



Sustainability Report 2012

OMV Resourcefulness



About this report

OMV Sustainability Report 2012

The OMV Sustainability Report covers the 2012 business year and describes our sustainability performance and relevant data. It describes how we integrate environmental, social, and economic considerations into our business and introduces OMV's Resourcefulness concept, which is at the center of our sustainability approach.

The issues highlighted in this report are deemed material as per the analysis we conducted and can be found aligned on page 24.

We publish Sustainability Reports on an annual basis, and this report is the continuation of our 2011 report.

The picture on the cover page was taken in the Libya Youth Center in Tripoli (see page 19 for more information).



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Eco-Efficiency

Our commitment to managing natural resources efficiently

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Eco-Innovation

Using our skills to develop solutions that will strengthen the future of our business and the planet

► [Go to p15 to find out more](#)



Skills to Succeed

Providing our people and those within our communities with the skills needed to be successful

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CEO's Statement



Sustainability lies at the heart of OMV Group as it has for many years. This Sustainability Report details how we have built on our track record and further developed our "Resourcefulness" concept for sustainability, as well as outlining the progress we made during 2012. This report is also our Communication on Progress for the UN Global Compact to which we are fully committed.

As an integrated, international oil and gas company, our business backdrop is one of increasing global demand for energy, decreasing supply and tightening constraints related to carbon emissions and the environment. Responsible behavior, careful handling of resources and innovative business solutions are the underlying principles that guide OMV's Group's conduct. The ultimate goal is to secure the supply of energy for today – and for the future.

Rising to the challenge

Resourcefulness is integral to our long-term business strategy and is our way of achieving profitable growth in a sustainable and responsible manner. To this end, we invest in the development of future resources – for us this means both natural and human resources. We are committed to responsible and sustainable business behavior and building trusting stakeholder relationships. Resourcefulness enhances the profitable growth strategy, and creates long-term win-win situations for society, the environment and OMV.

Resourcefulness is our principal concept for implementing initiatives in the areas of Carbon, Energy and Water Management, New Energies and Education & Development, which we express as Eco-Efficiency, Eco-Innovation and Skills to Succeed. To date, over 300 projects have been initiated in 25 countries worldwide.



CEO's Statement (continued)

Eco-Efficiency is about the special responsibility we have towards the environment, especially as a Group that works with finite natural resources. We need to be as resource efficient as possible and have to follow the best environmental practices and processes with a particular focus on reduction of carbon intensity, increasing energy efficiency and water management. We are constantly developing initiatives to improve energy efficiency, reduce the carbon intensity of our operations and optimize water management, in line with our commitment to minimize the environmental impact of our activities and use natural resources efficiently.

For example, we invest in the latest technologies to promote the use of gas in the energy sector. In 2012, Petrom opened the Brazi combined-cycle gas-fired power plant, the largest private greenfield power generation project in Romania. This project will generate growth for the Romanian energy sector, increase energy security for Romanian consumers, and at the same time deliver a much higher efficiency rating and lower CO₂ emissions.

Through **Eco-Innovation**, we are aiming to grow a profitable business in the long term by using our core skills to tap into alternative energy sources and new revenue opportunities.

For example, we are drawing on our experience and know-how to produce our own second generation biofuels within the next few years to integrate the biofuels production into our value chain. In 2012,

we opened a pilot BioCrack™ plant at our Schwechat Refinery which uses biogenic material unfit for human consumption, such as woodchips and straw, to produce biofuel.

Hydrogen fuel cells are a further growth area for OMV. They have the potential to provide a valuable alternative to traditional means of transport while simultaneously reducing CO₂ emissions. We are using our expertise to support the "H2 mobility" initiative in Germany, working alongside fellow consortium members. As a major milestone, in October 2012, we opened the first public hydrogen filling station in Vienna, Austria.

Skills to Succeed is our way of fostering the skills that people require to be successful. We invest in the economic development of the communities in which we operate through local employment and local supplier development.

The education of women is a particular focal point. Through our initiative "Austria is looking for the queens of technology", rolled out in 2012, we strive to motivate girls aged between 14 and 16 to consider a technical career and support them with scholarships and mentoring.

Another example of our commitment is the OMV Libya Youth Center. Following the Libyan crisis in 2011, we worked with Hilfswerk Austria International to set up a center in Tripoli that helps war-traumatized Libyans to develop self-confidence, self-belief and the power of self-expression. The center became fully operational in 2012.



CEO's Statement (continued)

A further milestone in 2012 was the establishment of a research and teaching cooperation between OMV and the Vienna University of Economics and Business (WU). The five-year partnership includes setting-up a new institute for "Social Entrepreneurship, Sustainability and Performance Management" and an energy sector knowledge network. The partnership will also see the creation of the OMV Library and Learning Center of the new Vienna campus.

Health, Safety, Security and Environment (HSSE) management is a top priority for OMV, a basic requirement for business success and fundamental to our Resourcefulness concept. Keeping our around 29,000 employees safe, as well as our contractors, operations and communities, is critical for our business. We are continuously working on improving our Health, Safety, Security and Environment management systems, including the comprehensive roll-out of the HSSE Golden Rules, in-depth training on occupational safety and the audit of our HSSE management systems.

Long-term commitment

For the OMV Group, sustainability is not something which is bolted onto our business. It is an integral part of what we do and how we do it – and it influences every business decision we make.

To help us align our Resourcefulness approach with the world in which we live, we recently set up a new external advisory board dedicated to sustainability topics whose role is to challenge us on our approach to major sustainability issues.

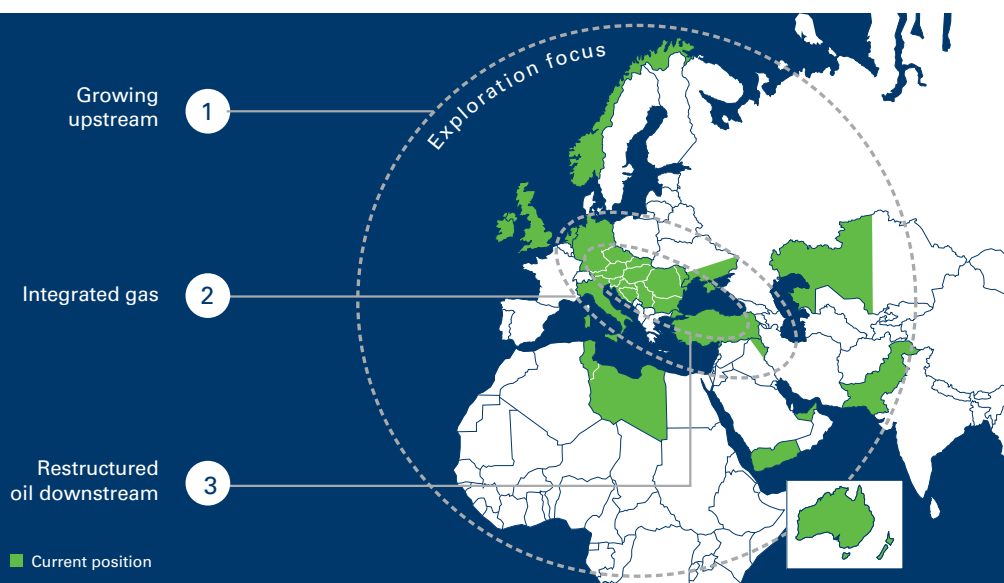
We believe employees' engagement is key for successful integration of Resourcefulness across our organization, and we use different elements to encourage everyone in the company to get involved – from project sponsorship roles for senior managers to the integration of Resourcefulness targets in the Management-by-Objective plans.

Through our concept of Resourcefulness, we will create responsible growth in line with our strategy. Ultimately, the winners will be all of our stakeholders – employees, local communities and the broader society, as well as our shareholders – as we build a sustainable business that will deliver benefits today, tomorrow and well into the future.

Gerhard Roiss

About OMV Group

Focused, more integrated growth



With around 29,000 employees and operations in about 30 countries, OMV Group is Austria's largest listed industrial company and an integrated, international oil and gas company.

Headquartered in Vienna, OMV was founded in 1956 and as you can see from the timeline on page 8, we have grown steadily over more than half a century. OMV is an integrated, international oil and gas company with three business segments: Exploration and Production (E&P), Gas and Power (G&P) and Refining and Marketing including petrochemicals (R&M).

The cornerstones of our strategy "Profitable Growth", presented in September 2011 by the OMV Executive Board, are outlined on page 7.

EUR 42,649 mn

2012 Sales
(2011: EUR 34,053 mn)

303 kboe/d

2012 Oil and gas production
(2011: 288 kboe/d)



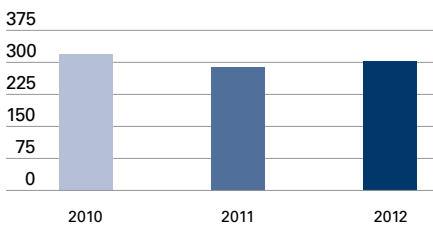
Business segments

Exploration and Production (E&P)



Our portfolio is both strong and balanced and is mainly represented in OECD countries. Around two-thirds of production is derived from Romania and Austria, with oil and gas accounting for approximately half of our production. In our core countries, Romania and Austria, we are focused on using advanced technology to enhance the recovery rates of mature fields. In addition, we are developing new growth areas in the North Sea, the Middle East and Africa where we are able to draw on our expertise and experience to enhance the E&P portfolio.

Oil and gas production (kboe/d)



1.12 bn boe

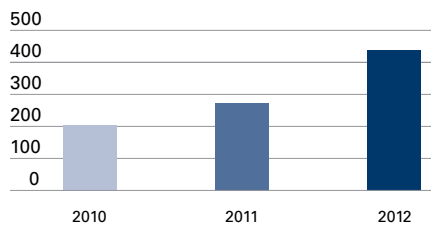
Proven oil and gas reserves

Gas and Power (G&P)



OMV's integrated Gas and Power business segment (G&P) operates across the entire gas value chain. In 2012, we sold 437 TWh of gas which is partly brought to the markets via a 2,000 km gas pipeline network and stored in our gas storage facilities with a capacity of 2.6 bcm. OMV's gas trading platform, the Central European Gas Hub, is established as an important gas trading platform on the gas routes from East to West, with a trading volume of around 528 TWh.

Gas sales volumes (TWh)



103.15 bcm

Gas transportation sold

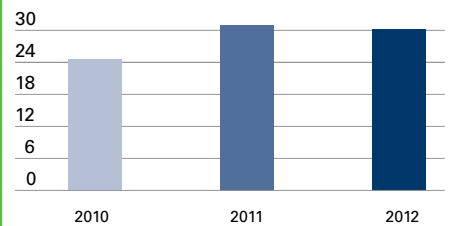
Refining and Marketing (R&M) including petrochemicals



Every day, some 1.5 million people visit one of the 4,432 filling stations of the OMV retail network in 13 countries. In Central Europe, OMV has a leading position in its markets based on its marketing strategy and supply infrastructure including tank farms and supply agreements.

Through Petrol Ofisi, Turkey's largest retail network operator, we have built a strategic hold in the growth market of Turkey. We operate refineries at Schwechat (Austria), Burghausen (Germany) and Petrobrazi (Romania).

Total refined product sales (mn t)



4,432

Retail stations by end 2012



OMV Strategy “Profitable Growth”

There are four cornerstones to our “Profitable Growth” strategy

- ▶ Growing upstream
- ▶ Integrated gas
- ▶ Restructured oil downstream
- ▶ Improved performance across the entire Group

The direction of the strategy “Profitable Growth”, presented in September 2011 by the OMV Executive Board in Istanbul, is still valid. OMV will develop into an integrated, international oil and gas company with improved profitability and strong growth in the upstream sector.

Moving forward, the E&P business segment will assume a far more significant role. The G&P business segment will optimize the gas portfolio positions and enable connections between OMV markets. Integration with the upstream business will increase to generate additional value from equity gas production. R&M will continue to be an important business segment where the focus will be on optimization and increasing efficiency given challenging market conditions.

Growing upstream

E&P is the growth driver for the portfolio. We will direct over two-thirds of future investments towards exploration and production of oil and gas. We will stabilize production in mature assets and speed up resource maturation from discovery to production. Targeted acquisitions will yield further production volumes, and add additional development and exploration opportunities. Stepping up exploration efforts will ensure the long-term sustainability of the E&P portfolio. E&P’s main growth areas are the Black Sea, the North Sea region, the Caspian Sea region, the Middle East and Africa.

Integrated gas

Natural gas is the cleanest fossil energy source. Therefore, despite the fundamental structural changes in the European gas markets, gas is expected to play an important role in supplementing the growing share of renewable energy sources. G&P’s focus will be on an integrated gas position based on equity gas close to the European markets and complemented with commercially and strategically attractive third party contracts. G&P’s role is to optimize our gas and power positions and develop sales markets and supporting infrastructure.

Restructured oil downstream

In light of contracting oil downstream markets in Europe, OMV is adjusting its exposure to the segment. Until 2014, up to EUR 1 bn will be generated through divestments of non-integrated R&M assets. In addition, we will adjust our product portfolio towards a higher middle distillate yield and petrochemical integration. Enhanced asset-backed trading activities will support the optimal use and capacity utilization of existing assets, while special emphasis will be put on effective management of capital and cost efficiency.

Improved performance across the entire Group

During the summer of 2012 we launched the implementation of a performance improvement program to support the Profitable Growth strategy, known as “energize OMV”. The program targets a 2% point ROACE increase by 2014 and addresses margin improvements, cost reduction, and capital management. We realized our first major improvements by reducing the working capital by EUR 690 mn in 2012.



Vision, values and history

Our driving values

OMV Group’s driving values are “Professionals, Pioneers, Partners”. These were defined through engagement with our stakeholders and are systematically embedded into our ongoing activities.

Professionals

As professionals we are committed to fully integrating social and environmental awareness into our decision-making processes and management systems.

Pioneers

We play a pioneering role in promoting corporate social responsibility and sustainability in Austria and in all other countries in which we are active.

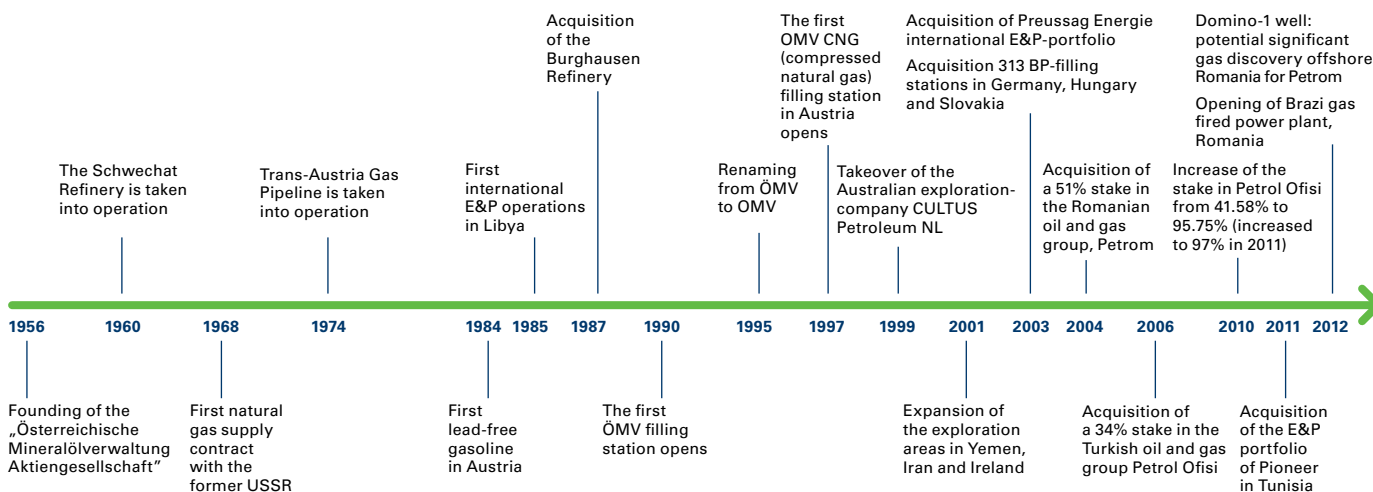
Partners

We strive to be a partner to all the interest groups affected by our activities by maintaining an ongoing and respectful dialogue with stakeholders.

Our vision

By implementing the Strategy “Profitable Growth”, OMV will develop into an integrated, international oil and gas company with improved profitability and strong growth in the upstream sector.

OMV’s history



Our sustainability concept: Resourcefulness

Resourcefulness

Resourcefulness brings together health, safety, environment, diversity, business ethics, human rights and stakeholder engagement under a single, overarching strategy – and it is expressed in the three key focus areas illustrated here:

The structure of our concept encompasses all of our areas of focus



Eco-Efficiency

We have a special responsibility since we work with finite natural resources. We use these resources as efficiently as possible and commit to the best environmental practices and processes. We focus on natural gas, as it is the cleanest fossil fuel.

Eco-Innovation

Eco-Innovation will help us run a profitable business in the long term. We use our core skills to tap into alternative energy sources and new revenue opportunities.

Skills to Succeed

We foster the skills people require to be successful and invest in the economic development of the communities in which we operate.



Resourcefulness

Launched in 2011, our Resourcefulness concept builds on our attitude of putting sustainability at the heart of our business – with a focus on tangible commitments.

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

The ultimate goal is to secure a sustainable energy supply for today – and the future.

As an integrated, international oil and gas company, OMV faces real challenges. With global demand for energy growing at a steady pace, resources are increasingly scarce and environmental protection and social responsibility are of growing importance. Responsible behavior, the careful management of resources and investment in innovation are the underlying principles that guide our conduct. The ultimate goal is to secure a sustainable energy supply for today – and the future.

Key enablers for Resourcefulness

For our Resourcefulness concept to be successful, it needs to be supported internally by strong controlling and employees' engagement.

- ▶ Through sustainability controlling we measure the effects of our actions by means of the development of a set of KPIs that help us to manage Resourcefulness throughout our organization.
- ▶ Our employees, led by top management, need to take ownership of corporate Resourcefulness initiatives and embed those in their personal development targets. To achieve this we aim to make Resourcefulness a key element of OMV's training curriculum.

Ratings

In 2012, OMV once again achieved "Prime Status" in a sustainability rating by oekom research AG, one of the leading Socially responsible investing (SRI) rating agencies. Furthermore, OMV continues to be listed in the Austrian sustainability index VÖNIX.

The three focus areas of our Resourcefulness concept

Resourcefulness integrates our sustainability work into our core business and is our principal concept for implementing initiatives in the areas of Carbon, Energy and Water Management, New Energies and Education and Development, which we express as “Eco-Efficiency”, “Eco-Innovation” and “Skills to Succeed”. To date, over 300 projects have been initiated in 25 countries worldwide.



A particular focus of our endeavors in the field of Eco-Efficiency is on the reduction of carbon intensity, the improvement of energy efficiency and water management. We are constantly developing initiatives to improve energy efficiency and reduce the carbon intensity of our operations.

We also have many water management projects underway, in line with our commitment to minimize the environmental impact of our activities and efficiently use natural resources.



Presently our main focus is to constantly explore new and better ways of using our energy expertise to innovate in areas such as alternative energy in order to underpin future growth and revenue generation.

Presently, we focus on second generation biofuels and hydrogen mobility infrastructure.



We want to use our strengths to help people realize their potential, and do this by investing in the education of people in the communities in which we operate and maximizing the use of local suppliers.

A particular area of focus is on energy and entrepreneurship in our core markets with a focus on women.



Diversity and Human Resources

How we manage our people



Stakeholder engagement

How we engage with our partners and communities



Business ethics

How we ensure to operate at the highest ethical standards



HSSE

How we keep our people and our contractors safe and healthy



Human rights

How we ensure the rights of the individual are respected



Eco-Efficiency



Petrom's Brazi combined cycle gas-fired power plant can supply 8–9% of Romania's electricity and thereby contributes to higher efficiency and lower CO₂ emissions of the Romanian energy mix.

What's it all about

The world has changed from one where resources are abundant to one where households, communities and international businesses such as OMV share the same concern and vision: to protect our environment by using resources as wisely as possible.



Eco-Efficiency in focus

We are constantly developing initiatives to improve energy and water efficiency and reduce the carbon intensity of our operations, through the use of energy efficient low carbon technologies.

What we focus on

Promoting gas

Gas is the cleanest fossil fuel and we invested significant sums in the latest technology to promote its use in the energy sector. In 2012, Petrom's Brazi combined cycle power plant came into operation. This 860MW plant is the largest private greenfield power generation project in Romania and can supply up to 8–9% of Romania's electricity demand.

The plant will generate growth for the sector, increase energy security, and deliver a higher efficiency rating and lower CO₂ emissions.

Efficiency improvements

We have introduced energy saving programs at many sites, including Schwechat Refinery, where we have implemented an ISO 50001 certified energy management system. We expect to achieve energy savings of up to 350,000 GJ between 2012–2015. The program at Schwechat includes initiatives to minimize flare gas quantity.

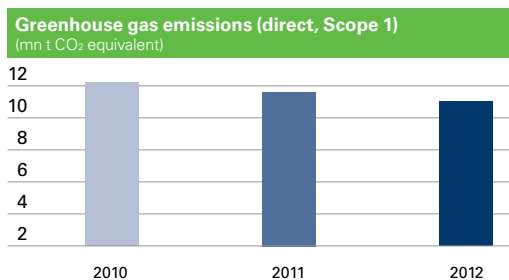
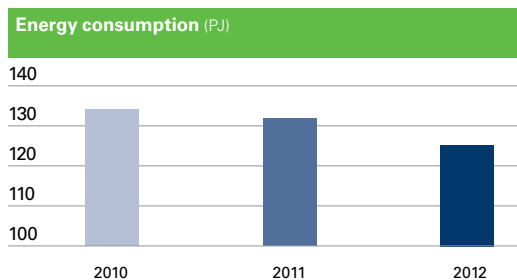
Several Gas to Power Projects, in which associated gas is used for production of electricity, led to savings of about 25,000 t CO₂ equivalent in 2012.

CO₂ emissions

In 2010 in Kazakhstan, against the background of legal requirements, modifications to the existing flare gas utilization system have been implemented, leading to savings of 10,400 t CO₂.

Because they often operate on a 24/7 basis, filling stations are major users of energy. At the Shuttleworthstrasse filling station in Vienna, an innovative OMV project led to a reduction of energy consumption and CO₂ emissions by 40%, equaling savings of 30 tonnes of CO₂ per year. This was achieved through new technologies such as LED lighting, energy recuperation and solar heating of the water used for washing cars.

Key facts



-9%

Water withdrawal
2012 compared
to 2011



Eco-Efficiency

making a difference



Efficient water use forms an integral part of our impact assessments. The minimization of water use is taken into account both in the design of facilities and management plans.

At OMV, we have a special responsibility since we work with finite natural resources. We use these resources as efficiently as possible and commit to the best environmental practices and processes. As it is the cleanest fossil fuel, we will focus even more on gas.

We constantly develop initiatives to improve energy efficiency and reduce the carbon intensity of our operations, through the use of renewable and low carbon technologies. Water is one of our key resources and we focus on improving water efficiency, both by reducing the amount of water we use in the first place and by re-using it wherever possible.



Filling stations have a high need for energy to operate. In Vienna, we established a prototype filling station which reduces CO₂ by about 40%, saving about 30 t CO₂/year by consequently using efficient technologies.

Our primary aim is to deliver greater value and use fewer resources at the same time. With many initiatives underway across the Group, we have seen some notable results in terms of increased efficiency, lower emissions and reduced operating costs. This latter point is key to driving our profitability and underlining the solid business case behind Resourcefulness.

Carbon management

Our objective is to use resources more efficiently while also reducing carbon emissions through an effective carbon management strategy.

Following on from the business strategy and continuing the work started in previous years, we are in the process of updating our carbon strategy. While the strategic work takes place we are continuing to develop initiatives to improve energy efficiency and reduce the carbon intensity of our operations. The use of renewable and low carbon technologies has a major role to play here.

Water management

Water is a valuable and scarce commodity in many countries where we operate such as Pakistan and Yemen, one of the world's driest nations. Water is not only precious – it is also a major cost for our business. In 2012, around 11 mn m³ of water were withdrawn for our E&P activities.

As part of our Resourcefulness concept, we have many water management projects underway, in line with our commitment to minimize the environmental impact of our activities.



Eco-Innovation



What's it all about

Innovation is to play a key role if the world is to meet the increasing global energy demand while reducing the overall CO₂ burden. OMV is committed to using its expertise in energy production and distribution to develop innovative solutions as a means to grow our business and address today's pressing energy challenges.



Eco-Innovation in focus

We are using our core expertise in energy production and distribution to develop alternative energy sources and new business areas, in order to bring long-term and sustainable benefits to all our stakeholders – employees, customers and local communities as well as shareholders.

What we focus on

Hydrogen mobility

'Hydrogen mobility' is regarded as a possible long-term solution to the challenge of reducing global CO₂ emissions. Hydrogen is similar to electricity in that it needs to be produced. However, it has an advantage over electricity as it can be stored, both at an industrial scale as well as in the engine of a car. Motor engines require a high energy content. While diesel fares well at 11 kWh/kg, hydrogen can achieve as much as 33 kWh/kg. Comparing this to the storage capacity of lithium ion batteries at 0.1 kWh/kg, the advantages of hydrogen become apparent. The car needs three minutes to fill up and drives up to 400 km on a single "tank". One kg of hydrogen has a range of about 100 km.

We believe that combined with a fuel cell, hydrogen can be the mobility technology of the future. Since 2009 we have been active members of the Hydrogen Mobility Consortium.

During 2012, another milestone to develop this technology further has been set when OMV opened Austria's first public hydrogen filling station.

Second generation biofuels

During 2012, we established a pilot BioCrack™ plant at our Schwechat Refinery. This research project is using biogenic material unfit for human consumption – such as woodchips and straw – to produce energy and draws on our refining know-how and the existing facilities at Schwechat. If successful, it can deliver multiple benefits. On the one hand, second-generation biofuels can help meet our increasing energy needs in a CO₂ neutral way without impacting the supply of food, and it provides an opportunity for OMV to integrate the production of biofuels into the refinery.

The end result of the refining process is a finished product that can be fed directly into the fuel chain. In our view, even if alternative energies such as hydrogen mean that the traditional combustion engine is replaced by other systems in road vehicles, fuel from biogenic sources will have a significant market for many years in applications such as air and marine transport.

Key facts

EUR 21.0 mn

R&D expenditures 2012

July 2, 2012

BioCrack™ pilot plant opened in Schwechat Refinery

3 minutes

To fuel a hydrogen car

Oct 17, 2012

1st public hydrogen filling station opened in Austria

Eco-Innovation making a difference



Austria's first public hydrogen filling station in Vienna.



A pilot BioCrack™ plant at our Schwechat Refinery.

As an international and integrated oil and gas company, OMV can make a real difference to future energies. Responsible behavior, the careful management of resources and investment in innovation are the underlying principles that guide our conduct. The ultimate goal is to secure a sustainable energy supply for today – and for the future.

OMV expertise

At OMV, we are sensitive to the global energy challenge and, at the same time, alert to the huge business opportunities it presents. While we are focusing on building and maintaining our oil and gas assets and traditional strengths, we are also playing an important role in improving the efficiency of existing technologies as well as the search for and successful implementation of other sources of energy.

One of the three pillars of our Resourcefulness concept, "Eco-Innovation" is the platform that will enable us to operate a profitable business in the long term. Always keen to bring fresh thinking to every challenge, our core skills help us tap into alternative energy sources and new opportunities, in order to underpin our future growth and revenue generation. Eco-Innovation is making our business more resilient because we are developing revenue streams to complement – not replace – our fossil fuels businesses.

We are mindful of the fact that the energy sector is part of the global ecosystem, and that complex interactions exist between energy sources and the wider environment. For example, any development of biofuels should also take place without adversely impacting on food supply and prices.

A focus of our Eco-Innovation initiative is on hydrogen mobility and second generation biofuels.

Following a feasibility study undertaken by OMV during 2012, we have decided not to pursue our interest in geothermal technology at this time. The study concluded that the business opportunities for geothermal are limited in our markets. From 2013 onwards, we focus on monitoring geothermal market developments, especially in OMV's core areas, on the one hand, and on sector-specific technology development on the other hand, but do not plan to enter project development.



Skills to Succeed



What's it all about

We foster the skills people require to be successful. We invest in the economic development of the communities in which we operate through local employment and local supplier development. We support educational initiatives in the fields of energy and entrepreneurship in our core markets with a focus on women.



Skills to Succeed in focus

During 2012 we made significant progress with a number of projects related to “Skills to Succeed”. The respective initiatives are always adapted to the local needs and standards.

What we focus on

Women in technology: Technikqueens

The education of women is a particular focus for our Group. In Austria, for example, only 15% of workers in technical jobs are women – yet around 90% of the country’s industrial companies report that they struggle to find qualified technical staff.

We have developed “Österreich sucht die Technikqueens” (“Austria is looking for the queens of technology”), a fun-based educational program targeted at getting 14–16 year old girls interested in a technical career. The girls are challenged to discover and develop their talents and skills and gather information about technical job opportunities.

The scale of the task ahead is clear, as one girl who enjoyed the program pointed out: “My friends said ‘Electrical Engineering? Girls can’t study that, it’s much too difficult.’” The top 25 girls have been given the opportunity to take part in a mentoring program and have also received a voucher towards their education of EUR 5,000.

Supporting local communities: Libya Youth Center

Following the Libyan crisis in 2011, we worked with Hilfswerk Austria International to set up the Libya Youth Center in Tripoli, helping young Libyans aged 6 to 25 to develop self-confidence, self-belief and the power of self-expression.

The eight-month long civil war left many Libyan young people traumatized. Now, with our help, they are returning to a more normal way of life. The project includes a psycho-social health center and we have recruited international experts to treat the children and young adults. In addition to helping the youngsters on the road back to full health, the benefits includes a transfer of know-how from the Youth Center team to local people and the Libyan authorities.

The center became fully operational in 2012 and was a runner-up in the “Best CSR initiative” category at ADIPEC awards, a prestigious award that recognizes excellence in the oil and gas sector.

Education: Cooperation with Vienna University of Economics and Business

We support various initiatives to develop education and technical skills for young people. OMV’s activities range from supporting primary schools and vocational education in Pakistan to university cooperations.

In 2012, we initiated another milestone: a comprehensive cooperation with Vienna University of Economics and Business (WU). Alongside the regular research exchanges, a new institute for “Social Entrepreneurship, Sustainability and Performance Management” will be set up and will include an endowment professorship. This cooperation also includes the sponsorship of the OMV Library Center in the University’s Library and Learning Center at the University’s new campus, as well as the establishment of a knowledge network for the energy sector. The cooperation will run initially for five years and complements the collaboration already in place.

Key facts

75

Primary schools in Pakistan supported

>1,000

Participants in the Technikqueens program

42

Scholarships awarded in 2012

2,491

Beneficiaries in the Libya Youth Center

>12,000

Beneficiaries in Andrei’s Country Platform

99

Apprentices at OMV in Austria



Skills to Succeed making a difference



In 2012, Andrei's School competition, a project under the Andrei's Country platform with a focus on Petrom communities was enlarged. Over 4,000 pupils and their teachers suggested projects to help address problems identified in their communities.



OMV CEO Gerhard Roiss and WU Rector Christoph Badelt announce the cooperation between both organizations.

Through the Skills to Succeed program, OMV helps foster the skills that people require to be successful. This program includes investments in the economic development of local communities, by establishing local employment initiatives and developing local suppliers. OMV supports educational initiatives in the fields of energy and management in its core markets with a special focus on women.

For example, one of our key ongoing activities in Romania is an extensive volunteering and investment program through which we support a wide range of projects that benefit local communities under the umbrella of our "Andrei's Country" platform to ensure we add value in our communities through jobs, local taxes, local investments and education.

Through the Andrei's Country platform, we have engaged in building relationships with local communities, authorities and our employees through long-term community development. For example we managed environmental, social and safety community issues. In summer, we were hosting Andrei's Country Summer Camp for 400 pupils from 16 Petrom communities and supported 20 projects and schools from 20 Petrom communities with grants and multi-media systems via Andrei's School Championship.

Supporting communities

With a workforce of 29,145, and operations in about 30 countries, as investor and employer, we understand that our business will thrive if the communities in which we work are economically healthy.

We invest in local economies in a variety of ways, not only through employment but also by developing the local skills base, building a local supply chain and supporting local educational initiatives.

For example, we have a policy of offering apprenticeships to promising young people. 99 apprentices worked in OMV Austria during 2012, with 31 new individuals appointed towards the end of the year. More information on the apprenticeship program can be found on page 62.

In addition, further examples of our community support include our program "Rising through Education!", in which we support 75 primary schools in Pakistan, as well as scholarships to enable Yemenis to study at the Freiberg University in Germany.

Another example is the "Skill up your future" program in Romania, where disadvantaged youngsters are supported in their professional integration and learn teamwork, reliability and engagement. Every six months one youngster works part-time at an OMV filling station and receives support in areas such as family and health, as well as receiving support to complete their secondary education. OMV is effectively the beneficiary's first employer.

In Turkey, OMV also supports a project for making hand woven textiles from silk and linen. OMV supplies ÇATOM — a local community center — with looms and yarn. It runs courses where local women can learn how to weave and increase their family income, thus improving their opportunities on the employment market.

The rationale for Resourcefulness

Sustainability has become a key competitive factor in every business, including ours and we accept responsibility for our actions by building a reputation for sustainability.

Launched in 2011, our Resourcefulness concept ensures sustainability remains core to everything we do – with a focus on tangible commitments.

Supporting the business strategy

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

Responsible behavior is a key principle of Resourcefulness. By being careful with resources, we recognize our responsibility to secure the energy supply for the present and for the future. That is why we invest in protecting current resources and developing ones for the future – not only natural resources, but human resources too.

Our commitment to responsible behavior is also behind our quest for innovative solutions that deliver benefits to our business as well as to society and the environment. In short, Resourcefulness creates added long-term value for us as well as for our stakeholders.

Embedding Resourcefulness

Resourcefulness means nothing if it isn't integrated into our business. We have a number of processes in place to support the embedding of Resourcefulness in our operations.

Firstly there are two Resourcefulness Success Factors: Employees' engagement and sustainability controlling

- ▶ Employees' engagement aims to ensure that all our employees, from senior management down, fully understand what Resourcefulness is and what it means for them. We encourage them to take ownership of Resourcefulness initiatives and to embed those in their personal development targets. We also integrate Resourcefulness in OMV's training and are developing Resourcefulness targets in our performance management system.
- ▶ Sustainability controlling aims to measure our Resourcefulness impacts by developing a set of KPIs that will help us steer Resourcefulness throughout our organization and improve our decision-making processes.

We have also put in place internal and external governance structures for OMV:

- ▶ The Resourcefulness Executive Team is headed by the CEO and provides strategic direction.
- ▶ The "Resourcefulness Advisory Board" is a new external advisory board which challenges us on major issues relating to our Resourcefulness concept.

We also hold stakeholder events which allow us to meet and interact with stakeholders.

Our operating environment



In November 2012, OMV hosted the presentation of the World Energy Outlook by the International Energy Agency (IEA) in Vienna. The report confirmed that fossil fuels will continue to play an important role in the energy mix and confirmed the role of gas as a partner for energy policy change.

We operate in a complex environment. The global energy industry is changing, driven by a new focus on oil and gas production in the US and a possible retreat from nuclear power in some parts of the world, rapid growth in renewables and heightened activity in unconventional gas production.

Against this fast-changing background, the International Energy Agency (IEA) believes that “the world is still failing to put the global energy system onto a more sustainable path” (World Energy Outlook 2012). The IEA anticipates global energy demand growing by more than one-third by 2035, with China, India and the Middle East accounting for 60% of the increase. While energy demand is not forecast to rise significantly in OECD countries, there will be a shift away from oil, coal and nuclear to natural gas and renewables. However, fossil fuels will continue to dominate the global energy mix.

Increasing production

A number of elements in our strategy address the key sustainability concerns outlined by the IEA.

To meet the increased demand for energy, we are directing over two-thirds of future investments towards the exploration and production of oil and gas. This will ensure the sustainability of our portfolio and provide the foundation for long-term growth. The main areas of increased activity are the Black Sea, the North Sea region, the Caspian Sea region, the Middle East and Africa. We will also seek to stabilize production in mature assets and speed up resource maturation from discovery to production. In addition, we will continue to target acquisitions to further boost volumes.

Focus on natural gas

As the IEA reports in the World Energy Outlook 2012, “natural gas is the only fossil fuel for which global demand grows in all scenarios”.

Our strategy strives to make the most of the opportunities offered by natural gas, the cleanest fossil fuel. We expect gas to play an important part in supplementing the growing share of renewable energy sources. Our response is to focus on an integrated gas position based on equity gas close to our European markets and complemented with commercially and strategically attractive third party contracts.

Eco-Innovation and Eco-Efficiency

According to the World Energy Outlook, “energy efficiency is widely recognized as a key option in the hands of policy makers but current efforts fall well short of tapping its full economic potential”.

Through Eco-Innovation and Eco-Efficiency, two of the pillars of our Resourcefulness concept, we aim to bring fresh thinking to the challenges our planet faces while, at the same time, adopting the best environmental practices and processes to minimize our impacts and improve efficiency.



How we manage Resourcefulness

Nov 29, 2012

First meeting of
Resourcefulness
Advisory Board

Our Resourcefulness concept is effectively managed and overseen by robust governance, and in particular by two main bodies: an external advisory board and our own internal executive team.

The external OMV Resourcefulness Advisory Board (RAB) plays a vitally important role in challenging our priorities and making sure we have an external perspective of our plans and progress. It provides advice on how best we can develop the Resourcefulness concept, as well as giving feedback on the programs and activities we have implemented to date. In addition, the RAB keeps our teams informed on trends, developments, good practice and new research. Finally, the Board's role is to provide external stakeholder perspective and expectations.

Our objective is to maintain the safety and security of our people and the reliability of our technical infrastructure and business processes, as well as to protect our physical and financial assets, our strategic information and the Group's reputation.

The work of the RAB is complemented by our Resourcefulness Executive Team (RET). It meets about six times a year under the direction of the CEO and is responsible for developing the Resourcefulness concept further, as well as ensuring its implementation. Its primary goal is to transform the output of the RAB into strategy and activities.

Emergency and Crisis management

We have responsibilities to our customers, our shareholders, our people and the communities where they live. Events such as natural disasters, safety issues and security incidents all have the potential to impact on our business. We fully recognize the importance of crisis management and have measures in place to make sure that our Group security processes and procedures deliver high standards of emergency, crisis and business continuity management.

All business divisions, corporate functions and ventures adhere to the OMV corporate crisis and business continuity management standard, which has established a baseline for all crisis management support plans. We regularly review the membership of our crisis teams and carry out exercises across the Group in order to hone our ability to mitigate a broad array of risks. Our objective is to maintain the safety and security of our people and the reliability of our technical infrastructure and business processes, as well as to protect our physical and financial assets, our strategic information and the Group's reputation.

Materiality

Stakeholders considered

- ▶ Rating agencies
- ▶ Investors
- ▶ Communities
- ▶ Institutions
- ▶ Governments
- ▶ International associations
- ▶ NGOs
- ▶ OMV's people
- ▶ Clients

Business risks and impacts

- ▶ Financial risks
- ▶ Reputation risks
- ▶ Sustainability priorities
- ▶ Key projects

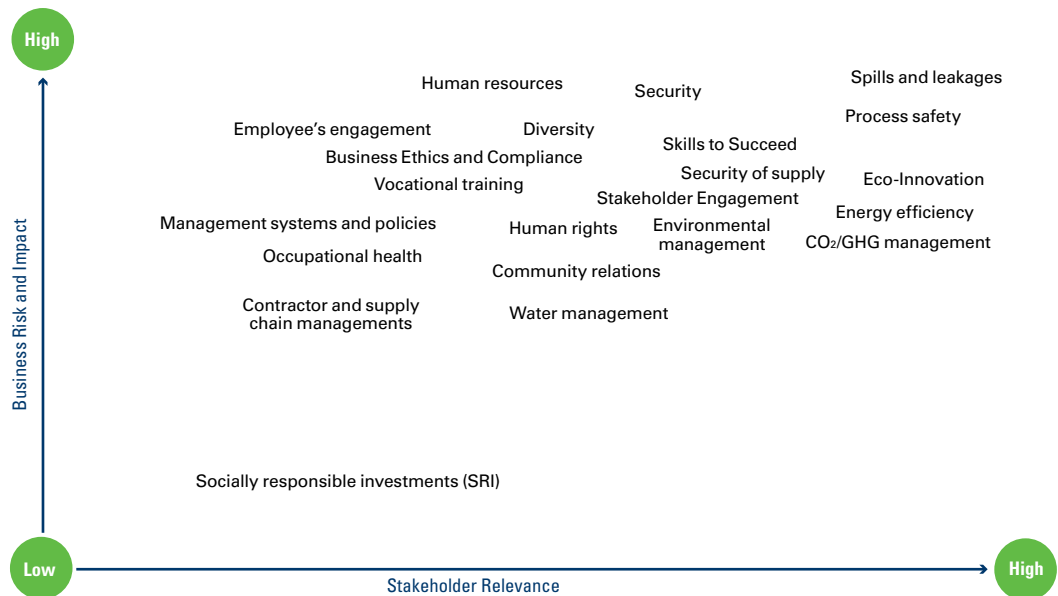
Content and materiality

In selecting the content for this report, we applied the materiality principle. The materiality assessment takes into account that reported information covers topics and indicators which would substantively influence the assessments and decisions of management and stakeholders.

For the present report, we updated our former materiality analysis. In 2012, internal experts were consulted regarding their perception of recent developments within these topics. The topics of highest significance are addressed in this report.

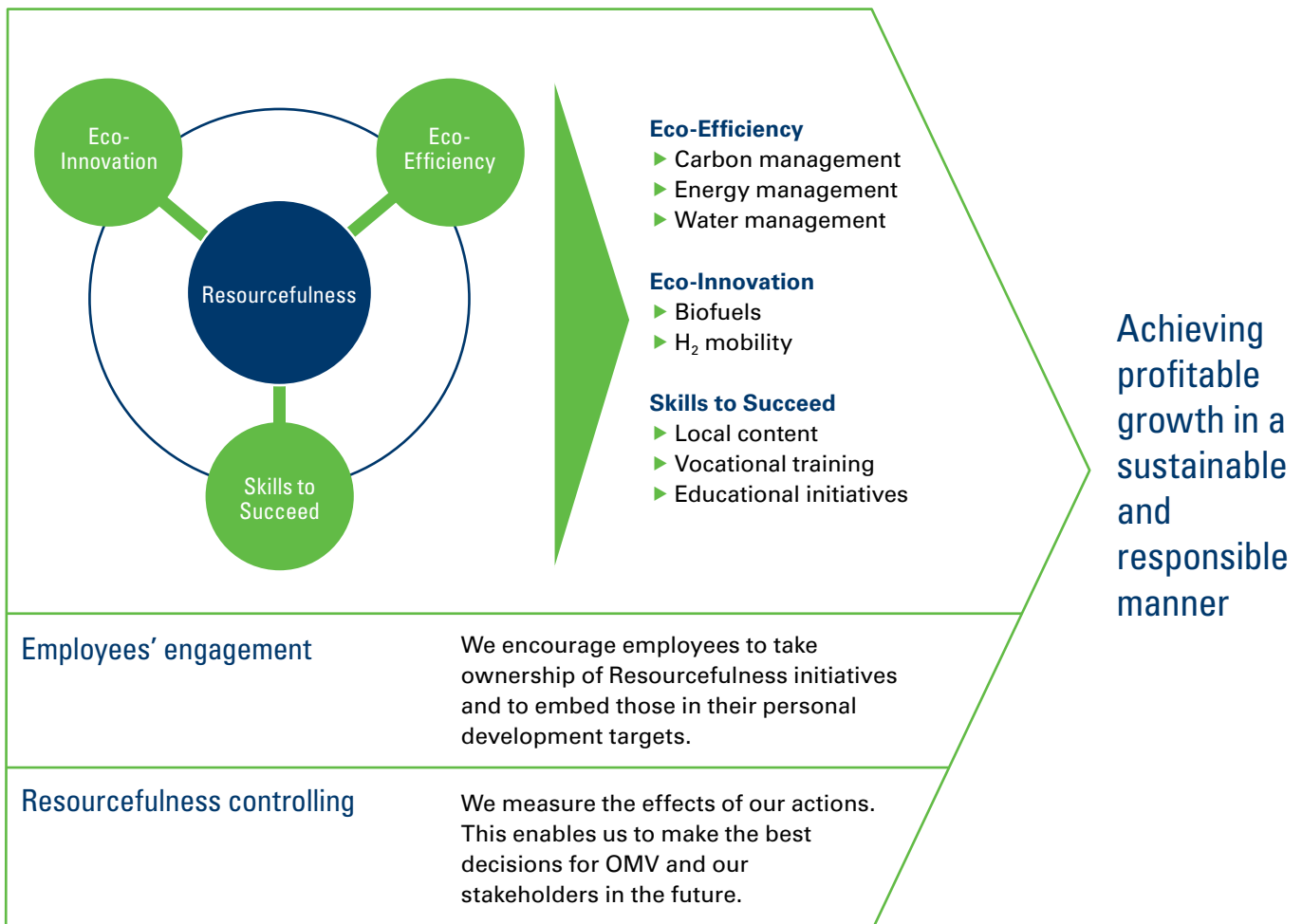
Furthermore, at the start of every reporting cycle, the team of editors reviews all the aspects covered in the Global Reporting Initiative (GRI 3.0) guidelines for sustainability reports. In 2012, the team came to the conclusion that all aspects are relevant for an oil and gas company that operates internationally. Therefore, OMV decided to adhere to the principle of comprehensive and transparent reporting and provide as much information as possible about all material core indicators and some additional indicators as well. The report was prepared in accordance with the guidelines of the GRI and the GRI Oil and Gas Sector Supplement.

Our materiality matrix



Resourcefulness Roadmap

Over the coming years we will continue to integrate our Resourcefulness concept within our business. One of our first priorities will be to ensure robust controlling through the development of Resourcefulness indicators. This, together with employees' engagement, will ensure Resourcefulness delivers profitable growth for our business.



Areas of focus



Health, Safety and Security

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

Page 27



Environmental Management

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

Page 39



Human Rights

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

Page 53



Diversity and Human Resources

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

Page 57



Compliance and Business Ethics

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

Page 66



Stakeholder Engagement and Community Relations

How we gain and maintain the trust of our stakeholders and communities through a holistic approach to stakeholder engagement

Page 71



Management Systems and Policies

How we manage risks across the Group through our enterprise-wide Risk Management process and clear directives, standards and policies

Page 76

Health, Safety and Security

Our focus areas



Health

Keeping high standards of occupational health and promoting health programs in our communities



Safety

Guaranteeing the well-being and safety of our employees through risk analysis, prevention and training



Security

Continue to improve our intelligence-led security strategy to support our business



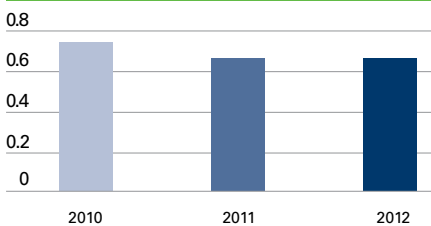
Why it matters to us

The safety of our operations is of critical importance to us. We invest in capacity building, safe equipment and clear management processes to ensure that our employees and contractors are always as safe and healthy as possible.



Performance

Lost-time injury rate (LTIR own employees per million working hours)



~150,000

reports in our HSSE reporting system (CARE)

439,800

HSSE Training hours 2012

108,897

medical treatments by doctors group-wide

Our strategic approach

Key actions

- ▶ Occupational Safety
- ▶ Major Accident Event Study
- ▶ Process Safety Management

0.66

 LTIR

Lost-time injury rate per mn working hours for own employees in 2012

The safety of our people is of paramount importance to OMV, and creating a safe work environment for our employees and contractors is one of our top priorities. We work hard to ensure that our operations are safe and strive to prevent accidents by observing the standards laid down in our corporate directives. We continue to train and empower people to work safely, and we apply hazard identification and risk management practices to reduce incidents and losses.

In 2012, various initiatives to foster safety performance have been initiated group-wide.

However, we experienced three fatalities, which underlined the fact that there is no room for complacency in any aspect of safety. These fatalities were: an employee from Work Over operations died at Petrom; a contractor who was killed during an armed robbery in Moldova; and a contractor who died as the result of an electrical incident in the Czech Republic.

We increased the number of hours dedicated to HSSE training during the year and this contributed to an LTIR that remained stable at 0.66 days per mn working hours (2011: also 0.66) for our own employees.

Risks and opportunities

We carried out a Major Accident Events (MAE) study in 2011 and extended its scope during 2012. The aim of the MAE study was to identify and rank operational sites according to their risk of impacting on the Group's reputation and survivability. Over the last 12 months, we have analyzed the outcomes of the MAE study in detail, prioritized a number of risks and defined the appropriate follow-up activities.

We define risks as events and developments, both inside and outside OMV, that have a potentially negative effect on our ability to achieve our aims and objectives. Group policy is to maintain at all times a structured, systematic overview of all risks to ensure that they are monitored and controlled at every management level. We do this through an Enterprise Wide Risk Management (EWRM) system that covers all operational and strategic risks in consolidated companies.

Through the EWRM, we have defined a precise sequence which comprises risk identification, evaluation, consolidation and reporting, together with risk monitoring, control and mitigation. This helps us identify risks and make sure that control and mitigation measures are implemented at all organizational levels of the company.

Key actions

Occupational Safety

We rolled out and communicated the OMV Golden Rules of Safety. Furthermore, we developed safety as an important issue in our Enterprise Wide Risk Management system.

Major Accident Events

We carried out a follow-up study to identify critical entities, and define risk exposure and strategic action plans as part of our Major Accident Events project.

Process Safety Management

We continued to follow the Process Safety Management Roadmap 2012-2016, defining KPIs and integrating them into the Process Safety Management.

Safety



+57%

increase in HSSE training hours to 439,800

We believe that all accidents are preventable. We acknowledge that danger is an integral part of the oil and gas industry, and invest significant resources in ensuring that all workplaces and processes are safe and secure for OMV, our stakeholders and the environment. Group-wide safety regulations, reporting, management tools and training courses all contribute to improving safety performance. We focus particularly on occupational and transportation safety, contractor management and process safety.

Our commitment to safety is expressed in the HSSE Golden Rules, the product of a three-year, industry-wide study of the causes of incidents and fatalities. Supported by directives, standards, procedures and work instructions, the Golden Rules have enabled us to identify the critical controls that should be in place prior to starting work. Please see page 31 for more details.

Process Safety

Process Safety Management (PSM) is the proactive identification, analysis, evaluation and safeguarding of catastrophic releases of hazardous substances and process accidents that could occur as a result of failures in process, procedures or equipment. It applies to the management of hazards associated with the chemical and physical properties of the substances handled in our oil, gas and energy activities.

The PSM is a sophisticated system that gives us confidence that we are effectively managing process safety hazards in every facility across the OMV Group.

PSM standards and regulations are integrated into the overall OMV management system so that the boundaries between them are seamless.

Every employee – from board to field level – associated with design, operation and maintenance of our oil, gas and energy activities is required to contribute to Process Safety Management.

In 2012, we set up a group-wide safety network. This network is composed of process safety experts working in all divisions. Its main role is to ensure compliance with internal and external safety requirements and advise the Group on safety matters.

Safety awareness and training

The number of hours dedicated to HSSE training across the Group increased significantly during 2012, from 279,100 in the previous year to 439,800.

In addition to the regular, ongoing sessions we carry out for employees in all facilities, we introduced a number of targeted programs in 2012. At Petrom, for example, we launched our Virtual University Concept (VUC) online training initiative for employees at our headquarters and also evaluated 248 employees on their competence relating to safety and emergency situations.

Safety (continued)



An emergency drill took place at Petrobrazi Refinery, Romania. These trainings are an important part of Health & Safety management.

Safe into the future

At our Petrobrazi Refinery in Romania, we continued to promote our “Safe into the future” program during 2012. The program involves 15 different activities regarding safety: ten of these were completed in 2011 and a further five have been initiated in 2012. The final projects are due to conclude by the end of 2013.

2012 also saw two more activities regarding safety at Petrobrazi: one focusing on emergency shutdown procedures and one involving the implementation of a warehouse management and barcode system, and the modernization of storage space for materials.

Together with the ongoing success of “Safe into the future”, these activities contributed to another positive safety performance at Petrobrazi for our own employees.

Integrating new assets

We have a group-wide approach to safety and strive to bring any new assets up to our own high standards as soon as possible.

For example, the historic standards at Petrol Ofisi, the market leader in the Turkish filling station and commercial business, are not as high as the rest of the OMV Group and we are therefore working hard to bring the business up to the necessary level. During 2012, we focused on ISO 9001, ISO 14001 and OHSAS 18001 and carried out integrated management system external audits in the Antalya, Mersin and Iskenderun terminals. These were attended by the British Standards Institute as well as an internal HSSE team.

HSSE Golden Rules

During 2012, we launched our HSSE Golden Rules. These rules have been devised following an industry-wide study of the causes of fatalities, which identified the critical controls that should be in place prior to starting work.

We ensure the integration of the Golden Rules through a network of board members and senior vice presidents who act as ambassadors and each takes responsibility for one of the rules.

A team of OMV led experts, working through an international industry association, analyzed 20 years of data regarding 1,870 fatalities from across the oil and gas industry. The resultant study clearly showed that compliance with a number of rules could lead to 70% of the fatalities studied being avoided.

Through extensive communication programs and supporting collateral, we aim to make all our people aware of eight Golden Rules which they should know and observe at all times.

The Golden Rules



Ask!

Ask when you are in doubt!



Risk Assessment

Know the hazards before you start!



Permit to Work

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



Working at Heights

Use fall protection whenever you could fall from heights!



Lifting Operations

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



Housekeeping

Maintain your/our workplace clean and tidy!



Stop Work

Stop all unsafe work, acts and conditions!



Transportation Road Safety

Drive safely and comply with road transportation rules!

Occupational safety



HSSE hours

To strengthen our HSSE culture in all locations we regularly host "HSSE hours" to inform employees about different health and safety topics. For instance, in 2012 we held an HSSE hour on the topic of "Fire protection at home" and one on the topic of "Ergonomics".

3,320

drivers taking part in a two-day driving skills course on road safety for light vehicles

Guaranteeing the well-being and safety of our employees at work is a core concern of OMV. We believe that a robust prevention process through hazard analyses, risk management and safety training can minimize the risk of accidents.

Our approach to occupational safety

We seek to apply best practice in the way we manage operational safety. For instance, our LTI target rate is 0.43, the benchmark target of the International Association of Oil and Gas Producers (OGP). Our current performance is 0.69 (own employees and contractors), and we are continuously working to reach the OGP target.

We want to achieve our objectives by applying a dedicated management approach to occupational safety. This includes the measurement of our performance and exposure to accidents, including health related targets in the employees' performance targets and encouraging the reporting of hazards. In 2012, approximately 150,000 reports were collected in CARE, our reporting system.

Road safety

Road safety is a major priority for our Group and we have established a Transportation Safety team in Petrom to reduce the likelihood and the consequences of transportation accidents as well as resultant losses, injuries and fatalities. Not only is this desirable for our employees and contractors, but it also helps increase operational efficiency and achieve international best practice.

Our road safety initiatives are delivered through four main activities:

- ▶ Strengthening our transportation safety management capacity
- ▶ Implementing safety approaches in the planning, design, operation, and maintenance of transportation
- ▶ Improving safety performance measures and measurement
- ▶ Ensuring close, careful management of contractors and their sub-contractors

The European Road Safety Charter forms the context for many of our activities. We signed the Charter in 2010 and subsequently committed to the UN Decade of Action for Road Safety 2011–2020. The in-vehicle monitoring technology is an important aspect of the UN initiative, together with providing drivers with theoretical and practical training on how to prevent crashes.

During 2012, Petrom continued its road safety initiative, with for example 3,320 drivers taking part in a two-day driving skills course on road safety for light vehicles.

Following a program at Petrom during 2010 and 2011, we decided to further roll-out the In-vehicle Monitoring System (IVMS) technology during 2012, in order to reduce road accidents and costs, improve driver behavior and increase the security of our assets. An IVMS implementation plan was presented to the Petrom Executive Board, who approved to fit the technology to further vehicles. In 2012, 1,300 further installations took place. To support the program, we created a range of communication measures.

Occupational safety (continued)



Continued road safety training is part of our UN Decade of Action for Road Safety program.

Seat belt campaign

Data proves that wearing a seatbelt will significantly improve an occupant's chances of surviving a serious road accident.

At Petrom, we have launched a campaign to inform employees about the major risks they face if they travel in vehicles without wearing a seatbelt. The campaign targets all those who journey in company vehicles, such as buses, minibuses and company cars, and includes a road show that travelled to 26 operational locations in 2012, using dummies and a badly-mangled bus to demonstrate a vehicle interior following a major crash. In addition, an information campaign has been conducted in twelve locations and involved more than 2,200 participants.

Promoting public safety

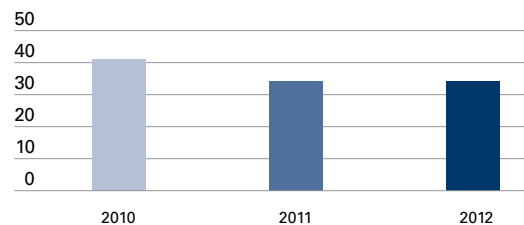
Beyond our own employees, we are also keen to play our part in promoting road safety among our customers and the general public.

Towards the end of 2012, we launched a safety campaign, alongside Vienna Insurance Group, which offers car insurance and safety packages from the Austrian Red Cross to car drivers. Customers collect reward points for shopping and refueling at OMV filling stations during the promotion period. These points can be traded for accident insurance or EuropeHELP insurance from the Vienna Insurance Group as well as safety packages provided by the Austrian Red Cross.

Contractors' safety

We outsource certain tasks and have a responsibility to ensure that our contractors work to our standards, and under safe conditions. During 2012, we started to roll-out our new Contractor HSSE Management system, which formalizes our approach across the Group. HSSE requirements are now established and included in the standards and guidelines associated with contracts, and we have developed a balanced scorecard outlining our Contractor Management targets. Risks have been identified and gaps defined, and these have been communicated to our contractors.

Lost workday injuries own employees (number)



Occupational health



In Kazakhstan, the Kurdistan Region of Iraq and Tunisia, we established new field clinics during 2012, ensuring that the best medical support is available at drilling sites.



In 2012, 20,701 people underwent a required examination, 108,897 medical treatments by doctors and 118,453 by paramedics have been conducted.

10,389

individuals received vaccinations

High standards of occupational health help encourage a healthy, motivated workforce and make a fundamental difference to our company performance. Our HSSE Policy enshrines a commitment to promoting our employees' physical and mental well-being and our objectives include the roll-out of high health standards harmonized across the Group, and the systematic assessment and reduction of health risks.

Our health organization

Our health organization has a mission to promote good health by offering up-to-date medical treatment, preventive health care and psychological counselling. We achieve this aim via a structure that comprises two levels:

The Health Management Department (HMD) Fully integrated into our HSSE Management System, the HMD is our strategic response to the challenges of occupational health. It is composed of medical doctors with additional expertise on occupational, international and public health, emergency medicine and health management, which allows them to act as a center of competence. HMD and local experts support line management in taking ultimate responsibility for occupational health.

Operative Medical Service Providers

Delivery of health services, including those occupational health activities required to fulfill local legal requirements, are the responsibility of Operative Medical Service Providers.

Medical emergency resilience

As in previous years, we again placed strong emphasis on medical emergency resilience activities in 2012. For example, a 24-hour psychological helpline is now available to Petrom employees in Romania, and similar services are also available in Austria and other countries.

In order to help our operative medical service providers assess and mitigate specific risks, the HMD developed a new work procedure on emergency medical resilience during the year. First aid trainings were carried out in many countries, such as Austria, Romania, Hungary, Germany, the Kurdistan Region of Iraq, Moldavia and Yemen. In addition, we delivered practical hands-on first aid sessions at many sites in Romania and Iraq. These events gave our medical teams and other emergency workers, including fire-fighters, the opportunity to practice their skills and ability to work together in emergency care through realistic scenarios.



Occupational health (continued)

18,117

voluntary medical checks

Other prevention activities were conducted with

11,479

people

Supporting occupational health in 2012

Complementing our work on medical emergency resilience, we launched or continued many further initiatives during 2012.

For example, following a Health Risk Assessment campaign which was carried out in 2011 to identify the most common health risks, we have developed a scientific, evidence-based database which gives medical and HSSE staff worldwide information on matters such as toxicity, health hazard and mitigation measures.

In Kazakhstan, the Kurdistan Region of Iraq and Tunisia, we established new field clinics during 2012, ensuring that the best medical support is available at drilling sites. Meanwhile, in Romania the PetroMed clinics in Baicoi, Bulbuceni, Oprisenesti and Moinesti are in the process of being refurbished and a new workplace clinic has been opened in Bucharest.

Supporting community health

We are committed to supporting health initiatives in local communities as well as in our operations. In Pakistan, for example, we provided snake bite serum to local communities and continued to offer Hepatitis B vaccination and education as part of a long-term plan. In total 10,389 individuals received vaccinations, 18,117 underwent voluntary medical checks and other prevention activities were conducted with 11,479 people.

Security and Resilience

We have developed an intelligence-led security strategy to support our business with accurate and timely information on political risks and operational security threats.

Working in conjunction with other internal functions, the Security and Resilience Department provides and implements standards and training programs that secure our people, our critical assets and our production. This capability gives us the capacity to handle business operations and respond appropriately in the event of potential, imminent or actual crisis situations, especially in parts of the world where widespread political upheaval and social unrest can quickly become a part of everyday life.

We maintain close contact with authorities, information providers and external organizations and network effectively with local, national and international organizations in order to enhance our resilience. OMV is a member of ASIS International and the OGP International Security Committee as well as critical infrastructure initiatives driven by NATO, the European Union and Austria.

A fast changing world

Our E&P growth strategy depends on the Security and Resilience team defining a transparent, standardized process that includes the management of private and public security contractors at our operating sites. We follow a risk-based, intelligence-based and balanced approach.

The world changes fast and our response must change with it. As global demand for oil and gas increases, it becomes imperative for companies such as OMV to focus attention on more politically volatile environments, and the Security and Resilience Department has a key role to play in enabling the growth focus of E&P. For example, the events surrounding the Arab Spring are no longer seen as one-off incidents but ongoing issues that will remain concerns for the foreseeable future. Following the successful evacuation of all expatriates and third party staff from Libya during 2011 we entered a new phase in 2012. Operations have now been re-established, and production levels are returning to something close to normal. In Yemen, the year saw the beginning of an enabling phase as we prepared to operate our activities directly from the country. Security issues for expatriates have therefore been a top priority during the year.

Security and Resilience is also key to our approach to human rights and community support as well as our possible entry into new countries. Security issues are a central part of the decision whether to enter a new country or not and play a major role in our wider risk management processes.

Information security

Information security is a prime concern and every employee is tasked to ensure information security in his or her area of responsibility. In November 2012 we held events in Austria and Romania to explain the importance of information security under the slogan "SEC_RITY is nothing without U".

Achievements and targets

Health

🎯 What we planned for 2012 (and after)

- ▶ Review lessons learned for continuous improvement in health risk assessment
- ▶ Follow up on action plans from the audits to ensure continuous improvement
- ▶ Carry out spot audits to ensure high standards
- ▶ Integrate Petrol Ofisi in this system
- ▶ Develop material for two major health promotion campaigns on ergonomics and healthy eating
- ▶ Follow up on the implementation of recommendations made during the Medical Emergency Resilience audit
- ▶ Develop a database for medical issues
- ▶ Preventive activities
- ▶ Provision of medical services

🎯 What we did in 2012

- ▶ Evaluation of 2011 results and main health risks were identified and knowledge database developed. Work procedure on Health Risk Assessment in alignment with new overall OMV HSSE Risk Assessment was updated
- ▶ Spot audits were carried out and old audit plan followed
- ▶ Health promotion material on ergonomics, healthy travel and healthy eating were developed and distributed
- ▶ Updated Medical Emergency Resilience work procedures were developed and rolled out to support local operative medical providers
- ▶ A new health hazard database was developed for HSSE managers and medical staff
- ▶ Vaccinations for 10,389 people
- ▶ Voluntary medical check for 18,117 individuals
- ▶ Other preventative activities for 11,479 people
- ▶ Required examination took place with 20,701 participants
- ▶ Doctors carried out 108,897 medical consultations
- ▶ Paramedics conducted 118,453 treatments

🎯 What we will do in 2013

- ▶ Train medical staff on new HRA work procedure, develop plan HRA 2013 and 2014 and start with new assessments
- ▶ Develop health audit plan for next years and start with 2013 cycle again
- ▶ Health promotion campaigns on empowerment, healthy sleeping and integrated campaign on healthy habits in connection with cardiovascular risk factors
- ▶ Conduct spot audits
- ▶ Continue efforts in first aid training
- ▶ Maintain database and add additional topics

Achievements and targets

Safety and Security

🎯 What we planned for 2012 (and after)

- ▶ Improve the HSSE performance of contractors by close monitoring and interaction: all new high/medium risk contractors with KPIs and targets
- ▶ Roll-out and training on Golden Rules, a guidance for safe working based on a simple set of eight rules
- ▶ Implement IVMS concept across Group
- ▶ Extend “Stepping, Lifting and Manual Handling. Working at Heights” training initiative group-wide
- ▶ Harmonize permit to work system across Group
- ▶ Advise and provide training to security managers across OMV Group
- ▶ Implement a system for improved sharing of security information
- ▶ Conduct crisis and resilience exercises as well as self-assessment of high-risk country emergency preparedness

🎯 What we did in 2012

- ▶ Integration of contractor-specific documentation in the company-wide standards database (REAL) started
- ▶ Golden Rules: Intensive roll-out measures delivered
- ▶ IVMS in Petrom: The Executive Board approved the equipment of further vehicles; 1,300 further IVMS installations
- ▶ “Stepping, Lifting and Manual Handling. Working at Heights”: promotion and trainings conducted (e.g. 7,104 participants in E&P, 8,000 partners in filling stations)
- ▶ Harmonization of work permits ongoing
- ▶ Security trainings provided in selected locations
- ▶ Travel security system implemented
- ▶ Security exercises conducted in selected sites, such as Kazakhstan, Yemen, Libya, Tunisia, the Kurdistan Region of Iraq and others

🎯 What we will do in 2013

- ▶ Continue and intensify training measures
- ▶ Focus on process safety: e.g. processes safety network
- ▶ MAE Study: Continue to follow up measures (e.g. risk register)
- ▶ Continue communication and promotion of Golden Rules
- ▶ Continue installation of IVMS in Petrom
- ▶ Continue auditing activities, in particular focusing on the implementation of standards
- ▶ Continue to provide intelligence-led security management, including measures and action plans
- ▶ Deliver project enhancement of security for refineries
- ▶ Further develop standardized risk assessment process

Environmental Management

Our focus areas



Environmental Risk Management

Improve performance including through ESIA Procedure, Oil Spill Risk Map and Oil Spill Response Drills



Carbon & Energy Management

Continue to implement projects leading to CO₂ emission and energy consumption reduction



Data Management

Continue to improve monitoring of environmental data e.g. through an enhanced Emission Modeling Tool in E&P

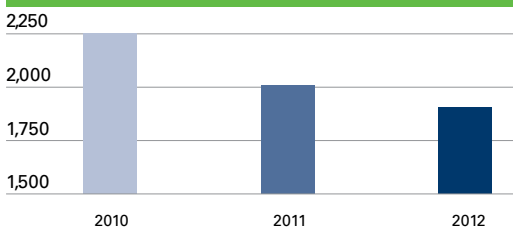


Why it matters to us

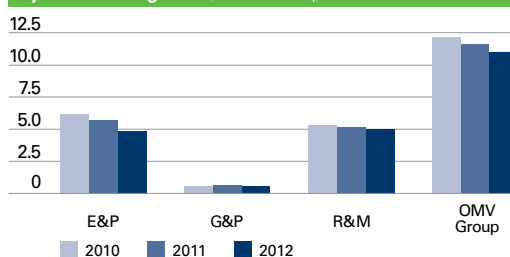
As an oil and gas company our operations can impact the environment in which we operate, and to maintain our license to operate, we must ensure that our impact is minimized. If we do this right it also reduces our operational risks and cost base.

Performance

Hydrocarbon Spills (number)



Total greenhouse gas emissions (Scope 1) by business segment (in mn t CO₂ eq)



EUR 210mn

environmental protection expenditures 2012

EUR 98mn

environmental investments for assets put into operation 2012



Our strategic approach

Shale gas

OMV has stopped working on the shale gas project in 2012.

Further plans concerning shale gas in Austria do not exist. We are committed to comply with the highest technological standards as well as with strict Austrian and European environmental laws and regulations, which guarantee the environmentally sound use of resources.

Our approach is based on precautionary, proactive management to minimize environmental impact. We responsibly address issues involving the environmental impact along the entire value chain. Our goal is to optimize processes so that we use natural resources efficiently and minimize waste, emissions and discharges.

A particular focus of our endeavors in the field of Eco-Efficiency – one of the pillars of our Resourcefulness concept – is on carbon, energy and water management.

We are constantly developing initiatives to improve energy efficiency and reduce the carbon intensity of our operations. We also have many water management projects underway, in line with our drive to minimize the environmental impact of our activities and to use natural resources efficiently.

Risks

Throughout our operations, we increasingly rely on integrated environmental and social impact assessments as the basis for managing environmental risks. High risks to the environment arise during exploration, development and production and we require operations to implement an Environmental Management Plan (EMP) at each of our sites. Risk assessments are carried out on a regular basis at every facility and project, and we have emergency and crisis management plans in place.

In 2012, a framework and methodology for a group-wide harmonized environmental risk assessment was developed based on best practice standards and fulfilling the requirements of ISO 14001. This tool facilitates the collection of consistent information and helps management set priorities and support effective

environmental decision-making. This brings many benefits to the business, including compliance with legal requirements, prevention, respectively minimizing spills. A pilot study in one of OMV Group's Business Divisions was successfully carried out in 2012 and the methodology will subsequently be implemented group-wide.

We plan to include climate change risks in the fully integrated, group-wide risk management process (EWRM). Risks related to the EU Emission Trading Scheme (EU ETS) are separately recorded and aggregated for the Group as a whole. In 2012 we focused on ensuring optimally compliance of our business with the requirements of the third phase of the EU ETS legislation. To this end we took an integrated approach to improve the effectiveness of the monitoring and reporting process on EU ETS installations and prepared business unit specific trading strategies. We will continue to actively monitor the legal framework developments, such as the revision process on carbon leakage status in 2014, as well as any amendments to Emissions Trading Schemes with potential impact on our business.

The principal risks associated with climate change include: the impact of energy and climate policies; tighter rules on emissions trading; market price risk assessment concerning unknown future costs of CO₂, higher insurance premiums and related risks; and extreme weather events that may affect production and transportation.

Environmental management and monitoring



Savings of approximately 350,000 GJ will be realized at our Schwechat Refinery in Austria between 2012 and 2015.

The OMV Environmental Management Directive sets group-wide requirements for environmental management processes and is driven by our policy on Health, Safety, Security and the Environment (HSSE). Environmental issues are considered in all our decision-making processes, both at corporate and operational level.

Our aim is to minimize environmental impact through precautionary, proactive management. To ensure the integration of environmental management processes across the business, the OMV Group Environmental Management Directive has been revised, reflecting organizational developments and defining the environmental management requirements. Workshops across the company were held to enable its effective implementation.

The environmental directive is linked to other business processes such as investments, strategy development, planning, budgeting and purchasing.

In addition, a corresponding OMV Group Environmental Standard has been issued, to support and complement the implementation of the directive. The standard provides the framework for managing all activities through common processes in order to prevent, reduce or eliminate environmental impacts, comply with relevant legislation, and demonstrate that environmental risks are being managed responsibly. Detailed environmental standards are defined at the level of business segments and sites according to the specifics of the respective business activities.

The entire OMV Unit Refining and Petrochemicals is covered by a Central Integrated Management System (C-IMS) which includes also ISO 14001, ISO 50001 and OHSAS 18001. OMV Deutschland GmbH additionally uses EMAS VO III. In the future, Petrom's Petrobrazi Refinery, which is also certified acc. to ISO 9001, ISO 14001, ISO 50001 & OHSAS 18001, targets to be included in this C-IMS.

Annual targets are set and deployed to the business segments. At the corporate level, the monitoring of environmental KPIs is embedded in standardized reporting processes on a regular basis.

After a review of the existing Emission Modeling Tool in E&P revealed a need for rework, a major task in 2012 was to substantially revise the tool to ensure an E&P-wide common approach for environmental data gathering and reporting as well as to improve environmental data consistency and accuracy.

The corporate directive on investment controlling requires an analysis of greenhouse gas emissions to be undertaken for each project and emissions to be reduced As Low as Reasonably Practicable (ALARP). Cost and revenue estimates are factored into economic analysis and incorporated in every investment decision. All contractors and suppliers must comply with the Code of Conduct and its commitment to environmental protection.

Environmental management and monitoring (continued)



Certified Energy Management systems contribute to further reduce our energy consumption.

-4.9%

Total energy consumption of OMV in 2012 compared to 2011

Energy management

Our industry is energy-intensive, with energy costs accounting for a significant share of our operational costs. By improving our energy efficiency we can cut costs as well as reduce GHG emissions. At our Schwechat Refinery in Austria for example, initiatives are anticipated to deliver energy savings of approximately 350,000 GJ between 2012 and 2015.

During 2012, our total energy consumption was 125.2 PJ (2011: 131.7 PJ). Purchased energy, such as electricity and heat, accounted for only 4.5% of that consumption. All OMV Group refineries have implemented certified Energy Management Systems according to ISO 50001: 2011. Systems and processes have been installed to establish energy objectives, monitor energy performance and continuously improve energy efficiency.

Environmental and climate protection

Today's energy and climate policies present major challenges to the oil and gas industry. As energy demand grows, the industry has a vital role to play in securing energy supply. At the same time, GHG emissions must be reduced in all economic sectors so as to mitigate climate change. We will continue to expand our gas business activities and promote the use of natural gas for power generation by building high-efficiency gas-fired power plants in order to reduce the carbon intensity of OMV's product portfolio.

We will continue to monitor and reduce our GHG emissions and implement reduction measures, such as through the boiler replacement project in Petrom.

We strive to minimize the impact of our operations on the ecosystem at every

opportunity and are committed to sustainable resource management. These efforts include using water efficiently, treating and disposing of waste in the correct manner, being sensitive to the value of areas of high biodiversity and preventing harmful emissions.

Expenditures

Environmental protection expenditures, excluding depreciation, amounted to EUR 210 mn in 2012, of which EUR 57 mn was spent on integrated pollution prevention (2011: EUR 209 mn and EUR 56 mn). We spent EUR 31 mn (2011: EUR 31 mn) on direct measures to reduce the environmental impact of OMV products, such as the production of hydrogen for the desulfurization process.

Environmental investments for assets put into operation in the reporting year totaled EUR 98 mn in 2012, of which EUR 43 mn was allocated for integrated prevention (2011: EUR 92 mn and EUR 35 mn).

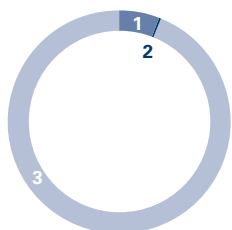
Environmental compliance

Legal compliance monitoring and audits are performed regularly to ensure that all necessary environmental permits are in place and that measures required by permits and inspection reports are complied with.

In 2012, OMV Group (including Petrol Ofisi) faced monetary fines for non-compliance totaling EUR 0.91 mn (2011: EUR 0.61 mn), which were related to environmental incidents such as spills, exceeding discharge limits, waste management and flaring transgressions. Non-compliance may also result in non-monetary sanctions such as warnings from authorities, the suspension of permits and restricted operations.

Greenhouse gas emissions and reduction strategy

Total OMV GHG emissions (mn t CO₂ equivalent)



1. Scope 1	11.0
2. Scope 2	0.6
3. Scope 3	172

In 2008, we made a clear commitment to decreasing the carbon intensity of activities where we are the operator by 2015.

The Carbon Strategy is currently being reviewed and will be updated in line with the Group's strategy "Profitable Growth". We have currently three key targets for managing GHG emissions:

- ▶ We will use efficiency improvements to reduce direct GHG emissions from Exploration and Production (E&P) and Refining and Marketing (R&M) by 1 mn t or by at least 10% compared to a 2007 baseline.
- ▶ We will contribute to the decarbonization of the energy markets in Central and South Eastern Europe by reducing the carbon intensity of our portfolio, promoting natural gas and selectively including power generation.
- ▶ We will deploy state-of-the-art technology to limit the power generation portfolio to no more than 0.37 t CO₂ per MWh.

Direct emissions

In 2012, emission levels of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) directly related to our operations (Scope 1) were 11.0 mn t (2011: 11.6 mn t). The other GHGs are of minor relevance and have therefore not been included in OMV's GHG figures.

Since 2008, our R&M business has introduced initiatives that account for total annual savings of more than 350,000 t CO₂ equivalents, with the ongoing restructuring of the Petrobrazi Refinery having the potential to deliver further cuts of over 100,000 t CO₂ equivalents in 2013. Petrom E&P continued its program of replacing old boilers with modern ones to improve energy efficiency and GHG emission reduction. Cogeneration of heat and electricity (CHP) and production of electricity (Gas to Power) using the energy content of

associated gas contributes strongly to energy savings and emission reductions in Petrom E&P. These programs resulted in an annual reduction of around 30,000 t CO₂ in Petrom E&P in 2012. Since 2008 E&P has implemented GHG emissions and energy reduction projects leading to savings of around 116,000 t CO₂ emissions.

Indirect emissions

Scope 2 emissions which arise due to purchased electricity and heat have a very small share on OMV's total GHG emissions – around 580,000 t CO₂ equivalent in 2012. The total Scope 2 emissions are primarily caused by the energy intensive divisions E&P and R&M. The wind farm Dorobantu, which started commercial operation in 2011 has a capacity of 45 MW. In 2012, Dorobantu delivered 0.09 TWh to the national grid, which means a saving of 37,200 t CO₂ based on the average national grid factor of 0.403 t/MWh in Romania.

Scope 3 emissions from use and processing of sold products are material and reported. All other Scope 3 emissions, such as emissions related to employee business travel, and logistics, are not material because of their relatively insignificant size compared to indirect emissions from product use.

The GHG intensity decreased slightly until 2010 due to a greater focus on the less carbon intensive power business as well as increased sales for renewables. In 2011, the intensity increased slightly, mainly caused by changes in the product portfolio after the integration of Petrol Ofisi for example. Furthermore, sales volumes of our products have grown thereby increasing absolute indirect GHG emissions. In 2012, the revision of the emission factor for "other petrochemicals" led to an increase of the GHG intensity.

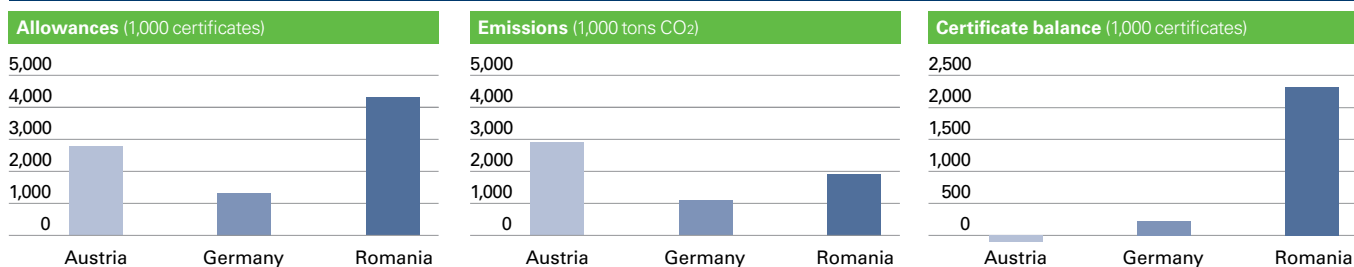
Greenhouse gas emissions and reduction strategy (continued)

Emissions trading

OMV is subject to the EU Emissions Trading Scheme (ETS). At the end of 2012, 20 of its operating installations had been in the scheme: three in Austria, one in Germany, and 16 in Romania. Around 53% of the direct GHG emissions of OMV (5.88 mn t) were CO₂ emissions from EU ETS installations. As a result of emission reductions, supplementary allocations and plant shutdowns, OMV Group recorded a surplus of 2.49 mn certificates as of the end of 2012.

OMV maintains a low-risk trading strategy. In addition to the trading of EU allowances, we optimize the OMV carbon portfolio when needed by monitoring the possibilities of and use of credits from the flexible project based mechanisms: Clean Development Mechanism (CDM) and Joint Implementation (JI), as provided for under the Linking Directive.

Allocation of allowances and emissions by countries 2012



Air emissions



At our Schwechat Refinery and Lobau tank farm in Austria, a program to reduce VOC emissions has been started and will be continued through 2013.

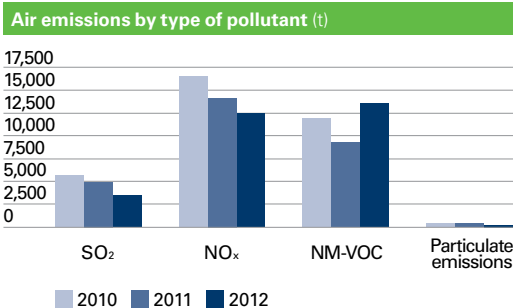
The year saw a decrease in emissions of sulfur dioxide (SO₂) and nitrogen oxides (NO_x). Non-methane volatile organic carbon compounds (NMVOCs) increased as more sources were taken into account in the updated methodology in E&P.

Our activities do not result in material emissions of ozone-depleting substances. These substances are emitted only in very small quantities (< 1 t in 2012) due to refrigeration or fire fighting.

Our Gas and Power (G&P) business changed its operations focus for the gas logistics business in Austria, with electrically-driven compressors partially replacing gas-driven turbines and compressors at Neustift and Baumgarten. The mix of gas and electrically-driven devices will also enhance the resilience of the transmission system.

At our Schwechat Refinery and tank farm in Lobau, Austria, we launched a program to improve tank sealing systems during 2012. New secondary seals for the rim seals of floating roof tanks will lead to a reduction of volatile organic compound (VOC) emissions, and will be continued through 2013.

Another example which not only contributes to a better quality of discharged waste water and a reduced amount of sludge waste is the revamp project of the waste water treatment plant at the Petrobrazil Refinery. The project also leads to reduced emissions of volatile organic compounds (VOC) by almost 100%.



Water management

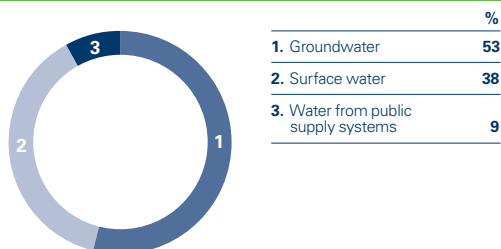
10.6%

of withdrawn water recycled and reused

Water is an important resource for the Group, as we use water from various sources for steam generation, cooling and industrial processing. We work hard to introduce measures that improve the efficiency with which we use water, with the closed-loop cooling systems in our refineries being a particularly good example.

Water management is an integral aspect of all our environmental and social impact assessments, and we consider how best we can minimize water usage in environmental management plans as well as in the design of facilities. In 2012, total water withdrawal throughout OMV Group operations was about 47 mn m³ (2011: 52 mn). A total of 26 mn m³ of wastewater (2011: 26 mn) were discharged after appropriate on-site or off-site treatment in OMV-owned or community water treatment plants.

Water withdrawal by source



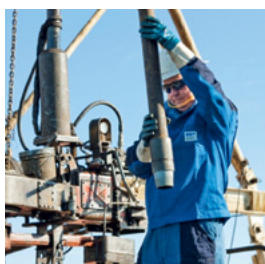
2012 was characterized by several successful projects relating to water management. For example, at our Petrobrazil Refinery, we invested EUR 6 mn to revamp the Waste Water Treatment Plant which resulted in improved quality of discharged waste water as well as a reduced amount of sludge waste. This project was finalized in 2012 and encompassed an increase in efficiency during the mechanical stage, optimization of the de-nitrification stage, modernization of the dosing unit for chemical substances, and utilities monitoring. Another project finalized in 2012 in Petrobrazil Refinery refers to the rehabilitation of the internal and external sewerage system. The amount of treated waste water is minimized by segregating waste water streams based on their level of contamination. Waste water is collected safely, and any leakage into the ground is prevented.

In 2012, E&P Austria took the final investment decision to establish a new treatment plant for formation and process water to be put into operation in 2014. It will lead to reduced impact on local fauna and flora as well as to reduced VOC emissions.

The total volume of water that was recycled and reused in OMV Group in 2012 reached 5 mn cubic meters which equals 10.6% of the total volume of water withdrawn.

Water scarcity or availability of water infrastructure can be an issue for some of our communities. We are constantly evaluating projects in which we can enhance local conditions in regards to water in our communities, for example in Pakistan.

Drilling mud, spills and leakages



We seek to reuse drilling mud as much as possible to be in line with our commitment to minimize waste. Cuttings are treated and disposed of in line with legislation and using the latest technology.

Drilling mud

We seek to avoid the use of hazardous substances whenever possible. For example, in our drilling operations, we use water-based drilling fluids wherever technically feasible. 91% of the drilling mud and cuttings generated by our E&P division is water-based (other 9%: non-aqueous drilling fluids, NADF). We no longer use any diesel-based drilling fluids anywhere in our operations.

Drilling mud is reused whenever practical, in line with our comprehensive waste minimization and management plans. In our E&P operations, drilling mud and cuttings account for a major part of the total waste generated. Cuttings are treated to reduce toxicity and disposed of in accordance with applicable national regulations and best available technology.

Spills and leakages

In 2012, we recorded nine significant hydrocarbon spills (> 1,000 liters; level 3, 4, and 5 on a scale of 1 to 5) and 1,895 minor releases (2011: 6 and 2,001, respectively). The amount of hydrocarbons spilled was 306,000 liters (2011: 503,000 liters).

In general terms, spills can be the result of safety or security incidents, but they are mostly caused by corrosion of aging infrastructure.

OMV Group's objective to prevent and reduce environmental impacts of oil spills was addressed through various initiatives in Romania.

A Spill Risk Map is a live tool developed to provide management with detailed information regarding the risk of spills from pipelines, and its potential impact on the environment. Following a successful pilot project in 2012, the map will be rolled out across Petrom E&P, covering 50% of the Petrom E&P's Assets in 2013. In conjunction with this project and as part of the newly formed Integrity Program, a Risk Based Inspection (RBI) study on the integrity of pipelines is nearing completion. Ongoing inspection, repair and replacement will now be carried out with priority given to pipelines with higher risk. Dedicated teams in each Asset will manage the operation to ensure effective implementation.

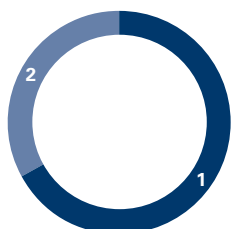
In 2012, under the Spill Preparedness and Response Program, drills were carried out at all ten of our assets to improve our teams' ability to respond effectively to oil spills. Special attention was paid to incidents with severe impact on surface water bodies.

Waste management



The process of cleaning 44 sludge pits which contained about 600,000 m³ of sludge was finalized in the E&P division of Petrom.

Hazardous/Non-hazardous waste (t)



1. Non-hazardous waste	595,543
2. Hazardous waste	292,068

Waste management

OMV activities generate solid and liquid wastes, including oily sludges, waste chemicals, spent catalysts and construction debris. The total waste generated in 2012 increased by 7% to 887,000 t, which is in range with normal fluctuations. There was no transport, import, or export of waste deemed hazardous under the regulations of the Basel Convention.

In 2010 we began a project to significantly improve waste management at both the Arpechim and Petrobrazi refineries. Specifically, this work involved the installation of state-of-the-art facilities to treat the waste from the refineries' internal and external sludge lagoons. The objective was to integrate land restoration with waste and water management using techniques including thermal treatment, incineration and bioremediation. By the end of 2012, both external sludge lagoons at the Petrobrazi Refinery were completely emptied, waste was treated, excavations filled with treated material, covered with fertile soil and grass seeded. At Arpechim, works for emptying and treatment of hazardous waste are in progress for three lagoons, with the project due to be completed in 2013.

Continuing the last year's activities, the E&P division of Petrom finalized the process of cleaning 44 sludge pits which contained about 600,000 m³ of sludge. The water, oil and solids were separated, and then the water was reinjected into the residual and technological wells. The resulted oily product was reintroduced into the production process and the residual solids were treated by means of a thermal desorption system before their final disposal.

As part of the implementation of Petrom's program to create the waste infrastructure needed for the clean-up of contaminated soil as well as abandonment of around 26,000 oil wells and 1,100 production facilities, Petrom E&P has built in total nine bioremediation plants and two landfills.

At the Schönkirchen landfill site in Austria, we have an ongoing project involving oily sludge remediation, together with the renewal of the existing bottom sealing solution using the best available technology. The objectives of the project, which is set to run until 2014, include legal compliance and the satisfactory remediation of the site. At the end of the project, 100,000 m³ of oil sludge had been remediated.

We are also carrying out improvements to bio-sludge treatment at the Burghausen Refinery in Germany. The objectives include reduced odors; lower cost of treatment and less maintenance as well as time-savings. The project is expected to be completed during 2013.

Transport, biodiversity, decommissioning



Following the decommissioning of Petrom's chemical plant Doljchim, a 220 ha site is under preparation for alternative use. We are cooperating with all relevant stakeholders to prepare the plant for alternative usage.

Transport

At all times and across all our facilities, we seek to use safe, environmentally friendly and economical ways of transporting products. In environmental terms, pipeline transport is the best alternative because it requires low energy use and reduces the need for road and rail transport. By reducing road transport, we can minimize the risk of incidents and emissions to the atmosphere, including GHG emissions.

The percentage of the different types of transport used will vary from refinery to refinery according to product range, customer, location and the regional distribution network.

We do not own tankers, but charter vessels from first-class ship brokers to ensure the highest quality and safety standards.

Biodiversity and land use

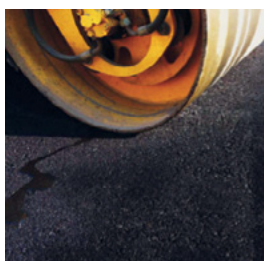
Before we launch new projects and operations, we carry out environmental impact assessments and permitting processes to address biodiversity issues. If our activities are in the vicinity of protected areas or areas where protected species exist, these are undertaken with special regard for these vulnerable populations and ecosystems. We monitor populations and ecosystems closely to ensure that our operations cause no adverse impact. To date, we have not been required to develop biodiversity action plans for any of our operations. Nevertheless, we pay special attention to biodiversity issues at the sites of a number of our operations.

Decommissioning

We are mindful of all our long-term responsibilities to the environment, from the time when we first plan operations on a site right through to final decommissioning of the plant. Decommissioning is always carried out in accordance with industry best practices, and environmental issues such as decontamination and waste disposal are managed rigorously.

The decommissioning of Petrom's chemical plant at Doljchim, which requires the demolition of all technological sites, has been under way since 2009. A total of 33 installations had been decommissioned and demolished by the end of 2011. We are on target to complete all remaining activities during Q2/13, including the scrapping of materials. As the process involves high-risk activities such as the handling of hazardous wastes, we are complying with strict HSSE regulations and best practice standards.

Product safety



Bitumen is one of our special fields. We have been compiling, evaluating, and building upon our knowledge for many years at OMV. Therefore, we created a High Performance Bitumen through different refining and blending processes of base bitumen. The premium product is as robust and reliable as concrete but can be used in a wider variety of ways, making it perfect for the heavy wear and tear on roads.

Product responsibility and safety

OMV produces gasoline and diesel fuels and a broad range of other products including bitumen, oils, lubricants, gas and heating oil, as well as specialized products such as petrochemical products for our industrial customers. We strive to provide high-quality products that meet our customers' expectations and help them save costs. During the life-cycle assessments of R&D projects, we focus on potential CO₂ emissions. Health and safety is an integral part of managing product quality from production through to storage, transport and sales.

We manage the quality and safety of our products in line with our internal policies and international and national regulations and standards. In 2012, there were no significant product-related fines (2011: EUR 0.12 mn (including Petrol Ofisi). In Petrom an antitrust litigation regarding the withdrawal of the retail product "Eco Premium" from the Romanian fuels market is still pending.

The quality and safety of our products are the result of standardized processes, quality testing across the supply chain, and a highly developed traceability system. We make detailed information available to our partners and customers concerning our products and the materials used to produce them. All products that are manufactured, marketed or distributed by OMV comply with the relevant legislation. Safety data sheets for OMV products are available on our website. These provide our customers and employees with comprehensive information on potential health, safety and environmental hazards and inform them of appropriate measures to be taken for safe product handling and usage.

In terms of safety, all our products comply with the applicable legal regulations and we provide product training on an ongoing basis for OMV employees, suppliers, filling station partners and other customers.

REACH and CLP

The implementation of the EU Regulation on Registration, Evaluation and Authorization of Chemicals (REACH) meant that all our refineries successfully registered around 200 substances by the end of 2010. Activities continued throughout 2012 with participation in SIEFs and REACH consortia (CONCAWE, LOA, FERC, etc.) with a view to maintaining registration dossiers and updating their common and individual parts. REACH remains a daily business process for OMV refineries.

We have several working groups that oversee our compliance with REACH and CLP regulations. We are also members of the REACH and CLP working groups within the trade associations for the oil and chemical industries.

Cleaner fuels

At present, significantly more than 90% of gasoline and diesel sold by OMV is sulfur-free (Sulfur content <10 ppm). Detailed product information can be found on omv.com.

Biofuels



OMV is the first oil and gas company in Austria to verifiably process biofuels in a sustainable way and market them countrywide through its own filling station network. The sustainability of the applied biogenic components was rewarded with the EU-ISCC certificate for Refining and Marketing which also attested that all relevant OMV business processes comply with the legally defined sustainability criteria for biofuels.

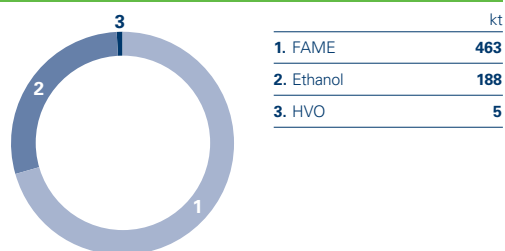
Biofuels have the potential to play an increasingly important role in the future energy mix, as long as they don't compete with food production. OMV is investing in the research of second generation biofuels, using biogenic material that is unfit for human consumption at our pilot BioCrack™ Plant in our Schwechat Refinery.

All biofuel volumes purchased for OMV and Petrom in 2012 complied with sustainability criteria set out in EU Legislation (2009/28/EC), even though some EU Member states, including Austria, still have to fully ratify the EU requirements into national law by 2012. German biofuels legislation ("Biokraftstoff-Nachhaltigkeitsverordnung") requires that all biofuels put into circulation from January 1, 2011 meet sustainability criteria. In Austrian legislation sustainability was introduced by "Kraftstoffverordnung 2012" (KVO 2012) starting on January 4, 2013. Romanian legislation mandates comply with sustainability criteria since November 2011, while Turkish biofuel legislation currently does not have sustainability requirements.

The majority of biofuels purchased by OMV and Petrom was sourced from local producers using mainly European feedstock, while Bio Ethanol purchased for POAS was of Turkish origin.

We have also recently purchased the equivalent of 10,000 m³ of Biodiesel equivalent in Biomethane tickets for OMV Germany. Biomethane is a second generation Biofuel that is also eligible for double counting towards the biofuel obligation.

2012 Biofuels volume



Achievements and targets

Environmental management

🎯 What we planned for 2012 (and after)

- ▶ Optimize processes to make efficient use of natural resources and minimize waste and emissions to air, water and land
- ▶ Manage greenhouse gas emissions economically
- ▶ Identify environmental risks and costs

🎯 What we did in 2012

- ▶ Water management plans across all Petrom business divisions developed
- ▶ Developing tool to provide detailed information regarding risks of pollution from pipelines in Petrom E&P
- ▶ Carried out spill preparedness and response program in Petrom E&P
- ▶ Carbon & energy workshops held with all business divisions
- ▶ Refining focus on energy efficiency
- ▶ Numerous GHG reductions projects implemented
- ▶ Framework and methodology for assessing environmental risks developed

🎯 What we will do in 2013

- ▶ Define OMV minimum standards on energy management
- ▶ Identify significant water related impacts by OMV Group's operations and develop a water ambition statement
- ▶ Update carbon strategy in line with the Group's strategy "Profitable Growth" and establish roadmap to 2016
- ▶ Define OMV minimum requirements on flaring and venting management
- ▶ Implement Environmental Risk Assessment methodology

Human Rights

Our focus areas



Human Rights Matrix
Apply systematic human rights management through our own management tool



Audit and Training
Monitor and enhance our performance, for instance through Human Rights self checks, site visits and trainings



Contractors
Support our business partners in applying our human rights standards



Why it matters to us

The respect of human rights is one of the cornerstones of our Resourcefulness concept. It enables us to gain the trust of the countries and communities in which we operate and minimizes our operational risks in the process.

Performance

4

human rights self checks carried out 2012

2003

year of signing UN Global Compact by OMV

14

contractors audits including human rights criteria 2012

Our approach to human rights



A human rights consulting visit was carried out in the Kurdistan Region of Iraq accompanied by external human rights experts.

These experts visited OMV's production site to evaluate the human rights situation of employees and contractors. In 2013 we will follow up the recommendations that arose from this assessment.

The support of human rights remains a core element in our Resourcefulness concept. We have been systematically managing human rights for many years, and as signatories to the UN Global Compact we continue to demonstrate our ongoing commitment. Our group-wide approach focusses on awareness-raising, due diligence and grievance mechanisms.

Human rights management system

The key elements of our human rights management system are the OMV Human Rights Policy adopted by the board in 2007, and the OMV Human Rights Matrix adopted by the board in 2008.

The OMV Human Rights Policy is based on our Code of Conduct and sets out the principles of our understanding, and responsibility for the protection of human rights in our business environment. In accordance with the commitments set out in the UN Global Compact, we respect, fulfil and support the fulfilment of human rights within our sphere of influence.

Our specific human rights responsibilities are contained in our Human Rights Matrix, derived from the UN Global Compact and the Business Leaders' Initiative on Human Rights. This management tool is the basis for all our activities in the field of human rights. In major business decisions it is obligatory for decision-makers to collect baseline information on the human rights situation of the country before making decisions about our business activities. They are supported in this task by company experts and external consultants.

In order to foster human rights in our sphere of influence, we have developed a mandatory human rights questionnaire for standard OMV supplier audits and also conduct human rights training programs among our contractors.

Responsibilities and risk assessments

OMV's activities may entail potential risk in the area of human rights. These will vary by country. The relative instability of some of the regions where we operate can affect our business – consequently human rights management is particularly important for our E&P activities. Although human rights at a local level are initially the responsibility of local managers, supported by company experts and external consultants, it is the CEO of OMV who bears ultimate responsibility for sustainability management, including human rights.

An assessment of human rights is an intrinsic element in all our major business decisions. We strive to thoroughly take into account the social conditions in the countries where we operate or are considering operating. We also use a New Country Entry Checklist to assess the human rights situation in potential operating areas. This helps identify and avoid the risk of involvement in human rights violations before entering a new country or a new project.

Our approach to human rights (continued)



In May 2012, a detailed training program on human rights for a supply chain audit company has been delivered.

During the year we carried out human rights self-checks in Romania, Kazakhstan, Pakistan and the Kurdistan Region of Iraq. These self-checks are based on our Human Rights Matrix and were developed in conjunction with the Danish Institute for Human Rights. The results of the self-checks were evaluated by the Danish Institute for Human Rights (Pakistan and Kazakhstan) and HumanRightsConsulting Vienna (Romania and the Kurdistan Region of Iraq).

14 contractors and suppliers were selected in 2012 for a comprehensive supplier audit, including compliance with human rights criteria. Instances of child or forced labor were not identified in these audits nor in the human rights consulting visit carried out.

Training

We organize regular training courses and workshops to raise human rights awareness both internally and externally. These sessions focus on explaining our Human Rights Matrix, the Human Rights Self-Checks and our New Country Entry Checklist. The human rights elements within our supplier audits are also important topics and other key issues include the basic principles of our Code of Conduct as well as our approach to sustainability.

Over the last twelve months we carried out human rights awareness training activities for our own people, both face-to-face and also via an intranet-based e-learning tool.

Engagement

We are committed supporters of human rights and are keen to play our part to the full. This includes being active members of the United Nations Human Rights Working Group to which we actively contribute in various ways by providing input on Key Business and Human Rights Tools and Resources.

Outlook for 2013

Human rights will continue to remain an essential part of business principles at OMV. We look forward to raising awareness of the key issues even further across our organization and with suppliers. The year ahead will also see additional improvements to our existing due diligence process. Furthermore, we will work on the roll-out strategy for our grievance mechanisms, as we strive to further implement grievance mechanisms for local communities in OMV operated countries.

Achievements and targets

Human Rights

🎯 What we planned for 2012 (and after)

- ▶ Implement recommendations on human rights according to human rights consultancy visit in Tunisia
- ▶ Human rights self-checks in the Kurdistan Region of Iraq, Romania, Pakistan, Kazakhstan
- ▶ Human rights consultancy visit in the Kurdistan Region of Iraq
- ▶ Human rights training of supply chain auditors
- ▶ Human rights classroom training for employees and contractors in addition to e-learning tool

🎯 What we did in 2012

- ▶ Follow up of Tunisia human rights consultancy visit conducted
- ▶ All human rights self-checks conducted as planned
- ▶ Human rights consultancy visit in the Kurdistan Region of Iraq conducted
- ▶ Training delivered to 39 employees (excl. users of e-learning tool), thereof also members of security staff during consultancy visit in the Kurdistan Region of Iraq

🎯 What we will do in 2013

- ▶ Ensure awareness and provide expertise along full business process (from entry to exit)
- ▶ Provide further trainings
- ▶ Continue improvement of existing risk management tools
- ▶ Conduct self-checks and consulting visits at selected sites
- ▶ Continue to work on the roll-out strategy for grievance mechanisms for local communities

Diversity and Human Resources

Our focus areas



Diversity

Follow clear targets in international and gender diversity: 18% women, 38% internationals on SVP level by 2015



Employees' Engagement

Encourage our workforce to take responsibility for Resourcefulness projects



Development and Training

Continue to invest in the development of our people to attract and retain talented workforce at all levels



Why it matters to us

People are the most important resource for achieving long-term success.

Performance

846,645

training hours 2012

13%

women on Senior Vice President level

38%

internationals on Senior Vice President level

100

Skills to Succeed projects run in Employees' Engagement program 2012



Our approach to Human Resource Management

29,145

total workforce

OMV employs about 29,000 people worldwide. We uphold high safety and health standards, offer fair pay and flexible employment models to create a positive work environment, making OMV an employer of choice.

In fulfilling our responsibility towards our employees and society, we are guided by the principles of the international social accountability standard SA8000. As a signatory of the UN Global Compact, OMV has also pledged to uphold further principles of relevance to human resources and has included these in its corporate directives.

Reaching our business objectives depends on a talented workforce at all levels. Accordingly, we offer a number of development programs. Our management development programs are delivered via partnerships with internationally renowned business schools, and we provide further opportunities through tailored programs including the "Talent Challenge Core" and "Talent Challenge Advanced".

We also support our employees in areas beyond traditional skills-based programs, strengthen their creativity and social competencies. Furthermore, we invest in the economic development of the communities in which we operate.

In order to maintain our position as an employer of choice:

- ▶ We make sure we have the right talent in the right job at the right time.
- ▶ We look for and reward superior performance and leadership.

- ▶ We manage our corporate culture and organizational development across the entire Group, building cross-divisional effectiveness and thereby leveraging an integrated approach in stakeholder relations.
- ▶ We foster the engagement of our employees for Resourcefulness.

To support this ambition, we continuously optimize and harmonize HR management systems and tools across our international operations.

HR supports employees at all stages of their careers at OMV Group. Strategic decisions that impact the entire company's workforce are taken centrally. Similarly, where general issues could have an impact on the Group, local management is obliged to follow the guidelines set down by Corporate HR.

Workforce and local employment

95.83% of our employees are covered by mandatory periods of notice under national employment laws or bargaining agreements in cases of necessary restructuring.

In all our operating countries, we strive to maintain a high percentage of local staff. Because market conditions and job requirements differ from country to country, the percentage is variable. Developing the local workforce, especially in countries with a shortage of skilled workers, is a high priority and programs have been initiated in several countries.



Our approach to Human Resource Management (continued)

Strategic Workforce Planning

Strategic Workforce Planning is a systematic approach to better understand current skills and focus development measures. We have started strategic workforce planning in 2011, with the aim of ensuring availability of adequate human resources for OMV in the future while aligning business and HR strategies.

2012 was the first year of running a full cycle for our E&P business and integrating long-term strategic planning indicators into the more granular yearly manpower planning process. As a result we succeeded in better defining a consistent fresh graduate intake by skill pool per country for the next three years, with an average of 120 graduates per year globally.

We have also deepened our understanding of the key drivers leading to workforce demand forecasts for various job categories, which will help us identify the right number of qualified people at the right time and in the right place.

Strategic Workforce Planning relies significantly on having in place a clear segmentation of our workforce based upon the skills and experience required to perform a particular job and developing employees along these lines. This is the essence of Skill Pool Management, a systematic approach to better understand current skills and focus development measures. In 2012, we have broadened the scope of Skill Pool Management in E&P, to encompass up to 3,000 employees globally across five technical skill pools along with the selected pilot projects group-wide for Corporate Projects and HSSE.

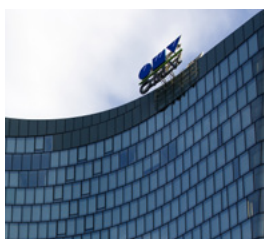
Rights and obligations

The rights and obligations of our employees are set out in labor contracts. They are derived from various company agreements, collective bargaining agreements and locally applicable policies. Nearly all of our employees – 99.83% – have the right to exercise their freedom of association and collective bargaining. For 99.70% of our employees minimum wages or salaries are fixed by law or agreed upon in collective bargaining agreements. 91.57% of our employees are represented by local trade unions or works councils.

Our commitment to providing equal opportunities for all employee groups is contained in the corporate Anti-Discrimination Directive. The level of compensation is based on the employee's function and management level as well as skills and professional experience. Compliance with the directive is reviewed annually by our Internal Audit department.



Employees' Engagement



The OMV top management leads by example and motivates employees to actively engage in driving responsible and sustainable business behavior. We encourage them to take ownership of Resourcefulness initiatives and to embed those in their personal development targets. OMV aims at making Resourcefulness a key element in our training.

Employees' engagement survey

We maintain ongoing dialogue with Employees' to find out what works well in their jobs and identify areas for improvement. Employees' engagement is monitored by conducting the group-wide HCM Global People Survey at regular intervals.

Throughout 2012, managers and employees have been implementing the actions indicated by the 2011 survey. In total more than 700 objectives and actions have been, or are being, implemented at departmental, divisional and corporate levels. Over half of all objectives and actions are targeted at improving cooperation and working relationships, information and communication flows as well as leadership.

In addition to the HCM Global People Survey, we have also developed an Idea Management initiative, which provides employees with a channel for submitting new suggestions and alternative solutions. These can concern anything from how we can improve our competitiveness to enhancing working conditions, internal procedures and processes.

Innovative ideas from our employees saved us EUR 8,774,380 in 2012 and we awarded bonuses in return.

Job rotations

In order to promote corporate culture and organizational development across the entire Group, maintain effectiveness and internal dialogue, we continued to organize job rotations, with 73 implemented in 2012. The benefit of job rotations is that they can widen our skills pool as employees build a variety of skills at each rotation, and facilitate cross-company networking and the sharing of ideas.

Engaging employees with Resourcefulness

Employees' engagement is key to the successful integration of Resourcefulness across our organization. By encouraging our workforce to embrace Resourcefulness and play an active part in its delivery, we will drive responsible behavior in a sustainable way. We use four different elements to enable everyone in the company to get involved: project sponsorship roles for senior managers, who provide strategic input and in return receive deeper insight into OMV's social and environmental impact; project responsibility within Talent Development Programs, enabling us to integrate Resourcefulness into one of our principal HR programs; including Resourcefulness targets in Management-by-Objective plans, to help employees understand the importance of Resourcefulness; and integrating Resourcefulness into our training and education initiatives.

2012 saw good progress through a number of Resourcefulness-led engagement initiatives. For example, we successfully integrated Resourcefulness into Talent Management programs undertaken by eight SVPs, 17 further executives and 25 high potential employees. The goal was to raise management's understanding of Resourcefulness and the importance of their support for Resourcefulness projects. Furthermore, we incorporated Resourcefulness into the Management-by-Objective plans of about 3,200 employees, thereby driving sustainable behavior and helping to engage our workforce in integrating the concept into their own spheres of influence. For selected employees, Resourcefulness targets now account for 10% of their personal targets.

Talent attraction and development



OMV Career World

The OMV Career World offers an interesting and challenging world of career and development possibilities. It consists of 5 major career tracks: Management, Experts, Project Management, Technicians and Administration.

Talent attraction

Recruitment is an important focus for OMV and during 2012 we launched our new Employer Branding Strategy, which aims to position us as the most attractive employer on the relevant employment markets.

Under the employer branding strategy, we have already introduced early initiatives including 50 exclusive internships for “potentials” and evaluated how best to manage a talent pool for graduates. In addition, as part of our drive to improve the external perspective of OMV in job markets, we have launched a range of communication activities. These include a major refresh of our advertising, as well as of the OMV career website to present the new face of OMV to potential recruits under the motto “Energize your Career”. We are also focusing on our social media presence, in particular company profiles in social media networks.

Talent development

We invest in the ongoing development of our employees. During 2012 we introduced several new programs in the range of learning activities. These include structured programs for developing the potential of our future leadership team and core tool sets aimed at supporting current middle management. As already outlined above, we have expanded our international integrated graduate development program to all E&P technical streams as well as to the finance and controlling functions.

Our development activities are based on what we have identified as our core success competencies: cooperation skills, innovation, leadership, ability to implement ideas and profitability. The objective is to promote professional management and leadership, as well as entrepreneurial spirit.

Performance and Development System

The introduction of the Performance and Development System (PDS) marked a major step towards building a group-wide job performance and employee development culture. The PDS is a key web-based communication tool for cascading company goals and helping individual employees implement the corporate strategy. It ensures equal opportunities by harmonizing performance and development discussions across the Group, facilitates management across borders and affiliates, and considerably reduces complexity and costs.

Vocational training at OMV



99 apprentices at OMV,
31 new ones in 2012.

Today, we have 99 apprentices in Austria, of which 21 are female, in line with our policy to improve gender diversity and generally encourage and enable women to seize the opportunities offered by technical careers. During 2012, 31 new apprentices joined the program, of which 7 are female, selected from a total of around 350 applicants.

Four-year program

Most of our apprentices are on a four-year program that includes a mix of theory and practical, hands-on training. Each year, the top eleven apprentices undertake their training in cooperation with other companies, expanding their horizons and helping them learn from a greater range of experiences. In addition to the program outlined below, all apprentices receive an European Computer Driving Licence (ECDL) course, tuition in first aid, basic education in firefighting skills, and also attend seminars on conflict management and team building.

Year 1

Apprentices are based at our Apprentice Center in Gänserndorf, where they learn theory and factory skills and receive instruction in security and safety, vocational skills and technical matters that are specific to OMV.

Years 2 and 3

The focus is on vocational learning through terms of ten weeks, supported by an apprenticeship exchange program designed to broaden technical knowledge. In addition, the apprentices are able to enjoy an excursion together, such as a week of skiing.

Year 4

Apprentices graduate from the program, after completing an exam.

Wide range of opportunities

We offer a number of different apprenticeships, including:

- ▶ Chemical Processes Engineering for the Schwechat Refinery
- ▶ Electrical Engineering (main module Industrial and Plant Engineering) and Mechanical Engineering (dual apprenticeship)
- ▶ Electrical Engineering (main module Industrial and Plant Engineering and main module Automation and Process Control Engineering)
- ▶ Industrial sales management assistant.

All applicants are expected to hold good qualifications in mathematics and must successfully pass a computerized intelligence and math test, followed by a formal interview and a half-day workshop to assess their technical aptitude.

Diversity

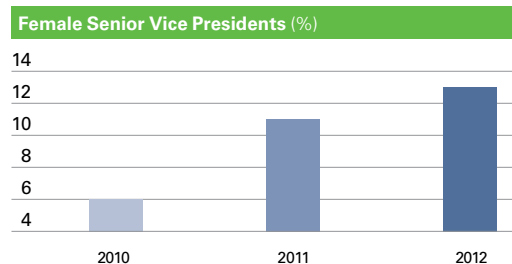
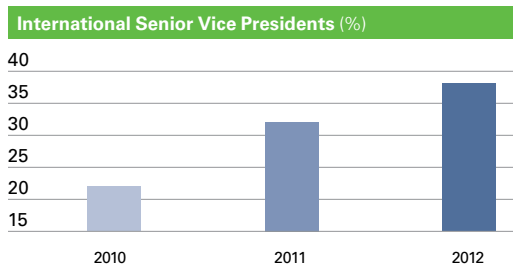


We employ people of 60 different nationalities, and the topic of diversity is one of the core areas of our Resourcefulness concept.

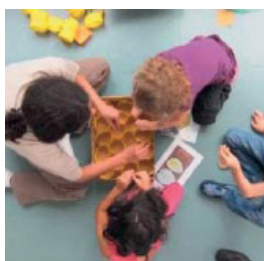
Our twin focuses are on international diversity and gender diversity, which we are applying across all management levels.

We aim to increase the percentage of women among our Senior Vice Presidents (SVPs) to 18% by 2015 and 30% by 2020. Furthermore, we aim to have 38% internationals on SVP level by 2015 and 50% by 2020. We made progress on all counts during 2012. Of our SVPs, 38% are international (2011: 32%) and 13% are women (2011: 11%).

In addition, we are also seeking an improvement in diversity at the middle management level, where the goal is to increase the percentage of women from our current 20% to 40% by 2020. We believe that the gender composition of our leadership development programs can play a major role in helping us reach our objectives and have set a target of 30% female involvement. We are pleased to report that in 2012 the percentage of women on the programs had already reached 29%, a sure sign that our diversity policy is having a beneficial impact.



Rewards and benefits



OMV head office in Vienna has two company Kindergartens attended by children of OMV employees.

We expect high levels of skill and commitment from our people and in return we provide extensive training and development opportunities together with good levels of pay and benefits.

In Austria and Germany, we have well-established company pension plans for our employees. Our Refining and Marketing (R&M) business introduced pension plans in the Czech Republic and Slovakia in 2008 and, since 2009, our Group has provided enhanced insurance protection for expatriates and their accompanying family members worldwide, regardless of origin or nationality.

The health of our people is a prime concern. We provide a comprehensive private health insurance for our expats. Since 2010, employees traveling on business have also been covered by this insurance policy, which includes comprehensive business travel health insurance worldwide on a Group basis. When we moved to our new head office in 2009, the OMV Group Works Council reached an agreement with management regarding partial (50% gross) reimbursement of public transportation costs incurred by commuting employees.

Work-life balance

We recognize the need for a sensible balance between work and home life, and have introduced a range of initiatives that take the needs and wishes of our employees into consideration.

For example, we have created a work-at-home option during periods of parental part-time work, in collaboration with the Works Council. A "Home Office Agreement" enables male and female employees to work half of their weekly working days at home and half at their respective OMV offices. This can make a considerable difference to the stresses and strains associated with the early years of parenthood.

In Austria, we have agreements in place that allow employees who have been with the company for at least two years to take up to a year off work. This sabbatical period is not restricted to any particular purpose and can be arranged by mutual agreement, taking the company's interests into consideration.

In this year's collective agreement negotiations in Austria a new option for employees was implemented to facilitate the conversion of their one-time loyalty payments into additional time-off. This period can even be leveraged with a forthcoming retirement.

An additional day of spare time ("free shift") per year for employees of a minimum age of 55 working in fully continuous shifts is a further measure to help people cope with the burden of shift work.

The future increase in recognition of parental leaves up to 32 months is a further step to better support reconciliation of family and work.

Achievements and targets

Diversity and Human Resources

🎯 What we planned for 2012 (and after)

- ▶ Diversity
 - Continue program
 - Increase number of female managers
 - Implement technical scholarship for women
- ▶ Job rotations
 - Further increase job rotations by 20%
- ▶ E&P graduate program
 - Recruit > 100 graduates for E&P in all E&P countries
- ▶ New Technical Training Center Petrom
 - Establish a concept and project plan for the new Technical Training Center
- ▶ Employees' sustainability engagement
 - Integrate sustainability projects in individual target planning and skill development programs within OMV

🎯 What we did in 2012

- ▶ Diversity
 - Increased number of female managers
 - Implemented technical scholarship for women
- ▶ Job rotations
 - 73 cross functional and cross divisional rotations
- ▶ E&P graduate program
 - We recruited > 100 graduates for E&P in all E&P countries
- ▶ New Technical Training Center Petrom
 - Established a concept and project plan for the new Technical Training Center
- ▶ Employees' sustainability engagement
 - We integrated sustainability projects in individual target planning and skill development programs within OMV

🎯 What we will do in 2013

- ▶ Diversity
 - Continue program
 - Increase number of female and international managers on all levels
- ▶ Job rotations
 - Further increase internal movements to 100 in 2013
- ▶ New Technical Training Center Petrom
 - is planned to be operational in Q4/13
- ▶ Employees' sustainability engagement
 - Continue activities
- ▶ Organization
 - A new organizational unit will manage university collaboration. The aim is to build up a strategic, long term cooperation with selected key universities of all OMV Group

Compliance and Business Ethics

Our focus areas



Code of Conduct
Continue to follow the basic principles formalized in the central document



Code of Business Ethics
Continuously update the Code to preserve our values of trust and integrity for employees and suppliers.



Trainings
Continue to deliver compliance trainings group-wide



Why it matters to us

To be a trusted and welcome partner to our host countries, suppliers and customers, we need to always act with the utmost integrity and respect local laws.

Performance

1,850

participants in Business Ethics trainings 2012

42

employees in compliance organization

40

internal compliance audits 2012

Compliance

A compliance management system and the related processes help to ensure adherence to our regulations. Behaving fairly towards our stakeholders substantially enhances our good reputation as an employer and business partner.

Compliance management

OMV operates in many countries with different cultures and laws. We have set up a compliance organization which supports the implementation of OMV's standards and monitors that all parts of the Group operations comply with laws and regulations. It consists of a Compliance Department with group-wide responsibility assisted by a Corporate Affairs & Compliance Department in Petrom and an Internal Audit & Compliance Department in Petrol Ofisi. In addition, in 2012, 18 Local Compliance Officers were nominated in the various OMV countries in order to support the compliance organization from a local level. Altogether, the compliance organization consists of 42 employees fully or partly dedicated to compliance tasks. The Chief Compliance Officer directly reports to the Executive Board and to the Supervisory Board. The OMV compliance organization manages:

- ▶ Business Ethics/Anti-Corruption
- ▶ Capital Markets Law
- ▶ Competition Law
- ▶ Trade Control & Embargoes
- ▶ Data Protection.

Compliance risk analysis

In the course of the establishment of the Compliance Department in 2011 an initial risk analysis was conducted in order to define and evaluate potential compliance risks and thus the main areas of the Compliance Department. The outcome of this initial risk analysis resulted in the definition of the above stated compliance areas.

The results of the initial risk analysis are continuously developed and improved by conducting an ongoing risk analysis. The ongoing risk analysis monitors external and internal risk factors, in particular changes in the regulatory framework as well as recent developments or incidents to evaluate possible impacts on OMV's current risk exposure. Part of the ongoing risk analysis is also an institutionalized semi-annual risk analysis which is part of the Enterprise Wide Risk Management ("EWRM"). This semi-annual risk analysis is conducted in cooperation with the Local Compliance Officers and with the Risk and Insurance Management Department, with a focus on Business Ethics.

Compliance training

In order to safeguard compliance with internal and external laws and regulations we carry out compliance trainings on a regular basis. Face-to-face training programs on Capital Markets Law, Business Ethics and Competition Law are mandatory for defined employees, as well as the e-learning tool on Competition Law which is mandatory for defined employees.

In 2012, around 1,850 employees were trained on Business Ethics and 670 employees were trained on Competition Law and 830 employees were trained on Capital Markets Law. OMV is also providing trainings for all new employees in the framework of the New Employee Orientation (NEO) program, which includes a presentation of the tasks of the Compliance Department and an overview of the Core Compliance Matters.

Values and standards



The Code of Business Ethics covers:

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

The Group upholds a series of self-imposed obligations based on both internal and external standards. OMV regulations for the management of sustainability across the Group are contained in a series of directives and standards. Some business segments and sites have established their own specific complementary guidelines and procedures in addition.

By signing up to the UN Global Compact (UNGC), OMV has committed to implementing the ten UNGC principles. The OMV Code of Conduct sets forth clear rules of behavior in accordance with the UNGC. This applies to all OMV employees in all business segments as well as to contractors.

Code of Conduct

The Code of Conduct as well as the specific Code of Business Ethics, amongst others addressing conflicts of interest, gifts, hospitality, donations, lobbyists and intermediaries, are guidelines for actions, for both employees and suppliers.

We are committed to achieving our business goals in a value-oriented culture. To this end, we have laid down the basic principles that govern all of our actions in our Code of Conduct, which applies to all of our business segments. The Code is based on our values and is the central document of the Group outlining how we are to complete our tasks, implement our strategy and achieve our operational and economic goals.

To us, profitability and growth do not preclude sustainability. On the contrary, sustainable business success can only be ensured when it is achieved responsibly taking the key sustainability factors activity into account.

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

- ▶ Equal opportunities
- ▶ Forced labor and child labor
- ▶ Safety, security, health and the environment
- ▶ Code of Corporate Governance.

Code of Business Ethics

Promoting a sense of proactive ethical responsibility throughout OMV Group is a crucial element of our philosophy. We insist on commitment to honesty and integrity in all business dealings by everyone working for OMV, and have clear rules in place addressing conflicts of interest, gifts, hospitality, donations, lobbyists and intermediaries. We also have a zero tolerance policy towards bribery, fraud, theft and other forms of corruption.

The first version of the Code of Business Ethics was introduced in 2007 and continuously developed further. A substantial revision of the Code of Business Ethics was carried out in March 2012. The main drivers for the updated Code of Business Ethics were a tighter regulatory environment, a changed risk exposure and a centralized corporate structure. The updated Code of Business Ethics was also implemented by Petrom as of July 2012.

In the course of the roll-out of the updated Code of Business Ethics, more than 6,000 booklets of the Code of Business Ethics were distributed, trainings were held and the business ethics topics were also promoted at info screens and on the intranet. OMV's Code of Business Ethics is also available on the internet in English, Czech, Bulgarian, Russian and Kazakh language.



Governance

As our Executive Board makes clear in the opening statement to our Code of Business Ethics: "Trust and integrity are one of the most important assets a company can possess. This Code of Business Ethics is designed to preserve these values. The Code of Business Ethics applies to everybody who works for OMV." Regular training courses raise our employees' awareness of compliance issues and our people are encouraged to contact us via a toll-free compliance helpline or web form if they have any questions or concerns.

Corruption and bribery

Our Governance procedures are centered on our new Code of Business Ethics. The Code of Business Ethics clearly prohibits bribes and facilitation payments and includes clear rules on conflicts of interest, gifts, hospitality, donations, lobbyists and intermediaries and thereby sets out a zero tolerance policy towards bribery, fraud, theft and other forms of corruption. A compliance system and the relevant processes help to ensure adherence to our regulations. Behaving fairly towards our stakeholders substantially enhances our good reputation as an employer and business partner.

Non-compliance

The Code of Business Ethics is mandatory, without exception. Employees who violate the Code of Business Ethics face disciplinary consequences, which could involve dismissal and may expose OMV and themselves to criminal liability.

Retaliation against anyone who speaks up will absolutely not be tolerated.

Responsible governance

In 2012, our Internal Audit Department carried out 40 compliance audits across the full range of business ethics issues. Risk-related audits, including fraud and corruption issues, form an inherent part of the audit plan of the Corporate Internal Audit. Internal Audit investigated several cases of suspected misconduct that were either detected in these audits or reported to us directly.

In case of serious violations, sanctions can extend to dismissal and claims for damages.

Achievements and targets

Compliance and Business Ethics

🎯 What we planned for 2012 (and after)

- ▶ Roll out updated Code of Business Ethics
- ▶ Further develop compliance organization
- ▶ Intensify training

🎯 What we did in 2012

- ▶ Organization
 - Compliance Department implemented in Petrol Ofisi
 - “Local compliance officers” nominated
- ▶ Trainings Business Ethics
 - 134 trainings on Business Ethics
 - Ca. 1,850 employees participated in trainings in 2012, thereof ca. 550 on management level
 - Focus on eight countries in 2012
- ▶ Trainings Competition Law
 - 670 participants group-wide
- ▶ Trainings Capital Markets Law
 - 830 participants group-wide
- ▶ E-learning Tool
 - Tool developed and implemented
- ▶ Code of Business Ethics roll-out
 - 6,000 Code of Business Ethics distributed
 - Actively communicated internally
- ▶ >80 compliance related questions directed to OMV Chief Compliance Officer

🎯 What we will do in 2013

- ▶ Deliver further trainings group-wide
- ▶ Apply e-learning tool

Stakeholder Engagement and Community Relations

Our focus areas



Stakeholder Dialogue
Constant dialogue to collect feedback on our Resourcefulness concept group-wide



Management Systems
Roll-out tools to ensure a structured stakeholder dialogue process, such as a stakeholder database



Community Relations
Implement community relations projects with focus on Skills to Succeed



Why it matters to us

Open and transparent dialogue with all our stakeholders enables us to grow relationships that are built on trust and mutual understanding. As a result we are better able to share our approach and to understand local conditions and stakeholder needs.

Performance

60

participants at the OMV Stakeholder Forum 2012

2005

year of the first OMV Stakeholder Dialogue

6,450

stakeholder database entries 2012



Stakeholder Engagement and Community Relations

We operate in a complex business environment that depends on the trust and support of a wide range of stakeholders, including employees, investors, customers, communities, suppliers, authorities and more. Engaging with these groups and individuals is an integral part of the Resourcefulness concept.

Companies depend on people's trust. For our business to continue to grow, we need to gain and retain the trust of all our stakeholders. We want to understand their views and concerns so that we are able to take them into account when we make key business decisions. Our objective is to build lasting stakeholder relationships based on openness, trust and mutual respect.

Holistic approach

We have a holistic approach to stakeholder engagement, engaging with the people and institutions on which we have a direct or indirect impact throughout our value chain. Resourcefulness gives employees a clear scope of action as it brings together many of our activities.

Selected stakeholders were involved in the development of the Resourcefulness concept. They were able to share their opinions when it was presented to them. Stakeholders are also directly involved in the implementation process, whether through the engagement of employees or our interactions with external stakeholders in our areas of operations as well as through engagement events.

Stakeholder dialogue

One element of our stakeholder engagement process is the Corporate Stakeholder Forum, which meets annually. Through the forum, we gain a deeper understanding of our stakeholders' needs and expectations. It is also an opportunity for all participants to discuss OMV's performance concerning sustainability.

The External OMV Resourcefulness Advisory Board (RAB) consists of external stakeholders who are all experts in material sustainability areas. The RAB provides valuable advice on how best we can develop our Resourcefulness concept, and offer feedback on our programs and activities.

While we engage in dialogue with all interested stakeholders, we want to build up trust and lasting relationships. To support this important goal, we have developed a customized database assisting management and employees in identifying and reviewing relevant stakeholders and in managing our interactions with them across all our business activities. The database has already been rolled-out at Petrom, with the rest of the Group due to follow during 2013 and beyond.

Stakeholder and community engagement process

The community relations management process ensures that sustainability issues are identified in our areas of its operations. Stakeholder concerns are taken seriously and considered to identify solutions where appropriate. The process also identifies community needs and supports the planning of community projects based on local needs.

Community relations



In Ünye, near Samsun Turkey, we are encouraging sustainable development through a project for making hand woven textiles from silk and linen.

Through community engagement and consultation, we become aware of which projects can deliver greatest value to local communities. We believe, that economic development helps empower local communities and support those initiatives that help improve local economic conditions.

Our impact

The nature of our operations means that, at OMV, we have a considerable impact on the local communities in which we operate. For example, our E&P activities include seismic operations and drilling activities, as well as the construction of pipelines and operation of processing plants. All are visible to local people and to some extent will intrude on their communities. Our aim is to establish and maintain good relations with all local stakeholders.

Stakeholder Engagement and Human Rights issues are the key factors in community relations and contribute greatly to the Resourcefulness concept. Put simply, these are the basic building blocks of trust and we are constantly striving to maintain a good relationship with our neighbors.

In 2012, no significant disputes with indigenous peoples occurred. In the Sawan North Region in Pakistan, the start of the resettlement of 30–35 households was initiated in 2012 due to exploration activities in the region. A comprehensive financial compensation was offered to the inhabitants in written agreements.

Grievance mechanisms

Grievance mechanisms are a part of our community relations management process, and we ensure that concerns are taken seriously. In some parts of the Groups a structured grievance mechanism is in place.

In particular in Romania a Grievance Management System (GMS) is implemented in Petrom which allows proactive monitoring. Experience is positive and the percentage of grievances resolved improved by around 12% over the previous year. Furthermore, a grievance mechanism is established in Samsun, Turkey. OMV is fully compliant with local law in countries, where grievance mechanisms are subject to legislative requirements (for example for filling stations). In other locations, the implementation is still pending.

Focus on Skills to Succeed

One pillar of the Resourcefulness concept is Skills to Succeed, which is our way of fostering the skills that people require to be successful. We invest in the economic development of the communities in which we operate through local employment and local supplier development. In 2012, we also concentrated on raising awareness of our approach and objectives among our community relations and management teams, and this led to the establishment of a number of interesting projects.

Examples of our performance

The Libya Youth Center (see page 19) is an excellent demonstration of how we have invested skills and resources to support local communities. According to Heidi Burkhart who works for the NPO that runs the project, Hilfwerk Austria International, "There are hundreds of children and youngsters here and these children and youngsters really want to learn and be a part of this project."

In Pakistan, we continue extensive community relations activities. OMV continues to support primary education (by supporting up to 75 primary schools to date).

Community relations (continued)



We have a long-established reputation for valuing the input of stakeholders and first formed our Stakeholder Forum in 2005. The Forum meets annually and we use it primarily to gain a deeper understanding of our stakeholders' needs and expectations. It is also an opportunity for all participants to discuss OMV's performance concerning sustainability.

We also offer vocational training opportunities for local youth.

In Ünye, near Samsun Turkey, we are encouraging sustainable development through a project for making hand woven textiles from silk and linen. In this project, we are working with ÇATOM, a local community center that organizes classes where women can learn how to weave, thus improving their opportunities on the employment market.

In Romania, numerous activities are conducted in over 100 communities in which Petrom is active. For example, Andrei's School competition was further progressed in 2012. Pupils and their teachers within Petrom communities suggested projects to address the problems identified in their communities, based on the three themes of the competition: Environment, Education & Culture and Involvement in the Community.

Our targets

In 2013, we will focus our efforts on continuing to train our community relations staff and we are developing a special tool kit to give them the skills and understanding they need to deliver on our stakeholder strategy.

Furthermore, we will continue to develop new projects in line with the Resourcefulness concept and the Skills to Succeed pillar. For example, we anticipate launching a Skills to Succeed Program Tataouine in Tunisia. This center will provide valuable vocational training opportunities in a region with very limited job options for young people.

The OMV Stakeholder Forum

We have a long-established reputation for valuing the input of stakeholders and first formed our Stakeholder Forum in 2005.

The forum meets annually and we use it primarily to gain a deeper understanding of our stakeholders' needs and expectations. It is also an opportunity for all participants to discuss OMV's performance concerning sustainability.

In 2012, the forum was held on November 28, at the head office in Vienna, Austria. A total of 60 internal and external stakeholders attended. In advance of the event, we created three work-streams relating to Skills to Succeed, one of the three key areas of the Resourcefulness concept, along with Eco-Efficiency and Eco-Innovation, which will be addressed in future forums. The work-streams, known as "Future Factories", comprised both internal and external stakeholders and focused on "Women in Technology", "Corporate Volunteering" and "Communities within OMV's geographical footprint". In an intense but highly constructive environment, the teams came to understand the challenges and develop interesting ways of addressing them, always focusing on how we can improve how we deliver services in the respective areas. The findings of the three "Future Factories" were presented at the forum and discussed in a broader context, in order to ultimately develop clear ideas and recommendations for pilot projects. A detailed report is available on the corporate website.

Achievements and targets

Stakeholder Engagement and Community Relations

🎯 What we planned for 2012 (and after)

- ▶ Comprehensive and ongoing stakeholder consultation, in particular in Austria and in the Samsun region
- ▶ Improvement and development of community relations projects with focus on local content and vocational training based on social risk mapping (e.g. in Romania) and impact assessments (e.g. in Tunisia and Libya)
- ▶ Pilot project grievance mechanism for local communities in Tunisia

🎯 What we did in 2012

- ▶ Petrom: Stakeholder database further developed
- ▶ Austria and Romania: Stakeholder dialogue events in Vienna and Bucharest conducted
- ▶ Turkey: Ongoing pro-active community relations management
- ▶ 1st Meeting of external Committee "Resourcefulness Advisory Board"
- ▶ Libya: Libya Youth Center in Tripoli became fully operative
- ▶ Pakistan: Community relations projects further developed
- ▶ Tunisia: Vocational training program initiated

🎯 What we will do in 2013

- ▶ Intensify usage of stakeholder database while thoroughly fulfilling data protection requirements
- ▶ Carry out stakeholder dialogue events
- ▶ Continue "Resourcefulness Advisory Board"
- ▶ Develop further community relations projects with focus on "Skills to Succeed"
- ▶ Develop further local grievance mechanism

Management Systems and Policies

Our focus areas



Directives and Policies
Provide and implement standards and guidelines to ensure group-wide consistency and mitigate risks



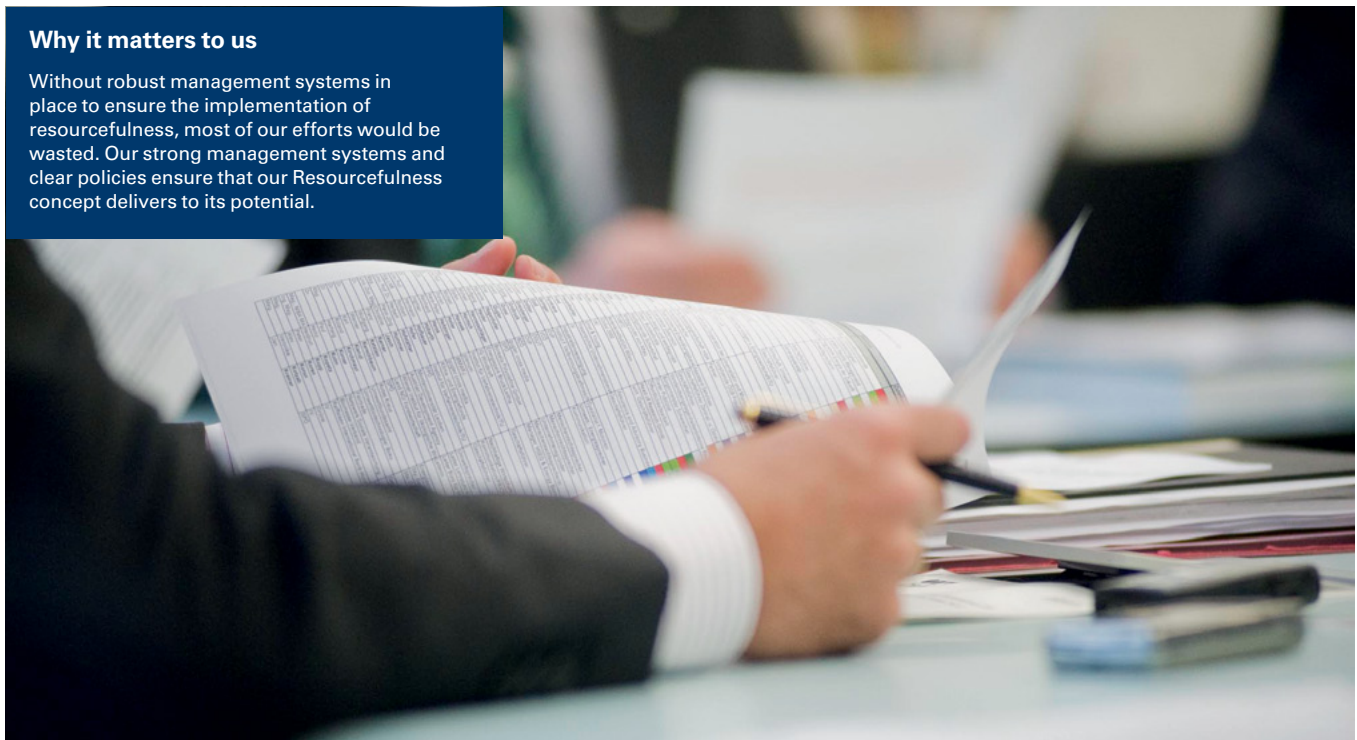
Data Systems
Support Sustainability and Risk Management through efficient, safe and reliable IT tools



Supply Chain
Monitor and audit the sustainability performance of our contractors and suppliers

Why it matters to us

Without robust management systems in place to ensure the implementation of resourcefulness, most of our efforts would be wasted. Our strong management systems and clear policies ensure that our Resourcefulness concept delivers to its potential.



Performance

95%

of "A" suppliers accepted OMV's Code of Conduct

52%

of "A" suppliers in addition apply an own Code of Conduct

25

comprehensive contractor audits in 2012



Our strategic approach

We have systems and policies in place to manage risks, thereby ensuring that our Group can carry out its business safely and legally.

Risks and opportunities

We carry out a regular risk review in order to assess our current and future financial and non-financial risks. Through this process, we monitor both the macroeconomic environment and our industry's situation, including market growth, regulations and technologies. The aim is to assess how these trends will impact OMV and then to develop our responses. The key non-financial and financial risks identified in respect of our medium-term plan are associated with market price, business process, political matters, regulatory and compliance issues, personnel and hazards. We assess non-financial risks through social and environmental impact assessments. These include hazard identification (HAZID), hazard and operability analysis (HAZOP) studies, as well as other recognized methodologies.

We define a risk as an event or development, both inside and outside OMV, that has a potentially negative effect on our ability to achieve our aims and objectives. It is the Group's policy to maintain at all times a structured, systematic group-wide overview of all risks to ensure that they are monitored and controlled at every management level. The key Group risks are monitored centrally, including those relating to health, safety, security and environment, legal matters and compliance, human resources and corporate social responsibility. The documentation and monitoring of identified risks is facilitated by an appropriate IT tool.

The greatest risks to the environment arise during exploration, development and production.

Enterprise Wide Risk Management

An Enterprise Wide Risk Management (EWRM) process covers all operational, financial and strategic risks in consolidated companies. This incorporates a precise sequence which comprises risk identification, evaluation, consolidation and reporting, together with risk monitoring, control and mitigation. Where risks are identified, control and mitigation measures are implemented at all organizational levels of the company. Hazard, environmental and climate change-related risks are assessed together with all other identified risks twice a year.

The EWRM also includes the assessment of the risks associated with climate change. Countermeasures to reduce the potential impact of all identified climate change risks have been evaluated and either planned or implemented. They include the following: the use of economic instruments such as emissions trading and carbon portfolio management; integrative consideration of GHG emissions and climate change-related issues in strategy, controlling and other key business processes as well as operational and engineering measures.

Our political and regulatory risks are mitigated by our extensive experience in the political environment in Central and Eastern Europe (CEE) and South East Europe. We monitor political developments in all markets where we operate and carry out specific risk assessments before entering new countries.

We monitor development in International, EU and national energy and climate policies as well as upcoming safety and social regulations. For example, tighter rules in the European Union Emission Trading Scheme (EU ETS) for the 2013–20 period may lead to higher production costs.

Management systems and policies in detail

As an internationally active integrated oil and gas company that is committed to European values, we conduct public affairs activities at a national, European and international level.

OMV conducts public affairs activities – in coordination with OMV's representation in Brussels, Corporate Public Affairs in OMV, Petrom and Petrol Ofisi, business divisions and ventures at a national, European, and international level. In 2009, OMV was one of the first Austrian corporations to participate in the voluntary registry for lobbyists with the EU Commission.

Through our Public Affairs team, we interact with decision-makers in politics and in public administration, keep stakeholders informed about our business and provide them with OMV's views and concerns surrounding relevant issues, such as the development of the Nabucco project. The annual budget for our representative office in Brussels amounts to approximately EUR 250,000–300,000.

Fair competition

Our Issuer Compliance Directive provides guidance on the proper handling of inside information and how to prevent market abuse and insider trading. A compliance system and the relevant processes are in place to support the implementation of the directive.

In addition, the OMV Code of Conduct contains a clear commitment to the principles of free and fair competition. Our aim is to fully adhere to antitrust legislation and the laws on restraint of competition as well as fair trading practices. Training are provided to ensure awareness of and compliance with these rules.

Advertising standards

Our advertising standards are in line with the recommendations of the International Advertising Association (IAA). Advertising, sponsoring, promotion, communication and event management activities are based on our corporate sponsoring guidelines and standards such as our professional event management guidelines, corporate identity guidelines and in-house standards.

Directives, Standards and Policies

Our regulations relating to how sustainability is managed across the Group are contained in the directives and standards such as:

- ▶ Directives:
Code of Conduct; HSSE Policy; Management System; Health, Safety, Security, Environmental, and several human resources directives)
- ▶ Standards:
HSE Terms and Definitions; Incident Investigation; HSE Risk Management; Contractor HSSE Management; Group-wide HSE Reporting and Consolidation; Environmental Management Accounting; and Health Standards

In addition, some business segments and sites have established specific complementary guidelines and procedures.

Management systems and policies in detail (continued)

Our high-level principles are set out in the Group's Policy on Health, Safety, Security and Environment (HSSE) as well as in our commitment to the UN Global Compact.

The HSSE Policy is also our primary tool for managing the quality and safety of our products. Detailed environmental standards are defined at a business segment and site level.

Procurement and Supply Chain

We aim to conduct the procurement process in a professional, confidential and ethical manner in accordance with our corporate guidelines, the Business Ethics Directive and our Code of Conduct. We also expect all suppliers to adhere to the standards laid out in our Code of Conduct. In 2012, 457 "A" suppliers (95% of all suppliers) of OMV and Petrom accepted OMV's Code of Conduct, while further 239 "A" suppliers of OMV and Petrom additionally provided their own Code of Conduct. OMV classifies as "A" suppliers those suppliers and contractors which in 2012 accounted for 80% of the total purchasing volumes of the procurement departments in the Group (Petrol Ofisi excluded).

Through audits we evaluate the overall performance of our contractors, including their adherence to the code of conduct principles and overall sustainability performance.

There are no corporate directives that explicitly stipulate or promote the use of local suppliers in place. However, local spending with our "A" suppliers reached 82% of total expenditure in 2012. In line with the objectives of our Resourcefulness concept, we are evaluating options to enhance local procurement and create local value in our communities.

Data systems

In common with all modern businesses, we rely on effective data systems group-wide, such as our safety and environmental incident reporting tool "CARE".

Monetary Fines

In 2012, OMV faced a total of approximately EUR 1.02 mn (2011: EUR 0.23 mn) in substantial monetary fines for non-compliance with laws and regulations (including Petrol Ofisi). Apart from that there were no non-monetary fines.

Achievements and targets

Management Systems and Policies

🎯 What we planned for 2012 (and after)

- ▶ Monitor suppliers and contractors to ensure that they comply with our requirements
- ▶ Evaluation of the share of "A" suppliers with an own Code of Conduct

🎯 What we did in 2012

- ▶ 25 contractor audits conducted
- ▶ Share of "A" suppliers with own Code of Conduct (52%) evaluated
- ▶ Evaluation of local supplier development options ongoing in selected markets
- ▶ Category management improvements triggered
- ▶ 82 % local spending with "A" suppliers

🎯 What we will do in 2013

- ▶ Continue monitoring and auditing of supplier and contractor performance
- ▶ Foster harmonization and standardization in Supply Chain Management



Performance in detail

Additional Performance Figures

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Memberships

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Abbreviations and Glossary

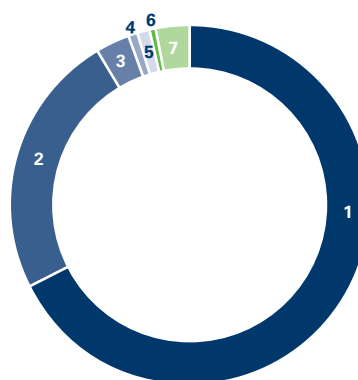
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Additional Performance Figures

Value creation and distribution to stakeholders

Value distribution to stakeholders 2012

- 1 Suppliers **72.73%**
- 2 Governments **21.20%**
- 3 Employees **2.14%**
- 4 Debt capital providers **0.79%**
- 5 Shareholders and hybrid capital holders **1.19%**
- 6 Society **0.02%**
- 7 Economic value retained **1.92%**



Revenues generated

	EUR mn 2012
net sales + excise duty	52,174.487
dividends and interest income	249.970
proceeds from sale of assets	161.049
	52,585.506

Distribution to stakeholders

		EUR mn 2012	% 2012
suppliers	operating expenses (-royalties; incl. depreciation)	38,246.964	72.73%
governments	taxes (income + excise duty + royalties)	11,150.131	21.20%
employees	employee wages and benefits	1,124.919	2.14%
debt capital providers	interest expense	413.708	0.79%
shareholders and hybrid capital holders	dividend distribution	626.277	1.19%
society	social spendings	13.056	0.02%
		51,575.055	98.08%

Value retained

	EUR mn 2012	% 2012
value retained	1,010.451	1.92%

Significant financial assistance received from governments or governmental organizations

Company name	EUR (in thousands)	Details
Baumgarten-Oberkappel Gasleitungsgesellschaft GmbH	1,092	Investment grant
GAS CONNECT Austria GmbH	1,179	EU-subsidies for investments



Health

Number of medical consultations or medical exams

	Petrom	OMV ¹	2012 Total	Petrom	OMV ¹	2011 Total	Petrom	OMV ¹	2010 Total
Medical consultations	61,372	47,525	108,897	61,188	40,149	101,337	92,561	38,436	130,997
Paramedic interventions	79,297	39,156	118,453	71,158	39,429	110,587	100,592	30,236	130,828
Physiotherapeutical treatments	10,930	4,313	15,243	10,307	4,078	14,385	8,188	4,607	12,795
Exams required by law	19,057	1,644	20,701	19,591	1,477	21,068	24,094	1,232	25,326
Vaccinations	7,745	2,644	10,389	7,895	3,197	11,092	13,161	3,187	16,348

¹ Excluding Petrom.



Safety

Occupational Safety OMV Group

Safety figures' own employees		2012	2011	2010
Fatalities	number	1	1	3
Lost workday injuries ²	number	34	34	41
Fatality rate (FAR)	per 100 mn working hours	1.88	1.90	5.08
Lost-time injury rate (LTIR)	per million working hours	0.66	0.66	0.74
Total recordable injury rate (TRIR)	per million working hours	1.15	1.01	1.29
Fatal commuting accidents	number	1	0	0
Lost-time injury severity (LTIS)	per million working hours	20.3	29.1	23.6
Commuting accidents	number	19	22	13
Contractors³				
Fatalities	number	2	3	1
Lost workday injuries	number	68	67	52
Fatality rate (FAR)	per 100 mn working hours	2.02	2.89	1.05
Lost-time injury rate (LTIR)	per million working hours	0.71	0.68	0.56
Lost-time injury severity (LTIS)	per million working hours	23.5	18.8	13.1
Total recordable injury rate (TRIR)	per million working hours	1.72	1.14	1.23
Fatal commuting accidents	number	0	3	0
Commuting accidents	number	1	5	3

1 As of 2011 these figures also include Petrol Ofisi.

2 Lost workday: calendar day. Lost workday injuries: incidents with more than one lost workday.

3 As of 2007, partners and employees of filling stations are included in the scope of safety statistics.



Environment

Glossary

GHG:
Greenhouse gases

CO₂:
Carbon dioxide

CH₄:
Methane

N₂O:
Nitrous oxide

SO₂:
Sulfur dioxide

NO_x:
Nitrogen oxides

NM-VOC:
Non-methane volatile
organic compounds

Environmental figures at a glance

Environmental figures ¹		Unit	2012	2011	2010
EN3	Energy consumption	PJ	125.2	131.7	134.1
EN8	Water withdrawal	mn m ³	47	52	59
	Thereof groundwater	mn m ³	25.2	27.6	32.4
Emissions					
EN16	GHG (direct, scope 1)	mn t CO ₂ equivalent	11.0	11.6	12.2
EN16	GHG (indirect, scope 2)	mn t CO ₂ equivalent	0.6	0.7	0.8
EN16	GHG (indirect, scope 3) ²	mn t CO ₂ equivalent	172	119	108
EN16	CO ₂	mn t	9.1	9.5	10.0
EN16	CH ₄	t	87,577	96,654	100,004
EN16	N ₂ O ³	t	77	178	215
EN20	SO ₂	t	3,422	4,930	5,587
EN20	NO _x	t	12,351	14,051	16,432
	NM-VOC ⁴	t	13,480	9,241	11,818
	Particulate emissions	t	238	417	422
EN21	Wastewater discharge				
	Chemical oxygen demand	t	1,064	1,134	1,525
	Hydrocarbons	t	40.6	47.8	55.5
	Total nitrogen	t	162	155	261
EN22	Waste ⁵				
	Non-hazardous waste	t	595,543	434,790	369,060
	Hazardous waste	t	292,068	398,219	233,126
	Total waste	t	887,611	833,009	602,186
EN23	Spills	number	1,904	2,007	2,247
OG6	Flaring and Venting				
	Hydrocarbons flared	t	215,165	326,622	477,284
	Hydrocarbons vented	t	104,681	108,265	81,483

1 Environmental figures including Petrom, Kazakhstan and Petrom Marketing. Not including Petrol Ofisi, because reporting systems are still being established or integrated. Emission calculation applied by OMV is based on emission factors provided by external sources (such as OGP, International Oil and Gas Producers Association). These emission factors and calculation methods are subject to change.

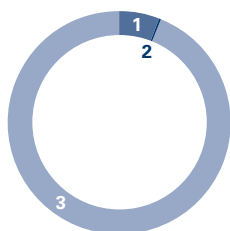
2 Around 90% of the increase 2012 due to updated emission factor for "other petrochemicals"; remaining 10% of the increase due to minor changes to other emission factors.

3 Decrease in 2012 due to adapted estimation and calculation methodologies in E&P.

4 Increase 2012 due to adapted estimation and calculation methodology in E&P.

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

Environment (continued)



GHG emissions by scope¹

Category	Unit	2012	2011	2010
1 GHG (direct, Scope 1)	mn t CO ₂ equ	11.0	11.6	12.2
2 GHG (indirect, Scope 2)	mn t CO ₂ equ	0.6	0.7	0.8
3 GHG (indirect, Scope 3) ²	mn t CO ₂ equ	172	119	108

1 Emission calculation applied by OMV is based on emission factors provided by external sources (such as OGP, International Oil and Gas Producers Association). These emission factors and calculation methods are subject to change.

2 Around 90% of the increase 2012 due to updated emission factor for "other petrochemicals"; remaining 10% of the increase due to minor changes to other emission factors.

GHG intensity of the OMV product portfolio¹

	Unit	2012	2011	2010
Oil to energy	mn t CO ₂ equivalent	88.4	84.2	64.9
Oil for non-energy use ²	mn t CO ₂ equivalent	54.2	6.1	5.6
Gas to energy	mn t CO ₂ equivalent	28.4	28.2	37.3
Gas for non-energy use	mn t CO ₂ equivalent	0.9	0.5	0.5
Chemicals ³	mn t CO ₂ equivalent	0.01	n.r.	n.r.
Total GHG (indirect, Scope 3) ²	mn t CO ₂ equivalent	172	119	108
GHG intensity ²	mn t GHG per mn t oil equivalent	3.7	2.7	2.6

n.r.: not reported

1 Emission calculation applied by OMV is based on emission factors provided by external sources (such as OGP, International Oil and Gas Producers Association). These emission factors and calculation methods are subject to change.

2 Increase 2012 due to updated emission factor for "other petrochemicals".

3 Reported as of 2012.



Human Resources

Total workforce¹ by employment type and region 2012

Employees	Austria ²	Romania/ Rest of Europe	Middle East/ Africa	Rest of the World	Total
Total	3,691	22,395	2,582	477	29,145
Status					
White-collar workers	2,797	9,422	1,883	477	14,579
Blue-collar workers	894	12,973	699	–	14,566
Total	3,691	22,395	2,582	477	29,145
Employment type					
Full-time	3,522	22,371	2,578	477	28,948
Part-time ³	169	24	4	–	197
Total	3,691	22,395	2,582	477	29,145
Employment type					
Permanent	3,596	22,050	2,267	477	28,390
Temporary ⁴	95	345	315	–	755
Total	3,691	22,395	2,582	477	29,145

1 Employees and supervised workers per December 31, 2012.

2 Including Gas Connect Austria GmbH, Baumgarten Oberkappel Gasleitungsgesellschaft m.b.H. and Econgas GmbH.

3 In Petrom, employees have the option to reduce their daily working-time to raise a child up to the age of 2, respectively 3 years. These employees are reported as full-time.

4 A temporary contract of employment is of limited duration and terminated by a specific event, such as the end of a project or work phase, the return of replaced personnel, etc.

Net employment creation and average turnover segmented by region 2012

Employees	Austria ¹	Romania/ Rest of Europe	Middle East/ Africa	Rest of the World	Total
New recruitments	177	449	347	81	1,054
Thereof new jobs created ²	101	209	75	29	414
Contract terminations ³	242	1,702	169	67	2,180

1 Austria: Data covers only companies that use the Austrian SAP payroll accounting system. Other companies, such as EconGas GmbH, Gas Connect Austria GmbH and Baumgarten Oberkappel Gasleitungsgesellschaft m.b.H. are not included.

2 Excluding replacements.

3 Including Social Plan termination and retirements.

Human Resources (continued)

Details contract terminations¹ by region 2012

	< 30		30 – 50		> 50		Total	
	Abs. ²	%	Abs.	%	Abs.	%	Abs.	%
Austria²								
Male	11	73.33%	47	70.15%	141	88.13%	199	82.23%
Female	4	26.67%	20	29.85%	19	11.88%	43	17.77%
Total	15	100.00%	67	100.00%	160	100.00%	242	100.00%
Romania/ Rest of Europe								
Male	37	41.11%	685	68.84%	449	72.77%	1,171	68.80%
Female	53	58.89%	310	31.16%	168	27.23%	531	31.20%
Total	90	100.00%	995	100.00%	617	100.00%	1,702	100.00%
Middle East/Africa								
Male	20	86.96%	90	76.92%	25	86.21%	135	79.88%
Female	3	13.04%	27	23.08%	4	13.79%	34	20.12%
Total	23	100.00%	117	100.00%	29	100.00%	169	100.00%
Rest of the World								
Male	7	58.33%	29	67.44%	11	91.67%	47	70.15%
Female	5	41.67%	14	32.56%	1	8.33%	20	29.85%
Total	12	100.00%	43	100.00%	12	100.00%	67	100.00%

¹ Including Social Plan termination and retirements.

² Austria: Data covers only companies that use the Austrian SAP payroll accounting system. Other companies, such as EconGas GmbH, Gas Connect Austria GmbH and Baumgarten Oberkappel Gasleitungsgesellschaft m.b.H. are not included.

Minimum notice period(s) regarding significant operational changes

Percentage of employees covered by mandatory periods of notice under employment law or collective bargaining agreements for cases of restructuring:	95.83%
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Human Resources (continued)

Average hours of training and education divided into categories in 2012

	Austria	Romania/ Rest of Europe	Middle East/ Africa ¹	Rest of the World	Total
Senior management					
number of training participants	39	135	6	0	180
money spent on training (EURO 1,000)	301	95	45	0	441
hours per category	2,646	6,206	220	0	9,072
Management					
number of training participants	396	896	136	10	1,438
money spent on training (EURO 1,000)	1,342	964	351	39	2,696
hours per category	22,290	44,266	5,536	672	72,764
Experts					
number of training participants	1,553	4,070	645	241	6,509
money spent on training (EURO 1,000)	3,638	6,066	776	734	11,215
hours per category	79,091	246,240	31,502	26,544	383,377
Project managers					
number of training participants	56	194	8	11	269
money spent on training (EURO 1,000)	144	147	35	16	342
hours per category	3,122	7,433	463	312	11,330
Technicians					
number of training participants	364	5,490	337	188	6,379
money spent on training (EURO 1,000)	347	726	598	433	2,104
hours per category	13,590	272,971	19,563	18,048	324,172
Administrators					
number of training participants	90	554	565	38	1,247
money spent on training (EURO 1,000)	102	213	348	78	740
hours per category	3,001	15,825	24,384	2,720	45,930
Grand Total					
number of training participants	2,498	11,339	1,697	488	16,022
money spent on training (EURO 1,000)	5,874	8,210	2,152	1,299	17,536
hours per category	123,740	592,941	81,668	48,296	846,645

¹ Incl. Petrol Ofisi.



Human Resources (continued)

Diversity in 2012¹

	Gender				Age						Nationality		Total
	Women		Men		<30		30-50		>50		Non-Austrian Non-Romanian		
	Abs	%	Abs	%	Abs	%	Abs	%	Abs	%	Abs	%	
Supervisory Board	2	13.3%	13	86.7%	0	0.0%	4	26.7%	11	73.3%	3	20.0%	15
Executive Board	0	0.0%	5	100.0%	0	0.0%	1	20.0%	4	80.0%	3	60.0%	5
Senior Management	6	12.8%	41	87.2%	0	0.0%	32	68.1%	15	31.9%	18	38.3%	47
Austria ²	797	25.5%	2,330	74.5%	546	17.5%	1,818	58.1%	763	24.4%	413	13.2%	3,127
Romania ³	4,796	22.5%	16,541	77.5%	769	3.6%	14,683	68.8%	5,885	27.6%	253	1.2%	21,337

¹ As of December 31, 2012.

² Austria: Data covers only companies that use the Austrian SAP payroll accounting system. Other companies, such as EconGas GmbH, Gas Connect Austria GmbH and Baumgarten Oberkappel Gasleitungsgesellschaft m.b.H are not included.

³ Romania: Data covers Petrom excluding temporary agency workers.



Human Resources (continued)

Percentage of female employees 2012

Austria	
Austria ¹	25.5%
Rest of Europe	
Bosnia Herzegovina	42.0%
Bulgaria	52.0%
Croatia	66.0%
Czech Republic	23.7%
Germany	11.6%
Hungary	36.6%
Norway	22.6%
Republic of Moldova	57.6%
Romania	22.5%
Serbia	56.7%
Slovakia	89.8%
Slovenia	59.5%
United Kingdom	36.7%
Middle East/Africa	
Egypt	16.7%
Iran	66.7%
Libya	21.9%
Pakistan	5.4%
Tunisia	23.4%
Turkey	16.7%
Kurdistan (Iraq)	9.5%
Yemen	8.9%
Rest of the World	
Australia	0.0%
Kazakhstan	18.3%
New Zealand	35.6%

¹ Austria: Data covers only companies that use the Austrian SAP payroll accounting system. Other companies, such as EconGas Austria GmbH, Gas Connect Austria GmbH and Baumgarten Oberkappel Gasleitungsgesellschaft m.b.H. are not included.

Percentage of local employees 2012

Austria	
Austria ¹	84.1%
Rest of Europe	
Bosnia Herzegovina	100.0%
Bulgaria	97.9%
Croatia	100.0%
Czech Republic	100.0%
Germany	86.0%
Hungary	100.0%
Norway	77.1%
Republic of Moldova	100.0%
Romania	99.4%
Serbia	100.0%
Slovakia	72.0%
Slovenia	100.0%
United Kingdom	96.2%
Middle East/Africa	
Egypt	100.0%
Iran	100.0%
Libya	80.0%
Pakistan	98.5%
Tunisia	80.1%
Turkey	100.0%
Kurdistan (Iraq)	44.3%
Yemen	82.6%
Rest of the World	
Australia	100.0%
Kazakhstan	97.4%
New Zealand	79.0%

¹ Austria: Data covers only companies that use the Austrian SAP payroll accounting system. Other companies, such as EconGas Austria GmbH, Gas Connect Austria GmbH and Baumgarten Oberkappel Gasleitungsgesellschaft m.b.H. are not included.

Right to exercise freedom of association and collective bargaining

Percentage of employees who have the right to exercise freedom of association and collective bargaining: 99.83%

Additional Information

Percentage of employees represented by local trade unions or works council: 91.57%

Percentage of employees for whom minimum wages or salaries were fixed by law or agreed upon by way of collective bargaining: 99.70%

GRI Index

Reporting boundaries

Data from operations under management control have been fully taken into account, i.e. data from all OMV Group activities with a stake of more than 50%, in particular:

- ▶ OMV Petrom S.A. where OMV holds 51% of the shares, referred to as “Petrom” in the remainder of this report
- ▶ Exploration and Production (E&P) operations in Austria, Kazakhstan, Tunisia, Yemen, New Zealand, the Kurdistan Region of Iraq, Romania (Petrom)
- ▶ the refineries Schwechat, Burghausen, Petrobrazi; including transport and storage facilities
- ▶ gas logistics (transit and storage in Austria and Romania)
- ▶ joint ventures, including minority shareholdings, where OMV exerts controlling influence as operator, for example, E&P operations in Pakistan.

The data is consolidated at Group level. While the boundaries for environmental KPIs follow the principle outlined above, safety performance includes also data from the main E&P joint ventures where OMV is a minority partner.

The following data has not been taken into account for this report: Figures from holdings of 50% or less if there is no significant operational influence, environmental data from filling stations, due to the fact that the vast majority of them are operated by partners functioning as independent companies, except filling stations under the control of Petrom Marketing that meet the above-mentioned boundary criteria. We work closely on material sustainability matters with our joint venture partners, filling station licensees, contractors, and suppliers. Examples of how they implement our policies are given in this report.

Exceptions from the above mentioned scope are marked.

Data generation is based on a variety of specific methods, process systems and tools. The reporting processes are documented in written procedures.

We self-declare that this report meets the requirements of GRI Application Level A+ (GRI 3.0). As detailed in the Assurance Statement, Ernst & Young provided limited assurance on disclosures of selected content of this report.



GRI Index (continued)

Profile Disclosure

	Description	Status	Page number	UNGC	COMMENTS
1	Strategy and Analysis				
1.1	core Statement from the most senior decision-maker of the organization.	●	2–4	Statement of Continuing Support	
1.2	core Description of key impacts, risks, and opportunities.	●	21, 22, 77		
2	Organizational Profile				
2.1	core Name of the organization.	●	104		
2.2	core Primary brands, products, and/or services.	●	5, 6		
2.3	core Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	5, 6		
2.4	core Location of organization's headquarters.	●	104		
2.5	core Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	5		
2.6	core Nature of ownership and legal form.	●	AR 8, 34, 35		
2.7	core Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	5, 6, AR 9		
2.8	core Scale of the reporting organization.	●	AR 52, AR 56, 57, AR 144–148		
2.9	core Significant changes during the reporting period regarding size, structure, or ownership.	●	AR 52–54		
2.10	core Awards received in the reporting period.	●	omv.com		
3	Report Parameters				
3.1	core Reporting period (e.g., fiscal/calendar year) for information provided.	●	p. About this report		
3.2	core Date of most recent previous report (if any).	●	About this report		
3.3	core Reporting cycle (annual, biennial, etc.)	●	About this report		
3.4	core Contact point for questions.	●	104		
3.5	core Process for defining report content.	●	24		
3.6	core Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	92		
3.7	core Limitations on the scope or boundary of the report.	●	92		
3.8	core Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	92		
3.9	core Data measurement techniques and the bases of calculation.	●	94		
3.10	core Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement (e.g., mergers/acquisitions, change of base years/ periods, nature of business, measurement methods).	▲	see commentary		No restatements of information since the last report.
3.11	core Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	Various sections		

KEY

● fully ○ partly □ not material ▲ not applicable → Actions taken to implement principle
 + Outcomes from implementing principle n.r. = not reported AR = annual report 2012



GRI Index (continued)

Profile Disclosure					
	Description	Status	Page number	UNGC	COMMENTS
3.12	core Table identifying the location of the Standard Disclosures in the report.	●	93–98		
3.13	core Policy and current practice with regard to seeking external assurance for the report.	●	99–101		
4 Governance, Commitments, and Engagement					
4.1	core Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	AR 20–30	→ 1–10	
4.2	core Indicate whether the Chair of the highest governance body is also an executive officer.	●	AR 20	→ 1–10	
4.3	core For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	□	see commentary	→ 1–10	The organization has a Supervisory Board.
4.4	core Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	60, AR 29, 30	→ 1–10	
4.5	core Linkage between compensation for members of the highest governance body, senior managers, and executives.	●	AR 21–31, 132–137, 142	→ 1–10	
4.6	core Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	67–69, AR 29	→ 1–10	
4.7	core Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	●	AR 27	→ 1–10	
4.8	core Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	2, 7, 8, 68, 69	→ 1–10	
4.9	core Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	23	→ 1–10	
4.10	core Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	▲	see commentary	→ 1–10	According to the Austrian Stock Corporation Act, responsibility for evaluating the performance of the highest governance body does not lie with the reporting organization.
4.11	core Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	9–11, 28, 40, 54, 58, 67, 72, 77	→ 7	
4.12	core Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	2, 30, 32, 40, 41, 50, 68, 78, AR 16, 20, 61, 77	→ 1–10	
4.13	core Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	●	102	→ 1–10	

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GRI Index (continued)

Performance Indicators						
	Description	Status	Page number	UNGC	COMMENTS	
4.14	core	List of stakeholder groups engaged by the organization.	●	24, 72		
4.15	core	Basis for identification and selection of stakeholders with whom to engage.	●	72	Sharing the Communication on Progress with the company's stakeholder	
4.16	core	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	72–74		
4.17	core	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	24, 72–74		
Economic Performance Indicators						
EC1	core	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	5, 82		
EC2	core	Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	39, 43, 44	→ 7	
EC3	core	Coverage of the organization's defined benefit plan obligations.	●	64		
EC4	core	Significant financial assistance received from government.	●	82		
EC6	core	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	●	79		
EC7	core	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	●	58	→ + 6	
EC8	core	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	18, 19, 20, 73, 74		
EC9	additional	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	18, 19, 20, 82		
Environmental Performance Indicators						
EN1	core	Materials used by weight or volume.	●	see commentary, AR 38-51	+ 8	Raw materials refer to the amounts of oil and gas produced, used and sold and make up the company's key material flows. While amounts of auxiliary, working, and packaging materials are marginal and therefore not reported.
EN2	core	Percentage of materials used that are recycled input materials.	□	see commentary	+ 8 and 9	Insignificant percentage given the reliance on materials from primary extraction.
EN3	core	Direct energy consumption by primary energy source.	○	85	+ 8	Energy intensity is reported in consolidated level.
EN4	core	Indirect energy consumption by primary source.	●	42, 43, 85, 86	+ 8	
EN5	additional	Energy saved due to conservation and efficiency improvements.	○	39–45	+ 8 and 9	Examples of savings reported.
EN6	additional	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	●	15–17, 42, 43	→ 8 and 9	
EN8	core	Total water withdrawal by source.	○	46, 85	+ 8	Water withdrawal reported, no detailed split.
EN9	additional	Water sources significantly affected by withdrawal of water.	○	46, 85	+ 8	More detailed reporting will be developed in the long run.
KEY	● fully ○ partly □ not material ▲ not applicable → Actions taken to implement principle + Outcomes from implementing principle n.r. = not reported AR = annual report 2012					



GRI Index (continued)

Performance Indicators

Description		Status	Page number	UNGC	COMMENTS
Environmental Performance Indicators					
EN11	core Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	○	49	+ 8	For new projects, biodiversity is addressed in environmental impact assessments and permitting processes, but the use of biodiversity action plans has not yet been implemented in any of our operations.
EN12	core Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	○	49	+ 8	For new projects, biodiversity is addressed in environmental impact assessments and permitting processes, but the use of biodiversity action plans has not yet been implemented in any of our operations.
EN14	additional Strategies, current actions, and future plans for managing impacts on biodiversity.	●	49	→ 8	
EN16	core Total direct and indirect greenhouse gas emissions by weight.	●	39, 43, 44, 85, 86	+ 8	
EN17	core Other relevant indirect greenhouse gas emissions by weight.	□	see commentary	+ 8	Scope 3 emissions from product use are reported. All other Scope 3 emissions, for example, emissions related to externally purchased crude oil intake, employee business travel, and logistics, are not material because of their relatively insignificant amounts compared to indirect emissions from product use.
EN18	additional Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	13, 14, 40–44	→ + 7, 8 and 9	
EN19	core Emissions of ozone-depleting substances by weight.	□	see commentary	+ 8	OMV uses ozone-depleting substances only on a laboratory scale (<1 t per year).
EN20	core NOx, SOx, and other significant air emissions by type and weight.	●	45, 85	+ 8	
EN21	core Total water discharge by quality and destination.	●	46	+ 8	
EN22	core Total weight of waste by type and disposal method.	●	48, 85	+ 8	
EN23	core Total number and volume of significant spills.	○	47, 85	+ 8	More detailed reporting will be developed in the long run.
EN24	additional Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	●	48, 85	+ 8	
EN26	core Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	50	→ 7, 8 and 9	
EN27	core Percentage of products sold and their packaging materials that are reclaimed by category.	□	see commentary	+ 8 and 9	The company's main products, oil, gas, and electricity, are delivered without packaging materials.
EN28	core Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	42	+ 8	
EN29	additional Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	○	49	+ 8	More detailed reporting will be developed in the long run.
EN30	additional Total environmental protection expenditures and investments by type.	●	39, 42	→ + 7, 8 and 9	

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GRI Index (continued)

Performance Indicators					
	Description	Status	Page number	UNGC	COMMENTS
Social Performance Indicators: Labor Practices and Decent Work					
LA1	core Total workforce by employment type, employment contract, and region.	●	58, 87		
LA2	core Total number and rate of employee turnover by age group, gender, and region.	●	87, 88, 89	+ 6	
LA4	core Percentage of employees covered by collective bargaining agreements.	●	59, 88, 91	+ 1 and 3	
LA5	core Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	●	58, 59, 88	+ 3	
LA7	core Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	●	27, 28, 32, 33, 84	+ 1	
LA8	core Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	34, 35, 83	→ 1	
LA10	core Average hours of training per year per employee by employee category.	●	29, 89		
LA13	core Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	○	63, 90, 91 AR 30, 31	+ 1 and 6	More detailed reporting will be developed in the long run.
LA14	core Ratio of basic salary of men to women by employee category.	●	59	+ 1 and 6	
Social Performance Indicators: Human Rights					
HR1	core Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	●	76, 79	+ 1, 2, 3, 4, 5 and 6	
HR2	core Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	●	53, 55, 76	→ + 1, 2, 3, 4, 5 and 6	
HR3	additional Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	○	55, 56	+ 1, 2, 3, 4, 5 and 6	More detailed reporting will be developed in the long run.
HR4	core Total number of incidents of discrimination and actions taken.	○	53–56	→ + 1, 2 and 6	More detailed reporting will be developed in the long run.
HR5	core Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	●	54, 55	→ 1, 2 and 3	
HR6	core Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	●	53–56	→ 1, 2 and 5	
HR7	core Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	●	53–56	→ 1, 2 and 4	
Social Performance Indicators: Society					
SO1	core Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	○	53–56, 73, 79		General approach toward community relations and examples reported.
SO2	core Percentage and total number of business units analyzed for risks related to corruption.	●	66, 67, 69	+ 10	
SO3	core Percentage of employees trained in organization's anti-corruption policies and procedures.	●	66, 67, 70	+ 10	
SO4	core Actions taken in response to incidents of corruption.	●	69	→ 10	
SO5	core Public policy positions and participation in public policy development and lobbying.	●	78	→ 1–10	
SO8	core Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	79		
KEY	● fully ○ partly □ not material ▲ not applicable → Actions taken to implement principle + Outcomes from implementing principle n.r. = not reported AR = annual report 2012				



GRI Index (continued)

Performance Indicators					
	Description	Status	Page number	UNGC	COMMENTS
Social Performance Indicators: Product Responsibility					
PR1	core Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	○	50	→ + 1	More detailed reporting will be developed in the long run.
PR3	core Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	●	50	→ + 8	
PR6	core Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	78		
PR9	core Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	50		
Oil & Gas Sector Specific Indicators					
OG1	core Volume and type of estimated proved reserves and production.	●	6, AR 8		
OG2	core Total amount invested in renewable energy.	●	16		
OG3	core Total amount of renewable energy generated by source.	●	43		
OG4	core Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored.	○	49		For new projects, biodiversity is addressed in environmental impact assessments and permitting processes, but the use of biodiversity action plans has not yet been implemented in any of our operations.
OG5	core Volume of formation or produced water.	n.r.	see commentary		Reporting will be developed in the long run.
OG6	core Volume of flared and vented hydrocarbon.	○	85		More detailed reporting will be developed in the long run.
OG7	core Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal.	○	47		More detailed reporting will be developed in the long run.
OG8	core Benzene, Lead and Sulfur content in fuels.	●	50		Detailed product information is available on omv.com
OG9	core Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place.	○	73, 74		General approach toward community relations and examples reported.
OG10	core Number and description of significant disputes with local communities and indigenous peoples.	○	73		More detailed reporting will be developed in the long run.
OG11	core Number of sites that have been decommissioned and sites that are in the process of being decommissioned.	○	49		More detailed reporting will be developed in the long run.
OG12	core Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process.	●	73		
OG13	core Number of process safety events, by business activity.	○	84, 85		More detailed reporting will be developed in the long run.
OG14	core Volume of biofuels produced and purchased meeting sustainability criteria.	●	51		
KEY	● fully ○ partly □ not material ▲ not applicable → Actions taken to implement principle + Outcomes from implementing principle n.r. = not reported AR = annual report 2012				

Assurance Statement

To the Board of OMV Aktiengesellschaft

Ernst & Young Independent Assurance Report

Limited assurance on information relating to specific sections of OMV's Sustainability Report 2012.

Engagement

We were requested to provide limited assurance on information relating to specific sections of the Sustainability Report 2012 (hereafter "the Report") of OMV Aktiengesellschaft (hereafter "OMV").

Our review covered content in the following sections of the Report:

- ▶ "Health, Safety and Security": Information, excluding data, provided on pages 27 to 33.
- ▶ "Environmental Management": Information, excluding data, provided on pages 39 to 48.
- ▶ "Stakeholder Engagement and Community Relations": Information provided on pages 71 to 75.
- ▶ "Additional Performance Figures": GHG Scope 1 (direct) emissions data as reported on page 85 and 86.
- ▶ "Reporting boundaries": Information provided on page 92.

We also performed the Global Reporting Initiative (GRI) Application Level Check to confirm the application level declared by OMV.

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

Under the "General Conditions of Contract for the Public Accounting Professions"¹ our liability is limited to intentional violations or gross negligence of the contract. In cases of gross negligence the maximum liability towards OMV and any third-party together is EUR 726,730.

Management responsibilities

The Report has been prepared by the management of OMV who are responsible for the collection and presentation of information reported.

What we did to form our conclusion

It is our responsibility to express a conclusion on the information included in specific sections of the Report, as described in the "Engagement" section, on the basis of the limited assurance engagement.

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants' ISAE3000² and the Code of Ethics for Professional Accountants, issued by the International Federation of Accountants, which includes requirements in relation to our independence.

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

² International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or reviews of Historical Financial Information (ISAE3000).

Assurance Statement (continued)

We assessed the information included in specific sections of the Report, as described in the “Engagement” section, against the following criteria:

- ▶ GRI sustainability reporting guidelines (G3.0³) application level A+.
- ▶ OMV’s Corporate Regulations (directives, standards and procedures) related to environmental and incident reporting processes, GHG emissions reporting, as well as stakeholder engagement and community relations (hereafter “focal areas”), of which a summary is provided on pages 78 and 79 of the Report

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

In order to form our conclusions we undertook the following worksteps:

- ▶ Reviewed OMV’s Corporate Regulations (directives, standards and procedures) related to the focal areas.
- ▶ Interviewed a selection of Group and functional senior managers and executives at company headquarters in Austria and Romania to understand key expectations in the focal areas and identify systems, processes and internal controls processes to support them.
- ▶ Reviewed Group level, Board and Executive documents to assess awareness and priority of the focal areas and to understand how progress is tracked.
- ▶ Examined risk management and governance processes supporting the selected focal areas.

- ▶ Visited three reporting sites: Germany (Burghausen), Romania Moesia Nord and Turkey (Samsun) to review processes and progress to obtain evidence of performance across the focal areas. In addition, we reviewed the process for reporting GHG Scope 1 and 2 emissions and conducted data reviews in relation to GHG Scope 1 emissions at site level for accuracy.
- ▶ Reviewed the management and reporting processes relating to the focal areas at Site and Group level.
- ▶ Reviewed data samples to test whether they had been collected, consolidated and reported appropriately at Group level. This included reviewing the GHG Scope 1 and 2 emissions reporting processes.
- ▶ Reviewed the coverage of material issues against the key issues raised in the stakeholder dialogues, areas of performance covered in external media reports and the environmental and social reports of OMV’s peers.
- ▶ Challenged statements and claims in the sections in the Report, as described under “Engagement” above, for consistency with findings from our worksteps and the GRI principles.
- ▶ Reviewed whether OMV’s reporting has applied the GRI G3 Guidelines to a level consistent with the A+ application level.

³ <http://www.globalreporting.org/ReportingFramework/G3Online/>

Assurance Statement (continued)

Limitations to Engagement

- ▶ We did not review any content in the Report other than the content specified under the “Engagement” section.
- ▶ Our data accuracy tests at site level were limited to scope 1 greenhouse gas emissions.
- ▶ We have not tested comparative data from previous years.
- ▶ We did not test data derived from external surveys, we only verified that relevant disclosures and data are correctly quoted in the Report.
- ▶ We did not review previously verified scope 1 emissions reported under the EU ETS, we only verified the correct quotation in the Report.
- ▶ The scope of our review procedures at operational level was limited to a sample of three site visits.

Our conclusion

Based on the scope of our review nothing has come to our attention that causes us to believe that the information relating to specified sections in the Report were not prepared in accordance with the criteria identified above.

Nothing has come to our attention that causes us to believe that OMV’s sustainability reporting does not meet the GRI A+ application level.

Commentary

Our observations and recommendations for improvement will be raised in a report to OMV’s management.

Vienna, June 28, 2013

ERNST & YOUNG
Wirtschaftsprüfungsgesellschaft m.b.H

Gerhard Schwartz
Georg Rogl
Douglas Johnston





Memberships

- ▶ ARGE Biokraft
- ▶ Austrian Agency for Alternative Propulsion Systems
- ▶ Austrian Network for Sustainable Management
- ▶ BUSINESSEUROPE
- ▶ CEDIGAZ
- ▶ Chatham House
- ▶ CONCAWE
- ▶ Energy Community
- ▶ ERT – European Round Table of Industrialists
- ▶ Eurogas – The European Union of the Natural Gas Industry
- ▶ Europaia – European Petroleum Industry Association
- ▶ European Energy Forum
- ▶ Federation of Austrian Industries (IV)
- ▶ GIIGNL – The International Group of Liquefied Natural Gas Importers
- ▶ IGU – International Gas Union
- ▶ IPIECA – International Petroleum Industry Environmental Conservation Association
- ▶ Marcogaz – Technical Association of the European Natural Gas Industry
- ▶ NUMOV – Nah- und Mittelost-Verein e.V.
- ▶ OGP – International Association of Oil & Gas Producers
- ▶ OME – Observatoire Méditerranéen de l’Energie
- ▶ ÖVK – Austrian Society of Automotive Engineers
- ▶ PRVA – Public Relations Verband Austria
- ▶ Renewable Energy in Central & Eastern Europe, postgraduate program
- ▶ respACT – Austrian Business Council for Sustainable Development
- ▶ RSPO – Round Table on Sustainable Palm Oil
- ▶ UNECE Gas Centre
- ▶ UNGC – United Nations Global Compact
- ▶ WEC – World Energy Council



Abbreviations and Glossary

ADIPEC Abu Dhabi International Petroleum Exhibition and Conference

bcm Billion cubicmetres

bn Billion

boe, boe/d barrel oil equivalent, boe per day

CH₄ Methane

CLP Regulation on classification, labelling and packaging of substances and mixtures

CNG Compressed natural gas

CO₂ Carbon dioxide

E&P Exploration and Production

ESIA Environmental and Social Impact Assessment

EU ETS European Union Emission Trading Scheme

EWRM Enterprise Wide Risk Management

FAME Fatty Acid Methyl Ester (Biofuel)

G&P Gas and Power

GHG Greenhouse gases

GJ Gigajoules

GMS Grievance Management System

GRI Global Reporting Initiative

H₂ Hydrogen

HRA Health Risk Assessment

HSSE Health, Safety, Security and Environment

HVO Hydrogenated Vegetable Oils

IEA International Energy Agency

IVMS In Vehicle Monitoring System

IPIECA International Petroleum Industry Environmental Conservation Association

kboe, kboe/d Thousand barrel oil equivalent, thousand boe per day

KPI Key Performance Indicator

kt Kilotonne, 1,000 tonnes

LTIR Lost-Time Injury Rate

m³ Cubic meter

MAE Major Accident Event

mn Million

MW, MWh Megawatt, megawatt hours

N₂O Nitrous oxide

Nabucco Gas pipeline project; aims at connecting the Caspian region with Austria

NM-VOC Non-methane volatile organic compounds

NO_x Nitrogen oxides

NPO Non-profit organization

OGP International Association of Oil & Gas Producers

PJ Petajoule: 1 PJ equals 10¹⁵ joules

PSM Process Safety Management

R&M Refining and Marketing

RAB The external OMV Resourcefulness Advisory Board

REACH Registration, Evaluation, Authorisation, and Restriction of Chemicals

RET Resourcefulness Executive Team

ROACE Return on Average Capital Employed

SO₂ Sulfur dioxide

SRI Socially Responsible Investment

SVP Senior Vice President

t Metric tonne

TW, TWh Terawatt, terawatt hours

UNGC United Nations Global Compact



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