up on the level of 2005, while Petrom's contribution to EBIT rose by 16% to EUR 677 mn. At EUR 1,383 mn, net income accruing to OMV shareholders was 10% up on the figure for 2005. Clean EBIT (i.e. before special items) fell by 2% to EUR 2,257 mn. Above all, the special items included extraordinary income from the sale of Petrom's offshore drilling units that are not part of core business, extraordinary depreciation and restructuring expenses. However, despite this rise in results, performance indicators fell because of substantial investments of over EUR 2.5 bn in 2006. The return on average capital employed (ROACE) declined from 20% to 18%, while the return on fixed assets (ROfA) fell from 29% to 27%. The return on equity (ROE) also fell by 2 percentage points to 20%.

Market presence

As Central Europe's leading oil and gas company, the OMV Group has Refining & Marketing (R&M) operations in 12 countries and has already achieved its objective for 2010 of increasing its market share to 20%. OMV is involved in Exploration & Production in 20 countries on six continents. In its Gas segment, OMV has storage facilities, a 2,000 km long pipe network and transports some 47 bcm per year in countries such as Germany and Italy. OMV's central European gas hub ranks as one of the three largest hubs in Europe.

OMV's cooperation with FAIRTRADE is described on page 68.



Risk management system

To increase risk awareness across the Group and to control risks, OMV has developed a single risk management system for the entire Group, which evaluates risks at all corporate levels, ranks them according to urgency and provides the basis for appropriate responses. Furthermore, the fact that risk reports have to be signed by the subsidiaries and the individual corporate units guarantees that the management levels responsible are also involved in this process. As part of this broad based bottom-up process, 150 people in 20 countries assess approximately 600 risks, combine these into 285 risks and point out the 15 principal risks separately as well as the strategies taken to avoid them.

This process includes environmental, safety, health and human rights issues. The operational capability of the risk management system is subjected to a separate audit by the auditors, which is discussed by the Supervisory Board.

Creating sustainable values

The integration of our businesses, namely a balanced relationship between production, processing and marketing, and our strong footprint along the European growth belt are key competitive advantages that have been driving the improvement in our profitability – and they create the conditions for continued growth, differentiation and stability.

Group financials in EUR mn

	2006	2005	2004	2003
Sales revenues (excluding petroleum excise tax)	18,970	15,580	9,829	7,644
Earnings before interest and taxes (EBIT)	2,061	1,958	975	644
Net income for the year	1,658	1,496	690	393
Cash flow from operating activities	2,027	2,108	1,039	939
Capital expenditure	2,518	1,439	2,297	1,381
Employees as of December 31	40,993	49,919	57,480	6,137

2003 figures óHGB, thereafter IFRS

2005 was marked by a substantial growth spurt. The Romanian oil and gas company Petrom, which was acquired at the end of December 2004, was consolidated in the Group and made a substantial contribution of EUR 583 mn to operating results for the first time in 2005, which far exceeded expectations.

This increase in results was achieved primarily thanks to the rise in prices for crude oil and natural gas, which more than offset the slight reduction in E&P production quantities caused by the streamlining of the portfolio and the sharp reduction in refining margins in 2006.



Balance sheet indicators

	2006	2005	2004	2003
Return on average capital employed (ROACE) in %	18	20	15 ¹⁾	12
Return on fixed assets (ROfA) in %	27	29	22 ¹⁾	16
Return on equity (ROE) in %	20	22	19 ¹⁾	15
Total assets/liabilities in EUR mn	17,804	15,451	13,236	7,517
Equity in EUR mn	9,176	7,694	5,762	2,685
Net debt in EUR mn	630	-126	692	1,081
Stockholders' equity to total assets in %	52	50	44	36
Gearing ratio in %	7	-2	12	40

¹⁾ adjusted for the effects of the Petrom acquisition
2003 figures öHGB, thereafter IFRS

High capital expenditure due to acquisitions in 2006 exceeded self-financing, leading to an increase in bank liabilities. Net debt thus increased by EUR 756 mn to EUR 630 mn (2005: net cash EUR 126 mn). As of December 31, 2006 the gearing ratio, defined as net debt divided by equity, was 7% (2005: -2%). It should be noted that the majority of the Group's liquidity is in Petrom (net cash of EUR 1,158 mn in 2006). Furthermore, there are 49% minority interests in Petrom (EUR 2,165 mn in 2006), which enlarge the equity capital basis for the calculation of the gearing ratio.

Average annual investments of approximately EUR 2 bn, of which around EUR 900 mn are dedicated to Petrom, are planned over the next few years in order to maintain the growth momentum and continue the modernisation of Petrom's operations. Major acquisitions are not included in this figure.

This substantial investment allows us to create jobs in Austria and in the countries in which we operate.

In the period under review, expenditure on CSR activities amounted to EUR 9.0 mn in 2005 and EUR 11.5 mn in 2006 (in 2005, the figures were recorded under the old reporting system, which means that expenditure on supporting motor sports and Nordic skiing are included in CSR expenditure while this expenditure is missing from the 2006 figures).

Integration of Petrom proceeding as planned

The main focus for management was the further integration of Petrom in the OMV Group. In the course of 2005, a new organisation was developed and measures taken to achieve the first improvements in results. The first far-reaching restructuring measures (centralisation, reduction in staff numbers, closure of local administrative units, replacement of old IT systems, introduction of SAP, modernisation of drilling equipment, closure of loss-making filling stations, measures to reduce own consumption in refineries etc.) were initiated and a comprehensive investment programme to improve Petrom's competitiveness was started. Building on the initial success of these restructuring measures, a range of additional measures were taken to further increase Petrom's competitiveness in 2006. The main focus area remains the replacing of obsolete equipment and technologies with new, modern plants and processes. The main focus in E&P is the recompletion (replacement of all subsurface equipment) of oil producing wells and the modernisation of production facilities in Romania in order to stem the natural decline in production and to significantly reduce the currently very high maintenance costs. 3D seismic programmes, which started in 2005 and were expanded significantly in 2006, will give a better picture of the further potential of the oil and gas fields. In 2006, a comprehensive modernisation programme was adopted for the Romanian refinery Petrobrazi. With investments of approximately EUR 1 bn up to 2011, capacity should be increased to 6 mn t per year. The main aim of this programme is to improve energy efficiency and the product slate in order to significantly enhance profitability.



Growth in E&P, R&M, Gas

Alongside these important restructuring efforts at Petrom, major progress was made towards achieving further growth: in the E&P segment the gas field Pohokura in New Zealand and the oil field Habban in Yemen started production according to plan at the end of the year. Furthermore, we made significant new oil and gas discoveries in Libya and Tunisia. The Russian market was entered via the acquisition of a 74.9% stake in Ringoil Holding & Trading Ltd at the end of 2006. As a result of the acquisition of Petrom, gas production increased by an additional 6 bcm in 2006 to stand at 8.84 bcm. We are the largest foreign gas producer in Pakistan.

In 2005, OMV was able to report two substantial gas discoveries in the Vienna Basin. The reserves in Strasshof were estimated at approximately 4 bcm (25 mn boe/d) – which equates to around half of annual Austrian gas consumption, while those in Ebenthal are estimated at approximately 1.5 bcm (10 mn boe/d). OMV specialises in the search for oil and gas in very old, mature fields. This expertise gives grounds for optimism that the Group will be successful in its exploration in Romania where some of the structures are similar.

In the R&M segment the German refinery Burghausen has been given the go-ahead to upgrade its petrochemical business, and the structural enhancement programme in Bayernoil has been promoted. A strategically important step was the acquisition of a 34% stake in the marketing company Petrol Ofisi, enabling us to enter the Turkish market, one of the largest growth markets in

Europe. It was planned to take advantage of Russia's substantial natural resources and supply Austria with crude oil via pipeline (Bratislava to Schwechat) from 2006, in order to connect the country to a second crude oil pipeline system in addition to the Adriatic-Vienna pipeline. This would increase Austria's security of supply. Our partner in the Bratislava-Schwechat pipeline company is Transpetrol, which is part of the Yukos Group.

Decisions on Yukos's stake in Transpetrol and clear decision-making structures are delaying the project further. Clarification regarding the route in Slovakia is expected by the end of 2007. It is crucial that the exacting environmental protection requirements are met. It is possible that the pipeline will be commissioned in 2010.

In the Gas segment, gas supply contracts with Russian Gazprom export were extended until 2027, and the Nabucco pipeline project was further advanced. At the beginning of 2006, OMV strengthened its Gas segment by introducing a new holding structure where OMV Gas International GmbH acts as the management company. Through its subsidiary OMV Gas GmbH, OMV has a gas pipeline network covering a total of 2,000 km in Austria and three gas storage facilities with a total capacity of over 2.1 bcm. In addition to supplying Austria, gas is transported to Germany, Italy, France, Slovenia, Croatia and Hungary via the transit pipes. As a result, OMV is an important component of the European gas system and fulfils a key hub function. Its transport capacity amounts to 47 bcm.



Review and open communication

Consolidated financial statements – auditors – valuation of reserves

The consolidated financial statements of OMV Aktiengesellschaft have been prepared in compliance with all IFRSs the application of which was mandatory in the EU at the time of preparation.

External surveyors are tasked with valuing the reserves every two years.

As of December 31, 2005, total proved reserves amounted to 1,365 mn boe (of which 374 mn boe are attributable to the existing OMV portfolio and some 991 mn boe to Petrom). DeGolyer & MacNaughton were tasked with carrying out an independent valuation of our oil and gas reserves in accordance with SEC provisions. The results of this valuation of reserves confirmed the proven reserves reported by OMV and Petrom as of December 31, 2005 in their entirety. Proved hydrocarbon reserves as of December 31, 2006 were 1,289 mn boe (Petrom: 940 mn boe) resulting in a three-year average reserve replacement rate (RRR) of 406%. This RRR takes account of all revisions of previous estimates, discoveries, acquisitions and divestments over the past three years.

Reporting was shifted from Petrom in 2006. Since the beginning of 2006, the individual business segments have been allocated to the OMV business segments and recorded in the totals for the Group. As a result of

this switch-over, the comparative figures from 2005 have been adjusted accordingly, which has led to a change in the report structure compared with past years.

In 2006, the auditors Deloitte Wirtschaftsprüfungs GmbH received EUR 0.31 mn (2005: EUR 0.39 mn) in fees for other engagements. This was less than 20% of the fees paid for the Group audit. The principle of internal rotation is observed.

Changes in the share price

In 2005, oil and gas industry stocks, which benefited from the fact that oil prices hit new, historic highs and refining margins were very high at times, outperformed the market as a whole. For the fifth year in succession, OMV shares outperformed the FTSE Global Energy Index, recording a rise of 123%. In 2006, however, oil and gas stocks displayed growing volatility, driven by fluctuating oil prices and falling refining margins and were significant underperformers as a result. OMV's share price underperformed the FTSE Global Energy Index in 2006, ending a long run of outperformance, and retreated in absolute terms by 13%. This was due, on the one hand, to wildly fluctuating oil prices and falling refining margins, but on the other hand, the failure of the planned merger with Verbund caused by the non-materialisation of the requisite political framework conditions also impacted adversely on the share price.

Our market capitalisation was EUR 12.98 bn at the year end 2006 (2005: EUR 14.78 bn).



Key data on the OMV share

	2006	2005	2004 ¹⁾	2003 ¹⁾
Number of shares in mn ²⁾	298.71	298.68	298.65	268.76
Price-earnings ratio (P/E) ^{3) 4)}	9	12	9	8
Price-cash flow ratio (P/CF) ^{3) 4)}	6.3	7.0	5.7	3.4
EUR				
Annual high	59.86	52.89	22.45	12.28
Annual low	37.20	20.93	11.93	9.20
Closing price as of 31.12.	42.99	49.50	22.17	11.81
Dividend per share	1.05 ⁵⁾	0.90	0.44	0.40
Payout ratio in % ³⁾	23	21	19	27
Earnings per share ³⁾	4.64	4.21	2.55	1.46
Cash flow ⁶⁾ per share ³⁾	6.80	7.06	3.86	3.50
Book value per share ³⁾	23.36	19.73	14.29	9.89
Dividend yield in % ³⁾	2.44	1.8	2.0	3.4
Market capitalisation in EUR bn as at 31.12.	12.98	14.78	6.62	3.17

¹⁾ Figures adjusted for the 1:10 share split

²⁾ Number of shares less treasury shares

³⁾ Figures up to 2003 OHGB, thereafter IFRS

⁴⁾ Based on the closing price at the year end

⁵⁾ Proposal to the Annual General Meeting

⁶⁾ From operating activities

Open and consistent communication with the financial markets

The Executive Board and Investor Relations staged a large number of roadshows in Europe and the US, in order to maintain contacts with analysts, investors and shareholders. In all, there were about 320 one-on-one meetings and presentations in 2006 (2005: 250), attended by over 1,400 people (2005: 1,100). Members of the Executive Board devoted some 280 hours (2005: 300) to one-to-ones with investors and analysts. In the interests of transparency and timeliness, all important information and news for shareholders, analysts and bond investors is posted on our corporate website at www.omv.com.

Progress in the restructuring of Petrom is and remains the focus of discussions with investors and analysts, which is why OMV arranged the OMV Capital Markets Day in Bucharest, Romania in October 2005. This

gave some 60 analysts and investors from around the world the opportunity to obtain a detailed insight into Petrom's activities for the first time.

With regard to SRI, OMV participated actively in the Carbon Disclosure Project (CDP) in 2006. This is the world's largest initiative by 225 institutional investors (with USD 31 trillion assets under management) aimed at achieving greater transparency with regard to the harmful greenhouse gases emitted by major companies. The companies may complete a questionnaire on their emissions voluntarily, which is available for inspection free of charge on the CDP's website. More information is available from www.cdproject.net

Penalties

Significant penalties relating to non-compliance with the provisions of the law (notwithstanding a specific legal reason) total some EUR 338,000 within the Group during the period under review, namely 2005 and 2006.



In the period under review, significant penalties in connection with the non-compliance with the provisions of the law related to delivery and the use of products and services in the Group total some EUR 60,000. Penalties totalling approximately EUR 25,000 were also imposed because work was carried out without an official permit.

OMV (without Petrom) was not required to pay any fines for non-compliance with environmental provisions. In 2006, Petrom had to pay fines of EUR 0.32 mn.

Non-monetary HSE sanctions were also imposed due to failure to comply with environmental legislation. At the end of 2006, the authorities closed Petrom Marketing's Arad terminal. Operations restarted in January 2007 following the implementation of measures to ensure conformity with the law.

Following the investigation at OMV Gas GmbH carried out on May 16, 2006, the EU Commission did not notify us of any indications of breaches of competition and anti-trust law by Group companies and did not instigate any proceedings.

The Federal Competition Authority investigated pricing for Jet A1 fuel at the request of Austrian Airlines AG and has now asked the cartel supervision to assess whether the company is abusing its dominant position.

Subsidies

Agrolinz Melamine Deutschland GmbH received investment subsidies from the Federal Republic of Germany and from European Union funds for its projects to construct two melamine plants in Piesteritz/Saxony Anhalt.

- ▶ The company received EUR 40,264,235.65 in total and has consequently received the maximum amount permitted under funding rules.
- ▶ Payments of EUR 26,954,000 were received in the previous reporting period with further payments of EUR 13,310,000 being received since 2005.
- ▶ The final report on the use of subsidies and evidence of compliance with all requirements was approved by the European Commission at the end of 2006, which means the project is completed.



Challenges and objectives

OMV sees itself confronted with a number of challenges over the next few years and has set itself ambitious targets in this respect:

OMV E&P

- ▶ Achievement of a production capacity of 500,000 boe/d on profitable terms in a highly competitive environment and faced with a significant increase in costs
- ▶ Development of its expertise as an operator
- ▶ Expansion into new countries within the defined core regions
- ▶ Increase in production efficiency by extending the lifetimes of old, mature oil and gas reserves in Austria and Romania
- ▶ Modernisation at Petrom by installing the latest technologies
- ▶ Ensuring employees' technical excellence in an "employees' market"

OMV R&M

- ▶ Increasing profitability by exploiting market leadership
- ▶ Focusing on quality and developing filling stations as service centers
- ▶ Accelerated expansion of non-oil business and implementation of a new VIVA Shop and catering concept
- ▶ Seizing opportunities in Europe's growth belt
- ▶ Increasing the efficiency of Petrom through restructuring and modernisation
- ▶ Further increasing the competitiveness of the Group's petrochemicals activities through growth and integration despite the extreme volatility of the market environment

OMV Gas

- ▶ Increase in the quantities of gas traded with EconGas in Central Europe and Petrom in South-eastern Europe
- ▶ Diversification of gas suppliers and regions through new, long-term gas supply contracts to be able meet future demand for gas
- ▶ Pressing ahead with the move into electricity generation and marketing as part of the process of forward integration
- ▶ Development of Austrian transport capacity (West-Austria gas pipeline (WAG), Trans-Austria gas pipeline (TAG)) and gas storage facilities
- ▶ Implementation of the Nabucco project to bring additional quantities of gas from the Caspian region and from the Middle East to Europe
- ▶ Development of a liquefied natural gas (LNG) chain and completion of the regasification terminal Adria LNG within this framework

"OMV has a good record for its environmental initiatives in New Zealand. I commend, in particular, the company's initiative and cooperation in working with a reference group of government agencies set up to consider the environmental effects of OMV's development of the Maari oil field in New Zealand's exclusive economic zone. The company exceeded existing statutory requirements in submitting a full assessment of environmental effects, and in carrying out comprehensive consultation with a broad range of stakeholders."

Catherine Taylor, Director Maritime New Zealand

إن لشركة أو. أم. في سجل طيب في مبادراتها في مجال البيئة في نيوزيلانده وإنني أحيي بشكل خاص مبادرة الشركة وتعاونها بالعمل مع مجموعة مرجعية من الوكالات الحكومية التي أعدت نفسها لدراسة التأثيرات البيئية الناتجة عن تطوير شركة أو. أم. في الحقل النفطي مناري في المنطقة الاقتصادية حصريا في نيوزيلانده. لقد اجتازت الشركة المتطلبات القانونية لقيامها بتقديم تقييم كامل للتأثيرات البيئية وكذلك في تنفيذ إستشارات شاملة وذلك مع فئات واسعة من أصحاب المصالح.

كاترين تايلور - مديرة الملاحة البحرية في نيوزيلانده



Environment, Research and
Development



Our policy

Objectives 2005/06

Expansion of gas operations/CNG filling stations; market launch of biofuels in October 2005

Implemented Ongoing



Increased eco-efficiency/CO₂ reduction/improved energy efficiency: KPI project benchmarking with comparable companies in the industry starting 2006-2010. Aim for 2010: to be in the first quartile



Promoting biodiversity: development of standards for OMV



The key principles of our Group environmental policy are a precautionary approach and active environmental management geared to minimising environmental impact. In addition to promoting alternative sources of energy, climate protection measures at our individual production sites and through the quality of our OMV products form an integral part of our environmental management.

GRI core indicators not included in this report

The following core indicators have little relevance to OMV's business activities and are therefore not routinely included in the HSE report:

- ▶ EN1 Material used by weight and volume
- ▶ EN2 Proportion of material that can be recycled

Environmental issues are managed vertically and horizontally across the whole organisation. They are taken into account at the various stages of the decision-making process at corporate level as well as in the different businesses. The line managers are advised on environmental issues by their respective HSE experts.

Monitoring and further development

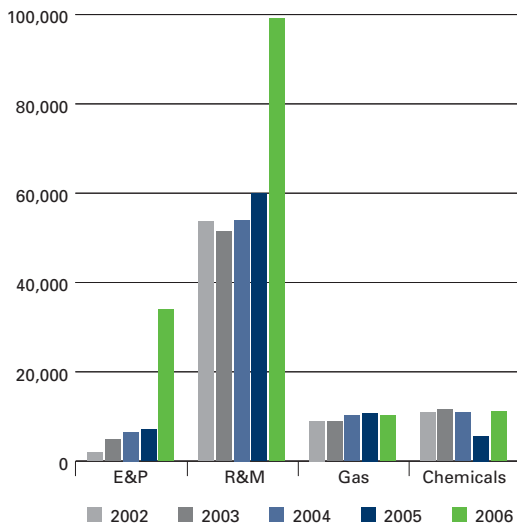
At Group level, the key performance indicators relevant to environmental issues are monitored on a monthly and annual basis using the Group-wide reporting system. External companies and suppliers have to comply with the Code of Conduct and consequently also with OMV's environmental standards.

Energy use

Energy consumption

The OMV Group's total energy consumption was nearly doubled by the integration of Petrom and rose to 154.4 PJ in 2006. Approximately 65% of the energy consumed is attributable to R&M, whereby more than 50% of the demand for energy in the refining division is generated by the refineries themselves by steam production from refinery processes and power stations. 100% of this energy production is cogeneration. Purchased energy, such as power and heat, accounts for only 2.3% of the total energy consumption; this is why indirect energy consumption is not assessed on a regular basis.

Total energy consumption by business division 2006



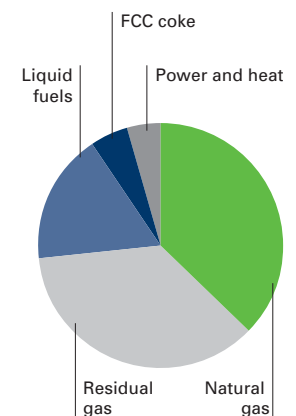
Energy efficiency

In 2005, one of our focal points was the energy-saving projects at the main OMV refineries in Schwechat and Burghausen as well as in the Petrom refineries, Arpechim and Petrobrazil. These included shutting down inefficient combustion chambers, optimising thermal transfer, reducing the volume of steam at the process units, optimising the air feed for process furnaces as well as improving processes at several units. Many of the major energy-saving projects are part of the extensive Petrom investment programme.

In Exploration and Production, OMV E&P developed its HSE Strategy 2010 which focuses on energy efficiency. OMV E&P Austria is currently carrying out major upgrades to the existing infrastructure. These include the consolidation and renewal of gathering stations and tank farms as well as the installation of a new water treatment facility. This will largely eliminate fugitive emissions (e.g. from tanks), which are currently not measured, and optimise energy use.

Over the next few years, several hundred boilers will be replaced at Petrom E&P which will result in significant energy savings and cut greenhouse gas emissions (GHG).

Energy intake by primary energy sources 2002-2006



Climate protection and greenhouse gas emissions

Direct greenhouse gas emissions

Direct emissions of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) are monitored and reported systematically. Other greenhouse gases are of minor relevance and therefore not included in OMV GHG figures. Our greenhouse gas emissions have risen considerably to 14.1 million tonnes CO₂ equivalent as a result of expansion of the OMV Group and the acquisition of Petrom in particular.

In 2006, OMV's CO₂ emissions (excluding Petrom) stood at 5.8 million tonnes (2005: 6.2). Of this figure, 67% (2005: 62%) came from four sites which fall within the scope of the EU Emissions Trading Scheme and defined emission limits. When Romania joined the EU on January 1, 2007, a further 19 Petrom facilities entered the EU Emissions Trading Scheme.

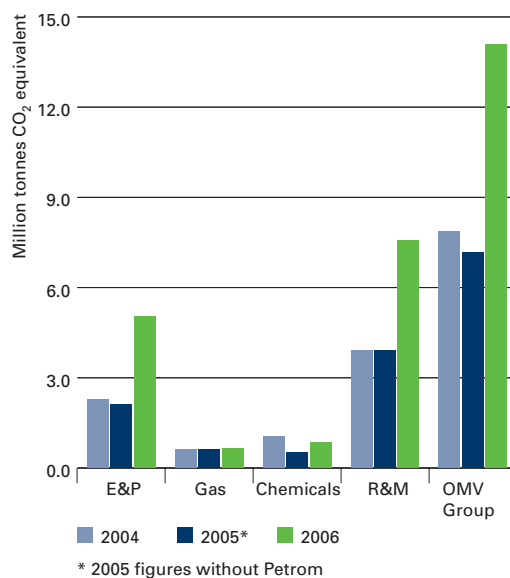
Emissions trading/ allocation plan/allocation of CO₂ certificates

OMV has participated in EU-wide trading of greenhouse gas emission certificates since January 1, 2005.

As a whole, the Group was allocated 3.71 million emission certificates free-of-charge for the four facilities which were wholly owned by OMV during the reporting period. The majority of these referred to the two refineries, Burghausen in Germany and Schwechat in Austria.

Overall, the allocations for 2005 were 4% below the actual CO₂ emissions. OMV therefore received an under-allocation. Consequently, around 0.14 million certificates had to be purchased in the first trad-

Greenhouse gas emissions by business division





ing year to cover the shortfall. The results for 2006 produced a somewhat higher purchase requirement of 0.16 million certificates.

In addition to emissions trading, OMV Carbon Management ensures that facilities and projects offering GHG reduction potential are also promoted.

Indirect greenhouse gas emissions from products (Scope 3)

Our systematic evaluation of the GHG intensity of products is based on the scope 3 approach in compliance with the GHG Protocol Corporate Accounting and Reporting Standard of the World Business Council for Sustainable Development (WBCSD). This information also feeds into strategic business development in order to strengthen the sustainability of our business model.

Through our investment in renewable energies and the non-energy use of gas and oil in our downstream activities, the GHG intensity of our product portfolio is falling slightly, even though in absolute terms, GHG emissions are continuing to rise as a result of our expansion. In absolute terms, indirect greenhouse gas emissions from OMV's product sales amounted to 93 million tonnes in 2006.

Reduction of GHG emissions

Taking action to reduce greenhouse gas emissions is one of the key priorities for the OMV Group:

- ▶ **Energy efficiency:**
All measures for more efficient energy use are contributing directly to reducing greenhouse gases and are a focal issue for all business divisions.
- ▶ **Flaring and venting:**
All our business activities are governed by the principle of reducing flaring and venting to the absolute minimum. This applies to production, transport, processing and distribution of oil, gas and products. The E&P HSE strategy provides for keeping flaring and venting to only the essential minimum (e.g. no continuous flaring of associated gas after 2010).
- ▶ **OMV gas pipelines**
are leakage-proof. Nevertheless, the sealing system of the compressor units is a potential source of methane emissions in the gas pipeline system. Through dry seal systems in the new generation compressors, these emissions are reduced considerably. The gradual replacement of the gas pressure control valves with electrical control valves is also contributing to a reduction of methane emissions by up to 80%.
- ▶ **Products:**
By adding biofuels, we are making an important contribution to reducing greenhouse gas emissions in the transport sector. Since 2005, we have been selling diesel containing 5% biofuel in Austria (2005: 35,500 t biodiesel; 2006: 146,900 t) and in Germany (2005: 36,200 t biodiesel, 8,500 t ethanol; 2006: 72,200 t biodiesel, 15,400 t ethanol). In 2006, biodiesel was also sold in Slovakia (2,900 t) and in Slovenia (500 t).



Case study: Cross-sector reduction of GHG
OMV products are contributing to a considerable reduction of GHG emissions in the transport sector. The inclusion of 5% biodiesel in diesel resulted in a reduction of 150,000 tonnes in 2005 and of 440,000 tonnes in 2006 in the Austrian transport sector. Given the fuel saving delivered by improved products (AdBlue, low-sulfur fuels) and a further increase in the proportion of biofuels (biodiesel, bioethanol, bio-CNG), OMV will help reduce CO₂ emissions in the Austrian transport sector by more than one million tonnes per year over the next few years.

Further reduction of air emissions

Emissions of sulfur dioxide (SO₂), nitrogen oxides (NO_x), non-methane volatile organic carbon compounds (NM-VOC) and particulates have increased almost in parallel with rises in production and consequently show a sharp increase as a result of the integration of Petrom figures for 2006. SO₂ and NO_x emissions have almost doubled at more than 13,000 tonnes each.

A range of investments to upgrade existing equipment and in new plant is helping reduce air emissions. At the Schwechat refinery, investment of EUR 140 million in a SNO_x plant (second obligation of this type) will reduce SO_x emissions by 2,400 tonnes per year (minus 65%) and NO_x emissions by 1,400 tonnes per year (minus 55%) when it is commissioned in the fourth quarter of 2007.

OMV only uses very small quantities of ozone-depleting substances (in kg) and where possible these are replaced with other substances, reused or recycled.

Biodiversity

OMV also operates in nature conservation areas such as game reserves and wildlife sanctuaries in Pakistan. Several pipelines run across national parks and in some cases, nature conservation areas have been set up directly adjacent to existing OMV facilities, such as the Donau-Auen National Park which was established in the immediate vicinity of the Lobau tank farm in 1997 and the Untere Salzach conservation area near Burghausen refinery. The Baumgarten gas hub is also located within a nature conservation area.

OMV E&P Austria operates about 1,000 oil and gas wells, mainly in agricultural areas of the Weinviertel and Marchfeld regions. There are around eight gas wells in the Klosterneuburg region (Feld Höflein) located within a nature conservation area with one well each in the Donau-Auen National Park south of Orth and the floodplains of the river March in the Rabensburg area (Natura 2000). The biggest impact of these wells was during well construction, while ongoing production has no significant impact on biodiversity. Seismic activities in the Hohenau, Marchfeld and Strasshof regions are categorised by the nature conservation authorities as "low impact" without significant adverse effects on biodiversity and the environment.

With regard to new projects and operations, biodiversity issues are clarified as part of the necessary environmental impact assessments and approval procedures (in line with

national statutory requirements and best practice). Particular requirements in sensitive regions are met and compliance with strict national regulations and other conservation authority guidelines is strictly monitored.

Sustainable resource management

Water and waste management measures

Water is used primarily for steam generation, cooling and in processes during downstream activities. Efficient water use is ensured by closed-loop cooling systems. Total water withdrawal by the OMV Group has decreased considerably since the deconsolidation of the chemicals business in 2005 from 170 million cubic metres per year to around 55 million cubic metres. Groundwater consumption is about 25 million cubic metres per year.

Waste water (total - 38 million cubic metres) is discharged after appropriate treatment on site or off-site in OMV owned or communal water treatment facilities.

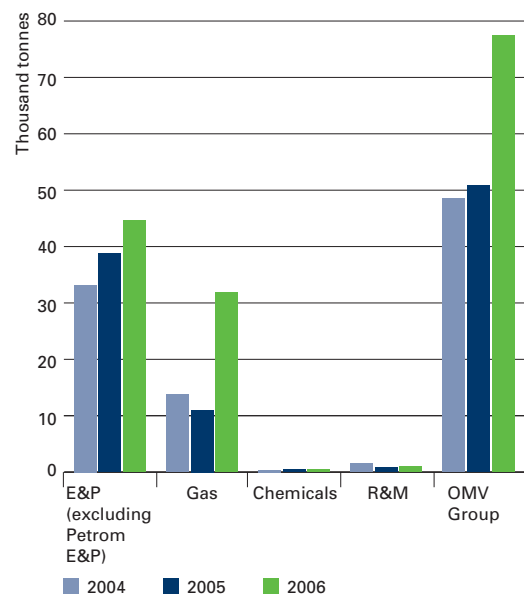
Large amounts of saline water have to be managed in E&P operations, totaling 47 million cubic metres in 2006 alone. In oil and gas production, the proportion of water produced can reach up to 90%. 100% of the water produced in Austria and Pakistan and more than 95% in Romania is injected into geological formations. The remaining quantities are treated appropriately and discharged.

Waste generated by ongoing production increased by 60% in the period 2004 to 2006 to 77,552 tonnes following the integration of Petrom (the waste figures for Petrom E&P are still not included since technical and methodological aspects for the estimation and reporting of production waste are still under development). In 2006, 82% of production waste was recycled or incinerated (88% at OMV Aktiengesellschaft).

There was no transport, import or export of waste deemed hazardous under the terms of the Basel Convention.

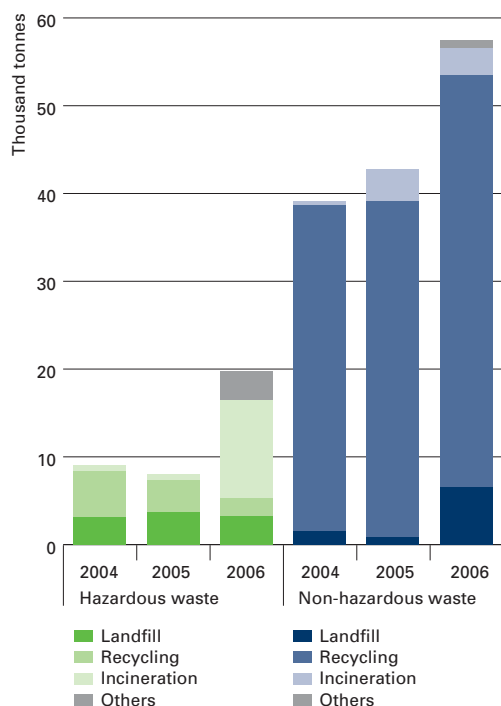
Commercial customers are required to dispose of their waste motor oil in a safe and environmentally friendly manner. Filling station operators are obliged to instruct their franchise partners on correct oil disposal. In several countries, waste oil is accepted free-of-charge when the customer purchases new engine oil. More than 90% of Petrom filling stations take back waste motor oil from customers.

Total production waste





Types and disposal of production waste 2004-2006



Environmental aspects in production

No significant contaminant spills were recorded by OMV Aktiengesellschaft during the reporting period. All leaks were detected and repaired quickly, small contaminations were removed and residual impact was insignificant. Nevertheless, technical integrity of the pipelines is a major issue at the Petrom facilities. In 2006, fifteen large hydrocarbon spills (>1,000 litres) were reported by Petrom in 2006 as well as a considerably larger number of smaller spills. Infrastructure modernisation and corrosion protection will contribute significantly to reducing the number of leaks in the near and mid-term future.

Advanced/clean product development

In line with our pioneering role in Europe in the manufacture of environmentally products, OMV has launched several product innovations to support the use of cleaner fuels. Since October 1, 2005 we have been selling diesel containing 5% biodiesel at all filling stations in Austria and Germany. The AdBlue filling station network was further expanded and currently comprises around 200 filling stations in 11 countries.

The GHG intensity of our product portfolio is systematically recorded and evaluated.

Transport

We attach great importance to the safe and ecological but also economical transportation of our products. Transport by pipeline is the most ecological alternative. Energy consumption is low and road and rail transport can be decreased. Reducing transportation by road also reduces the risk of accidents and air emissions including GHG.

The proportion of transport types differs between the refineries according to the product range, customer location and regional distribution network. Regarding delivery from refineries, road and rail transport account for between 20% and 35%, ship transport for up to 15% and pipeline transport for between 30% and 50%. Deliveries to customers are done mostly by road at 51%, with rail accounting for 35% and ship for 14%.

OMV does not own tankers; all the ships are chartered via first-class shipbrokers who have to ensure that the ship complies with



the Italian ISPS code, adheres to the Trieste Port Regulations and meets all the requirements of directive 95/21/EC of the European Commission. In 2004, OMV lowered the age limit for chartered ships to 15. Petrom accepts ships up to 20-years old, but around 80% of the ships used are less than 10-years old and are double-hulled.

Strict technical standards and compliance with the EU emission standards reduce the fuel consumption and air emissions of OMV's own truck fleet and haulage contractors operating on its behalf. Transport routes are optimised using modern logistics systems, including for hauliers, with the aim of carrying out deliveries with the minimum transport distances, time and cost.

Environmental expenditure

The costs of environmental protection, which were recorded in accordance with IFAC guidelines for the first time in 2006, amounted to EUR 116 million (EUR 35 million for integrated prevention). In addition, EUR 18 million of current expenditure was used for direct preventative measures to reduce the environmental impact of products, such as in desulfurisation and hydrogen production as a basis for desulfurisation.

In 2006, investment in environmental protection stood at EUR 60 million (EUR 36 million for integrated prevention).



Research and development

Cooperation with universities

In Austria, we have extensive cooperation arrangements with the relevant universities. In addition to significant sponsoring and the provision of lecturers at the Montanuniversität in Leoben, we would highlight our close cooperation with the Vienna University of Economics and Business Administration (ZBP Career Centre, CEMS Community of European Management Schools, CoE Centre of Excellence etc).

The international research center of Borealis in Linz was expanded in cooperation with the state of Upper Austria and existing research institutions in Upper Austria – especially the Johannes Kepler University in Linz. The research team was increased from 120 employees to 200. Within five years, starting in 2006 – around EUR 25 million to EUR 30 million will be invested in expanding the infrastructure at the Linz research facility. The research focuses on polypropylene and with its pilot plant for the development of technical compounds, the Linz research facility is an important partner for the automotive sector. In addition, in line with OMV's involvement in Linz, we also supported training and research programmes into plastics and polymers at the Montanuniversität. OMV and its subsidiary Borealis are providing EUR 3 million for this with a further EUR 3 million from the Austrian plastics industry. The aim is to develop the universities of Linz and Leoben

as a Centre of Excellence for teaching and research in the plastics industry.

Over 1,200 people used the “Long Night of Research” in 2005 as an opportunity to talk to OMV researchers at the Schwechat refinery.

Biofuels

OMV supports the Biofuels Directive and the aim to replace 10% of fossil fuels with biogenic fuels by 2020. In recent years, we have intensively investigated the options offered by directly processing biogenic oils in the refinery. The aim here was to develop biogenic components whose properties outperform conventional fuels and the biofuels currently used.

Since 2004, OMV has blended biogenic components in its fuels both gasoline (ethanol and ETBE ethyl tertiary butyl ether) as well as diesel (FAME – biodiesel).

Superethanol E85

Superethanol E85, a new fuel, comprises 85% bioethanol and 15% gasoline, and is intended to make a significant contribution to increasing the share of biofuels in the transport sector on a long-term and sustainable basis. Consequently, an initiative is being supported in Austria to launch this fuel in the market and by 2010 should be



available at 100 filling stations. To use these fuels, new vehicles are required which can run on both gasoline and E85, FFV – Flexible Fuel Vehicles. Here too OMV has adopted a pioneering role in driving forward the infrastructure expansion.

Natural gas and biogas

OMV's network has included CNG filling stations since 1997. Compared to diesel, CNG generates up to 5-10% less CO₂ emissions and cuts the emission of NO_x by 80-90% and of particulates by 95%. Expansion of the CNG filling station network is ongoing. As the framework conditions vary considerably from country to country, expansion also depends on regional framework conditions. Since 2005, biogas has been cleaned to natural gas quality in a pilot plant and fed into the network. As part of a research project, a large biogas facility with new cleaning technology will be added to the network in 2007. We believe that in combination with biogas, natural gas will establish itself in the mid-term as an additional fuel alongside gasoline and diesel. By 2010, OMV intends to have around 80 CNG filling stations operational in Austria and to expand the network in Central Europe to up to 10% of the conventional OMV filling stations. LPG autogas is sold at 34 Petrom filling stations in Romania.

Fuel-saving initiative

Small changes in behaviour often have a surprisingly far-reaching effect. Car drivers can reduce or increase the fuel consumption of their cars by up to 30% depending on how they drive. Consequently, drivers can not only significantly help the environment but also save money. Since 2004, OMV has been supporting the fuel-saving initiative launched by the Austrian Ministry of the

Environment as part of the klima:aktiv programme with information campaigns at filling stations, information folders for drivers and prizes for fuel-saving competitions. More information on fuel-saving is available under www.spritspar.at.

Hydrogen

Hydrogen is only as environmentally friendly as the technology used to produce it and is therefore no guarantor for sustainable development. Today, 98% of the hydrogen used is produced from fossil fuels, primarily natural gas. There are still considerable technical barriers to overcome before hydrogen can be launched on a broad base as a power source for vehicles. OMV is a partner of the Christian Doppler laboratory for fuel cell systems and the Hydrogen Center Austria (HyCentA). In autumn 2005, OMV opened the first filling station in Austria offering liquid and gaseous hydrogen. The next hydrogen filling station is being built at Stuttgart airport. This filling station will be the first in the world with high pressure hydrogen (700 bar); the energy density is comparable to liquid hydrogen but with significantly higher efficiency.

AdBlue

The Euro 4 Emission Standard makes exhaust gas treatment necessary for truck diesel engines as of 2006. SCR (Selective Catalytic Reduction) technology is seen as the most efficient way to reduce emissions while at the same time, saving on fuel. AdBlue urea solution was developed by OMV in conjunction with leading truck manufacturers. The AdBlue solution breaks down nitrogen oxides into nitrogen and water. OMV played a pioneering role in the international arena in minimising the pollution from trucks and opened the world's first

AdBlue filling station for commercial vehicles as early as March 2003. In the first quarter of 2007, AdBlue was available at 200 OMV filling stations, primarily on the main transport routes in Central and Eastern Europe.

Sulfur-free fuels

Since January 1, 2004 OMV has been supplying its filling stations and direct customers in Austria with sulfur-free fuel only – five years ahead of the EU deadline. At the same time, OMV also successively launched sulfur-free gasoline and diesel fuels in the whole of its market in Southeast Europe as part of its premium fuel strategy. We also released the low-sulfur (50 ppm) heating oil, OMV econPlus, thereby supporting the modernisation of heating systems and contributing to reduced emissions and higher heating quality.

REACH

REACH (Registration, Evaluation, Authorisation and restriction of Chemicals), the new EU Chemical Regulation also affects substances produced in the oil industry. A broad project structure was set up within OMV to implement REACH. As the central coordination point, a core team was formed at Schwechat refinery to head this project which spans several organisational divisions. As Romania is now part of the EU, Petrom is covered by the new Regulation and therefore part of the project.

Challenges and objectives

► HSE management and HSE performance

In terms of HSE performance, we aim to be in the 1st quartile in a peer group comparison of mid-sized, integrated oil and gas companies. To achieve this, we are working on the further expansion and strengthening of our HSE management system and continue to focus on HSE training, because qualified employees are essential to reaching this goal.

► Use of key indicators to improve performance

With regard to KPIs, we have developed a leading indicator system for the current growth phase. Each business division must closely compare its KPIs with those of its competitors and carry out the investment necessary in good time in order to reach the overall goal.

► GHG intensity of portfolio and strategic sustainability path

As an energy company, we have to find answers to the big challenges of our time, namely rising energy consumption, limited supply of fossil fuels and climate change. We are therefore seeking new business opportunities with renewables that can be integrated with the core business of the Group. We believe we can establish renewable energies as a fast-growing and profitable division within our company in the coming decades.

“Although there has been no specific countrywide study to determine the prevalence of Hepatitis in Pakistan and the statistics are the aggregates of separate studies focusing on different areas, we can still say that Hepatitis B is an extremely common ailment in Pakistan, predominantly affecting women and children. Through the Hepatitis B prevention programme, which was carried out by OMV in collaboration with the World Health Organisation and the Austrian Development Agency, an important initial step has been taken towards checking the spread of the disease. A continuous commitment by companies, in particular, for raising standards both socially and in terms of public health is of major significance.”

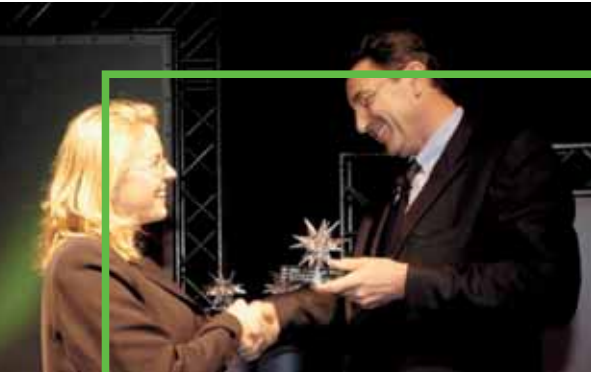
Tariq Ijaz, M.D, Medical Advisor, OMV (Pakistan) Exploration GmbH

اگر چہ پاکستان میں ہیپاٹائٹس کی موجودگی پر ملک گیر سطح پر کوئی تحقیق یا مطالعہ موجود نہیں اور موجودہ اعداد و شمار مقامی سطح پر کیے گئے مختلف سروے کا مجموعہ ہیں۔ لیکن اس کے باوجود ہم یہ کہہ سکتے ہیں کہ پاکستان میں ہیپاٹائٹس بی ایک نہایت عام بیماری ہے جو کہ عمومی طور پر بچوں اور عورتوں پر اثر انداز ہورہی ہے۔ ہیپاٹائٹس بی کے بچاؤ اور روک تھام کا یہ پروگرام جو کہ OMV (پاکستان) اور آسٹریلین ٹویلمنٹ ایجنسی (ADA) کے مشترکہ مالی تعاون سے ترتیب دیا گیا ہے۔ اس بیماری کے پھیلاؤ کی روک تھام کی جانب ایک اہم قدم ہے۔ علاوہ ازیں ورلڈ ہیلتھ آرگنائزیشن (WHO) اور ضلعی انتظامیہ خیر پور اور سکھر کی تکنیکی معاونت بھی اس پروگرام کو عملی جامہ پہنانے میں شامل ہے۔ اس ضمن میں سماجی اور صحت عامہ کے معیار کو بہتر بنانے میں کمپنیوں کی لگاتار کاوش ایک سنگ میل کی حیثیت رکھتی ہے۔

طارق اعجاز میڈیکل مشیر، OMV (پاکستان) ایکسپلوریشن GmbH



Social Issues
and Society



Employees

Objectives 2005/06

	Implemented	Ongoing
Implementation of the values enshrined in the Code of Conduct across the Group		●
Managing the integration of Petrom in a socially responsible manner	●	
Extending employees' qualifications with regard to the growth strategy		●
Further action to close the gap between male and female salaries	●	
Expansion of the innovation management programme	●	
Promoting women		●
Sustained career and succession planning	●	

Our policy

The Human Resources department supports employees through all phases of their employment from recruitment through to training and professional development and promotion as well as with regard to health and safety at work in close cooperation with the Centre for Occupational Health and the HSE department. The local management plays a key role here. For particularly important or wide-ranging issues, which could potentially impact on the Group, the local management must comply with the requirements of the central Human Resources department at OMV Holding. In particular, strategic decisions which affect the entire workforce in the OMV Group are taken at head office.

Our achievements

Implementation of the values enshrined in the Code of Conduct across the Group

In 2005, all Group guidelines were revised, abridged and updated to specify regulations efficiently in terms of HR issues and "translate" them into a Code of Conduct. This Code defines the standards for key HR topics and provides employees with guidance and instructions on dealing with the main HR issues on a daily basis such as

- ▶ OMV's recruitment and employment policy
- ▶ Career and succession planning
- ▶ Remuneration management
- ▶ Assumption of official or political offices and functions
- ▶ Anti-discrimination
- ▶ Substance abuse

The hepatitis B prevention programme is described on page 69.



Growth in the number of employees

The workforce structure changed significantly following the acquisition of Petrom and while OMV had a total of 6,475 employees in 2004, in 2006 the number was 38,436. A detailed breakdown of the workforce structure is shown in the chapter "Indicators" (page 74).

Training and professional development

The qualifications and continuous professional development of our employees are a decisive factor in our commercial success. In 2005, a total of 5,336 employees took part in training and professional development events, and 15,606 in 2006 (see also "Indicators", page 76).

Extending employees' qualifications with regard to the growth strategy and sustainable career and succession planning

In the reporting period, several (international) programmes were developed in the OMV companies as well as Group-wide (e.g. STEP, a skills training and promotion programme, STEP to SUCCESS in Exploration and Production, as well as POWER2LEAD, POWER2MANAGE and the NEXT GENERATION FORUM 2006 as Group-wide tools as well as ROPE and Talent Management in R&M).

Action to close the gap between male and female salaries/promoting women

The ongoing "Equal Opportunity" project took account of any financial disadvantages for women through specific wage and salary adjustments in 2005.

Women accounted for 31.4% of new recruits in 2005 and 27.1% in 2006.

Managing the integration of Petrom in a socially responsible manner

See the Petrom report (page 19)

Appointment of senior managers (executives)

Depending on the nature of the business and the respective country, we aim to appoint local managers where possible. Consequently, at Petrom for example, the aim is to reduce the number of expats by 50% (by 2011). Petrom's recently appointed CEO is a regional manager.

Diversity/equality: composition of OMV management: age groups, ethnicity, other factors

As part of career and succession planning for 2006, the proportion of women in key positions in senior and middle management rose by around 30% compared to 2005 (rise from 13% to 17%).

As a result of the demographic development of OMV, an extensive project was launched in 2006 to deal with the increasingly ageing workforce, especially in Europe. This focuses on issues relating to the impact on health, knowledge transfer, different working hours models and alternatives to early retirement.



Under the Group's Anti-Discrimination Guidelines adopted in 2005, OMV is an equal opportunities employer for all employee groups.

Discrimination/complaints procedure

Gratifyingly, there were no formal complaints relating to discrimination in the reporting period 2005 and 2006. Only some informal objections were raised in HCM (Human Capital Management) surveys.

Each year a staff survey is carried out worldwide on a completely anonymous basis. It is an excellent barometer of sentiment relating to the issues of cooperation, tasks, focus, information and communication, the workplace, professional development, management, process orientation, values and image.

4,231 OMV employees, or almost 80% of those asked, responded to the HCM staff survey in 2006. The high level of participation in the survey shows how important it is to the employees to actively help shape their working environment.

There were no complaints at Petrom during the reporting period.

Freedom of association/employee representations

In 2005, the interests of 97.1% (2006: 96%) of our employees were represented by statutory or voluntary trade unions, works councils or collective agreements. For over 99% of our employees, the statutory minimum loan is guaranteed through statutory or collectively agreed regulations.

No business activities were identified that jeopardised the freedom of association or right to collective bargaining.

In 2005, minimum notice periods applied for 91.4% of employees (2006: 88.6%) regarding major operational changes or restructuring.

Report from OMV's Works Council

In February 2007, a uniform collective bargaining agreement covering both blue-collar and white-collar workers came into force in Austria for the first time. This eliminates the difference between blue-collar and white-collar workers in the Austrian oil industry, and the same framework legislation and remuneration system now apply equally to both employee groups.

The Works Council sets great store by apprentice training and this is also reflected in the high quality of the new training centre from which other companies' apprentices also benefit. The number of apprentices increased in the reporting period, rising from 84 in Austria at the end of 2005 to 90 at the end of 2006 with 115 planned for 2007. At OMV Germany, there were eight apprentices in each of these three years. A training programme is to be drawn up in Austria for Romanian apprentices in order to transfer the specific practical expertise to Petrom.

There is no dual training system in Romania where trainees are employed by a company. Instead they train at school and do not join the workforce until they have completed their training.





We do not have any data for other operations and companies (Pakistan, Libya, OMV UK, OMV Slovensko, OMV Ceska, etc.). There is no employee representative body in these countries.

A new works agreement to set up a European Works Council was signed in July 2006. The European Works Council came into being and comprises employee representatives from Germany and Austria.

The "Employee Rights" project, which is being run by Group management in conjunction with the trade union organisation "weltumspannend arbeiten" (working worldwide), is intended to raise awareness of labour law. Many employee rights are still being breached across the globe, such as the impact of location policy, human rights violations, prohibited child labour, the informal economy and women's rights.

Coverage of the organisation's pension plan obligations

Pension regulations in OMV Austria

OMV has taken out pension policies for its employees with an industry-wide pension fund. OMV joined the industry-wide pension fund in 1993.

Depending on age and length and service, a choice is made between a defined benefits or a defined contributions scheme

Expansion of innovation management

Ideas management encourages employees to think and act in an entrepreneurial and cross-divisional manner. The motto here is idea = success².

The internal suggestion scheme was fully automated with an electronic workflow in 2005 and given fresh impetus in all company divisions through a communications campaign. The new system has been implemented very successfully.

In 2005, innovations suggested by staff resulted in savings totalling EUR 5,031,819 and a total of EUR 9,450,614 in 2006. The average bonus amounted to EUR 225, while the highest stood at EUR 11,217.

OMV Experience Day – international staff party to celebrate the Group's anniversary

In June 2006, the Group celebrated its 50th anniversary at the exhibition centre in Vienna. The OMV Experience Day was an opportunity to put the spotlight on the employees and provide a forum for communications. 3,300 employees from 23 countries attended the event.

CSR workshops and training sessions

During the reporting period, 854 managers and employees in the OMV Group including Petrom took part in CSR training sessions and workshops covering corporate culture, the importance of the UN Global Compact, human rights and stakeholder dialogue etc. Across the Group, 312,800 hours of HSE training was given. The plan for 2007 is to fully integrate CSR into the management training. As part of the Group-wide human rights and anti-corruption programme, which was initiated in 2006, compulsory in-house training sessions are also planned for 2007/08.



Challenges and objectives

▶ **Increased internationalisation**

Introducing standard HR tools and systems for the OMV Group worldwide, where practical, legally permissible and culturally acceptable.

▶ **Expansion of OMV's work/life balance model, demography**

As in other industries in Austria, there has been a sharp rise in length of service with the company and average age of employees at OMV. This is producing a growing need for tools which deal better with longer working lives.

▶ **Uniform employee definition**

Implementation of a new collective agreement in the oil industry will create a uniform remuneration and employment group schematic with uniform wage and salary tables for blue-collar and white-collar workers in Austria. Creating parity between blue-collar and white-collar workers, where legally possible, has not happened in this form in any industry in Austria and represents a major challenge for OMV.

▶ **Expansion of European Advisory Board**

OMV's European Advisory Board at OMV is being expanded following the accession of Romania and Bulgaria to the EU on January 1, 2007. As a result of the large number of employees at Petrom, the nomination of further members is making great demands of the employees currently delegated as European Works Council members.



Health

Objectives 2005/06	Implemented	Ongoing
HSE training for every employee		●
Petrom HSEQ integration Evaluation and design: detailed analyses of assets, health standards and main risks in conjunction with process safety, protection and crisis management	●	
HSEQ management systems: transfer of OMV HSE policy and a new HSEQ organisation with allocation of tasks and responsibilities programmes to raise awareness of HSEQ issues	●	
Minimum medical standards: Group-wide definition	●	
HSE reporting: setting up a Group-wide non-financial IT reporting tool (HSE monitor); incident reporting and investigation database Safe. Net developed at E&P with roll-out for all of OMV scheduled for 2006		●

Our policy

The health of our employees is an important asset and resource. The OMV Group attaches the utmost importance to comprehensive, high quality industrial medical care. We focus on Group-wide efforts to promote occupational health through the implementation of generally applicable standards for all healthcare services – from preventative medicine through to treatment and emergency care, as well as health management and assessing risks and determining requirements at the individual facilities. The experts at the Center for Occupational Health support the line managers in all the divisions fulfill their responsibility regarding occupational health.

Our achievements

The development of a new healthcare concept at Petrom has been the occupational healthcare programme with the biggest impact on the employees and the company to date. As the Petrom locations are spread all over Romania, one important task was to set up local health centers. Initiatives to standardised medical facilities and train medical personnel will also continue in the future.

General preventative examinations are offered regularly at OMV operating sites. To improve knowledge exchange, there are also information events, such as the “Safety Hour” which cover topics such as eating habits, ergonomics for computer work or avian flu.

OMV also recognises the significance of AIDS and addresses this issue within its Group-health management system. OMV’s healthcare standard outlines that AIDS/HIV will be addressed within specific preventative programmes and is included in our general health training modules.



Safety

Objectives 2005/06

LTIR-reduction of accidents at work with lost time to less than 2 per 1 million hours worked for OMV employees and less than 3 for contractors

Safety index with key indicators on safety audits, near miss reporting and implementation of corrective action

Implemented Ongoing

●

●

As a company we have prepared for a flu pandemic by drawing up the corresponding crisis management and contingency plans as well as through the support of prophylactic and therapeutic treatments.

Challenges and objectives

- ▶ **Compliance with Group health standards and establishment of Health Circles**
Through OMV's expansion in relatively remote areas and countries, special preparations regarding occupational health have to be made in advance. OMV aims to achieve 90% compliance with the health standard, fully implement the healthcare project at Petrom and promote an active role on the part of employees with regard to their individual health. Consequently, there are plans to set up Health Circles on a Group-wide basis.

Our policy

It is one of our HSE policy principles that everyone who works with or for OMV should return home in good physical and mental health and all workplaces and processes must be safe and secure for OMV, its stakeholders and the environment. We believe all accidents can be prevented and we strive to keep risks and hazards as low as possible.

Important safety indicators are reviewed each month. Standardised procedures are in place for the regular investigation of incidents, writing of reports, conduct of investigations and sharing experiences.

Safety performance

The reporting period was overshadowed by a high number of fatalities: 6 Petrom employees and 8 contractors lost their lives in 2006 while working for our company; in 2005, the figures were 3 of our own employees and 8 contractors. Eight fatalities were due to car accidents. A development which we deeply regret.



Indicator	2005			2006		
	OMV ¹⁾	Petrom	OMV Group	OMV ¹⁾	Petrom	OMV Group
Employees	5,226	44,693	49,919	5,180	35,813	40,993
Fatalities	0	3	3	0	6	6
Fatality rate	0.00	3.94	3.49	0.00	8.45	7.45
Injury	22	50	72	23	50	73
Injury rate (LTIR)	2.21	0.66	0.87	2.56	0.79	0.98
Lost days	372	561	934	439	1,388	1,827
Contractors						
Fatalities	1	7	8	1	7	8
Fatality rate	5.51	20.75	15.42	6.69	17.22	14.31
Injuries	62	62	124	22	46	68
Injury rate (LTIR)	3.47	1.84	2.54	1.54	1.30	1.36
Lost days	847	89	936	965	1,345	2,310

¹⁾ OMV without Petrom

Fatality Rate (FAR): the number of fatalities for employees and/or contractors per 100 million hours worked.
 Lost Time Injury Rate (LTIR): average injury rate per 1 million hours worked

The lost time injury rate (LTIR) at OMV Aktiengesellschaft dropped between 2001 and 2005 by 66% to 2.21 for employees; we directly ascribe this success to our safety campaign "Think:ahead – discover safety". In 2006, the LTIR for the whole Group including Petrom amounted to 0.98 incidents per million hours worked for Group employees and 1.36 for contractors.

In 2006, there were two plant shutdowns following fires as a result of technical defects at Schwechat refinery.

Through the prompt and professional intervention of the operating personnel and the fire service and strict damage limitation measures under the existing emergency plans there were no injuries and there was never any danger posed to neighbours or the surrounding area.

After investigating the causes in both cases, the plant was repaired and brought back online as quickly as possible. At the same time, technical measures were taken to prevent similar damage in the future.

The company Det Norske Veritas (DNV) was

appointed to investigate the causes in detail and conduct a risk assessment. In its findings, DNV made recommendations to further improve process safety. These recommendations have already been implemented.

Training and raising awareness

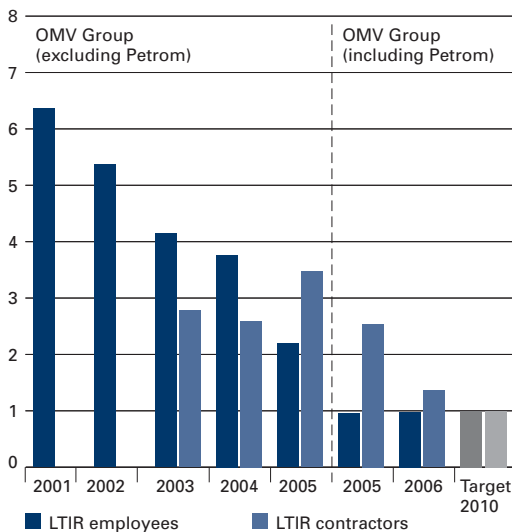
As part of our "Think:ahead – discover safety" campaign, HSE employees carried out extensive HSE training programmes at OMV and Petrom. These were aimed at executives and employees at all corporate levels as well as contractors.

OMV employees took part in 312,800 HSE training hours. Petrom accounted for 222,800 of these hours.

OMV won the Dupont Safety Award 2006 for Europe, the Middle East and Africa in the innovation category with its "Think:ahead and talk about it" campaign.



Accident frequency (LTIR) 2001-2006

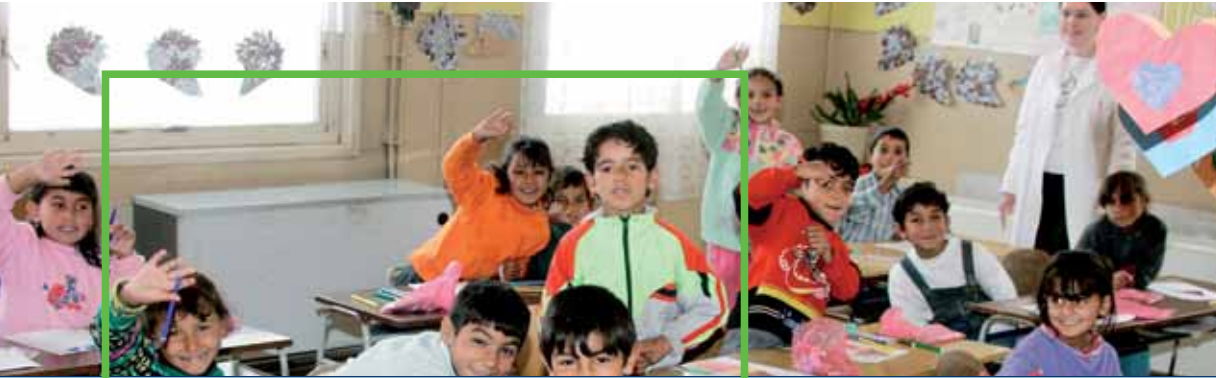


Challenges and objectives

- Reducing accidents at work**
 OMV's business strategy includes two ambitious targets for 2010: a lost time injury rate per 1 million hours worked (LTIR) of less than 1 and no incidents of category 4 or higher. This means no fatalities and no incidents relevant to process safety which lead to partial loss of the plant.
- Consolidating the safety programme at Petrom**
 The biggest challenge for improving our safety performance is the rigorous introduction of the safety programme at Petrom, including investing in facility integrity, detailed management regulations for contractors, comprehensive road safety programmes and continuation of OMV's established safety culture.

HSE training 2006

	Training hours	Training hours/employee
OMV Group	312,800	7
OMV (excluding Petrom)	90,000	16
Petrom	222,800	6
Per business division		
R&M	82,300	4
E&P	220,800	10
Gas	1,700	5
Holding and others	8,000	3



Commitment to human rights

Objectives 2005/06

	Implemented	Ongoing
Promoting human rights in our national and local environment		●
Instilling awareness of human rights issues in Central and Eastern Europe		As part of individual projects
Continuous focus on the UN Millennium Development Goals in our development work and humanitarian projects		●
Integrating human rights issues in our supply chain management	●	
Further expansion of the Community Development Project (CDP) in Pakistan in the fields of education, water supply, health, agricultural development and income generation	●	

Our policy

By signing the UN Global Compact, OMV has declared its commitment to respecting and protecting human rights in its sphere of influence and to supporting their fulfillment. Human rights affect many aspects of social, economic and political life and are comprehensive in nature. They protect human dignity on an equal basis and serve to meet the needs of human beings.

We have a broad perception of human rights and our policy is based on the human rights matrix from the Business Leaders Initiative on Human Rights (BLIHR). We are aware of our responsibility as a company and have defined it clearly. We see dialogue as the ideal means to develop local solutions. We support our managers and employees in their willingness to meet these challenges.

OMV is conducting a human rights gap analysis with human rights experts under the leadership of the Boltzmann Institute of Human Rights. OMV has adopted a human rights policy which specifies human rights as an essential element of a comprehensive

CSR policy. The human rights programme comprises drawing up standards for OMV and is being developed with the active support of managers from OMV and Petrom business divisions. The focal points here are: labour laws in general, pay, equality in particular, freedom of speech, dealing with the deployment of security forces, minorities and indigenous populations, education, raising living standards for local communities, prohibited child labour and forced labour. Standards, Group directives and guidelines are drawn up for these key issues and existing guidelines checked for comprehensiveness. The next stage is to develop practical tools for their implementation, for example using checklists. In 2007, the Executive Board of OMV also adopted a human rights policy.

Companies and their responsibility with regard to human rights policy in individual countries

Undertaking a commitment to CSR and corporate responsibility for human rights has nothing to do with politics on the world stage. Naturally we condemn human rights violations wherever they occur. But in line with the general international understanding of human rights, companies are responsible for closely examining and monitoring



whether human rights violations are taking place in the areas in which they operate and if they are deriving direct benefit from such behaviour. OMV complies with this requirement as a matter of course. We have been operating in Iran for example since 2001 and there we work successfully in line with international human rights standards. Naturally we also comply with all binding UN and EU regulations.

Our achievements

OMV drew up standards relating to the issue of prohibited child labour and forced labour in its supply chain as part of a pilot project as early as 2004/05. These standards are now integrated in contracts. In 2006, self assessment questionnaires were sent out to suppliers. Human rights experts evaluated the status quo and proposed steps for improvement. One of the recommended measures in particular, is the evaluation of questionnaires in the procurement process. The identification of risks relating to child labour was carried out so that the country risk was discussed with the local procurement management team.

The pilot project launched in Pakistan in 2003 on human rights training for private security forces will be broadened to other countries in which OMV operates in 2007/08.

Through its support of "Reporters without Borders", OMV sponsors the "Press Freedom Award for a Free Europe" awarded by a specialist jury for committed journalism in selected Eastern European countries.

For more information on human rights see www.omv.com.

"OMV commenced the process of specifying human rights standards in 2006. The company is being supported and advised in this by the Ludwig Boltzmann Institute of Human Rights and HumanRightsConsulting Vienna.

OMV has adopted a human rights policy which enshrines human rights as a key element of a comprehensive CSR policy. In line with these principles, OMV drew up its own matrix which defines the human rights standards relevant to OMV in greater detail.

OMV's commitment is comprehensive. The challenge now is to put into practice the human rights standards defined in the matrix as part of an in-depth dialogue with the operating divisions."

Manfred Nowak, Head of the Ludwig Boltzmann Institute of Human Rights (BIM) in Vienna and Special Rapporteur on Torture for the United Nations

Human rights in another structure:

- ▶ Right to health: page 20, 54, 60, 68, 69
- ▶ Right to education: page 20, 49, 54, 64, 68, 69
- ▶ Action against child labour/forced labour: page 64, 65
- ▶ Equality/anti-discrimination: page 54, 56
- ▶ Freedom of opinion: page 56, 64
- ▶ ILO standards: page 13, 56, 64
- ▶ Supply chain: page 40, 65
- ▶ Quality of life for communities: page 64, 68, 69
- ▶ Security forces: page 64, 66

Challenges and objectives

Achieving profitable growth and securing the energy requirement from various regions for our core markets inevitably leads us to look for oil and gas in countries whose politics are criticised in general and whose human rights violations are criticised in particular. The challenge is to undertake everything in our sphere of influence to comply with our human rights obligations and to support measures to prevent human rights abuses from which we benefit in our business activities or where we could become complicit. However, we also have to clarify where the limits of our responsibility lie and separate these clearly from political influence for all circumstances in a country and to communicate this credibly.

The concrete goals are:

- ▶ Raising awareness of the fact that we have a responsibility for human rights and clear external communications regarding the limits of corporate responsibility.
- ▶ Fostering a culture of dialogue with all local stakeholders in order to understand the situation and to plan, promote and actively contribute to needs-based improvements within the scope of our ability and capacity.
- ▶ Interpreting the human rights matrix locally and on the basis of actual circumstances, determining the action required and planning measures.
- ▶ Further development of supply chain management regarding forced and child labour monitoring.
- ▶ Training security staff in human rights issues.



Our environment

Objectives 2005/06	Implemented	Ongoing
Raising awareness of anti-corruption		●
Ongoing stakeholder		●
Increasing awareness of competition law	●	

Crisis communications

Professional crisis communications are of course important at OMV. Our communications officers train in the corresponding procedures and form an integral part of the regular crisis exercises, whether in the business divisions or at the level of the holding company.

Community development

A community development manual was prepared in conjunction with the ICEP (Institute for Cooperation on Development Projects) and is to be introduced in 2007/08. This specifies the procedure for development projects in the vicinity of OMV facilities, paying particular attention to stakeholder involvement (bottom-up approach). The challenge for 2007/08 will be to implement this approach throughout the Group. In E&P there are already guidelines on community relations, community development and the deployment of security staff.

Political opinion-making and lobbying

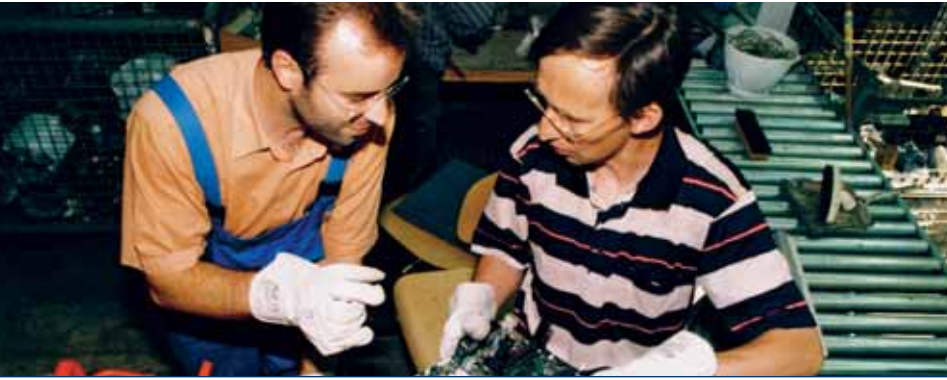
We act on a policy basis and not on a party political basis. We are committed to proactively representing our interests with regard to draft laws and standards as well as in the run-up to legislation. Financial support for political officials or organisations could be misinterpreted and we therefore make no donations to candidates for an official position or political office and political parties.

Lobbyists report separately to the Executive Board and Corporate Affairs. Our lobbyist in Brussels has joined the SEAP (Society of European Affairs Professionals).

Stakeholder management in Pakistan

Over the last few years, OMV has built up a good relationship with the local population in upper Sindh province in Pakistan and is enhancing this as part of the expansion of its business activities in the Khairpur and Sukkur districts. After overcoming numerous challenges in recent years, the company has established a fair and transparent dialogue with all stakeholders.

Local development initiatives focused primarily on the areas of health (primarily healthcare provision, mother and child programmes and a hepatitis B vaccination programme), education (e.g. access to primary school by improving school infrastructure



and raising the standard of teaching through the corresponding professional development for local teachers) and meeting basic needs by providing clean drinking water for remote settlements in desert areas. These endeavors were further supported by several pilot projects such as bringing electricity to villages to improve living standards, model fruit operations with enhanced management methods, improvement of local animal husbandry as well as regional training centers for better handi-craft training for women.

In our Code of Conduct, which describes OMV's value system, we specify how we shape our links with stakeholders in our environment.

See page 22 for more information on the stakeholder dialogue.

Brückenschlag initiative

In 2005, CSR Austria (now respACT austria) launched the Brückenschlag initiative in Eastern Austria, which enables company executives to work for five days in a social institution of their choice. In this project, managers experience dealing with boundary situations and test their own social skills and limits in a foreign environment. They observe professionals at work and find out about the structures, values and culture of social work. They discover the reality for people who have been marginalised through poverty, illness, disability or social factors. The placement offers executives the opportunity to enhance personal skills such as communication and dealing with conflict, creativity, flexibility, authenticity and tolerance. The project has been offered by OMV since it was launched.

Dialogue with filling station partners

Treating our filling station partners fairly is important to us. Consequently we maintain close contact with our partners through extensive information, regular seminars as well as an annual market-wide event, workshops on selected issues and a partner magazine and include them on a structural basis. Personal development training, leadership and employee coaching also provide the basis for the necessary professional development of each individual partner. Our filling station partners also have a financial involvement, particularly with regard to car wash facilities, through a share of sales.

FAIRTRADE products on sale at OMV

In January 2006, OMV became the first filling station operator in Austria to sell FAIRTRADE products such as coffee, fruit juice, chocolate and cane sugar from developing countries. Through this cooperation, the Group is actively supporting effective development collaboration. The FAIRTRADE products on sale in OMV VIVA shops (currently: 190 shops, expansion to over 200 in the next few years) are promoted separately. In 2007, the cafeteria operator, Eurest, also agreed to offer FAIRTRADE products in the OMV cafeteria. (See www.fairtrade.at for more information)



Social sponsoring/community investment

OMV Move & Help

OMV Move & Help, the educational project launched in 2004 together with Caritas, SOS-Kinderdorf und UNICEF, was continued and further expanded in 2005 and 2006. More than 35,000 children and young people in Austria, Bulgaria, Pakistan, Romania and Slovakia received support totaling EUR 309,000. In 2006, the programme was supplemented with education projects in Hungary and the Czech Republic. 2006 also saw the launch of the OMV Move & Help educational fund together with SOS Kinderdorf. By 2008, the fund will receive EUR 100,000 a year and will consequently ensure training for at least 60 children and young people in Austria over the long term. Overall, OMV partners Caritas, SOS-Kinderdorf and UNICEF donated EUR 620,000 from OMV Move & Help activities to promote young people and children in Europe and Pakistan.

Pakistan case study: hepatitis prevention project

As part of the Community Development Project in Pakistan, a Hepatitis B Prevention Programme was launched as a contribution towards the Millennium Development Goals (MDGs) in conjunction with OMV's doctors in line with requests from the local population in Sindh province. Under the programme, 6,000 children and 3,000 mothers are to be vaccinated over a three-year period up to 2008. The project is being carried out in conjunction with the WHO and financed as a private public partnership (PPP) equally by the Austrian Development Agency (ADA) and OMV and includes an information campaign in the local language. The volume of the projects amounts to EUR

100,000. The programme was nominated for the Austrian CSR Trigos prize 2007 and won an award in the "Company" category in May 2007.

Earthquake aid in Pakistan

After the severe earthquake in Pakistan in December 2005 in which around 80,000 people died, OMV donated US\$ 500,000.

Case study New Zealand: OMV finances insulation of old South Taranaki houses

The grant of NZ\$ 25,000 has boosted the retrofitting of insulation in old Taranaki houses.

Thousands of Taranaki houses are cold, damp and drafty due to a lack of insulation. The Healthy Homes Taranaki Programme was set up with the aim of making all houses in Taranaki sound and healthy by 2014. So far, more than 200 houses in South Taranaki have been retrofitted with insulation as part of this project.

The image features a solid blue background. In the lower half, two hands are shown from the palm side, reaching out towards the center. The hand on the left is lighter-skinned, and the hand on the right is darker-skinned. In the upper left quadrant, a thin green rectangular box encloses the word "Indicators" in a black, sans-serif font.

Indicators

Economy

Data collection method

As in the annual reports, the data for the economic performance indicators was collected taking account of the binding IFRS accounting standards relevant at the time as applicable in the EU.

EC1

Financial performance indicators

	2006	2005	2004	2003
Sales revenues (excl. petroleum excise tax) (in EUR mn)	18,970	15,580	9,829	7,644
Earnings before interest and taxes (EBIT) (in EUR mn)	2,061	1,958	975	644
Net finance cost (in EUR mn)	95	-11	40	-47
Profit from ordinary activities (in EUR mn)	2,156	1,948	1,015	596
Taxes on income (in EUR mn)	-506	-488	-324	-203
Net income for the year (in EUR mn)	1,658	1,496	690	393
Net income for the year after minorities (in EUR mn)	1,383	1,256	689	392

EC1

Consolidated sales and EBIT by division

Consolidated sales (in EUR mn)*	2006	2005	2004	2003
Exploration and Production	782	938	324	341
Refining and Marketing incl. petrochemicals	16,197	13,634	8,378	6,022
Gas	1,948	796	726	785
Chemicals	-	203	392	490
Corporate and Other	43	9	8	6
Earnings before interest and taxes (EBIT) (in EUR mn)*	2006	2005	2004	2003
Exploration and Production	1,908	1,594	469	303
Refining and Marketing incl. petrochemicals	121	411	481	265
Gas	135	68	76	79
Chemicals	-	6	20	43
Corporate and Other	-103	-121	-71	-46

* 2003 figures according to the Austrian Commercial Code, as of 2004 according to IFRS.

EC1

Tax

Tax	2006 *)	2005 *)	2004	2003
Tax payments (in EUR mn)	9,847	8,650	5,867	4,219
Petroleum excise tax	5,436	4,912	3,490	2,392
VAT	3,563	2,932	1,854	1,455
Collected in petroleum excise tax and VAT (in EUR mn)	8,999	7,844	5,343	3,848
Income taxes amounted to (in EUR mn)	506	488	312	203
Implicit taxes from production splitting contracts (in EUR mn)	199,9	206,7	171	131
Taxes and levies for personnel	90	128	81	76
Other taxes and levies (mineral royalties etc.)	251	191	40	38
Austrian tax payment as a percentage of sales	34%	30%	39%	43%

*) incl. Petrom as of 2005



Data collection method

Data was collected at individual plant level using location-specific methods and systems. Reporting and Group-wide consolidation was carried out using a central database. The data was systematically plausibility checked (including comparisons of time series, between plant and with industry-specific performance indicators) and subject to feedback and comment loops with reporting plant and departments. An external audit also ensured high quality data.

Environment

EN3	Energy consumption		2005	2004	2003	2002
	2006	2006 (of which Petrom)				
PJ	154.5	80.4	83.6	81.5	76.9	76.5
EN8	Total water withdrawal		2005	2004	2003	2002
	2006	2006 (of which Petrom)				
Mcm	88.5	69.6	102	184	193	185
Groundwater consumption			2005	2004	2003	2002
	2006	2006 (of which Petrom)				
Mcm	27.5	10.8	20.5	19.5	21.8	19.9
EN16	Emissions		2005	2004	2003	2002
	Greenhouse gases (direct)					
mn t CO ₂ equivalent	2006	2006 (of which Petrom)	7.2	7.8	7.5	5.8
	CO ₂	14.1				
mn t	2006	2006 (of which Petrom)	6.2	6.7	5.7	5
	CH ₄	11.6				
t	2006	2006 (of which Petrom)	37,426	44,052	51,363	2,176
	N ₂ O	95,285*				
t	2006	2006 (of which Petrom)	442	906.5	2,850	2,603
		1,384**				

* As a result of an equipment fault (on a furnace) in Kadanwari, methane emissions in 2006 were considerably higher than in 2005. A survey on emissions reduction started in 2006 and the funds for an economic solution to the problem were approved. GHG emissions are set to fall sharply by the end of 2008.

** As a result of the deconsolidation of AMI, N₂O emissions were virtually eliminated. N₂O emissions from other sources were below reporting limits.

EN20		NOx, SOx and other significant emissions					
SO₂		2006	2006	2005	2004	2003	2002
		(of which Petrom)					
t		13,247	7,180	5,861	6,484	6,006	5,947
NOx		2006	2006	2005	2004	2003	2002
		(of which Petrom)					
t		13,439	7,022	7,264	7,819	6,543	6,686
NM-VOC		2006	2006	2005	2004	2003	2002
		(of which Petrom)					
t		6,028	4,493	1,649	2,519	1,911	1,929
Dust emissions		2006	2006	2005	2004	2003	2002
		(of which Petrom)					
t		2,369	2,233	183	293	305	282
EN21		Water discharge					
COD		2006	2006	2005	2004	2003	2002
		(of which Petrom)					
t		2,939	2,660	240	630	654	901
Hydrocarbons		2006	2006	2005	2004	2003	2002
		(of which Petrom)					
t		72.8	70.5	3.3	2.4	3.0	2.8
Total N		2006	2006	2005	2004	2003	2002
		(of which Petrom)					
t		349	243	441	1,546	1,353	1,243
EN22		Waste					
Non-hazardous production waste		2006	2006	2005	2004	2003	2002
		(of which Petrom)					
t		57,456	11,073	42,537	39,244	38,211	41,555
Hazardous production waste		2006	2006	2005	2004	2003	2002
		(of which Petrom)					
t		19,835	12,164	8,174	9,058	8,295	9,831
Waste oil		2006	2006	2005	2004	2003	2002
		(of which Petrom)					
t		262	123	296	495	474	434
Total production waste		2006	2006	2005	2004	2003	2002
		(of which Petrom)					
t		77,552	23,359	51,007	48,857	46,946	51,823
of which recycled (%)		82	66	91	91	83	63



Data collection method

The data for the present Report was collected by means of questionnaires sent via the divisions to the local HR departments. Data was also gathered via SAP queries.

Social Issues and Society

LA1

Total workforce by employment type and region

Workforce structure 2005

	Europe excluding Austria	Africa / Middle East	Rest of the world	Austria	Total
Employees/total	44,848	620	47	3,369	48,884
Employees/status					
White-collar workers	11,725	329	47	2,221	14,322
Blue-collar workers	33,123	291	0	1,148	34,562
Total	44,848	620	47	3,369	48,884
Employees - type of employment					
Full time	44,818	619	43	3,276	48,756
Part time	30	1	4	93	128
Total	44,848	620	47	3,369	48,884

Workforce structure 2006

	Europe excluding Austria	Africa / Middle East	Rest of the world	Austria	Total
Employees - total	34,194	675	54	3,513	38,436
Employees - status					
White-collar workers	10,897	389	54	2,473	13,813
Blue-collar workers	23,297	286	0	1,040	24,623
Total	34,194	675	54	3,513	38,436
Employees - type of employment					
Full time	34,164	672	51	3,399	38,286
Part time	30	3	3	114	150
Total	34,194	675	54	3,513	38,436

The data on the workforce structure for 2005 and 2006 includes figures for SC Petrom, but not for branches in which Petrom is a partner.



LA2

Jobs created (net)

2005

	Europe excluding Austria**	Africa / Middle East	Rest of the world	Austria	Total
New recruitments	165	132	14	392	703
Of which jobs created	76	73	12	139	300
Contract terminations	113	46	3	346*	162
Total employees	1,281	574	47	3,369	5,271

* Including redundancy schemes and requirements. / ** Excluding data for OMV Italia and SC Petrom.

2006

	Europe excluding Austria**	Africa / Middle East	Rest of the world	Austria	Total
New recruitments	176	138	17	361	692
Of which jobs created	95	66	10	228	399
Contract terminations	111	82	8	397*	598
Total employees	1,338	675	54	3,513	5,580

* Including redundancy schemes and requirements. / ** Excluding data for OMV Italia and SC Petrom.

LA7

Safety performance indicators (safety performance indicators include Petrom as of 2005)

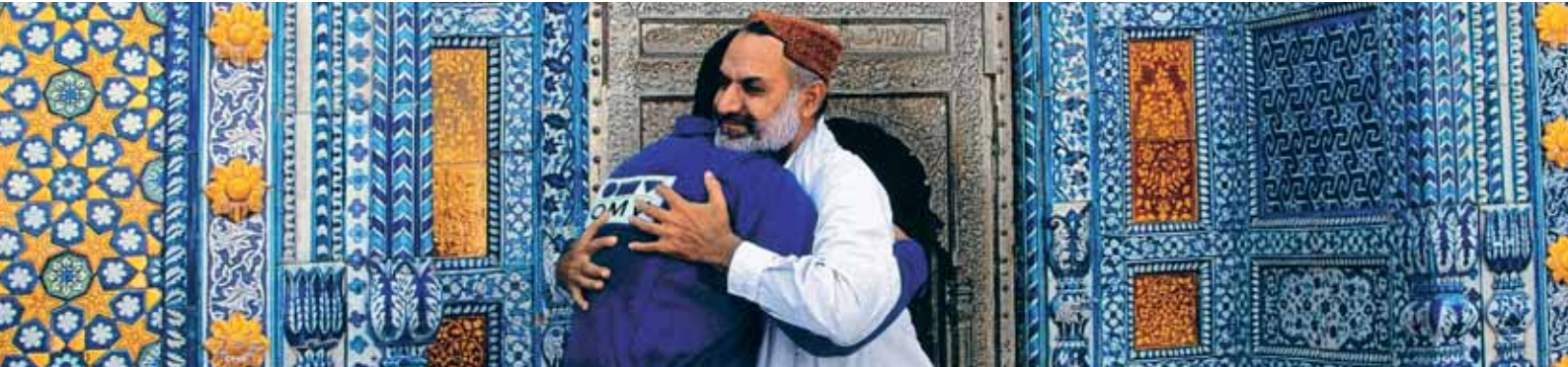
Own employees

Unit	2006	2006 of which Petrom	2006 of which OMV excl. Petrom	2005	2005 of which Petrom	2005 of which OMV excl. Petrom	2004	2003	2002
Fatal accidents	Number	6	6	0	3	3	0	1	0
Lost time incidents	Number	73	50	23	72	50	22	38	37
Fatal Accident Rate (FAR)	per 100 million hours worked	7.45	8.45	0.00	3.49	3.94	0.00	0.00	10.93
Lost Time Incident Rate (LTIR)	per 1 million hours worked	0.98	0.79	2.56	0.87	0.66	2.21	3.76	4.15
Lost Time Incident Severity (LTIS)	pro 1 million hours worked	22.70	19.00	50.8	10.80	n.r.	37.4	106.00	82.20

Contractors

Fatal accidents	Number	8	7	1	8	7	1	2	3
Lost time incidents	Number	68	46	22	124	62	62	41	43
Fatal Accident Rate (FAR)	per 100 million hours worked	14.31	17.22	6.69	15.42	20.75	5.51	12.07	n.r.
Lost Time Incident Rate (LTIR)	per 1 million hours worked	1.36	1.30	1.54	2.54	1.84	3.47	2.59	2.78
Lost Time Incident Severity (LTIS)	per 1 million hours worked	41.10	33.10	64.6	18.00	n.r.	46.7	46.80	n.r.

n.r. ... not reported.



LA10

Training and education

2005

	Europe excl. Austria*	Africa / Middle East	Rest of the world	Total
Senior Management				
Number of employees who participated in training	40	23	4	67
Total spent on training (in EUR)	47,663.57	11,526.76	4,817.32	64,007.65
Total hours of training	1504.50	437	30	1,971.50
Middle Management				
Number of employees who participated in training	161	268	11	440
Total spent on training (in EUR)	152,135.96	102,345.97	11,566.68	266,048.61
Total hours of training	6,750	4,705	90	11,545
Professional				
Number of employees who participated in training	258	303	27	588
Total spent on training (in EUR)	180,027	113,947.62	30,559.92	324,534.54
Total hours of training	7,048	5,430	273	12,751
Technical				
Number of employees who participated in training	254	186	5	445
Total spent on training (in EUR)	141,237	80,544.89	5,199.47	226,981.36
Total hours of training	4,541	2,992	740	8,273
Administrative				
Number of employees who participated in training	295	45	13	353
Total spent on training (in EUR)	115,235	10,117.69	6,102.78	131,455.47
Total hours of training	8,929	497	31	9,457
Maintenance				
Number of employees who participated in training	60	67	0	127
Total spent on training (in EUR)	39,000	15,317.19	0	54,317
Total hours of training	1,000	1,168	0	2,168
Sub-total excluding Austria				
Number of employees who participated in training				2,020.00
Total spent on training (in EUR)				1,067,344.82
Total hours of training				46,165.50
Austria**				
Number of employees who participated in training				3.303
Total spent on training (in EUR)				4,181,820.00
Total hours of training				137,800.00
Italy**				
Number of employees who participated in training				13
Total spent on training (in EUR)				9,020.00
Total hours of training				164.00
Total				
Number of employees who participated in training				5,336.00
Total spent on training (in EUR)				5,258,184.82
Total hours of training				184,129.50

* Excluding data for Italy and Hungary. / ** Data for Austria and Italy not available by category.

2006

	Europe excl. Austria*	Africa / Middle East	Rest of the world	Total
Senior Management				
Number of employees who participated in training	43.00	24.00	4.00	71.00
Total spent on training (in EUR)	65,416.75	11,358.65	5,130.18	81,905.58
Total hours of training	1,826.25	871.00	65.00	2,762.25
Middle Management				
Number of employees who participated in training	167.00	210.00	8.00	385.00
Total spent on training (in EUR)	175,211.14	134,922.87	8,537.87	318,671.88
Total hours of training	5,731.00	4,815.00	158.00	10,704.00
Professional				
Number of employees who participated in training	293.00	309.00	25.00	627.00
Total spent on training (in EUR)	223,404.00	188,440.03	32,445.14	444,289.17
Total hours of training	8,757.00	7,162.00	602.00	16,521.00
Technical				
Number of employees who participated in training	272.00	149.00	5.00	426.00
Total spent on training (in EUR)	189,550.00	96,886.45	20,222.96	306,659.41
Total hours of training	5,382.00	3,818.00	355.00	9,555.00
Administrative				
Number of employees who participated in training	378.00	39.00	16.00	433.00
Total spent on training (in EUR)	178,950.00	18,365.37	11,920.66	209,236.03
Total hours of training	12,511.00	585.00	372.00	13,468.00
Maintenance				
Number of employees who participated in training	64.00	57.00	-	121.00
Total spent on training (in EUR)	53,000.00	11,339.37	-	64,339.37
Total hours of training	1,200.00	1,233.00	-	2,433.00
SC Petrom total**				
Number of employees who participated in training				10,000.00
Total spent on training (in EUR)				5,023,582.86
Total hours of training				1,335,033.00
Sub-total excluding Austria				
Number of employees who participated in training				12,063.00
Total spent on training (in EUR)				6,448,684.30
Total hours of training				1,390,476.25
Austria**				
Number of employees who participated in training				3,543
Total spent on training (in EUR)				4,644,254.00
Total hours of training				138,776.00
Total				
Number of employees who participated in training				15,606.00
Total spent on training (in EUR)				11,092,938.30
Total hours of training				1,529,252.25

* Excluding data for Italy and Hungary. / ** Data for Austria and SC Petrom not available by category.

Memberships (selection)

ABCSD – Austrian Business Council for Sustainable Development, the Austrian network partner of WBCSD (World Business Council for Sustainable Development)

ARGE Biokraft (Bioenergy consortium)

Austrom – Austro-Romanian society

B.A.U.M (member of INEM, the International Network for Environmental Management), the Austrian Network for Sustainable Management.

Concawe – CONservation of Clean Air and Water in Europe

Europaia – European Petroleum Industry Association

Industriellenvereinigung (Federation of Austrian Industry)

IPIECA – International Petroleum Industry Environmental Conservation Association

Kompetenzzentrum für umweltfreundliche Stationärmotoren GmbH
(Large Engines Competence Center)

OENWE – Oesterreichisches Netzwerk für Wirtschaftsethik –

EBEN – European Business Ethics Network Austria

OGP International Association of Oil & Gas producers

respACT austria (member of CSR Europe) OMV is a member of the national CSR platform respACT. CEO Ruttenstorfer is Deputy President of respACT.

Roundtable on sustainable palm oil (RSPO)

UNGC – UN Global Compact

University programme “Renewable Energy in Central & Eastern Europe“

Awards (selection)

2005

1st place in the Gewinn-Börsepreis in the category Corporate Governance

“Corporate Governance” Award

awarded by the Austrian Association for Financial Analysis and Asset Management (ÖVFA)

2nd place in the first Austrian CSR ranking awarded by the Federal Ministry for Social Security,

Generations and Consumer Protection (BMSG) (top 30 Austrian companies in the field of Corporate Social Responsibility)

“Best Partner 2005” Award

In recognition of its outstanding business standards in Serbia and Montenegro, OMV Yugoslavia received this award, which distinguishes foreign companies and their local management for conducting their business operations in accordance with the highest professional and ethical standards.

2005 The OMV Move & Help education programme

won the German PR award 2005 in the sponsoring category. The international jury was impressed by the high level of credibility, consistency and sustainability of the social assistance programme as well as the involvement of all target groups. In 2004 alone, over 1,700 young people and children in Central and Eastern Europe received support through funds totalling in excess of EUR 300,000.

2005 Investor Relations activities

were judged to be the best in Austria by an international jury and garnered 3rd place in another national Börsepreis awards. In 2006, OMV again won the Value Management award for the highest amount of value added in three years. The Annual Report for financial year 2005 was voted second place in the Reporting category by a national jury.



2006

Second Austrian CSR ranking: 3rd place in the Commodities and Energy sector
(top 100 Austrian companies in corporate social responsibility)

OMV Solutions was judged to be an eco-business plan operation

2006 The international OMV – Move & Help education programme

– won the European SABRE (Superior Achievement in Branding and Reputation) award on May 24.

The award is granted for particularly impressive PR and marketing activities in Europe. The jury was impressed by the international nature of the programme, the communications activities, the long term approach and cooperation with partner organisations Caritas, SOS-Kinderdorf and UNICEF. OMV Move & Help supports educational projects for 35,000 socially disadvantaged young people and children in Europe and Pakistan is closely accompanied by communications activities.

Having won the German PR award in the previous year, Move & Help has now already won two European awards.

Dupont Safety Award for Europe, the Middle East and Africa in the Innovation category

2007

OMV won the TRIGOS award for its hepatitis prevention project in Pakistan in the Society "major corporations" category.

Glossary

ADA	Austrian Development Agency
APK	Allgemeine Pensionskasse (General Pension Fund)
AGM	Annual General Meeting
BLIHR	Business Leaders Initiative on Human Rights
BMSG	Federal Ministry for Social Security, Generations and Consumer Protection
bmc	Billion cubic metres
bn	Billion
boe/d	Barrels of oil equivalent/day
BSC	Balanced scorecard
CCS	Carbon capture and storage (sequestration)
CDP	Carbon Disclosure Project
CDP	Community Development Programme
CEE	Central and Eastern Europe
CEO	Chief Executive Officer
CH ₄	Methane
CNG	Compressed natural gas
CO ₂	Carbon dioxide
CoC	Code of Conduct
COD	Chemical oxygen demand
CSR	Corporate social responsibility
E&P	Exploration and Production
E85	Fuel comprising 85% ethanol and 15% gasoline
EBIT	Earnings before interest and taxes; operating income
ETBE	Ethyl tertiary butyl ether
EU	European Union
EUR	Euro
FAME	Fatty acid methyl ester
FAR	Fatality rate
FCC	Fluid catalytic cracking
FFH	Fauna Flora Habitat Directive, EU Directive, 1992
FFV	Flexible fuel vehicle
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HCM	Human Capital Management
HR	Human Resources
HSE/HSEQ	Health, Safety, Security, Environment and Quality
IAS	International Accounting Standards
ICEP	Institute of Cooperation on Development Projects
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IPIC	International Petroleum Investment Company



ISO 14001	Environmental management standard
ISO 9001	Quality management standard
ISPS-Code	International ship and port facility security code
IT	Information technology
KPI	Key performance indicator
LNG	Liquified natural gas
LPG	Liquified petroleum gas
LTIR	Lost time injury/incident rate
MDG	Millennium Development Goals
MIP	Medium term planning
Mn	Million
NGO	Non Governmental Organisation
NM-VOC	Non methane volatile organic compounds)
NOx	Nitrogen oxides
N ₂ O	Nitrous oxide
ÖCGK	Austrian Corporate Governance Code
öHGB	Austrian Commercial Code
ÖIAG	Österreichische Industrieholding AG
ÖVFA	Austrian Association for Financial Analysis and Asset Management
PACI	Partnering Against Corruption Initiative
PJ	Peta Joule
ppm	Parts per million, a measure of accuracy/concentration of solutions
R&M	Refining and Marketing
REACH	Registration, Evaluation and Authorisation of Chemicals (directive)
ROACE	Return on average capital employed; NOPAT divided by average capital employed (stockholders' equity including minorities plus net debt and pension provisions less security cover for pension provisions) expressed as a percentage
ROE	Return on equity; net income for the year divided by average stockholders' equity expressed as a percentage
ROfA	Return on fixed assets; EBIT divided by average intangible and tangible assets expressed as a percentage
SAP	Commercial administrative program (software)
SCR	Selective catalytic reduction
SEAP	Society of European Affairs Professionals
SOx	Sulfur oxides
SO ₂	Sulfur dioxide
SRI	Socially responsible investment
TAG	Trans Austria gas pipeline
TEUR	Thousand euro
UN	United Nations
UNGC	United Nations Global Compact
UNICEF	United Nations International Children's Emergency Fund
WAG	West Austria gas pipeline
WBCSD	World Business Council for Sustainable Development
WHO	World Health Organisation

GRI Index

Profile

G3 Code	Content according to GRI	Covered in report	Page
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Key:

■ Complies with UN Global Compact

■ Comprehensive report

● Partially covered

○ Not reported

EC1 Core Indicators

EC5 Additional Indicators

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Environmental performance indicators

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Key:

■ Complies with UN Global Compact

■ Comprehensive report

● Partially covered

○ Not reported

EC1 Core Indicators

EC5 Additional Indicators

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